

CITY MANAGER – Marlene D. Best
CITY ATTORNEY – Shawn D. Hagerty
CITY CLERK – Annette Fagan Ortiz



CITY COUNCIL

Mayor John W. Minto
Vice Mayor Stephen Houlahan
Council Member Ronn Hall
Council Member Laura Koval
Council Member Rob McNelis

STAFF:
ASSISTANT TO THE CITY MANAGER
Kathy Valverde
COMMUNITY SERVICES DIRECTOR
Bill Maertz
DEVELOPMENT SERVICES DIRECTOR
Melanie Kush
FINANCE DIRECTOR/TREASURER
Tim McDermott
FIRE & LIFE SAFETY DIRECTOR/FIRE CHIEF
John Garlow
HUMAN RESOURCES DIRECTOR
Jessie Bishop
LAW ENFORCEMENT
Captain Daniel Brislin

**City of Santee
Regular Meeting Agenda
Santee City Council**

Wednesday, March 13, 2019
7:00 PM

Council Chambers – Building 2
10601 Magnolia Avenue, Santee, CA 92071

REVISED

Regular City Council Meeting – 7:00 p.m.

ROLL CALL: Mayor John W. Minto
Vice Mayor Stephen Houlahan
Council Members Ronn Hall, Laura Koval and Rob McNelis

LEGISLATIVE INVOCATION: Dr. Paul Ague – San Diego Christian College

PLEDGE OF ALLEGIANCE

CONSENT CALENDAR:

Consent Calendar items are considered routine and will be approved by one motion, with no separate discussion prior to voting. Council Members, staff or public may request specific items be removed from the Consent Calendar for separate discussion or action. Speaker slips for this category must be presented to the City Clerk at the start of the meeting. Speakers are limited to 3 minutes.

- (1) **Approval of reading by title only and waiver of reading in full of Ordinances and Resolutions on the agenda.**
- (2) **Approval of Meeting Minutes of the Santee City Council for the February 27, 2019 Regular Meeting. (City Clerk – Ortiz)**
- (3) **Approval of Payment of Demands as presented. (Finance – McDermott)**
- (4) **Adoption of an updated Investment Policy. (Finance – McDermott)**
- (5) **Adoption of a Resolution approving a change order to the Fiscal Year 2018-19 Traffic Signal Maintenance Contract with Select Electric, Inc., in an amount not to exceed \$31,358.17 for emergency repair, and determining a categorical exemption pursuant to Section 15301(D) of the California Environmental Quality Act. (Development Services - Kush)**

- (6) **Rejection of a claim against the City by Lisa Warner, as per Government Code 913. (Risk Management – Bishop)**

NEW BUSINESS:

- (7) **Fiscal Year (FY) 2018-19 Operating Budget Update and Resolution amending the FY 2018-19 Budget. (Finance – McDermott)**

Recommendation:

Adopt the Resolution amending the FY 2018-19 budget and provide direction to staff.

- (8) **Resolution authorizing submission of the Annual Housing Element Progress Report for Calendar Year 2018 to the State of California Office of Planning and Research and the State of California Department of Housing and Community Development. (Development Services – Kush)**

Recommendation:

Adopt the Resolution authorizing the Director of Development Services to send the Annual Housing Element Progress Report on Housing Element Implementation for Calendar Year 2018 to the State of California Office of Planning and Research and the State of California Department of Housing and Community Development.

NON-AGENDA PUBLIC COMMENT:

Each person wishing to address the City Council regarding items not on the posted agenda may do so at this time. In accordance with State law, Council may not take action on an item not scheduled on the Agenda. If appropriate, the item will be referred to the City Manager or placed on a future agenda.

CITY COUNCIL REPORTS:

CITY MANAGER REPORTS:

CITY ATTORNEY REPORTS:

CLOSED SESSION:

- (9) **LIABILITY CLAIM**
(Gov. Code section 54956.95)
Claimant: Michael Rottenberg
Agency Claimed Against: City of Santee

- (10) **CONFERENCE WITH LABOR NEGOTIATORS**
(Government Code Section 54957.6)
City Designated Representative: City Manager
Employee Organization: Santee Firefighters Association

ADJOURNMENT:



Mar	07	SPARC	Civic Center Building 8A
Mar	11	Community Oriented Policing Committee	Council Chamber
Mar	13	Council Meeting	Council Chamber
Mar	21	Manufactured Home Fair Practices Commission	Council Chamber
Mar	27	Council Meeting	Council Chamber
Apr	04	SPARC	Civic Center Building 8A
Apr	08	Community Oriented Policing Committee	Council Chamber
Apr	10	Council Meeting	Council Chamber
Apr	24	Council Meeting	Council Chamber

The Santee City Council welcomes you and encourages your continued interest and involvement in the City’s decision-making process.

For your convenience, a complete Agenda Packet is available for public review at City Hall and on the City’s website at www.CityofSanteeCA.gov.

The City of Santee complies with the Americans with Disabilities Act. Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, as required by Section 12132 of the American with Disabilities Act of 1990 (42 USC § 12132). Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to the City Clerk’s Office at (619) 258-4100, ext. 112 at least 48 hours before the meeting, if possible.

State of California } County of San Diego } ss. City of Santee }	<h3>AFFIDAVIT OF POSTING AGENDA</h3>
I, <u>Annette Ortiz, City Clerk</u> of the City of Santee, hereby declare, under penalty of perjury, that a copy of this Agenda was posted in accordance with the Brown Act and Santee Resolution 61-2003 on <u>March 8, 2019</u> , at <u>4:00 p.m.</u>	
_____ Signature	_____ 03/08/19 Date

City of Santee
COUNCIL AGENDA STATEMENT

MEETING DATE March 13, 2019

AGENDA ITEM NO.

ITEM TITLE **APPROVAL OF READING BY TITLE ONLY AND WAIVER OF READING
IN FULL OF ORDINANCES AND RESOLUTIONS ON THE AGENDA.**

DIRECTOR/DEPARTMENT Annette Ortiz, CMC, City Clerk 

SUMMARY

This item allows the City Council to approve Ordinances and Resolutions on the Consent Calendar without reading the item in full. Upon approval of this item, all Resolutions included in the motion shall be approved. Resolutions removed from the Consent Calendar and considered under separate action may also be approved without reading of the full text.

FINANCIAL STATEMENT

N/A

CITY ATTORNEY REVIEW N/A Completed

RECOMMENDATION

It is recommended that the Council waive the reading of all Ordinances and Resolutions in their entirety and read by title only.

ATTACHMENTS

None

City of Santee
COUNCIL AGENDA STATEMENT

MEETING DATE March 13, 2019

AGENDA ITEM NO.

ITEM TITLE **APPROVAL OF MEETING MINUTES OF THE SANTEE CITY COUNCIL FOR THE FEBRUARY 27, 2019, REGULAR MEETING.**

DIRECTOR/DEPARTMENT Annette Ortiz, MBA, CMC, City Clerk 

SUMMARY

Submitted for your consideration and approval are the minutes of the above meeting.

FINANCIAL STATEMENT N/A

CITY ATTORNEY REVIEW N/A Completed

RECOMMENDATION

Approve Minutes as presented.

ATTACHMENT

February 27, 2019 Regular Meeting Minutes

**Minutes
Santee City Council
Council Chamber – Building 2
10601 Magnolia Avenue
Santee, California
February 27, 2019**

DRAFT

This Regular Meeting of the Santee City Council was called to order by Mayor John W. Minto at 7:01 p.m.

ROLL CALL: Present: Mayor John W. Minto, Vice Mayor Stephen Houlahan and Council Members Ronn Hall and Rob McNelis – 4.

Absent: Council Member Koval – 1.

Officers present: City Manager Marlene Best, City Attorney Shawn Hagerty and City Clerk Annette Ortiz.

The **INVOCATION** was given by Randy Schimpf of the Church of Jesus Christ of Latter Day Saints and the **PLEDGE OF ALLEGIANCE** was led by Community Services Director Bill Maertz.

AGENDA CHANGES:

The City Clerk provided worksheets for Administrative Activities and Public Facilities for Item 7.

CONSENT CALENDAR:

- (1) **Approval of reading by title only and waiver of reading in full of Ordinances and Resolutions on the agenda.**
- (2) **Approval of Meeting Minutes of the Santee City Council for the February 13, 2019 Regular Meeting. (City Clerk – Ortiz)**
- (3) **Approval of Payment of Demands as presented. (Finance – McDermott)**
- (4) **Approval of the expenditure of \$51,696.28 for January 2019 Legal Services and Related Costs. (Finance – McDermott)**
- (5) **Adoption of a Resolution authorizing the City Manager to execute a Professional Services Agreement with Chen Ryan Associates, Inc., for Traffic Engineering Services for developing the City's Comprehensive Active Transportation Strategy (CIP2018-01) in an amount not to exceed \$199,110. (Development Services - Kush) (Reso 011-2019)**
- (6) **Adoption of a Resolution authorizing the appropriation and expenditure of FY 2017 State Homeland Security Grant Funds in the amount of \$35,466 in accordance with all program requirements and**

approving the purchase of APX 8000 portable radios and related equipment from Motorola Incorporated per utilization of the County of San Diego Regional Communications Systems (RCS) Contract #553982. (Fire – Garlow) (Reso 012-2019)

ACTION: Council Member Hall moved approval of the Consent Calendar and Agenda as amended.

Council Member McNelis seconded the motion which carried by the following vote: Ayes: Mayor Minto, Vice Mayor Houlahan and Council Members Hall and McNelis – 4. Absent: Council Member Koval – 1.

PUBLIC HEARING:

- (7) **Continued Public Hearing to assess community development needs and to allocate Program Year 2019 Community Development Block Grant (CDBG) Funding. (Development Services – Kush) (Reso 013-2019)**

The continued Public Hearing was opened at 7:06 p.m. The Director of Development Services and the Senior Management Analyst provided the staff report and responded to Council questions.

ACTION: Council Member Hall moved to allocate \$243,824 for Public Facilities per staff's recommendation.

Vice Mayor Houlahan seconded the motion which carried by the following vote: Ayes: Mayor Minto, Vice Mayor Houlahan and Council Members Hall and McNelis – 4. Absent: Council Member Koval – 1.

ACTION: Council Member Hall moved to allocate \$55,884 for Administrative Activities per staff's recommendation.

Vice Mayor Houlahan seconded the motion which carried by the following vote: Ayes: Mayor Minto, Vice Mayor Houlahan and Council Members Hall and McNelis – 4. Absent: Council Member Koval – 1.

PUBLIC SPEAKERS:

- Claudia Gavin, Elder Help
- Catherine Fraser, Crisis House

MOTION: Vice Mayor Houlahan moved to change the process and match last year's funding allocations for Public Services with a 4% adjustment based on the actual allocated amount.

Council Member Hall seconded the motion, which failed by the following vote: Ayes: Vice Mayor Houlahan and Council Member Hall – 2. Noes: Mayor Minto and Council Member McNelis – 2. Absent: Council Member Koval – 1.

Council discussion ensued regarding the funding allocations.

MOTION: Council Member Hall moved to take action on the “Approved” section of the PowerPoint presentation and 50% of any overage be allocated to Santee Santos with the remaining 50% proportioned equally to the remaining entities.

AMENDMENT: Vice Mayor Houlahan amended the motion to allocate 100% of any overage to Santee Santos. Council Member Hall agreed to the amendment.

PUBLIC SPEAKER: Buddy Rabaya, Santee Mobilehome Owners Action Committee

ACTION: After discussion, Council Member Hall amended his motion to allocate 50% of any overage to Santee Santos, 50% to the remaining entities and adopt the funding for Public Services as listed below:

<u>Public Service Activities</u>	<u>Allocation</u>
Cameron Family YMCA	\$2,000
Crisis House	6,000
Elderhelp	3,500
Caring Neighbors Program (LSS)	4,000
Meals on Wheels	5,000
Santee Food Bank	15,000
Santee Santos	<u>6,413</u>
Total:	\$41,913

Vice Mayor Houlahan seconded the motion which carried by the following vote: Ayes: Mayor Minto, Vice Mayor Houlahan and Council Members Hall and McNelis – 4. Absent: Council Member Koval – 1.

ACTION: Council Member Hall moved to adopt the resolution as amended for Program Year 2019 CDBG funds.

Vice Mayor Houlahan seconded the motion which carried by the following vote: Ayes: Mayor Minto, Vice Mayor Houlahan and Council Members Hall and McNelis – 4. Absent: Council Member Koval – 1.

The Public Hearing was closed at 7:46 p.m.

CONTINUED BUSINESS:

- (8) **Authorize the City Manager to enter into a Professional Services Agreement with North Star Destination Strategies for Branding Services. (City Manager – Best)**

The City Manager provided a brief overview of the staff report.

PUBLIC SPEAKER: Van Collinsworth

ACTION: Council Member Hall moved approval of staff's recommendation.

Vice Mayor Houlahan seconded the motion, which carried by the following vote: Ayes: Mayor Minto, Vice Mayor Houlahan and Council Members Hall and McNelis – 4. Absent: Council Member Koval – 1.

NEW BUSINESS:

- (9) **Adoption of a Resolution authorizing the second amendment to the Employment Agreement of the City Manager to extend the term of the Agreement. (City Attorney – Hagerty) (Reso 014-2019)**

The City Attorney provided a brief overview of the staff report.

PUBLIC SPEAKER: Justin Schlaefli

ACTION: Vice Mayor Houlahan moved approval of staff's recommendation.

Council Member Hall seconded the motion, which carried by the following vote: Ayes: Mayor Minto, Vice Mayor Houlahan and Council Members Hall and McNelis – 4. Absent: Council Member Koval – 1.

- (10) **Resolution authorizing the submittal of a Grant Application to the Federal INFRA (Infrastructure for Rebuilding America) Grant Program for State Route 52 (SR 52) Improvements. (Development Services – Kush) (Reso 015-2019)**

The Director of Development Services provided a brief overview of the staff report and responded to Council questions.

PUBLIC SPEAKER: Justin Schlaefli

ACTION: Council Member McNelis moved approval of staff's recommendation.

Vice Mayor Houlahan seconded the motion, which carried by the following vote: Ayes: Mayor Minto, Vice Mayor Houlahan and Council Members Hall and McNelis – 4. Absent: Council Member Koval – 1.

NON-AGENDA PUBLIC COMMENT:

- (A) John Hossick spoke regarding the growth of the Santee Mobilehome Owners Action Committee.

CITY COUNCIL REPORTS:

Council Member Hall stated he attended the recent San Diego Association of Government (SANDAG) meeting and TransNet funding was discussed.

Vice Mayor Houlahan stated he attended the opening day for West Hills Little League. He also stated that he and the Fire Chief attended the recent County Service Area 69 (CSA 69) meeting and the five-year budget for Santee and Lakeside Firefighter Paramedics was presented. He also spoke regarding the differences in fees for CSA 69 ambulance services versus other ambulance services and the need for regulation.

Mayor Minto stated he attended the League of California Cities Board Meeting and topics discussed were housing, transportation and homelessness. He stated that the Governor was also in attendance and is currently trying to assess how to provide relief regarding housing and other major concerns relevant to cities all over California.

CITY MANAGER REPORTS: None

CITY ATTORNEY REPORTS: None

ADJOURNMENT:

There being no further business, the meeting was adjourned at 8:13 p.m.

Date Approved:

Annette Ortiz, MBA, CMC, City Clerk

City of Santee
COUNCIL AGENDA STATEMENT

MEETING DATE March 13, 2019

AGENDA ITEM NO.

ITEM TITLE PAYMENT OF DEMANDS

DIRECTOR/DEPARTMENT Tim K. McDermott, Finance *tm*

SUMMARY

A listing of checks that have been disbursed since the last Council meeting is submitted herewith for approval by the City Council.

FINANCIAL STATEMENT *tm*

Adequate budgeted funds are available for the payment of demands per the attached listing.

CITY ATTORNEY REVIEW N/A Completed

RECOMMENDATION *MSB*

Approval of the payment of demands as presented.

ATTACHMENTS (Listed Below)

- 1) Summary of Payments Issued
- 2) Voucher Lists

Payment of Demands
Summary of Payments Issued

<u>Date</u>	<u>Description</u>	<u>Amount</u>
02/15/2019	Accounts Payable	92,559.77
02/20/2019	Accounts Payable	99,983.60
02/20/2019	Accounts Payable	186,024.37
02/26/2019	Accounts Payable	4,073.80
02/27/2019	Accounts Payable	752,914.62
02/28/2019	Payroll	344,855.23
02/28/2019	Accounts Payable	50,971.88
03/01/2019	Retiree Health	5,385.00
03/04/2019	Accounts Payable	96,284.30
03/05/2019	Accounts Payable	<u>100,652.37</u>
	TOTAL	<u>\$1,733,704.94</u>

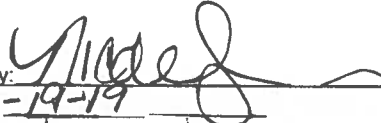
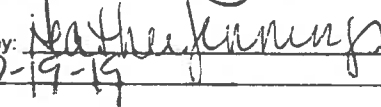
I hereby certify to the best of my knowledge and belief that the foregoing demands listing is correct, just, conforms to the approved budget, and funds are available to pay said demands.



