



CITY COUNCIL Agenda

Council Chamber
1200 Carlsbad Village Drive
Carlsbad, CA 92008

Oct. 6, 2020, 3 p.m.

Welcome to Your City Council Meeting

We welcome your interest and involvement in the city's legislative process. This agenda includes information about topics coming before the City Council and the action recommended by city staff. You can read about each topic in the staff reports, which are available on the city website and in the Office of the City Clerk. The City Clerk is also available to answer any questions you have about City Council meeting procedures.

How to watch



City cable channel

Charter Spectrum channel 24
AT&T U-verse channel 99.



City website

carlsbadca.gov/news/cityty.asp

Virtual meeting format

- Per California Executive Order N-29-20, and in the interest of public health and safety, we are temporarily taking actions to prevent and mitigate the effects of the COVID-19 pandemic by holding City Council and other public meetings online only.
- All public meetings will comply with public noticing requirements in the Brown Act and will be made accessible electronically to all members of the public seeking to observe and address the City Council.

How to participate

- **By phone:** Sign up at <https://www.carlsbadca.gov/cityhall/clerk/meetings/default.asp> by 2 p.m. the day of the meeting to provide comments live by phone. You will receive a confirmation email with instructions about how to call in.
- **In writing:** Email comments to clerk@carlsbadca.gov. Comments received by 2 p.m. the day of the meeting will be shared with the City Council prior to the meeting. When e-mailing comments, please identify in the subject line the agenda item to which your comments relate. All comments received will be included as part of the official record. **Written comments will not be read out loud.**
- These procedures shall remain in place during the period in which state or local health officials have imposed or recommended social distancing measures.

Reasonable accommodations

Persons with a disability may request an agenda packet in appropriate alternative formats as required by the Americans with Disabilities Act of 1990. Reasonable accommodations and auxiliary aids will be provided to effectively allow participation in the meeting. Please contact the City Manager's Office at 760-434-2821 (voice), 711 (free relay service for TTY users), 760-720-9461 (fax) or manager@carlsbadca.gov by noon on the Monday before the meeting to make arrangements.

IN THE EVENT A QUORUM OF THE CITY COUNCIL LOSES ELECTRICAL POWER OR SUFFERS AN INTERNET CONNECTION OUTAGE THAT IS NOT CORRECTED WITHIN 15 MINUTES, THE MEETING WILL AUTOMATICALLY BE ADJOURNED. ANY ITEMS NOTICED AS PUBLIC HEARINGS WILL BE CONTINUED TO THE NEXT REGULARLY SCHEDULED MEETING OF THE CITY COUNCIL. ANY OTHER AGENDA ITEMS THE COUNCIL HAS NOT TAKEN ACTION ON WILL BE PLACED ON A FUTURE AGENDA.

More information about City Council meeting procedures can be found at the end of this agenda and in the Carlsbad Municipal Code chapter 1.20. PLEASE NOTE: AS A RESULT OF THE WAIVERS IN EXECUTIVE ORDER N-29-20, THE BROWN ACT PERMITS FULL PARTICIPATION BY OFFICIALS IN MEETINGS THROUGH VIDEO OR AUDIO TELECONFERENCE.

The City Council also sits as the Carlsbad Municipal Water District Board, Public Financing Authority Board, Community Development Commission and Successor Agency to the Redevelopment Agency. When considering items presented to the Carlsbad Municipal Water District Board, each member receives an additional \$100 per meeting (max \$300/month). When considering items presented to the Community Development Commission each member receives an additional \$75 per meeting (max \$150/month).

CALL TO ORDER:

ROLL CALL:

ANNOUNCEMENT OF CONCURRENT MEETINGS: None.

INVOCATION:

PLEDGE OF ALLEGIANCE:

APPROVAL OF MINUTES:

Minutes of the Regular Meeting held Sept. 1, 2020
Minutes of the Regular Meeting held Sept. 15, 2020
Minutes of the Special Meeting held Sept. 22, 2020

PRESENTATIONS:

National Arts & Humanities Month Proclamation

PUBLIC REPORT OF ANY ACTION TAKEN IN CLOSED SESSION:

PUBLIC COMMENT: *In conformance with the Brown Act and California Executive Order No. N-29-20, a total of 15 minutes is provided so members of the public participate in the meeting by submitting comments as provided on the front page of this agenda. The City Council will receive comments as requested up to a total of 15 minutes. All other comments will trail until the end of the meeting. In conformance with the Brown Act, no Council action can occur on these items.*

CONSENT CALENDAR: *The items listed under Consent Calendar are considered routine and will be enacted by one motion as listed below. There will be no separate discussion on these items prior to the time the Council votes on the motion unless members of the Council, the City Manager, or the public request specific items be discussed and/or removed from the Consent Calendar for separate action.*

WAIVER OF ORDINANCE TEXT READING:

This is a motion to waive the reading of the text of all ordinances and resolutions at this meeting.

1. **REPORT ON CITY INVESTMENTS AS OF AUG. 31, 2020** – Accept and file Report on City Investments as of Aug. 31, 2020. (Staff contact: Craig Lindholm and Laura Rocha, Administrative Services)
2. **CALTRANS MASTER AGREEMENT AND PROGRAM SUPPLEMENT FOR THE LOCAL ROADWAY SAFETY PLAN GRANT AWARD** – 1) Adoption of a resolution authorizing execution of the master agreement for state-funded projects, Agreement No. 00572S, with the California Department of Transportation and authorizing the city manager or designee to execute program supplement agreements; and
2) Adoption of a resolution authorizing execution of Program Supplement Agreement No. V28 with the California Department of Transportation for the Local Roadway Safety Plan Grant. (Staff contact: Nathan Schmidt and Tom Frank, Public Works)
3. **ADVERTISE FOR BIDS FOR PHASE I OF THE EL CAMINO REAL AND CANNON ROAD INTERSECTION IMPROVEMENTS CIP PROJECT NO. 6042 AND 6056** – Adoption of a resolution approving plans and specifications, authorizing the city clerk to advertise for bids, and approving additional funding appropriation from the Traffic Impact Fees in an amount of \$221,000 for Phase I of the El Camino Real and Cannon Road Intersection Improvements, CIP Project No. 6042 and 6056. (Staff contact: Brandon Miles, Public Works)

4. SECOND AMENDMENT TO RETAIL LEASE AGREEMENT WITH HOUSE MARTEL, LLC – Adoption of a resolution approving a Second Amendment to the Retail Lease Agreement with House Martel, LLC to defer rent for up to nine months due to COVID-19 and authorizing the city manager to execute the second amendment for the Chapters Café located within the Carlsbad City Library at 1775 Dove Lane. (Staff contact: Curtis Jackson, Real Estate)
5. MEMORANDUM OF UNDERSTANDING WITH CARLSBAD UNIFIED SCHOOL DISTRICT FOR THE 2020-21 SCHOOL RESOURCE OFFICER PROGRAM – Adoption of a resolution approving a memorandum of understanding between the City of Carlsbad and Carlsbad Unified School District for the School Resource Officer Program for the 2020-21 school year. (Staff contact: Cindie Anderson, Police Department)
6. SIDE LETTER AGREEMENT WITH CARLSBAD FIREFIGHTERS’ ASSOCIATION, INC. – Adoption of a resolution approving a side letter agreement with the Carlsbad Firefighters’ Association, Inc. to modify Articles 11, 12 and 38 and add an association time bank article to the Memorandum of Understanding between the city and the Association and approving related revisions to the Management Compensation and Benefits Plan. (Staff contact: Debbie Porter and Judy von Kalinowski, Human Resources Department)

ORDINANCES FOR INTRODUCTION:

7. ORDINANCE TO ESTABLISH NO PARKING ZONES ON BOTH SIDES OF PASEO DEL NORTE AND CAR COUNTRY DRIVE – Introduction of an ordinance amending Sections 10.40.072 and 10.40.073 of the Carlsbad Municipal Code to establish no parking zones on both sides of Paseo Del Norte and Car Country Drive from Cannon Road to the intersection of Paseo Del Norte and Car Country Drive between the hours of midnight and 6 a.m. (Staff contact: Christie Calderwood, Police Department)

City Manager’s Recommendation: Introduce the ordinance.

ORDINANCES FOR ADOPTION:

8. ORDINANCE NO. CS-385 – REPEAL AND REPLACEMENT OF CARLSBAD MUNICIPAL CODE CHAPTER 6.16 - NUISANCES – Adoption of Ordinance No. CS-385 repealing and replacing Title 6, Chapter 6.16 of the Carlsbad Municipal Code concerning public nuisances and property maintenance. (Staff contact: Faviola Medina, City Clerk Services)

City Manager’s Recommendation: Adopt Ordinance No. CS-385.

PUBLIC HEARINGS:

This item is being continued to Nov. 17, 2020, at the request of the project applicant with the concurrence of the Appellant.

9. ROMERIA POINTE APARTMENTS APPEAL OF A PLANNING COMMISSION DECISION TO APPROVE A SITE DEVELOPMENT PLAN AND STATE DENSITY BONUS ALLOWING THE CONSTRUCTION OF A FOUR-STORY RESIDENTIAL APARTMENT PROJECT

This item is being continued to the regular meeting of Oct. 13, 2020.

10. CARLSBAD STATION TENTATIVE TRACT MAP AND SITE DEVELOPMENT PLAN TO CONSTRUCT A FOUR-STORY MIXED-USE PROJECT

DEPARTMENTAL AND CITY MANAGER REPORTS:

11. **COVID-19 ACTIONS AND EXPENDITURES REPORT** – Receive a report on recent actions and expenditures related to the city’s response to the COVID-19 pandemic and provide direction as appropriate. (Staff contact: Geoff Patnoe, City Manager Department)

City Manager’s Recommendation: Receive the report and provide direction as appropriate.

COUNCIL COMMENTARY AND REQUESTS FOR CONSIDERATION OF MATTERS:

City Council Regional Assignments (Revised 4/7/20)

**Matt Hall
Mayor** North County Mayors and Managers
City/School Committee
Chamber of Commerce Liaison (primary)
Clean Energy Alliance JPA (alternate)
San Diego County Water Authority
San Diego Regional Economic Development Corporation Board of Directors
City Council Legislative Subcommittee
Economic Revitalization Subcommittee
Ad-Hoc City Council North County Homeless Action Plan Subcommittee

**Keith Blackburn
Mayor Pro Tem** Buena Vista Lagoon JPC
Encina Wastewater Authority/JAC Board of Directors
North County Dispatch Joint Powers Authority
Chamber of Commerce Liaison (alternate)
SANDAG (1st alternate)
North County Transit District (alternate)
Carlsbad Municipal Code and City Council Policy Update Subcommittee

**Priya Bhat-Patel
Council Member – District 3** SANDAG (2nd alternate)
North County Transit District (primary)
City/School Committee
League of California Cities – SD Division
Encina Wastewater Authority/JAC Board of Directors (alternate)
City Council Legislative Subcommittee
Economic Revitalization Subcommittee
Ad-Hoc City Council North County Homeless Action Plan Subcommittee

**Cori Schumacher
Council Member – District 1** SANDAG (primary)
Buena Vista Lagoon JPC
Clean Energy Alliance JPA (primary)
Encina Wastewater Authority/JAC Board of Directors
North County Dispatch Joint Powers Authority (alternate)
Carlsbad Municipal Code and City Council Policy Update Subcommittee

**Vacant – At-Large
Council Member**

PUBLIC COMMENT: Continuation of the Public Comments

This portion of the agenda is set aside for continuation of public comments, if necessary, due to exceeding the total time allotted in the first public comments section. In conformance with the Brown Act, no Council action can occur on these items.

ANNOUNCEMENTS:

This section of the Agenda is designated for announcements to advise the community regarding events that Members of the City Council have been invited to, and may participate in.

CITY MANAGER COMMENTS:

CITY ATTORNEY COMMENTS:

ADJOURNMENT:

City Council Meeting Procedures *(continued from page 1)*

Written Materials

Written materials related to the agenda that are submitted to the City Council after the agenda packet has been published will be available for review prior to the meeting during normal business hours at the City Clerk's office, 1200 Carlsbad Village Drive and on the city website. To review these materials during the meeting, please see the City Clerk

Visual Materials

Visual materials, such as pictures, charts, maps or slides, are allowed for comments on agenda items, not general public comment. Please contact the City Manager's Office at 760-434-2820 or manager@carlsbadca.gov to make arrangements in advance. All materials must be received by the City Manager's Office no later than noon the day before the meeting. The time spent presenting visual materials is included in the maximum time limit provided to speakers. All materials exhibited to the City Council during the meeting are part of the public record. **Please note that video presentations are not allowed.**

Decorum

All participants are expected to conduct themselves with mutual respect. Loud, boisterous and unruly behavior can interfere with the ability of the City Council to conduct the people's business. That's why it is illegal to disrupt a City Council meeting. Following a warning from the presiding officer, those engaging in disruptive behavior are subject to law enforcement action.

City Council Agenda

The City Council follows a regular order of business that is specified in the Carlsbad Municipal Code. The City Council may only make decisions about topics listed on the agenda.

Presentations

The City Council often recognizes individuals and groups for achievements and contributions to the community. Well-wishers often fill the chamber during presentations to show their support and perhaps get a photo. If you don't see an open seat when you arrive, there will likely be one once the presentations are over.

Consent Items

Consent items are considered routine and may be enacted together by one motion and vote. Any City Council member may remove or "pull" an item from the "consent calendar" for a separate vote. Members of the public may pull an item from the consent calendar by requesting to speak about that item. A speaker request form must be submitted to the clerk prior to the start of the consent portion of the agenda.

Public Comment

Members of the public may speak on any city related item that does not appear on the agenda. State law prohibits the City Council from taking action on items not listed on the agenda. Comments requiring follow up will be referred to staff and, if appropriate, considered at a future City Council meeting. Members of the public are also welcome to provide comments on agenda items during the portions of the meeting when those items are being discussed. In both cases, a request to speak form must be submitted to the clerk in advance of that portion of the meeting beginning.

Public Hearing

Certain actions by the City Council require a "public hearing," which is a time within the regular meeting that has been set aside and noticed according to different rules.

Departmental Reports

This part of the agenda is for items that are not considered routine and do not require a public hearing. These items are usually presented to the City Council by city staff and can be informational in nature or require action. The staff report about each item indicates the purpose of the item and whether or not action is requested.

Other Reports

At the end of each meeting, City Council members and the city manager, city attorney and city clerk are given an opportunity to share information. This usually includes reports about recent meetings, regional issues, and recent or upcoming meetings and events.

City Council Actions

Resolution

A resolution is an official statement of City Council policy that directs administrative or legal action or embodies a public City Council statement. A resolution may be introduced and adopted at the same meeting. Once adopted, it remains City Council policy until changed by subsequent City Council resolution.

Ordinance

Ordinances are city laws contained in the Carlsbad Municipal Code. Enacting a new city law or changing an existing one is a two-step process. First, the ordinance is “introduced” by city staff to the City Council. If the City Council votes in favor of the introduction, the ordinance will be placed on a subsequent City Council meeting agenda for “adoption.” If the City Council votes to adopt the ordinance, it will usually go into effect 30 days later.

Motion

A motion is used to propose City Council direction related to an item on the agenda. Any City Council member may make a motion. A motion must receive a “second” from another City Council member to be eligible for a City Council vote.



CITY COUNCIL
Minutes

Council Chamber
1200 Carlsbad Village Drive
Carlsbad, CA 92008

Sept. 1, 2020 3 p.m.

CALL TO ORDER: 3 p.m.

ROLL CALL: Hall, Blackburn, Bhat-Patel, Schumacher.

ANNOUNCEMENT OF CONCURRENT MEETINGS: None.

PLEDGE OF ALLEGIANCE: Mayor Pro Tem Blackburn led the Pledge of Allegiance.

INVOCATION: None.

APPROVAL OF MINUTES:

Minutes of the Regular Meeting held July 28, 2020

Motion by Mayor Pro-Tem Blackburn, seconded by Council Member Bhat-Patel, to approve the minutes as presented. Motion carried unanimously, 4/0.

PUBLIC REPORT OF ACTION TAKEN IN CLOSED SESSION: No reportable action.

PRESENTATIONS:

2019 Citizens of the Year Recognition.

Mayor Hall introduced the video recognizing Tina Schmidt and Dan Whisnant.

PUBLIC COMMENT:

The following individuals emailed their comments for the record and are on file with the Office of the City Clerk: *Mark O'Donnell and Teri Jacobs.*

The following individual called into the City Council meeting and voiced their comment for the record:

Leonardo DiMedio spoke regarding his concern with COVID-19 related residential eviction protections.

CONSENT CALENDAR:

Motion by Mayor Pro Tem Blackburn, seconded by Council Member Bhat-Patel, to approve Consent Calendar Item Nos. 1 and 2. Motion carried unanimously, 4/0.

1. REPORT ON CITY INVESTMENTS AS OF JULY 31, 2020 – Accept and file report on city investments as of July 31, 2020. (Staff contact: Craig Lindholm and Laura Rocha, Administrative Services)

2. RESCIND CITY COUNCIL POLICIES 6, 7, 32 AND 34 – Adoption of Resolution No. 2020-179 resolution rescinding City Council Policies 6, 7, 32 and 34. (Staff contact: Sheila Cobian, City Manager’s Department).

ORDINANCES FOR INTRODUCTION: None.

ORDINANCE FOR ADOPTION:

3. ORDINANCE NO. CS-380 WAIVER OF ADJUSTMENTS TO CITY COUNCIL COMPENSATION FOR 2019 AND 2020 – Adoption of Ordinance No. CS-380 permanently waiving City Council compensation adjustments for 2019 and 2020. (Staff contact: Faviola Medina, City Clerk’s Office)

City Manager’s Recommendation: Adopt the ordinance.

City Attorney Celia Brewer titled the ordinance.

Motion by Mayor Pro Tem Blackburn, seconded by Council Member Bhat-Patel, to adopt Ordinance No. CS-380. Motion carried unanimously, 4/0.

PUBLIC HEARINGS:

4. CTBID ASSESSMENT MODIFICATION PUBLIC HEARING AND ADOPTION OF ORDINANCE NO. CS-381 – 1) Adoption of Resolution No. 2020-180 confirming the modified annual report of the Carlsbad Tourism Business Improvement District (CTBID) and levying the modified assessments for fiscal year 2020-21 beginning Nov. 1, 2020; and 2) Adoption of Ordinance No. CS-381 amending Carlsbad Municipal Code Section 3.37.050 to modify the assessment for the Carlsbad Tourism Business Improvement District. (Staff Contact: Cheryl Gerhardt, Administrative Services Department)

City Manager’s Recommendation: Take public input, close the public hearing, adopt the resolution and ordinance.

Finance Manager Cheryl Gerhardt presented the report and reviewed a PowerPoint presentation (on file in the Office of the City Clerk).

Mayor Hall opened the duly noticed Public Hearing at 3:24 p.m.

City Clerk Barbara Engleson reported that five protest letters were received, totaling approximately \$56,000 of the proposed modified district assessment rate and less than the 50% required to prevent modification.

Hearing no one wishing to speak, Mayor Hall closed the duly noticed Public Hearing at 3:25 p.m.

City Attorney Celia Brewer titled the ordinance.

Motion by Mayor Pro Tem Blackburn, seconded by Council Member Bhat-Patel, to adopt Resolution No. 2020-180 and Ordinance No. CS-381. Motion carried unanimously, 4/0.

5. UPDATE TO THE CITY'S DENSITY BONUS REGULATIONS TO REFLECT CHANGES IN STATE LAW
Introduction of Ordinance No. CS-382 adopting a Zone Code amendment and a Local Coastal Program amendment to update the city's density bonus regulations to reflect changes in state law (Case Name: Density Bonus Amendments 2020; Case No.: ZCA 2020-0001/LCPA 2020-0005). (Staff contact: Corey Funk, Community Development)

City Manager's Recommendation: Take public input, close the public hearing and introduce the ordinance.

Community Development Director Jeff Murphy presented the report and reviewed a PowerPoint presentation (on file in the Office of the City Clerk).

Mayor Hall opened the duly noticed Public Hearing at 3:32 p.m.

Hearing no one wishing to speak, Mayor Hall closed the duly noticed Public Hearing at 3:32 p.m.

City Attorney Celia Brewer titled the ordinance.

Motion by Mayor Pro Tem Blackburn, seconded by Council Member Bhat-Patel, to introduce Ordinance No. CS-382. Motion carried unanimously, 4/0.

6. UPDATE TO THE CITY'S DEVELOPMENT REGULATIONS TO ENSURE CONSISTENCY WITH STATE LAW ON ACCESSORY DWELLING UNITS AND JUNIOR ACCESSORY DWELLING UNITS
Introduction of Ordinance No. CS-383 adopting amendments to the Carlsbad Municipal Code Chapter 5.60 (Short-Term Vacation Rentals) to ensure consistency with state law related to accessory dwelling units and junior accessory dwelling units (Case Name: Accessory Dwelling Unit Amendments 2020; Case No.: MCA 2020-0001);
2) Introduction of Ordinance No. CS-384 adopting amendments to Title 21 of the Carlsbad Municipal Code (Zone Code), Village and Barrio Master Plan and Local Coastal Program to ensure consistency with state law related to accessory dwelling units and junior accessory dwelling units (Case Name: Accessory Dwelling Unit Amendments 2020; Case No.: ZCA 2020-0002/AMEND 2020-0005/LCPA 2020-0006). (Staff contact: Corey Funk, Community Development)

City Manager's Recommendation: Take public input, close the public hearing and introduce the ordinances.

City Planner Don Neu presented the report and reviewed a PowerPoint presentation (on file in the Office of the City Clerk).

Mayor Hall opened the duly noticed Public Hearing at 3:46 p.m.

Hearing no one wishing to speak, Mayor Hall closed the duly noticed Public Hearing at 3:46 p.m.

City Attorney Celia Brewer titled the ordinance.

Motion by Mayor Pro Tem Blackburn, seconded by Council Member Bhat-Patel, to introduce Ordinance No. CS-383. Motion carried unanimously, 4/0.

City Attorney Celia Brewer titled the ordinance.

Motion by Mayor Pro Tem Blackburn, seconded by Council Member Bhat-Patel, to introduce Ordinance No. CS-384. Motion carried unanimously, 4/0.

PUBLIC COMMENT CONTINUED:

The following individual called into the City Council meeting and voiced their comment for the record:

Vicky Syage expressed her concern with a video regarding San Diego Republican leader Tony Krvaric and requested Mayor Hall and Mayor Pro Tem Blackburn publicly denounce Mr. Krvaric's actions and request that he resign immediately.

DEPARTMENTAL AND CITY MANAGER REPORTS:

7. **COVID-19 ACTIONS AND EXPENDITURES REPORT** – Receive a report on recent actions and expenditures related to the city's response to the COVID-19 pandemic and provide direction as appropriate. (Staff contact: Geoff Patnoe, City Manager Department)

City Manager's Recommendation: Receive the report and provide direction as appropriate.

Assistant Director of Emergency Services David Harrison, Deputy City Manager of Community Services Gary Barberio, Police Chief Neil Gallucci, Senior Program Manager Holly Nelson, Fire Chief Michael Calderwood, Chief Innovation Officer David Graham, Deputy City Manager of Administrative Services Laura Rocha, and City Manager Scott Chadwick presented the report.

In response to an inquiry from Council Member Schumacher, Police Chief Gallucci explained that there have been active efforts to decrease the rise in burglaries in District No. 1.

The following individuals called into the City Council meeting and voiced their comments for the record:

Leonardo DiMedio expressed his concern and requested the City Council approve a no-fault residential eviction moratorium.

Josiah Haas expressed his concern and requested the City of Carlsbad reopen their basketball courts.

In response to an inquiry from Council Member Schumacher, City Attorney Celia Brewer explained that the discussion of the commercial eviction moratorium is scheduled for the September 15, 2020 City Council meeting.

Council received the report.

RECESS:

Mayor Hall declared a recess at 4:30 p.m.

Mayor Hall reconvened the meeting at 4:38 p.m.

8. TEMPORARILY SUSPEND COLLECTION OF FEES TO MITIGATE ECONOMIC EFFECTS OF COVID-19 PANDEMIC – Adoption of Resolution No. 2020-181 empowering the director of emergency services to temporarily suspend the collection of fees for sidewalk café, outdoor display, and curb café permits. (Staff contact: David Graham, Administrative Services)

City Manager's Recommendation: Receive the report and adopt the resolution.

Chief Innovation Officer David Graham presented the report and reviewed a PowerPoint presentation (on file in the Office of the City Clerk).

The following individual called into the City Council meeting and voiced their comment for the record:

Christine Davis, representing the Carlsbad Village Association, spoke in support of the resolution.

Motion by Mayor Pro Tem Blackburn, seconded by Council Member Bhat-Patel, to adopt Resolution No. 2020-181. Motion carried unanimously, 4/0.

9. SPONSORSHIP OF THE GIFT CARLSBAD SHOP LOCAL PROGRAM – Adoption of Resolution No. 2020-182 appropriating funding to the Carlsbad Chamber of Commerce to sponsor the Gift Carlsbad Shop Local Program. (Staff contact: David Graham, Administrative Services)

City Manager's Recommendation: Receive the report and adopt the resolution.

Chief Innovation Officer David Graham presented the report and reviewed a PowerPoint presentation (on file in the Office of the City Clerk).

The following individual called into the City Council meeting and voiced their comment for the record:

Christine Davis, representing the Carlsbad Village Association, spoke in support of the resolution.

In response to an inquiry from Council Member Schumacher, Chief Innovation Officer Graham explained how sponsors will benefit from the program and how excess funds received may be distributed to a non-profit organization.

In response to an inquiry from Council Member Schumacher, City Attorney Brewer explained the city would not receive a benefit from the donation because the city is also a tax-exempt organization.

In response to an inquiry from Mayor Pro Tem Blackburn, Chief Innovation Officer Graham explained that customers can theoretically purchase and use a card while in a store as they are able to apply for the card digitally from anywhere, and depending on how quickly the transaction can be executed, can use it right away.

Motion by Mayor Pro Tem Blackburn, seconded by Council Member Bhat-Patel, to adopt Resolution No. 2020-182. Motion carried unanimously, 4/0.

10. DISCUSSION TO INITIATE REVIEW OF CARLSBAD POLICE POLICIES & PROCESSES, INCLUDING USE OF FORCE AND DE-ESCALATION POLICIES – Consider a request from City Council Member Schumacher to review the following:

- 1) The administrative reorganization that placed the Homeless Response Plan under the Police Department;
- 2) Carlsbad Municipal Code Section 2.04.060.B and 2.06.090.B, which allow a City Council Member or the Mayor to serve, without compensation, as a voluntary police officer;
- 3) City of Carlsbad use of force policy; and
- 4) City of Carlsbad de-escalation policy. (Staff contact: Sheila Cobian, City Manager's Department)

City Manager's Recommendation: Receive the report.

Council Member Schumacher presented the report.

The following individuals called into the City Council Meeting and voiced their comments for the record:

Marvin Sippel urged the Carlsbad Police to continue to implement the recommendations from Campaign Zero such as; policy revision, renegotiation and transparency; a civilian review board; timely reviews; and staff training.

Madison Shockley spoke regarding his concerns with police brutality across the nation and requested the Carlsbad Police Department's de-escalation policy be reviewed before an issue rises in Carlsbad.

Diana Aguirre expressed her support of an oversight committee and a review of the Carlsbad Police Department's use of force and de-escalation policies.

Nikki Faddick requested further review of the Carlsbad Police Departments de-escalation policies and further data and transparency regarding police training hours and content reviewed, stops and arrests numbers and the racial makeup of Carlsbad arrests. She also requested a reformed policy for police calls involving the mentally ill and homeless, reviews on the use of school resource officers, and the establishment of a civilian review board.

Cindy Millican requested further review of the Carlsbad Police Departments de-escalation policies and spoke regarding her concern with the privatizations of Lexipol's law enforcement policies.

Nicholas Marsden expressed his concern and requested a review of the Carlsbad Police Departments use of force and de-escalation policies and requested that police officers be offered mental health services.

In response to an inquiry from Mayor Hall, City Attorney Celia Brewer explained that some police policies can be highly technical and if a change was requested to a policy it would require employment of an expert, lawyers to ensure that it is compliant, and would need to be brought to police association bargaining tables to be laterally implemented.

In response to an inquiry from Mayor Pro Tem Blackburn, Police Chief Neil Gallucci explained that having regular discussions between the community and the Police Department regarding policies and procedures can be very healthy. He further added that the City of Oceanside currently has a Police and Fire Commission that meets quarterly to discuss policy matters.

Minute Motion by Council Member Schumacher, seconded by Council Member Bhat-Patel, to initiate a review of the following items:

- 1) The administrative reorganization that placed the Homeless Response Plan under the Police Department;
- 2) Carlsbad Municipal Code Section 2.04.060.B and 2.06.090.B, which allows a City Council Member or the Mayor to serve, without compensation, as a voluntary police officer;
- 3) City of Carlsbad use of force policy; and
- 4) City of Carlsbad de-escalation policy

and that this review be incorporated into the Legislative subcommittee. Motion failed, 2/2 (Blackburn, Hall – No).

Council received the report.

11. **DESIGNATION OF VOTING DELEGATE AND ALTERNATES FOR LEAGUE OF CALIFORNIA CITIES CONFERENCE** – Adoption of Resolution No. 2020-183 designating a voting delegate and alternates for the League of California Cities Annual Conference to be held virtually on Oct. 7-9, 2020. (Staff contact: Faviola Medina, City Clerk’s Office)

City Manager’s Recommendation: Adopt the resolution.

Motion by Mayor Hall, seconded by Mayor Pro Tem Blackburn adopting Resolution No. 2020-183 and, appointing Council Member Bhat-Patel as the Primary voting delegate and Council Member Schumacher as the Alternate voting delegate to the League of California Cities Annual Conference. Motion carried unanimously, 4/0.

COUNCIL REPORTS AND COMMENTS:

Minute Motion by Mayor Hall, seconded by Mayor Pro Tem Blackburn, to bring back a presentation from the water authority at a future meeting. Motion carried, 3/1 (Schumacher – No).

CITY MANAGER COMMENTS: None.

CITY ATTORNEY COMMENTS: None.

CITY CLERK COMMENTS: None.

ANNOUNCEMENTS: None.

ADJOURNMENT:

Mayor Hall adjourned the duly noticed Meeting at 6:25 p.m.

Mia De Marzo
Deputy City Clerk



CITY COUNCIL
Minutes

Council Chamber
1200 Carlsbad Village Drive
Carlsbad, CA 92008

Sept. 15, 2020, 3 p.m.

CALL TO ORDER: 3 p.m.

ROLL CALL: Hall, Blackburn, Bhat-Patel, Schumacher.

ANNOUNCEMENT OF CONCURRENT MEETINGS: None.

PLEDGE OF ALLEGIANCE: Mayor Pro Tem Blackburn led the Pledge of Allegiance.

INVOCATION: None.

APPROVAL OF MINUTES:

Minutes of the Special Meeting held August 25, 2020
Minutes of the Special Meeting held September 1, 2020
Minutes of the Special Meeting held September 3, 2020
Minutes of the Special Meeting held September 10, 2020

Motion by Mayor Pro-Tem Blackburn, seconded by Council Member Bhat-Patel, to approve the minutes as presented. Motion carried unanimously, 4/0.

PRESENTATIONS:

National Preparedness Month Proclamation

Council Member Schumacher presented the proclamation. Assistant Director of Emergency Services David Harrison shared about the importance of preparedness as well as resources and best practices.

PUBLIC COMMENT:

The following individual called into the City Council Meeting and voiced her comment for the record:

Mary Lucid thanked Margaret Hamer for opening the Carlsbad Senior Center Drive Thru Meal Program and gave her recommendations for the Senior Center regarding training and expansion.

CONSENT CALENDAR:

Council Member Bhat-Patel explained she would abstain from Item No. 3 due to a potential conflict of interest.

Motion by Mayor Pro Tem Blackburn, seconded by Council Member Bhat-Patel, to approve Consent Calendar Item Nos. 1, 2, 4 and 5. Motion carried unanimously, 4/0.

Motion by Mayor Pro Tem Blackburn, seconded by Council Member Schumacher, to approve Consent Calendar Item No. 3. Motion carried, 3/0/1 (Bhat-Patel – Abstained).

1. AGREEMENT WITH URBAN CORPS OF SAN DIEGO FOR CITYWIDE PARKS SANITATION SERVICES DURING THE COVID-19 PANDEMIC – Adoption of Resolution No. 2020-184 authorizing a professional services agreement with Urban Corps of San Diego for citywide parks sanitation services due to COVID-19 impacts. (Staff contact: Tim Selke, Parks & Recreation)
2. AWARD OF CONTRACT TO HWK CONSTRUCTION SERVICES FOR THE POINSETTIA LIFT STATION FORCE MAIN HYDRAULIC SURGE PROTECTION – Adoption of Resolution No. 2020-185 accepting bids and awarding a contract to HWK Construction Services for construction of the Poinsettia Lift Station force main hydraulic surge protection, CIP Project No. 5503-14, in an amount not to exceed \$377,304. (Staff contact: Vicki Quiram and David Hull, Public Works)
3. ADVERTISE FOR BIDS FOR THE FY 2020-21 PAVEMENT OVERLAY CIP PROJECT NO. 6001-200L Adoption of Resolution No. 2020-186 approving the plans and specifications and authorizing the City Clerk to advertise for bids for the Fiscal Year 2020-21 Pavement Overlay, CIP Project No. 6001-200L. (Staff contact: Emad Elias, Public Works)
4. 2020 GENERAL ELECTION POLL LOCATIONS – Adoption of Resolution No. 2020-187 authorizing the use of Calavera Community Park Gym, Pine Avenue Community Center and Stagecoach Community Center as training centers and poll locations for the 2020 General Election and waive any associated facility use fees. (Staff contact: Faviola Medina, City Clerk Department)
5. RELEASE OF A REQUEST FOR PROPOSALS TO SELL A PROPERTY LOCATED ON PAJAMA DRIVE IN OCEANSIDE – Adoption of Resolution No. 2020-188 authorizing the release of a Request for Proposals for the sale of property located in the City of Oceanside on Pajama Drive, APN: 149-070-47-00. (Staff contact: Curtis Jackson, Real Estate)

ORDINANCES FOR INTRODUCTION: None.

ORDINANCE FOR ADOPTION:

6. ORDINANCE NO. CS-382 - UPDATE TO THE CITY'S DENSITY BONUS REGULATIONS TO REFLECT CHANGES IN STATE LAW – Adoption of Ordinance No. CS-382 adopting a Zone Code amendment and a Local Coastal Program amendment to update the city's density bonus regulations to reflect changes in state law (Case Name: Density Bonus Amendments 2020; Case No.: ZCA 2020-0001/LCPA 2020-0005). (Staff contact: Faviola Medina, City Clerk Department)

City Manager's Recommendation: Adopt Ordinance No. CS-382.

City Attorney Celia Brewer titled the ordinance.

Motion by Mayor Pro Tem Blackburn, seconded by Council Member Bhat-Patel, to adopt Ordinance No. CS-382. Motion carried unanimously, 4/0.

7. ORDINANCE NOS. CS-383 AND CS-384 - UPDATE TO THE CITY'S DEVELOPMENT REGULATIONS TO ENSURE CONSISTENCY WITH STATE LAW ON ACCESSORY DWELLING UNITS AND JUNIOR ACCESSORY DWELLING UNITS – 1) Adoption of Ordinance No. CS-383 adopting amendments to the Carlsbad Municipal Code Chapter 5.60 (Short-Term Vacation Rentals) to ensure consistency with state law related to accessory dwelling units and junior accessory dwelling units (Case Name: Accessory Dwelling Unit Amendments 2020; Case No.: MCA 2020-0001); 2) Adoption of Ordinance No. CS-384 adopting amendments to Title 21 of the Carlsbad Municipal Code (Zone Code), Village and Barrio Master Plan and Local Coastal Program to ensure consistency with state law related to accessory dwelling units and junior accessory dwelling units (Case Name: Accessory Dwelling Unit Amendments 2020; Case No.: ZCA 2020-0002/AMEND 2020-0005/LCPA 2020-0006). (Staff contact: Faviola Medina, City Clerk Department)

City Manager's Recommendation: Adopt Ordinance Nos. CS-383 and CS-384.

City Attorney Celia Brewer titled Ordinance No. CS-383.

Motion by Mayor Pro Tem Blackburn, seconded by Council Member Bhat-Patel, to adopt Ordinance No. CS-383. Motion carried unanimously, 4/0.

City Attorney Celia Brewer titled the Ordinance No. CS-384.

Motion by Mayor Pro Tem Blackburn, seconded by Council Member Bhat-Patel, to adopt Ordinance No. CS-384. Motion carried unanimously, 4/0.

PUBLIC HEARINGS: None.

DEPARTMENTAL AND CITY MANAGER REPORTS:

8. COMMERCIAL EVICTION MORATORIUM AND RECENT RESIDENTIAL EVICTION RELIEF DEVELOPMENT UPDATE – Receive an update on the city's commercial eviction moratorium and recent residential eviction relief developments. (Staff contact: David Graham, Administrative Services and Cindie McMahon, City Attorney Department)

City Manager's Recommendation: Receive the update.

Chief Innovation Officer David Graham and Assistant City Attorney Cindie McMahon presented the report and reviewed a PowerPoint presentation (on file in the Office of the City Clerk).

Council Member Schumacher stated that she had received multiple inquiries from the public to request an extension of the repayment term for unpaid renter application late fees from three months to six months.

Minute Motion by Council Member Schumacher, seconded by Council Member Bhat-Patel, to request an extension of the repayment term for unpaid renter application late fees from three months to six months. Motion failed, 2/2 (Blackburn, Hall – No).

Council received the report.

9. TEMPORARILY SUSPEND OR MODIFY CERTAIN LAND DEVELOPMENT STANDARDS IN THE WESTFIELD CARLSBAD SPECIFIC PLAN TO MITIGATE THE ECONOMIC EFFECTS OF THE COVID-19 PANDEMIC STATE OF EMERGENCY ON LOCAL BUSINESSES – Adoption of Resolution No. 2020-189 empowering the director of emergency services to temporarily suspend or modify certain land development standards in the Westfield Carlsbad Specific Plan to mitigate the economic effects of the COVID-19 pandemic State of Emergency on local businesses. (Staff contact: Jeff Murphy, Community Development)

City Manager’s Recommendation: Adopt the resolution.

Community Development Director Jeff Murphy presented the report and reviewed a PowerPoint presentation (on file in the Office of the City Clerk).

Motion by Mayor Pro Tem Blackburn, seconded by Council Member Bhat-Patel, to adopt Resolution No. 2020-189. Motion carried unanimously, 4/0.

10. TRAFFIC AND MOBILITY COMMISSION WORK PLAN FOR FY 2020-21 – 1) Adoption of Resolution No. 2020-190 approving the Traffic and Mobility Commission Work Plan for Fiscal Year 2020-21; and
2) Provide direction to the Traffic and Mobility Commission on priorities of items within the work plan and level of detail of Traffic and Mobility Commission meeting minutes. (Staff contact: Nathan Schmidt, Public Works)

City Manager’s Recommendation: Adopt the resolution and provide staff direction.

Transportation Planning and Mobility Manager Nathan Schmidt and Traffic and Mobility Commission Chair Mona Gocan presented the report and reviewed a PowerPoint presentation (on file in the Office of the City Clerk).

In response to an inquiry from Mayor Hall, Deputy City Manager of Public Works Paz Gomez explained that city staff does work with the regional school districts and the Traffic Impact Fee was last updated in 2008 as set for the region by SANDAG.

Motion by Mayor Pro Tem Blackburn, seconded by Council Member Bhat-Patel, to adopt Resolution No. 2020-190. Motion carried unanimously, 4/0.

In response to an inquiry from Mayor Pro Tem Blackburn, Deputy City Manager Paz Gomez explained the intent was to receive direction, but if City Council wishes to direct staff with additional items to consider, they can direct them to do so. She also explained the next semi-annual transportation update is scheduled for January 2021.

In response to an inquiry from Council Member Bhat-Patel, Deputy City Manager Gomez explained the goal prioritization of the Traffic and Mobility Commission as follows:

1. Goal: Review staff recommendations on the multimodal transportation system, and provide input based on data, best practices and public input.
2. Goal: Focus on mobility around school locations including safety.
3. Goal: Enhance transparency.

Minute Motion by Council Member Bhat-Patel, seconded by Mayor Hall, to provide direction to the Traffic and Mobility Commission on priorities of the items in the Traffic and Mobility Commission Work Plan for Fiscal Year 2020-21 in the order as requested by the Traffic and Mobility Commission for Goal #1 (Transportation Impact Analysis Guidelines, Traffic Impact Fees and Sustainable Mobility Plan). Motion carried unanimously, 4/0.

COUNCIL REPORTS AND COMMENTS: None.

CITY MANAGER COMMENTS: None.

CITY ATTORNEY COMMENTS: None.

CITY CLERK COMMENTS: None.

ANNOUNCEMENTS: None.

ADJOURNMENT: Mayor Hall adjourned the duly noticed Meeting at 3:56 p.m.

Mia De Marzo
Deputy City Clerk



Minutes

Sept. 22, 2020, 2 p.m.

Council Chamber
1200 Carlsbad Village Drive
Carlsbad, CA 92008

CALL TO ORDER: 2 p.m.

ROLL CALL: Hall, Blackburn, Bhat-Patel, Schumacher.

PUBLIC COMMENT ON AGENDA ITEM: None.

CLOSED SESSION:

City Attorney Celia Brewer read the City Council into Closed Session.

Council adjourned into Closed Session at 2 p.m. pursuant to the following:

1. **CONFERENCE WITH LABOR NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54957.6**

City Negotiators: Geoff Patnoe, Assistant City Manager, Laura Rocha, Deputy City Manager, Judy Von Kalinowski, Human Resources Director, Debbie Porter, Senior Management Analyst, Silvano Rodriguez, Management Analyst and Timothy Davis, Burke, Williams & Sorenson.

Employee Organization: CCEA

If circumstances necessitate the absence of a specified designated representative, an agent or designee may participate in place of the absent representative so long as the name of the agent or designee is announced at an open session held prior to the closed session.

Council Action: No reportable action.

ADJOURNMENT:

By proper motion, the Special Meeting of Sept. 22, 2020 was adjourned at 2:12 p.m.

Tamara R. McMinn, CPMC, CMC
Senior Deputy City Clerk



CITY COUNCIL
Staff Report

Meeting Date: Oct. 6, 2020

To: Mayor and City Council

From: Scott Chadwick, City Manager

Staff Contact: Craig Lindholm, City Treasurer
 craig.lindholm@carlsbadca.gov, 760-602-2473

Laura Rocha, Deputy City Manager, Administrative Services
 laura.rocha@carlsbadca.gov, 760-602-2415

Subject: Report on City Investments as of Aug. 31, 2020

Recommended Action

Accept and file Report on City Investments as of Aug. 31, 2020.

Executive Summary

The city's Investment Policy requires the city treasurer to report the status of the city's pooled investment portfolio to the City Council each month.

Discussion & Fiscal Analysis

The city's pooled investment portfolio as of the month ending Aug. 31, 2020 is summarized below.

Pooled investment portfolio (cash and securities)

| | Current month | Prior month |
|-----------------------------|---------------|---------------|
| Par value ¹ | \$781,721,709 | \$788,773,526 |
| Investment cost | \$789,231,362 | \$796,390,558 |
| Amortized cost ² | \$787,852,526 | \$795,018,467 |
| Market value ³ | \$802,149,520 | \$810,026,324 |

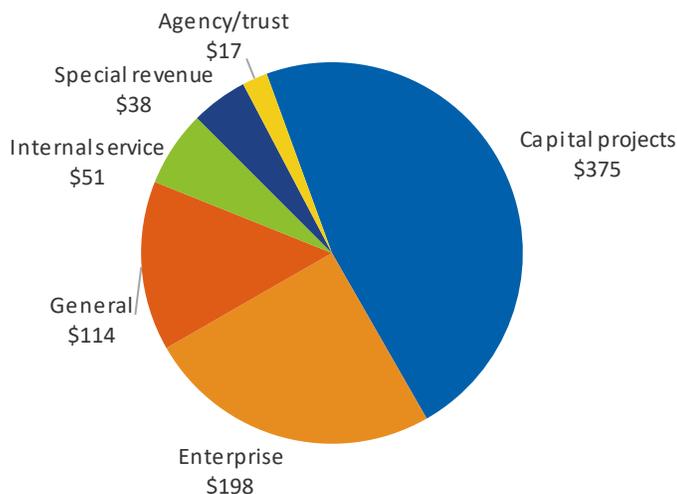
- (1) The face value of the investments.
- (2) The cost of investments adjusted for amortized premiums and discounts.
- (3) The amount at which the investments could be sold. Source of market value is Wells Fargo Bank's custodial report.

The equity portion of the various funds in the total portfolio is summarized in the graph below. Fund balances are restricted for various purposes. (See Exhibit 7 for a more detailed breakdown.)

Fund equity in pooled investments

Aug. 31, 2020

(\$ in millions)



Pooled investment interest income

| | Year to date | Current month | Prior month |
|-------------|--------------|---------------|-------------|
| Cash income | \$2,874,815 | \$1,201,024 | \$1,673,791 |

The cash income received is adjusted for any accrued interest purchased.

Pooled investment performance

| | Average life (years) | Yield to maturity | Modified duration |
|-----------|----------------------|-------------------|-------------------|
| June 2020 | 1.84 | 1.69% | 1.77 |
| July 2020 | 1.92 | 1.61% | 1.84 |
| Aug 2020 | 2.62 | 1.54% | 2.33 |

All pooled investments have been made in accordance with the city's Investment Policy, which was adopted Jan. 2, 1985, and last revised Dec. 17, 2019. All investments were initially made in accordance with the city's Investment Policy, however, events after the purchase might have resulted in non-compliance with the current policy. These events are typically a change in the credit rating after a purchase, a change in the city's Investment Policy or a temporary reduction in total portfolio assets.

Exhibit 6 shows the city's investments by class as a percentage of the total portfolio. The city's Investment Policy states that not more than 30% of the portfolio is to be invested in corporate notes at the time of purchase. All corporate note purchases, when made, resulted in a corporate note percentage of the total portfolio lower than 30% in accordance with the Investment Policy.

Exhibit 8 shows the investments out of compliance with the current policy that experienced a subsequent change in credit rating. Ratings on five investments have dropped to less than the rating required by the Investment Policy. Corporate notes require a “split rating” of AA from one rating company and an A rating from a second. Mortgage backed securities require an AA rating from one rating company. The city’s Investment Policy allows the city treasurer to determine the course of action that would correct exceptions to the policy. These investments are paying interest at the required times and their principal is considered secure. It is the intent of the city treasurer to hold these assets in the portfolio until maturity unless events indicate they should be sold.

Next Steps

The report on city investments will continue to be produced monthly by the city treasurer.

Environmental Evaluation (CEQA)

Pursuant to California Public Resources Code Section 21065, this action does not constitute a “project” within the meaning of the California Environmental Quality Act in that it has no potential to cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, and therefore does not require environmental review.

Public Notification and Outreach

Public notice of this item was posted in accordance with the Ralph M. Brown Act and it was available for public viewing and review at least 72 hours prior to the scheduled meeting date.

