



CITY OF LEMON GROVE

CITY COUNCIL STAFF REPORT

Item No. 1.A

Meeting Date: July 7, 2020
Submitted to: Honorable Mayor and Members of the City Council
Department: City Manager's Office
Staff Contact: Kristen Steinke, City Attorney
Item Title: **Waive the Full Text Reading of all Ordinances**

Summary: Waive the full text reading of all ordinances included in this agenda. Ordinances shall be introduced and adopted by title only.

Environmental Review:

- Not subject to review Negative Declaration
 Categorical Exemption, Section | | Mitigated Negative Declaration

Fiscal Impact: None.

Public Notification: None.



CITY OF LEMON GROVE

CITY COUNCIL STAFF REPORT

Item No. 1.B

Meeting Date: July 7, 2020
Submitted to: Honorable Mayor and Members of the City Council
Department: City Manager's Office
Staff Contact: Molly Brennan, Administrative Services Director
<mailto:MBrennan@lemongrove.ca.gov>
Item Title: **City of Lemon Grove Payment Demands**

Recommended Action: Ratify Demands.

Environmental Review:

- Not subject to review Negative Declaration
 Categorical Exemption, Section [] Mitigated Negative Declaration

Fiscal Impact: None.

Public Notification: None.

City of Lemon Grove Demands Summary

Approved as Submitted:

Molly Brennan, Administrative Services Director
For Council Meeting: 07/07/20

ACH/AP Checks 06/09/20-06/26/20

414,313.05

Payroll - 06/16/20

127,235.14

Total Demands

541,548.19

CHECK NO	INVOICE NO	VENDOR NAME	CHECK DATE	Description	INVOICE AMOUNT	CHECK AMOUNT
ACH	3568860625/0620	SDG&E	06/09/2020	Electric Usage:St Light 5/1/20-5/31/20	1,257.40	1,257.40
ACH	Jun2 20	US Treasury	06/09/2020	Federal Taxes 6/2/20	28,984.58	28,984.58
ACH	May20-CC May20-CC	Wells Fargo	06/10/2020	Credit Card Processing-Mo.Svc -May'20 Credit Card Transaction Fees- May'20	9.95 429.55	439.50
ACH	Refill 6/9/20	Pitney Bowes Global Financial Services LLC	06/10/2020	Postage Usage 6/9/20	250.00	250.00
ACH	May20	Wells Fargo	06/11/2020	Bank Service Charge - May'20	256.40	256.40
ACH	4154920380/0620	SDG&E	06/11/2020	Electric Usage:St Light 5/1/20-5/31/20	1,836.97	1,836.97
ACH	May20	Home Depot Credit Services	06/17/2020	Home Depot Purchases - May'20	1,096.16	1,096.16
ACH	Jun16 20	Employment Development Department	06/18/2020	State Taxes 6/16/20	8,200.22	8,200.22
ACH	10644078	LEAF	06/18/2020	Ricoh C3502 Copier System-PW Yard - May'20	160.51	160.51
ACH	65862832	WEX Bank	06/18/2020	Fuel - Fire Dept - May'20	70.88	70.88
ACH	Jun3-Jun16 20	Calpers Supplemental Income 457 Plan	06/19/2020	457 Plan 6/3/20-6/16/20	8,672.42	8,672.42
ACH	Jun16 20	US Treasury	06/23/2020	Federal Taxes 6/16/20	27,492.02	27,492.02
ACH	Apr20	San Diego County Sheriff's Department	06/24/2020	Law Enforcement Services - Apr'20	515,995.23	515,995.23
ACH	May20-Jun16 20	California Public Empl Retirement System	06/24/2020	Pers Retirement 5/20/20-6/16/20	65,049.49	65,049.49
ACH	Refill 6/25/20	Pitney Bowes Global Financial Services LLC	06/26/2020	Postage Usage 6/25/20	250.00	250.00
13009	Jun2020 Jun2020	BCC	06/10/2020	Life Insurance - Jun'20 LTD Insurance - Jun'20	510.60 712.54	1,223.14
13010	4032930397	Canon Solutions America, Inc.	06/10/2020	Canon Maintenance-Copier Usage 2/27/20-5/26/20	27.50	27.50
13011	May20	Colonial Life	06/10/2020	Colonial Optional Insurance -May20	328.76	328.76
13012	20CTOFLGN11	County of San Diego- RCS	06/10/2020	800 MHZ Network - May'20	2,878.50	2,878.50
13013	06032020560	DAR Contractors	06/10/2020	Animal Disposal- May'20	162.00	162.00
13014	Env Land 2020	Environmental Land Management	06/10/2020	Fire Fuel Mitigation/9 Acres - Goat Grazing	7,325.00	7,325.00
13015	93833244	ESRI Inc.	06/10/2020	ArcGIS Annual Maintenance 7/1/20-6/30/21	5,200.00	5,200.00
13016	21732	Grant & Kessler, APC	06/10/2020	Legal Svcs/ WIT & SWRAJ - thru 5/31/20	1,867.50	1,867.50
13017	1617	Janazz, LLC SD	06/10/2020	IT Services- City Hall- May'20	2,500.00	2,500.00
13018	7007 7025 7041 7066	North County EVS, Inc.	06/10/2020	E10 AM Service & Safety Inspection/Repair Engine Leak/Replace Pa E210 Diagnose Rear Brake Adjustment Issue E210 Service Call/Diagnose Starter Issue E10 Service Call/Diagnose Check Engine Light	9,373.65 110.00 220.00 169.22	9,872.87
13019	AR-S241156	Signa Digital Solutions	06/10/2020	Ink for Plotter - COVID-19 Signs	519.96	519.96
13020	Fd Distribution	St. John of the Cross	06/10/2020	Food Pantry Items - CDBG-CV Food Distribution	1,887.73	1,887.73
13021	61172	Tyson & Mendes, LLP	06/10/2020	Legal Svcs: GHC0019886 thru 5/29/20	1,848.00	1,848.00
13022	5656143216	AutoZone, Inc.	06/17/2020	Diesel Exhaust Fluid - LGPW#32 GapVax	23.71	23.71
13023	82033179-00	Bridgestone Hosepower LLC	06/17/2020	Repair/Sweeper Attachment - LGPW Skidsteer	128.11	128.11
13024	6/16/20	California State Disbursement Unit	06/17/2020	Wage Withholding Pay Period Ending 6/16/20	161.53	161.53
13025	2347-Feb 2347-Jan 2347-Mar ACSERV-Feb2020 ACSERV-Jan2020 ACSERV-Jan2020 ACSERV-Mar2020 ACSERV-Mar2020	City of Chula Vista	06/17/2020	Animal Control Services- Feb'20 Animal Control Services- Jan '20 Animal Control Services- Mar'20 Credit/Impound Fees/Animal Control Services- Feb'20 Credit/Impound Fees/Animal Control Services- Jan '20 After Hours Calls- Jan '20 Credits/Impound Fees/Animal Control Services- Mar'20 After Hours Calls- Mar'20	23,466.00 23,466.00 23,466.00 -280.00 -400.00 783.28 -500.00 783.28	70,784.56

13026	0000014716	City of El Cajon	06/17/2020	Exchange Server/Heartland Fire - Lemon Grove's Share	1,840.79	1,840.79
13027	42454	Colantuono, Highsmith & Whatley, PC	06/17/2020	Legal Svcs/SDCOE Consortium - thru May'20	14.22	14.22
13028	54669	Daley & Heft LLP	06/17/2020	Legal Svcs: GHC0025482- Svcs thru 6/7/20	303.00	303.00
13029	Decker	Decker, Karen	06/17/2020	Refund/Decker, Karen/Rental - Gazebo BS#1- 7/18/20 COVID-19	100.00	100.00
13030	250315	GB Auto Service, Inc.	06/17/2020	Oil Filter/Change - LGPW#31 '14 Ford Escape	64.46	64.46
13031	INV1018005	George Hills Company	06/17/2020	TPA Claims- Adjusting/Other Services - May 20	2,944.50	2,944.50
13032	SS000213079	Hawthorne Machinery Co	06/17/2020	Equip Maint- CAT 420E Backhoe- 500 Hr Svc/Repairs	2,548.12	2,548.12
13033	775064	House of Automation	06/17/2020	Install New Sliding Automated Gate - LG Fire Station	19,267.00	19,267.00
13034	Jun16 20	ICMA	06/17/2020	ICMA Deferred Compensation Pay Period Ending 6/16/20	780.77	780.77
13035	1621 1622	Janazz, LLC SD	06/17/2020	Dell Laptop/Docking Station - COVID-19 Wireless Keyboard/Video Adapters	619.86 67.96	687.82
13036	202005	Lemon Grove Car Wash, Inc.	06/17/2020	Oil Change/Brake Flush - LGPW#31 '14 Ford Escape - 5/29/20	131.12	131.12
13037	4850687	Mallory Safety and Supply, LLC	06/17/2020	Nitrile Gloves	269.38	269.38
13038	3796	Pacific IP	06/17/2020	Phone Service - Eng Phone Ext Relocation - 6/3/20	135.00	135.00
13039	PD-45301 PD-45433	Plumbers Depot Inc.	06/17/2020	Sewer Camera - Repair/12 Pin Metal for Cable End Sewer Camera - Replaced Seals/O Rings/Adjusted Tilt Clutch	958.30 653.80	1,612.10
13040	Jun-20	Preferred Benefit Insurance Administrators	06/17/2020	Dental Insurance- PPO -Jun'20	3,634.40	3,634.40
13041	0000006090	San Diego Stormwater Solutions, Inc.	06/17/2020	Required Storm Drain Insert Realignmt Drainage Basins-Olive/North	4,085.00	4,085.00
13042	101336813-0001 101528484-0001	Sunbelt Rentals Inc.	06/17/2020	Tamper Rental - Asphalt Repair - 5/12/20 Propane	157.05 16.22	173.27
13043	123890	Superior Ready Mix Concrete LP	06/17/2020	Asphalt - 2873 Skyline Dr/PW Yard	237.96	237.96
13044	Valadez	Valadez, Maribel	06/17/2020	Refund/Valadez, Maribel/Deposit - Lee House- 7/11/20 COVID-19	300.00	300.00
13045	72581170 72585121 72588328 72588329 72594487 72594488 72598278 72599930	Vulcan Materials Company	06/17/2020	Asphalt Asphalt Asphalt Asphalt Asphalt/SS1H 4.5 Gallon Bucket Asphalt/SS1H 4.5 Gallon Bucket Asphalt/SS1H 4.5 Gallon Bucket Asphalt/SS1H 4.5 Gallon Bucket	392.32 149.88 103.33 148.91 152.79 173.48 175.90 175.90	1,472.51
13046	6837 6838 6839	Aguirre & Associates	06/24/2020	Tract 0062 Subdivision Map Check - May'20 Topographic Survey @ Mt Vernon & Acacia St - May'20 Lawton Drive Street Dedication - May'20	690.00 109.00 275.00	1,074.00
13047	5656173629	AutoZone, Inc.	06/24/2020	Diesel Exhaust Fluid - Sanitation	23.71	23.71
13048	5028633	Bearcom	06/24/2020	Portable Radios Monthly Contract 5/22/20-6/21/20	150.00	150.00
13049	3952788	Certified Laboratories	06/24/2020	Protective Gear/Face Masks - COVID-19	587.53	587.53
13050	21952	City of La Mesa	06/24/2020	FY19-20 Qtr 3-JPA Reconciliation- Jan-Mar 20	64,433.00	64,433.00
13051	2375 2430 2430 2438	Clark Telecom & Electric Inc.	06/24/2020	Street Light Repairs - May'20 Street Light Dig-Alert Markouts - May'20 Street Light Dig-Alert Markouts - May'20 St Light Knockdown Pole Removal/7816 Broadway - Apr'20	3,667.10 202.03 202.03 1,352.29	5,423.45
13052	6037 6041 6042 6043 6044 6064 6067	D- Max Engineering Inc.	06/24/2020	LG Vista Azul Stormwater Inspection 5/1/20-6/2/20 1993 Dain Dr Stormwater Inspection 5/1/20-5/31/20 6800 Mallard Ct Stormwater Inspection 5/1/20-5/31/20 19-20 Golden Doors Stormwater Inspection 5/1/20-5/31/20 1963 Berry St Stormwater Inspection 5/1/20-5/31/20 LG Broadway Self-Storage Stormwater Inspection 5/28/20-6/17/20 D-Max Stormwater Prof Svcs 5/1/20-5/31/20	1,239.50 176.68 225.68 29.10 201.18 1,262.50 7,507.05	10,641.69
13053	dsb20192825	Dig Safe Board	06/24/2020	State Fee/Regulatory Monthly Costs/Dig Alert 2019	57.13	57.13
13054	7-036-31400	Federal Express	06/24/2020	Shipping Charge - Sanitation/CUES West 5/7/20	23.06	23.06
13055	251586	GB Auto Service, Inc.	06/24/2020	Tires/Wheel Balance/Alignment - LGPW#17 '99 Ford F350	369.60	369.60
13056	68641	Global Power Group, Inc.	06/24/2020	Retrofit New Circuit Breaker - Generator/Fire Station	1,244.10	1,244.10
13057	Reimb-5/14/20	Govea, Garrett	06/24/2020	Reimb: Tuition - BS Mgmt/PR/Govea 5/14/20	190.00	190.00
13058	FINC146443	Hawthorne Machinery Co	06/24/2020	Charge - Eq Maint - CAT 420E Backhoe- Svc/Repairs	38.22	38.22
13059	00076992	Hudson Safe-T- Lite Rentals	06/24/2020	Yield Signs	81.19	81.19
13060	140029 140030	Knott's Pest Control, Inc.	06/24/2020	Monthly Bait Stations- Civic Ctr - Jun20 Monthly Bait Stations- Sheriff - Jun20	60.00 45.00	105.00

13061	07-2589Apr 07-2589May Fire/07-2590Apr Fire/07-2590May	Lemon Grove School District	06/24/2020	Fuel Services-PW: Apr'20 Fuel Services-PW: May'20 Fuel Services-Fire Stn- Apr'20 Fuel Services-Fire Stn- May'20	2,073.84 1,128.41 1,078.76 846.61	5,127.62
13062	1499746	Liebert Cassidy Whitmore	06/24/2020	Prof Svcs: LE050-00001 thru 5/31/20	1,414.90	1,414.90
13063	4833538	Mallory Safety and Supply, LLC	06/24/2020	Black Nitrile Gloves/Personal Protective Gear/PW - COVID-19	245.24	245.24
13064	1075741 1081326 1084078 1086387	Michael Baker International	06/24/2020	Prof Svc: As-Needed Engineering Svcs thru 1/31/20 Prof Svc: As-Needed Engineering Svcs thru 3/31/20 Prof Svc: As-Needed Engineering Svcs thru 4/30/20 Prof Svc: As-Needed Engineering Svcs thru 5/31/20	20,454.50 10,032.50 16,564.75 23,947.38	70,999.13
13065	68201520	Occupational Health Centers of CA	06/24/2020	DMV Medical Recert Exam - 6/11/20	103.00	103.00
13066	PD-45567	Plumbers Depot Inc.	06/24/2020	Sewer Camera - Replace Pressure Hose & Fittings for Cleaning	879.89	879.89
13067	CLGLGAT_202005	Rail Pros	06/24/2020	Prof Svc: LGA Timing Project thru 6/14/20	700.00	700.00
13068	75043 75275	Rick Engineering Company	06/24/2020	Prof Svc: City Engineer 3/28/20-4/24/20 Prof Svc: City Engineer 4/25/20-5/29/20	28,692.23 37,017.19	65,709.42
13069	41	RXR Plumbing, Inc.	06/24/2020	Plumbing Repair/Fire Stn	500.00	500.00
13070	1320	SD Sports Medicine and Family Health Ctr	06/24/2020	Medical Lab Tests	166.71	166.71
13071	May20	SDG&E	06/24/2020	Gas & Electric 4/23/20-5/22/20	15,354.26	15,354.26
13072	2249	SoCal PPE	06/24/2020	Cleaning & Repairs - Turnouts	2,350.00	2,350.00
13073	80411 80412	Southwest Signal Service	06/24/2020	Bi-Monthly Traffic Signal Maintenance - May'20 Traffic Signal Service Calls - May'20	1,105.00 992.91	2,097.91
13074	2127 2236 2285	Spring Valley Lawn Mower Shop	06/24/2020	Trimline/Cutting Head Eyelet - PW/Streets Replacement Guard/Trimmer - PW/Streets Repair Spring Retainer/Concrete Saw - PW/Streets	14.49 37.14 69.85	121.48
13075	101573759-0001 101616800-0001 101757083-0001 101821456-0001 101848513-0001 101983184-0001 102019727-0001 102072443-0001 102234476-0001	Sunbelt Rentals Inc.	06/24/2020	Propane Propane Propane Propane Propane Propane Trimmer Rental - 6/2/20 Propane Propane	7.54 3.54 22.16 22.55 8.90 11.31 55.60 7.54 37.58	176.72
13076	0331-5	The Sherwin-Williams Co.	06/24/2020	Graffiti Paint	46.56	46.56
13077	520200387	Underground Service Alert of Southern Ca.	06/24/2020	54 New Ticket Charges - May'20	99.10	99.10
13078	STMT 5/22/2020 STMT 5/22/2020 STMT 5/22/2020 STMT 5/22/2020 STMT 5/22/2020 STMT 5/22/2020 STMT 5/22/2020 STMT 5/22/2020 STMT 5/22/2020 STMT 5/22/2020 STMT 5/22/2020	US Bank Corporate Payment Systems	06/24/2020	Keys for Back Security Gate/Fire Stn Towels/Mats/Vehicle Supplies - Fire City Council Audio Annual Subscription Acrobat Pro Subscription Webinar/Return to Work/COVID-19 Fuel/PW Streets Vehicles Fuel/Sanitation Vehicles CDBG-CV Grant/Supplies/Food/Food Pantry Daycamp/Supplies Sign Supplies/COVID-19	21.01 284.43 135.00 179.88 200.00 741.52 40.00 1,165.12 188.79 48.78	3,004.53
13079	72602915 72604484 72607655 72612844	Vulcan Materials Company	06/24/2020	Asphalt/SS1H 4.5 Gallon Bucket Asphalt/SS1H 4.5 Gallon Bucket Asphalt/SS1H 4.5 Gallon Bucket Asphalt/SS1H 4.5 Gallon Bucket	176.71 200.31 202.25 298.79	878.06
13080	160649	West Coast Arborists, Inc.	06/24/2020	Tree Maintenance - 5/1/20-5/15/20	3,780.00	3,780.00
13081	4/23/20-5/22/20 5/23/20-6/22/20 21313186 21319081 21426237 4047702121 4048267299 4048824885 4049389835 4049971238 4050554949 4052352919 1901251937 82019490 2259Wash-5/12 2873skyline- 5/ 7071MTV- 5/1 8235MTV-5/9 City Hall- 5/1/ CommCtrInt-4/29 Fax-CH- 5/19/20 Fire 5/1/20 Fire Alarm-4/28	Wells Fargo	06/24/2020	AT&T - Backup City Hall Internet- 4/23/20-5/22/20 AT&T - Backup City Hall Internet- 5/23/20-6/22/20 Canon Financial Svcs - Canon Plotter 2 Yr Carepack 4/20/20-5/19/ Canon Financial Svcs - Fee/Canon Plotter 2 Yr Carepack 4/20-5/19 Canon Financial Svcs - Canon Plotter 2 Yr Carepack 5/20/20-6/19/ Cintas - Janitorial Supplies - 4/9/20 Cintas - Credit/Janitorial Supplies - 4/16/20 Cintas - Janitorial Supplies - 4/23/20 Cintas - Janitorial Supplies - 4/30/20 Cintas - Janitorial Supplies - 5/7/20 Cintas - Janitorial Supplies - 5/14/20 Cintas - Janitorial Supplies - 6/4/20 Cintas - Janitorial Supplies - 4/16/20 Corelogic - RealQuest Graphics Package - Apr'20 Cox - Calsense Modem Line: 2259 Washington 5/11/20-6/10/20 Cox - Phone/PW Yard/2873 Skyline- 5/19/20-6/18/20 Cox - Calsense Modem Line:7071 Mt Vernon/Berry St Pk 5/1/20-5/31 Cox - Calsense Modem Line: 8235 Mt Vernon/Berry St Pk 5/9/20-6/8 Cox - Phone/City Hall 5/1/20-5/31/20 Cox - Internet/Comm Ctr- 4/30/20-5/29/20 Cox - City Manager Fax Line- 5/18/20-6/17/20 Cox - MainPhone/Fire 5/1/20-5/31/20 Cox - City Hall Fire Alarm 4/27/20-5/26/20	85.60 85.60 144.00 97.73 144.00 254.35 377.29 70.33 70.33 290.64 70.33 399.97 904.88 300.00 22.87 213.07 22.87 94.39 973.38 75.00 4.75 439.18 44.90	8,776.55

PEG- 4/30/20-5/	Cox - PEG Circuit Svc- 4/30/20-5/29/20	2,896.56	
Rec-5/4	Cox - Phone/Rec Ctr/3131 School Ln- 5/4/20-6/3/20	97.89	
8129848996	Shredit - Shredding Service - 5/13/20	79.51	
Fire-9854996928	Verizon - Hayward 4/21/20-5/20/20	372.65	
9853847586	Verizon - Modems- Cardiac Monitors - 4/4/20-5/3/20	14.04	
9854511727	Verizon - City Phone Charges- 4/13/20-5/12/20	234.91	
9854512279	Verizon - Mobile Broadband Access- 4/13/20-5/12/20	76.02	
Tablets-5/12	Verizon - PW Tablets- 4/13/20-5/12/20	198.80	
CB 061220	WellsFargo - Cash Back Award Stmt 061220	-379.29	
		414,313.05	414,313.05



CITY OF LEMON GROVE

CITY COUNCIL STAFF REPORT

Item No. 1.C

Meeting Date: July 7, 2020

Submitted to: Honorable Mayor and Members of the City Council

Department: City Manager's Office

Staff Contact: Shelley Chapel, City Clerk

Schapel@lemongrove.ca.gov

Item Title: **Approval of City Council Meeting Minutes**

Recommended Action: Approval of City Council Meeting Minutes.

Environmental Review:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Not subject to review Negative | <input type="checkbox"/> Declaration |
| <input type="checkbox"/> Categorical Exemption, Section | <input type="checkbox"/> Mitigated Negative Declaration |

Fiscal Impact: None.

Public Notification: None.

**MINUTES OF REGULAR MEETING
OF THE LEMON GROVE CITY COUNCIL
VIRTUAL MEETING VIA ZOOM**

TUESDAY, JUNE 16, 2020

*The City Council also sits as the Lemon Grove Housing Authority,
Lemon Grove Sanitation District Board, Lemon Grove Roadway Lighting District Board,
and Lemon Grove Successor Agency.*

Regular Meeting of the City Council of the City of Lemon Grove, California, took place virtually only pursuant to California Governor Executive Orders N-25-20, N-29-20 and N-35-20, and in the interest of public health and safety, we temporarily took actions to prevent and mitigate the spread and effects of the COVID-19 pandemic by holding City Council and other public meetings via virtual audio media only.

Call To Order:

Mayor Vasquez called the Regular Meeting to order at 6:07 p.m.

Present:

Mayor Racquel Vasquez, Mayor Pro Tem Jennifer Mendoza, Councilmember Yadira Altamirano, Councilmember David Arambula, and Councilmember Jerry Jones.

Absent: None.

Staff Members Present:

Lydia Romero, City Manager, Kristen Steinke, City Attorney, Mike James, Assistant City Manager/Public Works Director, Molly Brennan, Administrative Services Director, Noah Alvey, Community Development Manager, Roberto Hidalgo, Human Resource Manager, Mike Rand, San Diego Sheriff's Lieutenant, Steve Swaney, Fire Chief, and Shelley Chapel, City Clerk.

Pledge of Allegiance was led by Councilmember Arambula.

Public Comment was read into the Record by City Clerk, Chapel: Jennifer Ellis, and Melanie Lucero

City Council Oral Comments and Reports on Meetings Attended at the Expense of the City

Councilmember Jones attended the following meetings and events:

- Zoom Meeting Metro Wastewater JPA

Councilmember Altamirano attended the following meetings and events:

- Weekly COVID-19 Update with the County of San Diego
- Participated in packing food at Lemon Grove Distribution Center for families in need

Mayor Pro Tem Mendoza attended the following meetings and events:

- Vice Chair for Planning Meeting of the Transportation and Communication Committee

Councilmember Arambula attended the following meetings and events:

- MTS Executive Board Meeting

Mayor Vasquez attended the following meetings and events:

- Gave update on COVID-19 – Lemon Grove currently has 93 cases
- Reminder to respond to Census Questionnaire and encourage others
- Joint Statement from Council Regarding Protests and Human Rights
- CAL OES Briefings
- San Diego County Weekly COVID-19 Update for Mayors

- SANDAG Board of Directors Meeting
- Distributed Food at Drive Thru event for families in need
- Virtual Race Amity Day – Provided a Proclamation

City Manager’s Report:

City Manager Romero provided an update on COVID restrictions and Budgetary Cuts; Summer Concerts in the Park and Movies in the Park are cancelled through July. Day Camp has opened with limit of 60 children only. There is a food distribution paid for by CARE Act Grant for Lemon Grove residents.

Consent Calendar:

- 1.A Waive Full Text Reading of All Ordinances on the Agenda.
- 1.B Ratification of Payment of Demands
- 1.C Approved City Council Meeting Minutes for Virtual Regular Meeting of June 2, 2020, and Virtual Emergency Special Meeting of June 2, 2020.
- 1.D Adoption of Resolution No. 2020-3735 entitled, “A Resolution of the City Council of the City of Lemon Grove, California, Approval of Minimum Wage Increase to Ensure Compliance with the California Minimum Wage Increase as Governed by State Law.”
- 1.E Adoption of Resolution No. 2020-3736 entitled, “A Resolution of the City Council of the City of Lemon Grove, California, establishing the Fiscal Year 2020-21 City Calendar.”
- 1.F Adoption of Resolution No. 2020-3737 entitled, “A Resolution of the City Council of the City of Lemon Grove, California, Approving the Levy and Collection of Assessments within the Lemon Grove Wildflower Landscape Maintenance Assessment District 97-1 for Fiscal Year 2020-2021.”
- 1.G Adoption of Resolution No. 2020-308 entitled, “A Resolution of the Board of Directors of the Sanitation District Approving the Engineer’s Report Regarding the Sewer Service Charges for Fiscal Year 2020-2021.”
- 1.H Adoption of Resolution No. 2020-177 entitled, “A Resolution of the Lemon Grove Roadway Lighting District Approving the Engineer’s Report Regarding the Zone L Charges for Fiscal Year 2020-2021.”
- 1.I Adoption of Resolution No. 2020-3738 entitled, “A Resolution of the City Council of the City of Lemon Grove, California, Authorizing Application For, and Receipt Of, Local Government Planning Support Grant Program Funds.”

Action: Motion by Councilmember Arambula, seconded by Mayor Pro Tem Mendoza, to approve Consent Calendar Items 1.A-1.I.

The motion passed by the following vote:

Ayes: Vasquez, Mendoza, Altamirano, Arambula, Jones

Noes: None.

Reports to Council:

- 2. Fiscal Year 2020-2021 Consolidated Operating and Capital Budget

Mayor Vasquez introduced Molly Brennan, Administrative Services Director who gave the report and PowerPoint Presentation.

Public Comment Received was read into the record by Shelley Chapel, City Clerk: Melanie Lucero

- A. **Action: It was moved by Mayor Pro Tem Mendoza, seconded by Councilmember Arambula to Adopt Resolution No. 2020-3739 entitled, “A Resolution of the City Council of the City of Lemon Grove, California,**

Approving the City of Lemon Grove Budget for Fiscal Year 2020-2021 and Authorizing Expenditures Thereto”;

The motion passed by the following vote:

Ayes: Vasquez, Mendoza, Altamirano, Arambula

Noes: Jones

- B. **Action:** It was moved by Councilmember Arambula, and seconded by Mayor Pro Tem Mendoza to Adopt Resolution No. 2020-3740 entitled, “A Resolution of the City Council of the City of Lemon Grove, California, Approving a Salary Plan and Classification Summary”;

The motion passed by the following vote:

Ayes: Vasquez, Mendoza, Altamirano, Arambula

Noes: Jones

- C. **Action:** It was moved by Mayor Pro Tem Mendoza seconded by Councilmember Altamirano and seconded by to Adopt Resolution No. 2020-3741 entitled, “A Resolution of the City Council of the City of Lemon Grove, California, Establishing the Appropriations Limit for Fiscal Year 2020-2021”;

The motion passed by the following vote:

Ayes: Vasquez, Mendoza, Altamirano, Arambula, Jones

Noes: None.

- D. **Action:** It was moved by Director Arambula, and seconded by Director Altamirano to Adopt Resolution No. 2020-178 entitled, “A Resolution of the Lemon Grove Roadway Lighting District Board, Approving the Lemon Grove Roadway Lighting District Budget for Fiscal Year 2020-2021 and Authorizing Expenditures Thereto”; and

The motion passed by the following vote:

Ayes: Vasquez, Mendoza, Altamirano, Arambula, Jones

Noes: None.

- E. **Action:** It was moved by Director Jones, and seconded by Director Altamirano to Adopt Resolution No. 2020-309 entitled, “A Resolution of the Lemon Grove Sanitation District Board, Approving the Lemon Grove Sanitation District Budget for Fiscal Year 2019-2020 and Authorizing Expenditures Thereto.”

The motion passed by the following roll call vote:

Ayes: Vasquez, Mendoza, Altamirano, Arambula, Jones

Noes: None

3. Proposed Marijuana Business Gross Receipts Tax

Mayor Vasquez introduced Lydia Romero, City Manager and Kristen Steinke, District Attorney who gave the report and PowerPoint Presentation.

Public Comment Received was read into the record by Shelley Chapel, City Clerk: Kathleen Lippett, Terri-Ann Skelly, and Peggy Walker.

Action: Discussed and provided feedback and direction to staff.

4. Vehicle Miles Traveled Methodology

Mayor Vasquez introduced Mike James, Assistant City Manager / Public Works Director who gave the report and PowerPoint Presentation.

No Public Comment Received.

Action: It was moved by Councilmember Arambula, and seconded by Councilmember Altamirano to Adopt Resolution No. 2020-3742, entitled, “Resolution of the City Council of the City of Lemon Grove, California, Approving Vehicle Miles Traveled Thresholds of Significance for Purposes of Analyzing Transportation Impacts under the California Environmental Quality Act.”

The motion passed by the following roll call vote:

Ayes: Vasquez, Mendoza, Arambula, Altamirano, Jones

Noes: None.

City Attorney Steinke convened the meeting into Closed Session at 8:11 p.m. Closed Session was conducted via Closed Session Room separate from the “Virtual Meeting.” The Audio Recording for the Meeting was paused at that time.

Closed Session:

- 1. LIABILITY CLAIM (GOVERNMENT CODE SECTION §54956.95)

Claimant: Doris Wight

Agency Claimed Against: City of Lemon Grove

- 2. LIABILITY CLAIM (GOVERNMENT CODE SECTION §54956.95)

Claimant: Maileen Aguilar

Agency Claimed Against: City of Lemon Grove

The meeting was reconvened into Open Session at 8:29 p.m., the City Attorney Steinke reported there was no action taken in Closed Session.

Adjournment:

There being no further business to come before the Council, the meeting was adjourned at 8:29 p.m. to a meeting to be held Tuesday, July 7, 2020, as a Virtual Meeting, for a Regular City Council Meeting.

Shelley Chapel, MMC
City Clerk



CITY OF LEMON GROVE

CITY COUNCIL STAFF REPORT

Item No. 1.D

Meeting Date: July 7, 2020

Submitted to: Honorable Mayor and Members of the City Council

Department: City Manager's Office

Staff Contact: Shelley Chapel, City Clerk

Schapel@lemongrove.ca.gov

Item Title: **Note and File Planning Commission Meeting Minutes**

Recommended Action: Note and file.

Environmental Review:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Not subject to review Negative | <input type="checkbox"/> Declaration |
| <input type="checkbox"/> Categorical Exemption, Section | <input type="checkbox"/> Mitigated Negative Declaration |

Fiscal Impact: None.

Public Notification: None.

**MINUTES OF A MEETING OF
THE LEMON GROVE VIRTUAL PLANNING COMMISSION
MONDAY, APRIL 27, 2020**

Call To Order:

Chair Bailey called the Regular Meeting to order at 6:07 p.m.

Present: Chair Bailey, Commissioner Browne, Commissioner LeBaron, Commissioner Evans (arrived at 6:09 p.m.), and Commissioner Smith.

Absent: None.

Staff Members Present:

City Manager, Lydia Romero, Assistant City Manager Mike James, Planning Commission Attorney Punam Prahalad, City Clerk/Commission Clerk Shelley Chapel, Noah Alvey, Community Services Manager, and Mike Viglione, Associate Planner.

Pledge of Allegiance:

Pledge of Allegiance to the Flag was led by Chair Bailey.

Approval of Meeting Minutes

1. March 9, 2020 Regular Meeting

Action: Motion by Commissioner LeBaron, seconded by Vice Chair Browne to approve meeting minutes.

The motion passed by the following vote:

Ayes: Bailey, Browne, Evans, LeBaron, and Smith

Abstain: None.

Public Comment: There was no public comment submitted.