Tim K. McDermott, Director of Finance



Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
35111	2/15/2019	10955 DEPARTMENT OF THE TREASURY	PPE 02/06/19		FED WITHHOLD & MEDICARE	69,162.65
					Total :	69,162.65
35121	2/15/2019	10956 FRANCHISE TAX BOARD	PPE 02/06/19		CA STATE TAX WITHHELD	23,397.12
					Total :	23,397.12
2 Vouchers for bank code : ubgen						Bank total : 92,559.77
2 Vouchers in this report						Total vouchers : 92,559.77

Prepared by: 
Date: 2-19-19
Approved by: 
Date: 2-19-19

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount	
2193	2/20/2019	10353 PERS	02 19 3		RETIREMENT PAYMENT	99,983.60	
						Total :	99,983.60
1 Vouchers for bank code : ubgen						Bank total :	99,983.60
1 Vouchers in this report						Total vouchers :	99,983.60

Prepared by: 
Date: 2-19-19
Approved by: 
Date: 2-19-19

Voucher List
CITY OF SANTEE

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount			
120683	2/20/2019	10018 BENCHMARK LANDSCAPE SVCS INC	148407	52295	A3 LANDSCAPE SERVICES	513.73			
			148408	52295	A3 LANDSCAPE SERVICES	745.37			
			148409	52212	A2 LANDSCAPE SERVICES	745.44			
			148410	52212	A2 LANDSCAPE SERVICES	570.00			
			148411	52295	A3 LANDSCAPE SERVICES	330.34			
			148412	52295	A3 LANDSCAPE SERVICES	272.05			
			148413	52295	A3 LANDSCAPE SERVICES	359.25			
			148414	52212	A2 LANDSCAPE SERVICES	246.00			
			148415	52212	A2 LANDSCAPE SERVICES	229.17			
			148416	52212	A2 LANDSCAPE SERVICES	203.64			
			148417	52212	A2 LANDSCAPE SERVICES	274.25			
			Total :						4,489.24
			120684	2/20/2019	10020 BEST BEST & KRIEGER LLP	LEGAL SVCS JAN 2019		LEGAL SVCS JAN 2019	51,696.28
Total :						51,696.28			
120685	2/20/2019	11513 BOND, ELLEN	03012019		MEADOWBROOK HARDSHIP PROC	50.99			
Total :						50.99			
120686	2/20/2019	10021 BOUND TREE MEDICAL LLC	83096721	52163	EMS SUPPLIES	184.12			
			83097915	52163	EMS SUPPLIES	893.88			
			83097916	52163	EMS SUPPLIES	250.26			
			83099225	52163	EMS SUPPLIES	79.93			
			83099226	52163	EMS SUPPLIES	97.79			
			83100545	52163	EMS SUPPLIES	224.44			
			83100546	52163	EMS SUPPLIES	2,366.84			
			Total :						4,097.26
120687	2/20/2019	10299 CARQUEST AUTO PARTS	11102-476835	52280	VEHICLE REPAIR PARTS	25.25			
			11102-477056	52280	VEHICLE REPAIR PART	39.95			
Total :						65.20			
120688	2/20/2019	11402 CARROLL, JUDI	03012019-96		MEADOWBROOK HARDSHIP PROC	51.11			
Total :						51.11			
120689	2/20/2019	10031 CDW GOVERNMENT LLC	QVL4735	52457	COMPUTER REPLACEMENT	33,180.00			

Voucher List
CITY OF SANTEE

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
120689	2/20/2019	10031 10031 CDW GOVERNMENT LLC	(Continued)			Total : 33,180.00
120690	2/20/2019	10032 CINTAS CORPORATION #694	4015815420 4015893706	52207 52207	UNIFORM/PARTS CLEANER RNTL STATION SUPPLIES	57.18 52.47 Total : 109.65
120691	2/20/2019	11409 CLAYTON, SYLVIA	03012019-340		MEADOWBROOK HARDSHIP PROC	53.49 Total : 53.49
120692	2/20/2019	12153 CORODATA RECORDS	RS4470251	52299	DOCUMENT RETRIEVAL/STORAGE	722.28 Total : 722.28
120693	2/20/2019	11862 CORODATA SHREDDING INC	DN1216853	52241	SECURE DESTRUCTION SERVICES	75.74 Total : 75.74
120694	2/20/2019	10580 FASTENAL COMPANY	CAELC76050	52174	VEHICLE SUPPLIES	70.31 Total : 70.31
120695	2/20/2019	10251 FEDERAL EXPRESS	6-455-05809		SHIPPING CHARGES	63.72 Total : 63.72
120696	2/20/2019	10490 HARRIS & ASSOCIATES INC	40140	51326	FANITA RANCH EIR	1,897.50 Total : 1,897.50
120697	2/20/2019	10144 HDL COREN & CONE	0026264-IN	52317	PROP TAX SVCS JAN-MAR 2019	4,625.00 Total : 4,625.00
120698	2/20/2019	12948 KTU&A	30761	52070	SITE & ECONOMIC ANAYLSIS	8,967.25 Total : 8,967.25
120699	2/20/2019	10430 LEAGUE OF CALIFORNIA CITIES	189496		MEMBERSHIP DUES	17,890.00 Total : 17,890.00
120700	2/20/2019	10079 MEDICO PROFESSIONAL	2328599 2328600	52188 52188	MEDICAL LINEN SERVICE MEDICAL LINEN SERVICE	20.02 8.16 Total : 28.18
120701	2/20/2019	10344 PADRE DAM MUNICIPAL WATER DIST	21105559		9170 VIA DE CRISTINA	143.48

Voucher List
CITY OF SANTEE

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
120701	2/20/2019	10344 PADRE DAM MUNICIPAL WATER DIST	(Continued) 24206565 24206698 24218157 24218344 90000367		10580 PROSPECT AVE 10541 PROSPECT AVE 10054 PROSPECT AVE 10027 PROSPECT AVE GROUP BILL	77.25 77.25 41.55 47.81 6,119.58 Total : 6,506.92
120702	2/20/2019	11442 PATTERSON, LUANNE	03012019-225		MEADOWBROOK HARDSHIP PROC	49.31 Total : 49.31
120703	2/20/2019	11888 PENSKE FORD	95584	52149	VEHICLE SERVICE	75.09 Total : 75.09
120704	2/20/2019	10095 RASA	5248	52302	MAP CHECK	3,505.00 Total : 3,505.00
120705	2/20/2019	12994 RINCON CONSULTANTS, INC	9274	52099	FANITA RANCH - PHASE II SVCS	13,951.25 Total : 13,951.25
120706	2/20/2019	12256 ROE, DARLENE	03012019-318		MEADOWBROOK HARDSHIP PROC	51.83 Total : 51.83
120707	2/20/2019	10407 SAN DIEGO GAS & ELECTRIC	4199 703 434 3 4850 865 935 1		10143 MISSION GORGE ROAD MP 10363 MISSION GORGE RD MP	26.08 18.65 Total : 44.73
120708	2/20/2019	10677 SANTEE CHAMBER OF COMMERCE	1327	52324	AGREEMENT INSTALLMENT	6,495.00 Total : 6,495.00
120709	2/20/2019	13171 SC COMMERCIAL, LLC	0629950-IN 0630892-IN CL07509	52420 52420 52412	DELIVERED FUEL DELIVERED FUEL FLEET CARD FUELING	432.26 458.97 1,556.72 Total : 2,447.95
120710	2/20/2019	10585 SHARP REES-STEALY MEDICAL	327212922		TB TEST	96.00 Total : 96.00


Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
120711	2/20/2019	10213 SOUTH BAY FOUNDRY INC	188228	52334	STORM DRAIN SUPPLIES	646.50
					Total :	646.50
120712	2/20/2019	11403 ST. JOHN, LYNNE	03012019-78		MEADOWBROOK HARSHIP PROC	51.21
					Total :	51.21
120713	2/20/2019	10217 STAPLES ADVANTAGE	3402927032	52141	OFFICE SUPPLIES	99.88
			3403337676	52141	OFFICE SUPPLIES	15.28
			3403337677	52141	OFFICE SUPPLIES	17.66
					Total :	132.82
120714	2/20/2019	11625 STAUMP MUSIC SCHOOL	0130181		INSTRUCTOR PAYMENT	480.00
					Total :	480.00
120715	2/20/2019	10119 STEVEN SMITH LANDSCAPE INC	40418	52198	A1 LANDSCAPE SERVICES	409.84
			40419	52198	A1 LANDSCAPE SERVICES	3,174.00
			40563	52198	A1 LANDSCAPE SERVICES	630.00
					Total :	4,213.84
120716	2/20/2019	13248 SUNFUSION SOLAR ELECTRIC	CD17012S		REFUNDABLE DEPOSIT	6,420.80
			CD17013S		REFUNDABLE DEPOSIT	3,000.00
					Total :	9,420.80
120717	2/20/2019	13205 TELEFLEX MEDICAL INCORPORATED	9500922230	52462	EMS SUPPLIES	1,047.61
					Total :	1,047.61
120718	2/20/2019	12578 THE COFFEE CORNER	306		SANTEE ACTIVE LIFESTYLE EXPO	795.00
					Total :	795.00
120719	2/20/2019	10250 THE EAST COUNTY	00076133	52252	PUBLIC HEARING NOTICE	168.00
					Total :	168.00
120720	2/20/2019	10550 UNIFORMS PLUS INC	49129	52151	CLASS B UNIFORMS	519.31
					Total :	519.31
120721	2/20/2019	10136 WEST COAST ARBORISTS INC	144448	52257	URBAN FORESTRY MANAGEMENT	5,513.00
			144449	52257	URBAN FORESTRY MANAGEMENT	1,140.00
			144450	52257	URBAN FORESTRY MANAGEMENT	540.00

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
120721	2/20/2019	10136	10136 WEST COAST ARBORISTS INC		(Continued)	
						Total : 7,193.00
39 Vouchers for bank code : ubgen						Bank total : 186,024.37
39 Vouchers in this report						Total vouchers : 186,024.37

Prepared by: 
Date: 2-20-19

Approved by: 
Date: 2-20-19

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount	
544	2/26/2019	12774 LIABILITY CLAIMS ACCOUNT	01312019		LIABILITY CLAIMS	4,073.80	
						Total :	4,073.80
1 Vouchers for bank code : ubgen						Bank total :	4,073.80
1 Vouchers in this report						Total vouchers :	4,073.80

Prepared by: 

Date: 2-27-19

Approved by: 

Date: 2-27-19

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
120722	2/27/2019	13198 3-D ENTERPRISES, INC	3 3R	52409	MAST PARK IMPROVEMENTS RETENTION	523,505.47 -26,175.27 Total : 497,330.20
120723	2/27/2019	11445 AMERICAN MESSAGING	L1072898TB		FD PAGER SERVICE	145.22 Total : 145.22
120724	2/27/2019	10006 AMERICAN PLANNING ASSOCIATION	299361-1916		MEMBERSHIP RENEWAL	558.00 Total : 558.00
120725	2/27/2019	12083 ANIMAL PEST MANAGEMENT	568684 582576	52297 52297	PEST CONTROL SERVICES PEST CONTROL SERVICES	627.04 45.00 Total : 672.04
120726	2/27/2019	12951 BERRY, BONNIE F.	MARCH 1, 2019		RETIREE HEALTH PAYMENT	91.00 Total : 91.00
120727	2/27/2019	10021 BOUND TREE MEDICAL LLC	83101864 83104086 83104087 83105412 83106608	52163 52163 52163 52163 52163	EMS SUPPLIES EMS SUPPLIES EMS SUPPLIES EMS SUPPLIES EMS SUPPLIES	71.12 268.71 324.72 307.63 122.84 Total : 1,095.02
120728	2/27/2019	13250 WILLIAMS, JEFFREY	REF000054803		LICENSE TYPE REFUND	39.00 Total : 39.00
120729	2/27/2019	10098 BURNER, RONALD	113018-1 120518-1 13019-1	52400 52400 52400	ATHLETIC FIELD COORDINATION ATHLETIC FIELD COORDINATION ATHLETIC FIELD COORDINATION	2,083.34 2,083.34 2,083.34 Total : 6,250.02
120730	2/27/2019	11169 CALIFORNIA WATERS LLC	5174	52206	FOUNTAIN MAINT & REPAIRS	2,543.28 Total : 2,543.28
120731	2/27/2019	10876 CANON SOLUTIONS AMERICA INC	989141986	52240	SCANNER MAINTENANCE	79.98

Voucher List
CITY OF SANTEE

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
120731	2/27/2019	10876 10876 CANON SOLUTIONS AMERICA INC	(Continued)			Total : 79.98
120732	2/27/2019	10299 CARQUEST AUTO PARTS	11102-477721	52280	VEHICLE SUPPLIES	40.73
						Total : 40.73
120733	2/27/2019	10958 CATERPILLAR FINANCIAL SERVICES	19609344		LEASE PYMNT #13-BACKHOE	9,698.05
						Total : 9,698.05
120734	2/27/2019	10031 CDW GOVERNMENT LLC	QZL8203	52459	PRINTER - FIRE STATION 4	167.53
						Total : 167.53
120735	2/27/2019	10032 CINTAS CORPORATION #694	4016180410	52207	UNIFORM/PARTS CLEANER RNTL	57.18
						Total : 57.18
120736	2/27/2019	10033 CITY ELECTRIC SUPPLY COMPANY	STE/053983	52215	ELECTRICAL SUPPLIES	238.05
						Total : 238.05
120737	2/27/2019	12860 COLANTUONO, HIGHSMITH &	38034		SDCOE CONSORTIUM	12.75
						Total : 12.75
120738	2/27/2019	10268 COOPER, JACKIE	MARCH 1, 2019		RETIREE HEALTH PAYMENT	91.00
						Total : 91.00
120739	2/27/2019	10171 COUNTY OF SAN DIEGO AUDITOR &	01/2019 AGENCY REV 01/2019 DMV REVENUE 01/2019 PHOENIX REV		01/19 AGENCY PARK CITE REPT 01/19 DMV PARK CITE REPT 01/19 PHOENIX CITE REV REPT	583.50 396.00 756.00
						Total : 1,735.50
120740	2/27/2019	10358 COUNTY OF SAN DIEGO	19CTOFSAN07 19CTOFSASN07	52312 52168	RCS SHERIFF RADIOS & MDT 800 MZH ACCESS (FIRE/PS)	4,503.00 1,624.50
						Total : 6,127.50
120741	2/27/2019	10486 COUNTY OF SAN DIEGO	201900078		RECORDED DOC FEES	50.00
						Total : 50.00
120742	2/27/2019	10486 COUNTY OF SAN DIEGO	02/26/19		SUSTAINABLE SANTEE PLAN - NO/	50.00
						Total : 50.00

Voucher List
CITY OF SANTEE

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
120743	2/27/2019	10719 COUNTY OF SAN DIEGO	3292 3293		INITIATIVE SIGNATURE VERIFICATI INITIATIVE SIGNATURE VERIFICATI	19,702.00 11,790.00
					Total :	31,492.00
120744	2/27/2019	10333 COX COMMUNICATIONS	052335901 063453006 064114701 066401501		8950 COTTONWOOD AVE 9534 VIA ZAPADOR 8115 ARLETTE ST 10601 N MAGNOLIA AVE	167.17 186.74 195.33 34.60
					Total :	583.84
120745	2/27/2019	10608 CRISIS HOUSE	369	52368	CDBG SUBRECIPIENT	504.52
					Total :	504.52
120746	2/27/2019	10043 D & D SERVICES INC	88129	52277	DEAD ANIMAL REMOVAL SERVICE	1,482.89
					Total :	1,482.89
120747	2/27/2019	13251 HARLOW, JAMES	Ref000054813		LICENSE TYPE REFUND	39.00
					Total :	39.00
120748	2/27/2019	12593 ELLISON WILSON ADVOCACY, LLC	2019-02-10	52221	LEGISLATIVE ADVOCACY	1,500.00
					Total :	1,500.00
120749	2/27/2019	10057 ESGIL CORPORATION	012019		SHARE OF FEES	43,134.11
					Total :	43,134.11
120750	2/27/2019	10251 FEDERAL EXPRESS	6-461-60369		SHIPPING CHARGES	99.64
					Total :	99.64
120751	2/27/2019	12760 FOCUS PSYCHOLOGICAL	SANTEE2019-1	52281	COUNSELING SERVICES	600.00
					Total :	600.00
120752	2/27/2019	10490 HARRIS & ASSOCIATES INC	40232	51326	FANITA RANCH EIR	6,621.22
					Total :	6,621.22
120753	2/27/2019	10070 HAWTHORNE MACHINERY	CR PC20005122 PS02002923 PS020042913	52179 52179 52179	CR-EQUIPMENT PART RETURNED EQUIPMENT REPAIR PARTS EQUIPMENT REPAIR PARTS	-62.01 332.07 808.18

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
120753	2/27/2019	10070 10070 HAWTHORNE MACHINERY	(Continued)			Total : 1,078.24
120754	2/27/2019	11196 HD SUPPLY FACILITIES	9169782855	52138	STATION SUPPLIES	343.88
						Total : 343.88
120755	2/27/2019	10256 HOME DEPOT CREDIT SERVICES	1162408	52180	STATION SUPPLIES	36.60
			5151544	52180	STATION SUPPLIES	7.89
			5162445	52180	CR-STATION SUPPLIES RETRND	-59.75
			7151530	52180	STATION SUPPLIES	95.26
						Total : 80.00
120756	2/27/2019	10271 HORAN, BERNICE	MARCH 1, 2019		RETIREE HEALTH PAYMENT	91.00
						Total : 91.00
120757	2/27/2019	10301 HORSMAN AUTOMOTIVE	418348	52181	VEHICLE REPAIR	392.81
						Total : 392.81
120758	2/27/2019	11807 IMPERIAL SPRINKLER SUPPLY	3622444	52380	IRRIGATION SUPPLIES	850.69
						Total : 850.69
120759	2/27/2019	11233 JIMMIE JOHNSON'S KEARNY MESA	CTCS508840	52183	VEHICLE REPAIR	100.00
						Total : 100.00
120760	2/27/2019	10079 MEDICO PROFESSIONAL	2332662	52188	UNIFORM/PARTS CLEANER RNTL	20.02
			2332663	52188	MEDICAL LINEN SERVICE	8.16
						Total : 28.18
120761	2/27/2019	10083 MUNICIPAL EMERGENCY SERVICES	IN1305457	52190	WEARING APPAREL	206.65
						Total : 206.65
120762	2/27/2019	13056 PACIFIC SWEEPING	149216	52165	STREET SWEEPING SVCS	15,499.00
						Total : 15,499.00
120763	2/27/2019	12904 PAT DAVIS DESIGN GROUP, INC	5893	52236	GRAPHIC ARTIST WORK	2,306.25
						Total : 2,306.25
120764	2/27/2019	10442 PAYCO SPECIALTIES	1768-01-2019	52269	STREET STRIPING MAINTENANCE	9,783.60