Exhibits

1. Investments by cost, market value, cash income, and average yield by class
2. Maturities by classification and length of time at market value
3. Yield comparison & market yield curve
4. Cumulative cash income
5. Maturities, calls, and purchases this quarter
6. Detailed investment report
7. Fund equity in pooled investments
8. Corporate note and mortgage backed security ratings
9. Portfolio allocation at amortized cost by issuer

City of Carlsbad investment portfolio

As of Aug. 31, 2020

Investments by cost, market value, cash income, and average yield by class

| Class | Investment cost | | | Market value | | | Average yield | | |
|------------------|----------------------|----------------------|----------------------|----------------------|--------------------|------------|---------------|--------------|--|
| | Current month | Prior month | | Current month | Prior month | YTD income | Current month | Prior month | |
| FA | \$241,704,502 | \$240,976,954 | \$245,288,200 | \$244,832,920 | \$ | 755,531 | 1.59% | 1.67% | |
| FN | 2,750,760 | 2,750,760 | 2,999,310 | 2,998,680 | - | - | 1.75 | 1.75 | |
| SN | 37,697,169 | 39,669,269 | 38,506,280 | 40,558,475 | 177,383 | 177,383 | 1.83 | 1.82 | |
| TR | 74,031,778 | 77,117,278 | 75,532,696 | 78,654,315 | 252,756 | 252,756 | 1.74 | 1.76 | |
| CN | 231,511,080 | 239,094,895 | 237,578,196 | 245,484,370 | 971,106 | 971,106 | 2.02 | 2.02 | |
| CD | 18,589,378 | 18,581,755 | 19,255,968 | 19,235,504 | 57,253 | 57,253 | 1.89 | 1.98 | |
| MBS (agency) | 9,388,144 | 8,167,229 | 9,430,319 | 8,229,643 | 32,237 | 32,237 | 1.28 | 1.39 | |
| MBS (non-agency) | - | - | - | - | - | - | 0.00 | 0.00 | |
| Bank account | 3,506,954 | 3,125,562 | 3,506,954 | 3,125,562 | - | - | 0.10 | 0.10 | |
| Sweep | 12,894,456 | 5,482,105 | 12,894,456 | 5,482,105 | 445 | 445 | 0.03 | 0.06 | |
| IRT | 1,202,619 | 1,470,544 | 1,202,619 | 1,470,544 | 40 | 40 | 0.01 | 0.01 | |
| CAMP | 1,005,153 | 1,004,837 | 1,005,153 | 1,004,837 | 738 | 738 | 0.28 | 0.30 | |
| LAIF | 154,949,370 | 158,949,370 | 154,949,370 | 158,949,370 | 627,325 | 627,325 | 0.72 | 0.84 | |
| Total | \$789,231,362 | \$796,390,558 | \$802,149,520 | \$810,026,324 | \$2,874,815 | | 1.54% | 1.61% | |

| | |
|-----------------------------|--|
| FA - Federal agency notes | MBS - Passthrough/mortgage backed securities |
| FN - Federal discount notes | Bank account - General cash account |
| SN - Supranational | Sweep - Overnight cash account |
| TR - US Treasury | IRT - Investment cash account |
| CN - Corporate notes | CAMP - California Asset Management Program |
| CD - Certificate of deposit | LAIF - Local Area Investment Fund |

City of Carlsbad investment portfolio

As of Aug. 31, 2020

Maturities by classification and length of time at market value

| Class | Within 6 months | 7 to 12 months | 1 to 5 years | Total | % Total |
|------------------|----------------------|---------------------|----------------------|----------------------|---------------|
| FA | \$23,173,197 | \$16,501,295 | \$205,613,709 | \$245,288,200 | 30.58% |
| FN | 2,999,310 | - | - | 2,999,310 | 0.37 |
| SN | 2,602,742 | - | 35,903,538 | 38,506,280 | 4.80 |
| TR | 14,293,133 | 15,436,600 | 45,802,963 | 75,532,696 | 9.42 |
| CN | 13,544,555 | 25,086,245 | 198,947,396 | 237,578,196 | 29.62 (2) |
| CD | 1,246,173 | 1,763,068 | 16,246,727 | 19,255,968 | 2.40 |
| MBS (agency) | 96,000 | 96,000 | 9,238,319 | 9,430,319 | 1.18 (3) |
| MBS (non-agency) | - | - | - | - | 0.00 (4) |
| Bank account | 3,506,954 | - | - | 3,506,954 | 0.44 |
| Sweep | 12,894,456 | - | - | 12,894,456 | 1.61 |
| IRT | 1,202,619 | - | - | 1,202,619 | 0.15 |
| CAMP | 1,005,153 | - | - | 1,005,153 | 0.13 |
| LAIF | 154,949,370 | - | - | 154,949,370 | 19.32 |
| Totals | \$231,513,661 | \$58,883,208 | \$511,752,651 | \$802,149,520 | 100.0% |
| % Totals | 28.9% | 7.3% | 63.8% | 100.0% | |

Total within One Year \$290,396,869 (1)

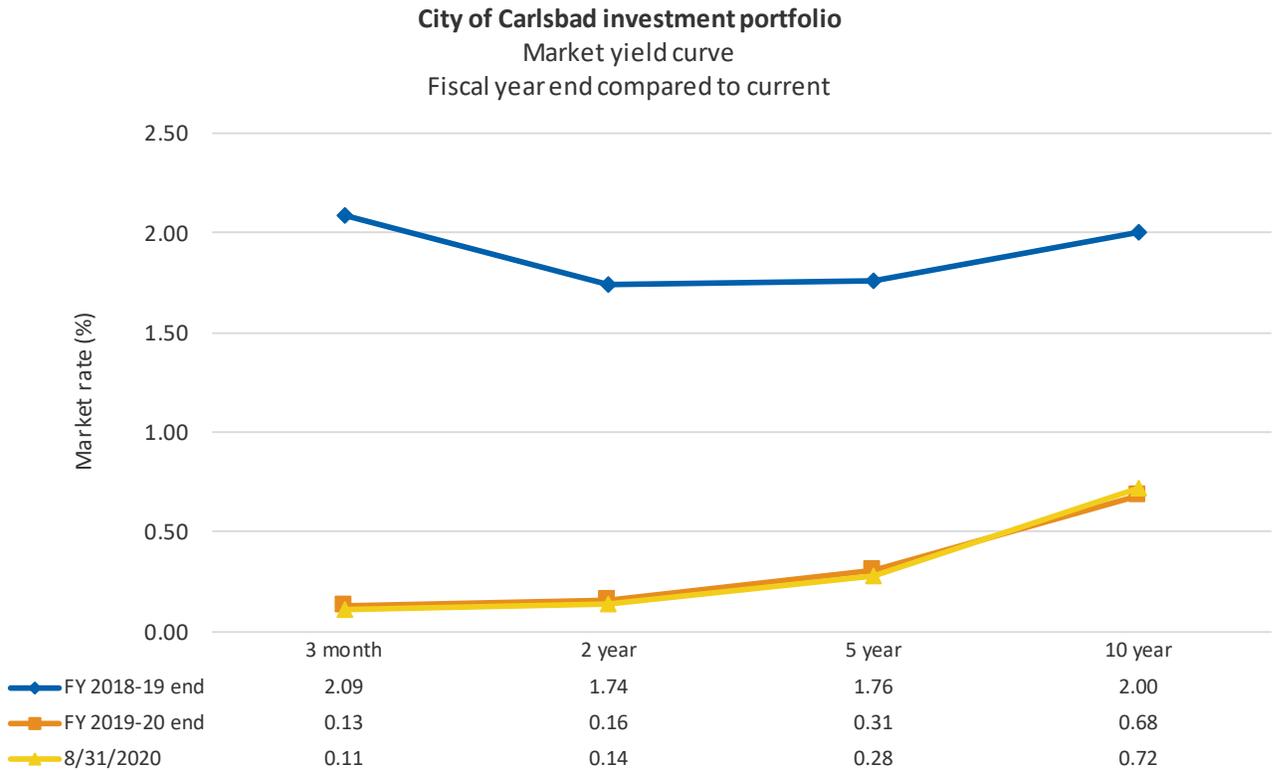
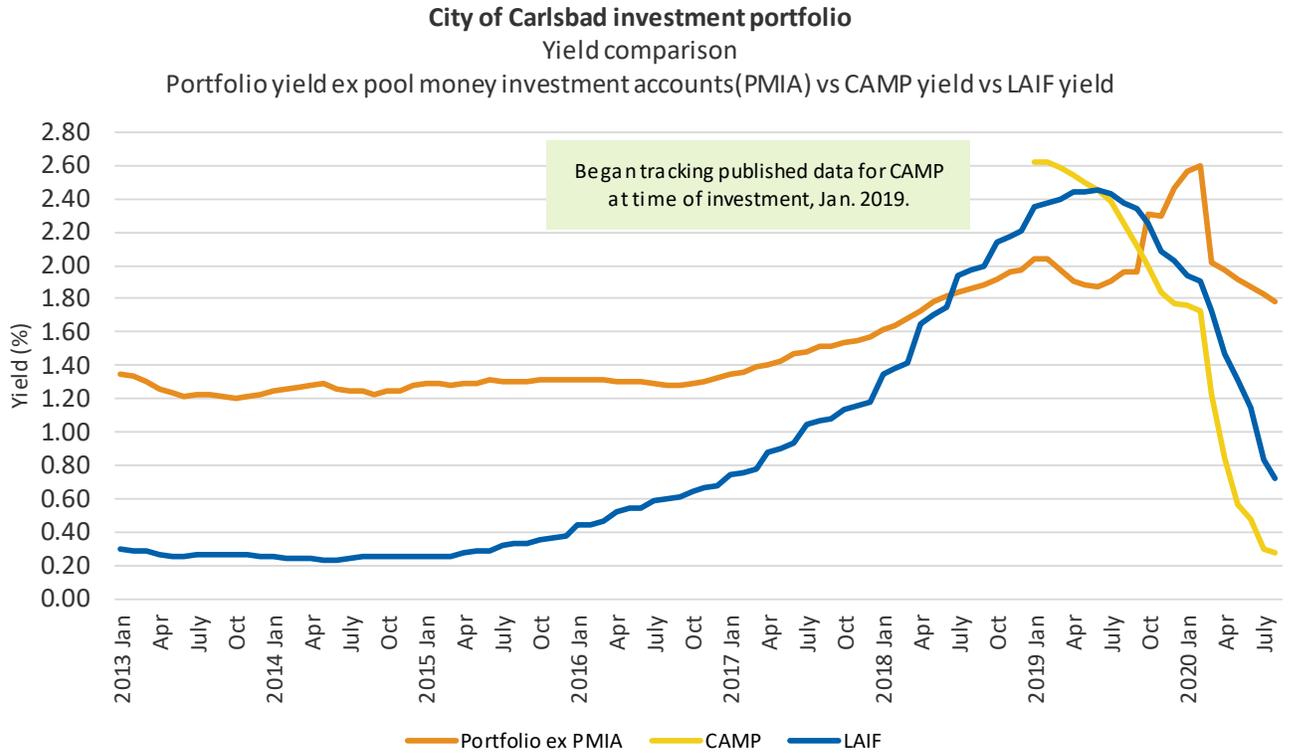
36.2%

Policy: (1) Not less than \$195,096,000 to mature within one year, two-thirds of FY 20-21 operating budget of \$292,643,525.

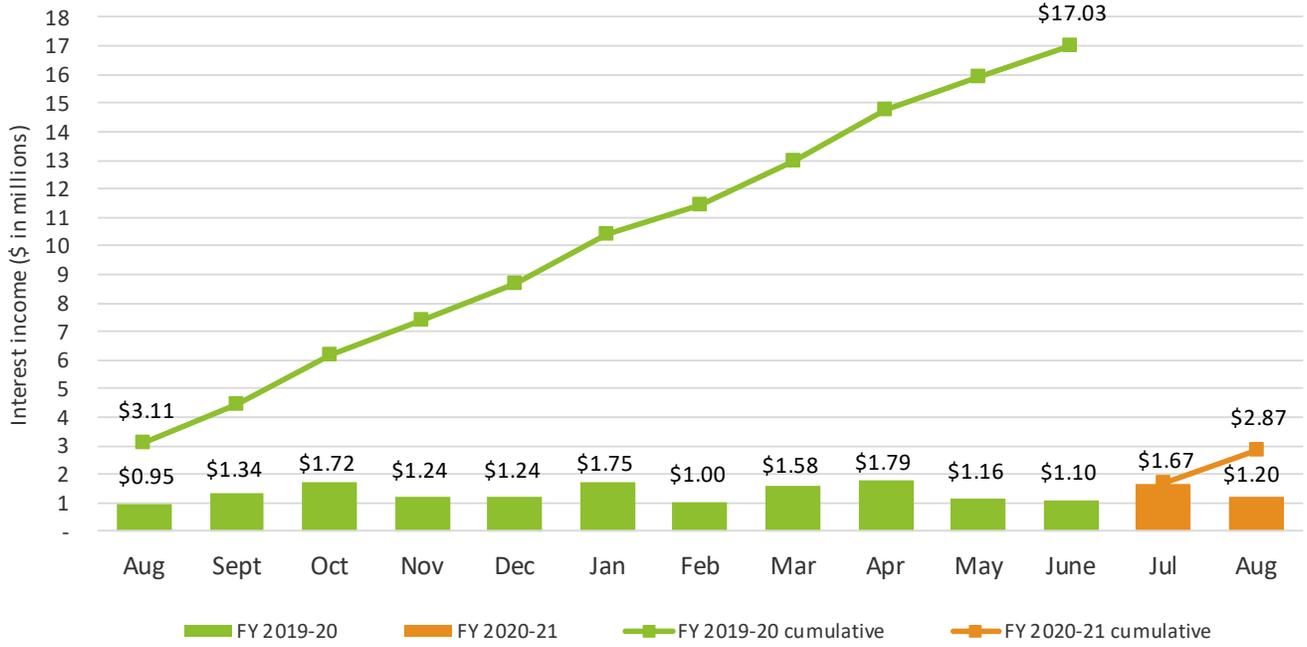
(2) Policy states that not more than 30% of portfolio is to be invested in corporate notes at time of purchase.

(3) Policy states that not more than 20% of portfolio is to be invested in mortgage backed securities at time of purchase.

(4) Total non-agency mortgage backed securities shall be limited to 5% of the city's portfolio.



City of Carlsbad investment portfolio
 Cumulative cash income
 13-month comparison



City of Carlsbad investment portfolio

Maturities, calls, and purchases this quarter

As of Aug. 31, 2020

Maturities

| CUSIP | Issuer | Settled | Maturity | Par value | Book value | Interest | Total |
|-----------|-------------------------|------------|------------|------------|------------|----------|------------|
| 3138L14F3 | FNMA AM1721 | 12/26/2019 | 07/27/2020 | 3,532 | 3,557 | 3,580 | 7,136 |
| 3134GBHQ8 | FHLMC | 04/27/2017 | 07/27/2020 | 1,600,000 | 1,600,000 | 6,800 | 1,606,800 |
| 3130A5Z77 | FHLB | 01/21/2016 | 07/29/2020 | 2,500,000 | 2,500,000 | 22,875 | 2,522,875 |
| 912828XM7 | US Treasury | 06/07/2017 | 07/31/2020 | 2,000,000 | 2,000,000 | 16,250 | 2,016,250 |
| 912828XM7 | US Treasury | 12/02/2016 | 07/31/2020 | 1,500,000 | 1,500,000 | 12,188 | 1,512,188 |
| 45780PAL9 | Institution For Savings | 07/31/2015 | 07/31/2020 | 249,000 | 249,000 | 420 | 249,420 |
| 92937CFV5 | WEX | 08/02/2017 | 08/03/2020 | 247,000 | 247,000 | 13 | 247,013 |
| 88579YAQ4 | MMM | 11/03/2015 | 08/07/2020 | 3,500,000 | 3,500,000 | 35,000 | 3,535,000 |
| 459058FM0 | IBRD | 08/03/2017 | 08/10/2020 | 2,000,000 | 2,000,000 | 11,250 | 2,011,250 |
| 46176PEJ0 | INVEST | 08/25/2015 | 08/25/2020 | 247,000 | 247,000 | 2,463 | 249,463 |
| 31315EAA4 | FRESB | 07/24/2020 | 08/25/2020 | 542 | 544 | 692 | 1,236 |
| 3138L14F3 | FNMA AM1721 | 12/26/2019 | 08/25/2020 | 3,368 | 3,391 | 3,692 | 7,083 |
| 3134G3F96 | FHLMC | 04/19/2016 | 08/28/2020 | 1,000,000 | 1,000,000 | 8,250 | 1,008,250 |
| 912828VV9 | USTR | 09/22/2015 | 08/31/2020 | 3,000,000 | 3,000,000 | 31,875 | 3,031,875 |
| | | | | 17,850,442 | 17,850,492 | 155,346 | 18,005,838 |

Calls

| CUSIP | Issuer | Settled | Maturity | Redeemed | Par value | Book value | Total |
|-----------|--------------------|------------|------------|------------|------------|------------|------------|
| 3134GTYS6 | FHLMC | 07/03/2019 | 07/01/2022 | 07/01/2020 | 2,500,000 | 2,500,000 | 2,500,000 |
| 3134GSAX3 | FHLMC | 01/08/2018 | 07/01/2022 | 07/01/2020 | 1,500,000 | 1,500,000 | 1,500,000 |
| 94988J5Q6 | Wells Fargo | 02/06/2020 | 07/23/2021 | 07/23/2020 | 3,500,000 | 3,505,451 | 3,500,000 |
| 3134GSTD7 | FHLMC | 07/30/2018 | 07/28/2023 | 07/28/2020 | 2,500,000 | 2,500,000 | 2,500,000 |
| 86789VVL8 | Suntrust Bank | 01/29/2018 | 01/30/2023 | 07/30/2020 | 246,000 | 245,752 | 246,000 |
| 3130AJ3K3 | FHLB | 02/10/2020 | 02/10/2025 | 08/10/2020 | 2,500,000 | 2,497,188 | 2,523,000 |
| 3134GVAS7 | FHLMC | 02/12/2020 | 08/12/2024 | 08/12/2020 | 2,000,000 | 2,000,000 | 2,018,000 |
| 44329MA45 | HSBC Bank | 08/13/2019 | 08/13/2024 | 08/13/2020 | 246,000 | 246,000 | 246,000 |
| 3134GVBQ0 | FHLMC | 02/14/2020 | 02/14/2025 | 08/14/2020 | 2,500,000 | 2,500,000 | 2,523,125 |
| 053015AD5 | ADP | 09/24/2015 | 09/15/2020 | 08/15/2020 | 4,000,000 | 4,000,496 | 4,037,500 |
| 3130AJ6P9 | FHLB | 03/06/2020 | 02/21/2025 | 08/21/2020 | 2,000,000 | 2,007,444 | 2,019,500 |
| 3130AEQC7 | FHLB | 08/24/2018 | 08/24/2023 | 08/24/2020 | 1,750,000 | 1,750,000 | 1,777,344 |
| 3133EKF27 | FFCB | 08/28/2019 | 08/26/2022 | 08/26/2020 | 1,500,000 | 1,499,709 | 1,513,875 |
| 20726ABK3 | Congressional Bank | 02/28/2020 | 02/28/2025 | 08/28/2020 | 249,000 | 248,433 | 249,000 |
| 3133EKG42 | FFCB | 09/13/2019 | 08/28/2023 | 08/28/2020 | 1,000,000 | 998,219 | 1,009,600 |
| | | | | | 27,991,000 | 27,998,692 | 28,162,944 |

Purchases

| CUSIP | Issuer | Settled | Maturity | Payment | Rate | Par value | Dollar price | Book value |
|-----------|----------------------------|------------|------------|------------|-------|------------|--------------|------------|
| 3136G4XZ1 | FNMA | 07/01/2020 | 06/30/2025 | 12/30/2020 | 0.74% | 2,500,000 | 100.000 | 2,500,000 |
| 06406HCV9 | Bank of NY Mellon Corp | 07/10/2020 | 05/15/2024 | 11/15/2020 | 0.56% | 3,000,000 | 110.562 | 3,316,860 |
| 3133EC2D5 | FFCB | 07/10/2020 | 11/13/2024 | 11/13/2020 | 0.39% | 1,621,000 | 108.042 | 1,751,361 |
| 46625HJX9 | JP Morgan | 07/13/2020 | 05/13/2024 | 11/13/2020 | 0.70% | 3,000,000 | 111.043 | 3,331,290 |
| 478160CJ1 | Johnson & Johnson | 07/13/2020 | 01/15/2025 | 07/15/2020 | 0.51% | 1,000,000 | 109.064 | 1,090,640 |
| 3133ELU77 | FFCB | 07/15/2020 | 10/15/2024 | 10/15/2020 | 0.61% | 4,000,000 | 100.000 | 4,000,000 |
| 740367MA2 | Preferred Bank | 07/17/2020 | 07/17/2025 | 08/17/2020 | 0.50% | 249,000 | 100.000 | 249,000 |
| 30315EAA4 | FRESB Multifamily Mortgage | 07/24/2020 | 05/25/2025 | 08/25/2020 | 0.83% | 1,000,000 | 100.489 | 1,004,891 |
| 3133ELX66 | FFCB | 07/24/2020 | 07/22/2024 | 01/22/2021 | 0.44% | 2,000,000 | 100.000 | 2,000,000 |
| 89235MJZ5 | Toyota FinS Bank | 07/28/2020 | 07/28/2025 | 01/28/2021 | 0.65% | 249,000 | 100.000 | 249,000 |
| 211163KQ2 | Continental Bank | 07/29/2020 | 07/29/2025 | 08/29/2020 | 0.50% | 249,000 | 100.000 | 249,000 |
| 3133ELZ80 | FFCB | 07/29/2020 | 07/29/2025 | 01/29/2021 | 0.58% | 3,000,000 | 100.000 | 3,000,000 |
| 3133EL3P7 | FFCB | 08/12/2020 | 08/12/2025 | 02/12/2021 | 0.53% | 3,500,000 | 100.000 | 3,500,000 |
| 3135G05R0 | FNMA | 08/13/2020 | 08/10/2023 | 02/10/2021 | 0.34% | 2,000,000 | 99.880 | 1,997,600 |
| 3136G4C43 | FNMA | 08/14/2020 | 08/14/2025 | 02/14/2021 | 0.65% | 2,000,000 | 100.000 | 2,000,000 |
| 549104RV1 | Luana Savings Bank | 08/14/2020 | 08/14/2025 | 02/14/2021 | 0.45% | 249,000 | 100.000 | 249,000 |
| 32022RNT0 | 1st Financial Bank | 08/19/2020 | 08/19/2025 | 09/19/2020 | 0.45% | 249,000 | 100.000 | 249,000 |
| 31944MBB0 | 1st Carolina Bank | 08/20/2020 | 08/20/2025 | 09/20/2020 | 0.45% | 249,000 | 100.000 | 249,000 |
| 664122AF5 | Northeast Community Ban | 08/20/2020 | 08/20/2025 | 09/20/2020 | 0.45% | 249,000 | 100.000 | 249,000 |
| 3136G4K77 | FNMA | 08/21/2020 | 08/21/2025 | 02/21/2021 | 0.45% | 2,000,000 | 100.000 | 2,000,000 |
| 3134GWMN3 | FHLMC | 08/27/2020 | 02/27/2025 | 02/27/2021 | 0.52% | 2,500,000 | 100.000 | 2,500,000 |
| 31398E6W9 | FHLMC FHR 3544 BC | 08/27/2020 | 06/15/2024 | 09/15/2020 | 0.53% | 1,168,960 | 104.781 | 1,224,851 |
| 3136G4X24 | FNMA | 08/31/2020 | 08/29/2025 | 02/28/2021 | 0.60% | 3,000,000 | 100.000 | 3,000,000 |
| | | | | | | 39,032,960 | 101.907 | 39,960,493 |

City of Carlsbad
Investment summary
As of Aug. 31, 2020

| Settlement | Maturity | Issuer | Par | Invested | Yield | Interest expected | Return |
|----------------------------|----------|--------|--------------|--------------|--------|-------------------|--------------|
| Federal investments | | | | | | | |
| 06/08/16 | 09/11/20 | FHLB | 3,000,000.00 | 3,206,160.00 | 1.214% | 161,121.25 | 3,367,281.25 |
| 10/12/16 | 09/11/20 | FHLB | 1,800,000.00 | 1,808,975.18 | 1.244% | 87,893.57 | 1,896,868.75 |
| 04/26/17 | 10/16/20 | FNMA | 1,300,000.00 | 1,332,019.00 | 1.618% | 74,057.39 | 1,406,076.39 |
| 07/22/16 | 11/27/20 | FNMA | 3,250,000.00 | 3,316,612.00 | 1.165% | 166,507.79 | 3,483,119.79 |
| 11/27/17 | 11/27/20 | FHLMC | 1,500,000.00 | 1,500,000.00 | 1.875% | 84,375.00 | 1,584,375.00 |
| 06/15/17 | 11/30/20 | FNMA | 1,100,000.00 | 1,113,618.00 | 1.630% | 62,404.22 | 1,176,022.22 |
| 03/10/17 | 01/15/21 | FAMCA | 1,580,000.00 | 1,576,287.00 | 2.063% | 125,285.22 | 1,701,572.22 |
| 09/09/16 | 01/25/21 | FAMCA | 2,000,000.00 | 2,018,640.00 | 1.550% | 117,071.11 | 2,135,711.11 |
| 10/12/16 | 02/15/21 | TENN | 3,000,000.00 | 3,315,660.00 | 1.370% | 189,058.75 | 3,504,718.75 |
| 08/16/17 | 02/16/21 | FNMA | 2,000,000.00 | 2,000,000.00 | 1.750% | 122,500.00 | 2,122,500.00 |
| 01/10/19 | 02/23/21 | FFCB | 1,500,000.00 | 1,502,895.00 | 2.605% | 82,942.50 | 1,585,837.50 |
| 12/12/18 | 02/24/21 | FHLB | 1,000,000.00 | 977,940.00 | 2.790% | 60,560.00 | 1,038,500.00 |
| 02/14/18 | 03/12/21 | FHLB | 1,500,000.00 | 1,500,768.00 | 2.357% | 108,778.87 | 1,609,546.87 |
| 06/12/18 | 03/12/21 | FHLB | 1,000,000.00 | 976,760.00 | 2.631% | 71,365.00 | 1,048,125.00 |
| 09/29/17 | 03/26/21 | FHLMC | 2,535,000.00 | 2,531,197.50 | 1.794% | 158,701.56 | 2,689,899.06 |
| 01/08/19 | 04/09/21 | FFCB | 1,500,000.00 | 1,504,860.00 | 2.550% | 86,377.50 | 1,591,237.50 |
| 10/26/17 | 04/26/21 | FHLMC | 1,975,000.00 | 1,974,012.50 | 1.865% | 128,868.75 | 2,102,881.25 |
| 10/12/16 | 06/11/21 | FHLB | 1,500,000.00 | 1,559,427.00 | 1.370% | 97,979.25 | 1,657,406.25 |
| 06/15/17 | 06/15/21 | FHLMC | 1,400,000.00 | 1,400,000.00 | 1.800% | 100,800.00 | 1,500,800.00 |
| 04/03/20 | 06/16/21 | FFCB | 2,000,000.00 | 2,004,800.00 | 0.300% | 7,227.78 | 2,012,027.78 |
| 10/26/16 | 07/14/21 | FHLB | 2,500,000.00 | 2,476,850.00 | 1.328% | 155,806.25 | 2,632,656.25 |
| 02/16/17 | 07/26/21 | FHLMC | 1,400,000.00 | 1,392,580.00 | 2.000% | 124,086.67 | 1,516,666.67 |
| 12/19/17 | 08/12/21 | FHLMC | 1,000,000.00 | 967,646.98 | 2.050% | 73,384.27 | 1,041,031.25 |
| 10/28/16 | 10/07/21 | FNMA | 2,500,000.00 | 2,491,075.00 | 1.450% | 178,794.79 | 2,669,869.79 |
| 11/29/16 | 11/29/21 | FFCB | 3,000,000.00 | 3,000,000.00 | 1.760% | 264,000.00 | 3,264,000.00 |
| 04/12/17 | 12/10/21 | FHLB | 2,000,000.00 | 2,003,620.00 | 1.834% | 171,171.67 | 2,174,791.67 |
| 09/10/19 | 12/13/21 | FFCB | 2,000,000.00 | 2,017,240.00 | 1.490% | 67,673.33 | 2,084,913.33 |
| 11/04/19 | 01/03/22 | FAMCA | 2,000,000.00 | 1,998,180.00 | 2.169% | 95,553.01 | 2,093,733.01 |
| 11/12/19 | 01/13/22 | FHLMC | 1,000,000.00 | 1,015,200.00 | 1.658% | 36,324.31 | 1,051,524.31 |
| 03/25/19 | 02/03/22 | FFCB | 2,500,000.00 | 2,483,900.00 | 2.264% | 161,019.44 | 2,644,919.44 |
| 02/23/17 | 02/23/22 | FAMCA | 2,600,000.00 | 2,609,204.00 | 2.025% | 263,796.00 | 2,873,000.00 |
| 03/01/19 | 03/01/22 | FFCB | 2,000,000.00 | 2,000,000.00 | 2.550% | 153,000.00 | 2,153,000.00 |
| 03/29/17 | 03/29/22 | FHLMC | 1,500,000.00 | 1,500,000.00 | 2.265% | 170,625.00 | 1,670,625.00 |
| 05/25/17 | 04/05/22 | FNMA | 1,600,000.00 | 1,600,581.01 | 1.867% | 145,252.32 | 1,745,833.33 |
| 01/09/20 | 04/05/22 | FNMA | 2,500,000.00 | 2,517,775.00 | 1.550% | 87,172.92 | 2,604,947.92 |
| 04/27/17 | 04/27/22 | FHLMC | 3,500,000.00 | 3,545,920.00 | 2.345% | 413,455.00 | 3,959,375.00 |
| 05/19/20 | 04/27/22 | FFCB | 2,000,000.00 | 2,003,480.00 | 0.210% | 8,136.67 | 2,011,616.67 |
| 01/09/20 | 06/10/22 | FHLB | 3,000,000.00 | 3,297,270.00 | 1.560% | 120,084.17 | 3,417,354.17 |
| 06/30/20 | 06/30/22 | FHLMC | 3,000,000.00 | 3,000,000.00 | 0.300% | 18,000.00 | 3,018,000.00 |
| 01/15/20 | 07/15/22 | FHLMC | 1,500,000.00 | 1,500,510.00 | 1.586% | 59,490.00 | 1,560,000.00 |
| 12/01/17 | 09/09/22 | FHLB | 1,750,000.00 | 1,739,692.50 | 2.130% | 177,335.28 | 1,917,027.78 |
| 07/05/19 | 09/09/22 | FHLB | 1,800,000.00 | 1,874,106.00 | 1.786% | 104,644.00 | 1,978,750.00 |
| 01/15/20 | 09/09/22 | FHLB | 2,000,000.00 | 2,021,180.00 | 1.590% | 84,820.00 | 2,106,000.00 |
| 09/28/17 | 09/28/22 | FNMA | 2,500,000.00 | 2,500,000.00 | 2.000% | 249,861.11 | 2,749,861.11 |
| 03/09/18 | 10/05/22 | FNMA | 1,000,000.00 | 971,120.00 | 2.000% | 120,324.44 | 1,091,444.44 |
| 05/20/20 | 10/05/22 | FNMA | 1,923,000.00 | 2,005,439.01 | 0.190% | 8,903.49 | 2,014,342.50 |
| 10/05/18 | 10/05/22 | FNMA | 1,000,000.00 | 962,570.00 | 3.000% | 117,430.00 | 1,080,000.00 |
| 09/10/19 | 12/09/22 | FHLB | 1,500,000.00 | 1,670,736.00 | 1.630% | 84,545.25 | 1,755,281.25 |
| 04/24/18 | 12/09/22 | FHLB | 2,250,000.00 | 2,215,102.50 | 2.500% | 295,053.75 | 2,510,156.25 |
| 01/06/20 | 01/06/23 | FAMCA | 2,000,000.00 | 2,000,000.00 | 1.750% | 105,000.00 | 2,105,000.00 |
| 03/22/19 | 03/10/23 | FHLB | 2,000,000.00 | 2,028,220.00 | 2.375% | 189,946.67 | 2,218,166.67 |
| 03/16/20 | 03/16/23 | FFCB | 2,500,000.00 | 2,500,000.00 | 1.050% | 78,750.00 | 2,578,750.00 |
| 04/27/20 | 04/27/23 | FNMA | 2,000,000.00 | 2,000,000.00 | 0.550% | 33,000.00 | 2,033,000.00 |
| 08/13/20 | 08/10/23 | FNMA | 2,000,000.00 | 1,997,600.00 | 0.300% | 20,350.00 | 2,017,950.00 |
| 05/11/20 | 08/11/23 | FFCB | 2,250,000.00 | 2,250,000.00 | 0.500% | 36,562.50 | 2,286,562.50 |
| 09/13/19 | 08/14/23 | FFCB | 1,800,000.00 | 1,796,580.00 | 1.650% | 116,300.00 | 1,912,880.00 |
| 09/18/18 | 09/05/23 | FFCB | 1,000,000.00 | 991,290.00 | 2.990% | 147,698.89 | 1,138,988.89 |
| 10/10/18 | 09/05/23 | FFCB | 2,300,000.00 | 2,266,190.00 | 3.125% | 349,548.89 | 2,615,738.89 |
| 09/03/19 | 09/08/23 | FHLB | 2,000,000.00 | 2,069,108.00 | 1.485% | 121,551.72 | 2,190,659.72 |
| 02/27/19 | 09/12/23 | FNMA | 1,000,000.00 | 1,016,210.00 | 2.495% | 114,362.92 | 1,130,572.92 |
| 04/16/19 | 09/12/23 | FNMA | 1,750,000.00 | 1,783,757.50 | 2.410% | 187,617.50 | 1,971,375.00 |
| 09/18/18 | 09/18/23 | FHLB | 1,000,000.00 | 999,250.00 | 3.076% | 153,750.00 | 1,153,000.00 |
| 09/28/18 | 09/28/23 | FHLB | 1,250,000.00 | 1,250,000.00 | 3.200% | 200,000.00 | 1,450,000.00 |
| 10/17/18 | 10/02/23 | FFCB | 2,500,000.00 | 2,493,150.00 | 3.050% | 384,922.92 | 2,878,072.92 |
| 02/07/19 | 10/23/23 | FFCB | 1,000,000.00 | 1,017,530.00 | 2.602% | 123,803.33 | 1,141,333.33 |
| 05/09/19 | 11/08/23 | FFCB | 2,000,000.00 | 2,001,700.00 | 2.280% | 205,172.22 | 2,206,872.22 |

| Settlement | Maturity | Issuer | Par | Invested | Yield | Interest expected | Return |
|-----------------------|----------|----------------------------|-----------------------|-----------------------|---------------|----------------------|-----------------------|
| 11/27/18 | 11/27/23 | FHLB | 1,800,000.00 | 1,800,000.00 | 3.350% | 301,500.00 | 2,101,500.00 |
| 12/13/19 | 11/27/23 | FHLMC | 1,965,000.00 | 1,964,017.50 | 1.788% | 138,947.33 | 2,102,964.83 |
| 06/28/19 | 12/05/23 | FFCB | 1,500,000.00 | 1,569,280.50 | 1.870% | 127,682.83 | 1,696,963.33 |
| 05/13/20 | 12/08/23 | FHLB | 1,000,000.00 | 1,107,630.00 | 0.339% | 12,838.75 | 1,120,468.75 |
| 12/18/19 | 12/18/23 | FHLMC | 1,500,000.00 | 1,500,000.00 | 1.850% | 111,000.00 | 1,611,000.00 |
| 05/09/19 | 12/20/23 | FFCB | 1,000,000.00 | 1,052,900.00 | 3.500% | 108,586.11 | 1,161,486.11 |
| 12/28/18 | 12/28/23 | FHLB | 2,000,000.00 | 2,000,000.00 | 3.100% | 310,000.00 | 2,310,000.00 |
| 01/29/19 | 01/29/24 | FHLB | 1,500,000.00 | 1,501,125.00 | 2.859% | 214,500.00 | 1,715,625.00 |
| 05/13/20 | 01/30/24 | FHLMC | 2,000,000.00 | 2,000,000.00 | 0.550% | 40,852.78 | 2,040,852.78 |
| 02/26/19 | 02/26/24 | FHLB | 2,500,000.00 | 2,500,000.00 | 2.800% | 350,000.00 | 2,850,000.00 |
| 03/06/19 | 02/27/24 | FFCB | 1,500,000.00 | 1,498,950.00 | 2.610% | 195,821.25 | 1,694,771.25 |
| 02/28/20 | 02/28/24 | FFCB | 2,500,000.00 | 2,500,000.00 | 1.550% | 155,000.00 | 2,655,000.00 |
| 03/08/19 | 03/08/24 | FHLB | 3,000,000.00 | 3,100,851.00 | 2.530% | 386,649.00 | 3,487,500.00 |
| 03/12/20 | 03/12/24 | FFCB | 3,000,000.00 | 3,000,000.00 | 1.050% | 126,000.00 | 3,126,000.00 |
| 04/09/19 | 04/05/24 | FFCB | 2,000,000.00 | 1,994,380.00 | 2.360% | 234,725.56 | 2,229,105.56 |
| 04/22/20 | 04/22/24 | FFCB | 3,000,000.00 | 3,000,000.00 | 0.800% | 96,000.00 | 3,096,000.00 |
| 05/09/19 | 05/07/24 | FHLB | 1,000,000.00 | 1,005,320.00 | 2.287% | 114,546.67 | 1,119,866.67 |
| 12/19/19 | 06/03/24 | FFCB | 3,000,000.00 | 2,997,750.00 | 1.830% | 246,860.00 | 3,244,610.00 |
| 06/03/20 | 06/03/24 | FFCB | 2,000,000.00 | 2,000,000.00 | 0.580% | 46,400.00 | 2,046,400.00 |
| 08/28/19 | 06/30/24 | FFCB | 1,470,000.00 | 1,517,378.10 | 1.457% | 103,884.90 | 1,621,263.00 |
| 08/28/19 | 06/25/24 | FFCB | 1,183,000.00 | 1,237,524.47 | 1.457% | 85,320.92 | 1,322,845.39 |
| 07/02/19 | 07/02/24 | FHLMC | 2,500,000.00 | 2,500,000.00 | 2.000% | 250,000.00 | 2,750,000.00 |
| 06/27/19 | 07/15/24 | PEFCO | 2,500,000.00 | 2,565,850.00 | 1.900% | 243,292.36 | 2,809,142.36 |
| 07/24/20 | 07/22/24 | FFCB | 2,000,000.00 | 2,000,000.00 | 0.440% | 35,151.11 | 2,035,151.11 |
| 08/08/19 | 07/26/24 | FFCB | 2,500,000.00 | 2,532,125.00 | 1.582% | 197,583.33 | 2,729,708.33 |
| 09/03/19 | 09/03/24 | FFCB | 4,000,000.00 | 4,000,000.00 | 2.000% | 400,000.00 | 4,400,000.00 |
| 08/30/19 | 09/10/24 | FFCB | 2,500,000.00 | 2,572,420.00 | 1.480% | 189,024.44 | 2,761,444.44 |
| 09/23/19 | 09/23/24 | FHLMC | 1,000,000.00 | 1,000,000.00 | 2.100% | 10,500.00 | 1,010,500.00 |
| 10/15/19 | 10/15/24 | FFCB | 2,000,000.00 | 2,000,000.00 | 1.920% | 192,000.00 | 2,192,000.00 |
| 10/28/19 | 10/15/24 | FHLMC | 2,500,000.00 | 2,495,000.00 | 1.917% | 237,682.29 | 2,732,682.29 |
| 07/15/20 | 10/15/24 | FFCB | 4,000,000.00 | 4,000,000.00 | 0.610% | 103,700.00 | 4,103,700.00 |
| 10/18/19 | 10/16/24 | FHLB | 2,250,000.00 | 2,250,000.00 | 2.000% | 224,750.00 | 2,474,750.00 |
| 11/15/19 | 11/01/24 | FAMCA | 2,000,000.00 | 1,999,720.00 | 1.793% | 177,887.78 | 2,177,607.78 |
| 07/10/20 | 11/13/24 | FFCB | 1,621,000.00 | 1,751,360.82 | 0.390% | 28,694.40 | 1,780,055.22 |
| 01/10/20 | 01/10/25 | FHLMC | 2,000,000.00 | 2,000,000.00 | 1.800% | 180,000.00 | 2,180,000.00 |
| 01/15/20 | 01/15/25 | FHLMC | 2,000,000.00 | 2,000,000.00 | 1.900% | 190,000.00 | 2,190,000.00 |
| 02/12/20 | 02/12/25 | FHLMC | 1,500,000.00 | 1,500,000.00 | 1.800% | 680,000.00 | 2,180,000.00 |
| 04/09/20 | 03/14/25 | FHLB | 3,000,000.00 | 3,231,300.00 | 0.778% | 120,002.08 | 3,351,302.08 |
| 04/09/20 | 04/09/25 | FFCB | 2,000,000.00 | 2,000,000.00 | 1.150% | 115,000.00 | 2,115,000.00 |
| 04/09/20 | 04/09/25 | FFCB | 2,500,000.00 | 2,498,125.00 | 1.165% | 145,625.00 | 2,643,750.00 |
| 06/03/20 | 05/27/25 | FFCB | 3,500,000.00 | 3,499,300.00 | 0.734% | 128,024.17 | 3,627,324.17 |
| 06/03/20 | 05/28/25 | FHLMC | 2,000,000.00 | 2,000,000.00 | 0.750% | 74,791.66 | 2,074,791.66 |
| 06/11/20 | 06/11/25 | FHLMC | 2,000,000.00 | 2,000,000.00 | 0.750% | 75,000.00 | 2,075,000.00 |
| 06/30/20 | 06/30/25 | FHLMC | 3,000,000.00 | 3,000,000.00 | 0.770% | 115,500.00 | 3,115,500.00 |
| 07/01/20 | 06/30/25 | FNMA | 2,500,000.00 | 2,500,000.00 | 0.740% | 92,448.61 | 2,592,448.61 |
| 07/29/20 | 07/29/25 | FFCB | 3,000,000.00 | 3,000,000.00 | 0.580% | 87,000.00 | 3,087,000.00 |
| 08/12/20 | 08/12/25 | FFCB | 3,500,000.00 | 3,500,000.00 | 0.530% | 92,750.00 | 3,592,750.00 |
| 08/14/20 | 08/14/25 | FNMA | 2,000,000.00 | 2,000,000.00 | 0.650% | 65,000.00 | 2,065,000.00 |
| 08/21/20 | 08/21/25 | FNMA | 2,000,000.00 | 2,000,000.00 | 0.450% | 45,000.00 | 2,045,000.00 |
| 08/27/20 | 08/27/25 | FHLMC | 2,500,000.00 | 2,500,000.00 | 0.520% | 58,500.00 | 2,558,500.00 |
| 08/31/20 | 08/29/25 | FNMA | 3,000,000.00 | 3,000,000.00 | 0.600% | 89,900.00 | 3,089,900.00 |
| | | Sub total FA | 239,402,000.00 | 241,704,502.07 | 1.586% | 16,823,879.54 | 258,528,381.61 |
| 10/23/15 | 10/15/20 | RFCSP | 3,000,000.00 | 2,750,760.00 | 1.750% | 249,240.00 | 3,000,000.00 |
| | | Sub total FN | 3,000,000.00 | 2,750,760.00 | 1.750% | 249,240.00 | 3,000,000.00 |
| | | Federal investments | 242,402,000.00 | 244,455,262.07 | | 17,073,119.54 | 261,528,381.61 |
| Supranationals | | | | | | | |
| 11/08/18 | 09/04/20 | IBRD | 1,100,000.00 | 1,074,711.00 | 2.930% | 57,859.27 | 1,132,570.27 |
| 01/08/18 | 10/05/20 | IBRD | 1,500,000.00 | 1,486,500.00 | 2.164% | 88,765.62 | 1,575,265.62 |
| 01/08/18 | 01/18/22 | IADB | 2,000,000.00 | 1,988,880.00 | 2.270% | 182,300.56 | 2,171,180.56 |
| 12/18/17 | 01/26/22 | IBRD | 2,500,000.00 | 2,485,325.00 | 2.150% | 219,952.78 | 2,705,277.78 |
| 10/10/17 | 10/07/22 | IBRD | 1,300,000.00 | 1,290,907.89 | 2.024% | 130,763.88 | 1,421,671.77 |
| 02/08/19 | 10/24/22 | IFC | 1,500,000.00 | 1,470,780.00 | 2.553% | 140,553.33 | 1,611,333.33 |
| 05/09/19 | 10/24/23 | IADB | 2,000,000.00 | 2,058,280.00 | 2.300% | 205,886.67 | 2,264,166.67 |
| 01/18/18 | 01/18/23 | IADB | 1,700,000.00 | 1,702,652.00 | 2.467% | 209,848.00 | 1,912,500.00 |
| 01/24/18 | 01/18/23 | IADB | 1,000,000.00 | 997,670.00 | 2.550% | 126,913.33 | 1,124,583.33 |
| 02/19/20 | 01/27/23 | IBRD | 1,170,000.00 | 1,170,538.20 | 1.734% | 59,635.55 | 1,230,173.75 |
| 10/25/19 | 10/25/23 | IBRD | 3,000,000.00 | 3,000,000.00 | 1.700% | 204,000.00 | 3,204,000.00 |
| 02/15/19 | 02/15/24 | IBRD | 3,000,000.00 | 3,000,000.00 | 2.625% | 468,750.00 | 3,468,750.00 |

| Settlement | Maturity | Issuer | Par | Invested | Yield | Interest expected | Return |
|------------------------|----------|-----------------------|----------------------|----------------------|---------------|---------------------|----------------------|
| 08/29/19 | 08/28/24 | IBRD | 2,000,000.00 | 2,006,920.00 | 1.428% | 142,996.67 | 2,149,916.67 |
| 10/10/19 | 09/23/24 | IBRD | 3,500,000.00 | 3,510,500.00 | 2.136% | 370,863.89 | 3,881,363.89 |
| 12/10/19 | 09/23/24 | IBRD | 3,000,000.00 | 3,006,000.00 | 1.941% | 310,066.67 | 3,316,066.67 |
| 11/13/19 | 11/13/24 | IBRD | 1,500,000.00 | 1,500,000.00 | 2.050% | 153,750.00 | 1,653,750.00 |
| 03/26/20 | 12/12/24 | IBRD | 3,500,000.00 | 3,522,505.00 | 1.096% | 329,777.78 | 3,829,777.78 |
| 01/08/20 | 12/15/24 | IBRD | 1,425,000.00 | 1,425,000.00 | 1.700% | 119,577.30 | 1,544,577.30 |
| 01/27/20 | 01/15/25 | IFC | 1,000,000.00 | 1,000,000.00 | 1.625% | 80,708.33 | 1,080,708.33 |
| | | Supranationals | 37,695,000.00 | 37,697,169.09 | 1.834% | 3,602,969.63 | 41,277,633.72 |
| US Treasury | | | | | | | |
| 10/28/16 | 10/31/20 | US Treasury 1.375% | 1,750,000.00 | 1,759,570.31 | 1.235% | 86,875.85 | 1,846,446.16 |
| 12/02/16 | 10/31/20 | US Treasury 1.375% | 1,200,000.00 | 1,186,200.00 | 1.680% | 78,341.44 | 1,264,541.44 |
| 01/13/17 | 10/31/20 | US Treasury 1.375% | 1,300,000.00 | 1,289,234.38 | 1.601% | 78,611.61 | 1,367,845.99 |
| 01/05/16 | 12/31/20 | US Treasury 2.375% | 4,000,000.00 | 4,127,500.00 | 1.705% | 346,195.00 | 4,473,695.00 |
| 05/05/16 | 12/31/20 | US Treasury 1.75% | 2,000,000.00 | 2,049,174.00 | 1.205% | 113,710.62 | 2,162,884.62 |
| 01/20/17 | 02/28/21 | US Treasury 1.125% | 2,750,000.00 | 2,673,515.63 | 1.831% | 203,567.42 | 2,877,083.05 |
| 02/17/17 | 02/28/21 | US Treasury 1.125% | 1,225,000.00 | 1,194,853.52 | 1.760% | 85,690.25 | 1,280,543.77 |
| 05/09/17 | 03/31/21 | US Treasury 1.25% | 1,400,000.00 | 1,374,786.00 | 1.730% | 93,349.25 | 1,468,135.25 |
| 08/19/16 | 04/30/21 | US Treasury 1.375% | 3,000,000.00 | 3,037,662.00 | 1.100% | 156,145.74 | 3,193,807.74 |
| 12/16/16 | 05/31/21 | US Treasury 2.000% | 2,250,000.00 | 2,250,000.00 | 2.000% | 200,521.98 | 2,450,521.98 |
| 10/28/16 | 06/30/21 | US Treasury 1.125% | 2,500,000.00 | 2,477,400.00 | 1.325% | 154,053.80 | 2,631,453.80 |
| 12/16/16 | 06/30/21 | US Treasury 1.125% | 2,650,000.00 | 2,547,312.50 | 2.022% | 238,058.93 | 2,785,371.43 |
| 02/06/20 | 07/15/21 | US Treasury 2.625% | 3,000,000.00 | 3,048,960.00 | 1.475% | 64,405.38 | 3,113,365.38 |
| 01/20/17 | 07/31/21 | US Treasury 1.125% | 1,500,000.00 | 1,448,203.13 | 1.925% | 145,113.79 | 1,593,316.92 |
| 02/20/18 | 08/31/21 | US Treasury 1.125% | 2,000,000.00 | 1,911,080.00 | 2.450% | 168,167.24 | 2,079,247.24 |
| 12/02/16 | 09/30/21 | US Treasury 2.125% | 1,600,000.00 | 1,615,500.00 | 1.913% | 148,615.38 | 1,764,115.38 |
| 03/10/17 | 09/30/21 | US Treasury 1.125% | 1,200,000.00 | 1,150,500.00 | 2.078% | 111,028.85 | 1,261,528.85 |
| 05/19/17 | 09/30/21 | US Treasury 1.125% | 1,500,000.00 | 1,464,375.00 | 1.691% | 109,303.28 | 1,573,678.28 |
| 02/14/18 | 09/30/21 | US Treasury 2.125% | 1,500,000.00 | 1,486,406.25 | 2.387% | 129,096.84 | 1,615,503.09 |
| 11/17/16 | 10/31/21 | US Treasury 2.00% | 2,000,000.00 | 2,030,000.00 | 1.683% | 168,121.55 | 2,198,121.55 |
| 11/18/16 | 10/31/21 | US Treasury 2.00% | 2,000,000.00 | 2,028,360.00 | 1.700% | 169,651.15 | 2,198,011.15 |
| 11/22/16 | 11/15/21 | US Treasury 2.00% | 2,000,000.00 | 2,016,562.50 | 1.825% | 182,664.02 | 2,199,226.52 |
| 01/06/17 | 12/31/21 | US Treasury 2.125% | 4,000,000.00 | 4,052,128.00 | 1.850% | 371,463.16 | 4,423,591.16 |
| 02/03/17 | 12/31/21 | US Treasury 2.125% | 1,850,000.00 | 1,867,632.81 | 1.920% | 175,237.36 | 2,042,870.17 |
| 11/27/19 | 12/31/21 | US Treasury 2.125% | 2,000,000.00 | 2,022,656.25 | 1.572% | 66,270.38 | 2,088,926.63 |
| 01/20/17 | 01/31/22 | US Treasury 1.50% | 3,000,000.00 | 2,928,555.00 | 2.000% | 297,790.11 | 3,226,345.11 |
| 04/23/19 | 02/28/22 | US Treasury 1.875% | 1,500,000.00 | 1,481,015.63 | 1.875% | 99,232.33 | 1,580,247.96 |
| 03/02/17 | 03/31/22 | US Treasury 1.750% | 3,000,000.00 | 2,963,925.00 | 2.000% | 302,757.69 | 3,266,682.69 |
| 11/20/19 | 04/15/22 | US Treasury 2.25% | 1,200,000.00 | 1,219,125.00 | 1.571% | 45,719.26 | 1,264,844.26 |
| 05/15/17 | 05/15/22 | US Treasury 1.750% | 2,000,000.00 | 1,985,625.00 | 1.901% | 189,375.00 | 2,175,000.00 |
| 08/25/17 | 07/31/22 | US Treasury 1.875% | 1,250,000.00 | 1,257,346.25 | 1.750% | 108,249.03 | 1,365,595.28 |
| 08/31/17 | 08/31/22 | US Treasury 1.875% | 3,000,000.00 | 3,019,290.00 | 1.740% | 261,960.00 | 3,281,250.00 |
| 11/20/19 | 10/15/22 | US Treasury 1.375% | 1,500,000.00 | 1,491,720.00 | 1.570% | 68,126.31 | 1,559,846.31 |
| 02/27/20 | 10/15/22 | US Treasury 1.375% | 1,500,000.00 | 1,509,082.03 | 1.141% | 45,185.39 | 1,554,267.42 |
| 11/28/17 | 11/15/22 | US Treasury 1.625% | 1,000,000.00 | 980,950.00 | 2.030% | 99,716.44 | 1,080,666.44 |
| 07/30/19 | 02/28/23 | US Treasury 2.625% | 3,000,000.00 | 3,085,572.00 | 1.800% | 275,650.83 | 3,361,222.83 |
| | | US Treasury | 74,125,000.00 | 74,031,778.19 | 1.742% | 5,638,022.66 | 79,669,800.85 |
| Corporate notes | | | | | | | |
| 09/25/15 | 09/01/20 | Johnson & Johnson | 1,000,000.00 | 1,058,028.49 | 1.718% | 87,504.84 | 1,145,533.33 |
| 11/10/15 | 11/03/20 | Microsoft | 5,000,000.00 | 5,018,550.00 | 1.920% | 479,505.56 | 5,498,055.56 |
| 06/10/16 | 11/03/20 | Microsoft | 1,500,000.00 | 1,539,450.00 | 1.370% | 92,466.67 | 1,631,916.67 |
| 11/13/17 | 11/13/20 | Apple Inc. | 2,500,000.00 | 2,497,900.00 | 2.000% | 152,100.00 | 2,650,000.00 |
| 01/07/19 | 12/15/20 | Wal-Mart | 1,500,000.00 | 1,481,805.00 | 2.545% | 73,453.33 | 1,555,258.33 |
| 02/26/18 | 01/15/21 | Wells Fargo Bank NA | 2,000,000.00 | 1,982,700.00 | 2.914% | 167,377.77 | 2,150,077.77 |
| 04/28/16 | 03/01/21 | Exxon Mobil | 2,000,000.00 | 2,042,900.00 | 1.750% | 172,263.67 | 2,215,163.67 |
| 07/26/16 | 03/01/21 | Exxon Mobil | 1,000,000.00 | 1,034,050.00 | 1.440% | 68,038.55 | 1,102,088.55 |
| 09/16/16 | 04/08/21 | Toyota | 3,000,000.00 | 3,031,680.00 | 1.659% | 228,303.33 | 3,259,983.33 |
| 11/18/19 | 04/26/21 | US Bank NA | 1,000,000.00 | 1,019,220.00 | 1.710% | 26,105.00 | 1,045,325.00 |
| 06/13/18 | 05/16/21 | Chevron | 3,250,000.00 | 3,175,770.00 | 2.920% | 273,861.25 | 3,449,631.25 |
| 05/26/16 | 05/19/21 | Alphabet Inc. | 1,000,000.00 | 1,094,000.00 | 1.651% | 86,545.14 | 1,180,545.14 |
| 04/17/17 | 05/19/21 | Alphabet Inc. | 2,000,000.00 | 2,136,700.00 | 1.883% | 159,744.44 | 2,296,444.44 |
| 05/14/17 | 05/19/21 | Alphabet Inc. | 2,000,000.00 | 2,133,400.00 | 1.900% | 159,620.83 | 2,293,020.83 |
| 09/13/16 | 08/08/21 | Microsoft | 6,000,000.00 | 5,995,740.00 | 1.565% | 460,218.33 | 6,455,958.33 |
| 02/07/17 | 08/08/21 | Microsoft | 2,000,000.00 | 1,947,120.00 | 2.170% | 192,466.11 | 2,139,586.11 |
| 02/22/18 | 08/08/21 | Microsoft | 1,500,000.00 | 1,441,912.50 | 2.730% | 138,558.33 | 1,580,470.83 |
| 10/14/16 | 09/01/21 | Coca Cola Company | 3,600,000.00 | 3,581,496.00 | 1.660% | 290,839.00 | 3,872,335.00 |
| 01/10/18 | 09/01/21 | Coca Cola Company | 1,500,000.00 | 1,549,740.00 | 2.344% | 130,522.50 | 1,680,262.50 |
| 12/19/19 | 10/22/21 | Wells Fargo Bank | 4,000,000.00 | 4,122,000.00 | 1.851% | 145,041.67 | 4,267,041.67 |
| 10/10/17 | 11/03/21 | Procter & Gamble | 2,000,000.00 | 1,982,100.00 | 1.930% | 156,072.22 | 2,138,172.22 |