Public Hearing:

2. Planned Development Permit PDP-190-0002, A Request to Demolish an Existing Building and Construct a 5-Story Mixed-Use Building at 7946 Broadway in the Village Commercial 5 Zone of the Downtown Specific Plan Area.

Commissioner LeBaron disclosed that she submitted emails for public comment from residents who asked for her assistance.

Commissioner Browne disclosed that he runs a business across the street from the project site.

Mike Viglione, Associate Planner presented the staff report and PowerPoint Presentation.

Applicant Russ Haley, Vice President of CityMark Development gave a statement on the project and responded to Commissioners questions.

Chair Bailey opened the Public Hearing at 7:32 p.m.

Public Comment was read into the Record by City Clerk, Chapel: Erik Wiese, Rosa Carney, Andrea Bishop, David Eckler, Anne Stapleton, Jeanne Peterson, Francesca

Redeski, Jamie Robinson, Melanie Lucero, Phill Bunch, Gary Elbert, Mary Sessom, and Helen O'Field,

Staff Recommendation: Conduct the Public Hearing, Receive Public Comment, and Adopt a Resolution Conditionally Approving Planned Development Permit PDP-190-0002, a Request to Demolish an Existing Building and Construct a 5-Story Mixed-Use Building at 7946 Broadway in the Village Commercial 5 Zone of the Downtown Village Specific Plan Area.

Action: The public hearing was closed at 7:55 p.m. on a motion by Vice Chair Browne made a motion to adopt the resolution as presented by staff. The motion died for lack of a second.

Motion by Commissioner Smith and second by Commissioner Evans to adopt Resolution No. 2020-02 with conditions to include: Inclusion of marked parking and marked bike lane on Grove Avenue, additional removable public seating in the front of building and amend design to include variations.

**The motion passed by the following vote:
Ayes: Browne, Evans, and Smith
Noes: Bailey, and LeBaron,**

Report to Commission:

3. 2019 General Plan Annual Progress Report

Noah Alvey, Community Development Manager presented the staff report and PowerPoint Presentation.

Report was a Receive and File.

Business from the Community Development Manager: (Non-Action Items)

Motion to adjourn the meeting made by Commissioner Evans and second by Commissioner Smith, 5-0 approved.

Adjournment:

There being no further business to come before the Commission, the meeting was adjourned at 8:46 p.m. to a meeting to be held Monday, June 29, 2020, for a Regular meeting.

Shelley Chapel

Shelley Chapel, MMC
Planning Commission Clerk



CITY OF LEMON GROVE

CITY COUNCIL STAFF REPORT

Item No. 1.E.

Meeting Date: July 7, 2020

Submitted to: Honorable Mayor and Members of the City Council

Department: City Manager's Office

Staff Contact: Shelley Chapel, City Clerk

Schapel@lemongrove.ca.gov

Item Title: **Biennial Review and Adoption of the Amended Conflict of Interest Code**

Recommended Action: Adopt a Resolution entitled, "A Resolution of the City Council of the City of Lemon Grove, California accepting the Amendment to the Conflict of Interest Code.

Summary:

Government Code Title 9, Political Reform, Chapter 7 Conflict of Interest, Section 87306.5 requires that in each even-numbered year, the Council, as the Code reviewing body for the City departments, must review the Conflict of Interest Code, list of designated reporting positions, and the respective disclosure categories. The purpose of this review is to provide reasonable assurance that all foreseeable potential conflict of interest situations involving City employees and members of listed boards, commissions and committees, and consultants will be disclosed or prevented. State law also mandates that upon completion of the review of the Conflict of Interest Code, the Code should be amended to reflect any changes necessitated by the review, including new and/or different positions, duties and responsibilities.

Discussion:

City Conflict of Interest Code:

Staff has completed a review of Code and Appendix (Exhibits A-B) of Designated Filers and is requesting the Council adopt the proposed resolution which will amend the Conflict of Interest Code. The Appendix has been updated with the following positions which have been established or abolished since the last review in 2018.

The attached Conflict of Interest Code includes consultants as public officials and provides direction in determining if their scope of work is subject to disclosure.

These new position have been assigned the corresponding reportable categories approved by the Council at the time the positions were established due to realignment and reorganization of positions through attrition. The action was adopted by the City Council on February 5, 2019, by Resolution No. 2019-3633.

New Positions/Titles added/amended since last update:

- Administrative Services Director
- Community Services Specialist
- Community Development Manager
- Public Works Operations/Administration Manager

No changes have been made to the lists of boards, commissions, and committee members who are also subject to this Code.

Also, all reportable categories for boards, commission and committee members have been maintained as previously approved by the Council.

It should be noted that Government Code Sections 87200-87210, and 87314 (2) (a,b,c) and (3); require that City Council, Members, Planning Board Members, City Manager, City Attorney, City Treasurer and other public officials who manage public investments and candidates for any of these offices at any election comply with the provisions of the Political Reform Act relating to the filing of Statements of Economic Interests. All such positions are deemed as 87200 Designated Positions and required full disclosure

Environmental Review:

- Not subject to review
- Negative Declaration
- Categorical Exemption, Section []
- Mitigated Negative Declaration

Fiscal Impact:

There is no fiscal impact associated with this item.

Public Notification: None.

Staff Recommendation: Adopt a Resolution entitled, “A Resolution of the City Council of the City of Lemon Grove, California accepting the Amendment to the Conflict of Interest Code.

Attachment:

- Attachment A - Draft Resolution
- Exhibit A – Revised Appendix
- Exhibit B – Revised Disclosure Categories/Positions

RESOLUTION NO. 2020-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE,
CALIFORNIA, AUTHORIZING THE AMENDMENTS TO THE CITY OF LEMON
GROVE CONFLICT OF INTEREST CODE AS REQUIRED BY THE FAIR
POLITICAL PRACTICES COMMISSION (FPPC)
REPEALING RESOLUTION NO. 2018-3608**

WHEREAS, the Political Reform Act of 1974, Government Code Sections 81000, et seq., requires every governmental agency to adopt a Conflict of Interest Code that designates positions and financial interest that be disclosed by those positions; and

WHEREAS, the Fair Political Practices Commission (FPPC) has adopted a regulation, 2 California Code of Regulations Section 18730, which contains the terms of a standard Conflict of Interest Code, which can be incorporated by reference and may be amended by the FPPC after public notice and hearings to conform to amendments in the Political Reform Act;

WHEREAS, the City Council has heretofore adopted, as the Conflict of Interest Code of the City of Lemon Grove, the model conflict of interest code set forth in the California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission;

WHEREAS, the Appendix to the City Code includes Exhibit A (in which officials and employees are designated and in which disclosure categories are set forth), which may be modified by City Council from time to time, and all of which together does constitute the Conflict of Interest Code of the City of Lemon Grove.;

WHEREAS, designated employees shall file Statements of Economic Interests with the City Clerk who will make the statements available for public inspection and reproduction per Government Code Section 81008. Upon receipt of the statements of the Mayor, Councilmembers, City Manager, Finance Director/City Treasurer and the City Attorney, the City Clerk shall make and retain a copy and forward the original of these statements to the Fair Political Practices Commission. Statements for all other designated position will be retained by the City Clerk;

WHEREAS, the Conflict of Interest Code differentiates between designated positions with different powers and responsibilities and requires disclosure of all foreseeable potential Conflict of Interest.

WHEREAS, it is necessary to amend the City's Conflict of Interest Code to reflect the deletion and addition of certain City positions; and

WHEREAS, the Political Reform Act requires the City to review its Conflict of Interest Code biennially to determine if it is accurate or, alternatively that the code must be amended.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Lemon Grove, California hereby approves the attached City of Lemon Grove Conflict of Interest Code (Exhibit A).

- Section 1: That the above recitals are true and correct.
- Section 2: That the standard FPPC Conflict of Interest Code, as set forth in Title 2 California Code of Regulations Section 18730, and as may be amended from time to time by the FPPC, is incorporated by reference and constitutes the Conflict of Interest Code for the City of Lemon Grove.
- Section 3: That the list of designated positions subject to the requirements of the Conflict of Interest Code are amended, including their respective disclosure categories are set forth in Exhibit A.
- Section 4: That the City of Lemon Grove has conducted the 2018 Biennial review of its Conflict of Interest Code, as required by the Political Reform Act, and as a result of the biennial review determined the need for an amended Conflict of Interest Code as presented in this resolution.
- Section 5: That Resolution No. 2018-3608 is hereby repealed.

PASSED AND ADOPTED on _____, 2020, the City Council of the City of Lemon Grove, California, adopted Resolution No. _____, passed by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Racquel Vasquez, Mayor

Attest:

Shelley Chapel, MMC, City Clerk

Approved as to Form:

Kristen Steinke, City Attorney

REVISED APPENDIX
CITY OF LEMON GROVE
CONFLICT OF INTEREST CODE DESIGNATED POSITIONS

GENERAL PROVISIONS

When a designated employee or individual is required to disclose investments, business positions and sources of income, he or she need only disclose investments in business entities and sources of income which do business in the City, plan to do business in the City or have done business in the City within the past two (2) years. In addition to other activities, a business entity is doing business within the City if it owns real property within the City. When a designated employee or individual is required to disclose real property he or she need only disclose that which is located in whole or in part, within or not more than two (2) miles outside the boundaries of the City or within two (2) miles of any land owned or used by the City.

Designated employees or individuals shall disclose their financial interest pursuant to the appropriate disclosure category as indicated in Exhibit "A".

- All designated employees required to submit an initial Statement of Interest Form 700 shall file electronically including electronic signature with the City Clerk within thirty (30) days after the effective date of this resolution. Initial filings shall cover the period of the twelve (12) months prior to the date of the adoption of this Conflict of Interest Code.

- All individuals appointed, promoted, or transferred to a designated position shall file statements within thirty (30) days of assuming office. These "assuming office" statements cover the period of the twelve (12) months prior to the date of assuming office statement.

- When an individual is in an "interim or acting" capacity, they are subject to the same disclosure requirements of the position in which they are filling. An assuming office would be filed.

- Annual statements shall be filed with the City Clerk by April 1 of each year by all designated employees, elected officials, committee/board/commission members or individuals. Such statements shall cover the period of the preceding calendar year.

- Every designated employee who leaves office shall file, within thirty (30) days of leaving office, a statement disclosing financial interests held or received at any time during the period between the closing date of the last statement required to be filed and the date of leaving office.

- Any individual serving in dual roles may file a combined statement by reporting according to their broadest range of disclosure.

- Failure to file the required statement in a timely fashion may result in the imposition of administrative, criminal, and civil sanctions as provided in Government Code Sections 81000-91014.

Resource: Title 2, California Code of Regulations, Section 18730 Provisions of Conflict of Interest Codes.

EXHIBIT A

DISCLOSURE CATEGORIES CATEGORY

Category 1: Disclose all business entities and non-profit organizations in which investments, business positions (e.g. director, officer, partner, trustee, employee or hold any position of management) and sources of income including gifts, loans and travel payments located in Lemon Grove, including property located within a two-mile radius of any property owned or used by the City of Lemon Grove.

Category 2: All interests in real property within the jurisdiction of the City.

Category 3: All investments, business positions in business entities, non-profit organizations and sources of income, including gifts, loans and travel payments, interest in real property and sources of income subject to the regulatory, permit or licensing authority of the specific City department.

Category 4: All investments in business entities, non-profit organizations and sources of income, including gifts, loans and travel payments, and sources of income which engage in land development, construction or the acquisition of real property, and interests in real property located in Lemon Grove, including property located within a two-mile radius of any property owned or used by the City of Lemon Grove.

Category 5: All investments in business entities, non-profit organizations in which investments, business positions (e.g. director, officer, partner, trustee, employee or hold any position of management) and sources of income including gifts, loans and travel payments, and of the type which contracts with the City to provide services, supplies, materials, machinery or equipment to any City department.

Category 6: All investments in business entities and sources of income of the type which contracts with the City to provide to the designated employee's department services, supplies, materials, machinery or equipment to any City department.

Category 7: All investments, positions in business entities, income including gifts, loans and travel payments, and income from non-profit organizations, if the sources is the type that receives grants or other monies from or through the City.

Unlimited Disclosures: 87200 Category are required to file full disclosure of all categories pursuant to Article 2 of Chapter 7 of the Political Reform Act, Government Code sections 87200, et. seq. Lemon Grove Local Conflict of Interest Code August 22, 2017

CONSULTANTS

The staff person most knowledgeable of the work that a Consultant will be performing shall designate whether or not the Consultant must file a Statement of Economic Interest by marking the appropriate box on the Agreement or Contract cover sheet. When determined that a Consultant is designated and is responsible for disclosure, they shall be required to file a Statement of Economic Interest disclosing reportable interests subject to all disclosure categories.

Consultants who make (not just recommend) governmental decisions, such as whether to approve a rate, rule, or regulation, whether to issue, deny, suspend, or revoke any permit, license, application, certificate or similar authorization, adopt or grant City approval to a plan, design, report, study, or adopt or grant City approval of policies, standards, or guidelines for the City or any subdivision thereof shall be required to disclose. Consultants who act in a staff capacity with the City, and in that capacity perform the same or substantially all the same duties for the City that would otherwise be performed by an individual holding a designated position in the City's Conflict of Interest Code, shall disclose at the same level as the comparable designated position identified.

CURRENT POSITIONS	DISCLOSURE CATEGORIES 2019
Administrative Services Director	87200
Assistant City Manager	1, 2, 4
Assistant Civil Engineer	3, 4
Assistant Planner	3, 4
Associate Civil Engineer	3, 4
Associate Planner	3, 4
Associate Senior Planner	3, 4
Building Official (Esgil)	2, 3
Building Technician (Esgil)	2, 3
City Clerk	1, 2, 6
City Engineer	1, 2, 5
Code Enforcement /Storm Water Technician	2, 3
Community Advisory Commission	1
Community Development Manager	1, 2, 3, 4, 5, 7
Community Services Specialist	2, 3, 5, 6
Community Services Superintendent	2, 3, 5, 6
Consultants	1
Deputy Building Official/Inspector (Esgil)	2, 3
Deputy City Attorney	1, 2
Deputy Fire Chief	3, 4, 6
Deputy Fire Marshal	3, 4
Development Services Director	Unlimited Disclosure
Development Technician II	2, 3
Engineer Inspector	4
Engineering Technician III	4
Finance Director/Treasurer	Unlimited Disclosure
Fire Battalion Chief	1, 2, 3
Fire Chief	1, 2, 3
Fire Division Chief	2, 3, 5
Fire Inspector	3, 4, 6
Fire Marshal	1, 2, 3
Fire Public Educator	3
Human Resources Manager	3, 5, 7
Management Analyst	3, 5
Principal Planner	1, 2, 3, 4, 7
Public Works Director	1, 2, 3, 4, 6, 7
Public Works Operations/Administration Manager	2, 3, 4, 6
Public Works Superintendent	2, 3, 4, 6
Sanitation Supervisor	4
Senior Planner	1, 2, 3, 4, 7
Special Projects Supervisor	1, 2, 7
Street Supervisor	2, 4, 6

Exhibit B

UNLIMITED DISCLOSURE POSITIONS
City Attorney**
City Council**
City Manager**
Administrative Services Director/Finance Director (If City does not have Treasurer) **
Mayor**
Planning Commission**
**City Council also sit as Members of the Successor Agency of the Lemon Grove Redevelopment Agency - Includes Chair, Members, Executive Director, Counsel, Secretary
**City Council also sit as Members of the Public Finance Authority - Includes Chair, Members, Executive Director, Counsel, Secretary, and Treasurer

UNLIMITED DISCLOSURE 87200

****Statements are sent to the FPPC within 5 days of receipt**



CITY OF LEMON GROVE

CITY COUNCIL STAFF REPORT

Item No. 1.F.

Meeting Date: July 7, 2020

Submitted to: Honorable Mayor and Members of the City Council

Department: Finance

Staff Contact: Molly Brennan, Administrative Services Director
mbrennan@lemongrove.ca.gov

Item Title: **Rejection of Claim**

Recommended Action: That the City Council rejects a claim submitted by Doris Wight.

Summary: On June 1, 2020, The City of Lemon Grove received a claim from Doris Wight. After reviewing the claim, staff recommends that the City Council rejects the claim.

Environmental Review:

- Not subject to review Negative Declaration
 Categorical Exemption, Section [] Mitigated Negative Declaration

Fiscal Impact: None.

Public Notification: None.

Staff Recommendation: That the City Council rejects a claim submitted by Doris Wight.

Attachments: None.



CITY OF LEMON GROVE

CITY COUNCIL STAFF REPORT

Item No. 2

Meeting Date: July 7, 2020

Submitted to: Honorable Mayor and Members of the City Council

Department: City Manager's Office

Staff Contact: Shelley Chapel, City Clerk

Schapel@lemongrove.ca.gov

Item Title: Presidential General Election Tuesday, November 3, 2020

Recommended Action: Adopt: 1) Resolution Calling and Giving Notice of the General Municipal Election on Tuesday, November 3, 2020, for one (1) Mayor and two (2) Members of the City Council and Determining Tie Votes by Lot; 2) Requesting Consolidation of the General Municipal Election with the Presidential General Election and Requesting Services of the San Diego Registrar of Voters; and 3) Resolution Adopting Regulations for Candidate Statements.

If a special runoff election is desired to resolve tie votes, direct staff to return with a resolution prior to the election.

Summary:

A Presidential General Municipal Election will be held in the City of Lemon Grove on Tuesday, November 3, 2020. The purpose of the election is to elect one (1) Mayor and two (2) Members of the City Council, each for a full four-year term. The attached resolutions provide for the City Council to take required action calling the election, directing the City Clerk to publish notice of the election, and determining how tie votes are resolved, as well as requesting consolidation of the election with the Presidential General Municipal Election and requesting services of the County Registrar of Voters, and lastly to establish regulations for candidate statements.

Discussion:

Presidential General Municipal Election

The City will be holding a General Municipal Election on Tuesday, November 3, 2020, for the purpose of electing one (1) Mayor and two (2) Members of the City Council for the full

term of four years for the expiring terms of incumbents Racquel Vasquez, David Arambula and Yadira Altamirano respectively.

California Elections Code § 12101 (a) states the City Elections Official must publish a Notice of Election not earlier than the 127th day (June 29) nor later than the 113th day (July 13) before a Municipal Election including the time of the election, the offices to be filled, and the length of term of each office. The attached resolution (Attachment B) calls/notices the election and directs the City Clerk to give Notice of the Election in accordance with Federal and State law. The notice will be translated and published in the East County California (English), Filipino Press (Tagalog), El Latino Newspaper (Spanish), Nguoi Viet Today (Vietnamese) and Epoch Times (Chinese). Prior to October 24, a Notice of Nominees for Public Office will also be translated and published.

The nomination period is Monday, July 13, 2020 through Friday, August 7, 2020 at 5:00 p.m., or through Wednesday, August 12, 2020 at 5:00 p.m. if any incumbent does not file for office. See an Election Calendar at Attachment E. The polls will be open on Election Day from 7:00 a.m. to 8:00 p.m.

Tie Vote

The attached resolution (Attachment B) also includes the default for determining tie votes are resolved by lot. However, the City Council does have the option to determine tie votes for a special runoff election, but only if a resolution is adopted prior to the election.

Elections Code § 15651 (a) provides that in the event two or more persons receive an equal and the highest number of votes determined by canvass of the returns or upon a recount by a court, the election board (City Council) shall determine a tie vote by lot. The City Council would summon the candidates who have received the tie votes to appear before them at a time and place designated by them.

By lot methods are tossing a coin, drawing straws, drawing from a hat or envelope, etc.

If the City Council would prefer to hold a special runoff election in the case of tie votes, a Resolution must be adopted with such provisions prior to the election. With direction from the City Council, a Resolution will be prepared for consideration at a subsequent meeting prior to the election. A special runoff election would be costly.

Registrar of Voter Services

Elections Code § 10403 provides whenever an election called by a city for the submission of office(s) to be filled is to be consolidated with a statewide election and is to appear upon the same ballot as that provided for the statewide election, the city shall file a resolution (Attachment C) of the City Council making the request with the Board of Supervisors and Registrar of Voters. The resolution also requests authorization for San Diego County Registrar of Voters to render election services to the City in accordance with Elections Code § 10002 with related expenses to be paid by the City.

The election services include preparing and furnishing voter information pamphlets, ballots, notices, and printed matter to the registered voters in the City of Lemon Grove, supplies, election equipment and assisting the City, as well as canvassing the election returns.

The Registrar of Voters Office has estimated the cost to be between \$41,000 and \$83,000 for the November 3, 2020 City Council election. Many factors go into the cost of an election consolidated by the County including how many cities in the County participate, number of seats open, ballot measures etc., The County Registrar of Voters is still determining what the cost of the election will be with the ever changing requirements due to COVID-19, Personal Protective Equipment, Social Distancing Requirements (adding more facilities to accommodate), pre-paid postage for every ballot to be allowed to be vote-by-mail, and changes daily from both the Federal and State governments.

Candidate Statements

Elections Code § 13307 provides that the City Council adopt regulations pertaining to materials prepared by any candidate for a municipal election, including costs. The attached resolution (Attachment C) sets the candidate statement at no more than 200 words of the candidate's education and qualifications. The statement shall not include party affiliation nor membership or activity in partisan political organizations. The statement shall be typed in uniform size and darkness and with uniform spacing.

The statement is filed at the same time as the nomination paper. A deposit of \$850 will be required for the Candidate Statements, a fee that the County passes onto the City. In addition, a Candidate Statement Filing Fee of \$25 will be paid to the City of Lemon Grove as per Lemon Grove Municipal Code Section 9.08.030 Campaign statements and filing fees.

Environmental Review:

- Not subject to review Negative Declaration
 Categorical Exemption, Section [] Mitigated Negative Declaration

Fiscal Impact:

The Registrar of Voters has estimated election costs for one (1) Mayor and two (2) Members of the City Council at \$41,000 to \$83,000. The City will also incur costs of approximately \$3,200 for translation of election notices and publication. Monies were included in the FY 2020-2021 General Fund budget.

Public Notification: None.

Staff Recommendation: Adopt: 1) Resolution Calling and Giving Notice of the General Municipal Election on Tuesday, November 3, 2020, for one (1) Mayor and two (2) Members of the City Council and Determining Tie Votes by Lot; 2) Requesting Consolidation of the General Municipal Election with the Presidential General Election and Requesting Services of the San Diego Registrar of Voters; and 3) Resolution Adopting Regulations for Candidate Statements.

If a special runoff election is desired to resolve tie votes, direct staff to return with a resolution prior to the election.

Attachments:

Attachment A – Resolution Notice of Election and Determining Tie Votes

Attachment B – Resolution Requesting Consolidation and Requesting Services

Attachment C – Resolution Adopting Regulations for Candidate Statements

Attachment D – Election Calendar

RESOLUTION NO. 2020-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA, CALLING FOR THE HOLDING OF A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 3, 2020, FOR THE ELECTION OF CERTAIN OFFICERS AS REQUIRED BY THE PROVISIONS OF THE LAWS OF THE STATE OF CALIFORNIA RELATING TO GENERAL LAW CITIES AND ELECTING TO DETERMINE TIE VOTES BY LOT

WHEREAS, under the provisions of the laws relating to general law cities in the State of California, a General Municipal Election shall be held on Tuesday, November 3, 2020, for the election of one (1) Mayor and two (2) members of the City Council for the full term of four years; seats now being held by incumbents Racquel Vasquez, David Arambula and Yadira Altamirano respectively and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. That pursuant to the requirements of the laws of the State of California relating to General Law Cities, there is called and ordered to be held in the City of Lemon Grove, California, on Tuesday, November 3, 2020, a General Municipal Election for the purpose of electing one (1) Mayor and two (2) Members of the City Council for the full term of four years.

SECTION 2. That the ballots to be used at the election shall be in form and content as required by law.

SECTION 3. That the City Clerk is authorized, instructed and directed to coordinate with the San Diego County Registrar of Voters to procure and furnish any and all official ballots, notices, printed matter and all supplies, equipment and paraphernalia that may be necessary in order to properly and lawfully conduct the election.

SECTION 4. That the polls for the election shall be open at seven o'clock a.m. (7:00 a.m.) of the day of the election and shall remain open continuously from that time until eight o'clock p.m. (8:00 p.m.) of the same day when the polls shall be closed, pursuant to Election Code § 10242, except as provided in § 14401 of the Elections Code of the State of California.

SECTION 5. That in all particulars not recited in this resolution, the election shall be held and conducted as provided by law for holding municipal elections.

SECTION 6. That notice of the time and place of holding the election is given; and the City Clerk is authorized, instructed and directed to give further or additional notice of the election, in time, form and manner as required by law.

SECTION 7. That in the event of a tie vote (if any two or more persons receive an equal and the highest number of votes for an office) as certified by the Elections Official, the City Council, in accordance with Election Code § 15651(a), shall set a date and time and place and summon the candidates who have received the tie votes to appear and will determine the tie by lot.

SECTION 8. That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

PASSED AND ADOPTED on _____, 2020, the City Council of the City of Lemon Grove, California, adopted Resolution No. 2020-_____, passed by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Racquel Vasquez, Mayor

Attest:

Shelley Chapel, MMC, City Clerk

Approved as to Form:

Kristen Steinke, City Attorney

RESOLUTION NO. 2020-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA, REQUESTING THE SAN DIEGO COUNTY BOARD OF SUPERVISORS AUTHORIZE THE SAN DIEGO COUNTY REGISTRAR OF VOTERS TO CONSOLIDATE A GENERAL MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 3, 2020, WITH THE PRESIDENTIAL GENERAL ELECTION TO BE HELD ON THE DATE PURSUANT TO § 10403 OF THE ELECTIONS CODE, AND TO RENDER SPECIFIED SERVICES RELATED TO A GENERAL MUNICIPAL ELECTION IN THE CITY OF LEMON GROVE

WHEREAS, the City Council of the City of Lemon Grove called a General Municipal Election to be held on Tuesday, November 3, 2020, for the purpose of the election of one (1) Mayor and two (2) Members of the City Council; and

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

WHEREAS, in the course of conduct of the election it is necessary for the City to request services of the County; and

WHEREAS, all necessary expenses in performing these services shall be paid by the City of Lemon Grove, California;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LEMON GROVE DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. That pursuant to the requirements of § 10403 of the Elections Code, the San Diego County Board of Supervisors and the San Diego County Registrar of Voters are hereby requested to consent and agree to the consolidation of a General Municipal Election with the Presidential General Election on Tuesday, November 3, 2020, for the purpose of the election of one (1) Mayor and two (2) Members of the City Council.

SECTION 2. That the San Diego County Board of Supervisors authorize San Diego County Registrar of Voters to take any and all steps necessary for holding the consolidated election and to prepare and furnish voter information pamphlets, notices, printed matter to the registered voters in the City of Lemon Grove and make additional supplies, election equipment and assistance available to the City to properly and lawfully conduct said election, according to State law.

SECTION 3. That the San Diego County Registrar of Voters is authorized to canvass the returns of the General Municipal Election. The election shall be held in all respects as if there were only one election, and only one form of ballot shall be used. The election will be held and conducted in accordance with the provisions of law regulating the Presidential General Election.

SECTION 4. The County of San Diego shall be reimbursed in full for the services performed by the Registrar of Voters for the City of Lemon Grove upon presentation of a bill therefor, and this City agrees to indemnify and save free and harmless the County, its officers, agents and employees from expense or liability, including reasonable attorneys' fees, as a result of an election contest arising after conduct of this election.

SECTION 5. That the City Clerk is hereby directed to file a certified copy of this Resolution with the San Diego County Board of Supervisors and the San Diego County Registrar of Voters.

SECTION 6. That the City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED on _____, 2020, the City Council of the City of Lemon Grove, California, adopted Resolution No. _____, passed by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Racquel Vasquez, Mayor

Attest:

Shelley Chapel, MMC, City Clerk

Approved as to Form:

Kristen Steinke, City Attorney

RESOLUTION NO. 2020-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE,
CALIFORNIA, ADOPTING REGULATIONS FOR CANDIDATES FOR
ELECTIVE OFFICE PERTAINING TO CANDIDATES STATEMENTS
SUBMITTED TO THE VOTERS AT AN ELECTION TO BE HELD ON
TUESDAY, NOVEMBER 3, 2020**

WHEREAS, §13307 of the Elections Code of the State of California provides that the governing body of any local agency adopt regulations pertaining to materials prepared by any candidate for a municipal election, including costs of the candidates statement;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA, DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. GENERAL PROVISIONS. That pursuant to §13307 of the Elections Code of the State of California, each candidate for elective office to be voted for at an Election to be held in the City of Lemon Grove, California on November 3, 2020 may prepare a candidate's statement on an appropriate form provided by the City Clerk.

The statement may include the name, age and occupation of the candidate and a brief description of no more than 200 words of the candidate's education and qualifications expressed by the candidate himself or herself. The statement shall not include party affiliation of the candidate, nor membership or activity in partisan political organizations. The statement shall be filed in typewritten form in the office of the City Clerk at the time the candidate's nomination papers are filed. The statement may be withdrawn, but not changed, during the period for filing nomination papers and until 5:00 p.m. of the next working day after the close of the nomination period.

SECTION 2. FOREIGN LANGUAGE POLICY.

A. Pursuant to the Federal Voting Rights Act, candidate statements will be translated into all languages required by the County of San Diego. The County is required to translate candidate's statements into the following languages: Spanish, Chinese, Tagalog (Filipino), and Vietnamese.

B. The County will mail separate voter information guides and candidates statements in Spanish, Chinese, Tagalog (Filipino), and Vietnamese to only those voters who are on the county voter file as having requested a voter information guide in a particular language. The County will make the voter information guides and candidates statements in the required languages available at all polling places, on the County's website, and in the Election Official's office.

SECTION 3. PAYMENT.

A. Translations:

1. The candidate shall be required to pay for the cost of translating the candidates statement into any required foreign language as specified in (A) of Section 2 above pursuant to Federal and/or State law.

B. Printing:

1. The candidate shall be required to pay for the cost of printing the candidate statement in English in the main voter pamphlet.

2. The candidate shall be required to pay for the cost of printing the candidates statement in a foreign language required in (A) of Section 2 above, in the main voter pamphlet.

3. The candidate shall be required to pay for the cost of printing the candidate statement in a foreign language requested by the candidate per (B) of Section 2 above, in the main voter pamphlet.

San Diego County Registrar of Voters has estimated the total cost of printing, handling, translating, and mailing the candidate's statements filed pursuant to this section, including costs incurred as a result of complying with the Voting Rights Act of 1965 (as amended), and require each candidate filing a statement to pay in advance to the local agency his or her estimated pro rata share as a condition of having his or her statement included in the voter's pamphlet. This amount is estimated to be \$850 and is payable upon filing of nomination papers. The estimate is just an approximation of the actual cost that varies from one election to another election and may be significantly more or less than the estimate, depending on the actual number of candidates filing statements. Accordingly, the clerk is not bound by the estimate and may, on a pro rata basis, bill the candidate for additional actual expense or refund any excess paid depending on the final actual cost. In the event of underpayment, the clerk may require the candidate to pay the balance of the cost incurred. In the event of overpayment, the clerk shall prorate the excess amount among the candidates and refund the excess amount paid within 30 days of the election or once final bill has been received from the County Registrar.

SECTION 4. MISCELLANEOUS.

A) All translations shall be provided by professionally-certified translators.

B) The City Clerk shall comply with all recommendations and standards set forth by San Diego County Registrar of Voters based on strict interpretation of §13307 of the Elections Code, which requires Candidate Statements printed in type of uniform size and darkness, and with uniform spacing. Candidate Statements are to be typed, single spaced, and in block paragraphs. The following WILL NOT be permitted: Stars, bullets, graphics, *Italics*, **Bold**, ALL CAPITAL LETTERS, underline or tables, extra exclamation points, multiple punctuation or lists.

SECTION 5. ADDITIONAL MATERIALS. No candidate will be permitted to include additional materials in the voter information guide.

SECTION 6. That the City Clerk shall provide each candidate or the candidate's representative a copy of this Resolution at the time nominating petitions are issued.

SECTION 7. That all previous resolutions establishing council policy on payment for candidate statements are repealed.

SECTION 8. That this resolution shall apply only to the election to be held on November 3, 2020 and shall then be repealed.

SECTION 9. That the City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED on _____, 2020, the City Council of the City of Lemon Grove, California, adopted Resolution No. 2020-_____, passed by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Racquel Vasquez, Mayor

Attest:

Shelley Chapel, MMC, City Clerk

Approved as to Form:

Kristen Steinke, City Attorney

PRESIDENTIAL STATEWIDE MUNICIPAL ELECTION

NOVEMBER 3, 2020

DATE	DESCRIPTION	ELECTION CODE JUSTIFICATION
June 8, 2020	Governor Proclaims General Election	
July 13-Aug 7 (E113 – E88)	Nomination Period 1. Candidate Statement 2. Public Notice – Notice of Election (all 5 languages)	EC 10510, 10220, 10224, 10407, 10603, 13307, 12101 G.C. 6061
July 31	Semi-Annual Filing (Form 460/470)	
Aug 7 (E88)	Candidate Withdrawal	EC 10224
Aug 8 – Aug 12 (E87 – E83)	Nomination Extension Period (If incumbent doesn't file)	EC 10225
Aug 8 – Aug 17 (E87 – E78)	Public Exam Period	EC 13313, 13314
Aug 13 (E82)	Randomized Alpha Drawing	G.C. 13112
Sept 24 – Oct 24 (E40 – E10)	Sample Ballot – Books Mailed	EC 13303
Sept 24 (E40)	Campaign Disclosure – 1 st Pre-Election Deadline	Candidate must file Form 460 or 470
Oct 19 (E15)	Last Day to Register to Vote	
Oct 22 (E12)	Campaign Disclosure – 2 nd Pre-Election Deadline	All Committee's must file Form 460
Oct 31 thru Nov 2 (E3-1)	Early Voting	
Nov 3 E0	ELECTION DAY!	
Dec 3 E+30 (30 working days)	Completion of Official Canvass – Provide Clerk Certification	EC 10263, 10264
Dec 15 E+ 30 +(Next Regular Meeting)	City Clerk (Elections Official) Certifies the Election at City Council Meeting	EC 10265



CITY OF LEMON GROVE

CITY COUNCIL STAFF REPORT

Item No. 3

Meeting Date: July 7, 2020

Submitted to: Honorable Mayor and Members of the City Council

Department: Public Works Department

Staff Contact: Mike James, Assistant City Manager / Public Works Director

mjames@lemongrove.ca.gov

Item Title: **Award a Professional Services Agreement for Engineering Services to Chen Ryan Associates, Incorporated**

Recommended Action: That the City Council adopts a resolution awarding a professional services agreement for engineering services to Chen Ryan Associates, Incorporated.