Voucher List
CITY OF SANTEE

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
120764	2/27/2019	10442 10442 PAYCO SPECIALTIES	(Continued)			Total : 9,783.60
120765	2/27/2019	10241 CASEY PRICE	02-25-19		PETTY CASH REIMB - DDS	268.84
						Total : 268.84
120766	2/27/2019	10101 PROFESSIONAL MEDICAL SUPPLY	B004216 B004217	52237 52237	OXYGEN CYLINDERS & REFILLS OXYGEN CYLINDERS & REFILLS	78.12 71.61
						Total : 149.73
120767	2/27/2019	11248 RAMONA PAVING & CONSTRUCTION	CIP 2018-07, 15 & 35		RETENTION RELEASE	19,098.69
						Total : 19,098.69
120768	2/27/2019	12237 RAYON, KYLE	MARCH 1, 2019		RETIREE HEALTH PAYMENT	91.00
						Total : 91.00
120769	2/27/2019	13061 SAN DIEGO HUMANE SOCIETY &	FEB-19	52271	ANIMAL CONTROL SERVICES	35,400.33
						Total : 35,400.33
120770	2/27/2019	10212 SANTEE SCHOOL DISTRICT	2019-1	52140	AFTER-SCHOOL TRANSPORTATION	535.60
						Total : 535.60
120771	2/27/2019	13171 SC COMMERCIAL, LLC	0632603-IN CL08001 CL08730	52420 52412 52412	DELIVERED FUEL FLEET CARD FUELING FLEET CARD FUELING	513.41 1,062.15 355.64
						Total : 1,931.20
120772	2/27/2019	13080 SEALMASTER	63592	52332	ASPHALT MATERIALS	452.55
						Total : 452.55
120773	2/27/2019	13206 SHARP BUSINESS SYSTEMS	9001696519	52429	COPIER RENTAL	251.13
						Total : 251.13
120774	2/27/2019	10314 SOUTH COAST EMERGENCY VEHICLE	492803	52150	VEHICLE REPAIR	525.00
						Total : 525.00
120775	2/27/2019	11056 STANDARD ELECTRONICS	S42320	52450	ALARM MONITORING	618.85
						Total : 618.85

Voucher List
CITY OF SANTEE

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
120776	2/27/2019	10217 STAPLES ADVANTAGE	3402713538	52273	OFFICE SUPPLIES	72.27
			3402713539	52273	OFFICE SUPPLIES	35.55
			3403656523	52251	OFFICE SUPPLIES	21.98
			3403833684	52251	OFFICE SUPPLIES	153.91
			3404329947	52249	OFFICE SUPPLIES	76.06
Total :						359.77
120777	2/27/2019	12905 STATIONCHECK LLC	1196	52472	ANNUAL SOFTWARE LICENSE FEE	2,100.00
Total :						2,100.00
120778	2/27/2019	10119 STEVEN SMITH LANDSCAPE INC	40557	52198	A1 LANDSCAPE SERVICES	34,774.13
Total :						34,774.13
120779	2/27/2019	10316 TCB EMBROIDERY	14830	52286	UNIFORM APPAREL - PSD	2,138.84
Total :						2,138.84
120780	2/27/2019	10550 UNIFORMS PLUS INC	49128	52210	CLASS A UNIFORM	827.47
Total :						827.47
120781	2/27/2019	13249 CHIRKIN, VADIM	REF000054800		LICENSE TYPE REFUND	39.00
Total :						39.00
120782	2/27/2019	10475 VERIZON WIRELESS	572028810-00001 9823948646		CELL PHONE SERVICE WIFI SERVICE	1,509.09 1,037.83
Total :						2,546.92
120783	2/27/2019	12888 VINYARD DOORS	98080	52360	APPARATUS GATE & DOOR REPAIR	219.00
Total :						219.00
120784	2/27/2019	10136 WEST COAST ARBORISTS INC	144638	52257	URBAN FORESTRY MANAGEMENT	4,245.00
Total :						4,245.00
120785	2/27/2019	12930 WILLIAMS, ROCHELLE M.	MARCH 1, 2019		RETIREE HEALTH PAYMENT	91.00
Total :						91.00
120786	2/27/2019	12641 WITTORFF, VICKY DENISE	MARCH 1, 2019		RETIREE HEALTH PAYMENT	31.00
Total :						31.00

Bank code : ubgen

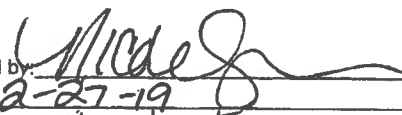
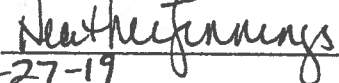
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
120787	2/27/2019	10317 WM HEALTHCARE SOLUTIONS INC	0431198-2793-9	52152	BIOMEDICAL WASTE DISPOSAL	93.08
			0431199-2793-7	52152	BIOMEDICAL WASTE DISPOSAL	93.02
Total :						186.10
120788	2/27/2019	10232 XEROX CORPORATION	095944721	52233	COPY CHARGES	194.73
			095944724	52146	COPY CHARGES	91.96
			095944726	52231	COPY CHARGES & LEASE	308.85
			095944727	52232	COPY CHARGES & LEASE	318.10
			095944728	52279	COPY CHARGES & LEASE	213.43
			095944729	52350	COPY CHARGES & LEASE	318.10
			095944730	52229	COPY CHARGES & LEASE	126.38
			095944731	52230	COPY CHARGES & LEASE	274.59
			095995534	52145	COPY CHARGES	14.50
			95995532	52211	COPY CHARGES & LEASE	335.29
			95995533	52145	CR-STATION 4 COPIER CHRGS	-74.79
95995535	52145	COPY CHARGES	22.76			
Total :						2,143.90

67 Vouchers for bank code : ubgen

Bank total : 752,914.62

67 Vouchers in this report

Total vouchers : 752,914.62

Prepared by: 
 Date: 2-27-19
 Approved by: 
 Date: 2-27-19

Voucher List
CITY OF SANTEE

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
120789	2/28/2019	12903 AMERICAN FIDELITY ASSURANCE CO	2031569 2032018		FLEXIBLE SPENDING ACCOUNT FLEXIBLE SPENDING ACCOUNT	2,456.12 2,456.12 Total : 4,912.24
120790	2/28/2019	10844 FRANCHISE TAX BOARD	PPE 02/20/19		WITHHOLDING ORDER	25.00 Total : 25.00
120791	2/28/2019	10508 LIFE INSURANCE COMPANY OF	February 2019		LIFE/LTD INSURANCE	2,640.31 Total : 2,640.31
120792	2/28/2019	10784 NATIONAL UNION FIRE INSURANCE	February 2019		VOLUNTARY AD&D	93.00 Total : 93.00
120793	2/28/2019	10335 SAN DIEGO FIREFIGHTERS FEDERAL	February 2019		LONG TERM DISABILITY-SFFA	1,127.00 Total : 1,127.00
120794	2/28/2019	10424 SANTEE FIREFIGHTERS	PPE 02/20/19		DUES/PEC/BENEVOLENT/BC EXP	2,613.82 Total : 2,613.82
120795	2/28/2019	12892 SELMAN & COMPANY	February 2019		ID THEFT PROTECTION	160.00 Total : 160.00
120796	2/28/2019	10776 STATE OF CALIFORNIA	PPE 02/20/19		WITHHOLDING ORDER	308.30 Total : 308.30
120797	2/28/2019	13253 TREASURER OF VIRGINIA	PPE 02/20/19		WITHHOLDING ORDER	230.73 Total : 230.73
120798	2/28/2019	10001 US BANK	PPE 02/20/19		PARS RETIREMENT	806.78 Total : 806.78
120799	2/28/2019	10959 VANTAGE TRANSFER AGENT/457	PPE 02/20/19		ICMA - 457	29,934.05 Total : 29,934.05
120800	2/28/2019	10782 VANTAGEPOINT TRNSFR AGT/801801	PPE 02/20/19		RETIREE HSA	8,120.65 Total : 8,120.65

Bank code : ubgen


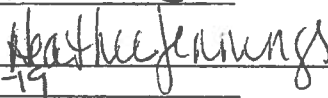
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
12		Vouchers for bank code : ubgen				Bank total : 50,971.88
12		Vouchers in this report				Total vouchers : 50,971.88

Prepared by: Michelle J
Date: 2-28-19

Approved by: Heather Jennings
Date: 2-28-19



Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
74741	3/4/2019	10955 DEPARTMENT OF THE TREASURY	PPE 02/20/19		FED WITHHOLD & MEDICARE	71,876.74
					Total :	71,876.74
74743	3/4/2019	10956 FRANCHISE TAX BOARD	PPE 02/20/19		CA STATE TAX WITHHELD	24,407.56
					Total :	24,407.56
2 Vouchers for bank code : ubgen						Bank total : 96,284.30
2 Vouchers in this report						Total vouchers : 96,284.30

Prepared by: 
Date: 3-5-19
Approved by: 
Date: 3-5-19

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount	
2194	3/5/2019	10353 PERS	02 19 4		RETIREMENT PAYMENT	100,652.37	
						Total :	100,652.37
1 Vouchers for bank code : ubgen						Bank total :	100,652.37
1 Vouchers in this report						Total vouchers :	100,652.37

Prepared by: 
Date: 3-5-19
Approved by: 
Date: 3-5-19

City of Santee
COUNCIL AGENDA STATEMENT

MEETING DATE

March 13, 2019

AGENDA ITEM NO.**ITEM TITLE**

INVESTMENT POLICY UPDATE

DIRECTOR/DEPARTMENTTim K. McDermott, Finance *TM***SUMMARY**

The investment policy provides guidelines for the prudent investment of public funds held by the City. The investment objectives are, in order of priority, to ensure the safety of invested funds, to provide for the City's liquidity needs and to enhance the economic condition of the City by earning an acceptable rate of return. The City's investment policy was last updated in February 2003. Staff, working with the City's investment advisor PFM Asset Management ("PFM"), has prepared an updated investment policy with the goals of bringing the policy in line with current California Government Code requirements, enhancing the clarity of the policy and providing additional investment flexibility to provide opportunities to safely enhance the portfolio's long-term return.

The attached memorandum from PFM provides a discussion of the changes reflected in the updated policy. Some of the key changes are as follows.

- Provides for the delegation of authority by the City Council to the City Treasurer for the investment program for a period of one year, to be renewed annually upon review by the City Council (which will be done in conjunction with an annual review of the investment policy)
- Revises the minimum credit rating requirement for Medium Term Notes (corporate securities) to "A" from "AA", consistent with the California Government Code in order to provide additional investment flexibility without adding inappropriate risk
- Adds Supranational bonds of high credit quality issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (World Bank), International Finance Corporation, or the Inter-American Development Bank as permitted investments
- Adds Placement Service Deposits, which are insured deposits placed with California banks that use a private sector entity to assist with the placement of deposits with eligible financial institutions, as permitted investments

FINANCIAL STATEMENT *TM*

The updated policy will provide additional investment flexibility which will provide the City with opportunities to safely enhance the investment portfolio's long-term return.

CITY ATTORNEY REVIEW N/A Completed**RECOMMENDATION** *MAB*

Adopt the updated investment policy

ATTACHMENTS (Listed Below)

1. 2019 Investment Policy Review Memorandum from PFM
2. City of Santee Investment Policy dated March 13, 2019



February 25, 2019

Memorandum

To: Tim McDermott, Director of Finance/Treasurer
City of Santee

From: Richard Babbe, CCM, Senior Managing Consultant
PFM Asset Management LLC

Re: 2019 Investment Policy Review

At your request, we reviewed the City of Santee (the "City") Investment Policy (the "Policy"). There are four key criteria we use to help evaluate the overall effectiveness of an investment policy, which are as follows:

- **Compliance.** While the City Council may impose additional requirements based upon its investment objectives and preferences, the Policy must, at a minimum, comply with the requirements of the California Government Code (the "Code"). The Code can be referenced online at www.leginfo.ca.gov.
- **Comprehensiveness.** The Policy should be comprehensive enough to ensure that the key aspects of the investment program are properly addressed. We use the Association of Public Treasurers of the United States and Canada ("APT US & C")¹ certification standards as one tool to help us evaluate the Policy's comprehensiveness (Exhibit A).
- **Balance.** The Policy should provide a balance between investment restrictions, which can help protect the City's assets, and investment flexibility, which can help the investment staff adapt to changing market conditions and investment needs.
- **Clarity.** The Policy should express the City's investment objectives and preferences with clarity and consistency so that both the City's investment staff and other interested parties (the public, participants, or broker/dealers) clearly understand the Policy's intent.

While the basic Policy was sound, we believe that there were numerous areas within the Policy that could be modified to enhance the overall effectiveness of the Policy. Based on our review, we have developed recommendations for the City's consideration that we believe will update the Policy's language to be more in line with current Code requirements, enhance the clarity of the policy, and provide additional investment flexibility to allow the portfolio to provide the City with additional opportunities to safely enhance the portfolio's long-term return.

¹Founded in 1965, APT US & C represents 2,000 public treasury and finance officials in local, county and state/provincial governments throughout North America. The APT US & C's mission is to advance the public treasury profession by providing its membership with training, technical publications, and a forum to discuss and exchange ideas. Additional information is available at www.apusc.org. The California Municipal Treasurers Association ("CMTA") is one of 17 state associations of treasurers affiliated with APT US & C.



Our comments are not intended to imply that there was anything imprudent or incorrect with the City's current Policy. Rather, our comments were made to provide alternatives for the City's consideration. Our recommendations represent only one of many possible approaches the City could use for its Policy. Accordingly, the City should evaluate the implementation of each of these recommendations within the context of the City's own investment objectives, preferences, and available references. The City could reasonably conclude to incorporate only certain recommendations or develop alternative revisions based on the City's own preferences and objectives.

Our major recommendations are summarized below by Policy section. We did not list minor revisions/updates to Policy language that did not affect the intent of the Policy. In addition, we have attached a marked up copy of the Policy to illustrate our recommendations.

Global Changes

The following changes apply across multiple Policy sections. Consistent with the approach used in the Government Code, we recommend the City revise the Policy to delete references to specific rating agencies and instead use the SEC defined term Nationally Recognized Statistical Rating Organization or NRSRO. Furthermore, to be consistent with how credit ratings are now applied in the Code, we recommend revising the Policy's credit rating language to indicate that credit rating requirements are based on the rating category without regards to modifiers.

I. Purpose and Delegation

Although it is not necessary for the Policy to duplicate all of the Government Code requirements, we believe it is important to highlight certain requirements to ensure that they are understood by all parties and not overlooked. In particular, we recommend the City revise the Policy to incorporate key provisions of Code Section 53607, such that delegation of authority by the City Council to the City Treasurer is for a period of one year and that this authority may be renewed annually upon review by the City Council.

As the City currently uses an Investment Advisor to assist the Treasurer with the investment program, we recommend that the City add language to this section to indicate that this an approved practice.

V.A. Eligible Securities

Although it is the City's intention to hold securities to maturity, we recommend that the City add a provision indicating that the sale of a security prior to maturity is allowed. This is consistent with the prudent investor standard that enables the manager of the portfolio to take those actions they believe are prudent and consistent with the overall objectives for the portfolio.

V.A.1. Bank Deposits. To provide the City with additional investment flexibility, we recommend the City revise this section to allow all types of bank deposits rather than just certificates of deposits. Although it is not necessary to list bank deposits in the investment policy, as the Government Code classifies bank deposits separately from investments, we recommend that the City acknowledge that bank deposits are a permitted investment in the Policy.

V.A.6. Bankers Acceptances. To avoid potential confusion, we recommend the City delete 30% per issuer limitation from this section. The 30% limit is redundant, as it is superseded by the 10% per issuer limitation in *Section VII. Credit Ratings, Diversification and Maturity*.



V.A.8. Negotiable Certificates of Deposit. As negotiable certificates of deposits can have either short- or long-term debt ratings, we recommend the City incorporate the option for a long-term rating into this section. We also recommend that the City allow purchases of negotiable certificates of deposit from a federally licensed branch of a foreign bank. This was a change incorporated into the Code in 2012.

V.A.9. Repurchase Agreements. As repurchase agreements are typically conducted under a tri-party repurchase agreement, we recommend the City revise this section to allow the use of tri-party agreements.

V.A.10. Money Market Mutual Funds. When money market reform was implemented following the financial crisis, only those money market mutual funds that invest exclusively in government securities (and repurchase agreements related to such obligations) can still offer a stable share price. To protect the City's principal when investing in money market mutual funds, we recommend the City limit its use of money market mutual funds to government only funds.

V.A.11. Medium Term Notes. We recommend the City revise the Policy's minimum credit rating requirement for corporate securities to "A" from "AA." to match the Government Code. We are making this recommendation because the universe of "AAA" and "AA" issuers has shrunk considerably over the past several years.

This recommendation does not represent a change in PFM's stringent credit quality philosophy, but rather it is being made in recognition of the need for additional investment flexibility in the current market environment. Rather than protecting the City, the current rating requirement limits diversification within the portfolio, which can result in over concentration in particular corporate issuers. The revision would enable the City to consider additional issuers, enhance portfolio diversification, and capitalize on market opportunities without adding inappropriate risk.

V.A.12. State and Local Agency Obligations. To provide the City with additional investment flexibility, we recommend that the City add municipal obligations issued by other states to the list of permitted investments. This change was made to the Government Code in 2008.