| Settlement | Maturity | Issuer | Par | Invested | Yield | Interest expected | Return |
|------------|----------|--------------------------|--------------|--------------|--------|-------------------|--------------|
| 12/04/17 | 11/15/21 | Colgate-Palmolive | 2,250,000.00 | 2,271,141.00 | 2.200% | 196,449.62 | 2,467,590.62 |
| 12/23/19 | 11/16/21 | US Bank NA | 3,000,000.00 | 3,091,620.00 | 1.730% | 104,742.50 | 3,196,362.50 |
| 04/03/20 | 01/21/22 | US Bank NA | 2,000,000.00 | 2,016,916.00 | 1.300% | 47,884.00 | 2,064,800.00 |
| 12/20/17 | 02/06/22 | Microsoft | 1,250,000.00 | 1,254,025.00 | 2.316% | 119,808.33 | 1,373,833.33 |
| 11/29/19 | 02/09/22 | Apple Inc. | 2,000,000.00 | 2,017,980.00 | 1.730% | 76,381.11 | 2,094,361.11 |
| 03/07/19 | 03/03/22 | Johnson & Johnson | 1,250,000.00 | 1,236,787.50 | 2.620% | 97,275.00 | 1,334,062.50 |
| 02/24/20 | 03/03/22 | Johnson & Johnson | 2,000,000.00 | 2,029,760.00 | 1.470% | 61,365.00 | 2,091,125.00 |
| 05/07/20 | 05/03/22 | Colgate-Palmolive | 3,500,000.00 | 3,629,465.00 | 0.420% | 30,640.56 | 3,660,105.56 |
| 03/06/17 | 03/06/22 | Exxon Mobil | 2,000,000.00 | 2,003,380.00 | 2.360% | 236,320.00 | 2,239,700.00 |
| 05/23/17 | 05/11/22 | Apple Inc. | 3,300,000.00 | 3,318,150.00 | 2.181% | 358,820.00 | 3,676,970.00 |
| 12/06/17 | 05/15/22 | Berkshire Hathaway | 1,503,000.00 | 1,540,770.39 | 2.400% | 162,504.36 | 1,703,274.75 |
| 01/08/18 | 05/15/22 | Berkshire Hathaway | 1,000,000.00 | 1,023,300.00 | 2.432% | 107,283.33 | 1,130,583.33 |
| 10/09/18 | 05/15/22 | Berkshire Hathaway | 1,100,000.00 | 1,091,810.50 | 3.220% | 126,989.50 | 1,218,800.00 |
| 02/19/19 | 05/17/22 | Toyota | 2,000,000.00 | 2,000,000.00 | 3.083% | 200,044.66 | 2,200,044.66 |
| 01/06/20 | 05/27/22 | Wells Fargo Bank NA | 3,000,000.00 | 3,040,020.00 | 1.920% | 167,839.75 | 3,207,859.75 |
| 08/09/18 | 06/01/22 | Blackrock Inc. | 1,000,000.00 | 1,011,600.00 | 3.050% | 117,306.25 | 1,128,906.25 |
| 12/11/19 | 06/15/22 | Cisco Systems Inc | 500,000.00 | 515,230.00 | 1.755% | 22,436.67 | 537,666.67 |
| 02/20/20 | 06/20/22 | JP Morgan Chase Bank | 3,000,000.00 | 3,000,000.00 | 1.775% | 124,250.00 | 3,124,250.00 |
| 12/19/19 | 06/26/22 | 3M Company | 2,000,000.00 | 2,010,920.00 | 1.777% | 89,857.78 | 2,100,777.78 |
| 08/24/17 | 07/13/22 | Toyota | 1,500,000.00 | 1,547,160.00 | 2.119% | 158,056.67 | 1,705,216.67 |
| 01/16/19 | 07/13/22 | Toyota | 1,500,000.00 | 1,483,770.00 | 3.129% | 162,880.00 | 1,646,650.00 |
| 07/01/19 | 07/13/22 | Toyota | 2,500,000.00 | 2,551,875.00 | 2.090% | 160,458.33 | 2,712,333.33 |
| 11/06/17 | 08/11/22 | Procter & Gamble | 1,800,000.00 | 1,799,161.20 | 2.160% | 185,201.30 | 1,984,362.50 |
| 11/09/18 | 08/11/22 | Procter & Gamble | 1,900,000.00 | 1,826,627.70 | 3.250% | 226,786.74 | 2,053,414.44 |
| 05/02/19 | 08/11/22 | Procter & Gamble | 2,000,000.00 | 1,986,800.00 | 2.150% | 154,025.00 | 2,140,825.00 |
| 01/18/18 | 09/21/22 | Novartis Capital Corp | 1,500,000.00 | 1,489,500.00 | 2.560% | 178,400.00 | 1,667,900.00 |
| 10/10/19 | 11/03/22 | Microsoft | 2,000,000.00 | 2,064,180.00 | 1.514% | 98,206.11 | 2,162,386.11 |
| 01/04/18 | 11/15/22 | Colgate-Palmolive | 2,000,000.00 | 1,982,400.00 | 2.443% | 236,475.00 | 2,218,875.00 |
| 09/17/18 | 11/15/22 | Colgate-Palmolive | 2,000,000.00 | 1,935,820.00 | 3.077% | 251,430.00 | 2,187,250.00 |
| 11/18/19 | 11/18/22 | JP Morgan Chase Bank | 3,000,000.00 | 3,000,000.00 | 3.077% | 189,000.00 | 3,189,000.00 |
| 12/06/17 | 11/29/22 | Toyota | 2,250,000.00 | 2,250,000.00 | 2.125% | 238,132.81 | 2,488,132.81 |
| 01/14/19 | 12/15/22 | Wal-Mart | 2,720,000.00 | 2,653,088.00 | 3.020% | 317,442.89 | 2,970,530.89 |
| 12/23/19 | 12/15/22 | Wal-Mart | 2,000,000.00 | 2,032,580.00 | 1.770% | 107,375.56 | 2,139,955.56 |
| 01/24/18 | 01/26/23 | Toyota | 3,000,000.00 | 3,000,000.00 | 2.750% | 412,500.00 | 3,412,500.00 |
| 08/29/19 | 02/01/23 | Colgate-Palmolive | 1,000,000.00 | 1,011,600.00 | 1.600% | 55,133.33 | 1,066,733.33 |
| 09/12/19 | 02/11/23 | Berkshire Hathaway | 1,250,000.00 | 1,296,137.50 | 1.878% | 81,883.33 | 1,378,020.83 |
| 07/31/19 | 02/23/23 | Apple Inc. | 3,500,000.00 | 3,592,680.00 | 2.039% | 262,540.83 | 3,855,220.83 |
| 10/04/19 | 03/15/23 | 3M Company | 1,762,000.00 | 1,798,080.47 | 1.620% | 100,144.15 | 1,898,224.62 |
| 03/20/18 | 03/15/23 | Berkshire Hathaway | 1,000,000.00 | 983,890.00 | 3.101% | 153,228.06 | 1,137,118.06 |
| 04/18/18 | 03/15/23 | Berkshire Hathaway | 1,750,000.00 | 1,719,130.00 | 3.140% | 267,083.54 | 1,986,213.54 |
| 04/25/18 | 03/15/23 | Berkshire Hathaway | 2,000,000.00 | 1,953,300.00 | 3.270% | 315,588.89 | 2,268,888.89 |
| 05/07/18 | 04/11/23 | Wal-Mart | 1,000,000.00 | 974,100.00 | 3.121% | 151,558.33 | 1,125,658.33 |
| 12/18/18 | 04/11/23 | Wal-Mart | 1,000,000.00 | 969,800.00 | 3.301% | 141,054.17 | 1,110,854.17 |
| 05/16/19 | 04/28/23 | Bank of New York Mellon | 2,000,000.00 | 2,061,800.00 | 2.670% | 214,700.00 | 2,276,500.00 |
| 06/23/20 | 04/28/23 | Bank of New York Mellon | 2,000,000.00 | 2,168,480.00 | 0.510% | 30,436.67 | 2,198,916.67 |
| 05/02/18 | 05/01/23 | Colgate-Palmolive | 4,666,000.00 | 4,443,179.84 | 3.140% | 712,477.98 | 5,155,657.82 |
| 05/09/18 | 05/03/23 | Apple Inc. | 4,000,000.00 | 3,862,600.00 | 3.150% | 615,800.00 | 4,478,400.00 |
| 08/06/16 | 06/26/23 | Wal-Mart | 1,750,000.00 | 1,763,895.00 | 3.220% | 276,993.89 | 2,040,888.89 |
| 07/25/18 | 06/26/23 | Wal-Mart | 1,500,000.00 | 1,512,000.00 | 3.220% | 238,891.66 | 1,750,891.66 |
| 02/19/19 | 06/26/23 | Wal-Mart | 1,000,000.00 | 1,025,140.00 | 2.770% | 122,665.56 | 1,147,805.56 |
| 07/24/18 | 07/24/23 | US Bank NA | 1,250,000.00 | 1,251,625.00 | 3.371% | 210,756.94 | 1,462,381.94 |
| 01/24/19 | 07/24/23 | US Bank NA | 1,000,000.00 | 1,010,000.00 | 3.156% | 143,000.00 | 1,153,000.00 |
| 02/28/19 | 07/24/23 | US Bank NA | 1,800,000.00 | 1,835,100.00 | 2.916% | 234,520.00 | 2,069,620.00 |
| 12/11/18 | 07/24/23 | US Bank NA | 2,500,000.00 | 2,489,250.00 | 3.400% | 32,347.22 | 2,521,597.22 |
| 02/28/19 | 08/14/23 | Wells Fargo Bank NA | 2,000,000.00 | 2,040,700.00 | 3.050% | 276,038.89 | 2,316,738.89 |
| 10/01/18 | 08/14/23 | Wells Fargo Bank NA | 1,500,000.00 | 1,500,000.00 | 3.550% | 259,297.92 | 1,759,297.92 |
| 05/14/20 | 09/01/23 | Public Service Electric | 2,500,000.00 | 2,700,575.00 | 0.720% | 67,324.31 | 2,767,899.31 |
| 12/23/19 | 11/20/23 | State Street Corporation | 2,000,000.00 | 2,130,440.00 | 1.958% | 158,776.67 | 2,289,216.67 |
| 01/28/19 | 12/05/23 | Johnson & Johnson | 1,500,000.00 | 1,541,250.00 | 2.765% | 204,421.87 | 1,745,671.87 |
| 03/07/19 | 01/08/24 | Toyota | 1,000,000.00 | 1,017,865.00 | 2.950% | 144,144.72 | 1,162,009.72 |
| 01/16/20 | 01/15/24 | Wal-Mart | 2,000,000.00 | 2,067,790.00 | 1.900% | 192,646.11 | 2,260,436.11 |
| 05/16/19 | 01/23/24 | Citibank | 1,000,000.00 | 1,034,870.00 | 2.836% | 136,173.06 | 1,171,043.06 |
| 02/13/20 | 01/23/24 | Citibank | 2,500,000.00 | 2,674,670.00 | 1.770% | 185,260.56 | 2,859,930.56 |
| 02/13/20 | 01/23/24 | Citibank | 2,000,000.00 | 2,142,600.00 | 1.733% | 145,344.44 | 2,287,944.44 |
| 02/20/20 | 01/23/24 | Citibank | 1,500,000.00 | 1,603,710.00 | 1.780% | 111,183.75 | 1,714,893.75 |
| 10/11/19 | 02/01/24 | JP Morgan Chase Bank | 1,765,000.00 | 1,900,834.40 | 2.000% | 158,638.70 | 2,059,473.10 |
| 10/08/19 | 03/07/24 | Microsoft | 1,500,000.00 | 1,581,000.00 | 1.604% | 107,379.17 | 1,688,379.17 |

| Settlement | Maturity | Issuer | Par | Invested | Yield | Interest expected | Return |
|------------------------|----------|-----------------------|-----------------------|-----------------------|---------------|----------------------|-----------------------|
| 08/29/19 | 03/18/24 | Blackrock Inc. | 2,000,000.00 | 2,162,500.00 | 1.640% | 156,194.44 | 2,318,694.44 |
| 10/28/19 | 03/18/24 | Blackrock Inc. | 1,000,000.00 | 1,071,360.00 | 1.801% | 82,251.11 | 1,153,611.11 |
| 11/14/19 | 03/18/24 | Blackrock Inc. | 1,000,000.00 | 1,065,420.00 | 1.923% | 86,635.56 | 1,152,055.56 |
| 05/14/20 | 03/18/24 | Blackrock Inc. | 3,000,000.00 | 3,300,600.00 | 0.845% | 103,066.67 | 3,403,666.67 |
| 04/24/20 | 04/22/24 | Wal-Mart | 2,500,000.00 | 2,737,467.50 | 0.875% | 92,074.17 | 2,829,541.67 |
| 04/24/20 | 04/22/24 | Wal-Mart | 2,000,000.00 | 2,191,860.00 | 0.700% | 71,773.33 | 2,263,633.33 |
| 07/31/19 | 05/13/24 | JP Morgan Chase Bank | 2,000,000.00 | 2,119,320.00 | 2.300% | 227,471.67 | 2,346,791.67 |
| 07/13/20 | 05/13/24 | JP Morgan Chase Bank | 3,000,000.00 | 3,331,290.00 | 0.700% | 85,585.00 | 3,416,875.00 |
| 07/01/20 | 05/15/24 | Bank of NY Mellon | 3,000,000.00 | 3,316,860.00 | 0.560% | 75,556.67 | 3,392,416.67 |
| 10/17/19 | 08/22/24 | Amazon.com Inc. | 2,500,000.00 | 2,604,850.00 | 1.860% | 234,455.56 | 2,839,305.56 |
| 08/22/19 | 08/22/24 | Amazon.com Inc. | 2,000,000.00 | 2,087,280.00 | 2.800% | 192,097.78 | 2,279,377.78 |
| 02/18/20 | 10/24/24 | Bank of NY Mellon | 3,055,000.00 | 3,093,737.40 | 1.816% | 261,721.85 | 3,355,459.25 |
| 12/23/19 | 12/23/24 | JP Morgan Chase Bank | 3,500,000.00 | 3,500,000.00 | 2.200% | 390,775.03 | 3,890,775.03 |
| 01/15/20 | 01/15/25 | Johnson & Johnson | 1,820,000.00 | 1,882,380.50 | 1.586% | 176,494.50 | 2,058,875.00 |
| 04/08/20 | 01/15/25 | Johnson & Johnson | 3,000,000.00 | 3,231,960.00 | 0.906% | 143,633.75 | 3,375,593.75 |
| 07/13/20 | 01/15/25 | Johnson & Johnson | 1,000,000.00 | 1,090,640.00 | 0.510% | 27,630.83 | 1,118,270.83 |
| 04/13/20 | 02/14/25 | Novartis Capital Corp | 3,310,000.00 | 3,379,576.20 | 1.300% | 210,555.54 | 3,590,131.74 |
| 06/03/20 | 03/15/25 | CME Group Inc | 2,771,000.00 | 3,050,981.84 | 0.730% | 117,656.66 | 3,168,638.50 |
| 06/09/20 | 03/25/25 | Procter & Gamble | 1,000,000.00 | 1,082,240.00 | 0.703% | 35,223.89 | 1,117,463.89 |
| 05/13/20 | 04/01/25 | Florida Power & Light | 3,667,000.00 | 3,980,565.17 | 1.020% | 195,628.34 | 4,176,193.51 |
| Corporate notes | | | 226,289,000.00 | 231,511,080.10 | 2.020% | 18,739,094.44 | 250,250,174.54 |

Certificate of deposit

| | | | | | | | |
|----------|----------|-----------------------------|------------|------------|--------|-----------|------------|
| 09/10/15 | 09/10/20 | Merrick Bank | 249,000.00 | 248,377.50 | 1.910% | 23,655.00 | 272,032.50 |
| 09/22/15 | 09/16/20 | Barclays Bank | 248,000.00 | 248,000.00 | 2.200% | 27,190.31 | 275,190.31 |
| 10/19/15 | 10/13/20 | Comenity Cap Bank | 249,000.00 | 249,000.00 | 2.000% | 24,818.14 | 273,818.14 |
| 12/14/17 | 12/14/20 | Ally Bank | 247,000.00 | 247,000.00 | 2.100% | 15,561.00 | 262,561.00 |
| 01/15/16 | 01/15/21 | Investors Cmnty Bank | 249,000.00 | 249,000.00 | 1.850% | 23,032.50 | 272,032.50 |
| 05/09/18 | 05/10/21 | Connectone Bank | 249,000.00 | 249,000.00 | 2.850% | 21,309.21 | 270,309.21 |
| 06/10/16 | 06/07/21 | Ubs Bank Usa | 249,000.00 | 249,000.00 | 1.650% | 20,508.73 | 269,508.73 |
| 06/21/18 | 06/21/21 | Mercantil Bank | 246,000.00 | 246,000.00 | 3.000% | 22,140.00 | 268,140.00 |
| 06/22/17 | 06/22/21 | Lakeside Bank | 249,000.00 | 249,000.00 | 1.900% | 18,924.00 | 267,924.00 |
| 06/23/16 | 06/23/21 | East Boston Saving | 248,000.00 | 248,000.00 | 1.500% | 18,600.00 | 266,600.00 |
| 06/24/16 | 06/24/21 | First Business Bk | 248,000.00 | 248,000.00 | 1.500% | 18,600.00 | 266,600.00 |
| 06/30/16 | 06/30/21 | First Technology Federal | 248,000.00 | 248,000.00 | 1.750% | 21,700.00 | 269,700.00 |
| 09/21/17 | 09/21/21 | Pinacle Bank Tn | 249,000.00 | 249,000.00 | 2.000% | 19,920.00 | 268,920.00 |
| 01/12/18 | 01/12/22 | LCA Bank Corporation | 246,000.00 | 246,000.00 | 2.300% | 22,632.00 | 268,632.00 |
| 01/18/17 | 01/18/22 | Mb Financial Bank | 249,000.00 | 249,000.00 | 2.050% | 25,522.50 | 274,522.50 |
| 01/20/17 | 01/20/22 | First Natl Bank | 249,000.00 | 249,000.00 | 2.050% | 25,522.50 | 274,522.50 |
| 01/24/19 | 01/24/22 | Dollar Bank | 246,000.00 | 246,000.00 | 2.850% | 21,033.00 | 267,033.00 |
| 02/12/20 | 02/14/22 | Sallie Mae Bank | 247,000.00 | 247,000.00 | 1.700% | 8,432.52 | 255,432.52 |
| 06/07/17 | 06/07/22 | Mechantile Bank Of | 247,000.00 | 247,000.00 | 2.100% | 25,935.00 | 272,935.00 |
| 07/31/17 | 07/29/22 | KS State Bank | 245,000.00 | 245,000.00 | 2.100% | 25,710.71 | 270,710.71 |
| 08/16/17 | 08/16/22 | Everbank | 247,000.00 | 247,000.00 | 2.200% | 27,170.00 | 274,170.00 |
| 08/30/17 | 08/30/22 | Willamette Valley Bank | 249,000.00 | 249,000.00 | 2.100% | 26,145.00 | 275,145.00 |
| 09/29/17 | 09/29/22 | Allegiane Bank Texs | 249,000.00 | 249,000.00 | 2.150% | 26,767.50 | 275,767.50 |
| 09/14/17 | 09/14/22 | First Bank Of | 247,000.00 | 247,000.00 | 2.150% | 26,552.50 | 273,552.50 |
| 10/18/17 | 10/18/22 | Beneficial Bank | 247,000.00 | 247,000.00 | 2.150% | 26,552.50 | 273,552.50 |
| 10/23/19 | 10/11/22 | Goldman Sachs Bank USA | 247,000.00 | 247,000.00 | 1.900% | 13,898.99 | 260,898.99 |
| 12/22/17 | 12/22/22 | Industrial & Coml Bak China | 249,000.00 | 249,000.00 | 2.500% | 31,125.00 | 280,125.00 |
| 01/11/19 | 01/11/23 | Sterling Bank | 246,000.00 | 246,000.00 | 3.100% | 30,504.00 | 276,504.00 |
| 02/07/20 | 02/07/23 | BMW Bank | 247,000.00 | 247,000.00 | 1.650% | 12,237.67 | 259,237.67 |
| 02/21/20 | 02/21/23 | Wells Fargo Bank | 249,000.00 | 249,000.00 | 1.750% | 13,084.44 | 262,084.44 |
| 04/24/18 | 04/24/23 | Citibank | 246,000.00 | 246,000.00 | 3.000% | 36,900.00 | 282,900.00 |
| 05/08/19 | 05/08/23 | Bank3 | 249,000.00 | 249,000.00 | 2.336% | 24,900.00 | 273,900.00 |
| 05/16/18 | 05/16/23 | Belmont Savings Bank | 245,000.00 | 245,000.00 | 3.050% | 37,362.50 | 282,362.50 |
| 06/20/18 | 06/20/23 | RBC Bank | 249,000.00 | 249,000.00 | 3.150% | 39,217.50 | 288,217.50 |
| 07/31/18 | 07/31/23 | Bank Of New England | 249,000.00 | 249,000.00 | 3.250% | 40,462.50 | 289,462.50 |
| 07/31/18 | 07/31/23 | Medallion Bank Utah | 249,000.00 | 249,000.00 | 3.150% | 40,462.50 | 289,462.50 |
| 02/13/19 | 08/14/23 | First Missouri State Bank | 246,000.00 | 246,000.00 | 2.850% | 31,549.50 | 277,549.50 |
| 09/26/18 | 09/26/23 | Bank Midwest | 245,000.00 | 245,000.00 | 3.150% | 38,587.50 | 283,587.50 |
| 09/28/18 | 09/28/23 | Bank Of Baroda | 245,000.00 | 245,000.00 | 3.300% | 40,425.00 | 285,425.00 |
| 11/15/18 | 10/30/23 | National Cooperative Bank | 245,000.00 | 245,000.00 | 3.450% | 41,891.98 | 286,891.98 |
| 11/14/18 | 11/14/23 | Bank Hapoalim Bm | 245,000.00 | 245,000.00 | 3.500% | 42,875.00 | 287,875.00 |
| 11/15/18 | 11/15/23 | Morgan Stanley Pvt Bank | 245,000.00 | 245,000.00 | 3.550% | 43,487.50 | 288,487.50 |
| 11/19/18 | 11/29/23 | State Bank Of India | 245,000.00 | 245,000.00 | 3.600% | 44,100.00 | 289,100.00 |
| 05/16/19 | 05/16/24 | Enterprise Bank | 246,000.00 | 246,000.00 | 2.600% | 31,980.00 | 277,980.00 |
| 05/24/19 | 05/24/24 | Eagle Bank | 249,000.00 | 249,000.00 | 2.500% | 31,125.00 | 280,125.00 |
| 06/28/19 | 06/28/24 | First State Bank Dequeen | 249,000.00 | 249,000.00 | 2.300% | 28,635.00 | 277,635.00 |
| 07/31/19 | 07/31/24 | Capital One | 247,000.00 | 247,000.00 | 2.250% | 27,787.50 | 274,787.50 |

| Settlement | Maturity | Issuer | Par | Invested | Yield | Interest expected | Return |
|--|----------|--|-----------------------|-----------------------|---------------|----------------------|-----------------------|
| 08/30/19 | 08/30/24 | Washington Federal | 249,000.00 | 249,000.00 | 2.000% | 24,900.00 | 273,900.00 |
| 09/13/19 | 09/13/24 | Enerbank Usa | 249,000.00 | 249,000.00 | 1.750% | 21,787.50 | 270,787.50 |
| 09/18/19 | 09/30/24 | Celtic Bank | 249,000.00 | 249,000.00 | 1.700% | 20,956.25 | 269,956.25 |
| 11/26/19 | 11/26/24 | Raymond James Bank NA | 247,000.00 | 247,000.00 | 1.850% | 22,872.54 | 269,872.54 |
| 01/09/20 | 01/09/25 | Morgan Stanley Bank NA | 247,000.00 | 247,000.00 | 1.900% | 23,490.72 | 270,490.72 |
| 02/27/20 | 02/27/25 | Bell Bank Corp | 249,000.00 | 249,000.00 | 1.600% | 19,941.88 | 268,941.88 |
| 03/13/20 | 03/13/25 | Choice Financial Group | 248,000.00 | 248,000.00 | 1.100% | 13,647.47 | 261,647.47 |
| 03/13/20 | 03/13/25 | American Eagle bank | 249,000.00 | 249,000.00 | 1.100% | 13,702.54 | 262,702.54 |
| 03/18/20 | 03/18/25 | Poppy Bank | 249,000.00 | 249,000.00 | 1.100% | 13,702.54 | 262,702.54 |
| 03/19/20 | 03/19/25 | Somerset Trust | 249,000.00 | 249,000.00 | 1.000% | 12,456.88 | 261,456.88 |
| 03/20/20 | 03/20/25 | Iberia Bank | 248,000.00 | 248,000.00 | 1.000% | 12,406.79 | 260,406.79 |
| 03/27/20 | 03/27/25 | Baycoast Bank | 248,000.00 | 248,000.00 | 0.950% | 11,786.45 | 259,786.45 |
| 03/27/20 | 03/27/25 | American Commerce Bank | 249,000.00 | 249,000.00 | 0.950% | 11,834.03 | 260,834.03 |
| 04/08/20 | 04/08/25 | Capital One | 248,000.00 | 248,000.00 | 1.600% | 19,850.88 | 267,850.88 |
| 05/15/20 | 05/15/25 | Flagstar Bank | 248,000.00 | 248,000.00 | 0.850% | 10,545.77 | 258,545.77 |
| 05/15/20 | 05/15/25 | Encore Bank | 249,000.00 | 249,000.00 | 0.800% | 9,965.41 | 258,965.41 |
| 05/26/20 | 05/27/25 | Haddon Savings Bank | 248,000.00 | 248,000.00 | 0.750% | 9,310.19 | 257,310.19 |
| 05/29/20 | 05/29/25 | Home Loan Inv Bank | 249,000.00 | 249,000.00 | 0.800% | 9,965.41 | 258,965.41 |
| 05/29/20 | 05/29/25 | Pacific Western Bank | 249,000.00 | 249,000.00 | 0.700% | 8,719.77 | 257,719.77 |
| 05/29/20 | 05/29/25 | Malaga Bank | 249,000.00 | 249,000.00 | 0.700% | 8,719.87 | 257,719.87 |
| 06/10/20 | 06/10/25 | Stockman Bank | 249,000.00 | 249,000.00 | 0.600% | 7,474.10 | 256,474.10 |
| 07/17/20 | 07/17/25 | Preferred Bank | 249,000.00 | 249,000.00 | 0.500% | 6,228.46 | 255,228.46 |
| 07/16/20 | 07/28/25 | Toyota Financial Savings Bank | 249,000.00 | 249,000.00 | 0.650% | 8,096.93 | 257,096.93 |
| 07/29/20 | 07/29/25 | Continental Bank | 249,000.00 | 249,000.00 | 0.500% | 6,228.46 | 255,228.46 |
| 08/14/20 | 08/14/25 | Luana Savings Bank | 249,000.00 | 249,000.00 | 0.450% | 5,605.57 | 254,605.57 |
| 08/19/20 | 08/19/25 | 1st Financial Bank | 249,000.00 | 249,000.00 | 0.450% | 5,605.82 | 254,605.82 |
| 08/20/20 | 08/20/25 | 1st Carolina Bank | 249,000.00 | 249,000.00 | 0.450% | 5,605.82 | 254,605.82 |
| 08/20/20 | 08/20/25 | Northeast Community Bank | 249,000.00 | 249,000.00 | 0.450% | 5,605.82 | 254,605.82 |
| | | Certificate of deposit | 18,590,000.00 | 18,589,377.50 | 1.894% | 1,637,547.57 | 20,226,925.07 |
| Mortgage backed securities (agency) | | | | | | | |
| 12/26/19 | 12/01/22 | FNMA AM1721 | 1,893,739.76 | 1,906,759.21 | 2.001% | 75,094.40 | 1,981,853.61 |
| 02/04/20 | 11/01/22 | FNMA AM0982 | 2,000,000.00 | 2,036,562.50 | 1.704% | 27,844.88 | 2,064,407.38 |
| 08/27/20 | 06/15/25 | FHLMC FHR 3544 BC | 1,168,960.01 | 1,224,850.91 | 0.532% | 27,649.83 | 1,252,500.74 |
| 04/15/20 | 11/25/24 | FHMS KHG1 A1 | 3,000,000.00 | 3,215,625.00 | 0.999% | 1,505.28 | 3,217,130.28 |
| 07/24/20 | 05/25/25 | FRESB MFM | 999,458.27 | 1,004,346.62 | 0.830% | 15,071.46 | 1,019,418.08 |
| | | Mortgage backed securities (agency) | 9,062,158.04 | 9,388,144.24 | 1.276% | 147,165.85 | 9,535,310.09 |
| Cash | | | | | | | |
| | | Wells Fargo Bank - General | 3,506,954.00 | 3,506,954.00 | 0.100% | 288.24 | 3,507,242.24 |
| | | Sweep account | 12,894,455.74 | 12,894,455.74 | 0.060% | 635.89 | 12,895,091.63 |
| | | Wells Fargo Bank - Custody | 1,202,618.95 | 1,202,618.95 | 0.010% | 10.02 | 1,202,628.97 |
| | | CAMP | 1,005,152.89 | 1,005,152.89 | 0.280% | 231.32 | 1,005,384.21 |
| | | LAIF City | 71,466,066.18 | 71,466,066.18 | 0.720% | 42,879.64 | 71,508,945.82 |
| | | LAIF CMWD | 71,335,418.15 | 71,335,418.15 | 0.720% | 42,801.25 | 71,378,219.40 |
| | | LAIF CPFA | 12,147,885.33 | 12,147,885.33 | 0.720% | 7,288.73 | 12,155,174.06 |
| | | Cash | 173,558,551.24 | 173,558,551.24 | 0.651% | 94,135.10 | 173,652,686.34 |
| | | GRAND TOTAL | 781,721,709.28 | 789,231,362.43 | 1.538% | 46,932,054.79 | 836,140,912.22 |

City of Carlsbad investment portfolio

Fund equity in pooled investments

As of Aug. 31, 2020

Cash balance by fund:

| | | |
|---|-------------|--------------------|
| General | | 113,835,729 |
| Special revenue | | 37,978,874 |
| Capital projects: | | |
| General capital construction | 46,707,230 | |
| Traffic impact fees | 24,950,696 | |
| Public facilities fees | 29,553,270 | |
| Park development | 12,886,897 | |
| TransNet taxes | 7,381,815 | |
| Drainage fees | 5,422,299 | |
| Special districts | 111,398,996 | |
| Infrastructure replacement | 120,814,841 | |
| Gas tax | 16,046,749 | |
| Capital project subtotal | | 375,162,793 |
| Enterprise: | | |
| Carlsbad Municipal Water District | 134,406,599 | |
| Sewer fund | 49,281,679 | |
| Solid waste | 6,087,309 | |
| Storm water | 8,058,953 | |
| Golf course | 517,761 | |
| Enterprise subtotal | | 198,352,301 |
| Internal service | | 50,663,639 |
| Trust and agency | | 17,514,165 |
| Total general ledger balance ** | | 793,507,501 |
| Reconciling adjustments (1) | | (5,654,975) |
| Total treasurer's investment portfolio at amortized cost | | 787,852,526 |

**Figures based on best estimate at the time report run on 9/9/2020.

(1) *The reconciling adjustments consist of differences between the general ledger which is prepared on an accrual basis and the treasurer's report which is prepared on the cash basis. Accrued interest, amortized premium or discounts and outstanding checks and deposits in transit are not included in the treasurer's summary. Differences between the time journal entries are posted and the time this report is produced may also be a component of the adjustment.*

City of Carlsbad investment portfolio
Corporate note and mortgage backed security ratings
As of Aug. 31, 2020

| Corporate notes | Moody's | S&P | Fitch | Outlook |
|-----------------------------------|----------------|----------------|--------------|--------------------------|
| 3M Company | A1 | A+ | | Negative/negative |
| Alphabet Inc. | Aa2 | AA+ | | Stable |
| Amazon.com Inc. | A2 | AA- | A+ | Positive/stable/positive |
| Apple Inc. | Aa1 | AA+ | | Stable |
| Bank of New York Mellon | A1 | A | AA- | Stable |
| Berkshire Hathaway | Aa2 | AA | A+ | Stable |
| Blackrock Inc. | Aa3 | AA- | | Stable |
| Chevron | Aa2 | AA | | Stable/negative |
| Cisco Systems Inc. | A1 | AA- | | Stable |
| Citibank | A3 | BBB+ | A | Stable/stable/negative |
| CME Group | Aa3 | AA- | AA- | Stable |
| Coca Cola Company | A1 | A+ | A | Stable/negative/stable |
| Colgate-Palmolive | Aa3 | AA- | | Stable |
| Exxon Mobil | Aa1 | AA | | Negative |
| Florida Power & Light | Aa2 | A+ | AA- | Stable |
| Johnson & Johnson | Aaa | AAA | | Negative/stable |
| JP Morgan Chase Bank | A2 | A- | AA- | Stable/stable/negative |
| Merck & Co | A1 | AA- | A+ | Stable/negative/stable |
| Microsoft | Aaa | AAA | AA+ | Stable |
| New York Life | Aaa | AA+ | AAA | Negative/stable/stable |
| Novartis Capital Corp | A1 | AA- | AA- | Stable |
| Procter & Gamble | Aa3 | AA- | | Stable |
| Public Service Electric | Aa3 | A | | Stable |
| State Street Corporation | A1 | A | AA- | Stable |
| Toyota | A1 | A+ | A+ | Negative |
| US Bank NA | A1 | A+ | AA- | Negative/stable/negative |
| Wal-Mart | Aa2 | AA | AA | Stable |
| Wells Fargo Bank NA | A2 | BBB+ | A+ | Stable/stable/negative |
| Mortgage backed securities | Moody's | S&P | Fitch | Outlook |
| FHLMC (KHG1 A1) | Aaa | AAA | | Stable |
| FHLMC (FHR 3544 BC) | Aaa | AAA | | Stable |
| FNMA (AM0982) | Aaa | AAA | | Stable |
| FNMA (AM1721) | Aaa | AAA | | Stable |

Ratings of corporate notes must be AA or better by one and A or better another of the three: Moody's, S&P, or Fitch.

Ratings of mortgage backed securities must be AA or better by one of the three: Moody's, S&P, or Fitch.

Investments with subsequent changes in credit rating *

| Corporate notes | Moody's | S&P | Fitch | Maturity date | Purchased | Book value |
|------------------------|----------------|----------------|--------------|----------------------|------------------|-------------------|
| 3M Company | A1 | A+ | | 03/07/24 | 12/19/19 | \$ 5,361,080 |
| Citibank | A3 | BBB+ | A | 01/23/24 | 02/20/20 | \$ 7,387,981 |
| Coca Cola Company | A1 | A+ | A | 09/01/21 | 01/10/18 | \$ 5,109,867 |
| Toyota | A1 | A+ | A+ | 01/08/24 | 07/01/19 | \$ 16,807,835 |
| Wells Fargo Bank NA | A2 | BBB+ | A+ | 08/14/23 | 01/06/20 | \$ 12,629,434 |

* All investments were in compliance with the city's investment policy when initially purchased.

The city's investment policy allows the city treasurer to determine the course of action that would correct exceptions to the policy. All current exceptions are paying interest at the required times. The principal of all investments are considered secure. It is the intent of the city treasurer to hold these assets in the portfolio until maturity unless events indicate they should be sold.

City of Carlsbad investment portfolio
 Portfolio allocation at amortized cost by issuer
 As of Aug. 31, 2020

| Corporate notes | Amortized cost | Portfolio allocation* |
|--|-----------------------|-------------------------------|
| 3M Company | \$ 5,361,080 | 0.68% |
| Alphabet Inc. | 5,061,140 | 0.64% |
| Amazon.com Inc. | 4,655,525 | 0.59% |
| Apple Inc. | 15,308,649 | 1.94% |
| Bank of New York Mellon | 10,593,697 | 1.34% |
| Berkshire Hathaway | 9,607,366 | 1.22% |
| Blackrock Inc. | 8,520,374 | 1.08% |
| Chevron | 3,232,024 | 0.41% |
| Cisco Systems Inc. | 510,850 | 0.06% |
| Citibank | 7,387,981 | 0.94% |
| CME Group | 3,036,674 | 0.39% |
| Coca Cola Company | 5,109,867 | 0.65% |
| Colgate-Palmolive | 15,378,598 | 1.95% |
| Exxon Mobil | 5,009,157 | 0.64% |
| Florida Power & Light | 3,961,302 | 0.50% |
| Johnson & Johnson | 11,968,338 | 1.52% |
| JP Morgan Chase Bank | 16,784,854 | 2.13% |
| Microsoft | 19,271,566 | 2.45% |
| Novartis Capital Corp | 4,869,434 | 0.62% |
| Procter & Gamble | 8,727,002 | 1.11% |
| Public Service Electric | 2,682,495 | 0.34% |
| State Street Corporation | 2,107,448 | 0.27% |
| Toyota | 16,807,835 | 2.13% |
| US Bank NA | 12,653,845 | 1.61% |
| Wal-Mart | 19,403,167 | 2.46% |
| Wells Fargo Bank NA | 12,629,434 | 1.60% |
| Mortgage backed securities (agency) | Amortized cost | Portfolio allocation* |
| FHLMC | 4,440,476 | 0.56% |
| FNMA | 4,947,668 | 0.63% |
| Federal agencies | Amortized cost | Portfolio allocation** |
| Federal Agricultural Mortgage Corp. | 12,182,703 | 1.55% |
| Federal Farm Credit Bank | 88,983,818 | 11.29% |
| Federal Home Loan Bank | 51,734,997 | 6.57% |
| Federal Home Loan Mortgage Corp. | 45,284,109 | 5.75% |
| Federal National Mortgage Assoc. | 37,011,230 | 4.70% |
| Private Export Funding Corp. | 2,550,520 | 0.32% |
| RFCO STRIPS | 2,993,971 | 0.38% |
| Tennessee Valley Authority | 3,033,121 | 0.38% |
| Other | Amortized cost | Portfolio allocation |
| Supranational | 37,746,051 | 4.79% |
| US Treasury | 74,155,611 | 9.41% |
| Certificate of deposits | 18,589,997 | 2.36% |
| Cash | 173,558,552 | 22.03% |
| Total portfolio amortized cost | \$ 787,852,526 | |

* No more than 5% may be invested with a single issuer.

Oct. 6, 2020 are no percentage limits on federal agency issuers.

Item #1

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CITY COUNCIL
Staff Report

Meeting Date: Oct. 6, 2020

To: Carlsbad City Council

From: Scott Chadwick, City Manager

Staff Contact: Nathan Schmidt, Transportation Planning and Mobility Manager
nathan.schmidt@carlsbadca.gov, 760-602-2734

Tom Frank, Transportation Director
tom.frank@carlsbadca.gov, 760-602-2746

Subject: Caltrans Master Agreement and Program Supplement for the Local Roadway Safety Plan Grant Award

Recommended Actions

1. Adopt a resolution authorizing execution of the Master Agreement for State-Funded Projects, Agreement No. 00572S, with the California Department of Transportation and authorizing the city manager or designee to execute Program Supplement Agreements
2. Adopt a resolution authorizing execution of the Program Supplement Agreement No. V28, with the California Department of Transportation for the Local Roadway Safety Plan grant

Executive Summary

The city has been awarded a grant from the State of California Systemic Safety Analysis Report Program in the amount of \$72,000 to prepare a local roadway safety plan. The roadway safety plan will provide a framework for the city and stakeholders to identify, analyze and prioritize roadway safety improvements to reduce fatalities and serious injuries on the local roadway network. A local roadway safety plan will also be required for future funding opportunities under the State Highway Safety Improvement Program.

To accept the grant, the city is required to enter into a modified master agreement with the California Department of Transportation that defines the roles and responsibilities of Caltrans and the city in the use of these state funds. The master agreement was last modified and approved by the City Council on Aug. 8, 2018, through Resolution No. 2018-143.

Caltrans has made slight modifications to the master agreement (Master Agreement No. 00572S, Exhibit 1), and City Council action is required to approve all master agreements administered by Caltrans. With the City Council's approval, the city manager or a designee will be authorized to execute program supplement agreements to receive the state funds for transportation programs. The council's approval of Program Supplement Agreement No. V28 is required for the city to accept the local roadway safety plan grant.¹

¹ Staff submitted a local roadway safety plan funding request proposal to Caltrans on Dec. 23, 2019. On Jan. 9, 2020, Caltrans informed the city that the proposal had been selected for funding.

Discussion

Through development of the local roadway safety plan, the city will conduct a citywide systemic collision analysis to identify the top emphasis areas on which to focus safety improvements. For each emphasis area, a suite of multi-disciplinary countermeasures will be identified. The plan includes maps of the locations of collisions in each emphasis area to help city staff prioritize locations for safety improvements.

The local roadway safety plan will be developed in coordination with the Traffic Safety Coordinating Committee, which is to include staff from such city departments as Transportation, Police, Fire and Risk Management who will work together to try to reduce severe and fatal collisions. It will also include input from the Traffic and Mobility Commission and feedback solicited through a community engagement program conducted in partnership with the Police, Fire and Parks & Recreation departments, the California Highway Patrol and local school districts to promote and elevate safety as a community-wide priority.

The grant will enable the city to develop a comprehensive data-driven safety plan that addresses the four E's of transportation safety: engineering, education, enforcement and emergency services.

The city's state-funded projects are administered by Caltrans in accordance with the master agreement, which covers all the city's interactions with Caltrans. An updated and signed master agreement is required for the city to receive any state funding for transportation projects. The master agreement does not appropriate or authorize use of state funds. That authorization is done through the program supplement agreements that are required to be executed for transportation projects that receive state funding. To be eligible for funds, the city must provide in-kind funding in the amount of \$8,000. This requirement will be satisfied by the staff hours spent working on the project.

Staff recommends the City Council approve the execution of the master agreement and the program supplement agreement (Exhibits 1 and 2).

Fiscal Analysis

Approving these agreements will result in the city receiving \$72,000 in state funds. The city's required \$8,000 in in-kind funding will be absorbed by the Transportation Department operating budget using personnel allocations for staff time. No additional funds are required.

Next Steps

With the City Council's approval, the master agreement and program supplement agreement will be executed with Caltrans and the city will be able to process funding requests for projects using state funding, including the local roadway safety plan. Staff will work with a consultant to assist in developing the roadway safety plan by fall 2020. Plan development and review, including public and stakeholder engagement, are expected to be completed by fall 2021. Staff plans to present the results of the local roadway safety plan to the Traffic and Mobility Commission and the City Council in early 2022.

Environmental Evaluation (CEQA)

In keeping with Public Resources Code Section 21065, the master agreement does not qualify as a "project" within the meaning of the California Environmental Quality Act in that it has no

potential to cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, and therefore does not require environmental review. The appropriate level of environmental review will be completed for each proposed project.

Public Notification

Public notice of this item was posted in keeping with the Ralph M. Brown Act and it was available for public viewing and review at least 72 hours before the scheduled meeting date.

Exhibits

1. Resolution authorizing execution of the Caltrans Master Agreement No. 00572S
2. Resolution authorizing execution of the Local Roadway Safety Plan Grant Program Supplement Agreement

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, AUTHORIZING EXECUTION OF THE MASTER AGREEMENT FOR STATE-FUNDED PROJECTS, AGREEMENT NO. 00572S, WITH THE CALIFORNIA DEPARTMENT OF TRANSPORTATION AND AUTHORIZING THE CITY MANAGER OR DESIGNEE TO EXECUTE PROGRAM SUPPLEMENT AGREEMENTS

WHEREAS, the California Department of Transportation has revised the Master Agreement Administering Agency – State Agreement (Master Agreement) for state-funded projects; and

WHEREAS, the City Council hereby finds it necessary, desirable and in the public interest to authorize execution of the Master Agreement; and

WHEREAS, disbursement of state funds requires a Program Supplement Agreement for each project; and

WHEREAS, the City Council finds receipt of this supplemental funding beneficial to the transportation system for both the city and the state; and

WHEREAS, the City Council finds it would be more expedient and cost-effective and, therefore, in the best interest of the city to authorize the city manager or designee to execute Program Supplement Agreements.

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

1. That the above recitations are true and correct.
2. That the mayor is hereby authorized and directed to execute the Master Agreement between the California Department of Transportation and the City of Carlsbad, which is attached hereto as Attachment A.
3. That the city manager or designee is hereby authorized to execute Program Supplement Agreements to the Master Agreement.

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the __ day of _____, 2020, by the following vote, to wit:

AYES:

NAYS:

ABSENT:

MATT HALL, Mayor

BARBARA ENGLESON, City Clerk

(SEAL)

MASTER AGREEMENT
ADMINISTERING AGENCY-STATE AGREEMENT FOR
STATE-FUNDED PROJECTS

EXHIBIT 1,
ATTACHMENT A

11 City of Carlsbad

District Administering Agency

Agreement No. 00572S

This AGREEMENT, is entered into effective this _____ day of _____, 20____, by and between the City of Carlsbad, hereinafter referred to as "ADMINISTERING AGENCY," and the State of California, acting by and through its Department of Transportation (Caltrans), hereinafter referred to as "STATE", and together referred to as "PARTIES" or individually as a "PARTY."

RECITALS:

1. WHEREAS, the Legislature of the State of California has enacted legislation by which certain State funds are made available for use on local transportation related projects of public entities qualified to act as recipients of these state funds; and
2. WHEREAS, ADMINISTERING AGENCY has applied to the California Transportation Commission (CTC) and/or STATE for funding from either the State Transportation Improvement Program (STIP), or other State-funded programs (herein referred to as STATE FUNDS), as defined in the Local Assistance Program Guidelines (LAPG), for use on local authorized transportation related projects as a local administered project(s), hereinafter referred to as "PROJECT"; and
3. WHEREAS, said PROJECT will not receive any federal funds; and
4. WHEREAS, before STATE FUNDS will be made available for PROJECT, ADMINISTERING AGENCY and STATE are required to enter into an agreement to establish terms and conditions applicable to the ADMINISTERING AGENCY when receiving STATE FUNDS for a designated PROJECT facility and to the subsequent operation and maintenance of that completed facility.

NOW, THEREFORE, the PARTIES agree as follows:

ARTICLE I - PROJECT ADMINISTRATION

1. This AGREEMENT shall have no force or effect with respect to any program project unless and until a project-specific Program Supplement to this AGREEMENT for state funded projects, hereinafter referred to as "PROGRAM SUPPLEMENT", has been fully executed by both STATE and ADMINISTERING AGENCY.
2. The State approved project-specific allocation letter designate the party responsible for implementing PROJECT, type of work and location of PROJECT.
3. The PROGRAM SUPPLEMENT sets out special covenants as a condition for the ADMINISTERING AGENCY to receive STATE FUNDS from/through STATE for designated PROJECT. The PROGRAM SUPPLEMENT shall also show these STATE FUNDS that have been initially encumbered for PROJECT along with the matching funds to be provided by ADMINISTERING AGENCY and/or others. Execution of PROGRAM SUPPLEMENT by the PARTIES shall cause ADMINISTERING AGENCY to adopt all of the terms of this AGREEMENT as though fully set forth therein in the PROGRAM SUPPLEMENT. Unless otherwise expressly delegated in a resolution by the governing body of ADMINISTERING AGENCY, and with written concurrence by STATE, the PROGRAM SUPPLEMENT shall be approved and managed by the governing body of ADMINISTERING AGENCY.
4. ADMINISTERING AGENCY agrees to execute and return each project-specific PROGRAM SUPPLEMENT within ninety (90) days of receipt. The PARTIES agree that STATE may suspend future allocations, encumbrances and invoice payments for any on-going or future STATE FUNDED PROJECT performed by ADMINISTERING AGENCY if any project-specific PROGRAM SUPPLEMENT is not returned within that ninety (90) day period unless otherwise agreed by STATE in writing.
5. ADMINISTERING AGENCY further agrees, as a condition to the release and payment of STATE FUNDS encumbered for the PROJECT described in each PROGRAM SUPPLEMENT, to comply with the terms and conditions of this AGREEMENT and all of the agreed-upon Special Covenants or Remarks incorporated within the PROGRAM SUPPLEMENT, and Cooperative/Contribution Agreement where appropriate, defining and identifying the nature of the specific PROJECT.
6. STATE FUNDS will not participate in any portion of PROJECT work performed in advance of the effective date of the executed PROGRAM SUPPLEMENT for said PROJECT.
7. Projects allocated with STATE FUNDS from the STIP will be administered in accordance with the current CTC STIP Guidelines, as adopted or amended and in accordance with Chapter 23 of the Local Assistance Program Guidelines (LAPG) published by STATE.
8. Projects allocated with STATE FUNDS not programmed in the STIP will be administered in accordance with the applicable chapter of the LAPG and/or any other instructions published by STATE.
9. ADMINISTERING AGENCY's eligible costs for preliminary engineering work includes all preliminary work directly related to PROJECT up to contract award for construction, including, but not limited to, environmental studies and permits (E&P), preliminary surveys and reports, laboratory work, soil investigations, the preparation of plans, specifications and estimates (PS&E), advertising for bids, awarding of a contract and project development contract administration.