Summary: Chen Ryan Associates, Incorporated (Chen Ryan) is an engineering firm based out of San Diego that specializes in grant writing, collision analysis and vision zero, transportation planning, traffic operations and studies, active transportation, and civil and traffic engineering design. In September 2019, City staff entered into an agreement with Chen Ryan to write two grant applications for the Phase 3 of the Connect Main Street Project to the California Natural Resources Agency (CNRA) in exchange for \$200. If the grant application was successful Chen Ryan would continue its work by completing the design of the project and preparing construction bid documents. Prior to the City's award of the CNRA grant, it received a second grant (Smart Growth Incentive Program – SGIP) from San Diego Association of Governments (SANDAG) to complete the final design and construction of Phase 1 and 2 of the Connect Main Street Project.

Staff is recommending that Chen Ryan is selected to perform all final design and construction document preparation for Phases 1-3. The remaining portion of this staff report will provide additional information about Chen Ryan, outline why a direct award of an engineering agreement is warranted, describe both grant program amounts, and conclude with a summary of the scope of work that Chen Ryan will perform for the City if an agreement is awarded.

Discussion: Chen Ryan Associates, Incorporated (Chen Ryan) is an engineering firm based out of San Diego and Los Angeles that specializes in grant writing, collision analysis

and vision zero, transportation planning, traffic operations and studies, active transportation, and civil and traffic engineering design. There are an estimated 30 employees in the San Diego office and the office has worked with many cities in San Diego County on various engineering services/studies.

Over the past seven years, Chen Ryan has quickly shown the exclusive ability to serve various cities in multiple capacities by achieving over a 70 percent grant application success rate with more than 45 grants funded. City staff began working with the project manager from Chen Ryan in 2011 with grant applications and engineering design on various Public Works related projects. In September 2019, Chen Ryan partnered with the City to prepare two grant applications for the Connect Main Street Project – Phase 3 from the California Natural Resources Agency for the Recreational Trails and Greenways Grant and the Green Infrastructure Grant. The City’s application was recently funded up to \$1.4 million to complete the final design and construct the project through the Green Infrastructure Grant program.

Professional Services Agreement Direct Award to Chen Ryan: Lemon Grove Municipal Code 3.24.070 Professional Services states in part, “The purchasing officer may waive the requirements for solicitation of multiple proposals if only one individual or firm can provide the professional services.” As detailed above, Chen Ryan and its staff are extremely familiar with the City Council’s intent when it approved the 30 percent design update as well as amending the General Plan approving the Connect Main Street Project. It also brings a very strong project knowledge that is not readily available from any other consultant. Lastly, if it were not for Chen Ryan working with the City to complete the CNRA grant application, staff is confident the City would not have been able to apply and receive the \$1.4 million grant for Phase 3.

Staff considered the following benefits and drawbacks to award a professional services agreement to design Phases 1-3 of Connect Main Street to Chen Ryan.

Benefits:

- ✓ Chen Ryan is uniquely, very familiar with the City’s plan for Connect Main Street.
- ✓ Chen Ryan assisted City staff to host CNRA grant award team during the selection process.
- ✓ The project manager has had a positive working experience with City staff for nearly 10 years.
- ✓ The company brings a tremendous amount of grant application experience in addition to being able to successfully perform the design work on awarded projects.
- ✓ Streamlines the advertisement, selection and award process if a request for proposals is not publicized.

Drawbacks:

- Will not publicly advertise a request for proposals for all potential respondents to consider.
- Unknown if the design cost is the lowest amount available.

When looking at all of the experiences that Chen Ryan’s staff has with the City, in addition to the its current efforts to apply and receive a grant for the City, staff recommends that the City Council support the purchasing officer’s decision to waive the solicitation of multiple proposals and move forward with approving a professional services agreement with Chen Ryan.

Grant Summaries: As previously mentioned, there are two grant funded projects that staff recommends Chen Ryan prepare the final plans, specifications, and estimates for the Connect Main Street Project Phases 1 - 3. The two grant funds and information about each one are listed in the tables below:

Connect Main Street Project Phases 1-2

TransNet Smart Growth Incentive Program – Capital

Awarded in October 2018 – Deadline to expend funds expires 42 months after the agreement is signed.

Description	Amount	Percentage of Total
Collect Baseline Data	\$5,000.00	0.2%
Planning, Design & Permitting	\$359,000.00	14.3%
Construction	\$2,137,000.00	85.5%
TOTAL	\$2,501,000.00	

Connect Main Street Project Phase 3

California Natural Resources Agency – Green Infrastructure Grant Program

Awarded in March 2020 – Deadline to expend funds is March 2022

Description	Amount	Percentage of Total
Planning, Design & Permitting	\$291,879.50	19.8%
Construction	\$1,178,875.50	80.2%
TOTAL	\$1,470,755.00	

The proposals from Chen Ryan are anticipated not exceed 15.7% of the total grant funds or \$624,019.00. Generally, staff has observed design costs ranging from 10 to 20% of the total project cost, so the total design amount is within a reasonable percentage of total grant dollars.

All design and construction costs are fully funded by each grant. By consolidating the design and construction timelines, the two separate grants will achieve an economies of scale, streamline the design/construction timeline, and create one point of contact for each phase of both projects that will eliminate any questions of responsibility because it will be one consultant designing all three phases.

Scope of Work: Chen Ryan provided a scope of work for both separate grant funded projects (Phase 1 and 2 and Phase 3) to provide a professional level of design services to bring 30% design services through to 100%. That also includes the creation of the construction bid documents for each construction project. Some additional key points from the proposals include:

- Full survey, utility location and geotechnical analysis,
- Create of 100% construction plans,
- Preparation of the technical specifications and the final plans, specifications and estimate submittal, and
- As needed meetings with City staff to review progress and deadline submittals.

The scope of work was reviewed by the Contract City Engineer and approved as presented. As a point of clarity, Chen Ryan's final design estimate equals \$624,019 when the total grant award for design between both grant funds equals \$650,879.50. The difference of \$26,860.50 (Phase 1 and 2 \$10,128.00 and Phase 3 \$16,732.50) is an amount that staff recommends that the City Council set a contingency for unforeseen circumstances that may be encountered during the projects design phase.

Evaluation of the Partnership with Chen Ryan: The City is in a timely position as it considers the best course of action while managing the design and construction of three phases of the Connect Main Street Project with a total value of \$3.9 million. When considering the overall benefits and drawbacks of a single design consultant, staff believes that the benefits outweigh the drawbacks and is in the best interest of the City.

In closing, staff is operating in a very lean capacity and additional contract services are needed to seek, apply for, and provide the services if/when approved. Based on past experiences, City staff has and continues to receive sound, professional level of service from Chen Ryan and believes this high level of work will continue if an agreement is awarded by City Council.

Staff recommends that the partnership with Chen Ryan is warranted and recommends that the City Council forego the public solicitation to request proposals for professional engineering services and award an agreement to Chen Ryan.

Environmental Review:

- Not subject to review Negative Declaration
 Categorical Exemption, Section Mitigated Negative Declaration

Fiscal Impact: The grant funds were programmed as a part of the Fiscal Year 2020-2021 Consolidated Budget. This agenda item does not have any fiscal changes to the adopted budget.

Public Notification: None.

Staff Recommendation: That the City Council adopts resolution entitled, “Resolution of the City Council of the City of Lemon Grove, California, Awarding a Professional Services Agreement for Engineering Services to Chen Ryan Associates, Incorporated.”

Attachment:

Attachment A – Resolution

RESOLUTION NO. 2020 -

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE,
CALIFORNIA, AWARDED A PROFESSIONAL SERVICES AGREEMENT
FOR ENGINEERING SERVICES TO CHEN RYAN ASSOCIATES,
INCORPORATED**

WHEREAS, in 2016, the City Council created a new special treatment area (STA IX) for the Main Street Promenade Extension Project (Connect Main Street Project); and

WHEREAS, with the creation of STA IX, the City Council directed staff to seek and apply for grant funds that will enable the completion of the final design and construction of the entire Connect Main Street Project; and

WHEREAS, the City applied for and received two grants, the TransNet Smart Growth Incentive Program – Capital in October 2018 and the California Natural Resources Agency – Green Infrastructure Grant Program in March 2020 for a total amount of \$3,971,755.00, to complete the design and construction for Phases 1 – 3 of the Connect Main Street Project; and

WHEREAS, Chen Ryan Associates, Incorporated (Chen Ryan) partnered with the City to apply for the Green Infrastructure Grant Program, and if awarded the grant Chen Ryan would also complete the design and prepare the construction documents for Phase 3 of the Connect Main Street Project; and

WHEREAS, Chen Ryan is a professional engineering company that has extensive experience designing similar projects to the Connect Main Street Project as well as a local dedicated project team that has experience working in the City and with current City staff; and

WHEREAS, the City of Lemon Grove’s Municipal Code 3.24.070 allows a waiver of ... ”the requirements for solicitation of multiple proposals if only one individual or firm can provide the professional services.” Chen Ryan has demonstrated a unique and unmatched source of project knowledge regarding the Connect Main Street Project; and

WHEREAS, the timing of award of both grants is timely and creates a unique situation where the City may direct one contractor to design both projects at the same time; and

WHEREAS, the City Council finds it in the public interest, and of the most benefit, that a professional services agreement with Chen Ryan Associates, Incorporated is established to design Phases 1 through 3 of the Connect Main Street Project

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lemon Grove, California, hereby:

1. Approves a professional service agree (*Exhibit 1*) with Chen Ryan Associates, Incorporated to provide engineering service; and
2. Establishes a total project budget not to exceed six hundred fifty thousand and eight hundred seventy-nine dollars and fifty centers (\$650,879.50); and
3. Authorizes the City Manager or designee to manage all agreement documentation.

PASSED AND ADOPTED on _____, 2020, the City Council of the City of Lemon Grove, California, adopted Resolution No. _____, passed by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Racquel Vasquez, Mayor

Attest:

Shelley Chapel, MMC, City Clerk

Approved as to Form:

Kristen Steinke, City Attorney

**AGREEMENT
BY AND BETWEEN
THE CITY OF LEMON GROVE
AND
CONTRACTOR**

THIS AGREEMENT is approved and effective upon the date of the last signature, by and between the CITY OF LEMON GROVE, a municipal corporation (the "CITY"), and Chen Ryan Associates, Incorporated, a professional engineering services company (the "CONTRACTOR").

RECITALS

WHEREAS, the CITY desires to employ a CONTRACTOR to provide engineering services and support for the Connect Main Street Project Phases 1-2 and 3.

WHEREAS, the CITY has determined that the CONTRACTOR is a professional engineering consulting firm and is qualified by experience and ability to perform the services desired by the CITY, and the CONTRACTOR is willing to perform such services.

NOW, THEREFORE, THE PARTIES HERETO DO MUTUALLY AGREE AS FOLLOWS:

1. **ENGAGEMENT OF CONTRACTOR.** The CITY hereby agrees to engage the CONTRACTOR and the CONTRACTOR hereby agrees to perform the services hereinafter set forth in accordance with all terms and conditions contained herein.

The CONTRACTOR represents that all services required hereunder will be performed directly by the CONTRACTOR or under direct supervision of the CONTRACTOR.

2. **SCOPE OF SERVICES.** The CONTRACTOR will perform services as set forth in Exhibit "A" (Attached).

The CITY may unilaterally, or upon request from the CONTRACTOR, from time to time reduce or increase the Scope of Services to be performed by the CONTRACTOR under this Agreement. Upon doing so, the CITY and the CONTRACTOR agree to meet in good faith and confer for the purpose of negotiating a corresponding reduction or increase in the compensation associated with said change in services.

3. **PROJECT COORDINATION AND SUPERVISION.**

The Assistant City Manager (or designee) hereby is designated as the Project Coordinator for the CITY and will monitor the progress and execution of this Agreement. The CONTRACTOR shall assign a single Project Director to provide supervision and have overall responsibility for the progress and execution of this Agreement for the CONTRACTOR. Matt Capuzzi is designated as the Project Director for the CONTRACTOR.

4. **COMPENSATION AND PAYMENT.** The compensation for the CONTRACTOR shall be based on monthly billings covering actual work performed. Billings shall include labor classifications, respective rates, hours worked and also materials, if any. The total cost for all work described in Exhibit "A" equals six hundred twenty-four thousand ninety dollars and zero cents (\$624,019.00) with an additional contingency set aside of twenty-six thousand eight hundred sixty dollars and fifty centers (\$26,860.50). The total compensation for the CONTRACTOR will not exceed six hundred fifty thousand and eight hundred seventy-nine dollars and fifty centers (\$650,879.50) without prior written authorization from the City Council. Monthly invoices will be processed for payment and remitted within thirty (30) days from receipt of invoice, provided that work is accomplished consistent with Exhibit "A" as determined by and in the sole discretion of the CITY.

The CONTRACTOR shall maintain all books, documents, papers, employee time sheets, accounting records, and other evidence pertaining to costs incurred and shall make such materials available at its office at all reasonable times during the term of this Agreement and for three (3) years from the date of final payment under this Agreement, for inspection by the CITY and for furnishing of copies to the CITY, if requested.

5. **LENGTH OF AGREEMENT.** This agreement will expire one year from the effective date.

6. **DISPOSITION AND OWNERSHIP OF DOCUMENTS.** The Memoranda, Reports, Maps, Drawings, Plans, Specifications and other documents prepared by the CONTRACTOR for this Project, whether paper or electronic, shall become the property of the CITY for use with respect to this Project, and shall be turned over to the CITY upon completion of the Project, or any phase thereof, as contemplated by this Agreement.

Contemporaneously with the transfer of documents, the CONTRACTOR hereby assigns to the CITY and CONTRACTOR thereby expressly waives and disclaims, any copyright in, and the right to reproduce, all written material, drawings, plans, specifications or other work prepared under this agreement, except upon the CITY's prior authorization regarding reproduction, which authorization shall not be

unreasonably withheld. The CONTRACTOR shall, upon request of the CITY, execute any further document(s) necessary to further effectuate this waiver and disclaimer.

The CONTRACTOR agrees that the CITY may use, reuse, alter, reproduce, modify, assign, transfer, or in any other way, medium or method utilize the CONTRACTOR's written work product for the CITY's purposes, and the CONTRACTOR expressly waives and disclaims any residual rights granted to it by Civil Code Sections 980 through 989 relating to intellectual property and artistic works.

Any modification or reuse by the CITY of documents, drawings or specifications prepared by the CONTRACTOR shall relieve the CONTRACTOR from liability under Section 14 but only with respect to the effect of the modification or reuse by the CITY, or for any liability to the CITY should the documents be used by the CITY for some project other than what was expressly agreed upon within the Scope of this project, unless otherwise mutually agreed.

7. **INDEPENDENT CONTRACTOR.** Both parties hereto in the performance of this Agreement will be acting in an independent capacity and not as agents, employees, partners or joint venturers with one another. Neither the CONTRACTOR nor the CONTRACTOR'S employees are employees of the CITY and are not entitled to any of the rights, benefits, or privileges of the CITY's employees, including but not limited to retirement, medical, unemployment, or workers' compensation insurance.

This Agreement contemplates the personal services of the CONTRACTOR and the CONTRACTOR's employees, and it is recognized by the parties that a substantial inducement to the CITY for entering into this Agreement was, and is, the professional reputation and competence of the CONTRACTOR and its employees. Neither this Agreement nor any interest herein may be assigned by the CONTRACTOR without the prior written consent of the CITY. Nothing herein contained is intended to prevent the CONTRACTOR from employing or hiring as many employees, or subcontractors, as the CONTRACTOR may deem necessary for the proper and efficient performance of this Agreement. All agreements by CONTRACTOR with its subcontractor(s) shall require the subcontractor to adhere to the applicable terms of this Agreement.

8. **CONTROL.** Neither the CITY nor its officers, agents or employees shall have any control over the conduct of the CONTRACTOR or any of the CONTRACTOR's employees except as herein set forth, and the CONTRACTOR expressly agrees not to represent that the CONTRACTOR or the CONTRACTOR's agents, servants, or employees are in any manner agents, servants or employees of the CITY, it being understood that the CONTRACTOR, its agents, servants, and employees are as to the CITY wholly independent contractors and that the CONTRACTOR's obligations to the CITY are solely such as are prescribed by this Agreement.

9. **COMPLIANCE WITH APPLICABLE LAW.** The CONTRACTOR, in the performance of the services to be provided herein, shall comply with all applicable State and Federal statutes and regulations, and all applicable ordinances, rules and regulations of the CITY OF LEMON GROVE, whether now in force or subsequently enacted. The CONTRACTOR, and each of its subcontractors, shall obtain and maintain a current CITY OF LEMON GROVE business license prior to and during performance of any work pursuant to this Agreement.

10. **LICENSES, PERMITS, ETC.** The CONTRACTOR represents and covenants that it has all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice its profession. The CONTRACTOR represents and covenants that the CONTRACTOR shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement, any license, permit, or approval which is legally required for the CONTRACTOR to practice its profession.

11. **STANDARD OF CARE.**

A. The CONTRACTOR, in performing any services under this Agreement, shall perform in a manner consistent with that level of care and skill ordinarily exercised by members of the CONTRACTOR'S trade or profession currently practicing under similar conditions and in similar locations. The CONTRACTOR shall take all special precautions necessary to protect the CONTRACTOR's employees and members of the public from risk of harm arising out of the nature of the work and/or the conditions of the work site.

B. Unless disclosed in writing prior to the date of this agreement, the CONTRACTOR warrants to the CITY that it is not now, nor has it for the five (5) years preceding, been debarred by a governmental agency or involved in debarment, arbitration or litigation proceedings concerning the CONTRACTOR's professional performance or the furnishing of materials or services relating thereto.

C. The CONTRACTOR is responsible for identifying any unique products, treatments, processes or materials whose availability is critical to the success of the project the CONTRACTOR has been retained to perform, within the time requirements of the CITY, or, when no time is specified, then within a commercially reasonable time. Accordingly, unless the CONTRACTOR has notified the CITY otherwise, the CONTRACTOR warrants that all products, materials, processes or treatments identified in the project documents prepared for the CITY are reasonably commercially available. Any failure by the CONTRACTOR to use due diligence under this sub-paragraph will render the CONTRACTOR liable to the CITY for any increased costs that result from the CITY's later inability to obtain the specified items or any reasonable substitute within a price range that allows for project completion in the time frame specified or, when not specified, then within a commercially reasonable time.

12. **NON-DISCRIMINATION PROVISIONS.** The CONTRACTOR shall not discriminate against any employee or applicant for employment because of age, race, color, ancestry, religion, sex, sexual orientation, marital status, national origin,

physical handicap, or medical condition. The CONTRACTOR will take positive action to insure that applicants are employed without regard to their age, race, color, ancestry, religion, sex, sexual orientation, marital status, national origin, physical handicap, or medical condition. Such action shall include but not be limited to the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The CONTRACTOR agrees to post in conspicuous places available to employees and applicants for employment any notices provided by the CITY setting forth the provisions of this non-discrimination clause.

13. **CONFIDENTIAL INFORMATION.** The CITY may from time to time communicate to the CONTRACTOR certain confidential information to enable the CONTRACTOR to effectively perform the services to be provided herein. The CONTRACTOR shall treat all such information as confidential and shall not disclose any part thereof without the prior written consent of the CITY. The CONTRACTOR shall limit the use and circulation of such information, even within its own organization, to the extent necessary to perform the services to be provided herein. The foregoing obligation of this Section 13, however, shall not apply to any part of the information that (i) has been disclosed in publicly available sources of information; (ii) is, through no fault of the CONTRACTOR, hereafter disclosed in publicly available sources of information; (iii) is already in the possession of the CONTRACTOR without any obligation of confidentiality; (iv) has been or is hereafter rightfully disclosed to the CONTRACTOR by a third party, but only to the extent that the use or disclosure thereof has been or is rightfully authorized by that third party; or (v) is disclosed according to law or court order.

The CONTRACTOR shall not disclose any reports, recommendations, conclusions or other results of the services or the existence of the subject matter of this Agreement without the prior written consent of the CITY. In its performance hereunder, the CONTRACTOR shall comply with all legal obligations it may now or hereafter have respecting the information or other property of any other person, firm or corporation.

CONTRACTOR shall be liable to CITY for any damages caused by breach of this condition, pursuant to the provisions of Section 14.

14. **INDEMNIFICATION AND HOLD HARMLESS.** The CONTRACTOR shall indemnify, defend, and hold harmless the CITY, and its officers, officials, agents and employees from any and all claims, demands, costs or liability that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of CONSULTANT, its employees, agents, and subcontractors in the performance of services under this Agreement. CONTRACTOR's duty to indemnify under this section shall not include liability for damages for death or bodily injury to persons, injury to property, or other loss, damage or expense arising from the sole negligence or willful misconduct by the CITY or its elected officials, officers, agents, and employees. CONTRACTOR's indemnification obligations shall not be limited by the insurance provisions of this Agreement. The CITY AND CONTRACTOR expressly agree that any

payment, attorney's fees, costs or expense CITY incurs or makes to or on behalf of an injured employee under the CITY 's self-administered workers' compensation is included as a loss, expense, or cost for the purposes of this section, and that this section will survive the expiration or early termination of this Agreement.

15. **WORKERS' COMPENSATION.** The CONTRACTOR shall comply with all of the provisions of the Workers' Compensation Insurance and Safety Acts of the State of California, the applicable provisions of Division 4 and 5 of the California Government Code and all amendments thereto; and all similar state or Federal acts or laws applicable; and shall indemnify, and hold harmless the CITY and its officers, and employees from and against all claims, demands, payments, suits, actions, proceedings and judgments of every nature and description, including reasonable attorney's fees and defense costs presented, brought or recovered against the CITY or its officers, employees, or volunteers, for or on account of any liability under any of said acts which may be incurred by reason of any work to be performed by the CONTRACTOR under this Agreement.

16. **INSURANCE.** The CONTRACTOR, at its sole cost and expense, shall purchase and maintain, and shall require its subcontractors, when applicable, to purchase and maintain throughout the term of this agreement, the following insurance policies:

A. If checked, Professional Liability Insurance (errors and omissions) with minimum limits of \$1,000,000 per occurrence.

B. Automobile insurance covering all bodily injury and property damage incurred during the performance of this Agreement, with a minimum coverage of \$1,000,000 combined single limit per accident. Such automobile insurance shall include non-owned vehicles.

C. Comprehensive general liability insurance, with minimum limits of \$1,000,000 combined single limit per occurrence, covering all bodily injury and property damage arising out of its operation under this Agreement.

D. Workers' compensation insurance covering all of CONTRACTOR's employees.

E. The aforesaid policies shall constitute primary insurance as to the CITY, its officers, employees, and volunteers, so that any other policies held by the CITY shall not contribute to any loss under said insurance. Said policies shall provide for thirty (30) days prior written notice to the CITY of cancellation or material change.

F. Said policies, except for the professional liability and worker's compensation policies, shall name the CITY and its officers, agents and employees as additional insureds.

G. If required insurance coverage is provided on a “claims made” rather than “occurrence” form, the CONTRACTOR shall maintain such insurance coverage for three years after expiration of the term (and any extensions) of this Agreement.

H. Any aggregate insurance limits must apply solely to this Agreement.

I. Insurance shall be written with only California admitted companies which hold a current policy holder’s alphabetic and financial size category rating of not less than A VIII according to the current Best’s Key Rating Guide, or a company equal financial stability that is approved by the CITY.

J. This Agreement shall not take effect until certificate(s) or other sufficient proof that these insurance provisions have been complied with, are filed with and approved by the CITY. If the CONTRACTOR does not keep all of such insurance policies in full force and effect at all times during the terms of this Agreement, the CITY may elect to treat the failure to maintain the requisite insurance as a breach of this Agreement and terminate the Agreement as provided herein.

17. **LEGAL FEES.** If any party brings a suit or action against the other party arising from any breach of any of the covenants or agreements or any inaccuracies in any of the representations and warranties on the part of the other party arising out of this Agreement, then in that event, the prevailing party in such action or dispute, whether by final judgment or out-of-court settlement, shall be entitled to have and recover of and from the other party all reasonable costs and expenses of suit, including reasonable attorneys’ fees.

For purposes of determining who is to be considered the prevailing party, it is stipulated that attorney’s fees incurred in the prosecution or defense of the action or suit shall not be considered in determining the amount of the judgment or award. Attorney’s fees to the prevailing party if other than the CITY shall, in addition, be limited to the amount of attorney’s fees incurred by the CITY in its prosecution or defense of the action, irrespective of the actual amount of attorney’s fees incurred by the prevailing party.

18. **MEDIATION/ARBITRATION.** If a dispute arises out of or relates to this Agreement, or the breach thereof, the parties agree first to try, in good faith, to settle the dispute by mutual negotiation between the principles, and failing that through nonbinding mediation in San Diego, California, in accordance with the Commercial Mediation Rules of the American Arbitration Association (the “AAA”). The costs of mediation shall be borne equally by the parties.

19. **TERMINATION.** A. This Agreement may be terminated with or without cause by the CITY. Termination without cause shall be effective only upon 30-day’s written notice to the CONTRACTOR. During said 30-day period the

CONTRACTOR shall perform all services in accordance with this Agreement. The Contractor may terminate this agreement upon thirty (30) days prior notice in the event of a continuing and material breach by the City of its obligations under this Agreement including but not limited to payment of invoices.

B. This Agreement may also be terminated immediately by the CITY for cause in the event of a material breach of this Agreement that is not cured to the City's satisfaction within a ten (10) day prior cure period, or material misrepresentation by the CONTRACTOR in connection with the formation of this Agreement or the performance of services, or the failure to perform services as directed by the CITY.

C. Termination with or without cause shall be effected by delivery of written Notice of Termination to the CONTRACTOR as provided for herein.

D. In the event of termination, all finished or unfinished Memoranda Reports, Maps, Drawings, Plans, Specifications and other documents prepared by the CONTRACTOR, whether paper or electronic, shall immediately become the property of and be delivered to the CITY, and the CONTRACTOR shall be entitled to receive just and equitable compensation for any work satisfactorily completed on such documents and other materials up to the effective date of the Notice of Termination, not to exceed the amounts payable hereunder, and less any damages caused the CITY by the CONTRACTOR's breach, if any. Thereafter, ownership of said written material shall vest in the CITY all rights set forth in Section 6.

E. The CITY further reserves the right to immediately terminate this Agreement upon: (1) the filing of a petition in bankruptcy affecting the CONTRACTOR; (2) a reorganization of the CONTRACTOR for the benefit of creditors; or (3) a business reorganization, change in business name or change in business status of the CONTRACTOR.

20. **NOTICES.** All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered; or sent by overnight mail (Federal Express or the like); or sent by registered or certified mail, postage prepaid, return receipt requested; or sent by ordinary mail, postage prepaid; or telegraphed or cabled; or delivered or sent by telex, telecopy, facsimile or fax; and shall be deemed received upon the earlier of (i) if personally delivered, the date of delivery to the address of the person to receive such notice, (ii) if sent by overnight mail, the business day following its deposit in such overnight mail facility, (iii) if mailed by registered, certified or ordinary mail, five (5) days (ten (10) days if the address is outside the State of California) after the date of deposit in a post office, mailbox, mail chute, or other like facility regularly maintained by the United States Postal Service, (iv) if given by telegraph or cable, when delivered to the telegraph company with charges prepaid, or (v) if given by telex, telecopy, facsimile or fax, when sent. Any notice, request, demand, direction or other communication delivered or sent as specified above shall be directed to the following persons:

To the CITY: Lydia Romero, City Manager

CITY OF LEMON GROVE
3232 Main Street
Lemon Grove, CA 91945-1701

To the CONTRACTOR: (NAME / TITLE)
Chen Ryan Associates, Incorporated

Notice of change of address shall be given by written notice in the manner specified in this Section. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to constitute receipt of the notice, demand, request or communication sent. Any notice, request, demand, direction or other communication sent by cable, telex, telecopy, facsimile or fax must be confirmed within forty-eight (48) hours by letter mailed or delivered as specified in this Section.

21. **CONFLICT OF INTEREST AND POLITICAL REFORM ACT OBLIGATIONS.** During the term of this Agreement, the CONTRACTOR shall not perform services of any kind for any person or entity whose interests conflict in any way with those of the CITY OF LEMON GROVE. The CONTRACTOR also agrees not to specify any product, treatment, process or material for the project in which the CONTRACTOR has a material financial interest, either direct or indirect, without first notifying the CITY of that fact. The CONTRACTOR shall at all times comply with the terms of the Political Reform Act and the Lemon Grove Conflict of Interest Code. The CONTRACTOR shall immediately disqualify itself and shall not use its official position to influence in any way any matter coming before the CITY in which the CONTRACTOR has a financial interest as defined in Government Code Section 87103. The CONTRACTOR represents that it has no knowledge of any financial interests that would require it to disqualify itself from any matter on which it might perform services for the CITY.

If checked, the CONTRACTOR shall comply with all of the reporting requirements of the Political Reform Act and the CITY OF LEMON GROVE Conflict of Interest Code. Specifically, the CONTRACTOR shall:

1. Go to www.fppc.ca.gov
2. Download the Form 700: Statement of Economic Interests
3. Completely fill out the form
4. Submit the form to the Public Works Department with the signed contracts.

The CONTRACTOR shall be strictly liable to the CITY for all damages, costs or expenses the CITY may suffer by virtue of any violation of this Paragraph 21 by the CONTRACTOR.

22. **MISCELLANEOUS PROVISIONS.**

A. *Computation of Time Periods.* If any date or time period provided for in this Agreement is or ends on a Saturday, Sunday or federal, state or legal holiday, then such date shall automatically be extended until 5:00 p.m. Pacific Time of the next day which is not a Saturday, Sunday or federal, state or legal holiday.

B. *Counterparts.* This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute but one and the same instrument.

C. *Captions.* Any captions to, or headings of, the sections or subsections of this Agreement are solely for the convenience of the parties hereto, are not a part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision hereof.

D. *No Obligations to Third Parties.* Except as otherwise expressly provided herein, the execution and delivery of this Agreement shall not be deemed to confer any rights upon, or obligate any of the parties hereto, to any person or entity other than the parties hereto.

E. *Exhibits and Schedules.* The Exhibits and Schedules attached hereto are hereby incorporated herein by this reference for all purposes.

F. *Amendment to this Agreement.* The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the parties hereto.

G. *Waiver.* The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

H. *Applicable Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of California.

I. *Entire Agreement.* This Agreement supersedes any prior agreements, negotiations and communications, oral or written, and contains the entire agreement between the parties as to the subject matter hereof. No subsequent agreement, representation, or promise made by either party hereto, or by or to an employee, officer, agent or representative of any party hereto shall be of any effect unless it is in writing and executed by the party to be bound thereby.

J. *Successors and Assigns.* This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto.

K. *Construction.* The parties acknowledge and agree that (i) each party is of equal bargaining strength, (ii) each party has actively participated in the drafting, preparation and negotiation of this Agreement, (iii) each such party has consulted with or has had the opportunity to consult with its own, independent counsel and such other professional advisors as such party has deemed appropriate, relative to any and all matters contemplated under this Agreement, (iv) each party and such party's counsel and advisors have reviewed this Agreement, (v) each party has agreed to enter into this Agreement following such review and the rendering of such advice, and (vi) any rule or construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement, or any portions hereof, or any amendments hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.

CITY OF LEMON GROVE

CONTRACTOR

*(Corporation – signatures of two corporate officers)
(Partnership – one signature)
(Sole proprietorship – one signature)*

By: _____
Lydia Romero

City Manager
(Title)

(Date)

By: _____
(Name 1)

(Title)

(Date)

(Name 2)

(Title)

(Date)

APPROVED AS TO FORM:

By: _____
Kristen Steinke

City Attorney
(Title)

(Date)

By: _____
(Name)

(Title)

(Date)

June 25, 2020

Mr. Mike James
Assistant City Manager / Public Works Director
City of Lemon Grove
3232 Main Street
Lemon Grove, CA 91945

Re: Connect Main Street Phases 1 & 2 - Professional Services

Dear Mr. James,

Chen Ryan Associates, Inc. (“Chen Ryan”) is pleased to submit this letter proposal to the City of Lemon Grove (the “Client”) to provide professional engineering services related to the preparation of a Final PS&E for the Connect Main Street Phases 1 & 2 (the “Proposed Project”) located within the City of Lemon Grove.