Given changes to the municipal market over the past several years, we also recommend that the City revise this section to delete the requirements that restricted purchases to "AAA" rated taxable issues to provide the City with more investment options. With the demise of most bond insurers, "AAA" rated bonds are less available than several years ago. In addition, while tax-exempt issues typically offer lower yields than taxable issues, there is greater availability of tax-exempt issues, which at times can offer higher yields than comparable-maturity Treasury or Federal Agency securities.

V.A.13. Supranationals. To provide the City with additional investment flexibility, we recommend that the City add supranationals to the Policy's list of permitted investments. The addition of supranationals to the Policy would provide the City with an additional high-quality investment option (all of the issuers permitted by Code are rated "AAA"). The yields on these supranational issuers are typically slightly higher compared to Federal Agency securities with a comparable maturity.

Although LAIF and the State have been able to invest in supranationals for a number of years, the Code was changed several years ago to permit local agencies to invest in



supranationals. The addition of supranationals to the Code was to compensate for the reduction in the issuance of federal agency debt. Supranationals are securities issued by or unconditionally guaranteed by multi-lateral international financial institutions whose member nations contribute capital and participate in management. The U.S. government is the single largest shareholder in the three specific supranationals permitted for purchase by local agencies (the International Bank for Reconstruction and Development, the International Finance Corporation, and the Inter-American Development Bank).

VII.A.9. Placement Service Deposits. To provide the City with additional flexibility, we recommend the City add placement service deposits to the Policy's list of permitted investments. Placement service deposits offer a high of degree safety as the full amount of any deposit is required to be FDIC insured. Placement service deposits were added to the Government Code in 2007. One of the reasons for adding this investment type to the Code was a desire to enable local agencies to place funds with smaller community banks that would otherwise not be able to meet the collateralization requirements for bank deposits.

VII. Credit Ratings, Diversification and Maturity

To reduce ambiguity, we recommend that the City add language to this introductory paragraph to specify a basic procedure for how credit rating downgrades, below the Policy's minimum requirements, are to be handled. This provision would allow the City to address each downgrade on a case by case basis while ensuring that the appropriate parties are kept informed.

To provide the City with additional investment flexibility, we recommend the City delete the specific maturity ranges listed in this section. The Policy's current two-year maximum average maturity requirement along with the Policy's requirement that the City have sufficient liquidity to meet its expenditures for the next six months should ensure that the City maintains appropriate liquidity without the need to specify specific maturity ranges.

VIII. Internal Controls.

We recommend that the City incorporate the concept of "reasonable assurance" into this section to provide a standard for determining what internal control procedures are appropriate for the City.

X. Criteria for Selecting Brokers and Dealers

We recommend the City update this section to better reflect the City's current investment practices, which are consistent with Code requirements.

As the City uses an outside investment advisor, we also recommend that the City revise the Policy to recognize that the City's investment advisor is able to use their own list of approved broker/dealers when executing trades on the City's behalf.



XI. Investment Reports and Policy

As the Code's reporting requirements were made optional several years ago, as an unfunded mandate, we recommend the City update this section to better reflect the City's current reporting practices, which are consistent with the Code's recommended items.

Although no longer required by Code, we recommend that the Policy indicate that the City's investment policy will be reviewed on an annual basis, which is generally recommended as best practice.

Please let us know if you have any questions or if you would like to discuss our recommendations in more detail.

CITY OF SANTEE

Investment Policy



March 13, 2019

CITY OF SANTEE

10601 Magnolia Ave. Santee, CA 92071

CITY OF SANTEE INVESTMENT POLICY

I. PURPOSE AND DELEGATION

This document is intended to provide policies and guidelines for the prudent investment of public funds held by the City which are not required for immediate day-to-day operations. The investment goals are to ensure the safety of invested funds, provide for the City's liquidity needs and to enhance the economic condition of the City by earning an acceptable rate of return.

The City Council's management responsibility for the investment program is hereby delegated to the City Treasurer for a period of one-year. Subject to review, the City Council may renew the delegation of authority each year. The City Treasurer shall monitor and review all investments for consistency with this investment policy (the "Policy") and assume full responsibility for those transactions until the delegation of authority is revoked or expires.

In the execution of this delegated authority, the City Treasurer may establish accounts with qualified financial institutions and brokers/dealers for the purpose of effecting investment transactions in accordance with this Policy.

The City may contract with an SEC registered investment advisor to assist the City Treasurer with the investment program. The Investment Advisor actions shall be in conformance with this Policy and any written direction provided by the City Treasurer. The Investment Advisor shall never take possession of the City's funds.

II. DEFINITIONS

- A) "City" shall mean the City of Santee, the Community Development Commission Successor Agency of the City of Santee and any other Agency where the City Treasurer has the responsibility for depositing and/or investing surplus funds in accordance with applicable sections of the California Government Code.
- B) "Surplus" funds means those monies not immediately needed to pay demands against the City by vendors and other claimants.

III. POLICY AND GUIDELINES

The City Treasurer is responsible for depositing and/or investing the surplus funds in the City Treasury in accordance with the California Government Code, Sections 53600 et seq. The City manages its investment program in accordance with California Government Code Sections 53600.3, under which those making investments on its behalf are deemed to act in a fiduciary capacity subject to the prudent investor standard. Under the prudent investor standard those making investment decisions shall act with care, skill, prudence, and diligence under the

CITY OF SANTEE INVESTMENT POLICY

circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the City, in order to safeguard the principal and maintain the liquidity needs of the City.

IV. OBJECTIVE

The primary objectives of the City's investment program, in order of priority, are safety, liquidity and yield in accordance with Section 53600.5 of the California Government Code.

- A) SAFETY IS THE PRIMARY OBJECTIVE Safety and the minimizing of risk associated with investing refers to attempts to reduce the potential for loss of principal, interest or combination of the two. The City invests only in those instruments that are considered very safe.

- B) LIQUIDITY IS THE SECONDARY OBJECTIVE Liquidity refers to the ability to convert an investment to cash promptly with minimum risk of losing some portion of principal or interest. Liquidity also refers to the ability to meet all operating requirements which might be reasonably anticipated. A portion of the portfolio should be maintained in liquid short-term securities which can be converted to cash as necessary to meet operating requirements.

- C) YIELD IS THE THIRD OBJECTIVE Yield or investment return becomes an objective only after the basic requirements of safety and liquidity have been met. The City Treasurer shall attempt to realize a reasonable rate of return on investments consistent with market conditions, California statutes and the City's Investment Policy.

V. INVESTMENT INSTRUMENTS

A. Eligible Securities:

The City of Santee may invest in the following instruments under the guidelines as provided herein and in accordance with Sections 53601 et seq. of the California Government Code. Percentage limitations on the purchase of securities apply at the time of purchase. It is the City's intent at the time of purchase to hold all investments until maturity to ensure the return of all invested principal dollars, but sales prior to maturity are permitted.

- 1) BANK DEPOSITS Bank deposits including, but limited to, demand deposit accounts, savings accounts, market rate accounts, and time certificates of deposit in California depositories. All deposits must be collateralized in accordance with the California Government Code. The City Treasurer may waive collateral for the portion of deposits covered by federal deposit insurance. A written depository contract is required with all

CITY OF SANTEE INVESTMENT POLICY

institutions that hold City deposits. There is no limitation as to the amount of the City's surplus funds that may be invested in liquid bank deposits; however, purchases of certificates of deposit are restricted to a maximum of 30% of the City's surplus funds and a maximum maturity of one year.

- 2) FEDERAL AGENCY OBLIGATIONS Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There is no limitation as to the amount of the City's surplus funds that may be invested in federal agency obligations.
- 3) U.S. TREASURY OBLIGATIONS U.S. Treasury Bills, Notes, Bonds or Certificates of Indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest. There is no limitation as to the amount of the City's surplus funds that may be invested in U.S. Treasury obligations.
- 4) LOCAL AGENCY INVESTMENT FUND (LAIF) Investment of funds in the California LAIF which allows the State Treasurer to invest through the Pooled Money Investment Account subject to the State's annual investment policy. Maximum investment is subject to State regulation.
- 5) CALIFORNIA ASSET MANAGEMENT PROGRAM (CAMP) CAMP consists of the California Asset Management Trust, a California common law trust organized in 1989 that currently offers a professionally managed money market investment portfolio, the Cash Reserve Portfolio (the "Pool"). Cash in the Pool will be invested by the California Asset Management Trust's investment advisor in accordance with the prudent investor standard of the California Government Code. Only those investments authorized by the California Government Code will be used in the Cash Reserve Portfolio. There is no limitation as to the amount of the City's surplus funds that may be invested in the CAMP Pool.
- 6) BANKERS ACCEPTANCES Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as Bankers Acceptances, both domestic and foreign, which are eligible for purchase by the Federal Reserve System. Purchases of Bankers Acceptances must be from banks with a short-term debt rating of "A-1" or its equivalent or higher, and may not exceed 180 days maturity or 40% of the City's surplus funds.
- 7) COMMERCIAL PAPER Commercial Paper of "prime" quality of the highest rating as provided by a nationally recognized statistical rating organization (NRSRO). Purchases of eligible commercial paper may not exceed 270 days maturity nor represent more than 25% of the City's

CITY OF SANTEE INVESTMENT POLICY

surplus funds. Eligible paper is further limited to issuing corporations that are organized and operating within the United States as a general corporation, have total assets in excess of five hundred million dollars (\$500,000,000), and have debt other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or higher by an NRSRO.

- 8) NEGOTIABLE CERTIFICATES OF DEPOSIT Issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign. Purchases are limited to institutions which have long-term debt rated in a rating category of "A" or its equivalent or higher and/or have short-term debt rated "A-1" or its equivalent or higher by an NRSRO. Purchases of Negotiable Certificates of Deposit may not exceed 30% of the City's surplus funds.
- 9) REPURCHASE AGREEMENTS (Repos) A purchase of securities by the City pursuant to an agreement by which the seller will repurchase such securities on or before a specified date, or on demand of either party, and for a specified amount. No more than 10% of the City's surplus funds shall be invested in repurchase agreements. Investments in repos will be used solely as short term investments not to exceed 90 days and the market value of the securities used as collateral that underlay a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against those securities, and the value shall be marked to market daily. The collateral shall be limited to obligations of the United States government and its agencies.

Securities used as collateral shall be held by the City's depository bank trust department or be handled under a tri-party repurchase agreement. The City or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to Repurchase Agreement..

- 10) MONEY MARKET MUTAL FUNDS Money Market Mutual funds are limited to those money market funds that invest in U.S. Treasuries, Federal Agency obligations, and repurchase agreements relating to such obligations. The management companies shall either (1) attain the highest ranking or the highest letters and numerical rating provided by not less than two of the three largest nationally recognized rating services, or (2) have an investment advisor registered with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations as authorized above and with assets under management in excess of five hundred million dollars (\$500,000,000) and (3) follow regulations specified by the SEC under the Investment Company Act of 1940 (15 U.S.C. Section 80a-1, et seq.). The purchase price of shares for beneficial interest shall not include any

CITY OF SANTEE INVESTMENT POLICY

commission these companies may charge and shall not exceed 15% of the City's surplus funds.

- 11) MEDIUM TERM NOTES Medium-term notes defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any State and operating within the United States. Notes eligible for investment shall be rated in a rating category of "A" or its equivalent or higher an NRSRO. The amount invested in medium term notes may not exceed 30% of the City's surplus funds.

- 12) STATE AND LOCAL AGENCY OBLIGATIONS Registered treasury notes or bonds of any of the 50 United States, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any state.

Bonds, notes, warrants, or other evidences of indebtedness of any local agency within California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

Purchases are limited to securities rated in a long-term rating category of "A" or its equivalent or higher or have a short-term rating of "A-1" or its equivalent or higher by an NRSRO. The amount invested in state and local agency obligations shall not exceed 30% of the City's surplus funds.

- 13) SUPRANATIONALS United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. The amount invested in supranationals shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and shall not exceed 30% of the City's surplus funds.

- 14) PLACEMENT SERVICE DEPOSITS Insured deposits placed with a private sector entity that assists in the placement of deposits with eligible financial institutions located in the United States (Government Code Section 53601.8). The full amount of the principal and the interest that may be accrued during the maximum term of each deposit shall at all times be insured by federal deposit insurance. Placement Service Deposits shall not exceed 30% of the total value of the District's

CITY OF SANTEE INVESTMENT POLICY

investments. The maximum investment maturity will be restricted to three (3) years.

- 15) OTHER Other investments that are, or may become, legal investments through the State of California Government Code and with prior approval of the City Council.

B. Prohibited Securities:

- 1) Those securities not enumerated under Section V. A. "Eligible Securities"
- 2) Inverse floaters, range notes, interest only strips derived from a pool of mortgages (collateralized mortgage obligations) and any security that could result in zero interest accrual if held to maturity as specified in Section 53601.6 of the California Government Code.
- 3) Securities lending agreements.

VI. BOND PROCEEDS

Bond proceeds shall be invested in securities permitted by the applicable bond documents. If the bond documents are silent as to permitted investments, bond proceeds will be invested in securities permitted by this Policy. With respect to maturities, if in the opinion of the City Treasurer matching the segregated investment portfolio of the bond reserve fund with the maturity schedule of an individual bond issue is prudent given current economic analysis, the Policy authorizes extending beyond the five year maturity limitation as outlined in this document.

VII. CREDIT RATINGS, DIVERSIFICATION AND MATURITY

Credit ratings, where listed in section V. A., specify the minimum credit rating required at time of purchase. The security, at the time of purchase, may not be rated below the minimum credit requirement by any of the three main NRSROs (Standard & Poor's, Moody's or Fitch) that rate the security. In the event that an investment originally purchased within Policy guidelines is downgraded below the Policy requirements, the course of action to be followed by the City Treasurer will then be decided on a case-by-case basis, considering such factors as the reason for the downgrade, prognosis for recovery or further rating downgrades, and the market price of the security.

Investments shall be diversified among institutions, types of securities and maturities to maximize safety and yield with changing market conditions. Investment maturities will be scheduled to permit the City to meet all projected obligations, based on cash flow forecasts.

CITY OF SANTEE INVESTMENT POLICY

The City's cash management system is designed to accurately monitor and forecast expenditures and revenues, thus enabling the City to invest funds to the fullest extent possible. The weighted average maturity of the portfolio shall not exceed two years. A policy of laddered maturities will generally be followed. No investment shall be made in any security, other than a security underlying a repurchase agreement authorized by section V. A. 9), that at the time of the investment has a term remaining to maturity in excess of five years, unless the City Council has granted express authority to make that investment either specifically or as a part of an investment program approved by the City Council no less than three months prior to the investment.

The Policy further limits the percentage holdings with any one issuer to a maximum of 10% of the City's surplus funds, except for investments in U.S. Treasury securities, Federal Agency securities, CAMP and LAIF.

VIII. INTERNAL CONTROLS

The City Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity under his/her control are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgement by management. At a minimum, the internal controls shall address the following points:

- A) Control of Collusion - Collusion is a situation where two or more employees are working together to defraud an entity.
- B) Separation of Duties - By separating the person who authorizes or performs the transaction from the people who record or otherwise account for the transaction, a separation of duties is achieved.
- C) Safekeeping - Securities purchased from any bank or dealer including appropriate collateral (as defined by State law) shall be placed with the City's depository bank in its trust department for safekeeping. Said securities shall be held in a manner that establishes the City's right of ownership.
- D) Clear Delegation of Authority - Subordinate staff members must have a clear understanding of their authority and responsibility to avoid improper actions.

**CITY OF SANTEE
INVESTMENT POLICY**

- E) Delivery vs. Payment - All investment transactions of the City, involving deliverable securities, shall be conducted using standard delivery vs. payment procedures. Delivery versus payment is a settlement procedure, which involves the delivery of cash and securities to the custodian. The custodian won't transfer the cash or securities to the respective parties until all items are received to enable the simultaneous transfer of the cash or securities. This ensures the City will, at all times, have control, through its custodian, of either the securities or the cash for those securities.

IX. PERFORMANCE STANDARDS

The investment portfolio shall be managed with the objective of producing a yield approximating the average return on the two-year U.S. Treasury. This index is considered a benchmark for low to moderate risk investment transactions. Therefore, it comprises a minimum standard for the portfolio's rate of return. The investment program shall seek to augment returns above this threshold, consistent with risk limitations identified herein and prudent investment principles. This benchmark will be reviewed periodically and may be adjusted as required by market conditions to prevent incurring unreasonable risks to attain yield.

X. CRITERIA FOR SELECTING FINANCIAL INSTITUTIONS AND BROKER/DEALERS

Securities not purchased directly from the issuer, shall be purchased either from an institution licensed by the state as a broker-dealer, as defined in Section 25004 of the Corporations Code, or from a member of a federally regulated securities exchange, from a national or state-chartered bank, from a savings association or federal association (as defined by Section 5102 of the Financial Code) or from a brokerage firm designated as a primary government dealer by the Federal Reserve bank

For transactions executed directly by the City and not purchased from the issuer, the City Treasurer will maintain a list of financial institutions authorized to execute investment transactions. Furthermore, each financial institution must certify that it has reviewed and understands the California Government Code Sections 53600 et seq. and this Policy and that all securities offered to the City will comply fully with all provisions of the Government Code and with this Policy.

For transactions initiated through the Investment Advisor, the firm may use their own list of approved broker/dealers and financial institutions, which it will maintain and review periodically.

**CITY OF SANTEE
INVESTMENT POLICY**

XI. INVESTMENT REPORTS AND POLICY

- A) The City Treasurer shall submit a monthly investment report to the City Manager and City Council. The report shall encompass all investments and monies held by the City, and/or under the management of any outside party and shall include a list of security transactions, the type of investment, issuer, date of maturity, par and dollar amount invested on all securities, current market value on all securities (including the source of this valuation). The report shall state whether the investments comply with the Policy and whether the City will be able to meet its needs for cash for the next six months.

- B) This Policy shall be reviewed annually and be adopted by resolution of the City Council at a public meeting. Any modifications made thereto must be approved by the City Council at a public meeting.