10. ADMINISTERING AGENCY's eligible costs for construction engineering includes actual inspection and supervision of PROJECT construction work; construction staking; laboratory and field testing; and the preparation and processing of field reports, records, estimates, final reports, and allowable expenses of employees/consultants engaged in such activities.

11. Unless the PARTIES agree otherwise in writing, ADMINISTERING AGENCY's employees or its sub-contractor engineering consultant shall be responsible for all PROJECT engineering work.

12. ADMINISTERING AGENCY shall not proceed with final design of PROJECT until final environmental approval of PROJECT. Final design entails the design work necessary to complete the PS&E and other work necessary for a construction contract but not required earlier for environmental clearance of that PROJECT.

13. If PROJECT is not on STATE-owned right-of-way, PROJECT shall be constructed in accordance with Chapter 11 of the Local Assistance Procedures Manual (LAPM) that describes minimum statewide design standards for local agency streets and roads. The design standards for projects off the National Highway System (NHS) allow STATE to accept either the STATE's minimum statewide design standards or the approved geometric design standards of ADMINISTERING AGENCY. Additionally, for projects off the NHS, STATE will accept ADMINISTERING AGENCY-approved standard specifications, standard plans, materials sampling and testing quality assurance programs that meet the conditions described in the then current Local Assistance Procedures Manual.

14. If PROJECT involves work within or partially within STATE-owned right-of-way, that PROJECT shall also be subject to compliance with the policies, procedures and standards of the STATE Project Development Procedures Manual and Highway Design Manual and where appropriate, an executed cooperative agreement between STATE and ADMINISTERING AGENCY that outlines the PROJECT responsibilities and respective obligations of the PARTIES. ADMINISTERING AGENCY and its' contractors shall each obtain an encroachment permit through STATE prior to commencing any work within STATE rights of way or work which affects STATE facilities.

15. When PROJECT is not on the State Highway System (SHS) but includes work to be performed by a railroad, the contract for such work shall be prepared by ADMINISTERING AGENCY or by STATE, as the PARTIES may hereafter agree. In either event, ADMINISTERING AGENCY shall enter into an agreement with the railroad providing for future maintenance of protective devices or other facilities installed under the contract.

16. The Department of General Services, Division of the State Architect, or its designee, shall review the contract PS&E for the construction of buildings, structures, sidewalks, curbs and related facilities for accessibility and usability. ADMINISTERING AGENCY shall not award a PROJECT construction contract for these types of improvements until the State Architect has issued written approval stating that the PROJECT plans and specifications comply with the provisions of sections 4450 and 4454 of the California Government Code, if applicable. Further requirements and guidance are provided in Title 24 of the California Code of Regulations.

17. ADMINISTERING AGENCY shall provide or arrange for adequate supervision and inspection of each PROJECT. While consultants may perform supervision and inspection work for PROJECT with a fully qualified and licensed engineer, ADMINISTERING AGENCY shall provide a full-time employee to be in responsible charge of each PROJECT.

18. Unless otherwise provided in the PROGRAM SUPPLEMENT, ADMINISTERING AGENCY shall advertise, award, and administer the PROJECT construction contract or contracts.
19. The cost of maintenance, security, or protection performed by ADMINISTERING AGENCY or contractor forces during any temporary suspension of PROJECT or at any other time may not be charged to the PROJECT.
20. ADMINISTERING AGENCY shall submit PROJECT-specific award information, using Exhibit 23-A of the LAPG, to STATE's District Local Assistance Engineer, within sixty (60) days after contract award. A copy of Exhibit 23-A shall also be included with the submittal of the first invoice for a construction contract by ADMINISTERING AGENCY to: Department of Transportation, Division of Accounting Local Programs Accounting Branch, MS #33, PO Box 942874, Sacramento, California 94274-0001.
21. ADMINISTERING AGENCY shall submit the final report documents that collectively constitute a "Report of Expenditures" within one hundred eighty (180) days of PROJECT completion. Failure by ADMINISTERING AGENCY to submit a "Report of Expenditures" within 180 days of project completion will result in STATE imposing sanctions upon ADMINISTERING AGENCY in accordance Chapters 17 and 19 of the Local Assistance Procedures Manual.
22. ADMINISTERING AGENCY shall comply with the Americans with Disabilities Act (ADA) of 1990 that prohibits discrimination on the basis of disability and all applicable regulations and guidelines issued pursuant to the ADA.
23. The Governor and the Legislature of the State of California, each within their respective jurisdictions, have prescribed certain nondiscrimination requirements with respect to contract and other work financed with public funds. ADMINISTERING AGENCY agrees to comply with the requirements of the FAIR EMPLOYMENT PRACTICES ADDENDUM, attached hereto as Exhibit A and further agrees that any agreement entered into by ADMINISTERING AGENCY with a third party for performance of work connected with PROJECT shall incorporate Exhibit A (with third party's name replacing ADMINISTERING AGENCY) as parts of such agreement.
24. ADMINISTERING AGENCY shall include in all subcontracts awarded when applicable, a clause that requires each subcontractor to comply with California Labor Code requirements that all workers employed on public works aspects of any project (as defined in California Labor Code sections 1720-1815) be paid not less than the general prevailing wage rates predetermined by the Department of Industrial Relations as effective at the date of contract award by the ADMINISTERING AGENCY.

ARTICLE II - RIGHTS OF WAY

1. No contract for the construction of a STATE FUNDED PROJECT shall be awarded until all necessary rights of way have been secured. Prior to the advertising for construction of PROJECT, ADMINISTERING AGENCY shall certify and, upon request, shall furnish STATE with evidence that all necessary rights-of-way are available for construction purposes or will be available by the time of award of the construction contract.

2. The furnishing of rights of way by ADMINISTERING AGENCY as provided for herein includes, and is limited to, the following, unless the PROGRAM SUPPLEMENT provides otherwise.

(a) Expenditures to purchase all real property required for PROJECT free and clear of liens, conflicting easements, obstructions and encumbrances, after crediting PROJECT with the fair market value of any excess property retained and not disposed of by ADMINISTERING AGENCY.

(b) The cost of furnishing of right-of-way as provided for herein includes, in addition to real property required for the PROJECT, title free and clear of obstructions and encumbrances affecting PROJECT and the payment, as required by applicable law, of damages to owners of remainder real property not actually taken but injuriously affected by PROJECT.

(c) The cost of relocation payments and services provided to owners and occupants pursuant to Government Code sections 7260-7277 when PROJECT displaces an individual, family, business, farm operation or nonprofit organization.

(d) The cost of demolition and/or the sale of all improvements on the right-of-way after credit is recorded for sale proceeds used to offset PROJECT costs.

(e) The cost of all unavoidable utility relocation, protection or removal.

(f) The cost of all necessary hazardous material and hazardous waste treatment, encapsulation or removal and protective storage for which ADMINISTERING AGENCY accepts responsibility and where the actual generator cannot be identified and recovery made.

3. ADMINISTERING AGENCY agrees to indemnify and hold STATE harmless from any liability that may result in the event the right-of-way for a PROJECT, including, but not limited to, being clear as certified or if said right-of-way is found to contain hazardous materials requiring treatment or removal to remediate in accordance with Federal and State laws. ADMINISTERING AGENCY shall pay, from its own non-matching funds, any costs which arise out of delays to the construction of PROJECT because utility facilities have not been timely removed or relocated, or because rights-of-way were not available to ADMINISTERING AGENCY for the orderly prosecution of PROJECT work.

ARTICLE III - MAINTENANCE AND MANAGEMENT

1. ADMINISTERING AGENCY will maintain and operate the property acquired, developed, constructed, rehabilitated, or restored by PROJECT for its intended public use until such time as the parties might amend this AGREEMENT to otherwise provide. With the approval of STATE, ADMINISTERING AGENCY or its successors in interest in the PROJECT property may transfer this obligation and responsibility to maintain and operate PROJECT property for that intended public purpose to another public entity.

2. Upon ADMINISTERING AGENCY's acceptance of the completed construction contract or upon contractor being relieved of the responsibility for maintaining and protecting PROJECT, ADMINISTERING AGENCY will be responsible for the maintenance, ownership, liability, and the expense thereof, for PROJECT in a manner satisfactory to the authorized representatives of STATE and if PROJECT falls within the jurisdictional limits of another Agency or Agencies, it is the duty of ADMINISTERING AGENCY to facilitate a separate maintenance agreement(s) between itself and the other jurisdictional Agency or Agencies providing for the operation, maintenance, ownership and liability of PROJECT. Until those agreements are executed, ADMINISTERING AGENCY will be responsible for all PROJECT operations, maintenance, ownership and liability in a manner satisfactory to the authorized representatives of STATE. If, within ninety (90) days after receipt of notice from STATE that a PROJECT, or any portion thereof, is not being properly operated and maintained and ADMINISTERING AGENCY has not satisfactorily remedied the conditions complained of, the approval of future STATE FUNDED PROJECTS of ADMINISTERING AGENCY will be withheld until the PROJECT shall have been put in a condition of operation and maintenance satisfactory to STATE. The provisions of this section shall not apply to a PROJECT that has been vacated through due process of law with STATE's concurrence.

3. PROJECT and its facilities shall be maintained by an adequate and well-trained staff of engineers and/or such other professionals and technicians as PROJECT reasonably requires. Said operations and maintenance staff may be employees of ADMINISTERING AGENCY, another unit of government, or a contractor under agreement with ADMINISTERING AGENCY. All maintenance will be performed at regular intervals or as required for efficient operation of the complete PROJECT improvements.

ARTICLE IV - FISCAL PROVISIONS

1. All contractual obligations of STATE are subject to the appropriation of resources by the Legislature and the allocation of resources by the CTC.
2. STATE'S financial commitment of STATE FUNDS will occur only upon the execution of this AGREEMENT, the execution of each project-specific PROGRAM SUPPLEMENT and/or STATE's approved finance letter.
3. ADMINISTERING AGENCY may submit signed duplicate invoices in arrears for reimbursement of allowable PROJECT costs on a monthly or quarterly progress basis once the project-specific PROGRAM SUPPLEMENT has been executed by STATE.
4. ADMINISTERING AGENCY agrees, as a minimum, to submit invoices at least once every six months commencing after the STATE FUNDS are encumbered on either the project-specific PROGRAM SUPPLEMENT or through a project-specific finance letter approved by STATE. STATE reserves the right to suspend future allocations and invoice payments for any on-going or future STATE FUNDED project performed by ADMINISTERING AGENCY if PROJECT costs have not been invoiced by ADMINISTERING AGENCY for a six-month period
5. Invoices shall be submitted on ADMINISTERING AGENCY letterhead that includes the address of ADMINISTERING AGENCY and shall be formatted in accordance with Chapter 5 of the LAPM.
6. Invoices must have at least one copy of supporting backup documentation for allowable costs incurred and claimed for reimbursement by ADMINISTERING AGENCY. Acceptable backup documentation includes, but is not limited to, agency's progress payment to the contractors, copies of cancelled checks showing amounts made payable to vendors and contractors, and/or a computerized summary of PROJECT costs.
7. Payments to ADMINISTERING AGENCY can only be released by STATE as reimbursements of actual allowable PROJECT costs already incurred and paid for by ADMINISTERING AGENCY.
8. An indirect cost allocation plan and related documentation are to be provided to STATE (Caltrans Audits & Investigations) annually for review and approval prior to ADMINISTERING AGENCY seeking reimbursement of indirect cost incurred within each fiscal year being claimed for reimbursement. The indirect cost allocation plan must be prepared in accordance with the requirements set forth in Office of Management and Budget Circular A-87 and Chapter 4 of the Local Assistance Procedures Manual.
9. STATE will withhold the greater of either two (2) percent of the total of all STATE FUNDS encumbered for each PROGRAM SUPPLEMENT or \$40,000 until ADMINISTERING AGENCY submits the Final Report of Expenditures for each completed PROGRAM SUPPLEMENT PROJECT.
10. The estimated total cost of PROJECT, the amount of STATE FUNDS obligated, and the required matching funds may be adjusted by mutual consent of the PARTIES with an allocation letter and finance letter. STATE FUNDING may be increased to cover PROJECT cost increases only if such additional funds are available and the CTC and/or STATE concurs with that increase in the form of an allocation and finance letter.

11. When such additional STATE FUNDS are not available, ADMINISTERING AGENCY agrees that any increases in PROJECT costs must be defrayed with ADMINISTERING AGENCY's own funds.

12. ADMINISTERING AGENCY shall use its own non STATE FUNDS to finance the local share of eligible costs and all PROJECT expenditures or contract items ruled ineligible for financing with STATE FUNDS. STATE shall make the final determination of ADMINISTERING AGENCY's cost eligibility for STATE FUNDED financing with respect to claimed PROJECT costs.

13. ADMINISTERING AGENCY will reimburse STATE for STATE's share of costs for work performed by STATE at the request of ADMINISTERING AGENCY. STATE's costs shall include overhead assessments in accordance with section 8755.1 of the State Administrative Manual.

14. STATE FUNDS allocated from the STIP are subject to the timely use of funds provisions enacted by Senate Bill 45, approved in 1997, and subsequent STIP Guidelines and State procedures approved by the CTC and STATE.

15. STATE FUNDS encumbered for PROJECT are available for liquidation only for five (5) years from the beginning of the State fiscal year when those funds were appropriated in the State Budget. STATE FUNDS not liquidated within these periods will be reverted unless a Cooperative Work Agreement (CWA) is submitted by ADMINISTERING AGENCY and approved by the California Department of Finance in accordance with Government Code section 16304. The exact date of fund reversion will be reflected in the STATE signed PROJECT finance letter.

16. Payments to ADMINISTERING AGENCY for PROJECT-related travel and subsistence (per diem) expenses of ADMINISTERING AGENCY forces and its contractors and subcontractors claimed for reimbursement or as local match credit shall not exceed rates authorized to be paid to rank and file STATE employees under current State Department of Personnel Administration (DPA) rules. If the rates invoiced by ADMINISTERING AGENCY are in excess of DPA rates, ADMINISTERING AGENCY is responsible for the cost difference, and any overpayments inadvertently paid by STATE shall be reimbursed to STATE by ADMINISTERING AGENCY on demand.

17. ADMINISTERING AGENCY agrees to comply with Office of Management and Budget (OMB) Circular A-87, Cost Principles for State and Local Governments, and 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.

18. ADMINISTERING AGENCY agrees, and will assure that its contractors and subcontractors will be obligated to agree that (a) Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31, et seq., shall be used to determine the allowability of individual PROJECT cost items and (b) those parties shall comply with federal administrative procedures in accordance with 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments. Every sub-recipient receiving PROJECT funds as a contractor or sub-contractor under this AGREEMENT shall comply with Federal administrative procedures in accordance with 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments. ADMINISTERING AGENCY agrees to comply with the provisions set

forth in 23 CFR Parts 140, 645 and 646 when contracting with railroad and utility companies.

19. Any PROJECT costs for which ADMINISTERING AGENCY has received payment or credit that are determined by subsequent audit to be unallowable under OMB Circular A-87, 48 CFR, Chapter 1, Part 31, 23 CFR Parts 140, 645 and 646 or 49 CFR, Part 18, are subject to repayment by ADMINISTERING AGENCY to STATE.

20. Upon written demand by STATE, any overpayment to ADMINISTERING AGENCY of amounts invoiced to STATE shall be returned to STATE.

21. Should ADMINISTERING AGENCY fail to refund any moneys due STATE as provided herein or should ADMINISTERING AGENCY breach this AGREEMENT by failing to complete PROJECT without adequate justification and approval by STATE, then, within thirty (30) days of demand, or within such other period as may be agreed to in writing between the PARTIES hereto, STATE, acting through the State Controller, the State Treasurer, the CTC or any other public entity or agency, may intercept, withhold and demand the transfer of an amount equal to the amount paid by or owed to STATE for each PROJECT, from future apportionments, or any other funds due ADMINISTERING AGENCY from the Highway Users Tax Fund or any other sources of funds, and/or may also withhold approval of future STATE FUNDED projects proposed by ADMINISTERING AGENCY.

22. Should ADMINISTERING AGENCY be declared to be in breach of this AGREEMENT or otherwise in default thereof by STATE, and if ADMINISTERING AGENCY is constituted as a joint powers authority, special district, or any other public entity not directly receiving funds through the State Controller, STATE is authorized to obtain reimbursement from whatever sources of funding are available, including the withholding or transfer of funds, pursuant to Article IV - 21, from those constituent entities comprising a joint powers authority or by bringing of an action against ADMINISTERING AGENCY or its constituent member entities, to recover all funds provided by STATE hereunder.

23. ADMINISTERING AGENCY acknowledges that the signatory party represents the ADMINISTERING AGENCY and further warrants that there is nothing within a Joint Powers Agreement, by which ADMINISTERING AGENCY was created, if any exists, that would restrict or otherwise limit STATE's ability to recover STATE FUNDS improperly spent by ADMINISTERING AGENCY in contravention of the terms of this AGREEMENT.

ARTICLE V

AUDITS, THIRD PARTY CONTRACTING, RECORDS RETENTION AND REPORTS

1. STATE reserves the right to conduct technical and financial audits of PROJECT work and records when determined to be necessary or appropriate and ADMINISTERING AGENCY agrees, and shall require its contractors and subcontractors to agree, to cooperate with STATE by making all appropriate and relevant PROJECT records available for audit and copying as required by paragraph three (3) of Article V.
2. ADMINISTERING AGENCY, its contractors and subcontractors shall establish and maintain an accounting system and records that properly accumulate and segregate incurred PROJECT costs and matching funds by line item for the PROJECT. The accounting system of ADMINISTERING AGENCY, its contractors and all subcontractors shall conform to Generally Accepted Accounting Principles, enable the determination of incurred costs at interim points of completion, and provide support for reimbursement payment vouchers or invoices sent to or paid by STATE.
3. For the purpose of determining compliance with Title 21, California Code of Regulations, Chapter 21, section 2500 et seq., when applicable, and other matters connected with the performance and costs of ADMINISTERING AGENCY's contracts with third parties pursuant to Government Code section 8546.7, ADMINISTERING AGENCY, ADMINISTERING AGENCY's contractors and subcontractors, and STATE shall each maintain and make available for inspection and audit all books, documents, papers, accounting records, and other evidence pertaining to the performance of such contracts, including, but not limited to, the costs of administering those various contracts. All of the above-referenced parties shall make such AGREEMENT and PROGRAM SUPPLEMENT materials available at their respective offices at all reasonable times during the entire PROJECT period and for three (3) years from the date of final payment to ADMINISTERING AGENCY under any PROGRAM SUPPLEMENT. STATE, the California State Auditor, or any duly authorized representative of STATE or the United States, shall each have access to any books, records, and documents that are pertinent to a PROJECT for audits, examinations, excerpts, and transactions and ADMINISTERING AGENCY shall furnish copies thereof if requested.
4. ADMINISTERING AGENCY is required to have an audit in accordance with the Single Audit Act of OMB Circular A-133 if it receives a total of \$500,000 or more in STATE FUNDS in a single fiscal year. The STATE FUNDS received under PROGRAM SUPPLEMENT are a part of the Catalogue of Federal Domestic Assistance (CFDA) 20.205, Highway Planning and Research.
5. ADMINISTERING AGENCY agrees to include all PROGRAM SUPPLEMENTS adopting the terms of this AGREEMENT in the schedule of projects to be examined in ADMINISTERING AGENCY'S annual audit and in the schedule of projects to be examined under its single audit prepared in accordance with OMB Circular A-133.
6. ADMINISTERING AGENCY shall not award a construction contract over \$10,000 or other contracts over \$25,000 [excluding professional service contracts of the type which are required to be procured in accordance with Government Code sections 4525 (d), (e) and (f)] on the basis of a noncompetitive negotiation for work to be performed under this AGREEMENT without the prior written approval of STATE. All contracts awarded by ADMINISTERING AGENCY intended or used as local match credit must meet the requirements set forth in this AGREEMENT regarding local match funds.

7. Any subcontract entered into by ADMINISTERING AGENCY as a result of this AGREEMENT shall contain all of the provisions of Article IV, FISCAL PROVISIONS, and this ARTICLE V, AUDITS, THIRD-PARTY CONTRACTING, RECORDS RETENTION AND REPORTS and shall mandate that travel and per diem reimbursements and third-party contract reimbursements to subcontractors will be allowable as PROJECT costs only after those costs are incurred and paid for by the subcontractors.

8. To be eligible for local match credit, ADMINISTERING AGENCY must ensure that local match funds used for a PROJECT meet the fiscal provisions requirements outlined in ARTICLE IV in the same manner that is required of all other PROJECT expenditures.

9. In addition to the above, the pre-award requirements of third-party contractor/consultants with ADMINISTERING AGENCY should be consistent with LOCAL ASSISTANCE PROCEDURES.

ARTICLE VI - MISCELLANEOUS PROVISIONS

1. ADMINISTERING AGENCY agrees to use all PROJECT funds reimbursed hereunder only for transportation purposes that are in conformance with Article XIX of the California State Constitution and other California laws.
2. ADMINISTERING AGENCY shall conform to all applicable State and Federal statutes and regulations, and the Local Assistance Program Guidelines and Local Assistance Procedures Manual as published by STATE and incorporated herein, including all subsequent approved revisions thereto applicable to PROJECT unless otherwise designated in the project-specific executed PROJECT SUPPLEMENT.
3. This AGREEMENT is subject to any additional restrictions, limitations, conditions, or any statute enacted by the State Legislature or adopted by the CTC that may affect the provisions, terms, or funding of this AGREEMENT in any manner.
4. ADMINISTERING AGENCY and the officers and employees of ADMINISTERING AGENCY, when engaged in the performance of this AGREEMENT, shall act in an independent capacity and not as officers, employees or agents of STATE.
5. Each project-specific PROGRAM SUPPLEMENT shall separately establish the terms and funding limits for each described PROJECT funded under this AGREEMENT and that PROGRAM SUPPLEMENT. No STATE FUNDS are obligated against this AGREEMENT.
6. ADMINISTERING AGENCY certifies that neither ADMINISTERING AGENCY nor its principals are suspended or debarred at the time of the execution of this AGREEMENT, and ADMINISTERING AGENCY agrees that it will notify STATE immediately in the event a suspension or a debarment occurs after the execution of this AGREEMENT.
7. ADMINISTERING AGENCY warrants, by execution of this AGREEMENT, that no person or selling agency has been employed or retained to solicit or secure this AGREEMENT upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by ADMINISTERING AGENCY for the purpose of securing business. For breach or violation of this warranty, STATE has the right to annul this AGREEMENT without liability, pay only for the value of the PROJECT work actually performed, or in STATE's discretion, to deduct from the price of PROGRAM SUPPLEMENT consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.
8. In accordance with Public Contract Code section 10296, ADMINISTERING AGENCY hereby certifies under penalty of perjury that no more than one final unappealable finding of contempt of court by a federal court has been issued against ADMINISTERING AGENCY within the immediate preceding two (2) year period because of ADMINISTERING AGENCY's failure to comply with an order of a federal court that orders ADMINISTERING AGENCY to comply with an order of the National Labor Relations Board.
9. ADMINISTERING AGENCY shall disclose any financial, business, or other relationship with STATE that may have an impact upon the outcome of this AGREEMENT or any individual PROJECT encompassed within a PROGRAM SUPPLEMENT. ADMINISTERING AGENCY shall also list current contractors who may have a financial interest in the outcome of a PROJECT undertaken pursuant to this AGREEMENT.

10. ADMINISTERING AGENCY hereby certifies that it does not now have nor shall it acquire any financial or business interest that would conflict with the performance of any PROJECT initiated under this AGREEMENT.

11. ADMINISTERING AGENCY warrants that this AGREEMENT was not obtained or secured through rebates, kickbacks or other unlawful consideration either promised or paid to any STATE employee. For breach or violation of this warranty, STATE shall have the right, in its sole discretion, to terminate this AGREEMENT without liability, to pay only for PROJECT work actually performed, or to deduct from a PROGRAM SUPPLEMENT price or otherwise recover the full amount of such rebate, kickback, or other unlawful consideration.

12. Any dispute concerning a question of fact arising under this AGREEMENT that is not disposed of by agreement shall be decided by the STATE's Contract Officer, who may consider any written or verbal evidence submitted by ADMINISTERING AGENCY. The decision of the Contract Officer, issued in writing, shall be conclusive and binding on the PARTIES on all questions of fact considered and determined by the Contract Officer.

13. Neither the pending of a dispute nor its consideration by the Contract Officer will excuse the ADMINISTERING AGENCY from full and timely performance in accordance with the terms of this AGREEMENT and each PROGRAM SUPPLEMENT.

14. Neither STATE nor any officer or employee thereof is responsible for any injury, damage or liability occurring by reason of anything done or omitted to be done by ADMINISTERING AGENCY under or in connection with any work, authority or jurisdiction of ADMINISTERING AGENCY arising under this AGREEMENT. It is understood and agreed that ADMINISTERING AGENCY shall fully defend, indemnify and save harmless STATE and all of its officers and employees from all claims and suits or actions of every name, kind and description brought forth under, including but not limited to, tortuous, contractual, inverse condemnation or other theories or assertions of liability occurring by reason of anything done or omitted to be done by ADMINISTERING AGENCY under this AGREEMENT.

15. Neither ADMINISTERING AGENCY nor any officer or employee thereof is responsible for any injury, damage or liability occurring by reason of anything done or omitted to be done by, under or in connection with any work, authority or jurisdiction arising under this AGREEMENT. It is understood and agreed that STATE shall fully defend, indemnify and save harmless the ADMINISTERING AGENCY and all of its officers and employees from all claims, suits or actions of every name, kind and description brought forth under, including but not limited to, tortuous, contractual, inverse condemnation and other theories or assertions of liability occurring by reason of anything done or omitted to be done by STATE under this AGREEMENT.

16. In the event of (a) ADMINISTERING AGENCY failing to timely proceed with effective PROJECT work in accordance with the project-specific PROGRAM SUPPLEMENT; (b) failing to maintain any applicable bonding requirements; and (c) otherwise materially violating the terms and conditions of this AGREEMENT and/or any PROGRAM SUPPLEMENT, STATE reserves the right to terminate funding for that PROJECT upon thirty (30) days' written notice to ADMINISTERING AGENCY.

17. No termination notice shall become effective if, within thirty (30) days after receipt of a Notice of Termination, ADMINISTERING AGENCY either cures the default involved or, if the default is not reasonably susceptible of cure within said thirty (30) day period the ADMINISTERING

AGENCY proceeds thereafter to complete that cure in a manner and time line acceptable to STATE.

18. Any such termination shall be accomplished by delivery to ADMINISTERING AGENCY of a Notice of Termination, which notice shall become effective not less than thirty (30) days after receipt, specifying the reason for the termination, the extent to which funding of work under this AGREEMENT and the applicable PROGRAM SUPPLEMENT is terminated and the date upon which such termination becomes effective, if beyond thirty (30) days after receipt. During the period before the effective termination date, ADMINISTERING AGENCY and STATE shall meet to attempt to resolve any dispute. In the event of such termination, STATE may proceed with the PROJECT work in a manner deemed proper by STATE. If STATE terminates funding for PROJECT with ADMINISTERING AGENCY for the reasons stated in paragraph sixteen (16) of ARTICLE VI, STATE shall pay ADMINISTERING AGENCY the sum due ADMINISTERING AGENCY under the PROGRAM SUPPLEMENT and/or STATE-approved finance letter prior to termination, provided, however, ADMINISTERING AGENCY is not in default of the terms and conditions of this AGREEMENT or the project-specific PROGRAM SUPPLEMENT and that the cost of any PROJECT completion to STATE shall first be deducted from any sum due ADMINISTERING AGENCY.

19. In the case of inconsistency or conflicts with the terms of this AGREEMENT and that of a project-specific PROGRAM SUPPLEMENT and/or Cooperative Agreement, the terms stated in that PROGRAM SUPPLEMENT and/or Cooperative Agreement shall prevail over those in this AGREEMENT.

20. Without the written consent of STATE, this AGREEMENT is not assignable by ADMINISTERING AGENCY either in whole or in part.

21. No alteration or variation of the terms of this AGREEMENT shall be valid unless made in writing and signed by the PARTIES, and no oral understanding or agreement not incorporated herein shall be binding on any of the PARTIES.

IN WITNESS WHEREOF, the parties have executed this AGREEMENT by their duly authorized officer.

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

City of Carlsbad

By _____

By _____

Chief, Office of Project Implementation
Division of Local Assistance

City of Carlsbad
Representative Name & Title
(Authorized Governing Body Representative)

Date _____

Date _____

EXHIBIT A - FAIR EMPLOYMENT PRACTICES ADDENDUM

1. In the performance of this Agreement, ADMINISTERING AGENCY will not discriminate against any employee for employment because of race, color, sex, sexual orientation, religion, age, ancestry or national origin, physical disability, medical condition, marital status, political affiliation, family and medical care leave, pregnancy leave, or disability leave. ADMINISTERING AGENCY will take affirmative action to ensure that employees are treated during employment without regard to their race, sex, sexual orientation, color, religion, ancestry, or national origin, physical disability, medical condition, marital status, political affiliation, family and medical care leave, pregnancy leave, or disability leave. Such action shall include, but not be limited to, the following: employment; upgrading; demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. ADMINISTERING AGENCY shall post in conspicuous places, available to employees for employment, notices to be provided by STATE setting forth the provisions of this Fair Employment section.

2. ADMINISTERING AGENCY, its contractor(s) and all subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code, 1290-0 et seq.), and the applicable regulations promulgated thereunder (Cal. Code Regs., Title 2, 7285.0, et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code section 12900(a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations are incorporated into this AGREEMENT by reference and made a part hereof as if set forth in full. Each of the ADMINISTERING AGENCY'S contractors and all subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreements, as appropriate.

3. ADMINISTERING AGENCY shall include the nondiscrimination and compliance provisions of this clause in all contracts and subcontracts to perform work under this AGREEMENT.

4. ADMINISTERING AGENCY will permit access to the records of employment, employment advertisements, application forms, and other pertinent data and records by STATE, the State Fair Employment and Housing Commission, or any other agency of the State of California designated by STATE, for the purposes of investigation to ascertain compliance with the Fair Employment section of this Agreement.

5. Remedies for Willful Violation:

(a) STATE may determine a willful violation of the Fair Employment provision to have occurred upon receipt of a final judgment to that effect from a court in an action to which ADMINISTERING AGENCY was a party, or upon receipt of a written notice from the Fair Employment and Housing Commission that it has investigated and determined that ADMINISTERING AGENCY has violated the Fair Employment Practices Act and had issued an order under Labor Code section 1426 which has become final or has obtained an injunction under Labor Code section 1429.

(b) For willful violation of this Fair Employment Provision, STATE shall have the right to terminate this Agreement either in whole or in part, and any loss or damage sustained by STATE in securing the goods or services thereunder shall be borne and paid for by ADMINISTERING AGENCY and by the surety under the performance bond, if any, and STATE may deduct from any moneys due

or thereafter may become due to ADMINISTERING AGENCY, the difference between the price named in the Agreement and the actual cost thereof to STATE to cure ADMINISTERING AGENCY's breach of this Agreement.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, AUTHORIZING EXECUTION OF PROGRAM SUPPLEMENT AGREEMENT NO. V28 WITH THE CALIFORNIA DEPARTMENT OF TRANSPORTATION FOR THE LOCAL ROADWAY SAFETY PLAN GRANT

WHEREAS, in November 2019, the California Department of Transportation (Caltrans) released a call for applications for Local Roadway Safety Plan (LRSP) grant funds; and

WHEREAS, funding in the amount of \$72,000 would be awarded to selected agencies, with a local match of \$8,000, resulting in a total project cost of \$80,000; and

WHEREAS, the grant funding will be used to prepare an LRSP for the City of Carlsbad; and

WHEREAS, on Jan 9, 2020, Caltrans informed the City of Carlsbad that the city would be awarded \$72,000 for an LRSP grant; and

WHEREAS, the city will satisfy the in-kind funding requirement by providing \$8,000 worth of [RC1] staff time to work on the project; and

WHEREAS, the City Council finds receipt of this supplemental funding beneficial to the transportation system for both the city and the state; and

WHEREAS, the City Council finds it would be more expedient and cost-effective and, therefore, in the best interest of the city for the city manager or designee to execute Program Supplement Agreements as authorized by the Master Agreement No. 00572S.

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

1. That the above recitations are true and correct.
2. That the city manager or designee is hereby authorized and directed to execute Program Supplement Agreement No. V28 between the California Department of Transportation and the City of Carlsbad, which is attached hereto as Attachment A.

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the __ day of _____, 2020, by the following vote, to wit:

AYES:

NAYS:

ABSENT:

MATT HALL, Mayor

BARBARA ENGLESON, City Clerk

(SEAL)

PROGRAM SUPPLEMENT NO. V28
to
ADMINISTERING AGENCY-STATE AGREEMENT
FOR STATE FUNDED PROJECTS NO 00572S

Adv Project ID **Date:** August 12, 2020
 1121000007 **Location:** 11-SD-0-CBD
 Project Number: LRSPL-5308(022)
 E.A. Number:
 Locode: 5308

This Program Supplement, effective _____, hereby adopts and incorporates into the Administering Agency-State Agreement No. 00572S for State Funded Projects which was entered into between the ADMINISTERING AGENCY and the STATE with an effective date of _____ and is subject to all the terms and conditions thereof. This PROGRAM SUPPLEMENT is executed in accordance with Article I of the aforementioned Master Agreement under authority of Resolution No. _____ approved by the ADMINISTERING AGENCY on _____ (See copy attached).

The ADMINISTERING AGENCY further stipulates that as a condition to the payment by the State of any funds derived from sources noted below encumbered to this project, Administering Agency accepts and will comply with the Special Covenants and remarks set forth on the following pages.

PROJECT LOCATION: Throughout the City of Carlsbad

TYPE OF WORK: Local road safety plan (LRSP)

| Estimated Cost | State Funds | | Matching Funds | |
|----------------|-------------|------------|----------------|--------|
| | STATE | LOCAL | LOCAL | OTHER |
| \$80,000.00 | \$72,000.00 | \$8,000.00 | | \$0.00 |

CITY OF CARLSBAD

By _____
Title _____
Date _____
Attest _____

STATE OF CALIFORNIA
Department of Transportation

By _____
Chief, Office of Project Implementation
Division of Local Assistance

Date _____

I hereby certify upon my personal knowledge that budgeted funds are available for this encumbrance:

Accounting Officer Jennie Gee

Date 8/17/2020 \$72,000.00

SPECIAL COVENANTS OR REMARKS

1. All obligations of STATE under the terms of this Agreement are subject to the appropriation of resources by the Legislature and the encumbrance of funds under this Agreement. Funding and reimbursement are available only upon the passage of the State Budget Act containing these STATE funds.
2. Any State and Federal funds that may have been encumbered for this project are available for disbursement for limited periods of time. For each fund encumbrance the limited period is from the start of the fiscal year that the specific fund was appropriated within the State Budget Act to the applicable fund Reversion Date shown on the State approved project finance letter. Per Government Code Section 16304, all project funds not liquidated within these periods will revert unless an executed Cooperative Work Agreement extending these dates is requested by the ADMINISTERING AGENCY and approved by the California Department of Finance.

ADMINISTERING AGENCY should ensure that invoices are submitted to the District Local Assistance Engineer at least 75 days prior to the applicable fund Reversion Date to avoid the lapse of applicable funds. Pursuant to a directive from the State Controller's Office and the Department of Finance; in order for payment to be made, the last date the District Local Assistance Engineer can forward an invoice for payment to the Department's Local Programs Accounting Office for reimbursable work for funds that are going to revert at the end of a particular fiscal year is May 15th of the particular fiscal year. Notwithstanding the unliquidated sums of project specific State and Federal funding remaining and available to fund project work, any invoice for reimbursement involving applicable funds that is not received by the Department's Local Programs Accounting Office at least 45 days prior to the applicable fixed fund Reversion Date will not be paid. These unexpended funds will be irrevocably reverted by the Department's Division of Accounting on the applicable fund Reversion Date.

3. ADMINISTERING AGENCY agrees to comply with the requirements in 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (applicable to Federal and State Funded Projects).
4. This PROJECT is funded with State-Only funding from the Local Roadway Safety Plan (LRSP) Program. ADMINISTERING AGENCY agrees to develop an LRSP under this PROJECT.

The ADMINISTERING AGENCY agrees to follow all relevant State laws and requirements including the California Environmental Quality Act (CEQA).

This PSA allows reimbursement of eligible PROJECT expenditures to the ADMINISTERING AGENCY for which the LRSP State funds are allocated. The effective State allocation date establishes the eligibility date for the ADMINISTERING AGENCY to start reimbursable work. Any work performed prior the effective allocation date is not eligible for reimbursement from the LRSP funds.

ADMINISTERING AGENCY agrees that LRSP funds available for reimbursement will be

SPECIAL COVENANTS OR REMARKS

limited to the amount allocated and encumbered by the STATE consistent with the scope of work in the STATE approved application. Funds encumbered may not be used for a modified scope of work after a project is awarded unless approved by the Statewide LRSP Coordinator prior to performing work.

ADMINISTERING AGENCY agrees to the program delivery and reporting requirements. The study and the LRSP must be completed within thirty-six (36) months of the funding allocation. The Final Report of Expenditure, the final invoice and the LRSP report must be submitted to the DLAE within six (6) months of the report completion.



CITY COUNCIL
Staff Report

Meeting Date: Oct. 6, 2020
To: Mayor and City Council
From: Scott Chadwick, City Manager
Staff Contact: Brandon Miles, Associate Engineer
brandon.miles@carlsbadca.gov, 760-602-2745
Subject: Approval of Plans and Specifications, Authorization to Advertise for Bids, Appropriate Funds for Phase I of the El Camino Real and Cannon Road Intersection Improvements Project

Recommended Action

Adopt a resolution to:

1. Approve the plans and specifications for Phase I of the El Camino Real and Cannon Road intersection improvements, Capital Improvement Program Project nos. 6042 and 6056
2. Authorize the city clerk to advertise for bids for the project
3. Approve an additional funding appropriation from the traffic impact fees in an amount of \$221,000

Executive Summary

The project will make improvements to make it easier and safer for pedestrians at the intersection of El Camino Real and Cannon Road. These improvements will provide new access for pedestrians and bring sidewalks up to the current design standards.

Carlsbad Municipal Code Section 3.28.080(E) requires the City Council to approve plans and specifications for all construction projects that are to be formally bid upon when the value exceeds the \$200,000 limit established by the Public Contract Code, including the alternative provisions of the state's Uniform Public Construction Cost Accounting Act. The cost of the project is estimated to be \$1,797,000, not including construction contingency and construction management costs, so the project is subject to the requirement.

Staff recommends the City Council approve the plans, specifications and contract documents, authorize the city clerk to advertise for construction bids for the project, and appropriate \$221,000 in additional funding from the traffic impact fees.

Discussion

The project is intended to improve connectivity and operation for pedestrians on this segment of El Camino Real, generally running west and east in this location. The Agua Hedionda Creek bridge is located on El Camino Real, east of Cannon Road. The bridge was built in 1971 and is 108 feet wide and 112 feet long. Only a narrow sidewalk exists on the southerly side of the bridge. This will be widened from 4 feet to 6 feet to meet the design standards and enhance pedestrian mobility.

There is no pedestrian access at all on the north side of the bridge. As part of the project, a separate pedestrian bridge will be installed on the north side of the bridge so that people can walk from Cannon Road to the east side of the bridge.

The project also includes removing the two existing overhead poles on the north side of the Agua Hedionda Creek bridge.

This project will enhance pedestrian mobility and public safety, consistent with the city's community values. A location map is provided in Exhibit 2.

This project is on two of the four street facilities, or roadways, that the City Council determined to be deficient in meeting the vehicular level-of-service performance standards in the city's Growth Management Plan.¹

This phase of the project just addresses pedestrian mobility, and is not intended to address the vehicular level of service. Phase II of this project, which is in the design process, is intended to enhance and improve the traffic flow on these roadways.

That phase will realign the median and restripe westbound El Camino Real to provide an enhanced dedicated bike lane. While Phase II will address the vehicular level of service deficiencies on this street facility, it is not expected to make this roadway meet the vehicular level-of-service performance standard and the facility is expected to remain deficient.

The median realignment will also provide an additional westbound through lane (for a total of three through lanes when completed) and maintain the existing left- and right-turn only lanes onto southbound and northbound Cannon Road. Phase II will improve traffic flow for northbound El Camino Real, but is not expected to bring the roadway up to the vehicular level-of-service performance standard.

Both this project and the second phase of these improvements will have minimal impact to the FY 2020-21 Pavement Overlay Project. (Capital Improvement Program Project No. 6001-200L. The City Council approved plans and specifications and an authorization to bid that project on Sept. 15, 2020.) This project involves mostly bridge work with a few modifications to the curbs. The second phase will include some slight median modifications and revised striping on westbound El Camino Real from Jackspar Drive to Cannon Road.

Traffic and Mobility Commission and Planning Commission review

At its meeting on April 6, 2020, the Traffic and Mobility Commission voted unanimously 7-0 to support staff's recommendation to implement Phase I of the project. (Attached as Exhibit 3 are the approved minutes of this meeting.)

The Planning Commission approved Phase I of the project with a unanimous (7-0) vote Aug. 19, 2020, adopting Resolution No. 7378, which approved permits for the project as amended:

¹ On May 5 and June 9, 2020, the City Council determined four street facilities to be deficient, as well as built out and exempt from the vehicular level-of-service performance standard, in accordance with General Plan Mobility Element Policy 3-P.9. Two of these street facilities include El Camino Real between College Boulevard and Cannon Road in both directions, which encompass the intersection improvements in the Project.

Coastal Development Permit 2018-0031, Special Use permits 2018-0005 and 2018-0006, subject to certain conditions. (Attached as Exhibit 4 are the approved minutes of this meeting.)

Fiscal Analysis

The city has \$2,116,079 available for the Phase I of the project. Fees have been appropriated from two funding source: \$3,315,000 from traffic impact fees and \$210,000 from infrastructure replacement funds. Based on the consulting engineer’s estimate, an additional funding appropriation in an amount of \$221,000 from the traffic impact fees is required to complete the project.

The available funds and estimated construction costs for the project are shown in the table below:

| City of Carlsbad Phase I El Camino Real and Cannon Road Intersection Improvements, Capital Improvement Program Project nos. 6042 and 6056 | |
|--|--------------------|
| Total appropriation to date | \$3,525,000 |
| Total expenditures and encumbrances to date | \$1,415,549 |
| Current project account balance – Capital improvement Program project nos. 6042 and 6056 | \$2,116,079 |
| Construction contract (estimated) | \$1,797,000 |
| Construction contingency (estimated) | \$269,550 |
| Construction management, inspection, material testing and other support services (estimated) | \$269,550 |
| Total estimated project costs | \$2,336,100 |
| Remaining balance after Capital Improvement Program project nos. 6042 and 6056 | \$(220,021) |
| Additional appropriation needed | \$221,000 |

Next Steps

Given the City Council’s approval, the city clerk will advertise a request for bids to construct the first phase of this project. The bids received will be evaluated, and the lowest responsive and responsible bidder will be identified by city staff. Staff will then return to the City Council with a recommendation to award a construction contract to the identified bidder, which is expected to be in late 2020. Construction is anticipated to begin in spring 2021 and is expected to take about three months.

When the design of the second phase is completed, staff will return to City Council for separate approval of the plans, specifications and contract documents and authorization to bid for construction of that project.

Environmental Evaluation (CEQA)

The project is exempt from the California Environmental Quality Act as outlined in State CEQA Guidelines Section 15301(c) – minor alteration of existing facilities including streets, sidewalks and similar facilities involving negligible or no expansion and Section 15031(d) - restoration or rehabilitation of deteriorated or damaged structures, facilities or mechanical equipment to meet current standards of public health and safety, unless it is determined that the damage was substantial and resulted from an environmental hazard such as earthquake, landslide, or flood.

Public Notification

Public notice of this item was posted in keeping with the Ralph M. Brown Act and it was available for public viewing and review at least 72 hours before the scheduled meeting date.

Exhibits

1. Resolution
2. Location map
3. Approved minutes of the April 6, 2020, Traffic and Mobility Commission meeting
4. Approved minutes of the Aug. 19, 2020, Planning Commission meeting
5. Plans, specifications and contract documents ([on file in the Office of the City Clerk](#))

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, APPROVING PLANS AND SPECIFICATIONS, AUTHORIZING THE CITY CLERK TO ADVERTISE FOR BIDS, AND APPROVING ADDITIONAL FUNDING APPROPRIATION FROM THE TRAFFIC IMPACT FEES IN AN AMOUNT OF \$221,000 FOR PHASE I OF THE EL CAMINO REAL AND CANNON ROAD INTERSECTION IMPROVEMENTS, CAPITAL IMPROVEMENT PROGRAM (CIP) PROJECT NOS. 6042 AND 6056 (PROJECT)

WHEREAS, the City Council of the City of Carlsbad, California has determined that it is necessary and in the public interest to improve the intersection at El Camino Real and Cannon Road, CIP Project Nos. 6042 and 6056; and

WHEREAS, the plans, specifications and contract documents for Phase I of the El Camino Real and Cannon Road Intersection Improvements, CIP Project Nos. 6042 and 6056 (Project), have been prepared and are on file at the city clerk's office and are incorporated herein by reference; and

WHEREAS, funding for said Project that has been appropriated from the Traffic Impact Fees and Infrastructure Replacement fund is not sufficient; and

WHEREAS, additional appropriations for said Project will be appropriated from the Traffic Impact Fees in the amount of \$221,000; and

WHEREAS, the City Planner has determined that the Project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301(c) and Section 15301(d) and that no exception as set forth in CEQA Guidelines Section 15300.2 applies.

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

1. That the above recitations are true and correct.
2. That the plans, specifications and contract documents for the Project are hereby approved.
3. That the City Planner has determined that the Project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301(c) and Section 15301(d) and that no exemption to the exemption as set forth in CEQA Guidelines section 15300.2 applies.

4. That the deputy city manager, administrative services, is authorized and directed to appropriate Traffic Impact Fees in the amount of \$221,000 for construction of the Project.
5. That the city clerk of the City of Carlsbad is hereby authorized and directed to publish in accordance with state law, a Notice to Contractors Inviting Bids for construction of the Project, in accordance with the plans, specifications and contract documents referred to herein.

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the __ day of _____, 2020, by the following vote, to wit:

AYES:

NAYS:

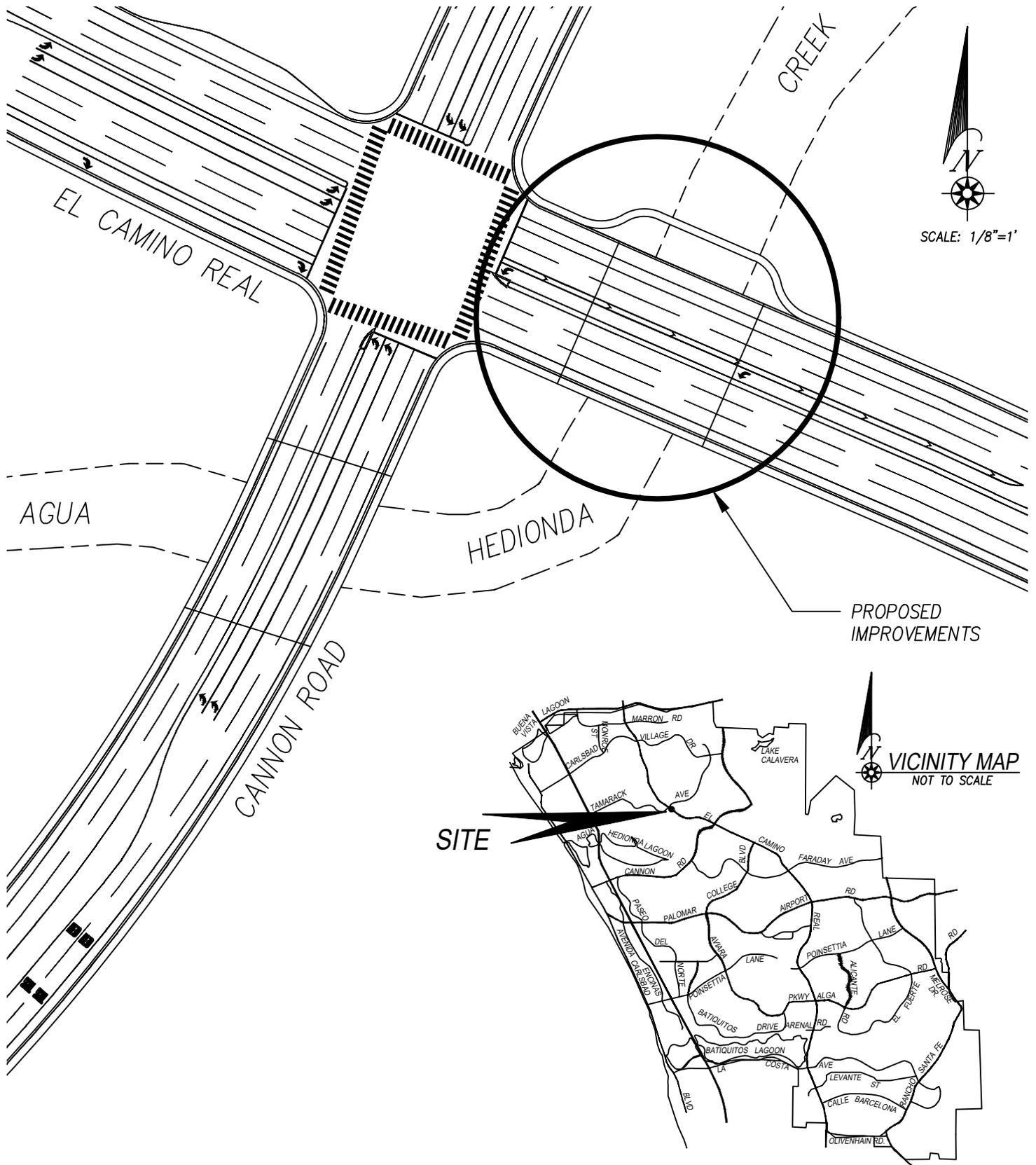
ABSENT:

MATT HALL, Mayor

BARBARA ENGLESON, City Clerk

(SEAL)

LOCATION MAP



PROJECT NAME

**EL CAMINO REAL AND CANNON ROAD
INTERSECTION IMPROVEMENTS**

PROJECT
NUMBER

6042 & 6056

EXHIBIT

2

Oct. 6, 2020

Item # 6042 & 6056 Page 7 of 19



Minutes

Council Chambers
1200 Carlsbad Village Drive
Carlsbad, CA 92008

Monday, April 6, 2020, 5:00 p.m.

CALL TO ORDER: Chair Gocan called the Meeting to order at 5:03 p.m.

ROLL CALL: Present: Gocan, Johnson, Hunter, Fowler, Linke and Perez.
Absent: Penseyres

APPROVAL OF MINUTES:

This meeting was conducted virtually via Zoom due to the stay-at-home order for COVID-19.

Motion by Vice-Chair Johnson, seconded by Commissioner Hunter, to approve the minutes for March 2, 2020, with a minor correction and by adding one comment made by Commissioner Hunter on Item 3 – Four Deficient Street Facilities.