Project Understanding

Chen Ryan will develop engineering construction documents to support the Proposed Project as shown on the SANDAG Smart Growth Improvement Program (SGIP) Grant Application. The project limits extend along Main Street between Broadway and San Miguel.

Scope of Services

Task 1 – Data Collection and Review

Task 1.1 – Survey

The Chen Ryan team will perform field survey in locations where hard improvements are proposed as follows:

- Above ground utilities, fences, driveways, light poles, power poles, landscaping (tree sizes), site furniture, drainage structures, signage, etc.
- Dip gravity utilities (sewer cleanouts and manholes, storm drain manholes and inlets) to determine invert(s), pipe size(s), pipe orientation(s), and pipe material
- Top and bottom of walls and material type
- Locations of material change
- Spot elevations in asphalt and landscaping sufficient to generate 1’ contours
- Spot elevations along sidewalks, top of curb, flow line, and lip of gutter including joint locations and grade breaks
- Cross gutters (including joint locations and grade breaks), flow lines, and storm drainage facilities
- Curb ramps (including wings, landing pads, truncated domes, and joint locations)
- Right-of-way, well monuments, intersection corners, and property monuments

Readily available record survey maps will be researched to verify the relative record positions of centerline and right-of-way monuments along Main Street.

This scope includes two (2) survey crew days for additional field survey during the final design effort.

Chen Ryan will conduct up to two site-visits to become familiar with existing site conditions and verify the survey.

The Chen Ryan team will perform right-of-way mapping services at locations where proposed improvements are in close proximity to the right-of-way and adjacent private properties (San Miguel to Burnell). Right-of-way for the remainder of the project will be shown based on publicly available GIS mapping.

Task 1.2 – Utility Locations

Chen Ryan shall obtain from the Client the utility research that has already been performed as part of the conceptual planning and design of the Proposed Project. In addition to the information provided by the Client, Chen Ryan shall research and obtain readily available utility verification maps and create an existing utility base map to be used as a basis for the design plan submittals. Wet and dry utility types, sizes, and materials will be added to the base mapping. Utility research will be limited to areas in which hard improvements are anticipated. The research will include obtaining as-built drawings from the City of Lemon Grove, as well as sending out letters to utilities with an interest in the project study area and receiving as-built plans that have not already been obtained from prior utility research.

Visual site inspections will be performed to observe visible existing utility facilities located within and directly adjacent to the project's proposed hard improvements and assess surveying or potholing needs and potential conflicts.

Chen Ryan shall complete an initial utility conflict check, comparing the utility base map to the 40% design layout developed as part of Task 2.2. Potential conflicts will be documented in a utility conflict matrix at the 40%, 90%, and Pre-Final design level. Following the 40% submittal, a pothole request exhibit will be produced as part of Task 1.4.

Task 1.3 – Geotechnical Report

The Chen Ryan team will perform geotechnical pavement evaluation and infiltration testing services to provide recommendations for the proposed roadway structural section and potential infiltration BMPs. The Chen Ryan team will review background information including readily available geotechnical reports, geologic maps, groundwater data, and aerial photographs.

As part of this task, a geologic reconnaissance of the site will be performed. The Chen Ryan Team will prepare a Traffic Control Plan, submit to the City of Lemon Grove, and obtain necessary City of Lemon Grove permits for drilling in public right of way. We have assumed permit fees will be waived by the City.

This scope includes excavation of two (2) exploratory borings adjacent to the existing roadway between Burnell Avenue and San Miguel. These borings will be excavated to measure depths of underlying fill soils and site geology, and to collect soil samples for laboratory testing. The borings will be logged and sampled by a geologist from, and upon completion of drilling will be backfilled with soil cuttings. In addition to contacting Underground Service Alert, we will hand auger in all locations as an additional safety precaution against underground utility disruption.

A subsurface exploration consisting of excavation and logging of four (4) hand auger borings in the unpaved areas adjacent to the roadway will be performed. These borings will be excavated to the anticipated bottom of the proposed infiltration facilities (approximately 5 feet below ground surface). At the completion of testing, the borings will be backfilled with spoils from the excavation.

Bulk and in-place samples of the encountered soils will be collected and transported to a geotechnical laboratory for analysis.

Geotechnical laboratory testing on selected samples will be performed to evaluate soil parameters for design purposes. Testing is expected to include moisture/density (4), sieve analysis (2), and R-Value (2) laboratory tests. We will substitute lab testing when appropriate.

The Chen Ryan team will develop conventional and geosynthetic-reinforced pavement design recommendations for street sections based upon appropriate R-value testing of the subgrade soils.

A geotechnical report will be developed compiling and performing an engineering analysis of the data obtained and discussing the findings and conclusions.

The following assumptions have been made during the preparation of this proposal:

- The proposed work will occur in the unpaved areas adjacent to the roadway.
- The site is accessible during normal working hours.

Task 1.4 – Potholing

The Chen Ryan team will perform pothole investigations to verify the location of utilities that are determined to be in potential conflict with the proposed hard improvements. Pothole locations will be identified and summarized in a pothole request exhibit following the 40% submittal. The exact number of potholes required will not be known until after 40% design is complete. For the purpose of scoping and budgeting this task order, it is assumed that up to five (5) potholes will be required. The Chen Ryan team will prepare a Pothole Data Report identifying the location, depth, material and size of utilities in question. Additional utility potholes will be considered additional services, if required.

Task 1 Deliverables

- CAD (.dwg) base map with survey and existing utilities
- ROW Mapping
- Geotechnical Report
- Pothole Data Report

Task 2 – Construction Plans, Specifications, and Estimate (PS&E), and Technical Studies

Task 2.1 Pre-Design Kick-off Meeting

Chen Ryan will coordinate a kick-off meeting with the design team, the City Project Manager, and City staff to discuss the project, establish communication procedures, review scope and deliverables, confirm the project's goals and objectives, review data collected and project information, and review the project schedule, key milestones, and anticipated City review times.

Task 2.2 – Construction Plans

Based on the 30% design that was previously completed and the pre-design kick-off meeting, Chen Ryan will prepare 40%, 90%, Pre-Final, and Final (mylar) construction documents for City review and comment. The design will be based on the following standards: City of Lemon Grove Design Standards, City of Lemon Grove BMP Design Manual, San Diego County Regional Standards, and the 2014 California Manual on Uniform Traffic Control Devices Revision 4 (CA-MUTCD). Chen Ryan's design will consist of the following sheets:

- Title Sheet/Vicinity Map (1 Sheet)
- General Notes Sheet (1 Sheet)
- Key Map (1 Sheet)
- Construction Details (2 Sheets)
- Horizontal Control Plan: 1" = 40' Scale (2 Sheets)
- Demolition Plan: 1" = 20' Scale, (4 Sheets) (Showing sawcut lines, pavement removal limits and utility adjustment)
- Plan and Profile Sheet: 1" = 20' Scale (6 Sheets)

- Intersection Precise Grading Plan: 1" = 10' Scale (2 Sheets)
- Storm Drain and BMP Details (1 Sheets)
- Drainage and BMP Improvement Plan: 1" = 20' Scale (3 Sheets)
- Landscape Notes and Details (1 sheet)
- Landscape Plans (2 sheets)
- Irrigation Notes and Details (1 sheet)
- Irrigation Plans (2 sheets)
- Signing and Striping Notes and Details (1 sheet)
- Signing and Striping Plan: 1" = 40' Scale (2 sheets)
- Electrical Notes, Details, and Schedule (1 Sheet)
- Electrical Plans: 1" = 20' Scale (4 Sheet)
- Temporary Water Pollution Control Details (1 Sheet)
- Temporary Water Pollution Control Plan: 1" = 40' Scale (2 Sheets)

Task 2.3 – Stormwater Applicability Forms

Chen Ryan will complete the City of Lemon Grove's Applicability of Construction and Permanent Stormwater BMP Requirements Forms (I-1, I-2, and I-3). It is assumed that this project will utilize the Green Street exemption to avoid being categorized as a Priority Development Project (PDP).

Task 2.4 Storm Water Quality Management Plan (SWQMP)

A PDP Exempt SWQMP per the City of Lemon Grove BMP Design Manual will be prepared. This task includes a site visit to observe and document existing drainage conditions, identification of Green Street considerations, BMP selection, and BMP sizing. The calculations will quantify the amount of flow the proposed BMPs can treat within the project limits.

Assumptions:

- Two review cycles will be needed to process the document through the City of Lemon Grove.
- The hydrologic analysis will be limited to the area and blocks immediately adjacent to the proposed project and that no off-site hydrologic analysis will be required as part of the project.
- Hydromodification mitigation is not required and no continuous hydromodification simulation will be required.

Task 2.5 Construction Storm Water Pollution Prevention Plan (SWPPP)

Chen Ryan will prepare a SWPPP in order to assist the City of Lemon Grove in obtaining coverage under the State Construction General Permit. This task includes compiling California Stormwater Quality Association Factsheets for project planning, erosion control, sediment control, site management, and non-stormwater management BMP requirements. Chen Ryan will assist the City in uploading the necessary documents and information to the SMARTS system.

Task 2.6 – Opinion of Probable Construction Cost (OPCC)

Chen Ryan will prepare an OPCC for the 40%, 90%, Pre-Final, and Final (mylar) PS&E submittals. The OPCC will be presented to show the proposed bid items, unit prices, contingencies, and an overall cost.

Task 2.7 – Technical Specifications

Chen Ryan will prepare Technical Specifications for the Pre-Final and Final (mylar) PS&E submittals. The Technical Specifications for this project will be prepared in Greenbook special provisions format. Chen Ryan will also utilize City Specifications, as necessary, in preparation of the Greenbook special provisions (technical specifications). Additional source documents may be used by Chen Ryan to cover urban design and other project features not covered by the City specifications or Greenbook. Chen Ryan will develop a list of specifications anticipated to be used with the 40% submittal.

Task 2.8 – Interpretive Signage

The Chen Ryan Team will work with the City to refine the theme of the projects two (2) interpretive panels and develop an outline for the overall content and supporting imagery.

The team will then finalize the panel design, narrative content, and supporting imagery.

Image sourcing and purchasing is excluded.

Task 2.9 – Gateway Elements

The Chen Ryan Team will refine and then finalize the design of the two (2) gateway trellis portals as identified in the master plan. This will include an AutoCAD generated and color rendered elevations with dimensions and call outs communicating materials proposed.

Structural drawings and calculations will be prepared for each of the two (2) gateways and will be submitted with the prepare 90%, Pre-Final, and Final (mylar) submittals.

Task 2 – Deliverables:

- Four sets of construction plans (1-24"x36" and 3-11"x17") with the 40%, 90%, pre-final, and final submittal.
- One copy of the completed Stormwater BMP Requirement forms (8.5"x11") submitted with the 40% submittal.
- One copy of the PDP Exempt SWQMP (8.5"x11") submitted with the 90%, pre-final, and final submittal.
- One copy of the SWPPP (8.5"x11") submitted with the pre-final and final submittal.
- One electronic copy of the OPCC (PDF format) with the 40%, 90%, pre-final, and final submittal.
- One electronic copy of the list of Technical Specifications (Word format) anticipated to be used with the 40% submittal.
- One electronic copy of the Technical Specifications (Word format) with the pre-final and final submittal.

Task 3 – Project Coordination, Meetings, and Management

Chen Ryan will perform project management and administration services consisting of invoicing (with associated back up), monitoring progress against budget, and overall quality assurance (QA). Specific quality control (QC) efforts for each deliverable document are included in the task covering that document.

Chen Ryan will prepare contracts and task orders for required Subconsultant services. This task will also consist of monitoring Subconsultant progress against budget and schedule, reviewing monthly Subconsultant invoices and associated back up.

Chen Ryan will attend meetings as identified herein. Meetings will be either phone conference calls or meetings at the Client's offices. The meetings in this scope of services are as follows:

- Project Meetings with City Staff (up to 6) – up to 2 hours each
 - Not including meetings listed above
 - Manage an action items matrix
- Stakeholder Meetings with MTS and Franchise Utility Companies (up to 3) – up to 2 hours each
 - Prepare agenda, sign-in sheet, graphics, and a follow-up summary for each meeting
 - Document decisions made and action items

- Track action item resolution

Chen Ryan will spend time each month, up to twelve (12) months total, coordinating with City staff via email and telephone. Chen Ryan will also spend time coordinating with franchise utility representatives throughout the design process.

Task 3 – Deliverables:

- Schedule (electronically, in PDF format)
- A typed summary for each meeting will be provided (electronically, in PDF format)
- Action Item Matrix for monthly meeting

Additional Services

Any services not specifically described in the above scope, as well as any changes in the scope the Client requests, will be considered Additional Services and will be performed at our then-current hourly rates. Prior to commencing the Additional Services, Consultant shall obtain prior written approval from the Client. Additional services we can provide include, but are not limited to, the following:

- Attendance at additional meetings beyond those identified in the Scope of Services.
- Providing any other services not expressly included in this Agreement or not customarily furnished in accordance with generally accepted practices in the industry.
- Visual Renderings
- Bid and Construction Services
- Drainage Study Report
- Qualified SWPPP Practitioner (QSP) services
- Traffic Signal Modifications
- Preparation of technical studies not included in this scope of work
- Hazardous and remediation services
- Environmental study preparation
- Payment of any agency fees.
- Franchise utility studies and/or design

Information Provided by Client

We shall be entitled to rely on the completeness and accuracy of information provided by the Client. The Client shall provide information requested by Chen Ryan during the project, this shall include:

- As-builts
- Information from previously completed 30% design
 - CADD files showing property lines, right-of-way, existing topography, existing utilities, and proposed improvements
 - Preliminary drainage study
 - Preliminary SWQMP
- CAD files from Segment 1, Phase 1 design

Project Schedule

We will provide our services as expeditiously as practicable to meet a mutually agreed upon schedule.

Fee

Chen Ryan will perform the scope of services outlined above on a lump sum basis, not to exceed of \$348,872. Direct expenses will be invoiced at cost.

Fees will be invoiced monthly based upon the percentage of services performed as of the invoice date. Payment will be due within 30 days of the date of the invoice.

We appreciate the opportunity to submit this proposal.

Sincerely,

Matthew Capuzzi, PE
Principal

	Principal	Manager	Prof.	Analyst	Admin	CRA Hours	CRA Cost	President	Principal	Senior PM	Designer	SDG Hours	SDG Cost	Total Hours
	\$250.00	\$215.00	\$160.00	\$132.00	\$100.00			\$230.00	\$190.00	\$125.00	\$90.00			
	0	14	0	66	0	80	\$ 11,722.00	0	0	0	0	0	\$ -	80
		6		16		22	\$ 3,402.00					0	\$ -	22
		4		40		44	\$ 6,140.00					0	\$ -	44
		2		4		6	\$ 958.00					0	\$ -	6
		2		6		8	\$ 1,222.00					0	\$ -	8
	54	213	196	713	0	1176	\$ 184,771.00	3	49	109	548	709	\$ 72,945.00	1885
	2	4		2		8	\$ 1,624.00					0	\$ -	8
		1		5		6	\$ 875.00					0	\$ -	6
		1		4		5	\$ 743.00					0	\$ -	5
		2	2	12		16	\$ 2,334.00					0	\$ -	16
		6	8	36		50	\$ 7,322.00					0	\$ -	50
		6	4	32		42	\$ 6,154.00					0	\$ -	42
		16	20	64		100	\$ 15,088.00					0	\$ -	100
	8	48	40	120		216	\$ 34,560.00					0	\$ -	216
	4	12	20	32		68	\$ 11,004.00					0	\$ -	68
		6	4	16		26	\$ 4,042.00					0	\$ -	26
		12	6	48		66	\$ 9,876.00					0	\$ -	66
		1		2		3	\$ 479.00		2	6	32	40	\$ 4,010.00	43
		2	4	4		6	\$ 958.00	2	8	20	144	174	\$ 17,440.00	180
		1		2		3	\$ 479.00		2	6	28	36	\$ 3,650.00	39
		2	4	4		6	\$ 958.00		2	20	120	142	\$ 13,680.00	148
		2	4	16		22	\$ 3,182.00					0	\$ -	22
		8		36		44	\$ 6,472.00					0	\$ -	44
		2	10	12		24	\$ 3,614.00					0	\$ -	24
		24	16	80		120	\$ 18,280.00					0	\$ -	120
		2		16		18	\$ 2,542.00					0	\$ -	18
		4	12	24		40	\$ 5,948.00					0	\$ -	40
	36					36	\$ 9,000.00		12			12	\$ 2,280.00	48
		1	2	2		5	\$ 799.00					0	\$ -	5
		12	4	32		48	\$ 7,444.00					0	\$ -	48
		4	4	36		44	\$ 6,252.00					0	\$ -	44
	2	6	8	48		64	\$ 9,406.00		3	5	14	22	\$ 2,455.00	86
	2	24	32	20		78	\$ 13,420.00		4	14		18	\$ 2,510.00	96
		2		4		6	\$ 958.00	1	8	19	120	148	\$ 14,925.00	154
		2	4	4		6	\$ 958.00		8	19	90	117	\$ 11,995.00	123
	4	71	0	30	12	117	\$ 21,425.00	0	12	16	0	28	\$ 4,280.00	145
	4	18		8		30	\$ 5,926.00		12			12	\$ 2,280.00	42
		9		6		15	\$ 2,727.00					0	\$ -	15
		44		16	12	72	\$ 12,772.00			16		16	\$ 2,000.00	88
							\$ 3,000.00						\$ 2,000.00	
	58	298	196	809	12	1373	\$ 220,918.00	3	61	125	548	737	\$ 77,225.00	2110



June 5, 2020

Mr. Mike James
Assistant City Manager / Public Works Director
City of Lemon Grove
3232 Main Street
Lemon Grove, CA 91945

Re: Connect Main Street Phase 3 - Professional Services

Dear Mr. James,

Chen Ryan Associates, Inc. ("Chen Ryan") is pleased to submit this letter proposal to the City of Lemon Grove (the "Client") to provide professional engineering services related to the preparation of a Final PS&E for the Connect Main Street Phase 3 (the "Proposed Project") located within the City of Lemon Grove.

Project Understanding

Chen Ryan will develop engineering construction documents to support the Proposed Project as shown on the Prop 68 Green Infrastructure Grant Application. The project limits extend along Main Street between San Miguel and Buena Vista.

Scope of Services

Task 1 – Data Collection and Review

Task 1.1 – Survey

The Chen Ryan team will perform field survey in locations where hard improvements are proposed as follows:

- Above ground utilities, fences, driveways, light poles, power poles, landscaping (tree sizes), site furniture, drainage structures, signage, etc.
- Dip gravity utilities (sewer cleanouts and manholes, storm drain manholes and inlets) to determine invert(s), pipe size(s), pipe orientation(s), and pipe material
- Locations of material change
- Spot elevations in asphalt and landscaping sufficient to generate 1' contours
- Spot elevations along sidewalks, top of curb, flow line, and lip of gutter including joint locations and grade breaks
- Curb ramps (including wings, landing pads, truncated domes, and joint locations)
- Right-of-way, well monuments, intersection corners, and property monuments

Readily available record survey maps will be researched to verify the relative record positions of centerline and right-of-way monuments along Main Street.

Chen Ryan will conduct up to two site-visits to become familiar with existing site conditions and verify the survey.

The Chen Ryan team will perform right-of-way mapping services at locations where proposed improvements are in close proximity to the right-of-way and adjacent private properties (Buena Vista to

Davidson). Right-of-way for the remainder of the project will be shown based on publicly available GIS mapping.

Task 1.2 – Utility Locations

Chen Ryan shall obtain from the Client the utility research that has already been performed as part of the conceptual planning and design of the Proposed Project. In addition to the information provided by the Client, Chen Ryan shall research and obtain readily available utility verification maps and create an existing utility base map to be used as a basis for the design plan submittals. Wet and dry utility types, sizes, and materials will be added to the base mapping. Utility research will be limited to areas in which hard improvements are anticipated. The research will include obtaining as-built drawings from the City of Lemon Grove, as well as sending out letters to utilities with an interest in the project study area and receiving as-built plans that have not already been obtained from prior utility research.

Visual site inspections will be performed to observe visible existing utility facilities located within and directly adjacent to the project's proposed hard improvements and assess surveying or potholing needs and potential conflicts.

Chen Ryan shall complete an initial utility conflict check, comparing the utility base map to the 40% design layout developed as part of Task 2.2. Potential conflicts will be documented in a utility conflict matrix at the 40%, 90%, and Pre-Final design level.

Task 1.3 – Geotechnical Report

The Chen Ryan team will perform geotechnical pavement evaluation and infiltration testing services to provide recommendations for the proposed roadway structural section and potential infiltration BMPs. The Chen Ryan team will review background information including readily available geotechnical reports, geologic maps, groundwater data, and aerial photographs.

As part of this task, a geologic reconnaissance of the site will be performed. The Chen Ryan Team will prepare a Traffic Control Plan, submit to the City of Lemon Grove, and obtain necessary City of Lemon Grove permits for drilling in public right of way. We have assumed permit fees will be waived by the City.

This scope includes excavation of two (2) exploratory borings adjacent to the existing roadway. These borings will be excavated to measure depths of underlying fill soils and site geology, and to collect soil samples for laboratory testing. The borings will be logged and sampled by a geologist from, and upon completion of drilling will be backfilled with soil cuttings. In addition to contacting Underground Service Alert, we will hand auger in all locations as an additional safety precaution against underground utility disruption.

A subsurface exploration consisting of excavation and logging of two (2) hand auger borings in the unpaved areas adjacent to the roadway will be performed. These borings will be excavated to the anticipated bottom of the proposed infiltration facilities (approximately 5 feet below ground surface). At the completion of testing, the borings will be backfilled with spoils from the excavation.

Bulk and in-place samples of the encountered soils will be collected and transported to a geotechnical laboratory for analysis.

Geotechnical laboratory testing on selected samples will be performed to evaluate soil parameters for design purposes. Testing is expected to include moisture/density, sieve analysis, and R-Value laboratory tests. We will substitute lab testing when appropriate..

The Chen Ryan team will develop conventional and geosynthetic-reinforced pavement design recommendations for street sections based upon appropriate R-value testing of the subgrade soils.

A geotechnical report will be developed compiling and performing an engineering analysis of the data obtained and discussing the findings and conclusions.

The following assumptions have been made during the preparation of this proposal:

- The proposed work will occur in the unpaved areas adjacent to the roadway.
- The site is accessible during normal working hours.

Task 1 Deliverables

- CAD (.dwg) base map with survey and existing utilities
- ROW Mapping
- Geotechnical Report

Task 2 – Construction Plans, Specifications, and Estimate (PS&E), and Technical Studies

Task 2.1 Pre-Design Kick-off Meeting

Chen Ryan will coordinate a kick-off meeting with the design team, the City Project Manager, and City staff to discuss the project, establish communication procedures, review scope and deliverables, confirm the project's goals and objectives, review data collected and project information, and review the project schedule, key milestones, and anticipated City review times.

Task 2.2 – Construction Plans

Based on the 30% design that was previously completed and the pre-design kick-off meeting, Chen Ryan will prepare 40%, 90%, Pre-Final, and Final (mylar) construction documents for City review and comment. The design will be based on the following standards: City of Lemon Grove Design Standards, City of Lemon Grove BMP Design Manual, San Diego County Regional Standards, and the 2014 California Manual on Uniform Traffic Control Devices Revision 4 (CA-MUTCD). Chen Ryan's design will consist of the following sheets:

- Title Sheet/Vicinity Map (1 Sheet)
- General Notes Sheet (1 Sheet)
- Key Map (1 Sheet)
- Construction Details (2 Sheets)
- Horizontal Control Plan: 1" = 40' Scale (1 Sheets)
- Demolition Plan: 1" = 20' Scale, (2 Sheets) (Showing sawcut lines, pavement removal limits and utility adjustment)
- Plan and Profile Sheet: 1" = 20' Scale (3 Sheets)
- Intersection Precise Grading Plans (2 Sheets)
- Storm Drain and BMP Details (1 Sheet)
- Drainage and BMP Improvement Plan: 1" = 20' Scale (1 Sheet)
- Landscape Notes and Details (1 sheet)
- Landscape Plans (2 sheets)
- Irrigation Notes and Details (1 sheet)
- Irrigation Plans (2 sheets)
- Signing and Striping Notes and Details (1 sheet)
- Signing and Striping Plan: 1" = 40' Scale (1 sheets)
- Electrical Notes, Details, and Schedule (1 Sheet)
- Electrical Plans: 1" = 20' Scale (2 Sheets)
- Temporary Water Pollution Control Details (1 Sheet)
- Temporary Water Pollution Control Plan: 1" = 40' Scale (1 Sheets)

Task 2.3 – Stormwater Applicability Forms

Chen Ryan will complete the City of Lemon Grove's Applicability of Construction and Permanent Stormwater BMP Requirements Forms (I-1, I-2, and I-3). It is assumed that this project will utilize the Green Street exemption to avoid being categorized as a Priority Development Project (PDP).

Task 2.4 Storm Water Quality Management Plan (SWQMP)

A PDP Exempt SWQMP per the City of Lemon Grove BMP Design Manual will be prepared. This task includes a site visit to observe and document existing drainage conditions, identification of Green Street considerations, BMP selection, and BMP sizing. The calculations will quantify the amount of flow the proposed BMPs can treat within the project limits.

Assumptions:

- Two review cycles will be needed to process the document through the City of Lemon Grove.
- The hydrologic analysis will be limited to the area and blocks immediately adjacent to the proposed project and that no off-site hydrologic analysis will be required as part of the project.
- Hydromodification mitigation is not required and no continuous hydromodification simulation will be required.

Task 2.5 Construction Storm Water Pollution Prevention Plan (SWPPP)

Chen Ryan will prepare a SWPPP in order to assist the City of Lemon Grove in obtaining coverage under the State Construction General Permit. This task includes compiling California Stormwater Quality Association Factsheets for project planning, erosion control, sediment control, site management, and non-stormwater management BMP requirements. Chen Ryan will assist the City in uploading the necessary documents and information to the SMARTS system.

Task 2.6 – Opinion of Probable Construction Cost (OPCC)

Chen Ryan will prepare an OPCC for the 40%, 90%, Pre-Final, and Final (mylar) PS&E submittals. The OPCC will be presented to show the proposed bid items, unit prices, contingencies, and an overall cost.

Task 2.7 – Technical Specifications

Chen Ryan will prepare Technical Specifications for the Pre-Final and Final (mylar) PS&E submittals. The Technical Specifications for this project will be prepared in Greenbook special provisions format. Chen Ryan will also utilize City Specifications, as necessary, in preparation of the Greenbook special provisions (technical specifications). Additional source documents may be used by Chen Ryan to cover urban design and other project features not covered by the City specifications or Greenbook.

Task 2.8 – Interpretive Signage

The Chen Ryan Team will work with the City to refine the theme of the projects five (5) interpretive panels and develop an outline for the overall content and supporting imagery.

The team will then finalize the panel design, narrative content, and supporting imagery.

Image sourcing and purchasing is excluded.

Task 2.9 – Gateway Elements

The Chen Ryan Team will refine and then finalize the design of the two (2) gateway trellis portals as identified in the master plan. This will include an AutoCAD generated and color rendered elevations with dimensions and call outs communicating materials proposed.

Structural drawings and calculations will be prepared for each of the two (2) gateways.

Task 2 – Deliverables:

- Four sets of construction plans (24"x36") with the 40%, 90%, pre-final, and final submittal.

- One copy of the completed Stormwater BMP Requirement forms (8.5"x11") submitted with the 40% submittal.
- One copy of the PDP Exempt SWQMP (8.5"x11") submitted with the 90%, pre-final, and final submittal.
- One copy of the SWPPP (8.5"x11") submitted with the pre-final and final submittal.
- One electronic copy of the OPCC (PDF format) with the 40%, 90%, pre-final, and final submittal.
- One electronic copy of the Technical Specifications (Word format) with the pre-final and final submittal.

Task 3 – Project Coordination, Meetings, and Management

Chen Ryan will perform project management and administration services consisting of invoicing (with associated back up), monitoring progress against budget, and overall quality assurance (QA). Specific quality control (QC) efforts for each deliverable document are included in the task covering that document.

Chen Ryan will prepare contracts and task orders for required Subconsultant services. This task will also consist of: monitoring Subconsultant progress against budget and schedule, reviewing monthly Subconsultant invoices and associated back up.

Chen Ryan will attend meetings as identified herein. Meetings will be either phone conference calls or meetings at the Client's offices. The meetings in this scope of services are as follows:

- Project Meetings with City Staff (up to 6) – up to 2 hours each
 - Not including meetings listed above
 - Meeting with the City to discuss 40%, 90%, and Pre-Final comments to plans, specs, estimates, and other documents mentioned above.
 - Manage an action items matrix
 - Update schedule on a monthly basis (up to 12 months total)
- Stakeholder Meetings with MTS and Franchise Utility Companies (up to 3) – up to 2 hours each
 - Prepare agenda, sign-in sheet, graphics, and a follow-up summary for each meeting
 - Document decisions made and action items
 - Track action item resolution

Chen Ryan will spend time each month, up to twelve (12) months total, coordinating with City staff via email and telephone. Chen Ryan will also spend time coordinating with franchise utility representatives throughout the design process.

Task 3 – Deliverables:

- Schedule (electronically, in PDF format)
- A typed summary for each meeting will be provided (electronically, in PDF format)
- Action Item Matrix for monthly meeting

Additional Services

Any services not specifically described in the above scope, as well as any changes in the scope the Client requests, will be considered Additional Services and will be performed at our then-current hourly rates. Prior to commencing the Additional Services, Consultant shall obtain prior written approval from the Client. Additional services we can provide include, but are not limited to, the following:

- Attendance at additional meetings beyond those identified in the Scope of Services.

- Providing any other services not expressly included in this Agreement or not customarily furnished in accordance with generally accepted practices in the industry.
- Visual Renderings
- Bid and Construction Services
- Drainage Study Report
- Qualified SWPPP Practitioner (QSP) services
- Traffic Signal Modifications
- Preparation of technical studies not included in this scope of work
- Hazardous and remediation services
- Environmental study preparation
- Payment of any agency fees.
- Franchise utility studies and/or design

Information Provided by Client

We shall be entitled to rely on the completeness and accuracy of information provided by the Client. The Client shall provide information requested by Chen Ryan during the project, this shall include:

- As-builts
- Information from previously completed 30% design
 - CADD files showing property lines, right-of-way, existing topography, existing utilities, and proposed improvements
 - Preliminary drainage study
 - Preliminary SWQMP

Project Schedule

We will provide our services as expeditiously as practicable to meet a mutually agreed upon schedule.

Chen Ryan will perform the scope of services outlined above on a lump sum basis, not to exceed of \$275,725. Direct expenses will be invoiced at cost.

Fees will be invoiced monthly based upon the percentage of services performed as of the invoice date. Payment will be due within 30 days of the date of the invoice.

We appreciate the opportunity to submit this proposal.

Sincerely,

Matthew Capuzzi, PE
Principal

	Principal	Manager	Prof.	Analyst	Admin	CRA Hours	CRA Cost	President	Principal	Senior PM	Designer	SDG Hours	SDG Cost	Total Hours
	\$250.00	\$215.00	\$160.00	\$132.00	\$100.00			\$230.00	\$190.00	\$125.00	\$90.00			
	0	7	0	32	0	39	\$ 5,729.00	0	0	0	0	0	\$ -	39
		3		8		11	\$ 1,701.00					0	\$ -	11
		2		20		22	\$ 3,070.00					0	\$ -	22
		2		4		6	\$ 958.00					0	\$ -	6
	42	150	148	477	0	817	\$ 129,394.00	3	49	109	548	709	\$ 72,945.00	1526
	2	4		2		8	\$ 1,624.00					0	\$ -	8
		1		5		6	\$ 875.00					0	\$ -	6
		1		4		5	\$ 743.00					0	\$ -	5
		2	2	12		16	\$ 2,334.00					0	\$ -	16
		6	8	36		50	\$ 7,322.00					0	\$ -	50
		3	2	16		21	\$ 3,077.00					0	\$ -	21
		8	10	32		50	\$ 7,544.00					0	\$ -	50
	4	24	24	60		112	\$ 17,920.00					0	\$ -	112
	4	12	20	32		68	\$ 11,004.00					0	\$ -	68
		6	4	16		26	\$ 4,042.00					0	\$ -	26
		4	2	16		22	\$ 3,292.00					0	\$ -	22
		1	2	2		3	\$ 479.00		2	6	32	40	\$ 4,010.00	43
		2	4	4		6	\$ 958.00	2	8	20	144	174	\$ 17,440.00	180
		1		2		3	\$ 479.00		2	6	28	36	\$ 3,650.00	39
		2		4		6	\$ 958.00		2	20	120	142	\$ 13,680.00	148
		2	4	16		22	\$ 3,182.00					0	\$ -	22
		4	10	18		24	\$ 3,236.00					0	\$ -	24
		2	8	40		60	\$ 9,140.00					0	\$ -	60
		2	6	16		18	\$ 2,542.00					0	\$ -	18
		2	6	12		20	\$ 2,974.00					0	\$ -	20
	28	1	2	2		28	\$ 7,000.00		12			12	\$ 2,280.00	40
		12	4	32		5	\$ 799.00					0	\$ -	5
		4	4	36		48	\$ 7,444.00					0	\$ -	48
		4	6	32		44	\$ 6,252.00					0	\$ -	44
	2	4	32	10		44	\$ 6,544.00		3	5	14	22	\$ 2,455.00	66
	2	24	32	4		68	\$ 12,100.00		4	14		18	\$ 2,510.00	86
		2	4	4		6	\$ 958.00	1	8	19	120	148	\$ 14,925.00	154
		2	4	4		6	\$ 958.00		8	19	90	117	\$ 11,995.00	123
	4	71	0	30	12	117	\$ 21,425.00	0	12	16	0	28	\$ 4,280.00	145
	4	18		8		30	\$ 5,926.00		12			12	\$ 2,280.00	42
		9		6		15	\$ 2,727.00					0	\$ -	15
		44		16	12	72	\$ 12,772.00			16		16	\$ 2,000.00	88
							\$ 3,000.00						\$ 2,000.00	
	46	228	148	539	12	973	\$ 159,548.00	3	61	125	548	737	\$ 77,225.00	1710



CITY OF LEMON GROVE

CITY COUNCIL STAFF REPORT

Item No. 4

Meeting Date: July 7, 2020

Submitted to: Honorable Mayor and Members of the City Council

Department: Public Works Department

Staff Contact: Mike James, Assistant City Manager / Public Works Director

mjames@lemongrove.ca.gov

Item Title: Community Development Block Grant Allocation for Fiscal Years 2020-2021

Recommended Action: Adopt a resolution (Attachment A) authorizing the submission of a revised application for the Community Development Block Grant program for the Fiscal Years 2020-21.