City of Santee
COUNCIL AGENDA STATEMENT

MEETING DATE March 13, 2019

AGENDA ITEM NO.

ITEM TITLE **RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA APPROVING A CHANGE ORDER TO THE TRAFFIC SIGNAL MAINTENANCE CONTRACT WITH SELECT ELECTRIC, INC. FOR EMERGENCY REPAIR AND DETERMINING A CATEGORICAL EXEMPTION PURSUANT TO SECTION 15301(D) OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT**

DIRECTOR/DEPARTMENT Melanie Kush, Development Services 

SUMMARY In February, the traffic signal at the intersection of Cuyamaca Street and Riverwalk Drive failed and it was necessary for the emergency replacement of the traffic signal cabinet and controller. This item requests City Council authorize the Director of Development Services to execute a change order to the traffic signal maintenance contract approved on May 23, 2018 with Select Electric, Inc. to cover the emergency work.

Beginning in December 2018, the traffic signal at Cuyamaca Street – Riverwalk Drive started to intermittently flicker and/or stop working momentarily. After extensive trouble-shooting, the problem persisted. Staff placed the signal in flashing red mode to reduce the potential hazard to the public and the damage that could result from a malfunctioning traffic signal controller. The Director of Development Services determined that immediate and emergent repairs were necessary to safeguard public health, welfare and property which were then authorized by the City Manager. The traffic signal cabinet and controller were replaced by the City's traffic signal maintenance contractor, Select Electric, Inc. on February 11, 2019. The total cost of the replacement of the traffic signal is \$31,358.17. This work qualified as an emergency under Santee Municipal Code Section 3.24.150(C) which is defined as the breakdown in machinery or equipment or the interruption of essential service or any threat to public health, safety or welfare.

ENVIRONMENTAL REVIEW

Categorically exempt from the provisions of the California Environmental Quality Act (CEQA) Section 15301 (d).

FINANCIAL STATEMENT 

The traffic signal cabinet replacement at Cuyamaca Street – Riverwalk Drive was due for an upgrade as part of the Citywide Transportation Improvement Master Plan Implementation Project (CIP 2013-54) and was scheduled to be upgraded later this year. Funding for the \$31,358.17 change order is included in the adopted FY 2018-19 Capital Improvement Program Budget for CIP 2013-54 utilizing Traffic Signal Impact Fees. The change order will increase the current traffic signal maintenance contract amount from \$92,817.00 to \$124,175.17.

CITY ATTORNEY REVIEW N/A Completed

RECOMMENDATION 

Adopt the resolution authorizing the Director of Development Services to execute a change order to the FY 2018-19 traffic signal maintenance contract with Select Electric, Inc. in an amount not to exceed \$31,358.17.

ATTACHMENTS

Resolution

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA
APPROVING A CHANGE ORDER TO THE TRAFFIC SIGNAL MAINTENANCE
CONTRACT WITH SELECT ELECTRIC, INC. FOR EMERGENCY REPAIR AND
DETERMINING A CATEGORICAL EXEMPTION PURSUANT TO SECTION 15301(D)
OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT**

WHEREAS, on February 11, 2019, the traffic signal at the intersection of Cuyamaca Street and Riverwalk Drive failed and was beyond repair; and

WHEREAS, the immediate replacement of the traffic signal controller and cabinet was required to safeguard public health, safety and welfare; and

WHEREAS, Section 3.24.150 (A) of the Santee Municipal Code requires the City Council to approve purchases over \$20,000 in the case of an emergency that threatens public health, safety, and welfare; and

WHEREAS, the replacement traffic signal cabinet is included as part of the Citywide Transportation Improvement Plan Implementation Project in the adopted FY 2018-19 Capital Improvement Program budget; and

WHEREAS, this work is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) as provided in CEQA Guidelines Section 15301 (d).

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santee, California, that the Director of Development Services is hereby authorized to execute a change order on behalf of the City to the FY 2018-19 Traffic Signal Maintenance Contract with Select Electric, Inc. in an amount not to exceed \$31,358.17.

ADOPTED by the City Council of the City of Santee, California, at a Regular meeting thereof held this 13th day of March, 2019, by the following roll call vote to wit:

AYES:

NOES:

ABSENT:

APPROVED:

JOHN W. MINTO, MAYOR

ATTEST:

ANNETTE ORTIZ, MBA, CMC, CITY CLERK

City of Santee
COUNCIL AGENDA STATEMENT

MEETING DATE March 13, 2019

AGENDA ITEM NO.

ITEM TITLE CLAIM AGAINST THE CITY BY LISA WARNER

DIRECTOR/DEPARTMENT Jessie Bishop, Director of Human Resources *JB*

SUMMARY

A claim was filed against the City by Lisa Warner. The claim was reviewed by the City's Director of Human Resources prior to bringing it forward for consideration. The Director of Human Resources recommends this claim be rejected as provided in Government Code Section 913.

The claim documents are on file in the Office of the City Clerk for Council reference.

JW

FINANCIAL STATEMENT There is no financial impact to the City by rejecting claims.

CITY ATTORNEY REVIEW N/A Completed

RECOMMENDATION *MSB*

Reject claim as per Government Code Section 913.

ATTACHMENTS

None

City of Santee
COUNCIL AGENDA STATEMENT

MEETING DATE

March 13, 2019

AGENDA ITEM NO.**ITEM TITLE**

**FISCAL YEAR 2018-19 OPERATING BUDGET UPDATE AND
 RESOLUTION AMENDING THE FISCAL YEAR 2018-19 BUDGET**

DIRECTOR/DEPARTMENTTim K. McDermott, Finance *tm***SUMMARY**

The operating budget for fiscal year 2018-19 was adopted by the City Council on June 13, 2018. The attached staff report provides an update on the current fiscal year budget, including a brief discussion of some key factors impacting the development of the upcoming budgets for fiscal year 2019-20 and beyond. The attached schedules provide an overview of the fiscal year 2018-19 operating budget, including amendments to the budget reflecting changes in revenue estimates and proposed appropriation adjustments.

Budget review sessions for the proposed FY 2019-20 operating budget are planned for June 12th and June 26th, with the budget scheduled to be adopted on June 26th.

FINANCIAL STATEMENT *tm*

The fiscal year 2018-19 amended General Fund operating budget reflects estimated revenues totaling \$44.2 million and operating expenditure appropriations totaling \$43.3 million. Transfers for vehicle replacement and supplemental payments to reduce unfunded liabilities, using supplemental reserve funds total \$1.5 million. The reserve balance at June 30, 2019 is projected to be \$9.9 million or 23% of annual General Fund expenditures.

CITY ATTORNEY REVIEW N/A Completed**RECOMMENDATION** *MAB*

Adopt the attached resolution amending the fiscal year 2018-19 budget and provide direction to staff.

ATTACHMENTS (Listed Below)

1. Staff Report
2. General Fund Summary
3. General Fund Revenue Detail
4. General Fund Summary of Appropriation Adjustments by Department
5. Other Funds Summary of Appropriation Adjustments
6. Resolution

STAFF REPORT

FISCAL YEAR 2018-19 OPERATING BUDGET UPDATE AND RESOLUTION AMENDING THE FISCAL YEAR 2018-19 BUDGET

**CITY COUNCIL MEETING
MARCH 13, 2019**

Overview

Through a combination of solid revenue growth and budget savings the City ended last fiscal year and expects to end this fiscal year with a better than anticipated reserve balance. This reserve balance will be vital to assist the City in navigating projected future budget challenges driven primarily by sharp annual increases in CalPERS retirement costs and contract law enforcement services costs, and in helping to meet current and future infrastructure and facility needs.

The following discussion and schedules present updated revenue projections for FY 2018-19, and expenditure appropriation adjustments reflecting City Council actions taken earlier this year as well as several other required and proposed adjustments. The Amended Operating Budget for Fiscal Year 2018-19 is a balanced budget which provides for a reserve balance of \$9.9 million or 23% of annual General Fund operating expenditures. Supplemental reserves in excess of the City's 20% minimum reserve policy can provide resources for future capital expenditures, to pay down unfunded liabilities for CalPERS retirement and retiree health costs and to provide a cushion against future years' budget challenges.

	FY 2018-19 Amended Budget
Revenues	\$ 44,207,198
Expenditures	(43,294,447)
Revenues Over Expenditures	912,751
Transfers to Vehicle Replacement Fund	(1,000,000)
Unfunded Liabilities Payments	(500,000)
Fund Balance, July 1, 2018	10,467,415
Fund Balance, June 30, 2019	<u>\$ 9,880,166</u>

General Fund Revenues

General Fund revenues for FY 2018-19 are projected to total \$44.2 million, a \$1.9 million increase from the original budget estimate. Of this \$1.9 million increase, approximately \$839,000 is revenue that should have been received in the prior fiscal year as discussed on the next page. Following is a discussion of key revenues.

Property Taxes: Property Taxes represent 42% of General Fund revenues and are received based on net assessed valuation. Citywide net assessed valuation increased by 6.7% in FY 2018-19. Property tax revenues are projected to total \$18.6 million in FY 2018-19, an increase of \$1.1 million from the previous fiscal year and \$272,300 more than the FY 2018-19 original budget estimate.

Sales Tax: Sales Tax represents 30% of General Fund revenues and is projected to total \$13.4 million in FY 2018-19. This represents a \$708,266 increase from the prior fiscal year and a \$549,800 increase from the original budget estimate. However, included in the FY 2018-19 revenue is approximately \$303,000 in sales tax revenue that should have been received in the prior fiscal year. The California Department of Tax and Fee Administration implemented new software in early 2018 that delayed the allocation and distribution of sales tax revenue to local jurisdictions throughout the State.

Franchise Fees: Franchise Fees represent the third largest discretionary source of revenue and are received from Waste Management, San Diego Gas & Electric (SDG&E), Cox Communications and AT&T. Franchise Fees are projected to total \$2.9 million in FY 2018-19, an increase of \$61,015 from the prior fiscal year and an \$81,600 increase from the original budget estimate. The increases are being realized in the franchise fees received from Waste Management and SDG&E.

Fire Reimbursements: Federal and State reimbursements for Santee strike teams and personnel deployments as a result of the active 2018 fire season are projected to total \$406,500 in FY 2018-19. This represents a \$130,293 increase from the prior fiscal year and a \$206,900 increase from the original budget estimate. This additional revenue will be used to offset the additional overtime costs incurred during strike team deployments.

Building Fees: Building permit fees are projected to total \$1.6 million in FY 2018-19. This represents a \$468,949 decrease from the prior fiscal year but a \$243,300 increase from the original budget estimate. Building services are provided to the City under a contract with Esgil Corporation with 75% of most building permit fees collected being paid to Esgil. Thus the \$243,300 estimated revenue increase is substantially offset with a \$180,230 expenditure appropriation increase in the Development Services Department (Building Division).

County Service Area 69 (CSA 69): Emergency medical service program reimbursements to be received in FY 2018-19 from CSA 69 will total \$3.8 million, which represents a \$1.2 million increase from the prior fiscal year and a \$535,600 increase from the original estimate. This increase is the result of the final two monthly reimbursements for the prior fiscal year not being received until September 2018. Thus there will be 14 months of revenue reflected in FY 2018-19.

General Fund Expenditures

The amended budget reflects General Fund operating expenditures totaling \$43.3 million in FY 2018-19, a \$948,940 increase from the current budget. Following is a discussion of the proposed appropriation adjustments.

Personnel Costs: For calendar year 2019 the City realized a 6.0% decrease in medical insurance premiums, resulting in a cost savings of \$132,930 for the final six months of the fiscal year. Personnel cost adjustments also reflect insurance coverage election changes made by employees during the fiscal year to date, and the payment of accrued vacation leave for four employees that retired in December 2018.

Personnel Costs: Workers Comp: An increase in workers compensation claims expenditures totaling \$311,300 is reflected.

Purchase of Copiers: Appropriation increases totaling \$96,600 are reflected for the proposed purchase of eight (8) copiers that would replace existing copiers that range in age from more than five (5) to eleven (11) years old. A pooled maintenance agreement would be utilized to reduce supplies, service and maintenance costs. The proposed purchase will be brought forward to the City Council for consideration on March 27th.

City Attorney: An increase of \$120,000 is proposed for legal work in support of the theater project, Climate Action Plan, Community Choice Aggregation, Municipal Code update and election related work.

City Clerk: An increase of \$31,490 is required for the cost of signature verification by the County Registrar of Voters.

Human Resources & Risk Management: An increase of \$53,000 is necessary for an increase in liability claims expenditures.

Development Services: An increase of \$180,230 for contract building services costs is necessary as previously discussed.

Community Services: An increase of \$49,000 is proposed for the cost of fire mitigation work previously incurred which will then provide funding to clear 93 “at risk” trees throughout the City. Other adjustments are proposed for costs related to the relocation of the Teen Center and for facility operational costs.

Fire: An increase of \$206,900 in overtime costs incurred for reimbursable strike team deployments is reflected.

Unfunded Liabilities (OPEB/Retiree Health): The amended budget reflects an additional \$250,000 (or \$500,000 total for FY 2018-19) in payments to the OPEB (retiree health) trust in order to further reduce the City’s unfunded liabilities, consistent with the City Council’s Tier 1 Priorities.

General Fund Reserves

The amended budget reflects a projected fund balance of \$9.9 million at June 30, 2019, which is an \$811,485 improvement from the originally adopted budget. The City Council may consider providing direction to staff to commit a portion or all of the projected reserve balance in excess of the 20% policy level for purposes such as the following.

- Capital Improvement Program, for a specific project(s) or in general pending the upcoming Capital Improvement Program update
- Additional payments to reduce retiree health and/or CalPERS unfunded liabilities
- Implementation of the City’s brand once developed
- Hold in reserves as additional protection against future economic/budgetary uncertainty

Other Funds Expenditures

The amended budget reflects the following proposed appropriation adjustments.

Recreation Revolving Fund: The amended budget reflects an \$11,840 decrease in Teen Program appropriations which are being transferred to the General Fund (with no net decrease in overall Teen Program appropriations). Also reflected are other incidental appropriation reductions totaling \$2,400.

Highway 52 Coalition Fund: The establishment of budget for the Highway 52 Coalition Fund for FY 2018-19 totaling \$84,850 is proposed as detailed on Attachment 5. It includes funding for legal support by the City Attorney’s Office, the federal lobbyist, meeting and outreach costs including a planned trip to Washington D.C. to meet with congressional representatives and their staff in support of the recently submitted INFRA grant application, and other minimal incidental expenses.

Looking Forward

As we look forward, increasing real estate values and new development are expected to continue to provide for growth in property tax revenues, though at a lesser rate than that experienced over the past several years. The recent flattening in sales tax revenue growth is a cause for concern, as are the sharp annual increases in CalPERS retirement and contract law enforcement services costs the City is facing. The City’s ability to identify additional resources to supplement ongoing efforts to address infrastructure deficiencies such as street repair and corrugated metal pipe storm drain repairs and replacement, and to provide for needed public/community facilities, will continue to be a challenge in the absence of additional revenue sources.

The proposed FY 2019-20 operating budget and the FY 2020 – 2024 capital improvement program (CIP) update are currently being developed by staff and are scheduled to be brought forward for City Council and public review as follows.

- May 22nd Capital Improvement Program
- June 12th Operating Budget and Capital Improvement Program
- June 26th Operating Budget and Capital Improvement Program adoption

**CITY OF SANTEE
GENERAL FUND SUMMARY
FY 2018-19 MID-YEAR BUDGET AMENDMENTS**

Attachment 2

	FY 2018-19 Current Budget	FY 2018-19 Amended Budget	Increase (Decrease)
Revenues	\$ 42,280,698	\$ 44,207,198	\$ 1,926,500
Expenditures by Dept:			
City Council	428,330	426,580	(1,750)
City Attorney	494,000	614,000	120,000
City Manager (total):	963,909	963,969	60
City Manager	716,179	714,599	(1,580)
Economic Development	247,730	249,370	1,640
Information Technology	404,610	402,670	(1,940)
Animal Control	434,800	434,800	-
City Clerk	381,400	451,820	70,420
Human Resources & Risk Mgmt (total):	979,900	1,027,380	47,480
Human Resources	523,530	518,010	(5,520)
Risk Management	456,370	509,370	53,000
Finance	1,201,140	1,185,280	(15,860)
Development Services (total):	4,366,320	4,565,330	199,010
Engineering	2,180,870	2,184,780	3,910
Stormwater	196,000	194,680	(1,320)
Planning	881,800	891,750	9,950
Building	987,400	1,171,470	184,070
Code Compliance	120,250	122,650	2,400
Community Services (total):	4,531,910	4,611,930	80,020
Administration	469,250	467,060	(2,190)
Public Svcs - Maintenance	2,960,020	3,010,090	50,070
Stormwater	97,370	97,370	-
Solid Waste	43,940	43,690	(250)
Facility Operations	74,050	83,980	9,930
Recreation	608,170	631,760	23,590
Special Events	279,110	277,980	(1,130)
Law Enforcement	14,570,400	14,570,400	-
Fire and Life Safety (total):	13,385,018	13,836,518	451,500
Administration	873,540	933,600	60,060
Emergency Operations	8,795,348	9,104,328	308,980
Emergency Medical	3,291,760	3,374,330	82,570
Emergency Preparedness	26,950	26,950	-
Fleet Operations and Maintenance	397,420	397,310	(110)
Debt Service	203,770	203,770	-
Total Operating Expenditures	42,345,507	43,294,447	948,940
Revenues Over (Under) Expenditures	(64,809)	912,751	977,560
Transfers to Vehicle Replacement Fund	1,000,000	1,000,000	-
Unfunded Liabilities (OPEB/retiree health)	250,000	500,000	250,000
Change in Fund Balance	(1,314,809)	(587,249)	727,560
Fund Balance, Beg. of Year	10,383,490	10,467,415	83,925
Fund Balance, End of Year	\$ 9,068,681	\$ 9,880,166	\$ 811,485