Motion carried 5/0/1/1 - (Absent: Penseyres - Abstained: Linke)

PUBLIC COMMENTS ON ITEMS NOT LISTED ON THE AGENDA:

No public comments

Commissioner Penseyres joined the Traffic and Mobility Commission meeting at 5:11 p.m.

DEPARTMENTAL REPORTS:

1. POLICE MONTHLY REPORT – (Staff contact: Lieutenant Christie Calderwood, Police Department) – Informational only

Lieutenant Calderwood reported that the police department has changed their mission, due to the health crisis, with focus on educating the public to stop/limit the spread of COVID 19. As a result, the tasks of the community service officers, motor officers and police officers are to respond to serious calls and to enforce the closures of beach access/ parking access/ public parks and some trails.

2. SUSTAINABLE MOBILITY PLAN – (Staff Contact: Nathan Schmidt, Public Works).

Staff Recommendation: Approve staff recommendations

Transportation Planning and Mobility Manager Schmidt presented the Sustainable Mobility Plan (SMP) and asked the commissioners to support staff's recommendation to City Council to adopt the Carlsbad SMP.

- Commissioner Perez, Vice-Chair Johnson, Commissioner Penseyres, Commissioner Linke, Commissioner Hunter and Chair Gocan had several questions about the SMP and they all agreed that the Commission would not recommend adoption of the Carlsbad SMP until significant revisions were incorporated into the draft document.
- Commissioner Linke correspondence titled Item # 2 – Sustainable Mobility Plan is on file with the office of the City Clerk.
- Commissioner Penseyres correspondence titled Carlsbad Sustainability Plan is on file with the office of the City Clerk.

Motion by Commissioner Linke, seconded by Commissioner Penseyres, to request city staff to address the commissioners’ comments and to revise the SMP. Commissioner Linke revised his motion after more discussion.

Motion by Commissioner Linke, seconded by Commissioner Hunter to request staff to address the commissioner’s comments and to create an ad hoc committee composed of Commissioner Perez, Commissioner Linke and Commissioner Penseyres, to work with staff and to bring back the results to T&MC at a future date.

Motion approved: 7/0

3. VILLAGE AND BARRIO TRAFFIC CIRCLES - (Staff Contact: Jonathan Schauble, and Hossein Ajideh, Public Works) –

Staff’s Recommendation: Approve staff recommendations

Senior Engineer Schauble and Engineering Manager Ajideh presented the Village and Barrio Traffic Circles, requesting T&MC to support staff’s recommendation to implement the Village and Barrio Traffic Circles Capital Improvement Program (CIP) Project No. 4015.

- Commissioner Penseyres inquired about the intersection corner of Magnolia Ave. and Madison St. if they will color the curb red resulting in a loss of parking space and the conflict between cars making a fast right turn into Madison St. interfering with bikes.
- Transportation Director Frank told Commissioner Penseyres that staff will look at the east corner of Magnolia Avenue and Madison Street.
- Commissioner Penseyres pointed out the same problem on the corner of Harding Street and Pine Avenue, loss of parking space and interference with bikes.
- Senior Engineer Schauble explained that the Village & Barrio Master Plan has several improvements to the area and the traffic circles project is one measure of improvements in the Master Plan.
- Chair Gocan likes the traffic circles and she recommends making it attractive and pleasant.

Motion by Commissioner Linke, seconded by Commissioner Hunter, to approve staff’s recommendations to implement the Village and Barrio Traffic Circles, CIP Project No. 4015.

Motion approved: 7/0

4. EL CAMINO REAL IMPROVEMENTS AT CANNON ROAD - (Staff contact: Brandon Miles and Hossein Ajideh, Public Works)

Staff's Recommendation: Approve staff recommendations

Engineering Manager Ajideh and Associate Engineer Miles presented the El Camino Real Improvements at Cannon Road - Phase I:

- Replace safety bridge railing on both side of El Camino Real
 - Widen sidewalk on south side of El Camino Real
 - Add a pedestrian bridge north side of El Camino Real
 - Remove overhead poles
 - Provide pedestrian access for future phases
- Commissioner Linke inquired about the timing for Phase I and Phase II.
- Associate Engineer Miles responded that Phase I is nearing completion, and construction should start in early 2021; Phase II staff is currently reviewing the scope of work and fee and getting a design consultant on board.
- Commissioner Penseyres inquired about the possible cost of undergrounding of the existing power lines
- Associate Engineer Miles said that if this project makes all of the utility moves in one phase then the utility company is responsible for the cost of placing the power lines under the bridge (not underground).

Motion by Vice-Chair Johnson, seconded by Commissioner Penseyres, to approve staff's recommendations to implement Phase I of the El Camino Real Bridge Improvement at Cannon Road, CIP Project Nos. 6042 and 6056.

Motion approved: 7/0

5. FOUR DEFICIENT STREET FACILITIES AFFECTING LOCAL FACILITIES MANAGEMENT ZONE 15-
(Staff Contact: Paz Gomez, Hossein Ajideh and Tom Frank, Public Works) –

Staff's Recommendation: Approve staff recommendations

Deputy City Manager Gomez, Transportation Director Frank and Engineering Manager Ajideh presented the Four Deficient Street Facilities and financing program options for the College Boulevard extension project. This item was previously presented in the March 2, 2020 T&MC meeting, and the staff report and recommendations have since been updated. The four facilities are:

1. Southbound El Camino Real from Cannon Road to College Boulevard
 2. Northbound El Camino Real from College Boulevard to Cannon Road
 3. Eastbound Cannon Road from El Camino Real to College Boulevard
 4. Westbound Cannon Road from College Boulevard to El Camino Real
- Commissioner Linke submitted a correspondence titled *Item # 5- Determination of four street facilities and financing program options for the College Boulevard extension project* that is on file with the office of the City Clerk. He made a Power Point presentation that supported his assertion that the proposed College Boulevard extension (either 2-lane or 4-lane alternative) effectively distributes trips throughout the network to reduce congestion on the four deficient

facilities, and therefore the staff recommendation should be to support building the College Boulevard extension rather than pursuing the proposed exemptions. Linke noted that this recommendation is consistent with past action taken by City Council on joint public/private partnerships to finance road projects.

▫ Deputy City Manager Gomez addressed Commissioner Linke's comments:

1. The College Boulevard extension project, which has a private development financing obligation according to the current LFMZ 15 Plan and the Citywide Facilities and Improvements Plan (CFIP), is to construct a two-lane alternative. Staff is required to comply with City Council direction in the two plans unless City Council provides direction to amend the LFMZ 15 Plan and CFIP to consider a project for a four-lane alternative and a city-led financing option.

2. The staff recommendation includes expediting existing CIP projects to relieve congestion on the deficient facilities, and this approach is consistent with that taken on southbound Melrose Drive near Palomar Airport Road. That is, continue to construct improvements even though the facilities are deemed exempt.

3. It is true that previously each zone that increased traffic on a deficient facility by at least 20% was previously obligated to contribute to resolving the deficiency, but that is no longer the case since the General Plan Mobility Element was updated in 2015.

▫ In response to Commissioner Linke's statement that an exemption would discourage the completion of the proposed roadway improvement projects, Transportation Director Frank responded that the General Plan states:

For Level of Service exempt street facilities, the city will not implement improvements to maintain the level of service standard outlined on policy 3P.4, if such improvements are beyond what is identified appropriate at build out of the General Plan.

Since the College Boulevard extension project is included in the General Plan, the proposed exemptions will not negatively impact the College Boulevard extension project.

▫ Deputy City Manager Gomez clarified that the current City Council direction is that private development will fund and construct College Boulevard extension. Because the College Boulevard extension is identified in the LFMZ 15 plan, it is a requirement for the private developers to fund and build this infrastructure if the developers move forward.

▫ Commissioner Penseyres inquired if the feasibility study would trigger Proposition H.

▫ Deputy City Manager Gomez explained that Proposition H has a trigger that public voter approval is required if the project cost would be over one million dollars of General Funds.

▫ Commissioner Hunter was pleased to see the project on El Camino Real from Jaspar Drive to Sunny Creek included in staff's presentation, but he does not support the proposed exemptions being requested by staff.

▫ Vice-Chair Johnson enjoyed the presentation on the Four Deficient Street Facilities and reiterated her concerns about exemptions. She would prefer supporting a recommendation to address the problem of congestion.

▫ Transportation Director Frank asked Commissioner Linke for a clarification on exactly what he meant in Part B of his proposed motion regarding "the quantitative data and conclusions from the traffic study..."

▫ Commissioner Linke responded that the intent for the quantitative data is to show the information from the slides he presented earlier, including the bar graphs and histograms showing before-and-after conditions, because the staff report is more qualitative (pass-fail). Commissioner Linke provided an example that the staff report simply says that a two-lane College extension could be "over capacity," but that the quantitative data shows that it is only

projected to be 29 cars or 3% over capacity, versus saving 20,000 vehicle trips from being stuck in congestion on the deficient streets. Commissioner Linke said that he wanted the City Council to have a fulsome understanding of the vast benefits the College extension could create when they are making their decision on whether to fund it.

▫ Transportation Director Frank stated: "I think we all agree that with the College Boulevard extension, it fully resolves all the deficiencies with ample capacity for future growth. So, we all agree upon that. I think what you are asking for, Commissioner Linke, is the graphics which you provided that show the traffic data--versus just a description of it--and a chart."

Motion by Commissioner Fowler, seconded by Commissioner Penseyres, to approve staff recommendations:

1. Adopt a resolution to:
 - A. Determine the following street facilities to be deficient because they do not meet the vehicular level of service (LOS) performance standard required by the city's Growth Management Plan:
 5. Southbound El Camino Real from Cannon Road to College Boulevard
 6. Northbound El Camino Real from College Boulevard to Cannon Road
 7. Eastbound Cannon Road from El Camino Real to College Boulevard
 8. Westbound Cannon Road from College Boulevard to El Camino Real
 - B. Determine the following street facilities to be built out and exempt from the vehicular LOS performance standard, in accordance with General Plan Mobility Element Policy 3-P.9:
 1. Southbound El Camino Real from Cannon Road to College Boulevard
 2. Northbound El Camino Real from College Boulevard to Cannon Road
 3. Eastbound Cannon Road from El Camino Real to College Boulevard
 4. Westbound Cannon Road from College Boulevard to El Camino Real
 - C. Expedite Capital Improvement Program (CIP) Project No. 6094, to improve traffic circulation by widening northbound El Camino Real from Sunny Creek Road to Jackspar Drive, by proposing different funding sources which may necessitate meeting Proposition H requirements if more than \$1 million of general funds are used.

Motion failed: 2/5 (No: Gocan, Johnson, Hunter, Linke and Perez)

Motion by Commissioner Linke, seconded by Commissioner Hunter, to:

1. support staff recommendations regarding points 1A and 1C stated above, and
2. reject point 1B listed above, and
3. direct a representative of the T&MC to make a presentation to the City Council on the quantitative data and conclusions from the traffic study conducted on College Boulevard extension, and
4. recommend that City Council direct staff to develop a city-led financing program to build the College Boulevard extension.

Motion approved: 5/2 (No: Fowler and Penseyres)

Attached is the quantitative data and conclusions from the traffic study conducted on College Boulevard extension that Commissioner Linke had requested to be included in the staff report for the May 5, 2020 City Council meeting.

CITY TRAFFIC ENGINEER COMMENTS:

Upcoming City Council Items on Traffic and Mobility:

- Urgency Ordinance establishing NO PARKING zone on Carlsbad Boulevard between Pine Avenue and La Costa Avenue, Ponto Drive from Ponto Road to southern terminus, and Ponto Road

TRAFFIC & MOBILITY COMMISSION COMMENTS:

Commissioner Linke thanked all the commissioners and staff for the good work.

Vice-Chair Johnson also complimented everyone for the good work.

Chair Gocan was very pleased, and thankful with all the work involved in the meeting especially since it was the first time that the Commission meeting was held virtually using Zoom.

Traffic and Mobility Commission requested staff to attach to the minutes the Quantitative Data Report provided by commissioner Linke.

Exhibit:

Attachment A

ADJOURNMENT:

Chair Gocan adjourned the Traffic & Mobility Commission Meeting on April 6, 2020, at 9:03 p.m.

Eliane Paiva

Eliane Paiva, Minutes Clerk

Traffic & Mobility Commission Recommendation to the City Council

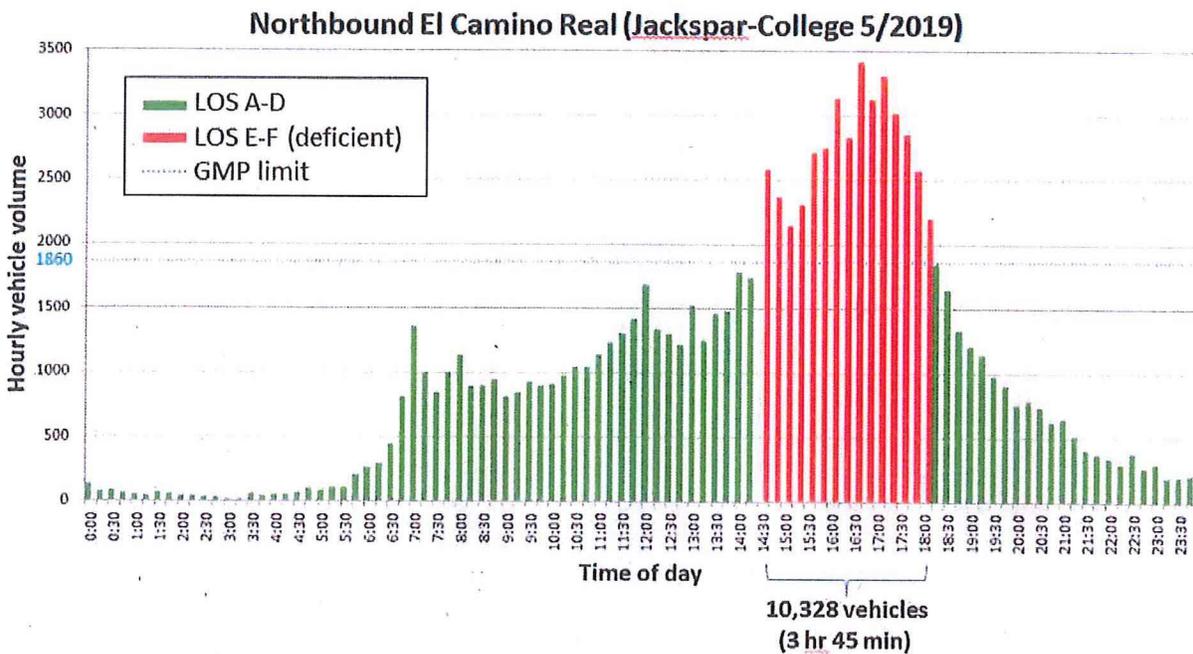
City Council Meeting Date: May 5, 2020

Subject: Determination of four deficient street facilities and financing program options for the College Boulevard extension project

At the April 6, 2020 meeting, the commission voted 5-2 (Gocan, Hunter, Johnson, Linke, and Perez in favor; Fowler and Penseyres opposed) to **support** staff's recommendations that the City Council find the four street facilities deficient and to expedite Capital Improvement Program Project No. 6094, but to **oppose** staff's recommendation to exempt the facilities from the vehicle level of service (LOS) performance standard, and to **provide** the following information derived from the traffic study. The motion further recommended that the City Council direct staff to take the necessary steps to develop a city-led financing program for construction of the College Boulevard extension project with all area developers paying their fair shares.

College Boulevard Extension Traffic Operations Analysis information

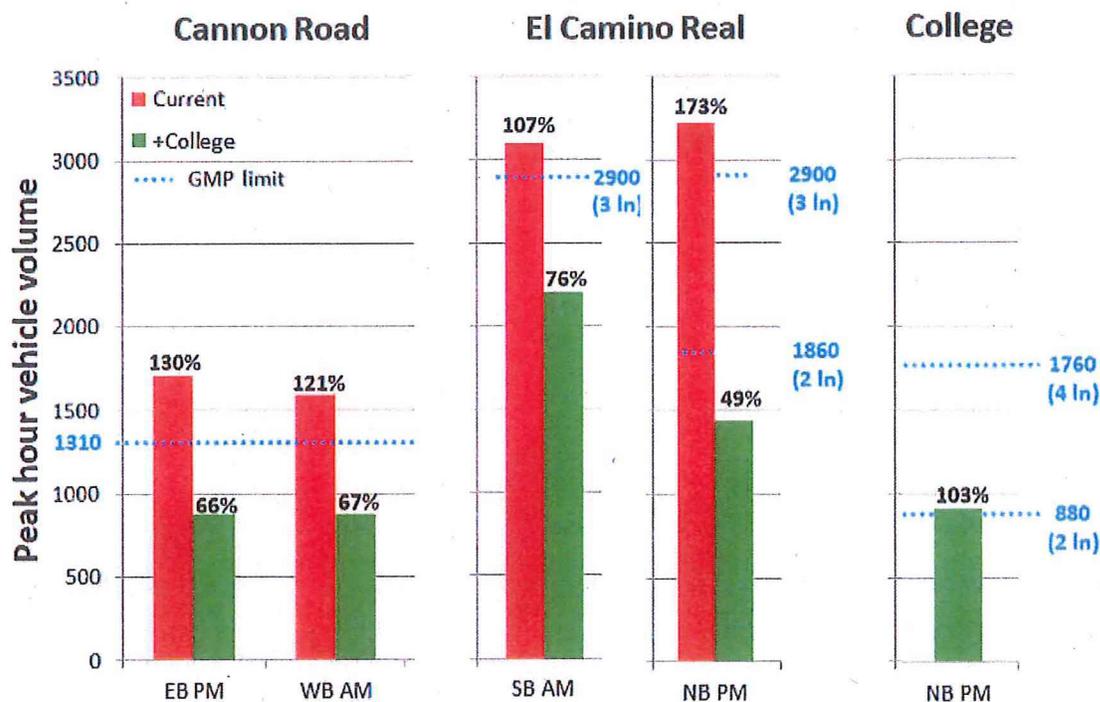
Nearly 20,000 vehicle trips per day are in heavy congestion on the deficient street facilities. The following histogram of northbound El Camino Real traffic (May 2019 counts between Jackspar Dr and College Blvd) shows a **3 hour 45 minute** period of deficiency during the PM commute, during which an average of **10,328 vehicles** were traveling under Growth Management Plan (GMP) deficient LOS "F" conditions:



Among all four deficient facilities, a cumulative average of **19,313 vehicles** per day were traveling during GMP deficient LOS "E" or "F" conditions:

| Street facility | Congested vehicles per day |
|-----------------|----------------------------|
| NB ECR (PM) | 10,328 |
| SB ECR (AM) | 3,096 |
| EB Cannon (PM) | 3,229 |
| WB Cannon (AM) | 2,660 |
| TOTAL | 19,313 |

The College Boulevard extension would fully resolve the congestion problems on the deficient street facilities with ample capacity for future growth. In the following chart, the red bars show that the Cannon Rd and El Camino Real street facilities are all currently deficient during the indicated time periods, with peak vehicle volumes at **7% to 73% over** their GMP deficiency limits. However, the adjacent green bars show that all of the deficiencies are fully resolved with the College Blvd extension and related recommended projects, with peak volumes at **24% to 51% under** the limits. For the College Blvd extension itself, a two-lane configuration would open right around the limit, and a four-lane configuration would be well under its limit.



The study concludes:

...Ultimately, the addition of the College Boulevard extension provides a valuable connection for the City of Carlsbad and for the region and, as shown in the analysis, will effectively redistribute trips throughout the network to reduce the effect of congestion on several existing roadway segments in the project vicinity.



Aug. 19, 2020

CALL TO ORDER: 3:01 p.m.

ROLL CALL: Anderson, Geldner, Lafferty, Luna, Meenes, Merz, and Stine

APPROVAL OF MINUTES:

Motion by Commissioner Meenes, seconded by Commissioner Lafferty, to approve the July 15, 2020 meeting minutes. Motion carried 7/0.

PUBLIC COMMENTS ON ITEMS NOT LISTED ON THE AGENDA:

None

PLANNING COMMISSION PUBLIC HEARING:

Chair Anderson directed everyone's attention to the slide on the screen to review the procedures the Commission would be following for that evening's public hearing.

Chair Anderson opened the public hearing for Item 1.

1. **CDP 2020-0001 (DEV2019-0162) – PATEL RESIDENCE** - Request for approval of a Coastal Development Permit to allow for the construction of a 5,714-square-foot, two-story single-family residence with a 2,768-square-foot subterranean parking garage on a vacant lot generally located along the east side of Carlsbad Boulevard and north of Manzano Drive within the Mello II Segment of the city's Local Coastal Program and Local Facilities Management Zone 3. The project site is within the appealable area of the California Coastal Commission. The City Planner has determined that the project belongs to a class of projects that the State Secretary for Resources has found do not have a significant impact on the environment, and it is therefore categorically exempt from the requirement for the preparation of environmental documents pursuant to Section 15303(a), construction of a single-family residence, of the state CEQA Guidelines.

City Planner Neu introduced Agenda Item 1 and stated Senior Planner Goff would make the staff presentation (on file in the Planning Division).

DISCLOSURES:

Commissioner Lafferty disclosed she drove by the site and reviewed the geotechnical report for the project.

Commissioners Luna, Geldner, Merz, Stine, Meenes and Anderson disclosed they drove by the site.

Chair Anderson asked if there were any members of the public who wished to speak on the project. Seeing none, she opened and closed public testimony at 3:25 p.m.

ACTION:

Motion by Commissioner Meenes, seconded by Commissioner Stine, to adopt Resolution No. 7379, as amended. Motion carried, 7/0.

2. **CDP 2018-0036/NCP 2018-0003 (DEV2018-0021) – CLINE RESIDENCE** - Request for approval of a Coastal Development Permit and Nonconforming Construction Permit to allow the addition of 3,145 square feet to an existing 2,330-square-foot single-family residence for a total of 5,475 square feet, and removal of unpermitted features on the bluff, within the Mello II Segment of the city's Local Coastal Program located at 5215 Shore Drive within Local Facilities Management Zone 3. The project site is within the appealable area of the California Coastal Commission. The City Planner has determined that the project belongs to a class of projects that the State Secretary for Resources has found do not have a significant impact on the environment, and it is therefore categorically exempt from the requirement for the preparation of environmental documents pursuant to Section 15301(e)(2), additions to existing structures less than 10,000 square feet, of the state CEQA Guidelines.

City Planner Neu introduced Agenda Item 2 and stated Associate Planner Dan would make the staff presentation (on file in the Planning Division).

DISCLOSURES:

Commissioners Merz, Geldner, Stine, Meenes, Luna, and Anderson disclosed they drove by the site.

Chair Anderson asked if there were any members of the public who wished to speak on the project. Seeing none, she opened and closed public testimony at 4:21 p.m.

ACTION:

Motion by Commissioner Geldner, seconded by Commissioner Meenes, to adopt Resolution No. 7380. Motion carried, 7/0.

A 10 minutes recess was called at 4:40 p.m., the meeting resumed at 4:50 p.m.

3. **CDP 2018-0031/SUP 2018-0005/SUP 2018-0006 (PUB 2018-0014) – EL CAMINO REAL AT CANNON ROAD BRIDGE IMPROVEMENTS, CIP PROJECT NO. 6042 and 6056** – Request for approval of a Coastal Development Permit and two Special Use Permits to allow for the El Camino Real (ECR) at Cannon Road bridge improvements which includes the repair and reconstruction of the ECR bridge over Agua Hedionda Creek and construction of a new pedestrian bridge, Capital Improvement Program (CIP) 6042 and 6056 (Project) located south of the El Camino Real and Cannon Road intersection and within the Mello II Segment of the Local Coastal Program (LCP) and Local Facilities Management Zones 8, 14, 15, and 24. The project site is within the appeal jurisdiction of the California Coastal Commission. The City Planner has determined that the project belongs to a class of projects that the State Secretary for Resources has found do not have a significant impact on the environment, and it is therefore categorically exempt from the requirement for the preparation of environmental documents pursuant to Section 15301 (c) Existing Facilities, and Section 15301 (d) - Replacement or Reconstruction – of the state CEQA Guidelines.

DISCLOSURES:

Commissioners Meenes, Luna, Stine, Lafferty, and Anderson disclosed they drove by and or walked by the site.

Commissioner Geldner disclosed she drove by and reviewed the biotechnical report.

COMMISSION DISCUSSION:

Chair Anderson and Commissioner Luna shared concerns that the Crape Myrtle and Jacaranda trees will lose their leaves during certain times of the year, create a load on the stream, a hazard on the pedestrian sidewalk, people could slip on the droppings that end up on the ground, they are not compliant with the El Camino Real development standards, and don't meet the standard that calls for Evergreen Trees.

Associate Engineer Brandon Miles stated Public Works worked with Planning and Parks and Recreation to ensure the trees being removed were going to be replaced in the correct ratio. He stated that some trees being removed are on private property and the Rancho Carlsbad Association chose which trees they wanted out of the landscape manual. He stated he could go back to the residents and ask if they can choose another tree.

The commission agreed to add a condition that prior to the start of construction, a revised landscape plan shall be reviewed and approved by the Planning Commission.

ACTION:

Motion by Commission Stine, seconded by Commissioner Meenes, to adopt Resolution No. 7378, as amended. Motion carried, 7/0.

PLANNING COMMISSION REPORTS/COMMENTS:

Commissioner Meenes asked about a proposed project that is occurring along the city border with Oceanside.

City Planner Neu stated that planning has been coordinating with Oceanside and some permits will be coming before the commission for consideration. He stated the structures are located in the City of Oceanside.

CITY PLANNER REPORTS:

City Planner Neu updated the commission on the next hearing date, the project being heard, and the opportunity to view sports field lights at Palomar College.

CITY ATTORNEY REPORTS:

None

ADJOURNMENT:

Chair Anderson adjourned the duly noticed meeting at 7:03 p.m.



CITY COUNCIL
Staff Report

Meeting Date Oct. 6, 2020

To: Mayor and City Council

From: Scott Chadwick, City Manager

Staff Contact: Curtis M. Jackson, Real Estate Manager
 curtis.jackson@carlsbadca.gov, 760-434-2836

Subject Second Amendment to the Retail Lease Agreement with House Martel, LLC to Defer Rent for up to Nine Months for the Café in the Carlsbad City Library because of the Pandemic

Recommended Action

Adopt a resolution approving the second amendment to the retail lease agreement with House Martel, LLC to defer rent for as long as nine months for the Chapters Café at the Carlsbad City Library on Dove Lane because of the pandemic and authorizing the city manager to execute the amendment.

Executive Summary

On May 12, 2020, the City Council approved guidelines for considering city lease deferral requests filed because of the COVID-19 pandemic and approved a request from Chapters Café, located adjacent to the Dove Library, to defer rent owed on its lease with the city for up to six months. The rent deferral that was requested by Chapters Café and approved by the City Council required an associated lease amendment to be brought back to City Council for approval.

This second amendment with Chapters Café would allow rent deferral for up to nine months, from May 1, 2020 to Jan. 31, 2021. Staff is recommending a nine-month extension instead of a six-month extension because the City Library has not yet fully reopened to the public.

Discussion

Chapters Café requested temporary forgiveness of rent payments March 19, 2020, citing financial hardships because of the COVID-19 pandemic and its public health restrictions, which resulted in the closure of the Dove Library and the café.

On April 21, 2020, at the recommendation of the City Council's Ad Hoc City Council Economic Revitalization Subcommittee, the City Council approved the Economic Recovery and Revitalization Initiative, which included several measures to support pandemic-related economic response, recovery and revitalization, including city lessee rent relief. (Resolution No. 2020-068). On May 12, 2020, the City Council approved guidelines for considering city lease rent deferral requests. (Exhibit 3). The guidelines require the City Manager to analyze tenants independently and balance a list of enumerated factors, including the tenant's maintenance of the leasehold in good condition, payment history, compliance with lease terms, long-term viability, the remaining term of the lease, and evidence showing that the tenant's need for a deferral was caused by the COVID-19 pandemic state of emergency. Rent deferral requests beyond six months are evaluated under the same guidelines.

On May 12, 2020, the City Council also authorized the City Manager to negotiate and return to the council with a lease amendment for Chapters Café deferring its rent payments for up to six months. On Sept. 14, 2020, Chapters Café formally requested to extend the rent deferral period an additional three months (Exhibit 2), for a rent deferral period totaling nine months (May 1, 2020 to Jan. 31, 2021). Staff is recommending that the City Council approve a nine-month rent deferral because the six-month rent deferral would expire on Oct. 31, 2020 and the City Library was completely closed from March 16, 2020, until Sept. 29, 2020, when the library partially opened, and the café relies upon library patrons for its source of income. This request is consistent with the City Council adopted guidelines (Exhibit 3) and is based on the ongoing impacts of COVID-19, which include the initial closure and subsequent reduced patronage of the library since March 16, 2020.

Chapters Café has 31 months remaining on its lease agreement and was timely in rent payments until it and the library were closed because of the pandemic. Chapters Café has maintained their leasehold in good condition, satisfying all terms of the lease up until the forced closure of their establishment.

Beginning the week of September 21, 2020, Chapters Café's operators began a soft-opening of the café, making its services available to city staff working at the library and library patrons using the limited services currently offered at the library. They have also started the process of creating an online-ordering option. Chapters Café anticipates fully opening to the public when there will be more library foot traffic.

Staff is recommending that the City Council give authority to the city manager to execute this second amendment to the retail lease agreement with Chapters Café to defer rent for up to nine months, from May 1, 2020 to Jan. 31, 2021.

Fiscal Analysis

Chapters Café pays \$1,230.75 per month under its lease. A deferral of its rent payments for up to nine-months would total \$11,076.75. If the full amount of deferred rent is not repaid by the end of the initial lease term – there are 31 months remaining – a 3% compounding interest charge will be applied to the balance of the amount due.

Next Steps

With the council's approval. Chapters Café and city staff will implement the terms of the amended agreement.

Environmental Evaluation (CEQA)

The proposed action is exempt from the California Environmental Quality Act under CEQA guidelines 15301 – Existing Facilities. Section 15301 exempts the leasing of property involving negligible or no expansion of use beyond that existing at the time of the agency's determination.

Exhibits

1. City Council Resolution
2. House Martel, LLC deferral extension request letter
3. City Council Resolution No. 2020-083

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, APPROVING A SECOND AMENDMENT TO THE RETAIL LEASE AGREEMENT WITH HOUSE MARTEL, LLC TO DEFER RENT FOR UP TO NINE MONTHS DUE TO COVID-19 AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE SECOND AMENDMENT FOR THE CHAPTERS CAFÉ LOCATED WITHIN THE CARLSBAD CITY LIBRARY AT 1775 DOVE LANE

WHEREAS, on Aug. 2, 2018, the city and House Martel, LLC (Chapters Café), entered into that certain Lease Agreement (Agreement) for the property located at 1775 Dove Lane, Carlsbad, California (Premises) consisting of approximately 750 square feet of commercial building space located within the Carlsbad City Library (Resolution No. 2018-136); and

WEREAS, on Jan. 29, 2020, the city and Chapters Café entered into Amendment No. 1 to the Lease, extending the required business opening date ninety-days, from 180 days to 270 days from the August 2, 2018 (Resolution No. 2019-010); and

WHEREAS, as a result of the COVID-19 pandemic, many city lease tenants are experiencing a decline in their businesses or have been required to temporarily close their businesses, in whole or in part, to comply with (a) executive orders, including California Executive Order N-33-20, (b) public health orders from the County of San Diego Public Health Officer, and (c) all other applicable orders and directives associated with COVID-19 (Safety Declarations); and

WHEREAS, On March 19, 2020, Chapters Café requested temporary forgiveness of rent payments due to financial hardships as a result of COVID-19 Safety Declarations, including the full closure of the Dove Library and the associated café; and

WHEREAS, as a result of the COVID-19 pandemic, on April 7, 2020, the City Council created the Ad Hoc City Council Economic Revitalization Subcommittee (Subcommittee) with the goal of identifying options for economic revitalization due to the COVID-19 emergency for consideration by the full City Council; and
Oct. 6, 2020

WHEREAS, based on recommendations from the Subcommittee, on April 21, 2020, the City Council approved the Economic Recovery and Revitalization Initiative (ERRI). The ERRI included several measures to support COVID-19 economic response, recovery and revitalization, one of which includes city lessee relief (Resolution No. 2020-068); and

WHEREAS, on May 12, 2020, the City Council approved the guidelines for considering city lease rent deferral requests, and approved a city lease rent deferral request for Chapters Café to defer rent for up to six months (Resolution No. 2020-083); and

WHEREAS, the City Council adopted guidelines provided guidance on rent deferral requests beyond six-months, with such requests to be evaluated by the city manager for recommendation and presentation to the City Council for its review and consideration; and

WHEREAS, Chapter Café is now requesting to extend the rent deferral period an additional three months, for a rent deferral period totaling nine months (May 1, 2020 to Jan. 31, 2021) because Chapters Café relies upon library patrons as their source of income and Dove Library has not yet fully reopened to the public; and

WHEREAS, the City Council accepts and adopts the City Manager's determination that the rent deferral relief requested is consistent with the guidelines adopted pursuant to Resolution No. 2020-083; and

WHEREAS, this request is based on the ongoing impacts of COVID-19, which include the initial closure and subsequent reduced patronage of the Dove Library since March 16, 2020; and

WHEREAS, Chapters Café has 31 months remaining on their lease agreement , has maintained their leasehold in good condition, has been timely with their rent up until their

closure due to COVID-19 and the closure of the Dove Library, and have satisfied all other terms of the lease agreement; and

WHEREAS, the Second Amendment will provide immediate relief to Chapters Cafe by deferring rent payments for up to nine-months (May 1, 2020 to Jan. 31, 2021), with the balance of the deferred rent to be paid back over the balance of the remaining term of the lease agreement; and

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

1. The above recitations are true and correct.
2. That the City Manager is hereby authorized to execute this Second Amendment to the Retail Lease Agreement with Chapters Cafe, attached hereto as Attachment A, and to do so in full compliance with the terms and conditions expressed in the Agreement and to the satisfaction of the City Attorney.

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the ____ day of _____ 2020, by the following vote to wit:

AYES:

NAYS:

ABSENT:

MATT HALL, Mayor

ATTEST:

BARBARA ENGLESON, City Clerk

AMENDMENT NO. 2 TO RETAIL LEASE AGREEMENT

This Amendment No. 2 to Retail Lease Agreement (“Amendment”) is entered into as of _____, 2020, by and between the CITY OF CARLSBAD, a California municipal corporation (“Landlord”) and House Martel, LLC, a California limited liability company (“Tenant”) and shall be effective and binding upon the parties as of the date of its execution by both parties.

RECITALS

WHEREAS, Landlord and Tenant are parties to a Retail Lease Agreement entered into as of August 2, 2018 (“Lease”) for Premises located at the Carlsbad City Library at 1775 Dove Lane, California, CA 92011.

WEREAS, on Jan. 29, 2020, the Landlord and Tenant entered into Amendment No. 1 to the Lease, extending the business opening date ninety-days, from 180 days to 270 days from August 2, 2018; and

WHEREAS, due to the financial impact that the current Coronavirus (COVID-19) pandemic has had on Tenant, Tenant has requested that its obligation under the Article 1 of the Lease to pay Base Rent be deferred, and Landlord has agreed to allow such deferral, subject to the specific terms and conditions set forth in this Amendment.

WHEREAS, all capitalized terms used in this Amendment, unless otherwise specified, shall have the same meaning as the capitalized terms used in the Lease.

NOW, THEREFORE, for valuable consideration, the receipt and adequacy of which are expressly acknowledged, Landlord and Tenant agree as follows:

AGREEMENT

1. Deferred Rent. Notwithstanding the provisions in Article 1 of the Lease, Tenant may defer payment of Base Rent for the period commencing May 1, 2020 and continuing through January 31, 2021 (nine months), in the aggregate amount of \$11,076.75 (“Deferred Rent”). The Deferred Rent will not be subject to interest or late charges or cause an event of default under Article 17 of the Lease, provided:

1.1. Commencing November 1, 2020, Tenant resumes paying Base Rent; and

1.2. Commencing February 1, 2021, Tenant repays the Deferred Rent in 31 consecutive monthly installments of \$357.31 over the balance of the remaining initial Lease Term, which expires on July 31, 2023.

2. Failure to Comply. If Tenant fails to timely comply with Paragraph 1 of this Amendment, then (i) any unpaid Deferred Rent will become immediately due and payable and subject to 3% interest compounded monthly; and (ii) Landlord will have the right to pursue any available remedies under the Lease and/or applicable law.

3. Tenant Certification. By execution of this Amendment, Tenant certifies that Landlord has not defaulted in the performance of its obligations under the Lease and Tenant has no claim, defense, excuse or offset with respect to the Lease as it relates to COVID-19, or otherwise. Tenant further acknowledges and agrees that prior to executing this Amendment, Tenant has had an opportunity to discuss this Amendment with its legal counsel, tax professionals and financial advisors.

4. Confirmation. Except as modified by this Amendment, all provisions of the Lease shall remain in full force and effect. In the event of an irreconcilable conflict between the terms of the Lease and the terms of this Amendment, the terms in this Amendment shall control.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first written above.

LANDLORD:

TENANT:

CITY OF CARLSBAD
a California municipal corporation

HOUSE MARTEL, LLC
a California limited liability company

By: _____
City Manager

By: _____

Name: _____

Title: _____

Dated: _____

Dated: _____

APPROVED AS TO FORM:
Celia A. Brewer
City Attorney

BY: _____
Assistant City Attorney

09/14/2020

Curtis Jackson
Real Estate Manager
City of Carlsbad

Curtis,

I'd like to request an additional 3 month extension on the rent deferment for Chapters Cafe. The Dove Library is not yet fully operational therefore the foot traffic needed to do business is greatly diminished. I'm currently working on getting online ordering set up to help with sales but this will require hard internet wiring and as far as I know, that hasn't been approved by library administration yet. Any additional time available to me to get this straightened out would be greatly appreciated.

Thank you,

Lisa Martel - owner
Chapters Cafe

RESOLUTION NO. 2020-083

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, APPROVING GUIDELINES FOR CONSIDERING CITY LEASE RENT DEFERRAL REQUESTS AND APPROVING A CITY LEASE RENT DEFERRAL REQUEST FOR CHAPTERS CAFÉ

WHEREAS, as a result of the COVID-19 pandemic, many city lease tenants are experiencing a decline in their businesses or have been required to temporarily close their businesses, in whole or in part, to comply with (a) executive orders, including California Executive Order N-33-20, (b) public health orders from the County of San Diego Public Health Officer, including prohibiting gatherings of 10 or more people and strongly discouraging non-essential gatherings of any size, and (c) all other applicable orders and directives associated with COVID-19; and

WHEREAS, as a result of the COVID-19 pandemic, on April 7, 2020, the City Council created the Ad Hoc City Council Economic Revitalization Subcommittee with the goal of identifying options for economic revitalization due to the COVID-19 emergency for consideration by the full City Council; and

WHEREAS, based on recommendations from the Subcommittee, on April 21, 2020, the City Council approved the Economic Recovery and Revitalization Initiative, or ERRI. The ERRI included several measures to support COVID-19 economic response, recovery and revitalization, one of which includes city lessee relief (Resolution No. 2020-068); and

WHEREAS, pursuant to the ERRI, staff is recommending that the City Council consider and approve a set of guidelines for considering all city lease rent deferral requests; and

WHEREAS, the proposed guidelines in Attachment A are to be utilized by the city manager in considering and making recommendations to the City Council on all city lease rent deferral requests; and

WHEREAS, the guidelines attempt to balance the need for immediate assistance for city tenants, most of whom are struggling with reduced business and closures, with the needs of the city in meeting its fiduciary and legal duties; and

WHEREAS, the proposed program provides immediate relief to qualifying city tenants by deferring rent payments for up to a six-month period; and

WHEREAS, all rent deferral recommendations from the city manager would need to be approved by the City Council and any rent deferrals granted would require an associated lease amendment or rent deferral agreement that would need to be approved by the City Council; and

WHEREAS, the city manager recommends that Chapters Café be granted temporary deferral of rent payments for up to six months to be paid back over the balance of the remaining initial lease term, with no interest or late charges, unless the full amount of rent deferral is not repaid by the end of the initial lease term, in which case a 3% compounding interest charge would be applied to the balance of the amount due; and

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

1. The above recitations are true and correct.
2. The City Council approves the guidelines in Attachment A for considering city lease rent deferral requests.
3. The City Council authorizes the city manager to negotiate and return to the City Council with a lease amendment or rent deferral agreement for approval that grants Chapters Café a temporary deferral of rent payments for up to six months to be paid back over the balance of the remaining initial lease term, with no interest or late charges, unless the full amount of rent

deferral is not repaid by the end of the initial lease term, in which case a 3% compounding interest charge would be applied to the balance of the amount due.

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the 12th day of May 2020, by the following vote to wit:

AYES: Hall, Blackburn, Bhat-Patel, Schumacher.

NAYS: None.

ABSENT: None.



MATT HALL, Mayor

ATTEST:



BARBARA ENGLESON, City Clerk



GUIDELINES FOR CONSIDERING CITY LEASE RENT DEFERRAL REQUESTS

The guidelines attempt to balance the need for immediate assistance for city tenants with the needs of the city in meeting its fiduciary and legal duties. The guidelines are to be utilized by the city manager in considering and making recommendations on all city lease rent deferral requests. All rent deferral recommendations from the city manager would need to be reviewed and approved by the City Council. All rent deferral requests granted would require an associated lease amendment or rent deferral agreement that would need to be approved by the City Council.

Minimum Conditions Applicable to All Tenants Seeking Rent Deferral

The city manager will analyze tenants independently and balance the following factors on a case-by-case basis in determining whether a recommendation to the City Council for rent deferral relief is appropriate:

- (1) The tenant is in good standing with the city and is expected to remain a tenant in good standing throughout the term of the lease deferral period. The criteria to determine whether a tenant is in “good standing” are: (i) maintenance of the leasehold in good condition, free of deferred maintenance; (ii) prompt payment history prior to March 4, 2020; (iii) compliance with the non-rent provisions of the current lease, including use provisions, insurance requirements, and regulatory permitting requirements; and (iv) maintenance of accurate financial records that are accessible to the city.
- (2) The tenant provides evidence demonstrating the need for the rent deferral was caused by the COVID-19 pandemic state of emergency. The evidence may include documents showing the tenant’s business was closed or its business operations were modified because of COVID-19 public health orders and the closure or modification resulted in a significant decrease in gross revenues.
- (3) The long-term viability of the tenant’s business.
- (4) The remaining term on the tenant’s lease agreement.
- (5) Whether the tenant has applied for and received funds from a state or federal aid program for which the tenant qualifies (tenants who have applied for state or federal assistance are eligible, but may not also apply to the city for rent deferral to cover costs for which they have already received state or federal assistance).

After considering the above factors, the city manager may recommend to the City Council approval of one of the following methods of rent relief:

- (1) Temporary deferral of rent payments for up to a six-month period to be paid back over a twelve-month period beginning in January of the next calendar year with no interest or late charges. If the full amount of rent deferral is not repaid within 12 months, a three

percent (3%) compounding interest charge will be applied to the balance of the amount due.

(2) Temporary reduction in rent payments below the rent payment amounts specified in the lease for up to a six-month period to be paid back over a twelve-month period beginning in January of the next calendar year with no interest or late charges. If the full amount of rent deferral is not repaid within 12 months, a three percent (3%) compounding interest charge will be applied to the balance of the amount due.

(3) Temporary deferral of rent payments for up to a six-month period to be paid back over the balance of the remaining initial lease term with no interest or late charges. If the full amount of rent deferral is not repaid by the end of the initial lease term, a three percent (3%) compounding interest charge will be applied to the balance of the amount due.

Rent deferral requests beyond 6 months, or from tenants who have already received a temporary rent reduction, will be evaluated by the city manager under these guidelines and a recommendation will be presented to the City Council for its review and consideration.



CITY COUNCIL
Staff Report

Meeting Date: Oct. 6, 2020

To: Mayor and City Council

From: Scott Chadwick, City Manager

Staff Contact: Cindy Anderson, Senior Management Analyst
cindy.anderson@carlsbadca.gov, 760-931-2170

Subject: Memorandum of Understanding Between the City of Carlsbad and the Carlsbad Unified School District for the School Resource Officer Program for the 2020-21 School Year

Recommended Action

Approve a memorandum of understanding between the City of Carlsbad and Carlsbad Unified School District for the School Resource Officer Program for the 2020-21 school year.

Executive Summary

The City of Carlsbad and the Carlsbad Unified School District have an ongoing partnership to ensure the safety of students and staff on the district's school campuses. For the 2020-21 school year, the Carlsbad Police Department will provide the school district with three school resource officers during the school year. One officer will be assigned to Carlsbad High School for 10 months, one will be assigned to Sage Creek High School for 10 months and one will be assigned to three middle schools within the district for 10 months.

The school district will pay for half the cost of these assignments. The district's share is \$199,884, which will be used to reimburse the city's General Fund. The memorandum is effective from Oct. 1, 2020 to Aug. 1, 2021.

As outlined in Chapter 3.28 of the Carlsbad Municipal Code, the City Council's approval is required for procurement of services and professional service for which the cost to the city is more than \$100,000 per agreement year.

Discussion

Campus security is enhanced by the presence of police officers who interact with students in a positive and proactive manner. The Police Department has provided the Carlsbad Unified School District with at least one school resource officer every school year since at least 1995. In 2018, the district requested a second dedicated officer for Sage Creek High School. This request was approved by the City Council, and in 2019, a third officer was approved for three middle schools within the district. The Police Department also has two additional "floater" officers who provide services at other campuses throughout the city, but are not specifically assigned to any schools. These two officers are fully funded by the City of Carlsbad without any reimbursement from any school district.

The duties of the school resource officers include:

- Responding to all law enforcement-related matters as they occur during regular school hours while the officers are on or near their assigned campuses
- Documenting all incidents and crimes and providing follow-up investigations as needed
- Attending sporting events, school activities, parent conferences and meetings as needed
- Conducting criminal investigations as assigned by the supervisor of the Family Services Unit in ongoing criminal investigations connected to the school campus
- Working with school staff in matters of mutual concerns both on and off campus
- Acting as a liaison in areas relating to the School Attendance Review Board and a point of contact for Child Protective Service visits, truancy sweeps, home visitations, district-wide critical response plan training, school safety plans and training of school campus supervisors and lunchtime-duty personnel.

Given the council's approval, the Police Department will agree to provide the Carlsbad Unified School District with three dedicated school officers for the 2020-21 school year, including summer program months at Carlsbad High School. One officer will be assigned to Carlsbad High School for 10 months, one to Sage Creek High School for 10 months and one to three middle schools within the district for 10 months. The district will pay for half the cost of the three full-time officers for the months they are assigned to the schools.

If Carlsbad High School, Sage Creek High School, Valley Middle School, Calavera Hills Middle School or Aviara Oaks Middle School have restricted on-campus activities because of the COVID-19 pandemic, the Carlsbad Unified School District may request that no school resource officers be provided while on-campus student learning is reduced or suspended. If the district makes such a request, the amount the district will pay will be prorated to deduct for any months for which no officers are requested.

The annual cost for one mid-step officer is \$159,907, which includes salaries and benefits but does not include equipment and maintenance. Carlsbad Unified School District's share for the 2020-21 school year would be a maximum of \$199,884. The memorandum of understanding is effective from Oct. 1, 2020, to Aug. 1, 2021. The district will pay the City of Carlsbad through a reimbursement check at the end of each school year.

Fiscal Analysis

The Police Department budget includes \$1,007,140 for the cost of the entire student resource officer program. The district's cost-sharing payment of a maximum of \$199,884 will be used to reimburse the General Fund and reduce the program's impact on the city's budget. The breakdown of the costs and cost sharing is below:

| Annual police officer personnel expenses | Cost per officer |
|---|-------------------------|
| Salary | 95,336 |
| Education | 4,810 |
| Overtime (@7.5% of salary) | 7,150 |
| Holiday pay (132 hours) | 6,050 |
| Disability and unemployment (1.15%) | 1,098 |
| Retirement (21.401%) | 22,727 |
| Life insurance (0.072%) | 48 |
| Medicare (1.45%) | 1,540 |
| Health care | 20,248 |
| Uniform allowance | 900 |
| Total personnel costs | 159,907 |

| Student resource officer cost allocation | Carlsbad High | Sage Creek High | Middle Schools | Total |
|---|----------------------|------------------------|-----------------------|----------------|
| Annual personnel costs | 159,907 | 159,907 | 159,907 | 479,721 |
| Monthly personnel cost | 13,326 | 13,326 | 13,326 | 39,978 |
| School year cost | 133,256 | 133,256 | 133,256 | 399,768 |
| Half share cost to district | 66,628 | 66,628 | 66,628 | 199,884 |

**Amounts are rounded to the nearest dollar*

Next Steps

Given the council’s approval, the Police Department will agree to provide three dedicated student resource officers to the Carlsbad Unified School District. The district will be billed for a maximum of \$199,884 for the 2020-21 school year. The services will begin when on-campus learning begins for students.

Environmental Evaluation (CEQA)

This action does not constitute a “project” within the meaning of the California Environmental Quality Act under Public Resources Code section 21065 in that it has no potential to cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment and therefore does not require environmental review.

Public Notification

Public notice of this item was posted in keeping with the Ralph M. Brown Act and it was available for public viewing and review at least 72 hours before the scheduled meeting date.

Exhibits

1. City Council Resolution

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, APPROVING A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF CARLSBAD AND CARLSBAD UNIFIED SCHOOL DISTRICT FOR SCHOOL RESOURCE OFFICER PROGRAM FOR THE 2020-21 SCHOOL YEAR

WHEREAS, the City Council of the City of Carlsbad, California has determined that it is in the public's interest to approve the Memorandum of Understanding (MOU) with the Carlsbad Unified School District; and

WHEREAS, the City of Carlsbad Police Department and the Carlsbad Unified School District (CUSD) have an ongoing partnership to ensure the safety of students and staff on CUSD school campuses; and

WHEREAS, the Police Department has provided the CUSD with a school resource officer (SRO) every school year since at least 1995; and

WHEREAS, for the 2020-21 school year, one SRO will be assigned to Carlsbad High School, one SRO will be assigned to Sage Creek High School, and one SRO will be assigned to the three middle schools within CUSD during the months when CUSD students are on campus; and

WHEREAS, CUSD agrees to pay for one-half the cost of three full-time police officers during the months they are assigned to the schools.

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

1. That the above recitations are true and correct.
2. That the mayor of the City of Carlsbad is hereby authorized and directed to execute the MOU for the School Resource Officer Program between the City of Carlsbad and CUSD for the 2020-21 school year attached hereto as Attachment A.
3. CUSD's cost-sharing payment of a maximum of \$199,884 will be used to reimburse the General Fund and reduce the impact of the SRO Program to the city.