Summary: The Community Development Block Grant (CDBG) Program is a U.S. Department of Housing and Urban Development (HUD) program that provides funds annually to all entitlement jurisdictions. CDBG funds are used for community development and affordable housing activities that benefit low-income households and persons with special needs.

The purpose of this agenda item is to reconsider a previously approved CDBG funded program that would have resurfaced Golden Avenue and Crane Street altering the original project to now resurfacing and improving the right-of-way on Golden Avenue only.

Background: The Community Development Block Grant (CDBG) Program is a U.S. Department of Housing and Urban Development (HUD) program that provides funds annually to all entitlement jurisdictions. CDBG funds are used for community development and affordable housing activities that benefit low-income households and persons with special needs. The CDBG program was created by Congress in 1974 and is administered by the County of San Diego. According to the County of San Diego, CDBG-funded projects must satisfy one of three national program objectives:

- Provide a benefit to low and moderate income persons,
- Prevent or eliminate slums and blight, or
- Meet needs having a particular urgency.

Eligible activities broadly include:

- Real property acquisition,
- Public facilities and improvements,

- Public services,
- Economic development (job creation), and
- Housing development and rehabilitation.

For over 20 years, the City has participated in the CDBG Program, predominately relying on CDBG funds for street rehabilitation projects in eligible neighborhoods. Two other programs have been supported with CDBG funds in the past including the San Diego Food Bank School Food Backpack Program which was supported in FY 2011-12 and the Center for Social Advocacy which was supported in FY 2010-11.

On November 5, 2019, the City Council approved an application to continue the construction of street rehabilitation project and ADA pedestrian ramps city-wide. Like past applications, the City requested two years' worth of funds to receive an economy of scale with a larger rehabilitation project so the recently submitted application includes FY 2020-21 and 2021-22.

Staff used the following criteria to determine potential street rehabilitation projects:

- Street segments with the lowest Pavement Condition Index (PCI) from the Pavement Management Program adopted by the City Council on May 1, 2018;
- Exhibit of eligible Census areas (Attachment B) provided by the County;
- Field visits conducted by Public Works staff; and
- Block eligibility calculations performed by the County.

Based on these criteria, the two street segments were recommended for rehabilitation with the Fiscal Years 2020-21 and 2021-22 CDBG allocation:

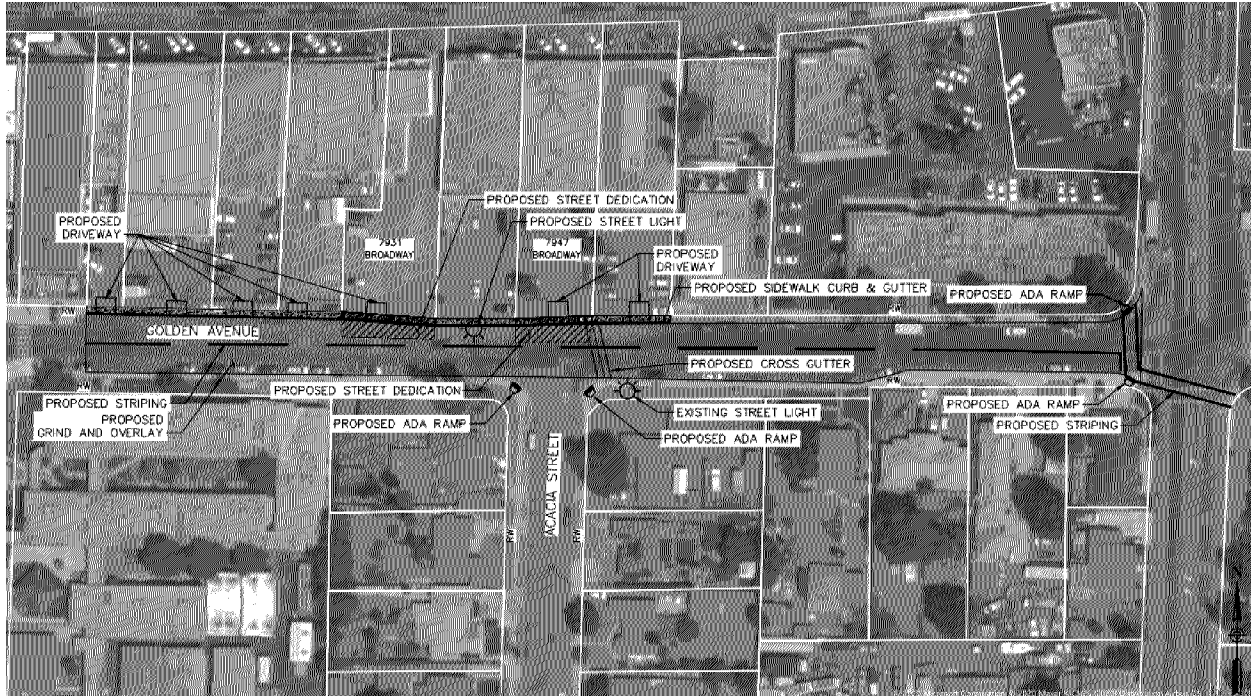
- Crane Street from Golden Avenue to the cul-de-sac (PCI – 31 – poor)
- Golden Avenue from Acacia Street to Kempf Street (PCI – 21 – very poor)

Discussion: On May 18, 2020, City staff spoke with County staff and learned that the original amount of \$258,239 was reduced to \$155,667. Upon further inquiries, City staff learned that the County Housing and Community Development Services (HCDS) Department discontinued the practice of allowing advances due to strict expenditure requirements not being met by the cities that were requesting advances. Some examples of not meeting the expenditure requirements included not completing projects on time, cancelling projects, or multiple changes in project scope. HCDS concluded that these delays resulted in funds not being spent in a timely manner and could result in possible HUD sanctions if not addressed.

With the new direction provided from HCDS, City staff concluded that the original project scope to pave Golden Avenue and Crane Street was no longer affordable. When comparing the benefits of each project, independently, staff concluded that the improvements on Golden Avenue are a higher priority than Crane Street. Primarily because of the street location, amount of pedestrian/bicycle/vehicle traffic, proximity to the downtown district as well as Lemon Grove Academy.

Next, City staff evaluated the amount of work that can be performed with the reduced funding amount of \$155,667. While referring to *Exhibit 1*, staff estimates that additional construction work may also be included: New curb, gutter and sidewalk, new cross gutter, a new street light, and new sidewalk improvements that will improve drainage along Golden Avenue.

Exhibit 1: Golden Avenue and Acacia Street Improvements



City staff shared the revised scope of work with HCDS staff and requested permission to continue moving forward with the change in scope as well as creating a new CDBG application (Attachment B). That permission was granted and if the City Council adopts the resolution (Attachment A) staff will submit the final application to HCDS staff for approval. Staff anticipates the following schedule of work if the revised application is approved by the County:

- July 8, 2020 Submit revised application
- July 31, 2020 Receive approval from HCDS staff
- August 3, 2020 Advertise the construction bid document
- August 27, 2020 Construction bids due to the City
- September 15, 2020 City Council awards a construction contract
- September 30, 2020 Pre-construction meeting / issue the notice to proceed
- October 5, 2020 Start construction
- January 4, 2021 Complete construction and punch list items
- February 2, 2021 Accept the project as complete

Assuming the County approves the application staff will advertise the construction project bid documents and after completing the bid process will return to the City Council with a recommendation to award a construction contract.

Environmental Review:

- Not subject to review Negative Declaration
 Categorical Exemption, Section [] Mitigated Negative Declaration

Fiscal Impact: The two-year CDBG allocation for Fiscal Years 2020-2021 with carry-over from the Fiscal Years 2018-2019 is an estimated \$155,667.

Public Notification: None.

Staff Recommendation: That the City Council adopts a resolution authorizing the submission of an application for the Community Development Block Grant program for the Fiscal Years 2020-2021.

Attachments:

Attachment A – Resolution

Attachment B – Revised CDBG Application

RESOLUTION NO. 2020 -

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE,
CALIFORNIA, AUTHORIZING THE SUBMISSION OF AN APPLICATION FOR
THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM FOR FISCAL
YEAR 2020-2021**

WHEREAS, the United States Department of Housing and Urban Development (HUD) administers the Community Development Block Grant (CDBG) Program, which provides Federal funds to assist community development activities in urban areas; and

WHEREAS, the County of San Diego (County) applies for and accepts CDBG funds with respect to its unincorporated areas and local governments that participate in the County's CDBG program known as "Urban County"; and

WHEREAS, the City of Lemon Grove (City) is a unit of general local government that participates in the "Urban County" program; and

WHEREAS, the City submitted an application to the County for approval to receive Federal funds to rehabilitate Golden Avenue and Crane Street. However, the amount of CDBG funding allocated to the City was reduced and the City must now resubmit an application that only improves the right-of-way along Golden Avenue; and

WHEREAS, the City understands and agrees that should the CDBG Program be discontinued, the City would be required to reimburse the County's Housing Development Fund for any affected funds.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lemon Grove hereby:

1. Directs the City Manager or her designee to allocate CDBG funding for street rehabilitation purposes and ADA pedestrian curb ramps; and
2. Authorizes the City Manager or her designee to submit an application for the CDBG Program for Fiscal Year 2020-2021.

PASSED AND ADOPTED on _____, 2020, the City Council of the City of Lemon Grove, California, adopted Resolution No. _____, passed by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:



Racquel Vasquez, Mayor

Attest:

Shelley Chapel, MMC, City Clerk

Approved as to Form:

Kristen Steinke, City Attorney

 	COUNTY OF SAN DIEGO 2020-21 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM – CFDA #14.218	Census Tract:
	APPLICATION FOR CDBG PARTICIPATING CITIES DUE BY 5:00 P.M. FRIDAY, NOVEMBER 1, 2019	Priority No:

Date Submitted: July 8, 2020DUNS #: 095889696Title of Project: Street Rehabilitation City-wide**AGENCY SUBMITTING APPLICATION:**

- a. City Department: Public Works Implementing Department: Public Works
- b. Project Manager: Mike James Telephone Number: 619-825-3814
- c. Contact Person (if different from Project Manager): _____ Telephone Number: _____
- d. Mail Stop/Address: 3232 Main Street, Lemon Grove, Ca 91945
- e. E-mail Addresses: mjames@lemongrove.ca.gov Fax Number: 619-825-3818
- f. **Signature of Authorized Official:** _____
- g. Name and Title of Authorized Official: Lydia Romero, City Manager
- h. Does your city expend \$750,000 or more a year in federal funds? Yes No (if yes, city must submit copy of independent (A-133) audits each year; if no, city must submit copy of audited financial statements each year).
- i. Date of City Council authorization to submit CDBG application, administer project, execute contract: July 7, 2020 (please forward documentation as soon as it is available). Because of noticing requirements for the public hearing and the dates in which the City's council meetings fall, we were unable to get this item to council prior to the application deadline. The approved resolution will be forwarded on July 8, 2019.
- j. Must maintain current Central Contractor Registration (SAM/CCR). Please include printout of current CCR registration with this application.
- k. Cities with fair share allocations under \$50,000. Those cities with allocations under this threshold must request a minimum of \$50,000. If available, the amount that exceeds their annual fair share allocation will be advanced by the County to be repaid with the city's future year CDBG allocations or other city funds should the CDBG program be discontinued.
1. **PROJECT LOCATION: (Attach map of project site showing the boundaries of the geographic area served. Also attach site plan or project sketch, or if located in a park include Park Master Plan, if applicable.)**
- a. Community: City of Lemon Grove
- b. Street address (include zip code): Golden Avenue (91945)
- c. Cross streets: Acacia Street and Kempf Street
- d. Assessor Parcel Number (where applicable): N/A
- e. Thomas Bros. Reference Page: 2006 Thomas Guide page 1270
2. **PROJECT DESCRIPTION:** (Provide a clear, detailed description of the project and specifically how the requested CDBG funds would be used. Include a sketch of the project site to clarify the proposal and attach any relevant information supporting this proposal. Attach a list of the proposed tasks with associated activities, expected accomplishments of each task, timelines, and information on staff/consultant who would supervise/perform the work. Note: All sub-recipients requesting funds for programs working directly or indirectly with homeless populations will be required to participate in the Homeless Management Information System (HMIS) database effort administered by the Regional Task Force on the Homeless.)

The proposed project includes 1 street and right-of-way rehabilitation project on Golden Avenue (Acacia Street to Kempf Street).

4. **TYPE OF ACTIVITY:** (Please check only one)

<input type="checkbox"/>	Public Facilities	<input type="checkbox"/>	Economic Development	<input type="checkbox"/>	Rental Housing	<input type="checkbox"/>	Other: _____
<input checked="" type="checkbox"/>	Infrastructure	<input type="checkbox"/>	Public Service ¹	<input type="checkbox"/>	Owner-Occupied Housing		
<input type="checkbox"/>	Planning/Administration	<input type="checkbox"/>	Non-homeless Special Needs	<input type="checkbox"/>	Homeless/HIV/AIDS		

5. **OBJECTIVE:** (Please check only one)

<input checked="" type="checkbox"/>	1	Suitable Living Environment	(Activities that benefit communities/ families/individuals by addressing issues in their living environment)
<input type="checkbox"/>	2	Decent Housing	(Housing activities that meet individual family or community needs; should not be used for activities where housing is an element of a larger effort)
<input type="checkbox"/>	3	Economic Opportunity	(Activities related to economic development, commercial revitalization, and job creation)

6. **OUTCOME:** (Please check only one)

<input type="checkbox"/>	1	Availability/ Accessibility	(Activities that make services, infrastructure, housing, and shelter available and accessible. Note that accessibility does not only refer to physical barriers)
<input type="checkbox"/>	2	Affordability	(Activities that provide affordability in a variety of ways. It can include creation or maintenance of affordable housing, basic infrastructure hookups, or services such as transportation or daycare)
<input checked="" type="checkbox"/>	3	Sustainability	(Activities that promote livable or viable communities and neighborhoods by providing services or by reviving slums or blighted areas)

7. **PROJECT BENEFICIARIES:**

- a. Describe the geographic service area or the specific population served, including the estimated number of persons served and other measurable outputs:
Each of the proposed street segments serves low-income residents who live on the street, and/or use the street to access their homes.
- b. If the proposed project only serves a limited clientele, a certain segment of the population, such as youth, childcare or senior centers, health facilities, ADA improvements, or housing activities/services:
 - (1) Provide the unduplicated number of people expected to be served annually.
N/A
 - (2) Describe what steps will be taken to document that a minimum of 51% unduplicated low- and moderate-income and limited clientele persons will be served annually.^{2, 3}
N/A

¹ Eligible public services are limited to those services that directly relate to and support physical community revitalization, homeless or housing activities.

² HCDS will require intake forms and supporting income verification documentation (third party verifications or source documentation) be submitted upon request.

³ All sub-recipients requesting funds for programs working directly or indirectly with homeless populations will be required to participate in the Homeless Management Information System (HMIS) database's effort administered by the Regional Task Force on the Homeless.

8. SITE INFORMATION:

- a. Suitability of site or facility:
N/A
- b. Availability of land/facility: (Indicate if the site has been selected, whether there is site control, and other issues of ownership.)
N/A
- c. Effect on surrounding land use:
N/A
- d. Conformance with General Plan: (For information, call PDS at (619) 615-8289)
N/A

9. ENVIRONMENTAL REVIEW STATUS: (Call Kimberly Jones at (858) 694-3917 and check appropriate boxes if environmental status is known)

- Exempt CEQA:
- Exempt NEPA:
- Environmental Assessment Needed: Underway Complete
- Environmental Impact Statement: Underway Complete

10. CDBG FUNDS REQUESTED: (Specific use of CDBG funds only)

Planning	\$ _____	Inspections	\$ _____
Personnel/Administration	\$ _____	Construction/Installations	\$ 155,667
Site Acquisition	\$ _____	Consultant Cost	\$ _____
Relocation Assistance	\$ _____	Supplies/Equipment	\$ _____
Permits and Fees	\$ _____	Insurance/Legal	\$ _____
Engineering/Designs	\$ _____	Other (_____)	\$ _____
		TOTAL	\$ 155,667

11. STAFF STATEMENT OF PROJECT NEED/OBJECTIVE:

- a. Indicate specific local conditions that warrant funding of the project:
This project provides resources for rehabilitating residential streets and right-of-way in a low-income neighborhood.
- b. Describe the relationship of the proposed activity to other similar community facilities/services. (If there are other similar facilities/services in the community, provide a map showing locations):
N/A

12. PROJECT BUDGET:

- a. Indicate how the requested CDBG funds will be leveraged and identify other sources of funds, including the amounts, for this project. Describe here if the proposal is part of larger project.
No other sources or funds will be used for this project. The City is requesting funding for FY 2020-21 in addition to a carry-over balance from FY 2018-19 in order to complete a larger scope of work in the same pre-approved site.
- b. Specify the status of other funding sources and include dates: application submitted, decision pending on requested funds, or funds committed.
N/A

13. PROJECT COST ESTIMATE:

a.	CDBG Funds Previously Allocated To This Project: \$ 258,239	_____
b.	Current Proposal:	
	(1) CDBG Project Request	\$ 102,572
	(2) Other Funds Allocated to Project for spending in FY 2020-21 (list sources):	
	Other Federal (Specify Source): _____	\$ _____
	Other State/Local (Specify Source): _____	\$ _____
	Other (Specify Source): FY2018-19 rollover/reallocated CDBG funds	\$ 53,095
	Other (Specify Source): _____	\$ _____
	Current Proposal Total	\$ 155,667
c.	Future Year Project Cost Estimates (list sources):	
(1)	_____	\$ _____
(2)	_____	\$ _____

14. PRELIMINARY SCHEDULE: (For CDBG Fund Requests Only)

<u>Task</u>	<u>Completion Date</u>
Environmental Review	_____
Contract Award	_____
Site Acquisition	_____
Engineering/Design	_____
Consultant Services	_____
Relocation Assistance	_____
Construction/Installation	02/02/2021
Other: _____	_____
Other: _____	_____

Estimated Date of Completion (assuming July 2020 Release of Funds) 02/02/2021

15. PROJECTED CDBG EXPENDITURES IN FY 2020-21

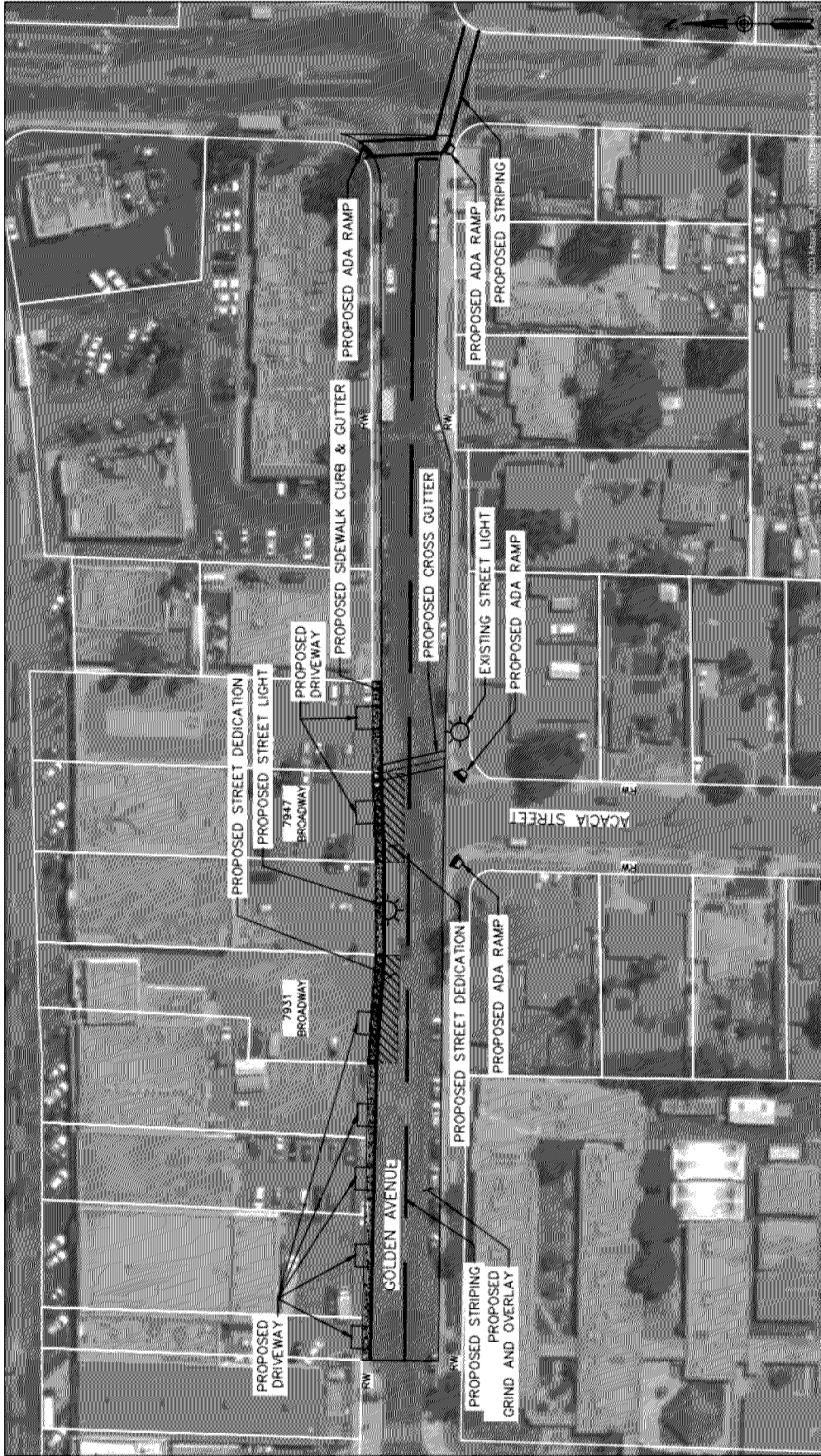
1 st Quarter	\$155,667 (FY 2021-22)	_____
2 nd Quarter	\$	_____
3 rd Quarter	\$	_____
4 th Quarter	\$	_____

16. Will the proposed project meet Americans with Disabilities Act standards for access to persons with disabilities? Explain.

Yes, the proposed project will remove and replace two ADA curb ramps at the intersection of Golden Avenue and Acacia Street.

17. Project will be carried out by: (Check one of the following)
- | | |
|--|--|
| <input type="checkbox"/> City Employees | <input type="checkbox"/> Non-Profit Organization |
| <input type="checkbox"/> Contractors | <input type="checkbox"/> For Profit Organization |
| <input checked="" type="checkbox"/> City Employees and Contractors | <input type="checkbox"/> Faith Based Organization |
| <input type="checkbox"/> Another Public Agency | <input type="checkbox"/> Institution of Higher Education |
18. CURRENT ACTIVITIES:
- a. Indicate current project status: None at this time.
- b. For phased projects, describe the progress on the current phase at time of this application and indicate the expected completion date of the previously funded work: N/A
19. BASIS FOR STAFF RECOMMENDATION:
- a. Include specific reasons for your support and indicate why this project is a priority: The City of Lemon Grove has prioritized different zones within the jurisdiction requiring street, curb and gutter, and sidewalk rehabilitation. The aforementioned area of Lemon Grove have been designated by staff as high priority requiring rehabilitation and are also in an area considered low income neighborhoods that can be supported by the CDBG Program. CDBG support will enable the City to expedite rehabilitating the proposed areas and improve traffic/pedestrian flow and ultimately quality of life.
- b. Note any anticipated problems or delays in implementation (e.g., use permits, other agency approvals or contingencies): No anticipated problems or delays in implementation.
- c. Describe the urgency or reasons for funding the project this year: The proposed street segment is past the end of its useful life, necessitating reconstruction and rehabilitation. Waiting will only cause further decay and increase the amount of funding needed for rehabilitation.
- d. If applicable, submit pictures of the project as an attachment (high quality pictures from different angles): See attached Pictures
20. CITIZEN OR ADVISORY COMMITTEE RECOMMENDATION:
- a. Actions taken and votes received: None
- b. Input received from citizens: (Attach letters received from public.) A public hearing has been advertised and was held on November 5, 2019. At that time the project was approved. However, in May 2020, County staff notified the City that the amount of funding decreased and therefore afforded the City an opportunity to revised its application. A City Council meeting is scheduled for July 7, 2020 to approve the project as listed in this application.
- Since 2012 the City's Public Works department has logged in its work order system the following calls from citizens regarding the street condition pertaining to the street segments listed as follows:
- Golden from Acacia to Kempf – 7 calls
- c. Status of Community/Local Planning Group review and approval: (Required prior to CDBG funding recommendation.) N/A

21. NATIONAL OBJECTIVE:
Any real property acquired or improved in whole or in part with CDBG funds in excess of \$25,000 shall be used to meet one of the national objectives. Cities are required to meet the national objective until five years after expiration of the contract or MOU. Describe how your agency will comply with this HUD requirement: N/A



DATE: 07/01/2020
 DRAWN BY: GCL
 CHECKED BY: EAC
 SCALE: 1"=60'
 SHEET 1 OF 1

**CITY OF LEMON GROVE
 GOLDEN AVE AND ACACIA ST**

PROJECT NO. J-17546
 5555 BROADWAY
 LEMON GROVE, CA 92549
 (951) 790-1234

PROJECT DESCRIPTION: (Provide a clear, detailed description of the project and specifically how the requested CDBG funds would be used. Include a sketch of the project site to clarify the proposal and attach any relevant information supporting this proposal. Attach a list of the proposed tasks with associated activities, expected accomplishments of each task, timelines, and information on staff/consultant who would supervise/perform the work. Note: All sub-recipients requesting funds for programs working directly or indirectly with homeless populations will be required to participate in the Homeless Management Information System (HMIS) database effort administered by the Regional Task Force on the Homeless.)

The requested CDBG funds would be used to rehabilitate a street segment and improvement the right-of-way within the city. Some portions of the street segment need major repairs before it is milled and paved. The chart below shows the proposed tasks, expected date of completion and the staff or consultant who would supervise or perform the work.

Project Tasks	Expected Date of Completion	Staff or Consultant
Project Design	N/A	N.A
Advertise Bid Documents	08/03/2020	Assistant City Manager / Public Works Director
Open Bid Documents	08/27/2020	Assistant City Manager / Public Works Director
Contract Award to Contractor	09/15/2020	Assistant City Manager / Public Works Director
Pre-Construction Conference	10/05/2020	City Staff/Contractor TBD
Project Completion	02/02/2021	City Staff/Contractor TBD

SAM Documentation

10/23/2019

Entity Overview | System for Award Management



Molly Brennan Log Out

ALERT: SAM.gov will be down for scheduled maintenance Saturday, 11/09/2019, from 8:00 AM to 3:00 PM

Entity Dashboard

- Entity Overview
- Entity Registration
 - Core Data
 - Assertions
 - Reps & Certs
 - POCs
- Reports
 - Service Contract Report
 - ProPreferred Report
- Exclusions
 - Active Exclusions
 - Inactive Exclusions
 - Excluded Family Members

BACK TO USER DASHBOARD

LEMON GROVE, CITY OF
 DUNS: 095899696 CAGE Code: 4EJN
 Status: Active
 Expiration Date: 10/08/2020
 Purpose of Registration: Federal Assistance Award, Civil

1208 MAIN ST
 LEMON GROVE, CA 95041
 UNITED STATES

Entity Overview

Entity Registration Summary

DUNS: 095899696
 Name: LEMON GROVE, CITY OF
 Business Type: US Local Government
 Last Updated By: Molly Brennan
 Registration Status: Active
 Activation Date: 10/09/2019
 Expiration Date: 10/08/2020

Exclusion Summary

Active Exclusion Records? No

Pictures

Golden Avenue between Acacia and Kempf:





CITY OF LEMON GROVE

CITY COUNCIL STAFF REPORT

Item No. 5

Meeting Date: July 7, 2020

Submitted to: Honorable Mayor and Members of the City Council

Department: City Manager's Office

Staff Contact: Lydia Romero, City Manager

Item Title: CARES ACT–CRF Grant Acceptance and Allocation Plan

Recommended Action: Adopt a Resolution accepting the sub-grant of the CARES Act CRF grant money from the County of San Diego approving the allocation plan.

Background: On March 27, 2020 President Trump signed the Coronavirus Aid, Relief and Economic Security (CARES) Act into law. Included in the CARES Act is the Coronavirus Relief Fund (CRF) that allocated \$150 billion to states and local municipalities with populations greater than 500,000 based on a specified formula. Local municipalities with populations less than 500,000 received no CARES Act CRF funding. In the San Diego County Region only two entities received CARES ACT funding, City of San Diego and the County of San Diego. City of San Diego received \$249 million and the County of San Diego received \$344 million.

At the San Diego County Board of Supervisors meeting of May 19, 2020, the Board approved allocating \$25 million to the 17 cities in the region who did not receive CARES Act CRF funding. Lemon Grove's allocation is \$480,774. In order to receive this funding an expenditure plan must be submitted to the County that comports with the CARES Act funding guidelines. Staff has prepared an expenditure plan for the City Council's consideration based on the feedback staff received at the June 2, 2020 City Council meeting.

In addition to this allocation from the County, the City of Lemon Grove will receive an additional \$334,243 in CARES Act – CRF funding from the State due to the recently signed budget.

The County funds need to be expended by September 30, 2020 and the State funds by October 31, 2020.

Discussion: As a condition to receive the funds, the County of San Diego requires an expenditure plan to be consistent with the CARES Act, attached is the expenditure guidelines as provided by the Federal Treasury. CARES-CRF funds may not be used to compensate for a city's revenue loss.

The State requires us to certify that the expenditure plan is in-line with the CARES Act guidelines. That certification needs to be filed with the Department of Finance.

CARES Act expenditures may include:

- Law Enforcement for COVID-19
- Telework Enhancement/Infrastructure
- Sanitation Compliance
- Facility Enhancements- Social Distancing
- Economic Support Initiatives

In compliance with the guidelines, staff is proposing to utilize the funds in three categories, cover costs associated with COVID-19 compliance; Small Business Emergency Relief Fund Program, homeless assistance. The expenses will utilize both the County and State allocations.

The first category proposed by staff is to cover the costs of the City of Lemon Grove expenditures incurred or anticipated that are directly related to the impacts of the COVID-19 Pandemic. Staff has estimated these costs to be \$150,000. These expenses will, to the extent possible, allow employees to have a safe working environment and allow the public to conduct necessary business with the City in the safest manner possible. The expenditure includes remote working equipment, personal protection equipment, sanitary upgrades, eligible payroll expenses, employee testing, childcare for employees as essential workers and building sanitization.

The second category is a Small Business Emergency Relief Fund Program that will assist small businesses impacted by the pandemic. Staff is recommending that the City Council allocate \$650,000 of the CARES-CRF funding to provide individual businesses support and resources to address the effect of the emergency on their operations and to protect their patrons. Key elements of the program include:

- Funding for eligible business will be up to \$10,000. Businesses must demonstrate that all expenditures are consistent with the provisions of the CARES Act.
- Businesses must be physically located within the City of Lemon Grove and must have had a valid business license prior to March 12, 2020, in good standing.
- Only one (1) funding application may be submitted per business.
- Each business must demonstrate that it was directly and adversely affected by the conditions that precipitated the emergency declaration by Governor Gavin Newsom on March 4, 2020.

The following criteria must be met for a business to be considered eligible:

- Businesses must be located within the City of Lemon Grove boundaries with a valid business license and operate out of a physical location within the City of Lemon Grove limits. Physical location includes a 'brick and mortar' edifice, and other types of physical spaces that depend on foot traffic for business. Home-based businesses will not be eligible for the program.
- Businesses must have at least one (1) employee and no more than twenty (20) employees as of March 1, 2020. Franchises, chain stores, non-profit organizations, corporations, government organizations, school districts, and private community organizations are not eligible.