**CITY OF SANTEE
GENERAL FUND
REVENUE DETAIL
FY 2018-19 REVISED ESTIMATES**

Attachment 3

Account No.	Account Name	FY 2017-18 Actual	FY 2018-19 Current Budget	FY 2018-19 Revised Estimate	Change in Estimate
Property Taxes		17,503,203	18,334,100	18,606,400	272,300
1001.00.4001	Property Tax Secured and Unsecured	9,852,543	10,282,600	10,382,800	100,200
1001.00.4002	Property Tax - Redev Passthrough	391,692	396,200	411,200	15,000
1001.00.4003	Property Tax - Redev Residual Distrib	1,373,396	1,445,100	1,495,700	50,600
1001.00.4005	Real Property Transfer	351,617	380,700	380,700	-
1001.00.4006	Property Tax In Lieu	5,533,955	5,829,500	5,936,000	106,500
Sales and Use Taxes		11,333,247	11,585,500	11,994,400	408,900
1001.00.4011	Sales and Use Taxes	12,645,534	12,804,000	13,353,800	549,800
1001.00.4015	Location Agreement Payment	(1,312,287)	(1,218,500)	(1,359,400)	(140,900)
Transient Occupancy Tax		535,147	536,000	551,400	15,400
1001.00.4020	Transient Occupancy Tax	535,147	536,000	551,400	15,400
Franchise Fees		3,183,765	3,171,700	3,253,900	82,200
1001.00.4030	Franchise Fees	2,871,885	2,851,300	2,932,900	81,600
1001.00.4031	Sycamore Landfill Fees	311,880	320,400	321,000	600
Special Assessments		1,083,520	1,084,500	1,091,800	7,300
1001.03.4102	Assessments - Fire Benefit Fee	1,083,520	1,084,500	1,091,800	7,300
Intergovernmental		375,823	291,100	537,300	246,200
1001.00.4202	Motor Vehicle License Fees	30,057	26,000	27,300	1,300
1001.00.4206	SB90 Claims	30,537	31,500	40,200	8,700
1001.03.4207	CSA 115	39,022	34,000	63,300	29,300
1001.03.4250	Fire Reimbursements - Federal	16,713	29,100	220,600	191,500
1001.03.4251	Fire Reimbursements - State	249,748	167,000	179,700	12,700
1001.03.4252	Fire Reimbursements - Local/Other	9,746	3,500	6,200	2,700
Licenses and Permits		2,195,770	1,506,800	1,720,800	214,000
1001.00.4301	Business Licenses - New	42,901	42,500	38,500	(4,000)
1001.00.4302	Business Licenses - Renewals	53,646	55,300	53,600	(1,700)
1001.00.4303	Regulatory Permits	2,032	2,600	3,300	700
1001.00.4304	Business Licenses - Other	1,085	1,000	700	(300)
1001.00.4305	SB 1186 Surcharge	526	-	-	-
1001.00.4306	Home Occupation Permit - New	4,920	4,800	5,000	200
1001.00.4307	Home Occupation Permit - Renewal	14,297	16,500	16,300	(200)
1001.00.4310	Alarm Permits	1,500	1,400	1,600	200
1001.03.4330	Fire Department - Permits/Services	36,614	56,700	32,500	(24,200)
1001.04.4340	Building Fees - Eng Direct City Costs	15,979	12,000	12,000	-
1001.04.4341	Building Fees - Subject to Split	2,004,960	1,300,000	1,540,300	240,300
1001.04.4343	Building Fees - Plng Direct City Costs	17,310	14,000	17,000	3,000
Fines and Forfeitures		178,820	157,300	186,800	29,500
1001.00.4401	Vehicle Code Fines	112,720	111,900	129,800	17,900
1001.00.4402	Other Fines and Forfeitures	14,592	14,700	13,100	(1,600)
1001.04.4402	Other Fines and Forfeitures	358	-	-	-
1001.04.4403	Code Compliance Administrative Citations	14,423	5,300	4,000	(1,300)
1001.04.4404	Stormwater Administrative Citations	12,235	5,700	5,700	-
1001.00.4410	Parking Citations	24,492	19,700	34,200	14,500

**CITY OF SANTEE
GENERAL FUND
REVENUE DETAIL
FY 2018-19 REVISED ESTIMATES**

Attachment 3

Account No.	Account Name	FY 2017-18 Actual	FY 2018-19 Current Budget	FY 2018-19 Revised Estimate	Change in Estimate
Charges for Services		4,675,951	5,106,300	5,700,400	594,100
1001.04.4601	Engineering - Fee Based	50,440	50,000	50,000	-
1001.04.4603	Engineering - Full Cost Recovery	633,154	400,000	400,000	-
1001.04.4611	Street Light Energizing Fee	2,615	-	500	500
1001.04.4612	Stormwater Inspection	2,805	16,000	5,000	(11,000)
1001.04.4621	Planning - Fee Based	25,086	17,000	50,000	33,000
1001.04.4623	Planning - Full Cost Recovery	119,612	89,700	89,700	-
1001.02.4632	CSD - Full Cost Recovery	594	900	900	-
1001.03.4633	Fire - Full Cost Recovery	5,771	4,500	4,000	(500)
1001.00.4635	Finance - Full Cost Recovery	6,074	3,500	5,000	1,500
1001.00.4640	Admin Tow Fees	32,035	32,800	29,700	(3,100)
1001.00.4641	Cost Recovery - Restitution	3,539	2,000	2,400	400
1001.03.4646	Instructional Services - FTES	8,925	18,100	15,100	(3,000)
1001.02.4650	Sports Field Lighting	49,532	38,000	48,400	10,400
1001.02.4676	Teen Programs	14,476	16,600	12,600	(4,000)
1001.02.4680	Special Events	122,071	117,100	122,300	5,200
1001.00.4691	Candidate Statements	-	4,800	4,000	(800)
1001.03.4692	CSA 69	2,584,442	3,297,100	3,832,700	535,600
1001.00.4694	City Clerk - Misc Fees	981	1,600	1,900	300
1001.00.4695	Passport Services	-	-	19,200	19,200
1001.00.4699	Charges to Other Funds	181,960	58,200	58,200	-
1001.02.4699	Charges to Other Funds	188,050	226,100	266,100	40,000
1001.04.4699	Charges to Other Funds	643,789	712,300	682,700	(29,600)
Use of Money and Property		494,652	475,500	485,500	10,000
1001.00.4701	Interest Income	115,677	120,000	127,200	7,200
1001.00.4705	Rent/Lease/Use Income	32,839	-	-	-
1001.04.4705	Rent/Lease/Use Income	3,337	9,900	15,600	5,700
1001.02.4711	City Facilities - Sportsplex	183,553	184,400	184,400	-
1001.02.4716	TCCP East Concessions	2,764	3,200	5,500	2,300
1001.02.4722	Rental - Bldgs 7 & 8	50,460	41,000	43,700	2,700
1001.02.4723	Rental - Picnic Shelters	43,908	41,500	43,200	1,700
1001.02.4724	Rental - Ball Fields	62,114	75,500	65,900	(9,600)
Other Revenue		483,982	21,898	68,498	46,600
1001.00.4801	Miscellaneous Income	450,160	5,000	5,000	-
1001.01.4801	Miscellaneous Income	-	-	36,500	36,500
1001.03.4801	Miscellaneous Income	1,422	700	1,200	500
1001.04.4801	Miscellaneous Income	2,181	1,000	10,000	9,000
1001.02.4802	Donations	-	750	750	-
1001.02.4803	Donations - Memorial Program	1,400	-	-	-
1001.04.4805	Abandoned Property Registration	500	-	-	-
1001.04.4806	Code Compliance/Other	28,210	-	4,600	4,600
1001.02.4808	Taxable Sales	51	-	-	-
1001.01.4811	Loss Control Program	-	4,000	-	(4,000)
1001.01.4812	Insurance Dividends	-	-	-	-
1001.03.4821	Sale of Real & Personal Property	-	10,448	10,448	-
1001.00.4831	Cash Over/Short	58	-	-	-
Other Financing Sources		33,852	10,000	10,000	-
1001.00.8001	Operating Transfers In	33,852	10,000	10,000	-
Total General Fund		42,077,732	42,280,698	44,207,198	1,926,500

**CITY OF SANTEE
GENERAL FUND**

Attachment 4

**SUMMARY OF APPROPRIATION ADJUSTMENTS BY DEPARTMENT
FY 2018-19 OPERATING BUDGET MID-YEAR AMENDMENTS**

	Increase (Decrease)
City Council	
Personnel costs	\$ (4,550)
Copier purchase (one-third of cost)	2,800
	<u>(1,750)</u>
City Attorney	
Theater, Climate Action Plan/CCA, Muni Code Update, Elections	<u>120,000</u>
City Manager	
Personnel costs	(5,540)
Copier purchase (two-thirds of cost)	5,600
	<u>60</u>
Information Technology	
Personnel costs	<u>(1,940)</u>
City Clerk	
Personnel costs	730
Election costs - initiatives signature verification by County	31,490
Copier purchase	38,200
	<u>70,420</u>
Human Resources & Risk Management	
Personnel costs	(13,920)
Claims awards and indemnities	53,000
Copier purchase	8,400
	<u>47,480</u>
Finance	
Personnel costs	(24,260)
Copier purchase	8,400
	<u>(15,860)</u>
Development Services	
Personnel costs	2,380
Contract building services	180,230
Copiers purchase (2)	16,400
	<u>199,010</u>
Community Services	
Personnel costs	(55,180)
Personnel costs - workers comp.	58,000
Public services - fire mitigation work/clearing of "at risk" trees	49,000
Recreation - Teen Center relocation	15,600
Community Facility Operations (utilities)	4,200
Copier purchase	8,400
	<u>80,020</u>
Fire and Life Safety	
Personnel costs	(17,100)
Personnel costs - overtime (reimbursed)	206,900
Personnel costs - workers comp	253,300
Copier purchase	8,400
	<u>451,500</u>
Total Operating Expenditures Appropriation Adjustments	<u>\$ 948,940</u>
Other Uses	
Unfunded liabilities (OPEB/retiree health)	<u>\$ 250,000</u>
Total Appropriation Adjustments - General Fund	\$ 1,198,940

CITY OF SANTEE

Attachment 5

OTHER FUNDS

SUMMARY OF APPROPRIATION ADJUSTMENTS BY FUND
FY 2018-19 OPERATING BUDGET MID-YEAR AMENDMENTS

	<u>Increase (Decrease)</u>
Recreation Revolving Fund	
Contractual camps (expert/consulting services)	\$ (2,000)
Teen programs (move to General Fund)	(11,840)
Revolving support (postage)	(400)
Total	<u>\$ (14,240)</u>
Highway 52 Coalition Fund (establishes the budget)	
Legal services - City Attorney	\$ 21,400
Expert/consulting services (federal lobbyist)	55,000
Meetings and outreach	7,850
Bank fees	200
Materials and supplies	200
Software maintenance and licensing	200
Total	<u>\$ 84,850</u>

RESOLUTION NO. _____-2019

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE,
CALIFORNIA AMENDING THE OPERATING BUDGET
FOR FISCAL YEAR 2018-19**

WHEREAS, the City Council of the City of Santee adopted the Operating Budget for Fiscal Year 2018-19 by Resolution No. 073-2018 on June 13, 2018; and

WHEREAS, the City Manager has prepared and submitted to the City Council for its review and approval certain budget amendments for fiscal year 2018-19; and

NOW, THEREFORE BE IT RESOLVED that the City Council of the City of Santee, California, does hereby find, determine and declare as follows:

Section 1: The fiscal year 2018-19 budget amendments as submitted by the City Manager, including all changes directed by the City Council, are approved and adopted.

Section 2: The monies necessary to offset the expenditures for the fiscal year 2018-19 budget amendments as adopted by the City Council pursuant to Section 1 hereof, are authorized by this section to be appropriated out of the funds available to the City during said fiscal year.

ADOPTED by the City Council of the City of Santee, California, at a regular meeting thereof held this 13th day of March 2019, by the following roll call vote to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED:

JOHN W. MINTO, MAYOR

ATTEST:

ANNETTE ORTIZ, CMC, MBA, CITY CLERK

City of Santee
COUNCIL AGENDA STATEMENT

MEETING DATE March 13, 2019

AGENDA ITEM NO.

ITEM TITLE A RESOLUTION AUTHORIZING SUBMISSION OF THE ANNUAL HOUSING ELEMENT PROGRESS REPORT FOR CALENDAR YEAR 2018 TO THE STATE OF CALIFORNIA OFFICE OF PLANNING AND RESEARCH AND THE STATE OF CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

DIRECTOR/DEPARTMENT Melanie Kush, Director of Development Services *MK*

SUMMARY

State law requires that the City report annually to the City Council, State Office of Planning and Research (OPR) and State Department of Housing and Community Development (HCD) on the City's General Plan Housing Element implementation. Housing Element implementation includes: progress in meeting its share of regional housing needs, preserving the local housing stock, promoting equal housing opportunity, and local efforts to remove governmental constraints to the maintenance, improvement, and development of housing. This Progress Report covers housing production, housing affordability and the status of Housing Element programs for Calendar Year 2018. The format of this year's Progress Report has changed from past years due to new State housing laws, which require more detailed reporting of housing production and corresponding housing affordability, including units entitled, permitted, and finalized. In 2018, building permits were issued for a total of 157 residential units, including permits for nine single-family homes, 34 condominium units, 113 senior housing units (Lantern Crest), and one accessory dwelling unit. Seven of the single-family units are part of the River Village subdivision developed by KB Homes, 16 of the condominium units are part of the Prospect Fields project, also by KB Homes, 18 of the condominium units are part of the Montivo project, and all 113 senior housing units are part of the Phase 2 Lantern Crest development.

ENVIRONMENTAL REVIEW

This project is not subject to the California Environmental Quality Act ("CEQA") pursuant to Section 15060(c)(3); the activity is not a project as defined in Section 15378 of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

FINANCIAL STATEMENT *m*

Upon the filing of this report, the City would continue to be eligible for potential funding from a number of regional and state programs.

CITY ATTORNEY REVIEW N/A Completed

RECOMMENDATION *MSB*

Adopt the Resolution authorizing the Director of Development Services to send the Annual Housing Element Progress Report on Housing Element Implementation for Calendar Year 2018 to the State of California Office of Planning and Research and the State of California Department of Housing and Community Development.

ATTACHMENTS

Staff Report
 Resolution/Exhibit A

STAFF REPORT

A RESOLUTION AUTHORIZING SUBMISSION OF THE ANNUAL HOUSING ELEMENT PROGRESS REPORT FOR CALENDAR YEAR 2018 TO THE STATE OF CALIFORNIA OFFICE OF PLANNING AND RESEARCH AND THE STATE OF CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

CITY COUNCIL MEETING MARCH 13, 2019

A. BACKGROUND

The attached Annual Element Progress Report on Housing Element Implementation for Calendar Year 2018 is prepared pursuant to California Government Code Section 65400 and California Department of Housing and Community Development (HCD) Regulations. State law requires that the Department of Development Services report annually to the City Council, California Office of Planning and Research (OPR) and HCD on the status of the Housing Element, progress in its implementation, progress in meeting its share of regional housing needs, and local efforts to remove governmental constraints to the maintenance, improvement, and development of housing. The report will be used by OPR and HCD to assist State-level decision making.

Housing is considered affordable if no more than 30% of a household's income is spent on housing. To track housing affordability, HCD breaks household incomes into four levels based on County Area Median Income (AMI). Very Low Income households earn 50% or less of the AMI and Low Income households earn 51% to 80% of the AMI. Moderate Income households earn 81% to 120% of the AMI, whereas Above Moderate Income households earn more than 120% of the AMI. The AMI for a four-person household in San Diego County in 2018 was \$81,800.

In accordance with new reporting requirements, this year's Annual Progress Report includes detailed information on new residential units based on entitlement status, building permits issued, and building permits finalized. The City's progress in meeting its Regional Housing Needs Allocation (RHNA) is still based on building permits issued.

The City must also report the affordability of all residential units entitled, permitted, and finalized. Pursuant to HCD regulations, to claim units as affordable to lower or moderate income households, the City must prove affordability by providing the source of subsidy, citing applicable affordability covenants, or conducting a market study of sales prices or rents. None of the units for which building permits were issued in 2018 qualify as affordable.

B. REPORTING PERIOD

This progress report covers housing production, affordability and status of Housing Element programs for Calendar Year 2018.

C. REPORT SUMMARY

The Annual Progress Report on Housing Element Implementation for Calendar Year 2018 has been prepared using forms and definitions adopted by HCD. The report consists of four tables. The City's production and progress during 2018 is reported with data contained in the following attached tables:

- Table A, Housing Development Applications Submitted includes data on all new housing units and developments for which an application was submitted (and deemed complete) between January 1st and December 31st of 2018. The City received four development applications that were submitted and deemed complete in 2018.
- Table A2, Annual Building Activity Report Summary - New Construction, Entitled, Permits and Completed Units includes detailed information, including Assessor's Parcel Numbers and Addresses, of all residential units entitled or for which building permits were issued or finalized in 2018. A total of 239 units were entitled in 2018. Building permits were issued for 157 units and finalized for 106 units in 2018. The table also includes data on units demolished. Four residential units were demolished in 2018.
- Table B, Regional Housing Needs Allocation Progress reports building permits issued by affordability and calendar year to demonstrate progress in meeting the City's share of the regional housing need.

Santee's Regional Housing Needs Assessment (RHNA) allocation, finalized by the San Diego Association of Governments (SANDAG) on October 28, 2011, is 3,660 housing units for the period of January 1, 2010 to December 31, 2020.

Cumulatively, from January 1, 2010 to December 31, 2018, Santee issued building permits for 993 units: 15 very low income, 80 low income, 95 moderate income, and 803 above moderate income, with 2,667 units remaining.