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the ___ day of _____, 2020, by the following vote, to wit:

AYES:

NAYS:

ABSENT:

MATT HALL, Mayor

BARBARA ENGLESON, City Clerk

(SEAL)

**MEMORANDUM OF UNDERSTANDING
BETWEEN
CARLSBAD UNIFIED SCHOOL DISTRICT
AND
CITY OF CARLSBAD**

The City of Carlsbad Police Department and the Carlsbad Unified School District desire to provide a safe and secure, teaching and learning environment for all students and staff within the City of Carlsbad by protecting life and property.

Ensuring the safety of students and staff on school campuses in Carlsbad is a priority to the school administration and the police department. Campus security will be enhanced by the presence of police officers that will interact with the students in both a positive and proactive manner. Police officers on campus will help improve relations between the police department and the youth of the community. Therefore, the Carlsbad Unified School District and the City of Carlsbad have the following expectations and agree to undertake the listed responsibilities to achieve these mutual objectives:

A. SCHOOL DISTRICT'S ROLE AND RESPONSIBILITY

1. To ensure student welfare portal to portal;
2. To develop procedures to handle campus safety issues;
3. To establish and follow procedures for referring police involvement; and
4. To cooperate with and support in a proactive manner the City of Carlsbad Police Department to ensure the success of programs involving students, school personnel, parents and the community.

B. SCHOOL RESOURCE OFFICER'S ROLE AND RESPONSIBILITY

1. To provide enforcement/prevention/intervention by:
 - Providing a uniformed police officer presence at Carlsbad High School, Sage Creek High School, the middle and elementary schools, Carlsbad Village Academy, and district offices located in the City of Carlsbad;
 - Responding to all law enforcement related matters as they occur during regular school hours while the officer is on or near the above facilities and able to do so;
 - Documenting all incidents of crime that occur at the above facilities as per department regulations, performing the necessary follow-up investigations as

needed to identify perpetrators of crime, and performing any follow-up on cases as deemed necessary;

- Attending various sporting events and school activities as needed for proactive enforcement and interaction;
 - Attending parent conferences/meetings as needed.
2. To conduct criminal investigations as assigned by the supervisor of the Family Services Unit and to assist other law enforcement officers who are engaged in ongoing criminal investigations that bring them onto the school campus.
 3. To work with school staff in the matters of mutual concern such as: alcohol and drug use on campus; safety of students and staff on and off campus; gang-related violence and crime; campus intrusion; and loss and/or damage to property.
 4. To provide liaison in the following areas: School Attendance Review Board; point of contact for CPS visits; truancy sweeps; home visitations; district-wide critical response plan training; school safety plans; and training of school campus supervisors and noon duty personnel.

C. TERM OF AGREEMENT

This Memorandum of Understanding will remain in effect for the 2020-2021 public school fiscal year. Either party will have the right to cancel this Memorandum of Understanding upon 90 days advance written notice during the term of this agreement.

D. SPAN OF CONTROL/JURISDICTION

One full-time police officer will be assigned to provide the School Resource Program at Carlsbad High School, Carlsbad Village Academy, and district offices located in the City of Carlsbad.

One full-time police officer will be assigned to provide the School Resource Program at Sage Creek High School and district offices located in the City of Carlsbad.

One full-time police officer will be assigned to provide the School Resource Program at Valley Middle School, Calavera Hills Middle School, and Aviara Oaks Middle School, as part of the vaping grant authorized under the California Healthcare, Research and Prevention Tobacco Tax Act of 2016.

Enforcement/prevention/education/training/proactive activities will take place at these facilities and at public meeting places within the community as they relate to the activities at these facilities.

The officer will remain under the direction and control of the City of Carlsbad Police Department. Requests for work assignments from these facilities will be given to the Family Services sergeant of the Carlsbad Police Department, who will thereafter assess the request and direct the school resource officer to respond appropriately.

E. RESOURCE

Resource and local management will be coordinated at:

Carlsbad Unified School District, 6225 El Camino Real, Carlsbad, California, 92009, (760) 331-5000.

City of Carlsbad Police Department, 2560 Orion Way, Carlsbad, California, 92010, (760) 931-2100.

F. COST

Cost sharing will be based upon the services of **one-half of one full-time police officer** for ten months of the school year for Carlsbad High School, **one-half of one full-time police officer** for ten months of the school year for Sage Creek High School, and **one half of one full time police officer** for ten months of the school year for Valley Middle School, Calavera Hills Middle School, and Aviara Oaks Middle School. The portion funded by the District will be prorated based upon the school year at a rate of one half of the total salary of three full-time sworn police officers for a total cost of **\$199,884**. See Exhibit A for details.

COVID-19 CAMPUS CLOSURES: If either Carlsbad High School, Sage Creek High School, Valley Middle School, Calavera Hills Middle School, or Aviara Oaks Middle School have restricted on campus activities due to COVID-19, the Carlsbad Unified School District may request that no School Resource Officers be provided while on-campus student learning is reduced or suspended. If Carlsbad Unified School District requests that no School Resource Officers be provided while on campus student learning is reduced or suspended due to COVID-19, the total cost to be funded by CUSD will be prorated to deduct for any months for which no School Resource Officers are requested.

This Memorandum of Understanding will be effective October 1, 2020 and the Carlsbad Unified School District will pay annually to the Finance Director of the City of Carlsbad the agreed amount as outlined above. If the agreement is canceled as herein permitted, the

city shall return to the district the portion of such payment allocable to the period of the term subsequent to the effective date of cancellation.

G. SICK/INJURY/EMERGENCY ABSENCES

The City of Carlsbad Police Department will provide general law enforcement services to Carlsbad High School, the middle and elementary schools, Carlsbad Village Academy, and the district offices via the patrol division whenever the regularly assigned school resource officer is temporarily unable to provide said services due to illness, injury or emergency leave, or when called away to perform other duties that preclude the officer's presence at the school. In the event of such occurrence, calls for service will be handled based on need in relation to other demands for police services.

H. CITY EMPLOYEES

City employees who perform duties under this agreement are not, for any purposes whatsoever, employees of the School District.

I. NO RIGHTS IN THIRD PARTIES

This Memorandum is not intended to benefit any third parties, create rights in favor of any third parties, or create a special relationship between any City of Carlsbad employee and any other person.

J. LIABILITY AND INDEMNIFICATION

Pursuant to Section 895.4 of the Government Code, the City of Carlsbad and Carlsbad Unified School District agree that each will assume the full liability imposed upon it for any of its officers, agents, or employees for injury caused by a negligent or wrongful act or omission occurring in the performance of this agreement, and each party agrees to indemnify and hold harmless the other party for any loss, cost, or expense that may be imposed upon such other party by the virtue of Sections 895.2 and 895.6 of the Government Code.

Carlsbad Unified School District

City of Carlsbad

By: 

By: _____
Matt Hall, Mayor

Title: Assistant Superintendent

Date: _____

Date: 9-9-2020

Attest: _____
Barbara Engleson, City Clerk

Approved as to form:
Celia A. Brewer
City Attorney

By: _____
Assistant City Attorney

EXHIBIT A

Carlsbad Police Department

SCHOOL RESOURCE OFFICER PROGRAM

2020-2021 Cost-Sharing Breakdown

Costs are for one mid-step police officer (Step C) for one year and include only personnel costs; equipment and maintenance costs are not included.

| ANNUAL POLICE OFFICER PERSONNEL EXPENSES | COST PER OFFICER |
|---|-------------------------|
| Salary | 95,336 |
| Education | 4,810 |
| Overtime (@7.5% of Salary) | 7,150 |
| Holiday Pay (132 hours) | 6,050 |
| Disability & Unemployment (1.15%) | 1,098 |
| Retirement (21.401%) | 22,727 |
| Life Insurance (0.072%) | 48 |
| Medicare (1.45%) | 1,540 |
| Health Care | 20,248 |
| Uniform Allowance | 900 |
| TOTAL PERSONNEL COSTS | 159,907 |

| SRO COST ALLOCATION | CARLSBAD HIGH | SAGE CREEK HIGH | MIDDLE SCHOOLS | TOTAL |
|----------------------------------|----------------------|------------------------|-----------------------|----------------|
| Annual Personnel Costs | 159,907 | 159,907 | 159,907 | 479,721 |
| Monthly Personnel Cost | 13,326 | 13,326 | 13,326 | 39,978 |
| School Year Cost | 133,256 | 133,256 | 133,256 | 399,768 |
| HALF SHARE COST TO SCHOOL | 66,628 | 66,628 | 66,628 | 199,884 |

**amounts are rounded to the nearest dollar*



CITY COUNCIL
Staff Report

Meeting Date: Oct. 6, 2020

To: Mayor and City Council

From: Scott Chadwick, City Manager

Staff Contact: Debbie Porter, Sr. Management Analyst
 debbie.porter@carlsbadca.gov, 760-621-1221

Judy von Kalinowski, Human Resources Director
 judy.vonkalinowski@carlsbadca.gov, 760-473-4670

Subject: Side Letter Agreement with the Carlsbad Firefighters' Association, Inc. re: Employee Contributions to a Post-Retirement Healthcare Trust and an Association Time Bank and Related Revisions to the Management Compensation and Benefits Plan

Recommended Action

Adopt a resolution approving a side letter agreement with the Carlsbad Firefighters' Association, Inc. to increase options for employees to make contributions to a post-retirement healthcare trust account and to establish an association time bank and making related revisions to the Management Compensation and Benefits Plan.

Executive Summary

The term of the current memorandum of understanding between the city and the Carlsbad Firefighters' Association, Inc. is from Jan. 1, 2020, to Dec. 31, 2022. Article 4, Renegotiation, states that during the term of this memorandum, the parties agree to meet and confer over specific pre-determined topics upon the request of the other party to discuss additional changes to this Memorandum in accordance with the Meyers-Milias-Brown Act.¹

Representatives of the city and the Carlsbad Firefighters' Association have met and conferred in good faith and have reached an agreement to modify Articles 11, 12 and 38 of the memorandum of understanding so that employees have additional options for making contributions to a post-retirement healthcare trust account and to add a new article outlining an association time bank.

¹ The Meyers-Milias-Brown Act (California Government Code § 3500 et seq.) was intended to "promote full communication between public employers and their employees by providing a reasonable method of resolving disputes regarding wages, hours, and other terms and conditions of employment between public employers and public employee organizations."

Employees promoted into an unrepresented fire safety management position from a position represented by the Carlsbad Firefighters' Association continue to contribute into the post-retirement healthcare trust. Therefore, due to regulations regarding the trust, revisions to the Management Compensation and Benefits Plan are required to reflect the provisions for fire safety management employees.

Discussion

Post-retirement healthcare trust

Employees currently have an option, once a year, to convert some of their accrued and unused vacation hours to cash. The proposed side letter agreement states that employees will have the option, once a year, to convert some of their accrued and unused vacation hours into a post-retirement healthcare trust account and there would no longer be an option to convert unused accrued vacation hours to cash.

In addition, the side letter agreement states that any accrued and unused vacation hours over a certain threshold – either 384 hours or 256 hours depending on the employee's normal shift length – will automatically be converted into a post-retirement healthcare trust account each December. The vacation accrual maximum remains the same, either 448 hours or 320 hours depending on the employee's normal shift length.

Currently, upon separation of employment, an employee's accrued vacation balance is paid out in their final paycheck. The side letter agreement states that the accrued vacation hours will be converted to a post-retirement healthcare trust account and/or a city-sponsored 457 Plan account instead.

An employee who has accrued and maintains a minimum number of hours of sick leave now may, once a year, convert some of their unused sick leave to vacation hours at a ratio of 3:1. The side letter agreement states that employees may either convert some of their unused sick leave to vacation hours or to the employee's post-retirement healthcare trust account at the 3:1 ratio. There will still be no option to convert sick leave to cash.

Each employee currently contributes \$100 per month to a post-retirement healthcare trust account. The side letter agreement states that the mandatory monthly employee contribution to a post-retirement healthcare trust account will increase as outlined below.

| | |
|--|-------|
| Upon ratification of the side letter agreement | \$150 |
| Jan. 1, 2021 | \$200 |
| Jan. 1, 2022 | \$250 |

All of these changes in the side letter agreement will also apply to unrepresented fire safety management employees.

Association time bank

The side letter agreement outlines the establishment of an association time bank through which an employee can voluntarily donate either 4 or 8 hours per year of his or her accrued vacation time for use by other eligible employees to attend conferences, meetings or other events as approved by the Carlsbad Firefighters' Association board. Currently, an employee uses his or her own accrued vacation for this type of leave. An employee who uses this type of leave must obtain prior approval from the Fire Department chief or a designee.

Fiscal Analysis

There is no fiscal impact related to the items outlined in the side letter agreement.

Next Steps

Staff will implement the changes outlined in the side letter agreement.

Environmental Evaluation (CEQA)

This action does not constitute a "project" within the meaning of the California Environmental Quality Act under Public Resources Code section 21065 in that it has no potential to cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment and therefore does not require environmental review.

Public Notification and Outreach

Public notice of this item was posted in keeping with the Ralph M. Brown Act and it was available for public viewing and review at least 72 hours before the scheduled meeting date.

Exhibits

1. Resolution
2. Revisions of articles in the memorandum of understanding between the city and the Carlsbad Firefighters' Association, Inc.
3. Revisions of sections of the Management Compensation and Benefits Plan

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, APPROVING A SIDE LETTER AGREEMENT WITH THE CARLSBAD FIREFIGHTERS' ASSOCIATION, INC. TO MODIFY ARTICLES 11, 12 AND 38 AND ADD AN ASSOCIATION TIME BANK ARTICLE TO THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY AND THE ASSOCIATION AND APPROVING RELATED REVISIONS TO THE MANAGEMENT COMPENSATION AND BENEFITS PLAN

WHEREAS, representatives of the City of Carlsbad and the Carlsbad Firefighters' Association, Inc. have met and conferred in good faith pursuant to the Meyers-Milias-Brown Act (Cal. Government Code, § 3500 et seq.) regarding benefits and other terms and conditions of employment; and

WHEREAS, the representatives have reached agreement which they desire to submit to the City Council for consideration and approval; and

WHEREAS, the City Council of the City of Carlsbad, California has determined the need to approve the agreement in the form of a Side Letter Agreement (Attachment A); and

WHEREAS, the City Council of the City of Carlsbad, California has determined the need to make related revisions to the Management Compensation and Benefits Plan (Attachment B).

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

1. That the above recitations are true and correct.
2. That the Side Letter between the Carlsbad Firefighters' Association, Inc. and the City of Carlsbad (Attachment A) is approved.
3. That the revised Management Compensation and Benefits Plan (Attachment B) is approved.

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of

Carlsbad on the __ day of _____, 2020, by the following vote, to wit:

AYES:

NAYS:

ABSENT:

MATT HALL, Mayor

BARBARA ENGLESON, City Clerk

(SEAL)

**SIDE LETTER AGREEMENT
BETWEEN THE
THE CARLSBAD FIREFIGHTERS' ASSOCIATION, INC.
AND
THE CITY OF CARLSBAD
RELATING TO EMPLOYEE CONTRIBUTIONS TO A POST RETIREMENT
HEALTHCARE TRUST AND ESTABLISHMENT OF AN ASSOCIATION TIME BANK**

The City of Carlsbad (hereinafter referred to as "city") and the Carlsbad Firefighters' Association, Inc. (hereinafter referred to as the "CFA") entered into a Memorandum of Understanding ("MOU") with a term beginning on January 1, 2020 and terminating on December 31, 2022. The city and the CFA are collectively referred to herein as the "Parties."

Background and Overview

This Agreement relates to modifications to Articles 11, 12 and 38 of the MOU that would 1) allow CFA represented employees to convert accrued and unused vacation and sick leave into a post-retirement healthcare trust account and 2) would increase the mandatory employee contribution to a post-retirement healthcare trust account over the term of the MOU.

This Agreement also relates to the establishment of an association time bank.

The specific provisions contained in this Agreement are intended to supersede any previous agreements, whether oral or written, regarding the matters contained in this Agreement.

The Parties have satisfied their obligations to meet and confer in good faith in accordance with the Meyers-Milias-Brown Act ("MMBA") in response to the city's determination.

Except as provided here, all wages, hours, and other terms and conditions of employment presently in the city's MOU with the CFA remain in full force and effect. This Agreement will become effective the first pay period following Council approval in open session.

The Parties mutually agree to replace Articles 11, 12 and 38 in their entirety with the following and add Article 44:

ARTICLE 11. ANNUAL VACATION LEAVE

A. Basis of Accrual

The annual vacation leave accrual schedule for all employees working a 112 hour/pay period schedule will be:

| | | |
|------------------|---|-----------------|
| Less than 3 | full calendar years of continuous service | -21 minutes/day |
| 3 through 4.99 | full calendar years of continuous service | -26 minutes/day |
| 5 through 9.99 | full calendar years of continuous service | -32 minutes/day |
| 10 through 10.99 | full calendar years of continuous service | -34 minutes/day |
| 11 through 11.99 | full calendar years of continuous service | -36 minutes/day |
| 12 through 12.99 | full calendar years of continuous service | -38 minutes/day |
| 13 through 14.99 | full calendar years of continuous service | -40 minutes/day |
| 15 or more | full calendar years of continuous service | -42 minutes/day |

The annual vacation leave accrual schedule for all employees working an 80 hour/pay period schedule:

| | | |
|------------------|---|-----------------|
| Less than 3 | full calendar years of continuous service | -13 minutes/day |
| 3 through 4.99 | full calendar years of continuous service | -16 minutes/day |
| 5 through 9.99 | full calendar years of continuous service | -20 minutes/day |
| 10 through 10.99 | full calendar years of continuous service | -21 minutes/day |
| 11 through 11.99 | full calendar years of continuous service | -22 minutes/day |
| 12 through 12.99 | full calendar years of continuous service | -24 minutes/day |
| 13 through 14.99 | full calendar years of continuous service | -25 minutes/day |
| 15 or more | full calendar years of continuous service | -26 minutes/day |

Vacation leave is accrued on a daily basis. Vacation leave can be used in 15 minute increments.

A CFA-represented employee who is reinstated, as defined in the City of Carlsbad Personnel Rules and Regulations, upon reinstatement, shall resume the same vacation accrual rate that the employee had at the time of their separation.

When an employee changes from a 112 hour/pay period schedule to an 80 hour/pay period schedule, the employee's vacation balance (number of hours of accrued and unused vacation) is divided by 1.4 so that the dollar value of the employee's vacation balance at the time of the change remains the same.

When an employee changes from an 80 hour/pay period schedule to a 112 hour/pay period schedule, the employee's vacation balance (number of hours of accrued and unused vacation) is multiplied by 1.4 so that the dollar value of the employee's vacation balance at the time of the change remains the same.

B. Vacation Accrual Maximum

All employees working a 112 hour/pay period schedule shall be entitled to earn and accrue up to and including four hundred and forty-eight (448) hours of vacation. No employee working a 112 hour/pay period schedule will be allowed to earn and accrue vacation hours in excess of the four hundred and forty-eight (448) hour maximum. Each year, in the last paycheck in December, all accrued vacation hours over 384 hours will be deposited into the employee's individual post-retirement healthcare trust account.

All employees working an 80 hour/pay period schedule shall be entitled to earn and accrue up to and including three hundred and twenty (320) hours of vacation. No employee working an 80 hour/pay period schedule will be allowed to earn and accrue vacation hours in excess of the three hundred and twenty (320) hour maximum. Each year, in the last paycheck in December, all accrued vacation hours over 256 hours will be deposited into the employee's individual post-retirement healthcare trust account.

There shall be no cash option available to the employee for the conversion of unused accrued vacation hours.

Department Heads will encourage the taking of accrued vacation leave. If there are unusual circumstances that would require an employee to exceed the vacation accrual maximum, he/she must submit a request in writing to the Fire Chief or his/her designee and the City Manager. The Fire Chief or his/her designee and the City Manager may grant such a request if it is in the best interest of the city. Requests will be handled on a case-by-case basis and will be considered only in extreme circumstances.

C. Vacation Conversion

1. Employees working an 112-hour per pay period schedule are eligible to submit an irrevocable request to elect to convert up to 112 hours of accrued vacation hours for the following calendar year to be deposited into the employee's individual post-retirement healthcare trust account. Employees working an 80-hour pay period schedule are also eligible to submit an irrevocable request to elect to convert up to 80 hours of accrued vacation hours for the following calendar year to be deposited into the employee's individual post-retirement healthcare trust account. There shall be no cash option available to the employee for the conversion of unused accrued vacation hours.
2. All employees wishing to convert accrued vacation to fund their post-retirement healthcare trust in the year following the election will complete a form between November 10 and December 10 of each year. Elections will not carry over from one calendar year to the next calendar year.
3. Only vacation hours accrued during the calendar year following the election may be converted. Employees accruing less than the election amount may convert no more than their total vacation accrual in the following calendar year.
4. The employee's accrued vacation to convert to the healthcare trust will be credited first to the trust account with the employee's earned vacation leave until the employee's full election amount is reached. The vacation hours designated to the trust account will not be credited toward the employee's maximum vacation accrual. During this period of time, no earned vacation leave will be credited to the employee's vacation time off balance.
5. Conversion of vacation hours elected for the trust will be in the last paycheck in December unless the employee has accrued all the elected vacation hours by June 30, in which case conversion of the elected vacation hours may occur in July at the employee's request. All vacation hours will be converted in the calendar year in which the vacation hours accrue. If the employee does not accrue all requested vacation hours in the calendar year, the vacation conversion amount will be reduced to the total number of vacation hours the employee actually accrues in the calendar year and the conversion will be made no later than the last pay date in the calendar year.

The vacation conversion amount will be based on the employee's rate of pay at the time of the conversion.

6. An employee who does not elect to designate vacation hours to convert by December 10 waives their right to do so and will not be allowed to elect to convert vacation accruing in the following year. Mandatory conversion of vacation accrued over the designated accrual amount under Article 11B shall still occur.

D. Effects of Holiday on Vacation Leave

For all employees, except for those on an Administrative assignment, who work an 80 hour/pay period schedule, in the event one or more authorized municipal holidays fall within a vacation leave, such holiday shall not be charged as vacation leave, but shall be credited as a holiday.

E. Effect of Leave of Absence on Accrual of Vacation Leave

See Article 33 for the effect of an extended leave of absence on vacation accrual.

F. Compensation for City Work During Vacation Prohibited

No person shall be permitted to work for compensation for the city in any capacity, except compensation for mandated court appearances, during the time of his/her paid vacation leave from city service. This clause shall not limit the city's right to recall an employee from vacation in the event of an emergency and place him/her on regular pay status.

G. Scheduling Vacations

An employee may take his/her annual vacation leave at any time during the year, contingent upon determination by his/her Department Head that such absence will not materially affect the department. Each employee must consider the needs of the service when requesting annual vacation leave. All vacation requests must be placed in Telestaff per the Department Directive. When a family emergency arises which necessitates the use of vacation time, an employee shall provide as much advance notice as possible considering the particular circumstances.

H. Terminal Vacation Pay

Upon separation of employment, one hundred percent (100%) of the value of all remaining unused accrued vacation hours shall be converted to the employee's individual account in the Post-Retirement Healthcare Trust and/or a City-sponsored 457 Plan at the base rate of pay in effect at the time of separation from the City. Allocation amounts to either or both the Post-Retirement Healthcare Trust individual account and 457 Plan will be at the employee's discretion and subject to Internal Revenue Service regulations. The employee shall be responsible for ensuring their contributions to a 457 Plan do not exceed the maximum allowed per law. If the amount of terminal vacation pay the employee converts to a 457 Plan causes their 457 contributions to exceed the maximum allowed per the law and those contributions are returned to the City, the City will deposit the amount returned into the employee's individual account in the Post-Retirement Healthcare Trust. There shall be no cash option available to the employee for the conversion of unused accrued vacation hours at the time of separation. The default will

be to convert 100% of the unused vacation hours into the Post-Retirement Healthcare Trust individual account unless the employee designates conversion to the City-sponsored 457 Plan no later than 14 calendar days prior to the employee's last pay date.

ARTICLE 12. SICK LEAVE ACCRUAL

All employees working a 112 hour/pay period schedule shall be entitled to accrue sick leave at a rate of 25 minutes per day. All other employees shall be entitled to accrue sick leave at a rate of 16 minutes per day. Sick leave is accrued on a daily basis. Sick leave can be used in 15 minute increments.

An employee who is changed from a 112 hour/pay period schedule to an 80 hour/pay period schedule as a result of an administrative assignment or an occupational injury assignment (either full or light/modified duty) will continue to accrue at a rate of 25 minutes per day during this assignment.

A. Use of Sick Leave

Sick leave shall not be considered a right which an employee may use at his/her discretion. Sick leave shall be allowed as follows:

1. In the case of actual illness or disability.
2. Exposure to contagious disease that would jeopardize the health of others. When sick leave is granted under these circumstances, an explanatory medical certificate from the physician is required.
3. A pre-scheduled doctor, dental, or optometry appointment has been entered into Telestaff and approved by management.
4. Because illness of a member of the immediate family requires constant care and no other care is available and/or financially feasible except that of the employee. Immediate family is defined in the Personnel Rules.
5. All leave provisions will be administered consistent with state and federal laws.

B. Proof of Illness

The Fire Chief or his/her designee may request a certificate issued by a licensed physician or other satisfactory proof of illness when abuse is suspected and/or when sick leave use is in excess of three (3) consecutive scheduled work days (including days the employee is scheduled to work due to a shift trade). The Fire Chief or his/her designee may also designate a licensed physician to conduct a physical examination, and such examination shall be conducted at city expense. Employees shall be required to account for all hours they are requesting as sick leave via Telestaff. Violation of sick leave privileges may result in disciplinary action and/or loss of pay when, in the opinion of the Fire Chief or his/her designee, the employee has abused such privileges.

C. Effect of Leave of Absence

See Article 33 for the effect of an extended leave of absence on sick leave accrual.

D. Sick Leave Conversion

For an employee on an 80 hour/pay period schedule:

Any represented employee who has accrued and maintains a minimum of 160 hours of sick leave shall be permitted to convert up to 120 hours of accumulated uncompensated sick leave to either accrued vacation hours or to the employee's post-retirement healthcare trust account at a ratio of 24 hours of sick leave to 8 hours of vacation/ contributions to the employee's post-retirement healthcare trust. The sick leave conversion option will be provided during the first week of each fiscal year. Employees will not be allowed to convert sick leave to vacation if such conversion would put them over the vacation accrual maximum. No cash option will exist for sick leave conversion.

For an employee on a 112 hour/pay period schedule:

Any represented employee who has accrued and maintains a minimum of 240 hours of sick leave shall be permitted to convert up to 288 hours of accumulated uncompensated sick leave to either accrued vacation hours or to the employee's post-retirement healthcare trust account at a ratio of 72 hours of sick leave to 24 hours of vacation/ contributions to the employee's post-retirement healthcare trust. The sick leave conversion option will be provided during the first week of each fiscal year. Employees will not be allowed to convert sick leave to vacation if such conversion would put them over the vacation accrual maximum. No cash option will exist for sick leave conversion.

ARTICLE 38. POST-RETIREMENT HEALTHCARE TRUST

The city and CFA, Inc. agree that CFA, Inc. will contract directly with a company of its choosing to provide post-retirement healthcare trust benefits for all represented employees. All CFA represented employees will contribute into the post-retirement healthcare trust established by CFA, Inc. via payroll deductions. CFA, Inc., acknowledges that the city has no administrative responsibilities or liabilities related to this benefit, other than processing of payroll deductions. CFA, Inc. shall hold the city harmless for the city's actions related to this Article and indemnify the city against any liability the city incurs as a result of this Article, including but not limited to, its agreement to allow CFA, Inc., to participate in a post-retirement healthcare trust and/or the city's processing of payroll deductions as set forth in this section.

Effective the first pay period of calendar year 2020, the city will contribute \$100 per month per employee to the Post-Retirement Healthcare Trust. All CFA represented employees will contribute \$100 per month to the Post-Retirement Healthcare Trust until the pay period following ratification of a side letter agreement to amend this section of the MOU at which time the employee will contribute \$150 per month.

Effective the first pay period of calendar year 2021, the city will contribute \$125 per month per employee to the Post-Retirement Healthcare Trust and all CFA represented employees will contribute \$200 per month to the Post-Retirement Healthcare Trust.

Effective the first pay period of calendar year 2022, the city will contribute \$150 per month per employee to the Post-Retirement Healthcare Trust and all CFA represented employees will contribute \$250 per month to the Post-Retirement Healthcare Trust.

ARTICLE 44. ASSOCIATION TIME BANK

An association time bank will be established to provide leave allowance which can be used by eligible association members to attend conferences, meetings, or other events as approved by the association board.

Each year, in December, association members may designate an irrevocable donation of either 4 or 8 hours of the vacation they will accrue the following calendar year, to be converted in February to a dollar value using the employee's base salary rate that excludes additional pays. An association member will be taxed on the value of the hours at the time of the conversion. The total dollar value of the donated vacation hours will be held by the City and used solely for leave allowance for eligible association members.

With prior approval from the Fire Chief or his/her designee and in compliance with the Carlsbad Fire Department Directive #8.2: Vacation, an employee may use the association time bank for leave allowance (a dollar amount in the association leave bank will be converted to hours of leave using the employee's base salary rate that excludes additional pays). The allowance used for this purpose is not reportable to CalPERS, is not treated as taxable income based on State and Federal law and may not be considered as income available for contributions to a 457 plan. The association time bank will be used on a first come, first serve basis. To the extent the dollar value of the association time bank is less than the amount required for an employee's leave, the employee may supplement by using accrued vacation and/or compensatory time to reach the amount equal to the employee's full regular base pay.

Annually, the association board may determine a maximum number of hours to be donated in the following calendar year to the association time bank.

CITY OF CARLSBAD:

Date: 9/14/20



 JUDY VON KALINOWSKI, HUMAN
 RESOURCES DIRECTOR, CITY OF CARLSBAD

CARLSBAD FIREFIGHTERS' ASSOCIATION, INC.:

Date: 9/10/20



 JOSHUA CLARK, PRESIDENT, CARLSBAD
 FIREFIGHTERS' ASSOCIATION, INC.

MANAGEMENT COMPENSATION AND BENEFITS PLAN

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SECTION 1: INTRODUCTION

The Management Compensation and Benefits Plan contains three parts: 1) an introduction, 2) an overview of compensation and 3) a description of benefits for management employees.

Definitions

1. Management Employees - Management employees are defined as those employees whose classifications are listed on the Management Salary Structure. Except as to those management employees subject to an applicable law, all management employees are considered “at-will” and have no property rights to their position. At will employment with the City may be terminated at any time by either party, with or without cause, for any reason or no reason whatsoever, and with or without advance notice. At will employees do not have the right to appeal.
2. City Council Appointed Employees - The City Manager and City Attorney are hired by and responsible directly to the City Council. The salaries for these positions shall be set by the City Council. The City Manager and City Attorney will not be subject to the provisions of the Compensation program as outlined in Section 2 of this document. The schedule of management benefits (as outlined in Section 3 of this document) will apply to these positions, except as otherwise provided by the City Council.

SECTION 2: COMPENSATION

Pay Ranges

Each management job classification is assigned to a specific pay range. An employee may be paid anywhere in the pay range associated with their job classification.

Any employee may be advanced in the pay range regardless of the length of time served at the employee’s present pay rate. This advancement requires the written recommendation of the employee’s manager and the approval of the employee’s department head and City Manager (or City Attorney, for management employees in the City Attorney’s Office)¹.

If, as a result of a pay range adjustment, an employee’s base salary falls below the minimum of the pay range, the employee’s salary will be increased to the new range minimum as of the date City Council approves the pay range adjustment.

Periodically the Human Resources Department will bring forth salary range movement recommendations to City Council that are based on market and economic conditions, and may include one or more salary ranges.

¹ Hereafter, all references to the City Manager include, with regard to management employees in the City Attorney’s Office, the City Attorney.

Compensation Adjustments

Effective January 1, 2020, all management employee salaries will be increased by three percent (3%). As a result, all management salary ranges will be adjusted to reflect this increase. An employee's salary may not exceed the maximum of the pay range for their classification.

Survey Market

In keeping with the City Council's philosophy of surveying the total compensation of local agencies, the agencies listed below will be considered in the survey market for management classifications.

- City of Chula Vista
- City of Coronado
- City of Del Mar
- City of El Cajon
- City of Encinitas
- City of Escondido
- City of Imperial Beach
- City of La Mesa
- City of National City
- City of Oceanside
- City of Poway
- City of San Marcos
- City of Solana Beach
- City of San Diego
- City of Santee
- City of Vista
- County of San Diego

In addition to the agencies listed above, the following agencies will be considered in the survey market only for Utilities Director, Utilities Manager and Utilities Supervisor classifications.

- Encina Wastewater Authority
- Helix Water District
- Olivenhain Municipal Water District
- Otay Water District
- Padre Dam Municipal Water District
- Vallecitos Water District
- Vista Irrigation District

The Human Resources Department will compare salary and benefits information on each City of Carlsbad benchmark classification with appropriate classifications in the survey market. Those classifications that are considered benchmarks are those in which there was a substantial match between the competencies and duties required for jobs at the City of Carlsbad and those for jobs in the survey market.

Each City of Carlsbad job classification is assigned to a specific pay range. The non-benchmark positions are assigned to a pay range based on internal relationships, responsibility and/or

knowledge, skills and abilities of jobs. The benchmark salary data will be surveyed regularly and the benchmark comparisons will be modified when the classifications change within the organization.

The City Council delegates to the City Manager the authority to create and change job classifications and assign job classifications to a specific pay range, based on both benchmark salary information and internal relationships within the organization.

SECTION 3: BENEFITS AND OTHER TYPES OF PAY

Life/Accidental Death and Dismemberment (AD&D) Insurance and Voluntary Benefits

All management employees shall receive city-paid life insurance in an amount equal to two times their base salary up to a maximum benefit of \$400,000. To determine benefits, the amount of insurance is rounded to the next higher \$1,000 multiple, unless the amount equals a \$1,000 multiple.

Effective January 1, 2020, all management employees shall receive city paid Accidental Death and Dismemberment (AD&D) insurance in an amount equal to two times their base salary up to a maximum benefit of \$400,000. To determine the benefit, the amount of insurance is rounded to the next higher \$1,000 multiple, unless the amount equals a \$1,000 multiple.

The City provides various voluntary benefits available at the employee's cost. Employees may select among various levels of coverage. For information regarding these benefits, contact the Human Resources Department at 760-602-2440.

Retirement

All management employees shall participate in the California Public Employees' Retirement System (CalPERS). The specific retirement formula applied will be determined based on whether the position is deemed safety or miscellaneous. All positions not deemed eligible for safety retirement will be deemed miscellaneous under the CalPERS system. Optional benefits unique to the City of Carlsbad's contract with CalPERS are outlined in the contract between the city and CalPERS. A copy of this contract is kept on file in the Human Resources Department.

Management employees who are considered fire safety employees are eligible for the same retirement benefit formula and are subject to the same optional retirement benefits described in the City of Carlsbad CalPERS safety contract (and are the same as those provided to employees represented by the Carlsbad Firefighters' Association, Inc.). Unrepresented sworn police management employees are eligible for the same retirement benefit formula and are subject to the same optional retirement benefits described in the City of Carlsbad CalPERS safety contract (and are the same as those provided to employees represented by the Carlsbad Police Officers' Association).

A. The City has contracted with CalPERS for the following retirement benefits:

Miscellaneous "Classic" Members (those that do not qualify as "New Members" as defined below)

- a) Employees entering City of Carlsbad miscellaneous CalPERS membership for the first time prior to November 28, 2011 - The retirement formula shall be 3% @ 60; single highest year final compensation.
- b) Employees entering City of Carlsbad miscellaneous CalPERS membership for the first time on or after November 28, 2011 - The retirement formula shall be 2% @ 60; three year average final compensation.
- c) Employees entering City of Carlsbad safety CalPERS membership for the first time prior to October 4, 2010 - The retirement formula shall be 3% @ 50; single highest year final compensation.
- d) Employees entering City of Carlsbad safety CalPERS membership for the first time on or after October 4, 2010 – The retirement formula shall be 2% @ 50; three year average final compensation.

“New Members”

Employees who are “New Members” as defined by the California Public Employees’ Pension Reform Act of 2013 (PEPRA) (e.g., an employee hired on or after 1/1/2013 who has never been a CalPERS member or member of a reciprocal system or who has had a break in CalPERS service of at least 6 months or more) will be subject to all the applicable PEPRA provisions, which include but are not limited to the following retirement benefits.

- a) Miscellaneous employees - Retirement formula shall be 2% @ 62; three year average final compensation.
- b) Safety employees - Retirement formula shall be 2.7% @ 57; three year average final compensation.

B. Employee Retirement Contribution

The employee retirement contribution will be made on a pre-tax basis by implementing provisions of section 414(h)(2) of the Internal Revenue Code (IRC).

Employees shall make the following employee retirement contributions through payroll deductions:

- miscellaneous employees subject to the 3% @ 60 benefit formula shall pay all of the employee retirement contribution (8%),
- miscellaneous employees subject to the 2% @ 60 benefit formula shall pay all of the employee retirement contribution (7%),
- safety employees subject to the 3% @ 50 or 2% @ 50 benefit formulas shall pay all of the employee retirement contribution (9%), and
- miscellaneous and safety employees who meet the definition of “New Member” under PEPRA shall pay one half of the normal cost rate associated with their benefit plan.

Leave of Absence

Management employees are exempt from overtime requirements under the Fair Labor Standards Act. Management employees in the City are paid on a salary basis versus an hourly basis. Pursuant to FLSA regulation 29 CFR Section 541.5d, the City can make deductions from salary or leave accounts for partial day absences for personal reasons or sickness because the City has a policy and

practice of requiring its employees to be accountable to the public that they have earned their salaries. A partial day absence is an absence of less than the employee's regular work day. Pursuant to FLSA regulation 29 CFR Section 541.118 (a)(2) and (a)(3), the City may make salary or leave reductions based upon full day absences.

Partial day or full day absences shall be first charged against the exempt employee's vacation, sick, or executive leave account. In the event the exempt employee does not have sufficient time in his/her leave account to cover the absence, deductions without pay will be made on full days only.

1. Vacation

a. Vacation Accrual

Every management employee shall accrue vacation leave for each calendar year of actual continuous service dating from the commencement of said service, with such time to be accrued on a daily (calendar day) basis. Vacation leave can be used in 15 minute increments.

All management employees (except Fire Battalion Chiefs) shall earn vacation on the following basis:

- Beginning with the first (1st) working day through the completion of five (5) full calendar years of continuous service - 13 minutes/day.
- Beginning the sixth (6th) year of employment through the completion of ten (10) full calendar years of continuous service - 20 minutes/day.
- Beginning the eleventh (11th) year of employment through the completion of eleven (11) full calendar years of continuous service - 21 minutes/day.
- Beginning the twelfth (12th) year of employment through the completion of twelve (12) full calendar years of continuous service - 22 minutes/day.
- Beginning the thirteenth (13th) year of employment through the completion of thirteen (13) full calendar years of continuous service - 24 minutes/day.
- Beginning the fourteenth (14th) year of employment through the completion of fifteen (15) full calendar years of continuous service - 25 minutes/day.
- Beginning the sixteenth (16th) year of continuous employment, vacation time shall be accrued, and remain at a rate of 26 minutes/day for every full calendar year of continuous employment thereafter.

Management employees with comparable service may be granted credit for such service for the purpose of computing vacation at the discretion of the City Manager. All management employees shall be permitted to earn and accrue up to and including three hundred and twenty (320) hours of vacation, and no employee will be allowed to earn and accrue vacation hours in excess of the three hundred and twenty (320) hour maximum.* The City Manager shall be responsible for the granting of vacation

to all management personnel, except in the case of the City Attorney's Office, where the City Attorney shall be responsible for granting vacation.

* If there are unusual circumstances that would require an employee to exceed the vacation accrual maximum, he/she must submit a request in writing to the Department Head and the City Manager or Designee. The Department Head and the City Manager or Designee may grant such a request if it is in the best interest of the City. Requests will be handled on a case-by-case basis and will be considered only in extreme circumstances.

Fire Battalion Chiefs shall accrue vacation in the same manner and up to the same maximum as Carlsbad Firefighters' Association (CFA) represented employees.

For Fire Safety Management employees who contribute to the post-retirement healthcare trust established by CFA, Inc. and who work a 112 hour/pay period schedule, each year, in the last paycheck in December, all accrued vacation hours over 384 hours will be deposited into the employee's individual post-retirement healthcare trust account.

For Fire Safety Management employees who contribute to the post-retirement healthcare trust established by CFA, Inc. and who work an 80 hour/pay period schedule, each year, in the last paycheck in December, all accrued vacation hours over 256 hours will be deposited into the employee's individual post-retirement healthcare trust account.

b. Vacation Conversion

Employees, except for Fire Safety Management employees who contribute to the post-retirement healthcare trust established by CFA, Inc. are eligible to submit an irrevocable request to elect to cash out up to 80 hours (or up to 112 hours if a Battalion Chief on a 112 hours/pay period schedule) of accrued vacation hours for the following calendar year.

1. All employees wishing to convert accrued vacation to cash in the year following the election will complete a form between November 10 and December 10 of each year. Elections will not carry over from one calendar year to the next calendar year.
2. Only vacation hours accrued during the calendar year following the election may be cashed out. Employees accruing less than the election amount may cash out no more than their total vacation accrual in the following calendar year.
3. The employee's accrued vacation to convert to cash will be credited first to the cash out account with the employee's earned vacation leave until the employee's full election amount is reached. The vacation hours designated to the cash out account will not be credited toward the employee's maximum vacation accrual. During this period of time, no earned vacation leave will be credited to the employee's vacation time off balance.

4. Payment of vacation hours elected for cash out will be in the last paycheck in December unless the employee has accrued all the elected vacation hours by June 30, in which case payment of the all the elected vacation hours may be cashed out in July at the employee's request. All vacation hours will be paid in the calendar year in which the vacation hours accrue. If the employee does not accrue all requested vacation hours in the calendar year, the vacation payment amount will be reduced to the total number of vacation hours the employee actually accrues in the calendar year and the payout will be made no later than the last pay date in the calendar year.
5. The vacation payment amount will be based on the employee's rate of pay at the time of the payout. The vacation payment amount is taxable income, subject to all applicable withholding amounts and payroll deductions.
6. An employee who does not elect to cash out vacation by December 10 waives their right to do so and will not be allowed to cash out any vacation accruing in the following year.

Fire Safety Management employees who contribute to the post-retirement healthcare trust established by CFA, Inc., are eligible to submit an irrevocable request to elect to convert accrued vacation hours for the following calendar year to be deposited into the employee's individual post-retirement healthcare trust account in the same manner established for employees represented by CFA, Inc. There shall be no cash option available to these employees for the conversion of unused accrued vacation hours.

c. Vacation Payout

An employee separating from the City service, except for a Fire Safety Management employee who contributes to the post-retirement healthcare trust established by CFA, Inc., who has a balance of unused accrued vacation leave shall be entitled to be paid for the remainder of their unused accrued vacation leave as of their last day on payroll.

For Fire Safety Management employees who contribute to the post-retirement healthcare trust established by CFA, Inc., upon separation of employment, one hundred percent (100%) of the value of all remaining unused accrued vacation hours shall be converted to the employee's individual account in the Post-Retirement Healthcare Trust and/or a City-sponsored 457 Plan at the base rate of pay in effect at the time of separation from the City. Allocation amounts to either or both the Post-Retirement Healthcare Trust individual account and 457 Plan will be at the employee's discretion and subject to Internal Revenue Service regulations. The employee shall be responsible for ensuring their contributions to a 457 Plan do not exceed the maximum allowed per law. If the amount of terminal vacation pay the employee converts to a 457 Plan causes their 457 contributions to exceed the maximum allowed per the law and those contributions are returned to the City, the City will deposit the amount returned into the employee's individual account in the Post-Retirement Healthcare Trust. There shall be no cash option available to the

employee for the conversion of unused accrued vacation hours at the time of separation. The default will be to convert 100% of the unused vacation hours into the Post-Retirement Healthcare Trust individual account unless the employee designates conversion to the City-sponsored 457 Plan no later than 14 calendar days prior to the employee's last pay date.

2. Executive Leave (E-time)

Effective July 1, 2018, all management personnel shall receive sixty-four (64) hours per fiscal year for executive leave. The sixty-four (64) hours will be credited upon hire or promotion into management and at the beginning of each fiscal year to individual leave balances. This leave must be used within the same fiscal year. The City Manager is authorized to provide ten (10) additional hours of executive leave per year to any management employee who is required to work extended hours due to emergencies such as fires, storms, floods, or other emergencies.

3. Sick Leave

Sick leave can be used in 15 minute increments.

Sixteen (16) minutes of sick leave are accrued per calendar day. Accumulation is unlimited (employees cannot receive payment for unused sick leave). Fire Battalion Chiefs that work a 112 hour/pay period schedule shall accrue sick leave at a rate of 25 minutes per day. A Fire Battalion Chief who changes from a 112 hour/pay period schedule to an 80 hour/pay period schedule as a result of an administrative assignment or an occupational injury assignment (either full or light/modified duty) will continue to accrue at a rate of 25 minutes per day during this assignment.

Any management employee, except a Fire Safety Management employee, who has accrued and maintains a minimum of one hundred (100) hours of sick leave shall be permitted to convert up to twelve (12) days of sick leave and uncompensated sick leave to vacation at a ratio of three (3) sick leave days per one (1) day of vacation. The sick leave conversion option will be provided during the first week of each fiscal year. Conversion can only be made in increments of full day vacation days. Employees will not be allowed to convert sick leave to vacation if such conversion would put them over the vacation accrual maximum.

Fire Safety Management employees shall be eligible for sick leave conversion based on the following guidelines.

For a Fire Safety Management employee on an 80 hour/pay period schedule:
Any employee who has accrued and maintains a minimum of 160 hours of sick leave shall be permitted to convert up to 120 hours of accumulated uncompensated sick leave to either accrued vacation hours or to the employee's post-retirement healthcare trust account at a ratio of 24 hours of sick leave to 8 hours of vacation/contributions to the employee's post-retirement healthcare trust. The sick leave conversion option will be provided during the first week of each fiscal year. Employees will not be allowed to convert sick leave to vacation if such conversion

would put them over the vacation accrual maximum. No cash option will exist for sick leave conversion.

For a Fire Safety Management employee on a 112 hour/pay period schedule:
Any employee who has accrued and maintains a minimum of 240 hours of sick leave shall be permitted to convert up to 288 hours of accumulated uncompensated sick leave to either accrued vacation hours or to the employee's post-retirement healthcare trust account at a ratio of 72 hours of sick leave to 24 hours of vacation/contributions to the employee's post-retirement healthcare trust. The sick leave conversion option will be provided during the first week of each fiscal year. Employees will not be allowed to convert sick leave to vacation if such conversion would put them over the vacation accrual maximum. No cash option will exist for sick leave conversion.

Any permanent employee applying for retirement with the Public Employees' Retirement System may convert accrued and unused sick leave time to extend service time in the system at the ratio of twenty-five (25) days of accrued sick leave to one month of extended service.

4. Bereavement Leave

An employee may use up to an equivalent of three work days of paid leave if required to be absent from duty due to the death of a member of the employee's immediate family. Additional time off may be authorized by the Department Head and charged to accrued vacation or sick leave or, when no accrued leave is available, treated as leave without pay.

The "immediate family" shall be defined in the personnel rules and regulations.

The employee may be required to submit proof of relative's death before final approval of bereavement leave is granted.

5. Leave of Absence Without Pay

a. General Policy

Any employee may be granted a leave of absence without pay pursuant to the approval of his/her Department Head for less than two calendar weeks. If the duration of the leave of absence will be longer, the approval of the City Manager or his/her designee is required.

An employee shall utilize all his/her vacation, e-time and/or sick leave (if applicable) prior to taking an authorized leave of absence without pay.

A leave without pay may be granted for any of the following reasons:

1. Illness or disability.
2. To take a course of study which will increase the employee's usefulness on return to his/her position in the City service.
3. For personal reasons acceptable to the City Manager and Department Head.

b. Authorization Procedure

Requests for leave of absence without pay shall be made in writing and shall state specifically the reason for the request, the date when the leave is desired to begin, the probable date of return, and the agreement to reimburse the City for any benefit premiums paid by the City during the leave of absence. The request shall normally be initiated by the employee, but may be initiated by his/her Department Head, and, if applicable, shall be promptly transmitted to the City Manager or his/her designee for approval. A copy of any approved request for leave of absence without pay with a duration equal to or greater than two calendar weeks shall be delivered promptly to the Directors of Finance and Human Resources.

c. Length of Leave and Extension

A leave of absence without pay may be made for a period not to exceed six months, unless otherwise approved by the City Manager. The procedure for granting extensions shall be the same as that in granting the original leave provided that the request for extension is made no later than fourteen (14) calendar days prior to the expiration of the original leave.

d. Return From Leave

When an employee intends to return from an authorized leave of absence without pay either before or upon the expiration of such leave, he/she shall contact his/her Department Head at least fourteen (14) calendar days prior to the day he/she plans to return. The Department Head shall promptly notify the Human Resources Department of the employee's intention. The employee shall return at a rate of pay not less than the rate at the time the leave of absence began.

e. Insurance Payments and Privileges

An employee on leave without pay may continue his/her City insurance benefits by reimbursing the City for the employee's costs of insurance on a monthly basis during the period of the leave. Failure to reimburse the City for such benefits during the term of a leave of absence will result in the employee's coverage terminating on the first day following the month in which the last payment was received.

Upon the employee's return to paid status, any sums due to the City shall be repaid through payroll deductions. This applies to sums due for insurance as well as other payment plans entered into between the City and the employee (e.g., computer loan).

Upon eligibility for COBRA, the employee will be notified of the opportunity to continue benefit coverage via the COBRA process.

An employee on leave of absence without pay shall not have all of the privileges granted to regular employees (e.g., holiday pay), unless required by law.

6. Pregnancy Disability Leave

Pregnancy Disability Leave shall be authorized and/or administered in accordance with the provisions of State and Federal law. An employee disabled by pregnancy shall be allowed to utilize a combination of accrued sick leave and vacation time and leave without pay to take a leave for a reasonable period of time, not to exceed four months. An employee shall utilize all accrued leave prior to taking leave without pay. Reasonable period of time means that period during which the employee is disabled on account of pregnancy, childbirth, or related conditions.

An employee who plans to take a leave pursuant to this article shall give the City reasonable notice of the date the leave shall commence and the estimated duration of the leave.

7. Family and Medical Leave of Absence (FMLA)

An employee may be granted a FMLA of up to 12 weeks in a 12 month period for one or more of the following reasons:

- for the birth/placement of a child for adoption or foster care,
- to care for an immediate family member with a serious health condition, or
- to take medical leave when the employee is unable to work because of a serious condition.

FMLA may be paid or unpaid and may be granted concurrently and in conjunction with other leave and benefit provisions. Specific details regarding the provisions of this leave are available by contacting the Human Resources Department.

8. Military Leave

Military leave shall be authorized in accordance with the provisions of State and Federal law. The employee must furnish satisfactory proof to his/her Department Head, as far in advance as possible, that he/she must report to military duty.

9. Jury Duty

When called to jury duty, an employee shall be entitled to his/her regular compensation. Employees released early from jury duty shall report to their supervisor for assignment for the duration of the shift. Employees shall be entitled to keep mileage reimbursement paid while on jury duty.