A general List of allowed business types include the following:

- Restaurants, cafes, and other places of public accommodation offering food or beverage for on-premises consumption.
- Bars, breweries, microbreweries, and other places of public accommodation offering alcoholic beverages for on-premises consumption.
- Gymnasiums, fitness centers, recreation centers, indoor sports facilities, indoor exercise facilities, exercise studios, tattoo parlors, businesses offering massage therapy or similar body work, spas, salons, nail salons, cosmetology salons, esthetician salons, eyelash salons, and barber shops. This includes, but is not limited to, all salons and shops licensed by the California Board of Barbering and Cosmetology.
- Small general retail facilities including gift shops, florists, sporting goods, mechanic services, bakeries, candy shops, convenience stores, and other retail businesses determined to be similar in nature.

Funding may only be used to cover “eligible expenditures” that are consistent with the CARES Act including:

- Necessary expenditures incurred due to the public emergency with respect to COVID-19
- Medical expenses including thermometers and testing for employees that serve vulnerable populations
- Costs to enforce health orders including shielding, thermometers and markings, additional tables, signs
- Sanitizing expenses and increased janitorial services
- Costs of personal protective equipment including sanitizer, gloves, masks, and sneeze guards
- Payroll and health insurance (COVID related)
- Expenses associated with distance or remote working
- Expenses for care of homeless individuals
- Unemployment insurance costs
- Costs of quarantined workers
- Back rent, due to COVID -19 closure
- Expenses related to an outdoor dining or sales plan.

The third category provides additional resources to residents experiencing or facing homelessness or unsafe living conditions because of COVID-19. This funding will augment the CARES DOJ Grant the City received for homeless outreach and assistance with our current non-profit partner Home Start. Staff is recommending \$15,017 to be allocated to these services.

The City of Lemon Grove proposed CARES Act-CRF Program and Expenditure Plan is intended to be consistent with the CARES Act. Should the City Council approve the expenditure plan, the following are the next steps:

1. Prior to distribution, the City of Lemon Grove must submit a plan that illustrates how the City will spend the allocation before the funds are released.
2. After the City has received the funds, the City must submit documentation to support all expenditures. All funds must be expended or returned to the County and all documents must be submitted prior to September 30, 2020.
3. The City will be financially responsible for any disallowed costs. If the City receives future federal stimulus funds (non-CARES Act funding), all fund allocated to the City by the County shall be returned.
4. City must submit a certification to the Department of Finance to receive the State allocation.

Options

- Approval of Resolution accepting CARES Act - CRF funding from the County of San Diego and authorizing the City Manager to execute a sub-grant agreement, and approving the CRF Program and Expenditure Plan.
- Modification of the expenditure plan and approval of Resolution.
- Provide specific direction to the City Manager.
- Deny Resolution.

Environmental Review:

- Not subject to review Negative Declaration
 Categorical Exemption, Section [] Mitigated Negative Declaration

Fiscal Impact: Reimbursement of City costs related to the COVID-19 expenditures back to the General Fund.

Public Notification: None

Staff Recommendation: Adopt a Resolution accepting the sub-grant of the CARES Act CRF grant money from the County of San Diego approving the allocation plan.

Attachments: **Attachment A** – Resolution
 Attachment B – CARES Act funding guidelines.

RESOLUTION NO. 2020-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE,
CALIFORNIA, ACCEPTING A SUB-GRANT ALLOCATION FROM THE
COUNTY OF SAN DIEGO PROVIDING FUNDING FROM THE
CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT
CORONAVIRUS RELIEF FUND (CRF) AND APPROVING THE
EXPENDITURE PLAN.**

WHEREAS, a novel coronavirus referred to as COVID-19, which causes infectious disease, was first detected in December 2019, and has now spread throughout the world; and

WHEREAS, on January 31, 2020, the U.S. Secretary of Health and Human Services declared a public health emergency related to the COVID-19 outbreak pursuant to Section 319 of the Public Health Service Act; and

WHEREAS, on February 14, 2020, the San Diego County Public Health Officer declared a local health emergency due to the threat of COVID-19 and on February 19, 2020, the San Diego County Board of Supervisors ratified the Declaration of Local Health Emergency and Proclamation of Local Emergency arising out of the COVID-19 outbreak; and

WHEREAS, on March 4, 2020, California Governor Gavin Newsom proclaimed a State of Emergency to exist in the State of California as a result of the threat of COVID-19; and

WHEREAS, on March 23, 2020, the City's Director of Emergency Services proclaimed the existence of a local emergency within the City and on March 31, 2020, the City Council for the City of Lemon Grove adopted Resolution 2020-3710, ratifying the declaration of the Director of Emergency Services and declaring the existence of an ongoing local emergency due to COVID-19 which was extended on May 19, 2020; and

WHEREAS, on March 29, 2020, the Health Officer of the County of San Diego issued an Order of the Health Officer and Emergency regulations which extends its regulations with no specific end date; and

WHEREAS, the Federal Government enacted the Coronavirus Aid, Relief, and Economic Security (CARES) Act and provided funding through the Coronavirus Relief

Fund (CRF) to assist local governments with expenses associated with the COVID-19 Pandemic; and

WHEREAS, the CARES Act and CRF authorized funding for cities of more than 500,000 residents and qualifying counties, but funding for smaller cities was not provided; and

WHEREAS, on May 19, 2020, the San Diego County Board of Supervisors voted to distribute \$25 million of the County's CARES CRF allocation to the 17 municipalities in the County that are not directly eligible for CARES CRF funding based on their proportional population; and

WHEREAS, the City of Lemon Grove will receive \$480,774 from the County of San Diego that must be expended in accordance with the provisions of the CARES Act; and

WHEREAS, the City Council desires to recoup the costs of the City in responding to the emergency, to the extent allowed by the CARES Act, associated with the COVID-19 Pandemic; and

WHEREAS, the City Council desires to provide funding to create an Emergency Relief Fund for Small Businesses to assist business owners with extraordinary costs associated with the COVID-19 Pandemic; and

WHEREAS, the City Council desires to provide funding to provide relief to the most vulnerable residents in need of housing assistance directly related to impacts of the COVID-19 Pandemic; and

WHEREAS, it is in the public interest and in the best interests of the City as a whole to promote economic stability and fairness and provide security for vulnerable populations during the continued COVID-19 emergency

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

1. The City Council finds the recitals above to be true and accurate and they are incorporated as such into this Resolution.
2. The City Council authorizes and directs the City Manager to execute the Sub-Grant Agreement with the County of San Diego to receive \$480,774 from the CARES Act - CRF and to complete all actions necessary to receive and expend the funds consistent with the Sub-Grant Agreement.

3. The City Council authorizes and directs the City Manager to submit the Expenditure Plan to the County of San Diego for approval and implement the provisions of the Plan and take all other related actions to achieve the goals set forth in the Expenditure Plan. The City Manager is authorized to execute any and all documents and take all other actions necessary or appropriate to implement this Resolution. The City Manager is also authorized to make any necessary adjustments to the implementation of the Expenditure Plan as necessary to comply with applicable law and in consultation with the City Attorney.

4. The City Council further authorizes and directs the City Manager to submit the required documentation to the State Department of Finance and take all other related actions to achieve the goals set forth in the Expenditure Plan.

PASSED AND ADOPTED on _____, 2020, the City Council of the City of Lemon Grove, California, adopted Resolution No. _____, passed by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Racquel Vasquez, Mayor

Attest:

Shelley Chapel, MMC, City Clerk

Approved as to Form:

Kristen Steinke, City Attorney

Coronavirus Relief Fund
Guidance for State, Territorial, Local, and Tribal Governments
April 22, 2020

The purpose of this document is to provide guidance to recipients of the funding available under section 601(a) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). The CARES Act established the Coronavirus Relief Fund (the “Fund”) and appropriated \$150 billion to the Fund. Under the CARES Act, the Fund is to be used to make payments for specified uses to States and certain local governments; the District of Columbia and U.S. Territories (consisting of the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands); and Tribal governments.

The CARES Act provides that payments from the Fund may only be used to cover costs that—

1. are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
2. were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and
3. were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.¹

The guidance that follows sets forth the Department of the Treasury’s interpretation of these limitations on the permissible use of Fund payments.

Necessary expenditures incurred due to the public health emergency

The requirement that expenditures be incurred “due to” the public health emergency means that expenditures must be used for actions taken to respond to the public health emergency. These may include expenditures incurred to allow the State, territorial, local, or Tribal government to respond directly to the emergency, such as by addressing medical or public health needs, as well as expenditures incurred to respond to second-order effects of the emergency, such as by providing economic support to those suffering from employment or business interruptions due to COVID-19-related business closures.

Funds may not be used to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify under the statute. Although a broad range of uses is allowed, revenue replacement is not a permissible use of Fund payments.

The statute also specifies that expenditures using Fund payments must be “necessary.” The Department of the Treasury understands this term broadly to mean that the expenditure is reasonably necessary for its intended use in the reasonable judgment of the government officials responsible for spending Fund payments.

Costs not accounted for in the budget most recently approved as of March 27, 2020

The CARES Act also requires that payments be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. A cost meets this requirement if either (a) the cost cannot lawfully be funded using a line item, allotment, or allocation within that budget *or* (b) the cost

¹ See Section 601(d) of the Social Security Act, as added by section 5001 of the CARES Act.

is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation.

The “most recently approved” budget refers to the enacted budget for the relevant fiscal period for the particular government, without taking into account subsequent supplemental appropriations enacted or other budgetary adjustments made by that government in response to the COVID-19 public health emergency. A cost is not considered to have been accounted for in a budget merely because it could be met using a budgetary stabilization fund, rainy day fund, or similar reserve account.

Costs incurred during the period that begins on March 1, 2020, and ends on December 30, 2020

A cost is “incurred” when the responsible unit of government has expended funds to cover the cost.

Nonexclusive examples of eligible expenditures

Eligible expenditures include, but are not limited to, payment for:

1. Medical expenses such as:
 - COVID-19-related expenses of public hospitals, clinics, and similar facilities.
 - Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs.
 - Costs of providing COVID-19 testing, including serological testing.
 - Emergency medical response expenses, including emergency medical transportation, related to COVID-19.
 - Expenses for establishing and operating public telemedicine capabilities for COVID-19-related treatment.
2. Public health expenses such as:
 - Expenses for communication and enforcement by State, territorial, local, and Tribal governments of public health orders related to COVID-19.
 - Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment, for medical personnel, police officers, social workers, child protection services, and child welfare officers, direct service providers for older adults and individuals with disabilities in community settings, and other public health or safety workers in connection with the COVID-19 public health emergency.
 - Expenses for disinfection of public areas and other facilities, *e.g.*, nursing homes, in response to the COVID-19 public health emergency.
 - Expenses for technical assistance to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety.
 - Expenses for public safety measures undertaken in response to COVID-19.
 - Expenses for quarantining individuals.
3. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

4. Expenses of actions to facilitate compliance with COVID-19-related public health measures, such as:
 - Expenses for food delivery to residents, including, for example, senior citizens and other vulnerable populations, to enable compliance with COVID-19 public health precautions.
 - Expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions.
 - Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions.
 - Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions.
 - COVID-19-related expenses of maintaining state prisons and county jails, including as relates to sanitation and improvement of social distancing measures, to enable compliance with COVID-19 public health precautions.
 - Expenses for care for homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.
5. Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, such as:
 - Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures.
 - Expenditures related to a State, territorial, local, or Tribal government payroll support program.
 - Unemployment insurance costs related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.
6. Any other COVID-19-related expenses reasonably necessary to the function of government that satisfy the Fund's eligibility criteria.

Nonexclusive examples of ineligible expenditures²

The following is a list of examples of costs that would *not* be eligible expenditures of payments from the Fund.

1. Expenses for the State share of Medicaid.³
2. Damages covered by insurance.
3. Payroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

² In addition, pursuant to section 5001(b) of the CARES Act, payments from the Fund may not be expended for an elective abortion or on research in which a human embryo is destroyed, discarded, or knowingly subjected to risk of injury or death. The prohibition on payment for abortions does not apply to an abortion if the pregnancy is the result of an act of rape or incest; or in the case where a woman suffers from a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death unless an abortion is performed. Furthermore, no government which receives payments from the Fund may discriminate against a health care entity on the basis that the entity does not provide, pay for, provide coverage of, or refer for abortions.

³ See 42 C.F.R. § 433.51 and 45 C.F.R. § 75.306.

4. Expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds.
5. Reimbursement to donors for donated items or services.
6. Workforce bonuses other than hazard pay or overtime.
7. Severance pay.
8. Legal settlements.



CITY OF LEMON GROVE

CITY COUNCIL STAFF REPORT

Item No. 6

Meeting Date: July 7, 2020

Submitted to: Honorable Mayor and Members of the City Council

Department: City Manager's Office, City Attorney's Office & Director of Finance

Staff Contact: Kristen Steinke, City Attorney & Lydia Romero, City Manager

KSS@LFAP.com; LRomero@lemongrove.ca.gov

Item Title: **Proposed Cannabis Business Gross Receipts Tax**

Recommended Action: Adopt Resolution submitting to the voters a ballot measure to repeal Section 5.04.220(D) and adding Chapter 5.46 to Title 5 to modernize and establish a new cannabis business tax which includes industrial hemp and hemp products. Adding the measure to the ballot being submitted to qualified electors of the City of Lemon Grove at the Presidential General Election to be held on Tuesday, November 3, 2020 as called by Resolution No. 2020-3744, as adopted by the City Council early at this same meeting dated July 7, 2020.

Summary: This item proposes the placement of a cannabis business gross receipts tax on the November 2020 ballot for voter approval. This Report was prepared in response to comments and feedback received from the City Council regarding such a tax during its consideration and adoption of the Fiscal Year 2020-2021 budget.

Discussion:

At the June 16, 2020 City Council meeting feedback and comments were provided to staff to bring back options for a cannabis gross receipts tax to be placed on the November 2020 ballot for consideration by the voters. Discussed below are several issues for consideration.

Under Proposition 62, the City Council must approve any tax increase ordinance by a four-fifths (4/5) vote to be able to place it on the ballot. The ballot measure will pass with the approval of a simple majority (50% plus 1) of votes in the City voting in an election on the issue. Proposition 218 (The Right to Vote on Taxes Act) applies voter authority to all cities. If approved by the voters, the measure will become effective ten days after certification of the election results at a regularly scheduled City Council Meeting

(Tuesday, December 15, 2020). If approved, the tax will be imposed beginning January 1, 2021.

Resolutions must be adopted by the City Council calling and consolidating the November 2020 election prior to the August 7, 2020 deadline. That action has been recommended in a separate report due to the time-sensitive nature, in the event the City Council provides further direction on the tax measure report presented to you this evening. The deadline for the City Clerk to submit an item to the Registrar of Voters in order for it to be included on the November 2020 ballot is also August 7, 2020.

Background

The Adult Use of Marijuana Act was adopted by the voters of California in November 2016 and had the effect of decriminalizing non-medical cannabis and established a regulatory system for non-medical cannabis business in California. In June 2017 the Medicinal and Adult-Use and Safety Act established a comprehensive set of laws regulating both individual and commercial medicinal cannabis activity throughout California.

Measure V passed in the City of Lemon Grove in November 2016 and had the effect of codifying the sale of medical marijuana in the City. The Measure is incorporated in the Lemon Grove Municipal Code at Chapter 17.32. Medical marijuana dispensaries are currently charged a \$15 per member business license permit fee per year.

Budget discussions have shown the need for increased revenues in the City. The addition of a cannabis business gross receipts tax will assist in bringing about long-term equity in the fair distribution of tax burdens. The marijuana industry is highly regulated, which requires more City resources than general businesses. The presence of marijuana businesses in the City justifies taxation that reflects this burden on the City's General Fund services such as law enforcement, safety, planning and development services and other resources.

The measure would be an annual tax that the City would collect from cannabis businesses that engage in business in the City under approved requirements and restrictions. The cannabis business tax is not a sales or use tax imposed directly on cannabis users or consumers. It is a tax on the businesses that have business activity involving medical marijuana, cannabis products, or industrial hemp in the City.

During the June 16, 2020 City Council meeting, staff provided revenue estimates reflected in the chart below. These projections are based on the assumption that each business will generate an average of \$3.5M in taxable sales each year. At the time of this report one medical marijuana dispensary is open for business.

Tax Rate	Revenue with 2 Businesses
4%	\$280,000
5%	\$350,000
6%	\$420,000

Based on feedback from City Council at the June 16, 2020 City Council Meeting, staff drafted the proposed ballot measure to reflect a retail tax rate not to exceed 8% of gross receipts and the measure provides City Council the authority to increase or decrease the tax rate up to the 8% maximum rate. Although only retail medical marijuana is currently legal in the City of Lemon Grove, the proposed cannabis business tax measure includes gross receipts taxes for commercial cultivation, laboratory testing, distribution, and manufacturing. If other types of cannabis activity are legalized in the City, this measure will allow the City to collect the cannabis business tax from them without the need to return to the voters with another ballot measure. The maximum tax rates for non-retail cannabis activity were based on the statewide averages from other cities at 4%.

A fiscal analysis of the tax measure is required to be included in the resolution and ballot question. Staff engaged an independent California cannabis tax expert to provide the fiscal analysis for the proposed cannabis business tax. Although the tax will apply to all types of cannabis activity, the fiscal analysis only includes the cannabis activity that is currently legal in the City, medical marijuana dispensaries. Based on current code and distancing requirements, about four medical marijuana dispensaries will be able to operate within Lemon Grove. The analysis estimated that with four operational dispensaries at a retail tax rate of 4%, \$560,000 of revenue will be generated, and at the maximum tax rate of 8%, \$1,120,000 of revenue will be generated each year. The fiscal analysis used the same \$3.5M annual taxable sales assumption that staff used in the table above, so staff's numbers are still accurate estimates for what the City will receive with two operational businesses.

Some key provisions included in the proposed measure include the following:

- If passed by the voters on November 3, 2020, the Measure will take effect on January 1, 2021.
- The tax will be imposed on the gross receipts of cannabis businesses in the City.
- Subject to the City Council's discretion, the proposed taxation rates below reflect the maximum percentage tax rate to be presented to the voters. These proposed

rates could be reduced or adjusted by resolution or ordinance adopted by the City Council after the voters approve the Measure:

- Retail sales of cannabis, including delivery services and microbusinesses, shall be subject to the maximum tax rate not to exceed eight percent (8%) of gross receipts.
- Cultivation of cannabis will be taxed at a maximum rate of 4%.
- Testing laboratories for cannabis shall be subject to the maximum tax rate not to exceed two percent (2%) of gross receipts.
- Distribution of cannabis shall be subject to the maximum tax rate not to exceed three percent (3%) of gross receipts.
- Manufacturing or processing of cannabis shall be subject to the maximum tax rate not to exceed four percent (4%) of gross receipts.

Examples of Similar Taxes in Other Cities

- Chula Vista: The Chula Vista City Council approved a 7-percent tax on retail marijuana sales and a \$15-per-square-foot tax on cannabis growing facilities in 2018 which was approved by the voters in November 2018.
- La Mesa: The La Mesa City Council approved a 2.5-percent tax on retail marijuana sales not to exceed 6-percent of gross receipts, which was approved by the voters in November 2018. La Mesa has established two tax rates for marijuana sold by a retailer -- zero percent for medicinal retail sales to a customer with a valid California Department of Public Health's Medical Marijuana Identification Card and a 4-percent tax rate for all other medicinal retail sales.

Environmental Review:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Not subject to review | <input type="checkbox"/> Negative Declaration |
| <input type="checkbox"/> Categorical Exemption, Section | <input type="checkbox"/> Mitigated Negative Declaration |

Fiscal Impact: An Estimated \$20,000 in additional election costs for printing the tax measure, ballot arguments, rebuttals and impartial analysis for the ballot and ballot materials, along with administrative costs. This cost was included in the adopted FY2020-21 General Fund Budget.

Public Notification: None needed.

Staff Recommendation: Staff recommends that the City Council adopt the Resolution submitting to the voters a ballot measure to repeal Section 5.04.220(D) and adding Chapter 5.46 to Title 5 to modernize and establish a new cannabis business tax which includes industrial hemp and hemp products. Adding the measure to the ballot being submitted to qualified electors of the City of Lemon Grove at the Presidential General Election to be held on Tuesday, November 3, 2020 as called by Resolution No. 2020-3744, as adopted by the City Council early at this same meeting dated July 7, 2020.

Attachment:

Attachment A – Resolution Adopting Proposed Cannabis Gross Receipts Tax Measure

RESOLUTION NO. 2020-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE SUBMISSION TO THE QUALIFIED ELECTORS OF THE CITY OF LEMON GROVE A CERTAIN MEASURE RELATING TO, REPEALING SECTION 5.04.220 (D) AND ADDING CHAPTER 5.46 TO TITLE 5 TO MODERNIZE AND ESTABLISH A NEW CANNABIS BUSINESS TAX WHICH INCLUDES INDUSTRIAL HEMP AND HEMP PRODUCTS; AT THE GENERAL MUNICIPAL ELECTION TO BE CONSOLIDATED WITH THE PRESIDENTIAL GENERAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 3, 2020 AS CALLED BY RESOLUTION NO. 2020-3744

WHEREAS, Sections 37101 and 37100.5 of the California Government Code authorizes the City to levy a license tax, for revenue purposes, upon business transacted in the City; and

WHEREAS, a result of recent voter-approved changes to state law and new state regulations being implemented, there has been a very strong interest by cannabis businesses to operate in the City; and

WHEREAS, the California Industrial Hemp Farming Act, (Government Code Section 81600 et seq. and related regulations) authorize the commercial production of Industrial Hemp in California; and

WHEREAS, the City Council has established a cannabis regulatory ordinance in order to enact the adoption of Measure V, and may in the future subsequently need to consider enacting a hemp regulatory ordinance in order to preserve public welfare, safety and wellness in the community; and

WHEREAS, the current retail cannabis business tax does not adequately capture revenues on retail stores located in the City and from out of town cannabis delivery services who conduct transactions within the Lemon Grove city limits; and

WHEREAS, if other cannabis business activities and hemp businesses are ultimately mandated by state regulations or future initiatives , they are likely to create demands upon City services, and the City's current cannabis tax does not impose taxes on cultivation, manufacturing, delivery, distribution, and testing lab aside from generally applicable municipal taxes; and

WHEREAS, the City Council desires to repeal the current cannabis tax and adopt a more modernized tax ordinance in order to impose the tax upon cannabis and hemp businesses, to be known as the "Cannabis Business Tax"; and

WHEREAS, the Cannabis Business Tax cannot be amended, modernized, or imposed without majority voter approval; and

WHEREAS, the City Council desires to submit a Cannabis Business Tax Measure to the voters of the City at a General Municipal Election to be held on Tuesday, November 3, 2020, and to be consolidated with the Presidential General Election and the to be held on that date.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LEMON GROVE RESOLVES AS FOLLOWS:

Section 1. Recitals. The City Council hereby finds and determines that the foregoing recitals are true and correct.

Section 2. Proposal. The City Council hereby proposes that the voters repeal Section 5.04.220 (D) of Title 5 and to adopt an ordinance establishing a Cannabis Business Tax. The full text of the proposed ordinance submitted to the voters is entitled “An Ordinance of the City of Lemon Grove, California Adding Chapter 5.46 (Cannabis Business Tax) to Title 5 of the Lemon Grove Municipal Code Establishing a Tax on Cannabis and Hemp Business Activities within the City” and is attached as Exhibit “A” and incorporated by reference. The full text of the proposed ordinance is not required to be printed in the Sample Ballot and Voters Pamphlet. However, the full text of the measure shall be made available to the public and to any voter at the Office of the San Diego County Registrar of Voters, the Lemon Grove City Clerk’s Office and the City Clerk’s Website at <https://www.lemongrove.ca.gov/city-hall/city-clerk/election>

Section 3. Election. The City Council hereby calls for a General Municipal Election for Tuesday November 3, 2020 (the “Election”) and orders, pursuant to Section 9222 of the Elections Code, that the Tax Ordinance be submitted to the voters at that election.

Section 4. Ballot Question. The question submitted by Section 4 of this Resolution shall appear on the ballot as follows:

To fund general municipal expenses such as fire, safety, roads and recreation, shall the City repeal the current cannabis tax and modernize it with a new cannabis or hemp business tax at annual rates not to exceed 8% of gross receipts for retail cannabis businesses, and 4% for all other cannabis businesses; which is estimated to generate \$560,000 to \$1,120,000 annually and will be levied until repealed by the voters?	YES	
	NO	

Section 5. Publication of Measure. The City Clerk is directed to publish a synopsis of the measure at least one time not later than one week before the election in accordance with Section 12111 of the Elections Code.

Section 6. Approval. Under Article XIII C of the Constitution, the vote requirement for this measure to pass shall be a simple majority of those casting ballots on the measure (50% plus 1).

Section 7. California Environmental Quality Act. The City Council hereby finds and determines that this resolution is exempt from the California Environmental Quality Act, Public Resources Code Sections 21000 et seq. (“CEQA”) and 14 Cal. Code Re. Sections 15000 et seq. (“CEQA Guidelines”). The calling and noticing of an election for the submission of a ballot measure to voters is not a project within the meaning of CEQA Guidelines 15378. The tax submitted to the voters is a general tax that can be used for any governmental purpose; it is not a commitment to any particular action or actions.

As such, under CEQA Guidelines Section 15378 (b)(4), the tax is not a project within the meaning of CEQA because it creates a government funding mechanism that does not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment. If revenue generated by the tax were used for a purpose that would have such an effect, the City of Lemon Grove would undertake the required CEQA review for that particular project. Therefore, pursuant to CEQA Guideline Section 15060 CEQA analysis is not required.

Section 8. Filing with County. The City Clerk shall file a certified copy of this Resolution with the County Registrar of Voters.

Section 9. Analysis and Argument. The City Attorney shall prepare an impartial analysis of the measure not to exceed 500 words in length. Any person or persons may file an argument either for or against the ballot measure. An argument for or against the measure shall not exceed 300 words in length. If more than one argument is submitted for the measure, or more than one argument against the measure, the City Clerk shall select the argument to be included with the ballot materials. Rebuttal arguments shall be permitted pursuant to applicable law.

Section 13. Implementation. The City Clerk and City Manager are authorized to take all actions as necessary to effectuate the purposes of this resolution and the election. The City Clerk and City Attorney are authorized to make any typographical, clerical, and non-substantive corrections to this resolution as may be deemed necessary by the San Diego County Registrar of Voters..

Section 14. Effective Date. This Resolution shall be effective immediately upon adoption.

EXHIBIT A

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY OF LEMON GROVE,
CALIFORNIA ADDING CHAPTER 5.46 (CANNABIS
BUSINESS TAX) TO TITLE 5 OF THE LEMON GROVE
MUNICIPAL CODE**

THE PEOPLE OF THE CITY OF LEMON GROVE DO ORDAIN AS FOLLOWS:

SECTION 1. CODE AMENDMENT. Chapter 5.46 is added to Title 5 of the Lemon Grove Municipal Code to read as follows:

CHAPTER 5.46

- 5.46.10 Title.
- 5.46.20 Authority and purpose.
- 5.46.30 Intent.
- 5.46.40 Definitions.
- 5.46.50 Tax imposed.
- 5.46.60 Registration, reporting, and remittance of tax.
- 5.46.70 Payments and communications – timely remittance.
- 5.46.80 Payment – when taxes deemed delinquent.
- 5.46.90 Notice not required by City.
- 5.46.100 Penalties and interest.
- 5.46.110 Refunds and credits.
- 5.46.120 Refunds and procedures.
- 5.46.130 Personal cultivation not taxed.
- 5.46.140 Administration of the tax.
- 5.46.150 Appeal procedure.
- 5.46.160 Enforcement –action to collect.
- 5.46.170 Apportionment.
- 5.46.180 Constitutionality and legality.
- 5.46.190 Audit and examination of premises and records.
- 5.46.200 Other licenses, permits, taxes or charges.
- 5.46.210 Payment of tax does not authorize unlawful business.
- 5.46.220 Deficiency determinations.
- 5.46.230 Failure to report – nonpayment, fraud.
- 5.46.240 Tax assessment –notice requirements.
- 5.46.250 Tax assessment – hearing, application, and determination.
- 5.46.260 Relief from taxes-disaster relief.
- 5.46.270 Conviction for violation – taxes not waived.
- 5.46.280 Violation deemed misdemeanor.
- 5.46.290 Severability.
- 5.46.300 Remedies cumulative.
- 5.46.310 Amendment or modification.

5.46.10 Title.

This ordinance shall be known as the Cannabis Business Tax Ordinance.

5.46.20 Authority and Purpose.

The purpose of this Ordinance is to adopt a tax, for revenue purposes, pursuant to Sections 37101 and 37100.5 of the California Government Code, upon cannabis businesses that engage in business in the City. The Cannabis Business Tax is levied based upon business gross receipts. It is not a sales and use tax, a tax upon income, or a tax upon real property and shall not be calculated or assessed as such. The Cannabis Business Tax shall not be separately identified or otherwise specifically assessed or charged to any member, customer, patient, or caretaker. The Cannabis Business Tax is a general tax enacted solely for general, governmental purposes of the City and not for specific purposes. All of the proceeds from the tax imposed by this chapter shall be placed in the City's general fund and be available for any lawful municipal purpose.

5.46.30 Intent.

The intent of this Ordinance is to levy a tax on all cannabis or industrial hemp businesses that operate in the City, regardless of whether such business would have been legal at the time this chapter was adopted. Nothing in this chapter shall be interpreted to authorize or permit any business activity that would not otherwise be legal or permissible under laws applicable to the activity at the time the activity is undertaken.

5.46.40 Definitions.

The following words and phrases shall have the meanings set forth below when used in this chapter:

A. "Business" shall include all activities engaged in or caused to be engaged in within the City, including any commercial or industrial enterprise, trade, profession, occupation, vocation, calling, or livelihood, whether or not carried on for gain or profit, but shall not include the services rendered by an employee to his or her employer.

B. "Fiscal Year" means July 1 through June 30, of the same accounting period.

C. "Cannabis" means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from cannabis. "Cannabis" shall not include "industrial hemp," unless otherwise specified.

D. "Cannabis product" means raw cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, an edible product, or a topical

product. “Cannabis product” also means cannabis products as defined by Section 11018.1 of the California Health and Safety Code and is not limited to medicinal cannabis products.

E. “Canopy” means all areas occupied by any portion of a cannabis or industrial hemp plant whether contiguous or noncontiguous on any one site. When plants occupy multiple horizontal planes (as when plants are placed on shelving above other plants) each plane shall be counted as a separate canopy area.

F. “Cannabis business” means any business activity involving cannabis or industrial hemp, including but not limited to cultivating, transporting, distributing, manufacturing, compounding, converting, processing, preparing, storing, packaging, delivering, testing, dispensing, retailing and wholesaling of cannabis, cannabis products, industrial hemp, industrial hemp products or of ancillary products and accessories, whether or not carried on for gain or profit.

G. “Cannabis business tax” or “business tax,” means the tax due pursuant to this chapter for engaging in a cannabis business in the City.

H. “Commercial cannabis cultivation” means cultivation of cannabis or industrial hemp undertaken in the course of conducting a cannabis business.

I. “Commercial cannabis permit” means a permit issued by the City to a person to authorize that person to operate a cannabis business or engage in business as a cannabis business within the City.

J. “Cultivation” means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis or industrial hemp and includes, but is not limited to, the operation of a nursery.

K. “Employee” means each and every person engaged in the operation or conduct of any business, whether as owner, member of the owner's family, partner, associate, agent, manager or solicitor, and each and every other person employed or working in such business for a wage, salary, commission, barter or any other form of compensation.

L. “Engaged in business as a cannabis business” means the commencing, conducting, operating, managing or carrying on of a cannabis business, whether done as owner, or by means of an officer, agent, manager, employee, or otherwise, whether operating from a fixed location in the City or coming into the City from an outside location to engage in such activities. A person shall be deemed engaged in business within the City if:

1. Such person or person’s employee maintains a fixed place of business within the City for the benefit or partial benefit of such person;
2. Such person or person’s employee owns or leases real property within the City for business purposes;
3. Such person or person’s employee regularly maintains a stock of tangible

personal property in the City for sale in the ordinary course of business;

4. Such person or person's employee regularly conducts solicitation of business within the City; or

5. Such person or person's employee performs work or renders services in the City.

The foregoing specified activities shall not be a limitation on the meaning of "engaged in business."

M. "Evidence of doing business" means evidence such as, without limitation, use of signs, circulars, cards or any other advertising media, including the use of internet or telephone solicitation, or representation to a government agency or to the public that such person is engaged in a cannabis business in the City.

N. "Gross Receipts," except as otherwise specifically provided, means, whether designated as a sales price, royalty, rent, membership fee, ATM service fee, delivery fee, slotting fee, any other fee, vaping room service charge, commission, dividend, or other designation, the total amount (including all receipts, cash, credits, services and property of any kind or nature) received or payable for sales of goods, wares or merchandise, or for the performance of any act or service of any nature for which a charge is made or credit allowed (whether such service, act or employment is done as part of or in connection with the sale of goods, wares, merchandise or not), without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor or service costs, interest paid or payable, losses or any other expense whatsoever. However, the following shall be excluded from Gross Receipts:

1. Cash discounts where allowed and taken on sales;

2. Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;

3. Such part of the sale price of any property returned by purchasers to the seller as refunded by the seller by way of cash or credit allowances or return of refundable deposits previously included in gross receipts;

4. Receipts derived from the occasional sale of used, obsolete or surplus trade fixtures, machinery or other equipment used by the taxpayer in the regular course of the taxpayer's business;

5. Cash value of sales, trades or transactions between departments or units of the same business located in the City of Lemon Grove or if authorized by the Tax Administrator in writing in accordance with Section 5.46.140 (B);

6. Whenever there are included within the gross receipts amounts which reflect sales for which credit is extended and such amount proved uncollectible in a

subsequent year, those amounts may be excluded from the gross receipts in the year they prove to be uncollectible; provided, however, if the whole or portion of such amounts excluded as uncollectible are subsequently collected they shall be included in the amount of gross receipts for the period when they are recovered;

7. Receipts of refundable deposits, except that such deposits when forfeited and taken into income of the business shall not be excluded;

8. Amounts collected for others where the business is acting as an agent or trustee and to the extent that such amounts are paid to those for whom collected. These agents or trustees must provide the City's Finance Department with the names and the addresses of the others and the amounts paid to them. This exclusion shall not apply to any fees, percentages, or other payments retained by the agent or trustees.