- Table C, Sites Identified or Rezoned to Accommodate Shortfall Housing Need is used to identify sites that have been rezoned to accommodate a shortfall in low or moderate income units due to development of a site in the Housing Element Inventory of Sites identified by low or moderate income units, but for which none or only some units were developed as affordable. This table tracks "replacement" sites in accordance with the "No Net Loss" provisions of Senate Bill 166. In Calendar Year 2018, no sites in the City were rezoned to accommodate shortfall housing need.
- Table D, Program Implementation Status provides the status of Housing Element program implementation. Each of the 17 programs listed in the adopted Housing Element is identified by name, objective, and timeframe for implementation. Staff has provided a brief response on the implementation of each program in the table.

- Table E, Commercial Development Bonus Approved pursuant to Government Code section 65915.7. This table tracks commercial development bonuses granted to a development that includes an agreement to provide affordable housing constructed on the site of the commercial development or alternative adequate site. The City did not issue any commercial development bonuses for affordable housing in Calendar Year 2018.
- Table F, Units Rehabilitated, Preserved and Acquired for Alternative Adequate Sites. This table is used to report units that have been substantially rehabilitated, converted from non-affordable to affordable by acquisition, and preserved. In calendar year 2018, the 130-unit Carlton Country Club Villas were acquired by a new owner and have been preserved for affordability.

D. STAFF RECOMMENDATION

Adopt the Resolution authorizing the Director of Development Services to send the Annual Housing Element Progress Report on Housing Element Implementation for Calendar Year 2018 to the State of California Office of Planning and Research and the State of California Department of Housing and Community Development.

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA
AUTHORIZING SUBMISSION OF THE ANNUAL HOUSING ELEMENT PROGRESS
REPORT FOR CALENDAR YEAR 2018 TO THE STATE OF CALIFORNIA OFFICE
OF PLANNING AND RESEARCH AND THE STATE OF CALIFORNIA DEPARTMENT
OF HOUSING AND COMMUNITY DEVELOPMENT**

WHEREAS, pursuant to California Government Code Section 65400, the Department of Development Services must report annually to the City Council on the implementation of the General Plan Housing Element; and

WHEREAS, the California Department of Housing and Community Development has adopted regulations that require the Department of Development Services to use standardized forms when preparing the annual Housing Element report pursuant to California Government Code Section 65400; and

WHEREAS, pursuant to California Government Code Section 65400 the annual report attached hereto as "Exhibit A" must be submitted to the California Office of Planning and Research and the California Department of Housing and Community Development by April 1st of each year; and

WHEREAS, the current 2013-2021 City of Santee Housing Element has been certified by the California Department of Housing and Community Development and was prepared in accordance with the State General Plan Guidelines; and

WHEREAS, a public meeting on the annual report was held on March 13, 2019 as required by Government Code section 65400; and

WHEREAS, this project is not subject to the California Environmental Quality Act ("CEQA") pursuant to Section 15060(c)(3); the activity is not a project as defined in Section 15378 of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

WHEREAS, the City Council considered the Annual Housing Element Progress Report for Calendar Year 2018.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Santee, California, after considering the staff recommendation, as follows:

SECTION 1: The City Council authorizes the Director of Development Services to send the Annual Housing Element Progress Report on Housing Element Implementation for Calendar Year 2018 to the California Office of Planning and Research and the California Department of Housing and Community Development by April 1, 2019.

ADOPTED by the City Council of the City of Santee, California, at a Regular meeting thereof held this 13th day of March, 2019, by the following roll call vote to wit:

AYES:

NOES:

ABSENT:

APPROVED:

JOHN W. MINTO, MAYOR

ATTEST:

ANNETTE ORTIZ, MBA, CMC, CITY CLERK

Attachment:

Exhibit A – 2018 Annual Progress Report on Housing Element Implementation

Please Start Here

General Information	
Jurisdiction Name	Santee
Reporting Calendar Year	2018
Contact Information	
First Name	Michael
Last Name	Coyne
Title	Associate Planner
Email	mcoyne@cityofsanteeca.gov
Phone	(619) 258-4100
Mailing Address	
Street Address	<u>10601 Magnolia Ave.</u>
City	Santee
Zipcode	92071

Submittal Instructions
<p>Housing Element Annual Progress Reports (APRs) forms and tables must be submitted to HCD and the Governor's Office of Planning and Research (OPR) on or before April 1 of each year for the prior calendar year; submit separate reports directly to both HCD and OPR pursuant to Government Code section 65400. There are two options for submitting APRs:</p>
<p>1. Online Annual Progress Reporting System (Preferred) - This enters your information directly into HCD's database limiting the risk of errors. If you would like to use the online system, email APR@hcd.ca.gov and HCD will send you the login information for your jurisdiction. <i>Please note: Using the online system only provides the information to HCD. The APR must still be submitted to OPR. Their email address is opr.apr@opr.ca.gov.</i></p>
<p>2. Email - If you prefer to submit via email, you can complete the excel Annual Progress Report forms and submit to HCD at APR@hcd.ca.gov and to OPR at opr.apr@opr.ca.gov. Please send the Excel workbook, not a scanned or PDF copy of the tables.</p>

v 1_29_19

ANNUAL ELEMENT PROGRESS REPORT

Housing Element Implementation

(CCR Title 25 §6202)

Jurisdiction	Santee
Reporting Year	2018 (Jan. 1 - Dec. 31)

Note: + Optional field
Cells in grey contain auto-calculation formulas

Table A Housing Development Applications Submitted																			
Project Identifier					Unit Types		Date Application Submitted	Proposed Units - Affordability by Household Incomes								Total Approved Units by Project	Total Disapproved Units by Project	Streamlining	Notes
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Prior APN*	Current APN	Street Address	Project Name*	Local Jurisdiction Tracking ID*	Unit Category (SFA,SFD,2 to 4 S+,ADU,MH)	Tenure (R=Renter O=Owner)	Date Application Submitted	Very Low-Income Deed Restricted	Very Low-Income Non-Deed Restricted	Low-Income Deed Restricted	Low-Income Non-Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non-Deed Restricted	Above Moderate-Income	Total PROPOSED Units by Project	Total APPROVED Units by Project	Total DISAPPROVED Units by Project (Auto-calculated Can Be Overwritten)	Was APPLICATION SUBMITTED Pursuant to GC §2513.4(b)7 (SB 35 Streamlining)	Notes*
Summary Row: Start Data Entry Below																			
378-273-23-00	378-273-28-00	10148 Shaggybark Drive	Scheck ADU	DR2018-1	ADU	O	1/22/2018								2	12B	131	131	
384-430-19-00	384-430-19-00	8629 Willow Terrace	Harder ADU	DR2018-2	ADU	O	2/12/2018							1		1	1		No
381-050-76-00	381-050-76-00	300 Riverview Parkway	Cornerstone Communities	DR2018-3	S+	O	3/13/2018							1		1	1		No
385-120-41-00	385-120-41-00	8343 O'Connell Rd.	Collins Residence	DR2018-5	SFD	O	6/28/2018								12B	12B	12B		No
														1	1	1			No

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
 25 §6202)

Jurisdiction	Santee
Reporting Year	2018 (Jan. 1 - Dec. 31)

Note: + Optional field
 Cells in grey contain auto-calculation formulas

Table A2

Building Activity Report Summary - New Construction, Entitled, Permits and Completed Units

Project Identifier				Types	Affordability by Household Incomes - Completed Entitlement									
1				3	4								5	6
Prior APN*	Current APN	Street Address	Project Name*	Tenure R=Renter O=Owner	Very Low- Income Deed Restricted	Very Low- Income Non Deed Restricted	Low-Income Deed Restricted	Low-Income Non Deed Restricted	Moderate- Income Deed Restricted	Moderate- Income Non Deed Restricted	Above Moderate- Income	Entitlement Date Approved	# of Units issued Entitlements	
Summary Row: Start Data Entry Below												239	239	
378-273-28-00	378-273-28-00	10148 Shaggybark #2	Scheck ADU	R								1	5/3/2018	1
381-050-76-00	381-050-76-00	300 Riverview Pkwy	Cornerstone	O								128	8/22/2018	128
385-120-41-00	385-120-41-00	8343 O'Connel Rd.	Collins Residence	O								1	11/16/2018	1
383-260-28-00	383-260-28-00	8707 Carribean Way	Carribean Way	R								42	6/13/2018	42
381-160-41-00	381-160-41-00	9351 Magnolia Ave	Walker Trails	O								67	8/8/2018	67

Jurisdiction Santee												
Reporting Year 2018 (Jan. 1 - Dec. 31)												
Project Identifier				Affordability by Household Incomes - Building Permits								
1				7							8	9
Prior APN*	Current APN	Street Address	Project Name*	Very Low-Income Deed Restricted	Very Low-Income Non Deed Restricted	Low-Income Deed Restricted	Low-Income Non Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non Deed Restricted	Above Moderate-Income	Building Permits Date Issued	# of Units Issued Building Permits
Summary Row: Start Data Entry Below												
										157		157
383-112-05-00	383-112-69-32	8632 Camden Dr	Prospect Fields							1	2/2/2018	1
383-112-05-00	383-112-69-36	8648 Camden Dr	Prospect Fields							1	2/2/2018	1
383-112-05-00	383-112-69-34	8640 Camden Dr	Prospect Fields							1	2/2/2018	1
383-112-05-00	383-112-69-18	8612 Comiskey Way	Prospect Fields							1	2/2/2018	1
383-112-05-00	383-112-69-35	8644 Camden Drive	Prospect Fields							1	2/2/2018	1
383-112-05-00	383-112-69-22	8609 Comiskey Way	Prospect Fields							1	2/2/2018	1
383-112-05-00	383-112-69-21	8605 Comiskey Way	Prospect Fields							1	2/2/2018	1
383-112-05-00	383-112-69-33	8636 Camden Dr	Prospect Fields							1	2/2/2018	1
383-112-05-00	383-112-69-23	8613 Comiskey Way	Prospect Fields							1	2/2/2018	1
383-112-05-00	383-112-69-30	8612 Camden Dr	Prospect Fields							1	6/1/2018	1
383-112-05-00	383-112-69-26	8620 Camden Dr	Prospect Fields							1	6/1/2018	1
383-112-05-00	383-112-69-24	8628 Camden Dr	Prospect Fields							1	6/1/2018	1
383-112-05-00	383-112-69-25	8624 Camden Dr	Prospect Fields							1	6/1/2018	1
383-112-05-00	383-112-69-31	8616 Camden Dr	Prospect Fields							1	6/1/2018	1
381-160-73-00	381-651-27-00	10712 Cobble Court	River Village							1	4/12/2018	1
381-160-73-00	381-651-28-00	10706 Cobble Court	River Village							1	4/12/2018	1
381-160-73-00	381-651-29-00	10700 Cobble Court	River Village							1	4/12/2018	1
381-160-73-00	381-651-49-00	10707 Cobble Court	River Village							1	4/12/2018	1
381-160-73-00	381-651-48-00	10701 Cobble Court	River Village							1	4/12/2018	1
381-160-73-00	381-651-26-00	10713 Braverman	River Village							1	4/12/2018	1
381-160-73-00	381-651-25-00	10707 Braverman	River Village							1	9/19/2018	1
384-330-08-00	384-330-08-00	8842 Olive Lane #1	Montivo							1	1/11/2018	1
384-330-08-00	384-330-08-00	8842 Olive Lane #2	Montivo							1	1/11/2018	1
384-330-08-00	384-330-08-00	8842 Olive Lane #3	Montivo							1	1/11/2018	1
384-330-08-00	384-330-08-00	8842 Olive Lane #4	Montivo							1	1/11/2018	1
384-330-08-00	384-330-08-00	8842 Olive Lane #5	Montivo							1	1/11/2018	1

Prior APN ⁺	Current APN	Street Address	Project Name ⁺	Very Low- Income Deed Restricted	Very Low- Income Non Deed Restricted	Low- Income Deed Restricted	Low- Income Non Deed Restricted	Moderate- Income Deed Restricted	Moderate- Income Non Deed Restricted	Above Moderate- Income	Building Permits <u>Date Issued</u>	# of Units Issued Building Permits
Summary Row: Start Data Entry Below											157	157
384-330-08-00	384-330-08-00	8842 Olive Lane #6	Montivo							1	1/11/2018	1
384-330-08-00	384-330-08-00	8842 Olive Lane #7	Montivo							1	1/11/2018	1
384-330-08-00	384-330-08-00	8842 Olive Lane #8	Montivo							1	1/11/2018	1
384-330-08-00	384-330-08-00	8842 Olive Lane #9	Montivo							1	1/11/2018	1
384-330-08-00	384-330-08-00	8842 Olive Lane #10	Montivo							1	1/11/2018	1
384-330-08-00	384-330-08-00	8842 Olive Lane #11	Montivo							1	1/11/2018	1
384-330-08-00	384-330-08-00	8842 Olive Lane #12	Montivo							1	1/11/2018	1
384-330-08-00	384-330-08-00	8842 Olive Lane #13	Montivo							1	1/11/2018	1
384-330-08-00	384-330-08-00	8842 Olive Lane #14	Montivo							1	1/11/2018	1
384-330-08-00	384-330-08-00	8842 Olive Lane #15	Montivo							1	1/11/2018	1
384-330-08-00	384-330-08-00	8842 Olive Lane #16	Montivo							1	1/11/2018	1
384-330-08-00	384-330-08-00	8842 Olive Lane #17	Montivo							1	1/11/2018	1
384-330-08-00	384-330-08-00	8842 Olive Lane #18	Montivo							1	1/11/2018	1
386-050-08-00	386-050-08-00	9458 Vidovich Place	Vidovich Subdiv							1	4/3/2018	1
378-273-28-00	378-273-28-00	10148 Shaggybark #2	Scheck ADU							1	5/29/2018	1
384-142-36-00	384-142-36-00	300 Lantern Crest Wvy	Lantern Crest							113	6/29/2018	113
383-111-21-00	383-111-21-00	8701 Mesa Road	Greenbrier MHP							1	10/31/2018	1

Jurisdiction Santee													
Reporting Year 2018 (Jan. 1 - Dec. 31)													
Project Identifier				Affordability by Household Incomes - Certificates of Occupancy									
1				10							11		12
Prior APN*	Current APN	Street Address	Project Name*	Very Low- Income Deed Restricted	Very Low- Income Non Deed Restricted	Low- Income Deed Restricted	Low- Income Non Deed Restricted	Moderate- Income Deed Restricted	Moderate- Income Non Deed Restricted	Above Moderate- Income	Certificates of Occupancy or other forms of readiness (see instructions) Date Issued	# of Units issued Certificates of Occupancy or other forms of readiness	
Summary Row Start Data Entry Below										106		106	
381-031-33-00	381-260-65-00	9911 Conejo Rd	Conejo Subdivision							1	12/31/2018	1	
381-031-33-00	381-260-63-00	9907 Conejo Rd	Conejo Subdivision							1	12/31/2018	1	
384-211-10-00	384-223-04-00	8536 Even Seth Cir	East County Estates							1	7/16/2018	1	
384-211-10-00	384-223-05-00	8532 Even Seth Cir	East County Estates							1	7/16/2018	1	
384-211-10-00	384-223-09-00	8520 Even Seth Cir	East County Estates							1	10/31/2018	1	
384-211-10-00	384-223-08-00	8517 Even Seth Cir	East County Estates							1	11/7/2018	1	
384-211-10-00	384-223-02-00	8531 Even Seth Cir	East County Estates							1	11/29/2018	1	
364-112-12-00	384-500-04-00	8947 Magnolia Ave	Magnolia Townhms							1	4/23/2018	1	
364-112-12-00	384-500-09-00	8939 Magnolia Ave	Magnolia Townhms							1	6/22/2018	1	
364-112-12-00	384-500-02-00	8941 Magnolia Ave	Magnolia Townhms							1	6/22/2018	1	
364-112-12-00	384-500-06-00	8959 Magnolia Ave	Magnolia Townhms							1	6/22/2018	1	
364-112-12-00	384-500-08-00	8953 Magnolia Ave	Magnolia Townhms							1	7/20/2018	1	
364-112-12-00	384-500-07-00	8957 Magnolia Ave	Magnolia Townhms							1	8/14/2018	1	
383-112-05-00	383-112-69-75	8717 Camden Dr	Prospect Fields							1	1/5/2018	1	
383-112-05-00	383-112-69-49	8685 Camden Dr	Prospect Fields							1	1/23/2018	1	
383-112-05-00	383-112-69-47	8701 Camden Dr	Prospect Fields							1	2/1/2018	1	
383-112-05-00	383-112-69-07	8608 Ebbets Way	Prospect Fields							1	2/16/2018	1	
383-112-05-00	383-112-69-08	8604 Ebbets Way	Prospect Fields							1	2/16/2018	1	
383-112-05-00	383-112-69-09	8605 Ebbets Way	Prospect Fields							1	2/16/2018	1	
383-112-05-00	383-112-69-43	8676 Camden Dr	Prospect Fields							1	2/16/2018	1	
383-112-05-00	383-112-69-45	8684 Camden Dr	Prospect Fields							1	2/16/2018	1	
383-112-05-00	383-112-69-44	8680 Camden Dr	Prospect Fields							1	2/23/2018	1	
383-112-05-00	383-112-69-11	8613 Ebbets Way	Prospect Fields							1	2/23/2018	1	
383-112-05-00	383-112-69-42	8672 Camden Dr	Prospect Fields							1	2/21/2018	1	
383-112-05-00	383-112-69-10	8609 Ebbets Way	Prospect Fields							1	2/21/2018	1	
383-112-05-00	383-112-69-13	8608 Arlington Way	Prospect Fields							1	4/9/2018	1	
383-112-05-00	383-112-69-15	8605 Arlington Way	Prospect Fields							1	4/9/2018	1	
383-112-05-00	383-112-69-16	8609 Arlington Way	Prospect Fields							1	4/9/2018	1	
383-112-05-00	383-112-69-40	8664 Camden Dr	Prospect Fields							1	4/10/2018	1	
383-112-05-00	383-112-69-38	8656 Camden Dr	Prospect Fields							1	4/10/2018	1	
383-112-05-00	383-112-69-37	8652 Camden Dr	Prospect Fields							1	4/10/2018	1	
383-112-05-00	383-112-69-39	8660 Camden Dr	Prospect Fields							1	4/16/2018	1	