A Department Head may, at his/her sole discretion, contact the court and request an exemption and/or postponement of jury service on behalf of an employee.

Employees released early from jury duty shall report to their supervisor for assignment for the duration of the work day. At the discretion of the supervisor, an employee may be released from reporting back to work if an unreasonable amount of the work day remains in light of travel time to the job site after release.

10. Extended Leave of Absence

Upon completion of 84 consecutive calendar days (12 weeks) of leave of absence (paid or unpaid and except when leave is ordered by the city or when an employee is on an active duty military leave) or completion of a leave of absence related to Section 4850 of the Labor Code, whichever occurs later, an employee will not be eligible for the benefits listed below:

- accrual of sick leave and vacation,
- cell phone allowance,
- car allowance and
- holiday pay for Fire Battalion Chiefs working a 112 hour/pay period schedule.

On the day that the employee returns to work from the extended leave of absence, the employee will resume eligibility for the abovementioned benefits and the employee's vacation anniversary date and seniority (calculation of continuous service with the City) will be adjusted for each calendar day the leave of absence lasted beyond 84 consecutive calendar days or the completion of a leave of absence related to Section 4850 of the Labor Code, whichever was longer.

11. Paid Family Leave

Effective January 1, 2020, per Administrative Order No. 84, all management employees will be eligible for 160 hours per year of paid family leave to care for an immediate family member or bond with a new child.

Separation Compensation

All management employees involuntarily separated from the City service due to budget cutbacks, layoffs, contracting out of service or for other reasons not due to misconduct which would justify involuntary separation shall receive one month's salary computed at the employee's actual salary at the time of separation.

Holidays

All management employees shall be paid holidays in accordance with the schedule of eleven (11) holidays as established by the City Council. The scheduled paid holidays that will be official City holidays shall be as follows:

- | | |
|-------------------------------|---------------------|
| New Year's Day | Columbus Day |
| Martin Luther King's Birthday | Veterans Day |
| Presidents' Day | Thanksgiving Day |
| Memorial Day | Thanksgiving Friday |
| Independence Day | Christmas Day |
| Labor Day | |

Fire Battalion Chiefs are compensated for holidays in the manner outlined below.

- 1) Suppression personnel on an administrative assignment are ineligible for the holiday pay listed above. These personnel will receive straight time pay when they are regularly scheduled to work on the holidays listed above.
- 2) Fire Prevention personnel and personnel on a non-occupational injury light/modified duty assignment will be eligible to have the day off with pay on the holidays listed above.
- 3) Suppression personnel working a 112 hour/pay period schedule and personnel on an occupational injury light/modified duty assignment shall be compensated for an additional twelve (12) hours of holiday pay (using a base salary rate that excludes additional pays) on the day the holiday occurs.

Only employees who are on employed status on their last scheduled work day before a holiday shall be entitled to the paid holiday except where otherwise required by law.

Effective July 1, 2019, all management employees, including Fire Safety Management employees, will receive two floating holidays per fiscal year, each year on July 1st.

The floating holiday may be used at the discretion of the employee with prior approval of the employee's supervisor. The floating holiday must be taken as a full day off. There is no partial day use of a floating holiday. The floating holiday pay is paid at straight time equal to the number of hours in the employee's regular work shift on that day. Unused floating holidays will not carry over to the next fiscal year and will not be paid out upon separation of employment.

Health Benefits

Management employees will participate in a flexible benefits program which includes medical insurance, dental insurance, vision insurance, flexible spending accounts (FSAs) and Accidental Death & Dismemberment insurance (AD&D). Each of these components is outlined below.

1. Medical Insurance

Management employees will be covered by the Public Employees' Medical and Hospital Care Act (PEMHCA) and will be eligible to participate in the California Public Employees' Retirement System (CalPERS) Health Program. The City will pay on behalf of all management employees and their eligible dependents and those retirees mentioned in the section of this document titled, "Health Insurance for Retirees," the minimum amount per month required under Government Code Section 22892 of the PEMHCA for medical insurance through the California Public Employees' Retirement System (CalPERS). If electing to enroll for medical benefits, the employee must select one medical plan from the variety of medical plans offered.

Effective January 1, 2018, the City will contribute the following monthly amounts (called "Benefits Credits") on behalf of each active management employee and eligible dependents toward the payment of 1) medical premiums under the CalPERS Health Program, 2) contributions in the name of the employee to the City's flexible spending account(s), 3) dental premiums 4) vision premiums and/or 5) accidental death and dismemberment (AD&D) premiums:

- (a) For employees with “Employee” coverage, the City shall contribute five hundred seventy-three (\$573) per month that shall include the mandatory payments to CalPERS. If the actual total premiums exceed the City’s total contributions, the employee will pay the difference.
- (b) For employees with “Employee Plus One” coverage, the City shall contribute one thousand one hundred forty-six dollars (\$1,146) per month that shall include the mandatory payments to CalPERS. If the actual total premiums exceed the City’s total contributions, the employee will pay the difference.
- (c) For employees with “Family” coverage, the City shall contribute one thousand five hundred two dollars (\$1,502) per month that shall include the mandatory payments to CalPERS. If the actual total premiums exceed the City’s total contributions, the employee will pay the difference.

Subsequently, effective January 1 of each calendar year, the City monthly Benefits Credits will change for each coverage level. The monthly Benefits Credits will be set to dollar amounts that equate to 80% of the average health (medical, dental and vision) premium for Employee, Employee Plus One and Family coverage levels, rounded to the nearest whole dollar based on the premiums that will take effect on January 1 of the respective calendar year.

Unused Benefits Credits as outlined above will be paid to the employee in cash and reported as taxable income. If the amount contributed by the City (Benefits Credits) exceeds the cost of the medical insurance purchased by the employee, the employee will have the option of using any “excess credits” to purchase dental, vision, or accidental death and dismemberment (AD&D) insurance or to contribute to a healthcare or dependent care flexible spending account (FSA), instead of receiving taxable cash.

All management employees who work three quarter-time or less will receive prorated Benefits Credits.

2. Dental Insurance

Management employees will be eligible to enroll in or waive enrollment in a City-sponsored dental plan at any coverage level.

3. Vision Insurance

Management employees will be eligible to enroll in or waive enrollment in a City-sponsored vision insurance plan at any coverage level.

4. Waiver Provision

Management employees who do not wish to participate in the CalPERS Health Program will have the choice of waiving the City’s medical insurance program, provided they can show that they are covered under another group insurance program.

The dollar amount paid by the City for employees who elect the waiver provision may change in the first pay period of each calendar year. The Benefits Credits associated with waiving medical coverage will be set equal to 50% of the Benefits Credits associated with Employee medical coverage. If this results in a situation where the unused benefit credits associated with any

medical plan exceed the benefit credits associated with waiving medical coverage, the benefit credits associated with waiving medical coverage will be set equal to one dollar (\$1) above the unused benefit credits associated with that medical plan.

Unused Benefits Credits as outlined above will be paid to the employee in cash and reported as taxable income.

Health Insurance for Retirees

Effective January 1, 2001, management employees will be covered by the Public Employees' Medical and Hospital Care Act and will be eligible to participate in the California Public Employees' Retirement System (CalPERS) Health Program. Management employees who retire from the City, either service or disability, shall be eligible to continue their enrollment in the CalPERS Health Program when they retire, provided that the individual is enrolled or eligible to enroll in a CalPERS medical plan at the time of separation from employment and their effective date of retirement is within 120 days of separation. The City will contribute the minimum amount per month required under Government Code Section 22892 of the PEMHCA toward the cost of each retiree's enrollment in the CalPERS Health Program.

Employees who retire from the City, either service or disability, shall be eligible to elect, upon retirement to participate in the City's dental and/or vision insurance programs as a retiree. The cost of such dental and/or vision insurance for the retiree and eligible dependents shall be borne solely by the retiree. An individual who does not choose coverage upon retirement, or who chooses coverage and later drops it is not eligible to return to the City's dental and vision insurance program.

The City will invoice the retiree for his/her monthly premiums for dental and/or vision insurance and the retiree must keep such payments current to ensure continued coverage.

Physical Fitness Reimbursement

All management employees shall be eligible for reimbursement of up to the amount of four hundred fifty dollars (\$450) during each fiscal year for the costs associated with physical fitness.

Each employee claiming reimbursement shall be required to submit original receipts to the Human Resources department for approval and reimbursement.

The physical fitness reimbursement is offered to management employees to promote optimum health. Services include, but are not limited to: health assessment testing and examinations, computerized heart risk profile, complete blood profile, fees paid to physical fitness providers, nutritional assessment and diet program.

Short-Term and Long-Term Disability Insurance

Short-Term Disability

Effective January 1, 2020, short-term disability insurance is available for all management employees and the insurance premium is paid by the city. The insurance shall provide for a seven (7) calendar day waiting period prior to payment eligibility and the short-term disability benefits

shall be provided at 60% of the employee's pre-disability base salary, up to a maximum base salary of \$150,000.

Long-Term Disability

Long-term disability is available for all management employees and the insurance premium is paid by the city. Effective January 1, 2020, the waiting period prior to payment eligibility shall be ninety (90) calendar days and the long-term disability benefits shall be provided at 66 2/3% of the employee's pre-disability base salary, up to a maximum base salary of \$150,000.

Use of Accrued Paid Time Off While Receiving Disability Benefits

The employee shall use their accrued paid time off (e.g., vacation, sick leave) during the disability insurance waiting period. The employee shall combine accrued paid time off, except for accrued sick leave, with short-term and long-term disability payments for the purpose of achieving the equivalent of their base salary while receiving the disability payments.

Transition/Continuation of Benefits for Employees on a Short-Term or Long-Term Disability Leave of Absence as of December 31, 2019

An employee who is on a short-term or long-term disability leave of absence as of December 31, 2019 (including an intermittent leave), will be converted to short-term and/or long-term coverage with the city's new disability insurance provider as of January 1, 2020 without having to repeat the waiting period.

Deferred Compensation

The City shall provide deferred compensation plan(s) which may be utilized by any management employee. The City reserves the right to accept or reject any particular plan and to impose specific conditions upon the use of any plan. It is acknowledged that the City will assist in the administration of this benefit but that the City has no liability if an employee should default on the repayment of such a loan.

Drug and Alcohol Policy

It is the policy of the City of Carlsbad to provide a work environment free from the effects of drugs and alcohol consistent with the directives of the Drug Free Workplace Act.

The City provides a voluntary Employee Assistance Program (EAP) to assist employees who seek help for substance abuse or other personal problems affecting work or family life. This program is available to employees and their family members and offers 24-hour access to confidential professional EAP assistance for emergency or urgent situations. For more specific information, contact the Human Resources Department or visit the City's intranet site.

Uniform Reimbursement & Reporting the Value of Uniforms to CalPERS

Reimbursement to the Police Chief and Assistant Police Chief for the cost of purchasing and maintenance of required uniforms shall be \$34.62 per pay period.

Effective May 31, 2010, all fire management employees who are required to wear City-provided uniforms will have the amount of \$17.31 reported to CalPERS bi-weekly as special compensation related to the monetary value of the required uniforms, excluding boots.

Under PEPRRA, this benefit is not reported to CalPERS as special compensation for new members.

Fire Safety Management

1. Post-Retirement Healthcare Trust

Employees promoted into a fire safety management classification from a position represented by CFA, Inc. after the establishment of the post-retirement healthcare trust by CFA, Inc. shall contribute into the post-retirement healthcare trust established by CFA, Inc. via payroll deductions until participation by CFA, Inc., in this type of trust is terminated. The employee contribution amount shall be equal to the amount established for employees represented by CFA, Inc. In addition, the city will make monthly contributions per fire safety management employee who is contributing to the trust. The city contribution amount will be equal to the amount established for employees represented by CFA, Inc. The City has no administrative responsibilities or liabilities related to this benefit, other than processing of payroll contributions as described above.

2. Overtime

The classifications of Fire Chief, Fire Division Chief, Fire Battalion Chief and Fire Marshal are exempt from overtime requirements under FLSA. However, Fire Battalion Chiefs are paid at their base hourly rate of pay, which is derived by dividing the Fire Battalion Chief's weekly salary by 40 hours for an employee on an 80 hour/pay period schedule and 56 hours for an employee on a 112 hour/pay period schedule, for the actual hours the Fire Battalion Chief spends covering for a Battalion Chief who is on a leave of absence or deployed and when they are directed to attend a mandatory training class or meeting associated with the rank of Battalion Chief on a non-scheduled work day.

Employees in the classification of Fire Chief, Assistant Fire Chief, Fire Division Chief and Fire Marshal who are assigned to a mutual aid incident (not automatic aid) are compensated for regularly scheduled hours. In addition, the employee will be paid at their base hourly rate of pay, which is derived by dividing their weekly salary by 40 hours for all hours, beginning at the time of dispatch until return to jurisdiction (portal to portal). Employees in the classification of Fire Battalion Chief who are assigned to the emergency location are paid at a rate of 1.5 their base hourly rate of pay, which is derived by dividing their base weekly rate by 40 hours, for hours worked in excess of their normally scheduled work shift beginning at the time of dispatch to the return to jurisdiction (portal to portal).

3. Fire Battalion Chief Administrative Assignments

While a Fire Battalion Chief is on an administrative assignment, the employee's hourly rate will be converted from a 112 hour/pay period schedule rate to an 80 hour/pay period schedule rate.

While appointed or assigned to an administrative position (80 hour/pay period schedule), the employee shall receive an additional 15 percent (15%) above their base hourly pay rate.

A Fire Battalion Chief who is assigned to an 80 hour/pay period schedule administrative assignment will not be available to work shift overtime on days they are assigned to an administrative assignment unless authorized by the Fire Chief or his/her designee. Employees are authorized to work suppression overtime during hours they are not assigned to administration.

A Fire Battalion Chief working an 80 hour/pay period schedule who works a suppression overtime shift, not including overhead assignments, will have their pay rate converted to the 112 hour/pay period rate while working on the suppression overtime shift. This rate shall not include the 15% administrative assignment pay.

4. Moving Between an 80 Hour/Pay Period Work Schedule and a 112 Hour/Pay Period Work Schedule

When a Fire Battalion Chief changes from a 112 hour/pay period schedule to an 80 hour/pay period schedule, the employee's vacation balance (number of hours of accrued and unused vacation) is divided by 1.4 so that the dollar value of the employee's vacation balance at the time of the change remains the same.

When a Fire Battalion Chief changes from an 80 hour/pay period schedule to a 112 hour/pay period schedule, the employee's vacation balance (number of hours of accrued and unused vacation) is multiplied by 1.4 so that the dollar value of the employee's vacation balance at the time of the change remains the same.

5. The city will comply with the Firefighter Bill of Rights Procedures for those Fire Management employees who are afforded rights pursuant to Government Code Section 3254.5 of the California Firefighter Procedural Bill of Rights Act (FBOR).
6. Employees in the classifications of Fire Battalion Chief and Fire Marshal shall be eligible for COVID-19 Emergency Responder Leave as outlined in the side letter agreement between the CFA and the City of Carlsbad relating to COVID-19 Emergency Responder Leave.

Special Assignment and Temporary Upgrade Pay

Whenever the needs of the City require an employee to temporarily perform the duties of a job classification that has a higher pay range than the pay range associated with their current job classification for a period of more than twenty-one (21) calendar days, the employee shall be designated as being in a special assignment and receive additional temporary upgrade pay. In such cases, the employee shall be paid at an appropriate level which will assure an increase of not less than five percent (5%) greater than his/her current salary. Subsequent to designation in a special assignment, in the event that the situation changes and the City does not need the employee to serve in the assignment for at least twenty-one (21) consecutive calendar days, the employee shall receive the temporary upgrade pay for that period of time the assignment lasts. In the event that at the beginning of a special assignment, it is not perceived that the assignment will last at least twenty-one (21) consecutive calendar days, and the assignment nonetheless extends beyond twenty-one (21) consecutive calendar days, the employee in the assignment shall receive the temporary upgrade pay retroactive to the first day of the acting assignment.

No employee shall be required to perform any of the duties of a higher classification unless that employee is deemed to possess the minimum qualifications of the higher classification by the Human Resources Director as recommended by the affected Department Head. Exceptions to the minimum qualifications criteria may be recommended by the affected Department Head on a case by case basis. If the employee does not meet the minimum qualifications for the higher classification he/she shall receive not less than 2.5% temporary upgrade pay.

The temporary upgrade pay shall commence on the first (1st) calendar day of the special assignment. The recommendation that an employee be placed in a special assignment shall be put in writing by the affected Department Head and submitted to the Human Resources Director for approval. The employee shall not serve for more than one hundred and eighty (180) calendar days in a special assignment unless approved by the City Manager or his/her designee.

If an employee is on a leave of absence (paid or unpaid and except when leave is ordered by the city) for more than twenty-one (21) calendar days, the temporary upgrade pay associated with their special assignment shall cease on the twenty-second (22nd) day. On the day that the employee returns to work, if the supervisor determines that the employee is required to continue to perform the duties of the special assignment, the temporary upgrade pay will resume as of the day the employee returns to work.

A person in a special assignment shall be eligible to receive pay increases in his/her regular position during the special assignment. The Human Resources Director shall obtain the employee's consent for the special assignment prior to the employee's assuming or continuing the duties and additional compensation, which shall clearly state that it is understood that a reduction in salary will occur due to cessation of the temporary upgrade pay upon the expiration of the need for the special assignment.

Educational Incentive

Effective January 1, 2019, employees in the classifications of Police Chief and Assistant Police Chief who present proof to the Professional Standards Division Sergeant, Carlsbad Police Department, of evidence of the award of a Management certificate issued by the State of California Commission on Peace Officer Standards and Training (POST) will be eligible to receive educational incentive pay in the amount of four hundred sixty-two dollars (\$462) biweekly. Eligibility for receiving the compensation will be based upon the date the employee provides evidence of eligibility to the Professional Standards Division Sergeant. It is the sole responsibility of the employee to make notification of eligibility for the educational incentive pay.

ARTICLE 11. ANNUAL VACATION LEAVEA. Basis of Accrual

The annual vacation leave accrual schedule for all employees working a 112 hour/pay period schedule will be:

| | | |
|------------------|---|-----------------|
| Less than 3 | full calendar years of continuous service | -21 minutes/day |
| 3 through 4.99 | full calendar years of continuous service | -26 minutes/day |
| 5 through 9.99 | full calendar years of continuous service | -32 minutes/day |
| 10 through 10.99 | full calendar years of continuous service | -34 minutes/day |
| 11 through 11.99 | full calendar years of continuous service | -36 minutes/day |
| 12 through 12.99 | full calendar years of continuous service | -38 minutes/day |
| 13 through 14.99 | full calendar years of continuous service | -40 minutes/day |
| 15 or more | full calendar years of continuous service | -42 minutes/day |

The annual vacation leave accrual schedule for all employees working an 80 hour/pay period schedule:

| | | |
|------------------|---|-----------------|
| Less than 3 | full calendar years of continuous service | -13 minutes/day |
| 3 through 4.99 | full calendar years of continuous service | -16 minutes/day |
| 5 through 9.99 | full calendar years of continuous service | -20 minutes/day |
| 10 through 10.99 | full calendar years of continuous service | -21 minutes/day |
| 11 through 11.99 | full calendar years of continuous service | -22 minutes/day |
| 12 through 12.99 | full calendar years of continuous service | -24 minutes/day |
| 13 through 14.99 | full calendar years of continuous service | -25 minutes/day |
| 15 or more | full calendar years of continuous service | -26 minutes/day |

Vacation leave is accrued on a daily basis. Vacation leave can be used in 15 minute increments.

A CFA-represented employee who is reinstated, as defined in the City of Carlsbad Personnel Rules and Regulations, upon reinstatement, shall resume the same vacation accrual rate that the employee had at the time of their separation.

When an employee changes from a 112 hour/pay period schedule to an 80 hour/pay period schedule, the employee's vacation balance (number of hours of accrued and unused vacation) is divided by 1.4 so that the dollar value of the employee's vacation balance at the time of the change remains the same.

When an employee changes from an 80 hour/pay period schedule to a 112 hour/pay period schedule, the employee's vacation balance (number of hours of accrued and unused vacation) is multiplied by 1.4 so that the dollar value of the employee's vacation balance at the time of the change remains the same.

B. Vacation Accrual Maximum

All employees working a 112 hour/pay period schedule shall be entitled to earn and accrue up to and including four hundred and forty-eight (448) hours of vacation. No employee working a 112 hour/pay period schedule will be allowed to earn and accrue vacation hours in excess of the four hundred and forty-eight (448) hour maximum. Each year, in the last paycheck in December, all accrued vacation hours over 384 hours will be deposited into the employee's individual post-retirement healthcare trust account.

All employees working an 80 hour/pay period schedule shall be entitled to earn and accrue up to and including three hundred and twenty (320) hours of vacation. No employee working an 80 hour/pay period schedule will be allowed to earn and accrue vacation hours in excess of the three hundred and twenty (320) hour maximum. Each year, in the last paycheck in December, all accrued vacation hours over 256 hours will be deposited into the employee's individual post-retirement healthcare trust account.

There shall be no cash option available to the employee for the conversion of unused accrued vacation hours.

Department Heads will encourage the taking of accrued vacation leave. If there are unusual circumstances that would require an employee to exceed the vacation accrual maximum, he/she must submit a request in writing to the Fire Chief or his/her designee and the City Manager. The Fire Chief or his/her designee and the City Manager may grant such a request if it is in the best interest of the city. Requests will be handled on a case-by-case basis and will be considered only in extreme circumstances.

C. Vacation Conversion

~~—No later than December 10, 2019, employees working an 112-hour per pay period schedule will be provided an option to convert accrued and unused vacation to cash in amount of one hundred twelve (112) hours. No later than December 10, 2019, employees working an 80-hour per pay period schedule will be provided an option to convert accrued and unused vacation to cash in amount of eighty (80) hours. All accrued and unused vacation earned up through the last full period in December 2019, that is not requested to be cashed out by December 10, 2019 is no longer eligible to be converted to cash, except upon separation of employment with the city.~~

2.1. Employees working an 112-hour per pay period schedule are ~~also~~ eligible to submit an irrevocable request to elect to ~~cash-out set aside~~ convert up to 112 hours of accrued vacation hours for the following calendar year to be deposited into the employee's individual post-retirement healthcare trust account. Employees working an 80-hour pay period schedule are also eligible to submit an irrevocable request to elect to ~~cash-out set aside~~ convert up to 80 hours of accrued vacation hours for the following calendar year to be deposited into the employee's

individual post-retirement healthcare trust account. There shall be no cash option available to the employee for the conversion of unused accrued vacation hours.

~~3.2.~~ All employees wishing to convert accrued vacation to cash-fund their post-retirement healthcare trust in the year following the election will complete a form between November 10 and December 10 of each year. Elections will not carry over from one calendar year to the next calendar year.

~~4.3.~~ Only vacation hours accrued during the calendar year following the election may be ~~cash-ed-out~~ converted. Employees accruing less than the election amount may ~~cash-out~~ convert no more than their total vacation accrual in the following calendar year.

~~5.4.~~ The employee's accrued vacation to convert to ~~cash-the healthcare trust~~ will be credited first to the ~~cash-out~~ trust account with the employee's earned vacation leave until the employee's full election amount is reached. The vacation hours designated to the ~~cash-out~~ trust account will not be credited toward the employee's maximum vacation accrual. During this period of time, no earned vacation leave will be credited to the employee's vacation time off balance.

~~5.~~ Payment Transfer Conversion of vacation hours elected for ~~cash-out~~ the trust will be in the last ~~paycheck pay period pay check~~ in December unless the employee has accrued all the elected vacation hours by June 30, in which case payment transfer conversion of the elected vacation hours may ~~occur be cash-ed-out transferred~~ in July at the employee's request. All vacation hours will be ~~paid transferred converted~~ in the calendar year in which the vacation hours accrue. If the employee does not accrue all requested vacation hours in the calendar year, the vacation payment transfer conversion amount will be reduced to the total number of vacation hours the employee actually accrues in the calendar year and the ~~payout transfer conversion~~ will be made no later than the last pay date in the calendar year.

~~5.~~ The vacation payment transfer conversion amount will be based on the employee's rate of pay at the time of the ~~payout transfer conversion~~. ~~The vacation payment amount is taxable income, subject to all applicable withholding amounts and payroll deductions.~~

6. An employee who does not elect to ~~cash-out~~ designate vacation hours to transfer convert by December 10 waives their right to do so and will not be allowed to ~~cash out transfer-elect to convert any~~ vacation hours accruing in the following year. Mandatory conversion of vacation accrued over the designated accrual amount under Article 11B shall still occur.

D. Effects of Holiday on Vacation Leave

For all employees, except for those on an Administrative assignment, who work an 80 hour/pay period schedule, in the event one or more authorized municipal holidays fall

within a vacation leave, such holiday shall not be charged as vacation leave, but shall be credited as a holiday.

E. Effect of Leave of Absence on Accrual of Vacation Leave

See Article 33 for the effect of an extended leave of absence on vacation accrual.

F. Compensation for City Work During Vacation Prohibited

No person shall be permitted to work for compensation for the city in any capacity, except compensation for mandated court appearances, during the time of his/her paid vacation leave from city service. This clause shall not limit the city's right to recall an employee from vacation in the event of an emergency and place him/her on regular pay status.

G. Scheduling Vacations

An employee may take his/her annual vacation leave at any time during the year, contingent upon determination by his/her Department Head that such absence will not materially affect the department. Each employee must consider the needs of the service when requesting annual vacation leave. All vacation requests must be placed in Telestaff per the Department Directive. When a family emergency arises which necessitates the use of vacation time, an employee shall provide as much advance notice as possible considering the particular circumstances.

H. Terminal Vacation Pay

Upon separation of employment, one hundred percent (100%) of the value of all remaining unused accrued vacation hours shall be converted to the employee's individual account in the Post-Retirement Healthcare Trust and/or a City-sponsored 457 Plan at the base rate of pay in effect at the time of separation from the City. Allocation amounts to either or both the Post-Retirement Healthcare Trust individual account and 457 Plan will be at the employee's discretion and subject to Internal Revenue Service regulations. The employee shall be responsible for ensuring their contributions to a 457 Plan do not exceed the maximum allowed per law. If the amount of terminal vacation pay the employee converts to a 457 Plan causes their 457 contributions to exceed the maximum allowed per the law and those contributions are returned to the City, the City will deposit the amount returned into the employee's individual account in the Post-Retirement Healthcare Trust. There shall be no cash option available to the employee for the conversion of unused accrued vacation hours at the time of separation. The default will be to convert 100% of the unused vacation hours into the Post-Retirement Healthcare Trust individual account unless the employee designates conversion to the City-sponsored 457 Plan no later than 14 calendar days prior to the employee's last pay date.

~~The dollar value of an employee's accrued vacation balance as of the employee's last day on payroll shall be paid to the employee upon separation of employment at the employee's base rate of pay at separation. When separation is caused by death of an employee, payment shall be made to the estate of such employee or, in applicable cases, as provided in the Probate Code of the State.~~

ARTICLE 12. SICK LEAVE ACCRUAL

All employees working a 112 hour/pay period schedule shall be entitled to accrue sick leave at a rate of 25 minutes per day. All other employees shall be entitled to accrue sick leave at a rate of 16 minutes per day. Sick leave is accrued on a daily basis. Sick leave can be used in 15 minute increments.

An employee who is changed from a 112 hour/pay period schedule to an 80 hour/pay period schedule as a result of an administrative assignment or an occupational injury assignment (either full or light/modified duty) will continue to accrue at a rate of 25 minutes per day during this assignment.

A. Use of Sick Leave

Sick leave shall not be considered a right which an employee may use at his/her discretion. Sick leave shall be allowed as follows:

1. In the case of actual illness or disability.
2. Exposure to contagious disease that would jeopardize the health of others. When sick leave is granted under these circumstances, an explanatory medical certificate from the physician is required.
3. A pre-scheduled doctor, dental, or optometry appointment has been entered into Telestaff and approved by management.
4. Because illness of a member of the immediate family requires constant care and no other care is available and/or financially feasible except that of the employee. Immediate family is defined in the Personnel Rules.
5. All leave provisions will be administered consistent with state and federal laws.

B. Proof of Illness

The Fire Chief or his/her designee may request a certificate issued by a licensed physician or other satisfactory proof of illness when abuse is suspected and/or when sick leave use is in excess of three (3) consecutive scheduled work days (including days the employee is scheduled to work due to a shift trade). The Fire Chief or his/her designee may also designate a licensed physician to conduct a physical examination, and such examination shall be conducted at city expense. Employees shall be required to account for all hours

they are requesting as sick leave via Telestaff. Violation of sick leave privileges may result in disciplinary action and/or loss of pay when, in the opinion of the Fire Chief or his/her designee, the employee has abused such privileges.

C. Effect of Leave of Absence

See Article 33 for the effect of an extended leave of absence on sick leave accrual.

D. Sick Leave Conversion

For an employee on an 80 hour/pay period schedule:

Any represented employee who has accrued and maintains a minimum of 160 hours of sick leave shall be permitted to convert up to 120 hours of accumulated uncompensated sick leave to either accrued vacation hours or to the employee's post-retirement healthcare trust account at a ratio of 24 hours of sick leave to 8 hours of vacation/contributions to the employee's post-retirement healthcare trust. The sick leave conversion option will be provided during the first week of each fiscal year. Employees will not be allowed to convert sick leave to vacation if such conversion would put them over the vacation accrual maximum. No cash option will exist for sick leave conversion.

For an employee on a 112 hour/pay period schedule:

Any represented employee who has accrued and maintains a minimum of 240 hours of sick leave shall be permitted to convert up to 288 hours of accumulated uncompensated sick leave to either accrued vacation hours or to the employee's post-retirement healthcare trust account at a ratio of 72 hours of sick leave to 24 hours of vacation/contributions to the employee's post-retirement healthcare trust. The sick leave conversion option will be provided during the first week of each fiscal year. Employees will not be allowed to convert sick leave to vacation if such conversion would put them over the vacation accrual maximum. No cash option will exist for sick leave conversion.

ARTICLE 38. POST-RETIREMENT HEALTHCARE TRUST

The city and CFA, Inc. agree that CFA, Inc. will contract directly with a company of its choosing to provide post-retirement healthcare trust benefits for all represented employees. All CFA represented employees will contribute ~~\$100 per month~~ into the post-retirement healthcare trust established by CFA, Inc. via payroll deductions. CFA, Inc., acknowledges that the city has no administrative responsibilities or liabilities related to this benefit, other than processing of payroll deductions. CFA, Inc. shall hold the city harmless for the city's actions related to this Article and indemnify the city against any liability the city incurs as a result of this Article, including but not limited to, its agreement to allow CFA, Inc., to participate in a post-retirement healthcare trust and/or the city's processing of payroll deductions as set forth in this section.

Effective the first pay period of calendar year 2020, the city will contribute \$100 per month per employee to the Post Retirement Healthcare Trust. All CFA represented employees will contribute \$100 per month to the Post Retirement Healthcare Trust until the pay period following ratification

of a side letter agreement to amend this section of the MOU at which time the employee will contribute \$150 per month.

Effective the first pay period of calendar year 2021, the city will contribute \$125 per month per employee to the Post Retirement Healthcare Trust and all CFA represented employees will increase their contributions by \$50 per month to a total employee contribution of contribute \$200 per month to the Post Retirement Healthcare Trust.

Effective the first pay period of calendar year 2022, the city will contribute \$150 per month per employee to the Post Retirement Healthcare Trust and all CFA represented employees will increase their contributions by \$50 per month to a total employee contribution of contribute \$250 per month to the Post Retirement Healthcare Trust.

ARTICLE 44. ASSOCIATION TIME BANK

An association time bank will be established to provide leave allowance which can be used by eligible association members to attend conferences, meetings, etc. as approved by the association board.

Each year, in December, association members may designate an irrevocable donation of either 4 or 8 hours of the vacation they will accrue the following calendar year, to be converted in February to a dollar value using the employee's base salary rate that excludes additional pays. An association member will be taxed on the value of the hours at the time of the conversion. The total dollar value of the donated vacation hours will be held by the City and used solely for leave allowance for eligible association members.

With prior approval from the Fire Chief or his/her designee and in compliance with the Carlsbad Fire Department Directive #8.2: Vacation, an employee may use the association time bank for leave allowance (a dollar amount in the association leave bank will be converted to hours of leave using the employee's base salary rate that excludes additional pays). The allowance used for this purpose is not reportable to CalPERS, is not treated as taxable income based on State and Federal law and may not be considered as income available for contributions to a 457 plan. The association time bank will be used on a first come, first serve basis. To the extent the dollar value of the association time bank is less than the amount required for an employee's leave, the employee may supplement by using accrued vacation and/or compensatory time to reach the amount equal to the employee's full regular base pay.

Annually, the association board may determine a maximum number of hours to be donated in the following calendar year to the association time bank.

1. Vacation

a. Vacation Accrual

Every management employee shall accrue vacation leave for each calendar year of actual continuous service dating from the commencement of said service, with such time to be accrued on a daily (calendar day) basis. Vacation leave can be used in 15 minute increments.

All management employees (except Fire Battalion Chiefs) shall earn vacation on the following basis:

- Beginning with the first (1st) working day through the completion of five (5) full calendar years of continuous service - 13 minutes/day.
- Beginning the sixth (6th) year of employment through the completion of ten (10) full calendar years of continuous service - 20 minutes/day.
- Beginning the eleventh (11th) year of employment through the completion of eleven (11) full calendar years of continuous service - 21 minutes/day.
- Beginning the twelfth (12th) year of employment through the completion of twelve (12) full calendar years of continuous service - 22 minutes/day.
- Beginning the thirteenth (13th) year of employment through the completion of thirteen (13) full calendar years of continuous service - 24 minutes/day.
- Beginning the fourteenth (14th) year of employment through the completion of fifteen (15) full calendar years of continuous service - 25 minutes/day.
- Beginning the sixteenth (16th) year of continuous employment, vacation time shall be accrued, and remain at a rate of 26 minutes/day for every full calendar year of continuous employment thereafter.

Management employees with comparable service may be granted credit for such service for the purpose of computing vacation at the discretion of the City Manager. All management employees shall be permitted to earn and accrue up to and including three hundred and twenty (320) hours of vacation, and no employee will be allowed to earn and accrue vacation hours in excess of the three hundred and twenty (320) hour maximum.* The City Manager shall be responsible for the granting of vacation to all management personnel, except in the case of the City Attorney's Office, where the City Attorney shall be responsible for granting vacation.

* If there are unusual circumstances that would require an employee to exceed the vacation accrual maximum, he/she must submit a request in writing to the Department Head and the City Manager or Designee. The Department Head and the City Manager or Designee may grant such

a request if it is in the best interest of the City. Requests will be handled on a case-by-case basis and will be considered only in extreme circumstances.

Fire Battalion Chiefs shall accrue vacation in the same manner and up to the same maximum as Carlsbad Firefighters' Association (CFA) represented employees.

For Fire Safety Management employees who contribute to the post-retirement healthcare trust established by CFA, Inc. and who work a 112 hour/pay period schedule, each year, in the last paycheck in December, all accrued vacation hours over 384 hours will be deposited into the employee's individual post-retirement healthcare trust account.

For Fire Safety Management employees who contribute to the post-retirement healthcare trust established by CFA, Inc. and who work an 80 hour/pay period schedule, each year, in the last paycheck in December, all accrued vacation hours over 256 hours will be deposited into the employee's individual post-retirement healthcare trust account.

b. Vacation Conversion

~~1. No later than December 10, 2019, management employees will be provided an option to convert accrued and unused vacation to cash in an amount of up to 80 hours. Fire Battalion Chiefs who work 112 hours/pay period will be allowed to convert accrued and unused vacation to cash in an amount of up to 112 hours. All accrued and unused vacation earned up through the last full period in December 2019, that is not requested to be cashed out by December 10, 2019 is no longer eligible to be converted to cash, except upon separation of employment with the city.~~

Employees, except for Fire Safety Management employees who contribute to the post-retirement healthcare trust established by CFA, Inc., are also eligible to submit an irrevocable request to elect to cash out up to 80 hours (or up to 112 hours if a Battalion Chief on a 112 hours/pay period schedule) of accrued vacation hours for the following calendar year.

2.1. All employees wishing to convert accrued vacation to cash in the year following the election will complete a form between November 10 and December 10 of each year. Elections will not carry over from one calendar year to the next calendar year.

3.2. Only vacation hours accrued during the calendar year following the election may be cashed out. Employees accruing less than the election amount may cash out no more than their total vacation accrual in the following calendar year.

4.3. The employee's accrued vacation to convert to cash will be credited first to the cash out account with the employee's earned vacation leave until the employee's full election amount is reached. The vacation hours designated to

the cash out account will not be credited toward the employee's maximum vacation accrual. During this period of time, no earned vacation leave will be credited to the employee's vacation time off balance.

~~5.4.~~ Payment of vacation hours elected for cash out will be in the last paycheck in December unless the employee has accrued all the elected vacation hours by June 30, in which case payment of the all the elected vacation hours may be cashed out in July at the employee's request. All vacation hours will be paid in the calendar year in which the vacation hours accrue. If the employee does not accrue all requested vacation hours in the calendar year, the vacation payment amount will be reduced to the total number of vacation hours the employee actually accrues in the calendar year and the payout will be made no later than the last pay date in the calendar year.

~~6.5.~~ The vacation payment amount will be based on the employee's rate of pay at the time of the payout. The vacation payment amount is taxable income, subject to all applicable withholding amounts and payroll deductions.

~~6.~~ An employee who does not elect to cash out vacation by December 10 waives their right to do so and will not be allowed to cash out any vacation accruing in the following year.

Fire Safety Management employees who contribute to the post-retirement healthcare trust established by CFA, Inc., are eligible to submit an irrevocable request to elect to convert accrued vacation hours for the following calendar year to be deposited into the employee's individual post-retirement healthcare trust account in the same manner established for employees represented by CFA, Inc. There shall be no cash option available to these employees for the conversion of unused accrued vacation hours.

c. Vacation Payout

An employee separating from the City service, except for a Fire Safety Management employee who contributes to the post-retirement healthcare trust established by CFA, Inc., who has a balance of unused accrued vacation leave shall be entitled to be paid for the remainder of their unused accrued vacation leave as of their last day on payroll.

For Fire Safety Management employees who contribute to the post-retirement healthcare trust established by CFA, Inc., upon separation of employment, one hundred percent (100%) of the value of all remaining unused accrued vacation hours shall be converted to the employee's individual account in the Post-Retirement Healthcare Trust and/or a City-sponsored 457 Plan at the base rate of pay in effect at the time of separation from the City. Allocation amounts to either or both the Post-Retirement Healthcare Trust individual account and 457 Plan will be at the employee's discretion and subject to Internal Revenue Service

regulations. The employee shall be responsible for ensuring their contributions to a 457 Plan do not exceed the maximum allowed per law. If the amount of terminal vacation pay the employee converts to a 457 Plan causes their 457 contributions to exceed the maximum allowed per the law and those contributions are returned to the City, the City will deposit the amount returned into the employee's individual account in the Post-Retirement Healthcare Trust. There shall be no cash option available to the employee for the conversion of unused accrued vacation hours at the time of separation. The default will be to convert 100% of the unused vacation hours into the Post-Retirement Healthcare Trust individual account unless the employee designates conversion to the City-sponsored 457 Plan no later than 14 calendar days prior to the employee's last pay date.

3. Sick Leave

Sick leave can be used in 15 minute increments.

Sixteen (16) minutes of sick leave are accrued per calendar day. Accumulation is unlimited (employees cannot receive payment for unused sick leave). Fire Battalion Chiefs that work a 112 hour/pay period schedule shall accrue sick leave at a rate of 25 minutes per day. A Fire Battalion Chief who changes from a 112 hour/pay period schedule to an 80 hour/pay period schedule as a result of an administrative assignment or an occupational injury assignment (either full or light/modified duty) will continue to accrue at a rate of 25 minutes per day during this assignment.

Any management employee, except a Fire Safety Management employee, who has accrued and maintains a minimum of one hundred (100) hours of sick leave shall be permitted to convert up to twelve (12) days of sick leave and uncompensated sick leave to vacation at a ratio of three (3) sick leave days per one (1) day of vacation. The sick leave conversion option will be provided during the first week of each fiscal year. Conversion can only be made in increments of full day vacation days. Employees will not be allowed to convert sick leave to vacation if such conversion would put them over the vacation accrual maximum.

Fire Safety Management employees shall be eligible for sick leave conversion based on the following guidelines.

For a Fire Safety Management employee on an 80 hour/pay period schedule:
Any ~~represented~~ employee who has accrued and maintains a minimum of 160 hours of sick leave shall be permitted to convert up to 120 hours of accumulated uncompensated sick leave to either accrued vacation hours or to the employee's post-retirement healthcare trust account at a ratio of 24 hours of sick leave to 8 hours of vacation/contributions to the employee's post-retirement healthcare trust. The sick leave conversion option will be provided during the first week of each fiscal year. Employees will not be allowed to convert sick leave to vacation if such conversion would put them over the vacation accrual maximum. No cash option will exist for sick leave conversion.

For a Fire Safety Management employee on a 112 hour/pay period schedule:
Any ~~represented~~ employee who has accrued and maintains a minimum of 240 hours of sick leave shall be permitted to convert up to 288 hours of accumulated uncompensated sick leave to either accrued vacation hours or to the employee's post-retirement healthcare trust account at a ratio of 72 hours of sick leave to 24 hours of vacation/contributions to the employee's post-retirement healthcare trust. The sick leave conversion option will be provided during the first week of each fiscal year. Employees will not be allowed to convert sick leave to vacation if such conversion would put them over the vacation accrual maximum. No cash option will exist for sick leave conversion.

Any permanent employee applying for retirement with the Public Employees' Retirement System may convert accrued and unused sick leave time to extend service time in the system at the ratio of twenty-five (25) days of accrued sick leave to one month of extended service.



CITY COUNCIL
Staff Report

Meeting Date: Oct. 6, 2020

To: Mayor and City Council

From: Scott Chadwick, City Manager

Staff Contact: Christie Calderwood, Lieutenant
christie.calderwood@carlsbadca.gov, 760-931-3820

Subject: Introduce an Ordinance to Establish No Parking Zones on Both Sides of Paseo del Norte and Car Country Drive from Cannon Road to the Intersection of Paseo del Norte and Car Country Drive Between Midnight and 6 a.m.

Recommended Action

Introduce an ordinance amending Sections 10.40.072 and 10.40.073 of the Carlsbad Municipal Code to establish no parking zones between midnight and 6 a.m. on both sides of Car Country Drive and Paseo Del Norte from Cannon Road to the intersection of Paseo Del Norte and Car Country Drive.

Executive Summary

The Car Country Carlsbad Dealers Association sent a letter to the Police Department, dated April 24, 2020, requesting that the current two-hour parking restriction on Paseo Del Norte and Car Country Drive that they had originally requested in 1989 be amended to no parking between the hours of midnight and 6:00 a.m.

Discussion

In 1989, at the request of the Car Country Carlsbad Dealers Association, a two-hour parking zone was established on both sides of Paseo Del Norte and Car Country Drive. The parking restriction was in effect between the hours of 8 a.m. and 6 p.m. Monday through Friday. Problems with vehicles parking on the street for long durations prompted the request since these vehicles caused on-street parking shortages for customers visiting the automobile dealerships.

In 1993, at the request of the Car Country Carlsbad Dealers Association, the parking restriction on the east and south sides of Car Country Drive was changed to no parking between the hours of midnight and 6 a.m. after an amendment was proposed to the council due to shortages of employee parking onsite.

In April 2020, the Car Country Carlsbad Dealers Association sent a letter requesting the remaining two-hour parking zone on the west and north sides of Car Country Drive and the two-hour parking zone on Paseo Del Norte from Cannon Road to Car Country Drive be amended to no parking between the hours of midnight and 6:00 a.m. The letter from the Car Country

Carlsbad Dealers Association, states that the business landscape has changed significantly since their initial request for two-hour parking in 1989, with the number of dealers and the volume of sales increasing drastically in that period. The letter also advises that the dealerships have created on-lot parking for their customers and many dealers have invested in off-site parking as well as million-dollar multistory parking garages.

The information in this staff report was presented at the Traffic and Mobility Commission on July 6, 2020. Exhibit 3 is the draft minutes of that meeting. The proposal was presented to the Municipal Code Subcommittee on August 19, 2020. Councilmembers Blackburn and Schumacher approved the recommended action, as well as the recommendation to add painted parking space markings on Paseo Del Norte and Car Country Drive.

Fiscal Analysis

Removing and replacing the existing 12 signs to indicate new no parking hours will cost \$2,500. Painted parking space markings on Paseo Del Norte and Car Country Drive will cost \$4,000. Adequate funding is available in the Police Department's fiscal year 2020-21 operating budget.

Next Steps

Remove and replace signage and implement parking space markings in accordance with Carlsbad Municipal Code section 10.40.145.

Environmental Evaluation (CEQA)

The project is exempt from the California Environmental Quality Act per Section 15301 (c) - minor alteration of existing facilities, including streets, involving negligible or no expansion of use.

Public Notification

This item was noticed in accordance with the Ralph M. Brown Act and was available for public review at least 72 hours prior to the scheduled meeting date.

Exhibits

1. Ordinance
2. Redline of Carlsbad Municipal Code 10.40.072 and 10.40.073
3. Traffic and Mobility Commission July 6, 2020 meeting minutes
4. Letter from Car Country Dealers Association dated April 24, 2020

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, AMENDING SECTIONS 10.40.072 AND 10.40.073 OF THE CARLSBAD MUNICIPAL CODE TO ESTABLISH NO PARKING ZONES ON BOTH SIDES OF PASEO DEL NORTE AND CAR COUNTRY DRIVE FROM CANNON ROAD TO THE INTERSECTION OF PASEO DEL NORTE AND CAR COUNTRY DRIVE BETWEEN THE HOURS OF MIDNIGHT AND SIX O’CLOCK A.M

WHEREAS, there is a two-hour parking restriction on the westerly and northerly sides of Car Country Drive between the hours of 8:00 a.m. and 6:00 p.m., Monday through Friday, with holidays excepted, from Auto Center Court to its intersection with Paseo Del Norte; and

WHEREAS, there is a two-hour parking restriction on each side of Paseo Del Norte between the hours of 8:00 a.m. and 6:00 p.m. from Cannon Road to its intersection with Car Country Drive; and

WHEREAS, the City Council of the City of Carlsbad has determined that it is in the interest of the public and local businesses that the two-hour parking restrictions along Car Country Drive and Paseo del Norte between Cannon Road and the intersection of Paseo Del Norte and Car County Drive be replaced with a restriction on parking between the hours of midnight and 6:00 a.m.; and

WHEREAS, the City Planner has determined that the project is categorically exempt from the California Environmental Quality Act (CEQA) per State CEQA Guidelines Section 15301 (c) and that no exception to the exemption as set forth in CEQA Guidelines Section 15300.2 applies;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Carlsbad, California, ordains as follows that:

1. The above recitations are true and correct.
2. That the City Planner has determined that the project is categorically exempt from the California Environmental Quality Act (CEQA) per State CEQA Guidelines Section 15301 (c) and that no exception to the exemption as set forth in CEQA Guidelines Section 15300.2 applies.
3. That Title 10, Chapter 10.40, Section 10.40.072 of the Carlsbad Municipal Code is amended to read as follows:

“10.40.072 Parking restricted on Paseo Del Norte.

A. There will be no parking on both sides of Paseo del Norte between the hours of midnight and 6:00 a.m., seven days a week, from Cannon Road to its intersection with Car County Drive.

B. There will be no parking on both sides of Paseo del Norte from Poinsettia Lane southerly to the Sea Cliff entrance gate.

C. There will be no parking on both sides of Paseo Del Norte between midnight and 5:00 a.m., seven days a week, from Poinsettia Lane to Camino de las Ondas.”

4. That Title 10, Chapter 10.40, Section 10.40.073 of the Carlsbad Municipal Code is amended to read as follows:

“10.40.073 Parking restricted on Car Country Drive.

There will be no parking on both sides of Car Country Drive between the hours of midnight and 6:00 a.m., seven days a week, from Cannon Road to its intersection with Paseo Del Norte.”

5. That the City Planner has determined that modifying the existing parking restrictions on the streets designated herein to prohibit parking between the hours of midnight and 6:00 a.m. is categorically exempt from CEQA pursuant to CEQA Guidelines section 15301(c) and that no exception to the exemption as set forth in CEQA Guidelines section 15300.2 applies.

EFFECTIVE DATE: This ordinance shall be effective thirty days after its adoption; and the City Clerk shall certify the adoption of this ordinance and cause the full text of the ordinance or a summary of the ordinance prepared by the City Attorney to be published at least once in a newspaper of general circulation in the City of Carlsbad within fifteen days after its adoption.

INTRODUCED AND FIRST READ at a Regular Meeting of the Carlsbad City Council on the _____ day of _____, 2020, and thereafter

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the __ day of _____, 2020, by the following vote, to wit:

AYES:

NAYS:

ABSENT:

APPROVED AS TO FORM AND LEGALITY:

CELIA A. BREWER, City Attorney

MATT HALL, Mayor

BARBARA ENGLESON, City Clerk

(SEAL)

10.40.072 Parking restricted on Paseo Del Norte.

- A. There will be ~~two-hour restricted~~no parking on ~~each side~~both sides of Paseo del Norte between the hours of ~~8:00 a.m.-midnight~~ and 6:00 ~~pa.~~a.m., ~~Monday through Friday~~seven days a week, ~~with holidays excepted~~, from Cannon Road to its intersection with Car County Drive.
- B. There will be no parking on ~~each side~~both sides of Paseo del Norte from Poinsettia Lane southerly to the Sea Cliff entrance gate.
- C. There will be no parking on both sides of Paseo Del Norte between midnight and 5:00 a.m., seven days a week, from Poinsettia Lane to Camino de las Ondas.

10.40.073 Parking restricted on Car Country Drive.

- ~~A. — There will be two-hour~~no parking on ~~the westerly and northerly~~both sides of Car Country Drive between the hours of ~~8:00 a.m.-midnight~~ and 6:00 ~~pa.~~a.m., ~~Monday through Friday~~seven days a week, ~~with holidays excepted~~, from ~~Auto Center Court~~Cannon Road to its intersection with Paseo Del Norte.
- ~~B. — There will be no parking on the easterly and southerly sides of Car Country Drive between the hours of midnight and 6:00 a.m. from Auto Center Court to its intersection with Paseo Del Norte.~~



TRAFFIC AND MOBILITY COMMISSION

Minutes

Council Chambers
1200 Carlsbad Village Drive
Carlsbad, CA 92008

Monday, July 6, 2020, 3:00 p.m.

CALL TO ORDER: Chair Gocan called the Meeting to order at 3:08 p.m.

ROLL CALL: Present: Gocan, Johnson, Hunter, Penseyres, Fowler, Linke and Perez.

APPROVAL OF MINUTES:

This meeting was conducted virtually via Zoom due to the stay-at-home order for COVID-19.

Motion by Vice-chair Johnson seconded by Commissioner Linke, to approve the minutes for the June 1, 2020 meeting.