9. Payments made by the tax-reporting cannabis business (Seller) to a cannabis business (Buyer) for the difference in the original acquisition price and subsequent renegotiated or finalized selling price of products or services sold to a specific end customer. This type of transaction is referred to as a "Billback". The tax-reporting cannabis business must provide supporting documentation to substantiate the transaction in order to be eligible for an exemption.

O. "Industrial hemp" means a crop that is limited to types of the plant *Cannabis sativa* L. having no more than three-tenths of 1 percent tetrahydrocannabinol (THC) contained in the dried flowering tops, whether growing or not; the seeds of the plant; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin produced therefrom.

P. "Industrial hemp products" means any raw hemp that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, an edible product, or a topical product. "Hemp product" also means hemp products as defined by Section 11018.5 of the California Health and Safety Code.

Q. "Lighting" means a source of light that is primarily used for promoting the biological process of plant growth. Lighting does not include sources of light that primarily exist for the safety or convenience of staff or visitors to the facility, such as emergency lighting, walkway lighting, or light admitted via small skylights, windows or ventilation openings.

R. "Medicinal cannabis" or "medicinal cannabis product" means cannabis or a cannabis product, intended to be sold or sold for use pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code, for a medicinal cannabis patient in California who possesses a physician's recommendation, or a cannabis card issued pursuant to Health and Safety Code Section 11362.71.

S. "Nursery" means a facility or part of a facility that is used only for producing clones, immature plants, seeds, and other agricultural products used specifically for the planting, propagation, and cultivation of cannabis or industrial hemp industrial hemp.

T. “Person” means an individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit, whether organized as a nonprofit or for-profit entity, and includes the plural as well as the singular number.

U. “Processing” means a cultivation site that conducts only trimming, drying, curing, grading, packaging, or labeling of cannabis, industrial hemp and nonmanufactured cannabis products.

V. “Sale” “Sell” and “to sell” means and includes any sale, exchange, or barter. It shall also mean any transaction whereby, for any consideration, title to cannabis, cannabis products, industrial hemp and/or industrial hemp products are transferred from one person to another and includes the delivery of cannabis, cannabis products, industrial hemp and/or industrial hemp products pursuant to an order placed for the purchase of the same, but does not include the return of cannabis, cannabis products, industrial hemp and/or industrial hemp products to the licensee from whom the cannabis, cannabis product, industrial hemp and/or industrial hemp product was purchased.

X. “State” means the State of California.

Y. “State license,” “license,” or “registration” means a state license issued pursuant to California Business & Professions Code Section 26050, and all other applicable state laws, required for operating a cannabis business.

Z. “Tax Administrator” means the City Manager of the City of Lemon Grove or his or her designee.

AA. “Testing Laboratory” means a cannabis business that (i) offers or performs tests of cannabis, cannabis products, industrial hemp and/or industrial hemp products (ii) offers no service other than such tests, (iii) sells no products, excepting only testing supplies and materials, (iv) is accredited by an accrediting body that is independent from all other persons involved in the cannabis industry in the state and (v) is registered with the Bureau of Cannabis Control or other state agency.

5.46.50 Tax Imposed.

A. Beginning January 1, 2021, there is imposed upon each person who is engaged in business as a cannabis business a cannabis business tax. Such tax is payable regardless of whether the business has been issued a business license or commercial cannabis permit to operate lawfully in the City or is operating unlawfully. The City’s acceptance of a cannabis business tax payment from a cannabis business operating illegally shall not constitute the City’s approval or consent to such illegal operations.

B. The City Council may, by resolution or ordinance, increase or decrease the rate of the cannabis business tax, including the initial rate of cannabis business tax. The

City Council may, by resolution or ordinance, increase or decrease the rate of the medicinal cannabis business tax, including the initial rate of the medicinal business tax, independent of other cannabis business tax activities. In addition, the City Council may, by resolution or ordinance, increase or decrease the rate of the cannabis business tax on hemp or hemp products, including the initial rate of the tax on hemp or hemp products independent of other cannabis activities. Notwithstanding the foregoing, in no event shall the City Council repeal this tax or set any adjusted rate that exceeds the maximum rates calculated pursuant to this Chapter.

C. The maximum rate of the cannabis business tax shall be calculated as follows:

1. For every person engaged in commercial cannabis cultivation, including cultivation of industrial hemp, in the City:
 - a. The annual maximum rate shall be:
 - i. Four percent (4%) of gross receipts in a facility that uses exclusively artificial lighting.
 - ii. Four percent (4%) of gross receipts in a facility that uses a combination of natural and supplemental lighting as defined in Section 5.46.40 Q of this chapter.
 - iii. Four percent (4%) in a facility that uses no artificial lighting.
 - iv. Four percent (4%) in a facility that is a nursery.
2. For every person engaged in the operation of a testing laboratory for cannabis, cannabis products, industrial hemp and/or industrial hemp products s/he/it shall be subject to the maximum tax rate not to exceed two percent (2%) of gross receipts.
3. For every person engaged in retail sales of cannabis, cannabis products, industrial hemp, and/or industrial hemp products, including as a retailer (dispensary) or non-storefront retailer (retail delivery business), or microbusiness, s/he/it shall be subject to the maximum tax rate not to exceed eight percent (8%) of gross receipts.
4. For every person engaged in distribution of cannabis, cannabis products, industrial hemp and/or industrial hemp products, s/he/it shall be subject to the maximum tax rate not to exceed three percent (3%) of gross receipts.
5. For every person engaged in manufacturing or processing of cannabis, cannabis products, industrial hemp and/or industrial hemp products, or any other type of cannabis business not described in Section 5.46.50 (C) (1), (2), (3), or (4) s/he/it

shall be subject to the maximum tax rate not to exceed four percent (4%) of gross receipts.

- D. Persons subject to the cannabis business tax shall register with the City and pay the registration fee pursuant to Section 5.46.60. They shall also be required to obtain a business license pursuant to Chapter 5.04 of this code; provided, however, that cannabis business activities subject to the cannabis business tax shall be excluded from determining the amount of any business license tax payable under Chapter 5.04.

5.46.60 Registration, reporting and remittance of tax.

- A. Registration of Cannabis Business. All cannabis businesses shall be required to annually register as follows:
 - 1. All persons engaging in business as a cannabis business, whether an existing, newly established or acquired business shall register with the Tax Administrator within thirty (30) days of commencing operation and shall annually renew such registration within 30 days of the business registration anniversary date of each year thereafter. In registering, such persons shall furnish to the Tax Administrator a sworn statement, upon a form provided by the Tax Administrator, setting forth the following information:
 - i. The name of the business
 - ii. The names and addresses of each owner
 - iii. The exact nature or kind of business;
 - iv. The place where such business is to be carried on; and
 - v. Any additional information which the Tax Administrator may require.
- B. An annual registration fee in accordance with the current and approved City fee schedule shall be presented with the sworn statement submitted under this chapter. This fee shall not be considered a tax and may be adjusted by resolution of the City Council.
- C. The cannabis business tax imposed by this chapter shall be paid, in arrears, on a monthly basis. Each person owing a cannabis business tax each calendar month shall, no later than the last day of the month following the close of the calendar month, file with the Tax Administrator a statement (“tax statement”) of the tax owed for that calendar month and the basis for calculating that tax. The Tax Administrator may require that the tax statement be submitted on a form prescribed by the Tax Administrator. The tax for each calendar month shall be due and payable on that same date that the tax statement for the calendar month is due.

- D. Upon cessation of a cannabis business, tax statements and payments shall be immediately due for all calendar months up to the calendar month during which cessation occurred.
- E. The Tax Administrator may, at his or her discretion, establish alternative reporting and payment periods for any taxpayer as the Tax Administrator deems necessary to ensure effective collection of the cannabis business tax. The Tax Administrator may also require that a deposit, to be applied against the taxes for a calendar month, be made by a taxpayer at the beginning of that calendar month. In no event shall the deposit required by the Tax Administrator exceed the tax amount he or she projects will be owed by the taxpayer for the calendar month. The Tax Administrator may require that a taxpayer make payments via a cashier's check, money order, wire transfer, or similar instrument.

5.46.70 Payments and communications – timely remittance.

Whenever any payment, statement, report, request or other communication is due, it must be received by the Tax Administrator on or before the final due date. A postmark will not be accepted as timely remittance. If the due date would fall on a Saturday, Sunday or a holiday observed by the City, the due date shall be the next regular business day on which the City is open to the public.

5.46.80 Payment - when taxes deemed delinquent.

Unless otherwise specifically provided under other provisions of this chapter, the taxes required to be paid pursuant to this chapter shall be deemed delinquent if not received by the Tax Administrator on or before the due date as specified in Sections 5.46.60 and 5.46.70.

5.46.90 Notice not required by the City.

The City may as a courtesy send a tax notice to the cannabis business which owes the City a cannabis business tax. However, the Tax Administrator is not required to send a delinquency or other notice or bill to any person subject to the provisions of this chapter. Failure to send such notice or bill shall not affect the validity of any tax or penalty due under the provisions of this chapter.

5.46.100 Penalties and interest.

A. Any person who fails or refuses to pay any cannabis business tax required to be paid pursuant to this chapter on or before the due date shall pay penalties and interest as follows:

- 1. A penalty equal to ten percent (10%) of the amount of the tax, in addition to the amount of the tax, plus interest on the unpaid tax calculated from the due date of the tax at the rate of one percent (1%) per month.

2. If the tax remains unpaid for a period exceeding one calendar month beyond the due date, an additional penalty equal to twenty-five percent (25%) of the amount of the tax, plus interest at the rate of one percent (1%) per month on the unpaid tax and on the unpaid penalties.

3. Interest shall be applied at the rate of one percent (1%) per month on the first day of the month for the full month and will continue to accrue monthly on the tax and penalty until the balance is paid in full.

B. Whenever a check or electronic payment is submitted in payment of a cannabis business tax and the payment is subsequently returned unpaid by the bank for any reason, the taxpayer will be liable for the tax amount due plus any fees, penalties and interest as provided for in this chapter, and any other amount allowed under state law.

5.46.110 Refunds and credits.

A. No refund shall be made of any tax collected pursuant to this chapter, except as provided in Section 5.46.120.

B. No refund of any tax collected pursuant to this chapter shall be made because of the discontinuation, dissolution, or other termination of a business.

5.46.120 Refunds and procedures.

A. Whenever the amount of any cannabis business tax, penalty or interest has been overpaid, paid more than once, or has been erroneously collected or received by the City under this chapter, it may be refunded to the claimant who paid the tax provided that a written claim for refund is filed with the Tax Administrator within one (1) year of the date the tax was originally due or paid, whichever came first.

B. The Tax Administrator, his or her designee or any other City officer charged with the administration of this chapter shall have the right to examine and audit all the books and business records of the claimant in order to determine the eligibility of the claimant to the claimed refund. No claim for refund shall be allowed if the claimant refuses to allow such examination of claimant's books and business records after request by the Tax Administrator to do so.

C. In the event that the cannabis business tax was erroneously paid in an amount in excess of the tax due, and the error is attributable to the City, the City shall refund the amount of tax erroneously paid; provided that (i) a claim for refund has been timely filed with the Tax Administrator; and (ii) the refund cannot exceed, under any circumstance, the amount of tax overpaid during the twelve months preceding the last month for which the claim states the tax was overpaid.

5.46.130 Personal Cultivation Not Taxed.

The provisions of this chapter shall not apply to personal cannabis cultivation or personal use of cannabis, to the extent those activities are authorized in the "Medicinal and Adult

Use Cannabis Regulation and Safety Act,” as may be amended. This chapter shall not apply to personal use of cannabis that is specifically exempted from state licensing requirements, that meets the definition of personal use or equivalent terminology under state law, and provided that the individual receives no compensation whatsoever related to that personal cultivation or use.

5.46.140 Administration of the tax.

A. It shall be the duty of the Tax Administrator to collect the taxes, penalties, fees, and perform the duties required by this chapter.

B. For purposes of administration and enforcement of this chapter generally, the Tax Administrator may from time to time promulgate such administrative interpretations, rules, and procedures consistent with the purpose, intent, and express terms of this chapter as he or she deems necessary to implement or clarify such provisions or aid in enforcement.

C. The Tax Administrator may take such administrative actions as needed to administer the cannabis business tax, including but not limited to:

1. Provide to all cannabis business taxpayers forms for the reporting of the tax;
2. Provide information to any taxpayer concerning the provisions of this chapter;
3. Receive and record all taxes remitted to the City as provided in this chapter;
4. Maintain records of taxpayer reports and taxes collected pursuant to this chapter;
5. Assess penalties and interest to taxpayers pursuant to this chapter; and
6. Determine amounts owed under and enforce collection pursuant to this chapter.

5.46.150 Appeal procedure.

Any taxpayer aggrieved by any decision of the Tax Administrator with respect to the amount of tax, interest, penalties and fees, if any, due under this chapter may appeal to the City Council by filing a notice of appeal with the City Clerk within thirty (30) calendar days of the serving or mailing of the Tax Administrator’s determination of the amount due. The City Clerk, or his or her designee, shall fix a time and place for hearing such appeal, and the City Clerk, or his or her designee, shall give notice in writing to such operator at the last known place of address. The finding of the City Council shall be final and conclusive and shall be served upon the appellant in the manner prescribed by Section 5.46.150 for service of notice of hearing. Any amount found to be due shall be immediately due and payable upon the service of the notice.

5.46.160 Enforcement - action to collect.

Any taxes, penalties and/or fees required to be paid under the provisions of this chapter shall be deemed a debt owed to the City. Any person owing money to the City under the provisions

of this chapter shall be liable in an action brought in the name of the City for the recovery of such debt. The provisions of this chapter shall not be deemed a limitation upon the right of the City to bring any other action including criminal, civil and equitable actions, based upon the failure to pay the tax, penalties and/or fees imposed by this chapter or the failure to comply with any of the provisions of this chapter.

5.46.170 Appportionment.

If a business subject to the tax is operating both within and outside the City, it is the intent of the City to apply the cannabis business tax so that the measure of the tax fairly reflects the proportion of the taxed activity actually carried on in the City. To the extent federal or state law requires that any tax due from any taxpayer be apportioned, the taxpayer may indicate said apportionment on his or her tax return. The Tax Administrator may promulgate administrative procedures for apportionment as he or she finds useful or necessary.

5.46.180 Constitutionality and legality.

This tax is intended to be applied in a manner consistent with the United States and California Constitutions and state law. None of the tax provided for by this chapter shall be applied in a manner that causes an undue burden upon interstate commerce, a violation of the equal protection or due process clauses of the Constitutions of the United States or the State of California or a violation of any other provision of the California Constitution or state law. If a person believes that the tax, as applied to him or her, is impermissible under applicable law, he or she may request that the Tax Administrator release him or her from the obligation to pay the impermissible portion of the tax.

5.46.190 Audit and examination of premises and records.

A. For the purpose of ascertaining the amount of cannabis business tax owed or verifying any representations made by any taxpayer to the City in support of his or her tax calculation, the Tax Administrator shall have the power to inspect any location where commercial cannabis business activity occurs and to audit and examine all books and records (including, but not limited to bookkeeping records, state and federal income tax returns, and other records relating to the gross receipts of the business) of persons engaged in cannabis businesses. In conducting such investigation, the tax administrator shall have the power to inspect any equipment, such as computers or point of sale machines, that may contain such records.

B. It shall be the duty of every person liable for the collection and payment to the City of any tax imposed by this chapter to keep and preserve, for a period of at least three (3) years, all records as may be necessary to determine the amount of such tax as he or she may have been liable for the collection of and payment to the City, which records the Tax Administrator or his/her designee shall have the right to inspect at all reasonable times.

5.46.200 Other licenses, permits, taxes, fees or charges.

A. Nothing contained in this chapter shall be deemed to repeal, amend, be in lieu of,

replace or in any way affect any requirements for any commercial cannabis permit or City license required by, under or by virtue of any provision of any other Chapter of this code or any other ordinance or resolution of the City, nor be deemed to repeal, amend, be in lieu of, replace or in any way affect any tax, fee or other charge imposed, assessed or required under any other Chapter of this code or any other ordinance or resolution of the City. Any references made or contained in any other Chapter of this code to any licenses, license taxes, fees, or charges, or to any schedule of license fees, shall be deemed to refer to the licenses, license taxes, fees or charges, or schedule of license fees, provided for in other Chapters of this code.

B. The Tax Administrator may revoke or refuse to renew the license required by Chapter 5.46 of this code for any business that is delinquent in the payment of any tax due pursuant to this chapter or that fails to make a deposit required by the Tax Administrator pursuant to Section 5.46.60.

A commercial cannabis permit issued under the Lemon Grove Municipal Code may be revoked, suspended or not renewed in the event that the business holding that permit has failed to (i) make a deposit required by the Tax Administrator pursuant to Section 5.46.60 or (ii) timely pay all taxes, interest and penalties owed by that business under this section.

5.46.210 Payment of tax does not authorize unlawful business.

A. The payment of a cannabis business tax required by this chapter, and its acceptance by the City, shall not entitle any person to carry on any cannabis business unless the person has complied with all of the requirements of this code and all other applicable state laws.

B. No tax paid under the provisions of this chapter shall be construed as authorizing the conduct or continuance of any illegal or unlawful business, or any business in violation of any local or state law.

5.46.220 Deficiency determinations.

If the Tax Administrator is not satisfied that any statement filed as required under the provisions of this chapter is correct, or that the amount of tax is correctly computed, he or she may compute and determine the amount to be paid and make a deficiency determination upon the basis of the facts contained in the statement or upon the basis of any information in his or her possession or that may come into his or her possession within three (3) years of the date the tax was originally due and payable. One or more deficiency determinations of the amount of tax due for a period or periods may be made. When a person discontinues engaging in a cannabis business, a deficiency determination may be made at any time within three (3) years thereafter as to any liability arising from engaging in such cannabis business whether or not a deficiency determination is issued prior to the date the tax would otherwise be due. Whenever a deficiency determination is made, a notice shall be given to the person concerned in the same manner as notices of assessment are given under Section 5.46.240.

5.46.230 Failure to report—nonpayment, fraud.

A. Under any of the following circumstances, the Tax Administrator may make and give notice of an assessment of the amount of tax owed by a person under this chapter at any time:

1. If the person has not filed a complete statement required under the provisions of this chapter;
2. If the person has not paid the tax due under the provisions of this chapter;
3. If the person has not, after demand by the Tax Administrator, filed a corrected statement, or furnished to the Tax Administrator adequate substantiation of the information contained in a statement already filed, or paid any additional amount of tax due under the provisions of this chapter; or
4. If the Tax Administrator determines that the nonpayment of any cannabis business tax due under this chapter is due to fraud, a penalty of twenty-five percent (25%) of the amount of the tax shall be added thereto in addition to penalties and interest otherwise payable under this chapter and any other penalties allowed by law.

B. The notice of assessment shall separately set forth the amount of any tax known by the Tax Administrator to be due or estimated by the Tax Administrator, after consideration of all information within the Tax Administrator's knowledge concerning the business and activities of the person assessed, to be due under each applicable provision of this chapter and shall include the amount of any penalties or interest accrued on each amount to the date of the notice of assessment.

5.46.240 Tax assessment - notice requirements.

The notice of assessment shall be served upon the person either by personal delivery, by overnight delivery by a nationally-recognized courier service, or by a deposit of the notice in the United States mail, postage prepaid thereon, addressed to the person at the address of the location of the business or to such other address as he or she shall register with the Tax Administrator for the purpose of receiving notices provided under this chapter; or, should the person have no address registered with the Tax Administrator for such purpose, then to such person's last known address. For the purpose of Section 5.46.240, a service by overnight delivery shall be deemed to have occurred one (1) calendar day following deposit with a courier and service by mail shall be deemed to have occurred three (3) days following deposit in the United States mail.

5.46.250 Tax assessment - hearing, application and determination.

Within thirty (30) calendar days after the date of service of the notice of assessment the person may apply in writing to the Tax Administrator for a hearing on the assessment. If application for a hearing before the City is not made within the time herein prescribed, the tax assessed by the Tax Administrator shall become final and conclusive. Within thirty (30) calendar days of the receipt of any such application for hearing, the Tax Administrator shall cause the matter to be set for hearing before him or her no later than thirty (30) calendar days after the receipt of the application, unless a later date is agreed to by the Tax Administrator and the person requesting the hearing. Notice of such hearing shall be given by the Tax Administrator to the person

requesting such hearing not later than five (5) calendar days prior to such hearing. At such hearing said applicant may appear and offer evidence why the assessment as made by the Tax Administrator should not be confirmed and fixed as the tax due. After such hearing the Tax Administrator shall determine and reassess (if necessary) the proper tax to be charged and shall give written notice to the person in the manner prescribed in Section 5.46.240 for giving notice of assessment.

5.46.260 Conviction for violation - taxes not waived.

The conviction and punishment of any person for failure to pay the required tax shall not excuse or exempt such person from any civil action for the tax debt unpaid at the time of such conviction. No civil action shall prevent a criminal prosecution for any violation of the provisions of this chapter or of any state law requiring the payment of all taxes.

5.46.270 Violation deemed misdemeanor.

Any person violating any of the provisions of this chapter shall be guilty of a misdemeanor.

5.46.280 Severability.

If any provision of this chapter, or its application to any person or circumstance, is determined by a court of competent jurisdiction to be unlawful, unenforceable or otherwise void, that determination shall have no effect on any other provision of this chapter or the application of this chapter to any other person or circumstance and, to that end, the provisions hereof are severable.

5.46.290 Remedies cumulative.

All remedies and penalties prescribed by this chapter or which are available under any other provision of this code and any other provision of law or equity are cumulative. The use of one or more remedies by the City shall not bar the use of any other remedy for the purpose of enforcing the provisions of this chapter.

5.46.300 Amendment or modification.

Except as set forth in Section 5.46.310, this chapter may be amended or modified but not repealed by the City Council without a vote of the people. However, as required by Article XIII C of the California Constitution, voter approval is required for any amendment that would expand, extend, or increase the rate of any tax levied pursuant to this section. The people of the City of Lemon Grove affirm that the following actions shall not constitute an increase of the rate of a tax:

A. The restoration or adjustment of the rate of the tax to a rate that is no higher than that allowed by this chapter, in those circumstances where, among others, the City Council has previously acted to reduce the rate of the tax or is incrementally implementing an increase authorized by this chapter;

B. An action that interprets or clarifies (i) the methodology of applying or calculating the tax or (ii) any definition applicable to the tax, so long as the interpretation or clarification (even if contrary to some prior interpretation or clarification) is not inconsistent with the provisions of this Chapter 5.46; or

C. The collection of the tax imposed by this chapter even if the City had, for some period of time, failed to collect the tax.

SECTION 2. SEVERABILITY. If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this ordinance. The people of the City of Lemon Grove hereby declare that they would have passed this ordinance and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared invalid.

SECTION 3. ENVIRONMENTAL COMPLIANCE. The findings establishing that this Ordinance is in compliance with the California Environmental Quality Act (“CEQA”) are the same as those set forth in the City Council’s Resolution No. 2020-3744 calling for an election on this Ordinance. The CEQA findings in Resolution No. 2020-3744 are incorporated herein by this reference.

SECTION 4. EFFECTIVE DATE. This Ordinance relates to the levying and collecting of a City tax and shall take effect immediately.

This Ordinance was approved and adopted by the People of the City of Lemon Grove at the City’s November 3, 2020 General Municipal Election.

This Ordinance was approved by Declaration of the vote by the City Council of the City of Lemon Grove on July 7, 2020.

Racquel Vasquez, Mayor

ATTEST:

Shelley Chapel, City Clerk



**City of Lemon Grove
City Council Regular Meeting Agenda
Tuesday, July 7, 2020, 6:00 p.m.**

Virtual Meeting via Zoom platform

<https://www.zoom.us/home?zcid=2478>

Meeting Access # 619-825-3800

<https://us04web.zoom.us/j/6198253800>

City Council

Racquel Vasquez, Mayor
Jennifer Mendoza, Mayor Pro Tem
Jerry Jones, Councilmember
David Arambula, Councilmember
Yadira Altamirano, Councilmember

A public agenda packet is available for review on the [City's website](#)

Public Participation

In accordance with Executive Orders N-25-20, N-29-20 and N-35-20 paragraph 3, executed by the Governor of California on March 17, 2020, and as a response to mitigating the spread of Coronavirus known as COVID-19, the Regular Meeting of the City Council scheduled for Tuesday, July 7, 2020, at 6:00 p.m. will be a virtual meeting – audio only.

Below are the ways to participate. For any questions contact the City Clerk's Office at (619) 825-3800.

Members of the public are able to participate in the following ways:

1. Listen to audio live via zoom
2. Written Public Comment: Which will be accepted by email with the subject line PUBLIC COMMENT ITEM #____. Email to the City Clerk schapel@lemongrove.ca.gov prior to the meeting. The deadline for the public comment to be submitted is Monday, July 6, 2020 at 5:00 p.m. Any comment received after the deadline will not be read at the meeting, but will be maintained in the record.

Join the Meeting

Before joining a Zoom meeting on a computer or mobile device, you can download the Zoom app from the [Zoom Download Center](#). Otherwise, you will be prompted to download and install Zoom when you click a join link.

Prerequisites

- Each meeting has a Meeting Access ID and Password that will be required to join a Zoom meeting. #619-825-3800. If you have eNotification set-up it will be included on your email notification. If you have not yet set-up notifications for City meetings and events please go to the City website and [sign up](#).
- Meeting will be Audio only for all participants.

1. Open the Zoom desktop client
2. Join a meeting using one of these methods:
 - * Click Join a Meeting if you want to join in without signing in.
 - * Sign in to Zoom then click join.
3. Enter the Meeting ID number and your display name
4. If you're not signed in, enter a display name.

All audio will be muted upon entering.

The meeting audio will be available on the City website within 24 hours of the meeting.

Public Comment:

In accordance with Executive Orders N-25-20, N-29-20 and N-35-20 paragraph 3, executed by the Governor of California on March 17, 2020. Written Public Comment: Which will be accepted by email with the subject line PUBLIC COMMENT ITEM ____ . Email to the City Clerk schapel@lemongrove.ca.gov prior to the meeting. The deadline for the public comment to be submitted is Monday, July 6, 2020 at 5:00 p.m. Any comment received after the deadline will not be read but will be maintained in the record.

Process:

1. Email City Clerk your written comment. In the Subject Line of the email indicate whether comment is for Public Comment (item not on the agenda) or Agenda Item #.

Participants addressing the City Council by email are encouraged to provide the following information:

- a) Full Name;
- b) Contact Number;
- c) Address;
- d) Public Comment or Agenda Item No;
- e) Subject;
- f) Written Comments

2. Include Comment – Comment is limited up to three (3) minutes. Comment will be read by the City Clerk and timed and if comment extends longer than three (3) minutes it will be timed out.

If comment is received but there is no indication as to whether it is to be read under Public Comment or a specific agenda item, the comment will be retained in the record but not read at the meeting.

Currently public comment is only being accepted by email to be read by the City Clerk. City Clerk email address: schapel@lemongrove.ca.gov

**City of Lemon Grove
City Council Regular Meeting Agenda**

**Tuesday, July 7, 2020, 6:00 p.m.
Virtual Meeting via Zoom platform**

The City Council also sits as the Lemon Grove Housing Authority, Lemon Grove Sanitation District Board, Lemon Grove Roadway Lighting District Board, and Lemon Grove Successor Agency

Call to Order

Pledge of Allegiance:

Changes to the Agenda:

Public Comment:

(Note: In accordance with State Law, the general public may bring forward an item not scheduled on the agenda; however, the City Council may not take any action at this meeting. If appropriate, the item will be referred to staff or placed on a future agenda.)

Public comment will be read into the record by the City Clerk. Per Lemon Grove Municipal Code Section 2.14.150, each comment is allowed up to three (3) minutes.

City Council Oral Comments and Reports on Meetings Attended at the Expense of the City.
(GC 53232.3 (d)) (53232.3 (d) states that members of a legislative body shall provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.)

City Manager Report:

1. Consent Calendar:

(Note: The items listed on the Consent Calendar will be enacted in one motion unless removed from the Consent Calendar by Council, staff, or the public.)

A. Waive Full Text Reading of All Ordinances on the Agenda

Reference: Kristen Steinke, City Attorney

Recommendation: Waive the full text reading of all ordinances included in this agenda; Ordinances shall be introduced and adopted by title only.

B. City of Lemon Grove Payment Demands

Reference: Molly Brennan, Finance Director

Recommendation: Ratify Demands

C. Approval of Meeting Minutes

June 16, 2020 Regular Meeting

Reference: Shelley Chapel, City Clerk

Recommendation: Approve Minutes

D. Note and File Planning Commission Meeting Minutes

Reference: Shelley Chapel, City Clerk
Recommendation: Note and File.

E. Biennial Review and Adoption of the Amended Conflict of Interest Code

Reference: Shelley Chapel, City Clerk
Recommendation: Adopt a Resolution entitled, "A Resolution of the City Council of the City of Lemon Grove, California, Accepting the Amendment to the Conflict of Interest Code."

F. Rejection of Claim – Wight

Reference: Molly Brennan, Administrative Services Director
Recommendation: Reject Claim

Reports to Council:

2. Presidential General Election, Tuesday, November 3, 2020

Reference: Shelley Chapel, City Clerk

Recommendation: : Adopt: 1) Resolution Calling and Giving Notice of the General Municipal Election on Tuesday, November 3, 2020, for one (1) Mayor and two (2) Members of the City Council and Determining Tie Votes by Lot; 2) Requesting Consolidation of the General Municipal Election with the Presidential General Election and Requesting Services of the San Diego Registrar of Voters; and 3) Resolution Adopting Regulations for Candidate Statements.

3. Award a Professional Services Agreement for Engineering Services to Chen Ryan Associates, Incorporated

Reference: Mike James, Assistant City Manager / Public Works Director

Recommendation: Adopt a Resolution entitled, "A Resolution of the City Council of the City of Lemon Grove, California, Awarding A Professional Services Agreement for Engineering Services to Chen Ryan Associates, Incorporated."

4. Community Development Block Grant Allocation for Fiscal Years 2020-2021

Reference: Mike James, Assistant City Manager / Public Works Director

Recommendation: Adopt a Resolution entitled, "A Resolution of the City Council of the City of Lemon Grove, California, Authorizing the Submission of a Revised Application for the Community Development Block Grant Program for the Fiscal Years 2020-21."

5. CARES ACT – CRF Grant Acceptance and Allocation Plan

Reference: Lydia Romero, City Manager

Recommendation: Adopt a Resolution entitled, "Resolution of the City Council of the City of Lemon Grove, California, Accepting a Sub-Grant Allocation from the County of San Diego Providing Funding from the Coronavirus Aid, Relief, and Economic Security (CARES) Act Coronavirus Relief Fund (CRF) and Approving the Expenditure Plan"

6. Proposed Cannabis Business Gross Receipts Tax

Reference: Kristen Steinke, City Attorney and Lydia Romero, City Manager

Recommendation: Adopt Resolution submitting to the voters a ballot measure to repeal Section 5.04.220(D) and adding Chapter 5.46 to Title 5 to modernize and establish a new cannabis business tax which includes industrial hemp and hemp products. Adding the measure to the ballot being submitted to qualified electors of the City of Lemon Grove at the Presidential General Election to be held on Tuesday, November 3, 2020, as called by Resolution No. 2020-3744, as adopted by the City Council early at this same meeting dated July 7, 2020.

Closed Session:

1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Government Code § 54956.9(a)
Name of Case: Citrus St Partners, LLC vs City of Lemon Grove
San Diego Superior Court - Case No.: 37-2019-00064690-CU-MC-CTL
2. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Government Code Section 54956.9b
Number of potential cases: 1

Adjournment

AFFIDAVIT OF NOTIFICATION AND POSTING
STATE OF CALIFORNIA)
COUNTY OF SAN DIEGO) SS
CITY OF LEMON GROVE)

I, Shelley Chapel, MMC, City Clerk of the City of Lemon Grove, hereby declare under penalty of perjury that a copy of the above Agenda of the Regular Meeting of the City Council of the City of Lemon Grove, California, was delivered and/or notice by email not less than 72 hours, before the hour of 6:00 p.m. on July 7, 2020, to the members of the governing agency, and caused the agenda to be posted on the City's website at www.lemongrove.ca.gov and at Lemon Grove City Hall, 3232 Main Street Lemon Grove, CA 91945.