Prior APN*	Current APN	Street Address	Project Name*	Very Low-Income Deed Restricted	Very Low-Income Non Deed Restricted	Low-Income Deed Restricted	Low-Income Non Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non Deed Restricted	Above Moderate-Income	Certificates of Occupancy or other forms of readiness (see instructions) Date Issued	# of Units issued Certificates of Occupancy or other forms of readiness
Summary Row Start Data Entry Below												
										106		106
383-112-05-00	383-112-69-14	8604 Arlington Way	Prospect Fields							1	5/9/2018	1
383-112-05-00	383-112-69-19	8608 Comiskey Way	Prospect Fields							1	5/15/2018	1
383-112-05-00	383-112-69-20	8604 Comiskey Way	Prospect Fields							1	5/15/2018	1
383-112-05-00	383-112-69-32	8632 Camden Dr	Prospect Fields							1	5/15/2018	1
383-112-05-00	383-112-69-36	8648 Camden Dr	Prospect Fields							1	5/15/2018	1
383-112-05-00	383-112-69-34	8640 Camden Dr	Prospect Fields							1	5/15/2018	1
383-112-05-00	383-112-69-18	8612 Comiskey Way	Prospect Fields							1	5/23/2018	1
383-112-05-00	383-112-69-35	8644 Camden Drive	Prospect Fields							1	5/23/2018	1
383-112-05-00	383-112-69-22	8609 Comiskey Way	Prospect Fields							1	5/18/2018	1
383-112-05-00	383-112-69-21	8605 Comiskey Way	Prospect Fields							1	5/21/2018	1
383-112-05-00	383-112-69-17	8613 Arlington Way	Prospect Fields							1	5/18/2018	1
383-112-05-00	383-112-69-12	8612 Arlington Way	Prospect Fields							1	5/18/2018	1
383-112-05-00	383-112-69-41	8668 Camden Drive	Prospect Fields							1	5/21/2018	1
383-112-05-00	383-112-69-33	8636 Camden Dr	Prospect Fields							1	5/25/2018	1
383-112-05-00	383-112-69-23	8613 Comiskey Way	Prospect Fields							1	5/25/2018	1
383-112-05-00	383-112-69-30	8612 Camden Dr	Prospect Fields							1	8/21/2018	1
383-112-05-00	383-112-69-26	8620 Camden Dr	Prospect Fields							1	8/21/2018	1
383-112-05-00	383-112-69-24	8628 Camden Dr	Prospect Fields							1	8/21/2018	1
383-112-05-00	383-112-69-25	8624 Camden Dr	Prospect Fields							1	8/21/2018	1
383-112-05-00	383-112-69-28	8604 Camden Dr	Prospect Fields							1	8/21/2018	1
383-112-05-00	383-112-69-29	8608 Camden Dr	Prospect Fields							1	8/21/2018	1
383-112-05-00	383-112-69-27	8600 Camden Dr	Prospect Fields							1	8/21/2018	1
383-112-05-00	383-112-69-31	8616 Camden Dr	Prospect Fields							1	8/23/2018	1
384-202-03-00	384-262-32-00	8582 Shanes Way	Pryor Glen							1	1/23/2018	1
384-202-03-00	384-202-29-00	9437 Pryor	Pryor Glen							1	3/15/2018	1
384-202-03-00	384-202-31-00	8588 Shanes Way	Pryor Glen							1	3/28/2018	1
384-202-03-00	384-202-33-00	8575 Shanes Way	Pryor Glen							1	3/7/2018	1
384-202-03-00	384-202-34-00	8581 Shanes Way	Pryor Glen							1	4/3/2018	1
381-160-73-00	381-651-51-00	9534 Jeremy St	River Village							1	1/16/2018	1
381-160-73-00	381-651-57-00	10676 Spring Creek	River Village							1	2/22/2018	1
381-160-73-00	381-651-67-00	10671 Spring Creek	River Village							1	2/22/2018	1
381-160-73-00	381-651-71-00	10695 Spring Creek	River Village							1	3/14/2018	1
381-160-73-00	381-651-56-00	10682 Spring Creek	River Village							1	3/7/2018	1
381-160-73-00	381-651-69-00	10683 Spring Creek	River Village							1	3/14/2018	1
381-160-73-00	381-651-58-00	10670 Spring Creek	River Village							1	3/2/2018	1
381-160-73-00	381-651-70-00	10689 Spring Creek	River Village							1	3/20/2018	1
381-160-73-00	381-651-38-00	10646 Cobble Court	River Village							1	4/25/2018	1
381-160-73-00	381-651-36-00	10658 Cobble Court	River Village							1	4/26/2018	1
381-160-73-00	381-651-40-00	10653 Cobble Court	River Village							1	4/26/2018	1
381-160-73-00	381-651-42-00	10665 Cobble Ct	River Village							1	5/11/2018	1
381-160-73-00	381-651-33-00	10676 Cobble Ct	River Village							1	5/11/2018	1
381-160-73-00	381-651-34-00	10670 Cobble Ct	River Village							1	5/11/2018	1
381-160-73-00	381-651-54-00	10694 Spring Creek	River Village							1	5/21/2018	1

Prior APN*	Current APN	Street Address	Project Name*	Very Low- Income Deed Restricted	Very Low- Income Non Deed Restricted	Low- Income Deed Restricted	Low- Income Non Deed Restricted	Moderate- Income Deed Restricted	Moderate- Income Non Deed Restricted	Above Moderate- Income	Certificates of Occupancy or other forms of readiness (see instructions) Date Issued	# of Units issued Certificates of Occupancy or other forms of readiness
Summary Row: Start Data Entry Below											106	106
381-160-73-00	381-651-55-00	10688 Spring Creek	River Village							1	5/25/2018	1
381-160-73-00	381-651-39-00	10647 Cobble Ct	River Village							1	5/23/2018	1
381-160-73-00	381-651-31-00	10688 Cobble Ct	River Village							1	5/21/2018	1
381-160-73-00	381-651-59-00	10664 Spring Creek	River Village							1	6/13/2018	1
381-160-73-00	381-651-66-00	10665 Spring Creek	River Village							1	6/13/2018	1
381-160-73-00	381-651-37-00	10652 Cobble Ct	River Village							1	6/21/2018	1
381-160-73-00	381-651-68-00	10677 Spring Creek	River Village							1	7/9/2018	1
381-160-73-00	381-651-30-00	10694 Cobble Ct	River Village							1	7/9/2018	1
381-160-73-00	381-651-53-00	10700 Spring Creek	River Village							1	7/16/2018	1
381-160-73-00	381-651-24-00	10701 Braverman Dr	River Village							1	7/27/2018	1
381-160-73-00	381-651-22-00	10689 Braverman Dr	River Village							1	7/27/2018	1
381-160-73-00	381-651-23-00	10695 Braverman Dr	River Village							1	7/27/2018	1
381-160-73-00	381-651-27-00	10712 Cobble Court	River Village							1	8/31/2018	1
381-160-73-00	381-651-28-00	10706 Cobble Court	River Village							1	8/31/2018	1
381-160-73-00	381-651-29-00	10700 Cobble Court	River Village							1	8/31/2018	1
381-160-73-00	381-651-41-00	10659 Cobble Court	River Village							1	8/31/2018	1
381-160-73-00	381-651-49-00	10707 Cobble Court	River Village							1	8/31/2018	1
381-160-73-00	381-651-45-00	10683 Cobble Court	River Village							1	9/6/2018	1
381-160-73-00	381-651-43-00	10671 Cobble Court	River Village							1	9/6/2018	1
381-160-73-00	381-651-47-00	10695 Cobble Court	River Village							1	9/6/2018	1
381-160-73-00	381-651-40-00	10653 Cobble Court	River Village							1	9/6/2018	1
381-160-73-00	381-651-46-00	10689 Cobble Court	River Village							1	9/6/2018	1
381-160-73-00	381-651-32-00	10682 Cobble Court	River Village							1	9/18/2018	1
381-160-73-00	381-651-35-00	10664 Cobble Court	River Village							1	9/18/2018	1
381-160-73-00	381-651-44-00	10677 Cobble Court	River Village							1	9/17/2018	1
381-160-73-00	381-651-48-00	10701 Cobble Court	River Village							1	11/28/2018	1
381-160-73-00	381-651-26-00	10713 Braverman	River Village							1	12/14/2018	1
381-160-73-00	381-651-25-00	10707 Braverman	River Village							1	12/14/2018	1
381-160-73-00	381-651-72-00	9507 Cascade St	River Village							1	12/28/2018	1
381-160-73-00	381-651-73-00	9501 Cascade St	River Village							1	12/28/2018	1
381-160-73-00	381-651-74-00	10694 Sandy Creek	River Village							1	12/28/2018	1

Jurisdiction		Santee									
Reporting Year		2018	(Jan. 1 - Dec. 31)								
Project Identifier				Housing with Financial Assistance and/or Deed Restrictions		Housing without Financial Assistance or Deed Restrictions	Term of Affordability or Deed Restriction	Demolished/Destroyed Units			Notes
1				16	17	18	19	20			21
Prior APN*	Current APN	Street Address	Project Name*	Assistance Programs for Each Development (see instructions)	Deed Restriction Type (see instructions)	For units affordable without financial assistance or deed restrictions, explain how the locality determined the units were affordable (see instructions)	Term of Affordability or Deed Restriction (years) (if affordable in perpetuity enter 1000)*	Number of Demolished/Destroyed Units*	Demolished or Destroyed Units*	Demolished/Destroyed Units Owner or Renter*	Notes*
Summary Row: Start Data Entry Below								4			
386-050-08-00	386-050-08-00	8645 FANITA	Demo					1	Demolished	0	
386-050-08-00	386-050-08-00	8649/8647 FANITA	Demo					2	Demolished	0	
387-061-11-00	387-061-11-00	8355 GRAVES AVE	Demo					1	Demolished	0	

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation

(CCR Title 25 §6202)

Jurisdiction	Santee	
Reporting Year	2018	(Jan. 1 - Dec. 31)

This table is auto-populated once you enter your jurisdiction name and current year data. Past year information comes from previous APRs. Please contact HCD if your data is different than the material supplied here

Table B													
Regional Housing Needs Allocation Progress													
Permitted Units Issued by Affordability													
		1	2									3	4
Income Level		RHNA Allocation by Income Level	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total Units to Date (all years)	Total Remaining RHNA by Income Level
Very Low	Deed Restricted	914	15									15	899
	Non-Deed Restricted												
Low	Deed Restricted	694	74									80	614
	Non-Deed Restricted		4		2								
Moderate	Deed Restricted	642	1									95	547
	Non-Deed Restricted		78			16							
Above Moderate		1410	288	175	5	50	128	157				803	607
Total RHNA		3660											
Total Units 44			460	175	5	52	144	157				993	2667

Note: units serving extremely low-income households are included in the very low-income permitted units totals
 Cells in grey contain auto-calculation formulas

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation

(CCR Title 25 §6202)

Jurisdiction	Santee
Reporting Year	2018 (Jan. 1 - Dec. 31)

Table D

Program Implementation Status pursuant to GC Section 65583

Housing Programs Progress Report

Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.

1	2	3	4
Name of Program	Objective	Timeframe in H.E	Status of Program Implementation
Program 1: Code Enforcement	Continue to implement Municipal Codes (Titles 15 and 17), the 2016 California Building Code and Uniform Housing Code.	Ongoing	The Department of Development Services and Code Enforcement implemented the Municipal Code, the California Building Code and the Uniform Housing Code by issuing notices of violations and fines for all violations reported to the City. In 2018, Code Enforcement opened 312 cases, closed 283 cases, and referred 3 cases to the City Attorney's Office.
Program 2: Mobile Home Conversion Regulations	Protect the residents of mobilehome parks from the loss of affordable housing opportunities.	Ongoing	No mobile home conversions occurred in 2018.
Program 3: Minor Home Improvement Loans	Assist 10 lower income homeowners annually through funding service providers that provide home security devices and minor home repairs.	Ongoing	The City has contracted with Lutheran Social Services' Caring Neighbors program to provide this service to Santee seniors. A total of 83 seniors were assisted in 2018. In addition, CDBG recipient Home of Guiding Hands rehabilitated two homes in Santee in 2018.
Program 4: Conservation of Existing and Future Affordable Units	Monitor the status of the 309 at-risk units at Carlton Country Club Villas and Woodglen Vista. The City of Santee will work with property owners, interest groups and the State and federal governments to implement the following programs on an ongoing basis to conserve its affordable housing stock.	Ongoing	The City did not receive notice of intent to convert in 2018. The Carlton Country Club Villas were refinanced and the affordability period extended.

Program 5: Housing Choice Voucher Program	Continue to contract with the San Diego County Housing Authority to administer the Housing Choice Vouchers Program and support the County Housing Authority's applications for additional voucher allocations. Continue to support the County's efforts to maintain and expand voucher use in the City.	Ongoing	Santee is among 12 cities served by the Housing Authority of the County of San Diego. The County has developed a Consortium Consolidated Plan which contains a comprehensive affordable housing strategy that covers the City of Santee. According to the County Housing Authority, as of December 31, 2018, 284 households were using a Housing Choice Voucher to help pay for rent in the City of Santee and 3,247 applications submitted by Santee residents were recorded on a waiting list.
Program 6: Mobile Home Park Assistance Program	Provide financial and technical assistance to mobile home park residents who wish to purchase their mobile home parks and convert the parks to resident ownership.	Ongoing	No parks were at risk of converting in 2018.
Program 7: First Time Homebuyer Program	Continue the program in providing home buying assistance to 5 first time home buyers annually.	Ongoing	Two loans were made during calendar year 2018 in the amounts of \$82,908 and \$84,125. The reduction in first-time homebuyer assistance may be due to higher home prices. At higher home prices, low-income buyers have difficulty staying below the maximum housing debt ratio of 38%.
Program 8: San Diego County Regional Mortgage Credit Certificate Program	Facilitate the provision of 24 MCCs during the planning period (eight at <80 percent AMI and 16 at 80-120 percent AMI). Continue to promote the MCC program by notifying eligible applicants to other City programs and providing information on the City's website.	Ongoing	The San Diego County Housing Commission administers the MCC program for the City of Santee on behalf of the County of San Diego. Two MCCs were issued in Santee for CY 2018.
Program 9: Manufactured Home Fair Practices Program	Assist approximately 1,200 mobile home owners. The City regulates space rents in mobile home parks and provides staff support to the Manufactured Fair Practices Commission, which holds quarterly meetings. The program requires significant financial resources in administration and legal defense of the Ordinance.	Ongoing	The Manufactured Home Fair Practices Commission met during 2018 to hear comments from park residents and owners and provide direction to staff.
Program 10: Facilitate Affordable Housing Development	Collaborate with nonprofits to provide additional affordable housing opportunities.	Ongoing	No requests were received.

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
 (CCR Title 25 §6202)

Jurisdiction	Santee	
Reporting Period	2018	(Jan. 1 - Dec. 31)

Note: + Optional field
 Cells in grey contain auto-calculation formulas

Table F

Units Rehabilitated, Preserved and Acquired for Alternative Adequate Sites pursuant to Government Code section 65583.1(c)(2)

This table is optional. Jurisdictions may list (for informational purposes only) units that do not count toward RHNA, but were substantially rehabilitated, acquired or preserved. To enter units in this table as progress toward RHNA, please contact HCD at APR@hcd.ca.gov. HCD will provide a password to unlock the grey fields. Units may only be credited to the table below when a jurisdiction has included a program in its housing element to rehabilitate, preserve or acquire units to accommodate a portion of its RHNA which meet the specific criteria as outlined in Government Code section 65583.1(c)(2).

Activity Type	Units that Do Not Count Towards RHNA ⁺ Listed for Informational Purposes Only				Units that Count Towards RHNA ⁺ Note - Because the statutory requirements severely limit what can be counted, please contact HCD to receive the password that will enable you to populate these fields.				The description should adequately document how each unit complies with subsection (c)(7) of Government Code Section 65583.1 ⁺
	Extremely Low-Income ⁺	Very Low-Income ⁺	Low-Income ⁺	TOTAL UNITS ⁺	Extremely Low-Income ⁺	Very Low-Income ⁺	Low-Income ⁺	TOTAL UNITS ⁺	
Rehabilitation Activity									
Preservation of Units At-Risk			130	130					
Acquisition of Units									
Total Units by Income			130	130					

Jurisdiction	Santee	
Reporting Year	2018	(Jan. 1 - Dec. 31)

Permitted Units Issued by Affordability Summary		
Income Level		Current Year
Very Low	Deed Restricted	0
	Non-Deed Restricted	0
Low	Deed Restricted	0
	Non-Deed Restricted	0
Moderate	Deed Restricted	0
	Non-Deed Restricted	0
Above Moderate		239
Total Units 44		239

Note: units serving extremely low-income households are included in the very low-income permitted units totals

Entitlement Summary	
Total Housing Applications Submitted:	4
Number of Proposed Units in All Applications Received:	131
Total Housing Units Approved:	131
Total Housing Units Disapproved:	0

Use of SB 35 Streamlining Provisions	
Number of Applications for Streamlining	0
Number of Streamlining Applications Approved	0
Total Developments Approved with Streamlining	0
Total Units Constructed with Streamlining	0

Units Constructed - SB 35 Streamlining Permits			
Income	Rental	Ownership	Total
Very Low	0	0	0
Low	0	0	0
Moderate	0	0	0
Above Moderate	0	0	0
Total	0	0	0

Cells in grey contain auto-calculation formulas