Motion carried: 7/0

PUBLIC COMMENTS ON ITEMS NOT LISTED ON THE AGENDA:

Public comments submitted via email prior to the T&MC meeting:

Neil K. Perl a Carlsbad resident, requested that staff and the commission address traffic safety concerns at the intersections of Aviara Parkway and Poinsettia Lane. Mr. Perl expressed concerns regarding the eastbound approach at this intersection as eastbound bicyclists are required to cross two eastbound right turn lanes in order to enter the thru bike lane at the intersection and vehicles traveling eastbound in the outside lane are required to merge left into the single thru lane at the intersection which creates an unsafe weaving conflict between both vehicles and bicyclists. Mr. Perl expressed concerns that this is an existing safety issue that will likely be exacerbated by the additional traffic generated when the Poinsettia Lane extension project is completed. Mr. Perl requested that the City and the Traffic and Mobility Commission consider options to address these safety concerns.

Kristine Wright, a Carlsbad resident, requested that Transportation Planning and Mobility Manager Schmidt provide the results of the Multimodal Level-of-Service (MMLoS) analysis as part of the FY 18/19 GMP Monitoring Program.

DEPARTMENTAL REPORTS:

1. POLICE MONTHLY REPORT – (Staff contact: Lieutenant Christie Calderwood, Police Department)

Staff Recommendation: Receive report

Lieutenant Calderwood reported on police activities in response to the various protests that occurred in the City of Carlsbad throughout the month of June. The protests were peaceful due

to the City's well prepared and organized response. She also reported on a fatal collision on June 24, at Carlsbad Village Drive and Valley Street that is still under investigation.

The police department placed an electronic message board for two weeks at Poinsettia Lane and Carlsbad Boulevard to educate the public on loud exhaust requirements and about seven motorists were given warning or citations for excessive noise.

During the month of June, the police department continued the Bicycle Safety and Enforcement operations along Carlsbad Boulevard and Carlsbad Village Drive.

2. PASEO DEL NORTE AND CAR COUNTRY DRIVE NO PARKING ZONES BETWEEN MIDNIGHT AND 6:00 A.M – (Staff Contact: Lt. Christie Calderwood, Police Department).

Staff Recommendation: Approve staff recommendations

Lieutenant Calderwood presented the proposed amendment to Carlsbad Municipal Code Sections 10.40.072 and 10.040.073 to Establish No Parking Zones on Both Sides of Paseo Del Norte and Car Country Drive from Cannon Road to the Intersection of Paseo del Norte and Car Country Drive Between Midnight and 06:00 a.m. The presentation is on file with the office of the City Clerk.

- Commissioner Penseyres inquired if the cost to implement the No Parking Zones will be reimbursed by the business owners.
- Lieutenant Calderwood explained that in the past the city paid for the improvements and she could request that the business owners share the cost.
- Commissioner Linke said that he has no problem with the city paying for the cost of the signs.
- City Traffic Engineer explained that if the traffic control devices are in the public right-of-way it is the city's responsibility to pay for the cost of the signs.
- Commissioner Fowler asked if the proposed amendment is changing the rules or it is just updating the signs.
- Lt. Calderwood explained that on half of the street there are no changes but the other half is a "No Parking for more than 3 hours" which is proposed to be changed to "No Parking Zones" between Midnight and 6:00 a.m.

Motion by Vice-chair Johnson seconded by Commissioner Hunter to approve staff recommendations to introduce an ordinance amending Sections 10.40.072 and 10.40.073 of the Carlsbad Municipal Code to establish no parking zones between midnight and 6:00a.m. on both sides of Car Country Drive and Paseo Del Norte from Cannon Road to the intersection of Paseo Del Norte and Car Country Drive.

Motion carried: 7/0

3. AMEND PROCEDURAL RULES AND REGULATIONS THAT ADD A CONSENT CALENDAR TO MEETINGS OF THE TRAFFIC AND MOBILITY COMMISSION – – (Staff Contact: Nathan Schmidt, Public Works)

Staff's Recommendation: Approve staff recommendations

Transportation Planning and Mobility Manager Schmidt presented the amended Procedural Rules and Regulations to add a Consent Calendar to meetings of the Traffic and Mobility Commission and adopt Resolution No. 2020-2 that supersedes Resolution No. 2020-1.

- Commissioner Linke asked if a single commissioner could ask for an item to be pulled and discussed or if it would have to be a T&MC consensus.
- Transportation Planning and Mobility Manager Schmidt answered that yes one commissioner could request to pull an item from the Consent Calendar for discussion.

Motion by Commissioner Hunter seconded by Commissioner Penseyres to approve the amended Procedural Rules and Regulations to add a Consent Calendar to meetings to the Traffic and Mobility Commission and adopt Resolution No. 2020-2 that supersedes Resolution No. 2020-1.

Motion carried: 7/0

4. SEPTEMBER TRAFFIC AND MOBILITY COMMISSION SPECIAL MEETING SCHEDULE – (Staff Contact: Nathan Schmidt, Public Works)

Staff's Recommendation: Adopt a September meeting date

- Commissioner Penseyres inquired about the number of items that staff is planning for T&MC September meeting.
- Transportation Planning and Mobility Manager Schmidt answered that the proposed agenda for T&MC September meeting is full.
- Commissioner Linke said that he is fine with the proposed T&MC September 8, meeting and opposed the cancellation of the meeting.
- Commissioner Fowler inquired about the possibility of having the T&MC meeting in the morning on September 8, 2020.
- Transportation Planning and Mobility Manager Schmidt explained that morning of September 8th is not available because another Committee's Zoom meeting is scheduled for that time.
- Commissioner Hunter concurred with Commissioner Linke to have the T&MC meeting on September 8, at 3:00 p.m.

Motion by Commissioner Penseyres seconded by Commissioner Linke to schedule the T&MC meeting on September 8, at 3:00 p.m.

Motion carried: 7/0

CITY TRAFFIC ENGINEER REPORT:

City Traffic Engineer Comments: Attachment A

City Traffic Engineer Kim had the following changes in the upcoming City Council Meetings:

- July 14, 2020: In addition to Decrease Speed Limit on Avenida Encinas from Cannon Road to Palomar Airport Road staff will present El Camino Real and College Boulevard to add the Pedestrian Bridge on the east side on El Camino Real.

- July 21, 2020: Staff will present the Semiannual Transportation Report and I would like to request one of the commissioners to represent the Traffic and Mobility Commission during the City Council presentation.
- July 21, 2020: Staff will present the neighborhood traffic calming plans for Oriole Court, Mimosa Drive, Moorhen Place and Dove Lane.
- July 28, 2020: City Council will appoint two members to the Traffic and Mobility Commission.
- Chair Gocan asked Commissioner Hunter if he would like to represent the Traffic and Mobility Commission at the July 21, 2020 City Council meeting.
- Commissioner Hunter requested a few days to decide if he will be available to represent the Traffic and Mobility Commission.
- Commissioner Perez offered to be Commissioner Hunter's back-up in representing the Traffic and Mobility Commission on July 21, 2020 meeting.
- City Traffic Engineer Kim pointed out a couple more items that will go to the City Council on July 21, 2020 meeting:
 1. Americans with Disabilities Act Beach Access/Trail Connectivity Feasibility Studies and
 2. Carlsbad Village and Barrio Railroad Trench Alternatives
- Deputy City Manager Gomez asked if Commissioner Hunter or Commissioner Perez could provide slides for the Semiannual Transportation Report that will be incorporated into the staff presentation to the City Council.

TRAFFIC AND MOBILITY COMMISSION COMMENTS:

- Commissioner Linke suggested that a formal decision be made regarding appointing one of the commissioners to represent the Traffic and Mobility Commission during City Council meeting. He is happy to have Commissioner Hunter or Commissioner Perez to represent T&MC at this time.
- Commissioner Linke submitted two comments to City Council on mobility related items:
 1. On June 9, 2020, staff returned to City Council to get an exemption on the Deficiency and Exemption Determinations for Four Street Facilities and Expediting Capital Improvement Program Project No. 6094. This time the exemptions were invoked. He recommended that developers pay their fair share of the College Boulevard extension project.
 2. Suggested that City Council look at the Traffic Impact Fee (TIF) Program that should be updated every year with new projects and new budgets and it has not been updated for the past 12 years.
- Deputy City Manager Gomez provided an update on the College Boulevard extension project that staff is moving forward with developing the scope for the preliminary engineering assessment and is aware of the need for the developers' fair share of the project which will be determined with a reimbursement fee study once the preliminary engineering assessment is completed. Regarding the TIF, there was funding that was appropriated by City Council to do a TIF Study in the CIP before, and staff is considering

how it may evolve to a multi-modal impact fee and will keep the Traffic and Mobility Commission informed on the status.

- Commissioner Fowler inquired if the city has an ordinance on allowing a resident to create a “No Parking Zone” in front of their house if they have a handicap issue.
- City Traffic Engineer Kim answered that he is not aware of any law or rule in the Carlsbad Municipal Code that allows residents to mark disabled parking under their own discretion.
- Commissioner Perez inquired about the protocol for a community member to contact city staff about parking concerns and if it is listed in the city website.
- City Traffic Engineer Kim said they can use the City’s @Your Service app, and city staff contact information is also posted on the City website.
- Chair Gocan inquired if staff will address the public comments received today?
- City Traffic Engineer Kim answered yes.

Chair Gocan read into the record the Resolution of Commendation of Vice-Chair Jonnie Johnson.

ADJOURNMENT:

Chair Gocan adjourned the Traffic and Mobility Commission Meeting on July 6, 2020, at 4:08 p.m.

Eliane Paiva

Eliane Paiva, Minutes Clerk

Car Country Carlsbad Dealers Association

P.O. Box 1546
Carlsbad, CA 92018-1546

April 24, 2020

Lieutenant Christie Calderwood
Operations Division
Carlsbad Police Department
2560 Orion Way
Carlsbad, CA 92010

Dear Lieutenant Calderwood:

I want to thank you for reaching out to me regarding the proposed two hour parking enforcement for both Paseo Del Norte and Car Country Drive in Car Country Carlsbad. As we discussed this ordinance was created in the late 1980's and the business landscape has changed significantly since that time. The number of dealers and the volume of sales have increased in that period. Our on-lot parking is taxed but we all make sure that we have parking for our guests. Some on-street parking is used by employees of the dealerships and is crucial if we are to maintain the inventory levels necessary to continue to sell at the volume we do. Many of our dealers have invested in off sight parking for inventory and several of the dealerships have invested millions of dollars constructing multi-story parking garages. The dealers would prefer to continue to have the parking limit not enforced or the two hour parking ordinance rescinded.

I surveyed the dealer principals or an officer of each dealership in Car Country and there is universal agreement that it will serve the dealers and the public more effectively if the city can accommodate either removing two hour parking or continue to not enforce. You have offered to present our objections to the decision makers regarding this issue and we appreciate your willingness to work with us. We would suggest consideration of no overnight parking (maybe midnight to 5:00 am) so that we don't have wholesale dealers or other parties parking for days at a time on the streets.

As Secretary/Treasurer of the Car Country Dealers Association, with signatures representing every dealer in Car Country listed below, we are asking for your assistance. If it would be helpful for us to have representatives meet with city staff or the City Council to state our case we would be more than willing to meet with anyone. We ask that the enforcement that is slated to start in May can be delayed until the decision makers can consider our requests.

Respectfully,



Chris Murphy
Secretary/Treasurer, Car Country Carlsbad

General Manager, Hoehn Mercedes Benz



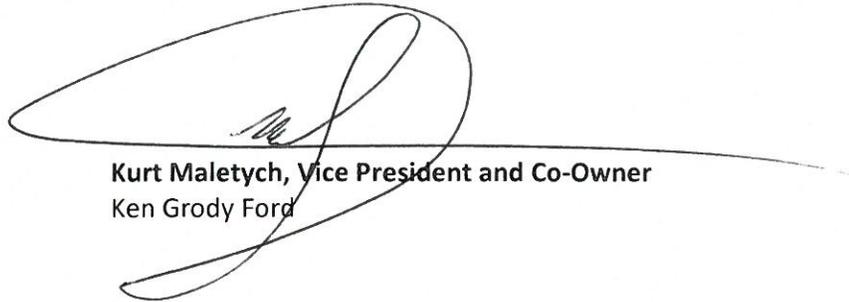
Chris Baker, Owner
Bob Baker Chrysler Jeep Dodge
Bob Baker Mazda
Bob Baker Volkswagen Subaru
Bob Baker Hyundai
Bob Baker Alfa Romeo



T.W. (Bill) Hoehn, Owner
Hoehn Buick, GMC, Cadillac
Audi of Carlsbad
Hoehn Honda
Carlsbad Jaguar Land Rover
Hoehn Acura
Hoehn Mercedes Benz
Hoehn Porsche



Mike Weseloh, Owner
Weseloh Chevrolet
Weseloh Kia



Kurt Maletych, Vice President and Co-Owner
Ken Grody Ford



Kevin Carroll, Vice President
Lexus Carlsbad
Toyota Carlsbad



CITY COUNCIL
Staff Report

Meeting Date: Oct. 6, 2020

To: Mayor and City Council

From: Scott Chadwick, City Manager

Staff Contact: Faviola Medina, City Clerk Services Manager
 faviola.medina@carlsbadca.gov, 760-434-5989

Subject: Adoption of Ordinance No. CS-385 – Repeal and Replacement of Carlsbad Municipal Code Chapter 6.16 - Nuisances

Recommended Action

Adopt Ordinance No. CS-385 repealing and replacing Title 6, Chapter 6.16 of the Carlsbad Municipal Code concerning public nuisances and property maintenance.

Executive Summary /Discussion

Ordinance No. CS-385 was introduced and first read at the City Council meeting held Sept. 22, 2020. On a motion by Mayor Pro Tem Blackburn, seconded by Council Member Bhat-Patel, the City Council unanimously voted to introduce the ordinance. The second reading allows the City Council to adopt the ordinance, which will become effective thirty days after the adoption.

Fiscal Analysis

The existing fiscal year 2019-2020 budgets for the City Attorney’s Office and City Clerk’s Office include sufficient funding for the cost of repealing and replacing Chapter 6.16.

Next Steps

The city clerk will have the ordinance, or summary of the ordinance, published in a newspaper of general circulation within fifteen days following adoption of the ordinance.

Environmental Evaluation (CEQA)

This action does not constitute a “project” within the meaning of the California Environmental Quality Act under Public Resources Code section 21065 in that it has no potential to cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment and therefore does not require environmental review.

Public Notification and Outreach

Public notice of this item was posted in accordance with the Ralph M. Brown Act and it was available for public viewing and review at least 72 hours prior to scheduled meeting date.

Exhibits

1. Ordinance No. CS-385

ORDINANCE NO. CS-385

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, REPEALING AND REPLACING TITLE 6, CHAPTER 6.16 OF THE CARLSBAD MUNICIPAL CODE CONCERNING PUBLIC NUISANCES AND PROPERTY MAINTENANCE

WHEREAS, on May 23, 2017, the City Council of the City of Carlsbad, California (City Council) determined the Carlsbad Municipal Code (Code) requires revisions and amendments and a comprehensive update to the Code is necessary to improve clarity and consistency as well as to reflect current legal and professional best practices; and

WHEREAS, on May 23, 2017, the City Council adopted Resolution 2017-095 authorizing the Code update; and

WHEREAS, on July 23, 2019, the City Council adopted Resolution 2019-133 creating the ad hoc Carlsbad Municipal Code and City Council Policy Update Subcommittee (Subcommittee) to assist with the update and expanding the update to include both the Code and City Council Policies; and

WHEREAS, the City of Carlsbad has a responsibility to its residents and business owners to promote conditions that are beneficial to the health, safety, and welfare of the entire community, The existence of public nuisances has a detrimental effect on persons or property as well as the overall aesthetic quality of the city, and the abatement of these conditions is in the best interest of the city, its residents, and its business owners; and

WHEREAS, the purpose of this update to Chapter 6.16 of the Code is to provide comprehensive and transparent procedures to identify public nuisances within the City of Carlsbad, encourage compliance where a public nuisance violation exists, and establish the authority to abate and recover costs of abatement when the responsible party and/or property owner fails to comply; and

WHEREAS, the provisions adopted in this Chapter shall not be exclusive but shall be cumulative and complementary to any other provisions of the Code and county, state, and federal laws; this Chapter shall not be construed to limit any existing right or power of the city to pursue abatement of and/or abate any and all public nuisances; and

WHEREAS, the provisions of this chapter are authorized by California Constitution, Article 11, Section 7, California Civil Code Section 3491, California Code of Civil Procedure Section 731, California Government Code Sections 25485, 38771, 38773.5, and California Penal Code Section 372; and

WHEREAS, with regard to Chapter 6.16, Article III "Property Maintenance," the City of Carlsbad has a history and reputation for well-kept properties that do not endanger the public; the property

values and the general welfare of this community are founded, in part, upon the appearance and maintenance of properties; and

WHEREAS, dirt, rocks, plant growth, waste, or other materials which are either dangerous or injurious to neighboring property or to the health and welfare of residents in the vicinity or which unreasonably interfere with the use of the public rights-of-way are public nuisances; these obstructions impede the use of public streets, sidewalks, or rights-of-way, can compromise the safety of motorists, bicyclists, and pedestrians and impose a liability on the City; and

WHEREAS, the Code does not specifically regulate the maintenance of property with regard to dirt, rocks, plant growth, waste, or other materials to the extent that they obstruct public streets, sidewalks, or rights-of-way or otherwise constitute a public nuisance, and the City seeks to remedy the public safety hazards presented by same; and

WHEREAS, California Government Code Sections 39501 and 39502 authorize municipalities to regulate property maintenance and remove dirt, rocks, plant growth, waste, or other materials which obstruct public property or are otherwise dangerous or injurious to neighboring property or to the health or welfare of residents in the vicinity; and California Government Code Section 39502 allows a municipality to impose a lien on the abutting property for the cost of removal of the aforementioned obstructions.

NOW, THEREFORE, the City Council of the City of Carlsbad, California, does ordain as follows:

1. The above recitations are true and correct.
2. Carlsbad Municipal Code, Title 6, Chapter 6.16 is hereby repealed and replaced as follows:

Chapter 6.16

PUBLIC NUISANCES AND PROPERTY MAINTENANCE

Sections:

Article I. General

- 6.16.005 Declaration of purpose and statutory authority.**
- 6.16.010 Public nuisance defined.**
- 6.16.015 Specific conditions constituting a public nuisance.**
- 6.16.020 Determination of nuisance on real property.**
- 6.16.030 Right to appeal notice of violation.**
- 6.16.040 Failure to abate nuisance.**
- 6.16.050 Form and notice of nuisance abatement hearing.**
- 6.16.060 Posting and service of notice of nuisance abatement hearing.**

- 6.16.070 Hearing by city council.
- 6.16.080 Decision of city council; abatement order.
- 6.16.090 Limitation of filing judicial action.
- 6.16.100 Service of abatement order.
- 6.16.110 Nuisance abatement violation—penalty.
- 6.16.120 Account of cost of abatement to be kept.
- 6.16.130 Copies of abatement cost report to be served.
- 6.16.140 Challenges to abatement cost report.
- 6.16.150 Hearing on abatement cost report; abatement cost order.
- 6.16.160 Abatement cost to be lien against property.
- 6.16.170 Collection of cost of abatement.
- 6.16.180 Strict liability offense.
- 6.16.190 No mandatory duty.
- 6.16.200 Alternative means of enforcement.

Article II. Summary Abatement

- 6.16.210 General.
- 6.16.220 Determination of summary abatement.
- 6.16.230 Summary abatement cost report.
- 6.16.240 Summary abatement hearing.
- 6.16.250 Collection of cost of summary abatement.

Article III Property Maintenance

- 6.16.260 Declaration of purpose and statutory authority.
- 6.16.270 Definitions.
- 6.16.280 Enforcement authority.
- 6.16.290 Duty to maintain property.
- 6.16.300 Violations.
- 6.16.310 Administrative abatement procedure.
- 6.16.320 Abatement lien.
- 6.16.330 Severability.

Article I. General

6.16.005 Declaration of purpose and statutory authority.

The purpose of this chapter is to establish comprehensive and transparent procedures for the administrative and summary abatement of public nuisances and code violations, including public nuisances related to property maintenance. The procedures established in these sections are in addition to any other legal remedy, criminal or civil, established by law which may be pursued to address municipal code or applicable state code violations.

The provisions of this chapter are authorized by California Constitution, Article 11, Section 7, California Civil Code Section 3491, California Code of Civil Procedure Section 731, California Government Code Sections 25485, 38771, 38773.5, and California Penal Code Section 372.

6.16.010 Public nuisance defined.

- A. "Public nuisance" means any condition caused, maintained, or in existence which constitutes a threat to the public's health, safety, and welfare or to the environment, or which significantly obstructs, injures, or interferes with the reasonable or free use of property in a neighborhood, community, or to any considerable number of persons, or which constitutes a public nuisance under California Civil Code Sections 3479-3480.
- B. "Public nuisance" also means real property which is maintained in such a defective, unsightly, dangerous, or deteriorated condition, or state of disrepair, that the property will or may cause harm to persons, or will be materially detrimental to property or improvements located in the immediate vicinity of the property.

6.16.015 Specific conditions constituting a public nuisance.

The existence of any of the following conditions on any property is a public nuisance:

- A. Conditions related to property maintenance, as set forth in Article III of this chapter.
- B. Any obstruction to the free flow of drainage water in a natural drainage course, such as streams, rivers, and creeks.
- C. Land that is in a state to cause or contribute to erosion, subsidence, or surface water drainage impacting adjacent public properties.
- D. Buildings which are abandoned, partially destroyed, or remain unreasonably in a state of partial construction with no observable work performed for a period of six months or longer.
- E. Buildings, walls, and other structures which have been damaged by fire, decay, or otherwise to such an extent they cannot be repaired so as to conform to the requirements of the building code in effect in this city. Buildings which have been partially destroyed or demolished by these causes and which remain in such a state for a period of six months or longer shall also be a violation of this subsection.
- F. The failure to close, by means acceptable to the building official, all doorways, windows, and other openings into vacant structures.
- G. Any condition, instrument, or machine on real property that is unsafe and unprotected and consequently dangerous to minors by reason of their inability to appreciate its peril, and which may be reasonably expected to attract minors to the property and thus risk injury to them by their playing with, in, or on it (i.e., attractive nuisances).

- H. Graffiti on any public or privately owned structures within the city. For purposes of this chapter, "graffiti" means any form of painting, writing, inscription, or carving on any surface, regardless of the content or the nature of the material used in the commission of the act, which was not authorized in advance by the owner of the surface.
- I. All other conditions deemed to be a "nuisance" or "public nuisance" as defined throughout this Code.
- J. Property upon which any violation of this Code or any applicable state, county, or local law exists, or property which is used in violation of this Code or any applicable state, county, or local law.

6.16.020 Determination of nuisance on real property.

Whenever the enforcement officer, as that term is defined in Section 1.10.010, determines that there exists on any real property in the city a public nuisance, the enforcement officer may serve upon the property owner and responsible party, as that term is defined in Section 1.10.010, a notice of violation under Section 1.10.030 setting forth the nature of the public nuisance. The notice shall be served in accordance with Section 1.10.040.

6.16.030 Right to appeal notice of violation.

The property owner and/or responsible party may appeal the notice of violation of public nuisance within 10 calendar days from the date of service of the notice of violation by filing a written request to appeal as required by Section 1.10.120. The administrative appeal procedures shall follow those set forth in Section 1.10.130.

6.16.040 Failure to abate nuisance.

If a public nuisance noticed pursuant to Section 6.16.020 is not appealed within 10 calendar days, and is not abated on or before the date described in the notice of violation, the city manager or designee shall cause to be issued a separate notice of nuisance abatement hearing, in accordance with Sections 6.16.050 and 6.16.060, for the holding of a public hearing before the city council to determine whether a public nuisance exists and whether abatement is appropriate.

6.16.050 Form and notice of nuisance abatement hearing.

Notice of the time and place of hearing before the city council shall be titled, "NOTICE OF NUISANCE ABATEMENT HEARING," in letters not less than three-fourths of an inch in height and shall be substantially in the following form, as approved by the city attorney:

NOTICE OF HEARING TO DETERMINE EXISTENCE OF PUBLIC NUISANCE AND TO ABATE IN WHOLE OR PART.

Notice is hereby given that on the ____ day of _____, 20____, at the hour of _____, the City Council of Carlsbad will hold a public hearing in the Council Chambers, located at 1200 Carlsbad Village Drive, Carlsbad, California, to ascertain whether certain premises situated in the City of Carlsbad, State of California, more particularly described as:

[provide assessor's parcel number and legal description]

constitute a public nuisance subject to abatement by the rehabilitation of the premises or by the repair or demolition of buildings or structures situated on the premises. If the premises, in whole or part, are found to constitute a public nuisance as defined by Chapter 6.16 of the Carlsbad Municipal Code, and if the premises are not promptly abated by the owner, the nuisances may be abated by municipal authorities and/or their contractors or agents, and the rehabilitation, repair, or demolition will be assessed upon the premises and the cost will constitute a lien or special assessment against the land until paid. The alleged violations consist of the following:

[describe public nuisance violations]

The methods of abatement available are:

[describe methods]

All persons having any objection to, or interest in this matter are hereby notified to attend a meeting of the City Council of the City of Carlsbad to be held on the _____ day of _____, 20____, at the hour of _____ when their testimony and evidence will be heard and given due consideration.

DATED: _____

City Manager of the City of Carlsbad (or title of designee)

6.16.060 Posting and service of notice of nuisance abatement hearing.

- A. The city manager or designee shall cause to be served upon the property owner and any mortgagee and/or beneficiary under any recorded deed of trust of the affected premises a copy of a notice of nuisance abatement hearing as set forth in Section 6.16.050, and shall cause a copy to be conspicuously posted on the affected premises.
- B. Notice shall be served as required by Section 1.10.040 at least 15 calendar days before the time fixed for the hearing. If any owner's address is unknown, this shall be stated in the notice and the notice shall be sent to the owner in care of the San Diego County Tax Assessor. Proof of posting and service of the notices shall be made by an affidavit or declaration that shall be filed with the city clerk certifying the time and manner in which the notice was given, along with any registered or certified mail receipt cards which may have been returned to the city acknowledging receipt of said mail.
- C. Prior to the hearing before the city council, a second notice shall be issued in the same manner as described above at least 5 calendar days before the time fixed for such hearing. The service is complete at the time of such deposit.
- D. "Owner," as used in this section, means any person in possession and also any person having or claiming to have any legal or equitable interest in the affected premises, including, but not limited to, a mortgagee and/or beneficiary, as disclosed by a current title search from any accredited title company. The failure of any person to receive the hearing notice does not affect the validity of the proceedings under this chapter.

6.16.070 Hearing by city council.

At the time stated in the hearing notice, the city council shall hear and consider all relevant evidence, objections or protests, and shall receive relevant testimony from owners, witnesses, city personnel, and interested persons relative to the alleged public nuisance and to the proposed rehabilitation, repair, or demolition of the premises. The hearing may be continued from time to time.

6.16.080 Decision of city council; abatement order.

Upon or after the conclusion of the nuisance abatement hearing, the city council shall, based upon the hearing, determine whether the premises, or any part of it, as maintained, constitutes a public nuisance as defined in this chapter. If the city council finds that a public nuisance exists and that there is sufficient cause to rehabilitate, demolish, or repair the premises, the city council shall adopt a resolution ("abatement order") setting forth its findings and ordering the owner or other person having charge or control of the premises to abate the nuisance by having the premises, buildings, or structures rehabilitated, repaired, or demolished within the period specified in the resolution, which shall not be less than 30 calendar days after the adoption of the resolution, in the manner and by the means specifically set forth in the resolution. The abatement order shall also contain authorization for the city to abate the nuisance pursuant to this chapter if, in the city council's discretion, it is determined that immediate abatement by the city in whole or in part is warranted. The decision and resolution of the city council shall be final and conclusive.

6.16.090 Limitation of filing judicial action.

Any owner or other interested person having any objections or feeling aggrieved at any proceeding taken by the city council in ordering the abatement of any public nuisance under this chapter must bring an action to contest the decision in a court of competent jurisdiction within the time period specified in Section 1.16.020.

6.16.100 Service of abatement order.

- A. Within 5 calendar days of the adoption of the abatement order, the city shall post a copy of the abatement order conspicuously on the premises, buildings, or structures declared to be a nuisance and serve another copy to the parties as required by Section 1.10.040. The abatement order shall contain a detailed list of needed corrections and abatement methods. Any property owner has the right to have the premises rehabilitated or to have the buildings or structures demolished or repaired in accordance with the abatement order and at the owner's own expense, provided the rehabilitation, demolition, or repair is done prior to the expiration of the abatement period set forth in the abatement order. Upon abatement in full by the owner, the proceedings under this chapter shall terminate.
- B. If a nuisance is not completely abated by the owner within the designated abatement period, then the city manager or designee is authorized and directed to cause the nuisance to be abated by city agents, employees or by private contract. Upon request of the designated official, other city departments shall cooperate fully and shall render reasonable assistance in abating the nuisance.
- C. Any parties authorized by the city manager or designee to perform the abatement work may enter upon the subject property only after: (1) receiving written consent of the property owner or his/her

authorized agent, (2) the issuance of a judicially authorized inspection warrant, or (3) a determination by the City Attorney's Office that an exception to the inspection warrant requirement applies.

6.16.110 Nuisance abatement violation—penalty.

- A. The owner or other person having charge or control of a buildings or premises who violates any abatement order issued under this chapter, or under state law where applicable, is guilty of a misdemeanor.
- B. Any occupant or lessee in possession of a building or structure who fails to vacate the building or structure in accordance with an order issued under this chapter is guilty of a misdemeanor.
- C. Any person who removes any notice or order posted under this chapter is guilty of a misdemeanor.
- D. No person shall obstruct, impede, or interfere with any representative of the city council or with any representative of a city department or with any person who owns or holds any estate or interest in a building which has been ordered to be vacated, repaired, rehabilitated, or demolished and removed, or with any person to whom the building has been lawfully sold pursuant to the provisions of this Code, whenever the representative of the city council, representative of the city, purchaser, or person having any interest or estate in the building is engaged in vacating, repairing, rehabilitating, or demolishing and removing the building under the provisions of this chapter, or in performing any necessary act preliminary to or incidental to such work as authorized or directed under this chapter.
- E. The provisions of this chapter are also enforceable, and violations are punishable, under Chapter 1.08. Chapter 1.08 allows for the issuance of infraction or misdemeanor citations for violations of certain sections of this Code. Criminal prosecution shall not preclude nor be precluded by abatement of the violation or violations.
- F. It is unlawful and a misdemeanor for any person to do any act or thing upon the property of another that is declared to be a public nuisance under any provision of this Code, or to do anything or act upon the property of another that results in the declaration of a public nuisance, without the express consent of the owner of the property.

6.16.120 Account of cost of abatement to be kept.

- A. The city manager or designee shall keep an account of the cost of abatement and of rehabilitating, demolishing, or repairing any premises, buildings, or structures, including any related salvage value and administrative costs. Upon completion of this work, the city manager or designee shall authorize a written abatement cost report stating these costs.
- B. For purposes of this chapter, "administrative costs" includes, without limitation, the actual expenses and costs of the city in preparing, printing, and mailing notices, specifications and contracts and in inspecting the work.

6.16.130 Copies of abatement cost report to be served.

The city manager or designee shall cause a copy of the abatement cost report to be served on the property owner and the responsible party per Section 1.10.040.

6.16.140 Challenges to abatement cost report.

The property owner and/or responsible party may dispute the abatement cost report within 10 calendar days from the date of service of the abatement cost report by filing a written dispute with the city clerk. The property owner and/or responsible party shall set forth the basis of the dispute and submit relevant documentation in support of their dispute.

6.16.150 Hearing on abatement cost report; abatement cost order.

- A. If a property owner and/or responsible party timely challenges the abatement cost report, the city council shall set the matter for hearing to determine the correctness or reasonableness, or both, of such costs.
- B. A copy of the abatement cost report and notice of hearing shall be served upon the property owner and/or responsible party challenging the report in accordance with Section 1.10.040, at least 5 calendar days prior to the date of the city council hearing.
- C. Proof of service of the abatement cost report and notice of hearing shall be made by affidavit or declaration, under penalty of perjury, filed with the city clerk at least 5 calendar days prior to the date of the city council hearing.
- D. At the time and place fixed for receiving and considering the report, the city council shall hear and pass upon the report of the costs of abatement, together with any objections, protest, or documentation submitted by the property owner and/or responsible party. By resolution, the city council shall adopt an abatement cost order that:
 - 1. Determines the correct cost of abatement and related administrative costs.
 - 2. If necessary, modifies the abatement cost report to conform to such corrected abatement and administrative costs.
 - 3. Confirms the abatement cost report as presented or modified.
 - 4. States the date of the final abatement cost report.
 - 5. Determines and states the correct legal description of the subject property, the correct county assessor's parcel number, the street address, and the name and address of the recorded owner based on the last equalized assessment roll or the supplemental roll, whichever is more current.

The decision of the city council shall be final and conclusive.

6.16.160 Abatement cost to be lien against property.

The cost of abatement and related administrative costs, as determined, shall be a:

- A. Personal obligation of the person creating, causing, committing, or maintaining the nuisance abated;
- B. Personal obligation of the property owner of the subject property; and
- C. Special assessment against the subject property or a lien against the subject property.

6.16.170 Collection of cost of abatement.

The cost of abatement and any related administrative costs, as confirmed, may be collected by the city by the following means or any other lawful means:

- A. Nuisance abatement lien. The city manager or designee may authorize recordation of a nuisance abatement lien in the office of the county recorder, along with an acknowledged copy of the abatement cost report(s), abatement cost order (if applicable), and the abatement order.
 - 1. Prior to recordation, a notice of lien shall be served on the owner of record, based on the last equalized assessment roll or the supplemental roll, whichever is more current.
 - 2. The notice shall be served in the same manner as a summons in a civil action in accordance with California Code of Civil Procedure Section 415.10 et seq. If the owner of record after diligent search cannot be found, the notice may be served by posting a copy in a conspicuous place upon the property for a period of 10 calendar days and publishing it in a newspaper of general circulation in San Diego County pursuant to California Government Code Section 6062.
 - 3. The nuisance abatement lien authorized by this section shall be in a form approved by the City Attorney substantially as follows:

[Name and address of the recorded owner of the parcel]

NOTICE OF LIEN - CLAIM OF CITY OF CARLSBAD

Pursuant to the authority vested by the provisions of Chapter 6.16 of the Carlsbad Municipal Code, the city manager or designee of the City of Carlsbad did on or about the _____ day of _____, 20____, cause the premises hereinafter described to be rehabilitated, or the building or structure on the real property hereinafter described to be repaired or demolished, in order to abate a public nuisance; and the city manager/City Council of the City of Carlsbad (circle one) did on the _____ day of _____, 20____, assess the cost of such rehabilitation, repair or demolition upon said real property hereinafter described; and the same has not been paid nor any part thereof; and that the City of Carlsbad does hereby claim a lien on such rehabilitation, repair or demolition in the amount of said assessment, to wit: the sum of \$ _____, and the same shall be a lien upon said real property until the same has been paid in full and discharged of record. The real property hereinbefore mentioned, and upon which a lien is claimed, is that certain parcel of land lying and being in the City of Carlsbad, County of San Diego,

State of California, and more particularly described as follows: [Assessor Parcel Number and legal description]

DATED:

City Manager of the City of Carlsbad

4. From the date of recording, the nuisance abatement lien shall have the force, effect, and priority of a judgment lien and may be foreclosed by an action brought by the city for a money judgment.
 5. The city may recover from the property owner any costs incurred regarding the processing and recording of the lien and providing notice to the property owner as part of its foreclosure action to enforce the lien.
 6. In the event that the lien is discharged or released or satisfied, either through payment or foreclosure, notice of the discharge ("release of lien") containing the information contained in paragraph 3 of this subsection shall be recorded in the county recorder's office. A courtesy copy shall also be provided to the recorded property owner consistent with the service methods in Section 1.10.040.
- B. Special Assessment. As an alternative to the recordation of a nuisance abatement lien, the city manager or designee may make the cost of abatement of a nuisance a special assessment against that parcel, using the following procedures:
1. The city manager or designee shall file an acknowledged copy of the abatement cost report(s), abatement cost order (if applicable), and the abatement order with the auditor of the county, who shall enter the assessment on the county tax roll opposite the subject property.
 2. Prior to the filing with the auditor of the county in accordance with paragraph (B)(1) above, the property owner, if his/her identity can be determined from the county assessor's or county recorder's records, should be provided a notice of special assessment by certified mail, similar in form to the notice of lien described in Section 6.16.170(A)(3). The notice of special assessment shall include as an attachment an acknowledged copy of the abatement cost report, abatement cost order (if applicable), and the abatement order. The notice shall be given at the time of imposing the assessment and shall specify that the property may be sold after three years by the tax collector for unpaid delinquent assessments. The tax collector's power of sale shall not be affected by the failure of the property owner to receive notice.
 3. The amount of the assessment may be collected at the time and in the same manner as ordinary municipal taxes are collected, and shall be subject to the same penalties and the same procedure and sale in case of delinquency as provided for ordinary municipal taxes.
 4. All laws applicable to the levy, collection and enforcement of municipal taxes shall be applicable to the special assessment. However, if any real property to which the cost of abatement relates has been transferred or conveyed to a bona fide purchaser for value, or if a lien of a bona fide encumbrancer for value has been created and attaches on the real property prior to the date on

which the first installment of the taxes would become delinquent, then the cost of abatement shall not result in a lien against the real property but instead shall be transferred to the unsecured roll for collection.

5. If the city imposes an assessment pursuant to this section, it may, subject to the requirements applicable to the sale of property pursuant to California Revenue and Taxation Code Section 3691, conduct a sale of vacant residential developed property for which the payment of that assessment is delinquent.
- C. Civil action by the city.
- D. In addition to any other costs of abatement under this chapter, upon the entry of a second or subsequent civil or criminal judgment within a two-year period in which the owner of real property is responsible for a condition that may be abated under this chapter, except for conditions under the State Housing Law (see California Health and Safety Code Section 17980), a court may order the property owner to pay triple the costs of the abatement.

6.16.180 Strict liability offense.

Violations of this chapter shall be treated as strict liability offenses regardless of intent.

6.16.190 No mandatory duty.

Nothing in this chapter is intended to create a mandatory duty on behalf of the city or its employees under the Government Claims Act (California Government Code Section 900 et seq.) and no cause of action against the city or its employees is created by this chapter that would not arise independently of the provisions of this chapter.

6.16.200 Alternative means of enforcement.

This chapter is not the exclusive regulation of nuisance code violations. It shall supplement and be in addition to other regulatory codes, statutes, and ordinances enacted by the state or any other legal entity or agency having jurisdiction. Nothing in this chapter shall be deemed to prevent the city from authorizing the City Attorney to commence any other available civil or criminal proceedings to abate a public nuisance under applicable provisions of state law as an alternative to proceedings set forth in this chapter.

Article II. Summary Abatement

6.16.210 General.

A nuisance may be summarily abated without notice, hearing, or a warrant when immediate action is necessary to preserve or protect the public health and safety. Summary abatement actions are not subject to all of the requirements of Article I of this chapter, but instead shall be subject to the following requirements:

6.16.220 Determination of summary abatement.

- A. The city manager or designee shall make a determination that a public nuisance exists that poses an immediate risk to the health, safety, or welfare of the public, persons in the city, or the environment.
- B. Whenever possible, the city shall attempt to contact the responsible party and property owner, as defined in Section 1.10.010, to request abatement of the nuisance prior to the city proceeding with summary abatement. If the responsible party and property owner are not available, or are incapable, or unwilling to abate the nuisance, the city may proceed with summary abatement using the minimum level of correction or abatement as necessary to eliminate the immediacy of the hazard.
- C. Notwithstanding the requirement in subsection (B), the city manager or designee may exercise the following powers without prior notice to the responsible party and property owner:
 - 1. Order the immediate vacation of any tenants and prohibit occupancy until all repairs are completed.
 - 2. Post the premises as unsafe, substandard, or dangerous.
 - 3. Board, fence, or secure the building or site.
 - 4. Raze and grade that portion of the building or site to prevent further collapse and remove any hazard to the general public.
 - 5. Make any minimal emergency repairs as necessary to eliminate any imminent life safety hazard.
 - 6. Take any other action as reasonably appropriate under the circumstances of an immediate hazard.
 - 7. Exercise any of the summary abatement powers listed in this subsection to remove items placed or stored on city property, sidewalks, or public rights-of-way.
 - 8. Pursue any administrative or judicial remedy to abate any remaining public nuisance.

6.16.230 Summary abatement cost report.

- A. The city manager or designee shall maintain the following records and shall prepare a report of summary abatement that contains the following:
 - 1. A description of the time, duration, type, and extent of the nuisance;
 - 2. An evaluation of the risks to the health, safety, and welfare of the public and/or the environment caused by allowing the nuisance to continue;
 - 3. Steps taken to contact the responsible party and property owner;

4. All costs associated with the investigation and summary abatement of the nuisance, including the costs of personnel, equipment, facilities, materials, and other external resources.
- B. Within 10 business days after the determination is made by the city manager or designee to summarily abate the nuisance, a notice of determination and a copy of the report of summary abatement shall be served on the responsible party, the owner of record of the parcel of land where the nuisance originated, and all persons known to have any legal interest in the property. The city may charge the responsible party or the property owner with the full costs of investigation and summary abatement of the nuisance.

6.16.240 Summary abatement hearing.

- A. A hearing to assess abatement costs and affirm whether immediate action was necessary to preserve or protect the health, safety, and/or welfare of the public, persons in the city and/or the environment shall be conducted before the city council at the request of the responsible party and/or the property owner.
- B. The responsible party and/or the property owner must file a written request for a hearing with the city clerk within 30 calendar days of receipt of the notice of determination and report of summary abatement.
- C. The hearing shall be scheduled before the city council within 60 calendar days of receipt of the request for a hearing.
- D. Within 30 calendar days of receipt of the notice of determination and the report of summary abatement, and at least 30 calendar days prior to the scheduled hearing date, the responsible party and/or property owner may file a request with the city clerk for any and all evidence and objections regarding the need for summary abatement and/or the abatement costs.
- E. The hearing and consideration may be continued from time to time and upon its conclusion, the city council shall, by resolution:
 1. Determine whether the nuisance posed an immediate risk to the health, safety, or welfare of the public, persons in the city, and/or the environment.
 2. Determine whether the responsible party was unavailable, incapable, and/or unwilling to abate the nuisance.
 3. Determine the correct abatement cost.
 4. If necessary, modify the report of summary abatement to conform to such findings as indicated above.
 5. Confirm the report of summary abatement as presented or modified.
 6. State the date of the summary abatement order.

7. Determine and state the correct legal description of the subject property, the correct county assessor's parcel number, the street address, and the name and address of the recorded owner based on the last equalized assessment roll or the supplemental roll, whichever is more current.

F. The decision of the city council shall be final.

6.16.250 Collection of cost of summary abatement.

In addition to any other applicable procedures, the cost of summary abatement may be collected in accordance with Section 6.16.170 or become a lien or special assessment against the property in accordance with Section 6.16.160.

Article III Property Maintenance

6.16.260 Declaration of purpose and statutory authority.

Every person has the duty to maintain real property under the person's control free from dirt, rocks, weeds, plant growth, waste, or other materials which are either dangerous or injurious to neighboring property or to the health or welfare of residents in the vicinity or which interfere with the use of public rights-of-way. There continues to be a need for further emphasis on maintaining unobstructed rights-of-way, particularly as to plant growth. Unless corrective measures are taken to alleviate the existing conditions and to avoid future problems in this regard, the public health, safety, and general welfare and the property values and social and economic standards of this community will be depreciated.

The purpose and intent of this article is to establish standards to identify and enforce private property maintenance to the ensure plant growth, waste, and other materials do not present a public nuisance by obstructing public streets, sidewalks, or rights-of-way. This article is also intended to provide for procedures to administratively abate public nuisances caused by plant growth, waste, or other materials obstructing public streets, sidewalks, or rights-of-way.

This article is authorized by California Government Code sections 39501 and 39502.

6.16.270 Definitions.

For purposes of this article the following definitions apply:

"Liquid waste" includes oil, other petroleum products, paint, chemicals, and hazardous waste or materials.

"Litter" means small quantities of waste matter carried on or about the person including, but not limited to, beverage containers and closures, packaging wrappers, wastepaper, newspapers, magazines, or the contents of containers, closures, or wrappers.

"Littering" means the act of discarding, dropping, scattering, or disposing of litter in a location or container which is not used for the proper disposal of waste.

"Parking strip" means the portion of property between a public street and private property.

“Plant growth” means any flora, vegetation, or herbage.

“Property” means any real property, or improvements on real property, including that portion of any lot abutting a public street over which the city has an easement for right-of-way or utility service.

“Public property” means any property interest owned by, or otherwise granted to, the City of Carlsbad.

“Rubbish” means non-functional, non-usable, or abandoned material or matter. Rubbish includes ashes, paper, cardboard, tin cans, dirt, cut brush, yard and garden clippings or trimmings, wood, glass, bedding, cloth, clothing, crockery, plastic, rubber by-products, litter, machinery, vehicle parts, junk, and other similar items.

“Solid waste” means rubbish, broken concrete or asphalt, piles of rock, dirt, and other noncombustible materials and earth fill material not otherwise authorized by permit or ordinance for land development.

“Waste” means material of any nature that constitutes rubbish, solid waste, liquid waste, or medical waste. Waste may include abandoned or unidentified personal property that is left unattended on public sidewalks and rights-of-way or other public property. Waste does not include compost piles, composting, or recyclable material properly contained and disposed of in a timely fashion.

6.16.280 Enforcement authority.

The directors of community development or environmental management, and any other director or equivalent authority, authorized by the city manager or designee (collectively, “Directors”) are authorized to administer and enforce the provisions of this article. The Directors or their designated enforcement officers may exercise any enforcement powers as provided in Chapter 1.10 of this Code.

6.16.290 Duty to maintain property.

- A. It is unlawful for any property owner or responsible party, as defined in Section 1.10.010, to place or maintain dirt, rocks, plant growth, waste, or other materials on or about adjacent sidewalks, parking strips, alleys, streets, or other public property in a manner that is either dangerous or injurious to neighboring property or the health, safety, or welfare of residents in the vicinity; or in a manner that unreasonably interferes with or unreasonably obstructs the use of public rights-of-way. Any violation of this section is a public nuisance and, as such, may be abated or enjoined from further existence or operation within the city, pursuant to the procedures set forth in Article I of this chapter, except as set forth in subsections (B) and (C) below.
- B. The Director may require a property owner or responsible party to erect fences, barriers, berms, or other suitable means to discourage access to the property for littering or illegal dumping. This may include the posting of signs that prohibit littering and illegal dumping.
- C. The Director may authorize the collection or abatement of waste from small business enterprises that abut public property under the following circumstances:
 - 1. At the request of the affected property owner, if the Director determines that reasonable efforts were made to comply with subsections (A) or (B) listed above; or

2. When public health or safety requires such measures.

D. The Director is authorized to assess costs against affected property owners for the abatement services performed by the city or its agents pursuant to Article I of this chapter. The Director's cost assessment report may be challenged pursuant to the procedures in Article I of this chapter.

6.16.300 Violations.

Violations of this article may be chargeable as an infraction. The Directors may also seek injunctive relief or civil penalties in the Superior Court, or pursue any administrative penalties under Chapter 1.10 of this Code.

6.16.310 Administrative abatement procedure.

Any abatement action allowed by this article shall follow the procedures set forth in Article I of this chapter, except as provided in subsections 6.16.290(B) and (C).

6.16.320 Abatement lien.

The cost of removal and abatement of a property maintenance public nuisance may be assessed against the abutting or adjacent property owner and may become a lien as authorized in California Government Code Section 39502. Designated enforcement officers shall follow the procedures in Article I of this chapter for assessment, execution, and collection of the lien. Enforcement of the lien may include sale of the property.

6.16.330 Severability.

If any section, subsection, sentence, clause, or phrase of this chapter is for any reason held to be invalid or unconstitutional by a court of competent jurisdiction, the decision shall not affect the validity of the remaining portions of this chapter. The city council declares that it would have adopted this chapter, and each and every section, subsection, sentence, clause, and phrase of the chapter not declared invalid or unconstitutional, without regard to whether any portion of the chapter would be subsequently declared invalid or unconstitutional.

EFFECTIVE DATE OF THIS: This ordinance shall be effective thirty days after its adoption; and the City Clerk shall certify the adoption of this ordinance and cause the full text of the ordinance or a summary of the ordinance prepared by the City Attorney to be published at least once in a newspaper of general circulation in the City of Carlsbad within fifteen days after its adoption.

INTRODUCED AND FIRST READ at a Regular Meeting of the Carlsbad City Council on the 22nd day of September, 2020, and thereafter

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the ___ day of October, 2020, by the following vote, to wit:

AYES:

NAYS:

ABSENT:

APPROVED AS TO FORM AND LEGALITY:

CELIA A. BREWER, City Attorney

Matt Hall, Mayor

BARBARA ENGLESON, City Clerk
(SEAL)

Item #9 - ROMERIA POINTE APARTMENTS APPEAL OF A PLANNING COMMISSION DECISION TO APPROVE A SITE DEVELOPMENT PLAN AND STATE DENSITY BONUS ALLOWING THE CONSTRUCTION OF A FOUR-STORY RESIDENTIAL APARTMENT PROJECT - This item is being continued to Nov. 17, 2020, at the request of the project applicant with the concurrence of the Appellant.

WITHDRAWN

Item #10 - CARLSBAD STATION TENTATIVE TRACT MAP
AND SITE DEVELOPMENT PLAN TO CONSTRUCT A FOUR-
STORY MIXED-USE PROJECT - This item is being
continued to the regular meeting of Oct. 13, 2020.

WITHDRAWN



CITY COUNCIL Staff Report

Meeting Date: Oct. 6, 2020
To: Mayor and City Council
From: Scott Chadwick, City Manager
Staff Contact: Geoff Patnoe, Assistant City Manager
Geoff.patnoe@carlsbadca.gov, 760-434-2820
Subject: COVID-19 Actions and Expenditures Report

Recommended Action

Receive a report on recent actions and expenditures related to the city's response to the COVID-19 pandemic and provide direction as appropriate.

Executive Summary/Discussion

The City Council voted unanimously April 7, 2020, to direct staff to return to the City Council with financial expenditure reports relating to the city's response to the COVID-19 pandemic. The city manager further committed to provide a bi-weekly update to the City Council on recent actions and expenditures related to the city's response to the pandemic. For these updates, staff from the following major service areas will provide verbal reports on current statistics, data, programming and relevant communications:

- City Manager's Office
- Emergency Operations
- Community Services
- Police
- Fire
- Economic Revitalization and Recovery
- Administrative Services

Fiscal Analysis

None.

Next Steps

Staff will continue to provide the reports bi-weekly until the end of the emergency.

Environmental Evaluation (CEQA)

This action does not constitute a project within the meaning of the California Environmental Quality Act under California Public Resources Code Section 21065 in that it has no potential to cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment and therefore does not require environmental review.

Public Notification

Public notice of this item was posted in keeping with the Ralph M. Brown Act and it was available for public viewing and review at least 72 hours before the scheduled meeting date.

Exhibits

None