/s/: Shelley Chapel
Shelley Chapel, MMC, City Clerk

In compliance with the Americans with Disabilities Act (ADA), the City of Lemon Grove will provide special accommodations for persons who require assistance to access, attend and/or participate in meetings of the City Council. If you require such assistance, please contact the City Clerk at (619) 825-3800 or email schapel@lemongrove.ca.gov. A full agenda packet is available for public review at City Hall



CITY OF LEMON GROVE

CITY COUNCIL STAFF REPORT

Item No. 1.A

Meeting Date: July 7, 2020
Submitted to: Honorable Mayor and Members of the City Council
Department: City Manager's Office
Staff Contact: Kristen Steinke, City Attorney
Item Title: **Waive the Full Text Reading of all Ordinances**

Summary: Waive the full text reading of all ordinances included in this agenda. Ordinances shall be introduced and adopted by title only.

Environmental Review:

- Not subject to review Negative Declaration
 Categorical Exemption, Section | | Mitigated Negative Declaration

Fiscal Impact: None.

Public Notification: None.



CITY OF LEMON GROVE

CITY COUNCIL STAFF REPORT

Item No. 1.B

Meeting Date: July 7, 2020
Submitted to: Honorable Mayor and Members of the City Council
Department: City Manager's Office
Staff Contact: Molly Brennan, Administrative Services Director
<mailto:MBrennan@lemongrove.ca.gov>
Item Title: **City of Lemon Grove Payment Demands**

Recommended Action: Ratify Demands.

Environmental Review:

- Not subject to review Negative Declaration
 Categorical Exemption, Section [] Mitigated Negative Declaration

Fiscal Impact: None.

Public Notification: None.

City of Lemon Grove Demands Summary

Approved as Submitted:

Molly Brennan, Administrative Services Director
 For Council Meeting: 07/07/20

ACH/AP Checks 06/09/20-06/26/20

414,313.05

Payroll - 06/16/20

127,235.14

Total Demands

541,548.19

CHECK NO	INVOICE NO	VENDOR NAME	CHECK DATE	Description	INVOICE AMOUNT	CHECK AMOUNT
ACH	3568860625/0620	SDG&E	06/09/2020	Electric Usage:St Light 5/1/20-5/31/20	1,257.40	1,257.40
ACH	Jun2 20	US Treasury	06/09/2020	Federal Taxes 6/2/20	28,984.58	28,984.58
ACH	May20-CC May20-CC	Wells Fargo	06/10/2020	Credit Card Processing-Mo.Svc -May'20 Credit Card Transaction Fees- May'20	9.95 429.55	439.50
ACH	Refill 6/9/20	Pitney Bowes Global Financial Services LLC	06/10/2020	Postage Usage 6/9/20	250.00	250.00
ACH	May20	Wells Fargo	06/11/2020	Bank Service Charge - May'20	256.40	256.40
ACH	4154920380/0620	SDG&E	06/11/2020	Electric Usage:St Light 5/1/20-5/31/20	1,836.97	1,836.97
ACH	May20	Home Depot Credit Services	06/17/2020	Home Depot Purchases - May'20	1,096.16	1,096.16
ACH	Jun16 20	Employment Development Department	06/18/2020	State Taxes 6/16/20	8,200.22	8,200.22
ACH	10644078	LEAF	06/18/2020	Ricoh C3502 Copier System-PW Yard - May'20	160.51	160.51
ACH	65862832	WEX Bank	06/18/2020	Fuel - Fire Dept - May'20	70.88	70.88
ACH	Jun3-Jun16 20	Calpers Supplemental Income 457 Plan	06/19/2020	457 Plan 6/3/20-6/16/20	8,672.42	8,672.42
ACH	Jun16 20	US Treasury	06/23/2020	Federal Taxes 6/16/20	27,492.02	27,492.02
ACH	Apr20	San Diego County Sheriff's Department	06/24/2020	Law Enforcement Services - Apr'20	515,995.23	515,995.23
ACH	May20-Jun16 20	California Public Empl Retirement System	06/24/2020	Pers Retirement 5/20/20-6/16/20	65,049.49	65,049.49
ACH	Refill 6/25/20	Pitney Bowes Global Financial Services LLC	06/26/2020	Postage Usage 6/25/20	250.00	250.00
13009	Jun2020 Jun2020	BCC	06/10/2020	Life Insurance - Jun'20 LTD Insurance - Jun'20	510.60 712.54	1,223.14
13010	4032930397	Canon Solutions America, Inc.	06/10/2020	Canon Maintenance-Copier Usage 2/27/20-5/26/20	27.50	27.50
13011	May20	Colonial Life	06/10/2020	Colonial Optional Insurance -May20	328.76	328.76
13012	20CTOFLGN11	County of San Diego- RCS	06/10/2020	800 MHZ Network - May'20	2,878.50	2,878.50
13013	06032020560	DAR Contractors	06/10/2020	Animal Disposal- May'20	162.00	162.00
13014	Env Land 2020	Environmental Land Management	06/10/2020	Fire Fuel Mitigation/9 Acres - Goat Grazing	7,325.00	7,325.00
13015	93833244	ESRI Inc.	06/10/2020	ArcGIS Annual Maintenance 7/1/20-6/30/21	5,200.00	5,200.00
13016	21732	Grant & Kessler, APC	06/10/2020	Legal Svcs/ WIT & SWRAJ - thru 5/31/20	1,867.50	1,867.50
13017	1617	Janazz, LLC SD	06/10/2020	IT Services- City Hall- May'20	2,500.00	2,500.00
13018	7007 7025 7041 7066	North County EVS, Inc.	06/10/2020	E10 AM Service & Safety Inspection/Repair Engine Leak/Replace Pa E210 Diagnose Rear Brake Adjustment Issue E210 Service Call/Diagnose Starter Issue E10 Service Call/Diagnose Check Engine Light	9,373.65 110.00 220.00 169.22	9,872.87
13019	AR-S241156	Signa Digital Solutions	06/10/2020	Ink for Plotter - COVID-19 Signs	519.96	519.96
13020	Fd Distribution	St. John of the Cross	06/10/2020	Food Pantry Items - CDBG-CV Food Distribution	1,887.73	1,887.73
13021	61172	Tyson & Mendes, LLP	06/10/2020	Legal Svcs: GHC0019886 thru 5/29/20	1,848.00	1,848.00
13022	5656143216	AutoZone, Inc.	06/17/2020	Diesel Exhaust Fluid - LGPW#32 GapVax	23.71	23.71
13023	82033179-00	Bridgestone Hosepower LLC	06/17/2020	Repair/Sweeper Attachment - LGPW Skidsteer	128.11	128.11
13024	6/16/20	California State Disbursement Unit	06/17/2020	Wage Withholding Pay Period Ending 6/16/20	161.53	161.53
13025	2347-Feb 2347-Jan 2347-Mar ACSERV-Feb2020 ACSERV-Jan2020 ACSERV-Jan2020 ACSERV-Mar2020 ACSERV-Mar2020	City of Chula Vista	06/17/2020	Animal Control Services- Feb'20 Animal Control Services- Jan '20 Animal Control Services- Mar'20 Credit/Impound Fees/Animal Control Services- Feb'20 Credit/Impound Fees/Animal Control Services- Jan '20 After Hours Calls- Jan '20 Credits/Impound Fees/Animal Control Services- Mar'20 After Hours Calls- Mar'20	23,466.00 23,466.00 23,466.00 -280.00 -400.00 783.28 -500.00 783.28	70,784.56

13026	0000014716	City of El Cajon	06/17/2020	Exchange Server/Heartland Fire - Lemon Grove's Share	1,840.79	1,840.79
13027	42454	Colantuono, Highsmith & Whatley, PC	06/17/2020	Legal Svcs/SDCOE Consortium - thru May'20	14.22	14.22
13028	54669	Daley & Heft LLP	06/17/2020	Legal Svcs: GHC0025482- Svcs thru 6/7/20	303.00	303.00
13029	Decker	Decker, Karen	06/17/2020	Refund/Decker, Karen/Rental - Gazebo BS#1- 7/18/20 COVID-19	100.00	100.00
13030	250315	GB Auto Service, Inc.	06/17/2020	Oil Filter/Change - LGPW#31 '14 Ford Escape	64.46	64.46
13031	INV1018005	George Hills Company	06/17/2020	TPA Claims- Adjusting/Other Services - May 20	2,944.50	2,944.50
13032	SS000213079	Hawthorne Machinery Co	06/17/2020	Equip Maint- CAT 420E Backhoe- 500 Hr Svc/Repairs	2,548.12	2,548.12
13033	775064	House of Automation	06/17/2020	Install New Sliding Automated Gate - LG Fire Station	19,267.00	19,267.00
13034	Jun16 20	ICMA	06/17/2020	ICMA Deferred Compensation Pay Period Ending 6/16/20	780.77	780.77
13035	1621 1622	Janazz, LLC SD	06/17/2020	Dell Laptop/Docking Station - COVID-19 Wireless Keyboard/Video Adapters	619.86 67.96	687.82
13036	202005	Lemon Grove Car Wash, Inc.	06/17/2020	Oil Change/Brake Flush - LGPW#31 '14 Ford Escape - 5/29/20	131.12	131.12
13037	4850687	Mallory Safety and Supply, LLC	06/17/2020	Nitrile Gloves	269.38	269.38
13038	3796	Pacific IP	06/17/2020	Phone Service - Eng Phone Ext Relocation - 6/3/20	135.00	135.00
13039	PD-45301 PD-45433	Plumbers Depot Inc.	06/17/2020	Sewer Camera - Repair/12 Pin Metal for Cable End Sewer Camera - Replaced Seals/O Rings/Adjusted Tilt Clutch	958.30 653.80	1,612.10
13040	Jun-20	Preferred Benefit Insurance Administrators	06/17/2020	Dental Insurance- PPO -Jun'20	3,634.40	3,634.40
13041	0000006090	San Diego Stormwater Solutions, Inc.	06/17/2020	Required Storm Drain Insert Realignmt Drainage Basins-Olive/North	4,085.00	4,085.00
13042	101336813-0001 101528484-0001	Sunbelt Rentals Inc.	06/17/2020	Tamper Rental - Asphalt Repair - 5/12/20 Propane	157.05 16.22	173.27
13043	123890	Superior Ready Mix Concrete LP	06/17/2020	Asphalt - 2873 Skyline Dr/PW Yard	237.96	237.96
13044	Valadez	Valadez, Maribel	06/17/2020	Refund/Valadez, Maribel/Deposit - Lee House- 7/11/20 COVID-19	300.00	300.00
13045	72581170 72585121 72588328 72588329 72594487 72594488 72598278 72599930	Vulcan Materials Company	06/17/2020	Asphalt Asphalt Asphalt Asphalt Asphalt/SS1H 4.5 Gallon Bucket Asphalt/SS1H 4.5 Gallon Bucket Asphalt/SS1H 4.5 Gallon Bucket Asphalt/SS1H 4.5 Gallon Bucket	392.32 149.88 103.33 148.91 152.79 173.48 175.90 175.90	1,472.51
13046	6837 6838 6839	Aguirre & Associates	06/24/2020	Tract 0062 Subdivision Map Check - May'20 Topographic Survey @ Mt Vernon & Acacia St - May'20 Lawton Drive Street Dedication - May'20	690.00 109.00 275.00	1,074.00
13047	5656173629	AutoZone, Inc.	06/24/2020	Diesel Exhaust Fluid - Sanitation	23.71	23.71
13048	5028633	Bearcom	06/24/2020	Portable Radios Monthly Contract 5/22/20-6/21/20	150.00	150.00
13049	3952788	Certified Laboratories	06/24/2020	Protective Gear/Face Masks - COVID-19	587.53	587.53
13050	21952	City of La Mesa	06/24/2020	FY19-20 Qtr 3-JPA Reconciliation- Jan-Mar 20	64,433.00	64,433.00
13051	2375 2430 2430 2438	Clark Telecom & Electric Inc.	06/24/2020	Street Light Repairs - May'20 Street Light Dig-Alert Markouts - May'20 Street Light Dig-Alert Markouts - May'20 St Light Knockdown Pole Removal/7816 Broadway - Apr'20	3,667.10 202.03 202.03 1,352.29	5,423.45
13052	6037 6041 6042 6043 6044 6064 6067	D- Max Engineering Inc.	06/24/2020	LG Vista Azul Stormwater Inspection 5/1/20-6/2/20 1993 Dain Dr Stormwater Inspection 5/1/20-5/31/20 6800 Mallard Ct Stormwater Inspection 5/1/20-5/31/20 19-20 Golden Doors Stormwater Inspection 5/1/20-5/31/20 1963 Berry St Stormwater Inspection 5/1/20-5/31/20 LG Broadway Self-Storage Stormwater Inspection 5/28/20-6/17/20 D-Max Stormwater Prof Svcs 5/1/20-5/31/20	1,239.50 176.68 225.68 29.10 201.18 1,262.50 7,507.05	10,641.69
13053	dsb20192825	Dig Safe Board	06/24/2020	State Fee/Regulatory Monthly Costs/Dig Alert 2019	57.13	57.13
13054	7-036-31400	Federal Express	06/24/2020	Shipping Charge - Sanitation/CUES West 5/7/20	23.06	23.06
13055	251586	GB Auto Service, Inc.	06/24/2020	Tires/Wheel Balance/Alignment - LGPW#17 '99 Ford F350	369.60	369.60
13056	68641	Global Power Group, Inc.	06/24/2020	Retrofit New Circuit Breaker - Generator/Fire Station	1,244.10	1,244.10
13057	Reimb-5/14/20	Govea, Garrett	06/24/2020	Reimb: Tuition - BS Mgmt/PR/Govea 5/14/20	190.00	190.00
13058	FINC146443	Hawthorne Machinery Co	06/24/2020	Charge - Eq Maint - CAT 420E Backhoe- Svc/Repairs	38.22	38.22
13059	00076992	Hudson Safe-T- Lite Rentals	06/24/2020	Yield Signs	81.19	81.19
13060	140029 140030	Knott's Pest Control, Inc.	06/24/2020	Monthly Bait Stations- Civic Ctr - Jun20 Monthly Bait Stations- Sheriff - Jun20	60.00 45.00	105.00

13061	07-2589Apr 07-2589May Fire/07-2590Apr Fire/07-2590May	Lemon Grove School District	06/24/2020	Fuel Services-PW: Apr'20 Fuel Services-PW: May'20 Fuel Services-Fire Stn- Apr'20 Fuel Services-Fire Stn- May'20	2,073.84 1,128.41 1,078.76 846.61	5,127.62
13062	1499746	Liebert Cassidy Whitmore	06/24/2020	Prof Svcs: LE050-00001 thru 5/31/20	1,414.90	1,414.90
13063	4833538	Mallory Safety and Supply, LLC	06/24/2020	Black Nitrile Gloves/Personal Protective Gear/PW - COVID-19	245.24	245.24
13064	1075741 1081326 1084078 1086387	Michael Baker International	06/24/2020	Prof Svc: As-Needed Engineering Svcs thru 1/31/20 Prof Svc: As-Needed Engineering Svcs thru 3/31/20 Prof Svc: As-Needed Engineering Svcs thru 4/30/20 Prof Svc: As-Needed Engineering Svcs thru 5/31/20	20,454.50 10,032.50 16,564.75 23,947.38	70,999.13
13065	68201520	Occupational Health Centers of CA	06/24/2020	DMV Medical Recert Exam - 6/11/20	103.00	103.00
13066	PD-45567	Plumbers Depot Inc.	06/24/2020	Sewer Camera - Replace Pressure Hose & Fittings for Cleaning	879.89	879.89
13067	CLGLGAT_202005	Rail Pros	06/24/2020	Prof Svc: LGA Timing Project thru 6/14/20	700.00	700.00
13068	75043 75275	Rick Engineering Company	06/24/2020	Prof Svc: City Engineer 3/28/20-4/24/20 Prof Svc: City Engineer 4/25/20-5/29/20	28,692.23 37,017.19	65,709.42
13069	41	RXR Plumbing, Inc.	06/24/2020	Plumbing Repair/Fire Stn	500.00	500.00
13070	1320	SD Sports Medicine and Family Health Ctr	06/24/2020	Medical Lab Tests	166.71	166.71
13071	May20	SDG&E	06/24/2020	Gas & Electric 4/23/20-5/22/20	15,354.26	15,354.26
13072	2249	SoCal PPE	06/24/2020	Cleaning & Repairs - Turnouts	2,350.00	2,350.00
13073	80411 80412	Southwest Signal Service	06/24/2020	Bi-Monthly Traffic Signal Maintenance - May'20 Traffic Signal Service Calls - May'20	1,105.00 992.91	2,097.91
13074	2127 2236 2285	Spring Valley Lawn Mower Shop	06/24/2020	Trimline/Cutting Head Eyelet - PW/Streets Replacement Guard/Trimmer - PW/Streets Repair Spring Retainer/Concrete Saw - PW/Streets	14.49 37.14 69.85	121.48
13075	101573759-0001 101616800-0001 101757083-0001 101821456-0001 101848513-0001 101983184-0001 102019727-0001 102072443-0001 102234476-0001	Sunbelt Rentals Inc.	06/24/2020	Propane Propane Propane Propane Propane Propane Trimmer Rental - 6/2/20 Propane Propane	7.54 3.54 22.16 22.55 8.90 11.31 55.60 7.54 37.58	176.72
13076	0331-5	The Sherwin-Williams Co.	06/24/2020	Graffiti Paint	46.56	46.56
13077	520200387	Underground Service Alert of Southern Ca.	06/24/2020	54 New Ticket Charges - May'20	99.10	99.10
13078	STMT 5/22/2020 STMT 5/22/2020 STMT 5/22/2020 STMT 5/22/2020 STMT 5/22/2020 STMT 5/22/2020 STMT 5/22/2020 STMT 5/22/2020 STMT 5/22/2020 STMT 5/22/2020 STMT 5/22/2020	US Bank Corporate Payment Systems	06/24/2020	Keys for Back Security Gate/Fire Stn Towels/Mats/Vehicle Supplies - Fire City Council Audio Annual Subscription Acrobat Pro Subscription Webinar/Return to Work/COVID-19 Fuel/PW Streets Vehicles Fuel/Sanitation Vehicles CDBG-CV Grant/Supplies/Food/Food Pantry Daycamp/Supplies Sign Supplies/COVID-19	21.01 284.43 135.00 179.88 200.00 741.52 40.00 1,165.12 188.79 48.78	3,004.53
13079	72602915 72604484 72607655 72612844	Vulcan Materials Company	06/24/2020	Asphalt/SS1H 4.5 Gallon Bucket Asphalt/SS1H 4.5 Gallon Bucket Asphalt/SS1H 4.5 Gallon Bucket Asphalt/SS1H 4.5 Gallon Bucket	176.71 200.31 202.25 298.79	878.06
13080	160649	West Coast Arborists, Inc.	06/24/2020	Tree Maintenance - 5/1/20-5/15/20	3,780.00	3,780.00
13081	4/23/20-5/22/20 5/23/20-6/22/20 21313186 21319081 21426237 4047702121 4048267299 4048824885 4049389835 4049971238 4050554949 4052352919 1901251937 82019490 2259Wash-5/12 2873skyline- 5/ 7071MTV- 5/1 8235MTV-5/9 City Hall- 5/1/ CommCtrInt-4/29 Fax-CH- 5/19/20 Fire 5/1/20 Fire Alarm-4/28	Wells Fargo	06/24/2020	AT&T - Backup City Hall Internet- 4/23/20-5/22/20 AT&T - Backup City Hall Internet- 5/23/20-6/22/20 Canon Financial Svcs - Canon Plotter 2 Yr Carepack 4/20/20-5/19/ Canon Financial Svcs - Fee/Canon Plotter 2 Yr Carepack 4/20-5/19 Canon Financial Svcs - Canon Plotter 2 Yr Carepack 5/20/20-6/19/ Cintas - Janitorial Supplies - 4/9/20 Cintas - Credit/Janitorial Supplies - 4/16/20 Cintas - Janitorial Supplies - 4/23/20 Cintas - Janitorial Supplies - 4/30/20 Cintas - Janitorial Supplies - 5/7/20 Cintas - Janitorial Supplies - 5/14/20 Cintas - Janitorial Supplies - 6/4/20 Cintas - Janitorial Supplies - 4/16/20 Corelogic - RealQuest Graphics Package - Apr'20 Cox - Calsense Modem Line: 2259 Washington 5/11/20-6/10/20 Cox - Phone/PW Yard/2873 Skyline- 5/19/20-6/18/20 Cox - Calsense Modem Line:7071 Mt Vernon/Berry St Pk 5/1/20-5/31 Cox - Calsense Modem Line: 8235 Mt Vernon/Berry St Pk 5/9/20-6/8 Cox - Phone/City Hall 5/1/20-5/31/20 Cox - Internet/Comm Ctr- 4/30/20-5/29/20 Cox - City Manager Fax Line- 5/18/20-6/17/20 Cox - MainPhone/Fire 5/1/20-5/31/20 Cox - City Hall Fire Alarm 4/27/20-5/26/20	85.60 85.60 144.00 97.73 144.00 254.35 377.29 70.33 70.33 290.64 70.33 399.97 904.88 300.00 22.87 213.07 22.87 94.39 973.38 75.00 4.75 439.18 44.90	8,776.55

PEG- 4/30/20-5/	Cox - PEG Circuit Svc- 4/30/20-5/29/20	2,896.56	
Rec-5/4	Cox - Phone/Rec Ctr/3131 School Ln- 5/4/20-6/3/20	97.89	
8129848996	Shredit - Shredding Service - 5/13/20	79.51	
Fire-9854996928	Verizon - Hayward 4/21/20-5/20/20	372.65	
9853847586	Verizon - Modems- Cardiac Monitors - 4/4/20-5/3/20	14.04	
9854511727	Verizon - City Phone Charges- 4/13/20-5/12/20	234.91	
9854512279	Verizon - Mobile Broadband Access- 4/13/20-5/12/20	76.02	
Tablets-5/12	Verizon - PW Tablets- 4/13/20-5/12/20	198.80	
CB 061220	WellsFargo - Cash Back Award Stmt 061220	-379.29	
		414,313.05	414,313.05



CITY OF LEMON GROVE

CITY COUNCIL STAFF REPORT

Item No. 1.C

Meeting Date: July 7, 2020

Submitted to: Honorable Mayor and Members of the City Council

Department: City Manager's Office

Staff Contact: Shelley Chapel, City Clerk

Schapel@lemongrove.ca.gov

Item Title: **Approval of City Council Meeting Minutes**

Recommended Action: Approval of City Council Meeting Minutes.

Environmental Review:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Not subject to review Negative | <input type="checkbox"/> Declaration |
| <input type="checkbox"/> Categorical Exemption, Section | <input type="checkbox"/> Mitigated Negative Declaration |

Fiscal Impact: None.

Public Notification: None.

**MINUTES OF REGULAR MEETING
OF THE LEMON GROVE CITY COUNCIL
VIRTUAL MEETING VIA ZOOM**

TUESDAY, JUNE 16, 2020

*The City Council also sits as the Lemon Grove Housing Authority,
Lemon Grove Sanitation District Board, Lemon Grove Roadway Lighting District Board,
and Lemon Grove Successor Agency.*

Regular Meeting of the City Council of the City of Lemon Grove, California, took place virtually only pursuant to California Governor Executive Orders N-25-20, N-29-20 and N-35-20, and in the interest of public health and safety, we temporarily took actions to prevent and mitigate the spread and effects of the COVID-19 pandemic by holding City Council and other public meetings via virtual audio media only.

Call To Order:

Mayor Vasquez called the Regular Meeting to order at 6:07 p.m.

Present:

Mayor Racquel Vasquez, Mayor Pro Tem Jennifer Mendoza, Councilmember Yadira Altamirano, Councilmember David Arambula, and Councilmember Jerry Jones.

Absent: None.

Staff Members Present:

Lydia Romero, City Manager, Kristen Steinke, City Attorney, Mike James, Assistant City Manager/Public Works Director, Molly Brennan, Administrative Services Director, Noah Alvey, Community Development Manager, Roberto Hidalgo, Human Resource Manager, Mike Rand, San Diego Sheriff's Lieutenant, Steve Swaney, Fire Chief, and Shelley Chapel, City Clerk.

Pledge of Allegiance was led by Councilmember Arambula.

Public Comment was read into the Record by City Clerk, Chapel: Jennifer Ellis, and Melanie Lucero

City Council Oral Comments and Reports on Meetings Attended at the Expense of the City

Councilmember Jones attended the following meetings and events:

- Zoom Meeting Metro Wastewater JPA

Councilmember Altamirano attended the following meetings and events:

- Weekly COVID-19 Update with the County of San Diego
- Participated in packing food at Lemon Grove Distribution Center for families in need

Mayor Pro Tem Mendoza attended the following meetings and events:

- Vice Chair for Planning Meeting of the Transportation and Communication Committee

Councilmember Arambula attended the following meetings and events:

- MTS Executive Board Meeting

Mayor Vasquez attended the following meetings and events:

- Gave update on COVID-19 – Lemon Grove currently has 93 cases
- Reminder to respond to Census Questionnaire and encourage others
- Joint Statement from Council Regarding Protests and Human Rights
- CAL OES Briefings
- San Diego County Weekly COVID-19 Update for Mayors

- SANDAG Board of Directors Meeting
- Distributed Food at Drive Thru event for families in need
- Virtual Race Amity Day – Provided a Proclamation

City Manager’s Report:

City Manager Romero provided an update on COVID restrictions and Budgetary Cuts; Summer Concerts in the Park and Movies in the Park are cancelled through July. Day Camp has opened with limit of 60 children only. There is a food distribution paid for by CARE Act Grant for Lemon Grove residents.

Consent Calendar:

- 1.A Waive Full Text Reading of All Ordinances on the Agenda.
- 1.B Ratification of Payment of Demands
- 1.C Approved City Council Meeting Minutes for Virtual Regular Meeting of June 2, 2020, and Virtual Emergency Special Meeting of June 2, 2020.
- 1.D Adoption of Resolution No. 2020-3735 entitled, “A Resolution of the City Council of the City of Lemon Grove, California, Approval of Minimum Wage Increase to Ensure Compliance with the California Minimum Wage Increase as Governed by State Law.”
- 1.E Adoption of Resolution No. 2020-3736 entitled, “A Resolution of the City Council of the City of Lemon Grove, California, establishing the Fiscal Year 2020-21 City Calendar.”
- 1.F Adoption of Resolution No. 2020-3737 entitled, “A Resolution of the City Council of the City of Lemon Grove, California, Approving the Levy and Collection of Assessments within the Lemon Grove Wildflower Landscape Maintenance Assessment District 97-1 for Fiscal Year 2020-2021.”
- 1.G Adoption of Resolution No. 2020-308 entitled, “A Resolution of the Board of Directors of the Sanitation District Approving the Engineer’s Report Regarding the Sewer Service Charges for Fiscal Year 2020-2021.”
- 1.H Adoption of Resolution No. 2020-177 entitled, “A Resolution of the Lemon Grove Roadway Lighting District Approving the Engineer’s Report Regarding the Zone L Charges for Fiscal Year 2020-2021.”
- 1.I Adoption of Resolution No. 2020-3738 entitled, “A Resolution of the City Council of the City of Lemon Grove, California, Authorizing Application For, and Receipt Of, Local Government Planning Support Grant Program Funds.”

Action: Motion by Councilmember Arambula, seconded by Mayor Pro Tem Mendoza, to approve Consent Calendar Items 1.A-1.I.

The motion passed by the following vote:

Ayes: Vasquez, Mendoza, Altamirano, Arambula, Jones

Noes: None.

Reports to Council:

2. Fiscal Year 2020-2021 Consolidated Operating and Capital Budget

Mayor Vasquez introduced Molly Brennan, Administrative Services Director who gave the report and PowerPoint Presentation.

Public Comment Received was read into the record by Shelley Chapel, City Clerk: Melanie Lucero

- A. **Action: It was moved by Mayor Pro Tem Mendoza, seconded by Councilmember Arambula to Adopt Resolution No. 2020-3739 entitled, “A Resolution of the City Council of the City of Lemon Grove, California,**

Approving the City of Lemon Grove Budget for Fiscal Year 2020-2021 and Authorizing Expenditures Thereto”;

The motion passed by the following vote:

Ayes: Vasquez, Mendoza, Altamirano, Arambula

Noes: Jones

- B. **Action:** It was moved by Councilmember Arambula, and seconded by Mayor Pro Tem Mendoza to Adopt Resolution No. 2020-3740 entitled, “A Resolution of the City Council of the City of Lemon Grove, California, Approving a Salary Plan and Classification Summary”;

The motion passed by the following vote:

Ayes: Vasquez, Mendoza, Altamirano, Arambula

Noes: Jones

- C. **Action:** It was moved by Mayor Pro Tem Mendoza seconded by Councilmember Altamirano and seconded by to Adopt Resolution No. 2020-3741 entitled, “A Resolution of the City Council of the City of Lemon Grove, California, Establishing the Appropriations Limit for Fiscal Year 2020-2021”;

The motion passed by the following vote:

Ayes: Vasquez, Mendoza, Altamirano, Arambula, Jones

Noes: None.

- D. **Action:** It was moved by Director Arambula, and seconded by Director Altamirano to Adopt Resolution No. 2020-178 entitled, “A Resolution of the Lemon Grove Roadway Lighting District Board, Approving the Lemon Grove Roadway Lighting District Budget for Fiscal Year 2020-2021 and Authorizing Expenditures Thereto”;

The motion passed by the following vote:

Ayes: Vasquez, Mendoza, Altamirano, Arambula, Jones

Noes: None.

- E. **Action:** It was moved by Director Jones, and seconded by Director Altamirano to Adopt Resolution No. 2020-309 entitled, “A Resolution of the Lemon Grove Sanitation District Board, Approving the Lemon Grove Sanitation District Budget for Fiscal Year 2019-2020 and Authorizing Expenditures Thereto.”

The motion passed by the following roll call vote:

Ayes: Vasquez, Mendoza, Altamirano, Arambula, Jones

Noes: None

3. Proposed Marijuana Business Gross Receipts Tax

Mayor Vasquez introduced Lydia Romero, City Manager and Kristen Steinke, District Attorney who gave the report and PowerPoint Presentation.

Public Comment Received was read into the record by Shelley Chapel, City Clerk: Kathleen Lippett, Terri-Ann Skelly, and Peggy Walker.

Action: Discussed and provided feedback and direction to staff.

4. Vehicle Miles Traveled Methodology

Mayor Vasquez introduced Mike James, Assistant City Manager / Public Works Director who gave the report and PowerPoint Presentation.

No Public Comment Received.

Action: It was moved by Councilmember Arambula, and seconded by Councilmember Altamirano to Adopt Resolution No. 2020-3742, entitled, "Resolution of the City Council of the City of Lemon Grove, California, Approving Vehicle Miles Traveled Thresholds of Significance for Purposes of Analyzing Transportation Impacts under the California Environmental Quality Act." The motion passed by the following roll call vote:
Ayes: Vasquez, Mendoza, Arambula, Altamirano, Jones
Noes: None.

City Attorney Steinke convened the meeting into Closed Session at 8:11 p.m. Closed Session was conducted via Closed Session Room separate from the "Virtual Meeting." The Audio Recording for the Meeting was paused at that time.

Closed Session:

- 1. LIABILITY CLAIM (GOVERNMENT CODE SECTION §54956.95)
Claimant: Doris Wight
Agency Claimed Against: City of Lemon Grove
- 2. LIABILITY CLAIM (GOVERNMENT CODE SECTION §54956.95)
Claimant: Maileen Aguilar
Agency Claimed Against: City of Lemon Grove

The meeting was reconvened into Open Session at 8:29 p.m., the City Attorney Steinke reported there was no action taken in Closed Session.

Adjournment:

There being no further business to come before the Council, the meeting was adjourned at 8:29 p.m. to a meeting to be held Tuesday, July 7, 2020, as a Virtual Meeting, for a Regular City Council Meeting.

Shelley Chapel, MMC
City Clerk



CITY OF LEMON GROVE

CITY COUNCIL STAFF REPORT

Item No. 1.D

Meeting Date: July 7, 2020

Submitted to: Honorable Mayor and Members of the City Council

Department: City Manager's Office

Staff Contact: Shelley Chapel, City Clerk

Schapel@lemongrove.ca.gov

Item Title: **Note and File Planning Commission Meeting Minutes**

Recommended Action: Note and file.

Environmental Review:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Not subject to review Negative | <input type="checkbox"/> Declaration |
| <input type="checkbox"/> Categorical Exemption, Section | <input type="checkbox"/> Mitigated Negative Declaration |

Fiscal Impact: None.

Public Notification: None.

**MINUTES OF A MEETING OF
THE LEMON GROVE VIRTUAL PLANNING COMMISSION
MONDAY, APRIL 27, 2020**

Call To Order:

Chair Bailey called the Regular Meeting to order at 6:07 p.m.

Present: Chair Bailey, Commissioner Browne, Commissioner LeBaron, Commissioner Evans (arrived at 6:09 p.m.), and Commissioner Smith.

Absent: None.

Staff Members Present:

City Manager, Lydia Romero, Assistant City Manager Mike James, Planning Commission Attorney Punam Prahalad, City Clerk/Commission Clerk Shelley Chapel, Noah Alvey, Community Services Manager, and Mike Viglione, Associate Planner.

Pledge of Allegiance:

Pledge of Allegiance to the Flag was led by Chair Bailey.

Approval of Meeting Minutes

1. March 9, 2020 Regular Meeting

Action: Motion by Commissioner LeBaron, seconded by Vice Chair Browne to approve meeting minutes.

The motion passed by the following vote:

Ayes: Bailey, Browne, Evans, LeBaron, and Smith

Abstain: None.

Public Comment: There was no public comment submitted.

Public Hearing:

2. Planned Development Permit PDP-190-0002, A Request to Demolish an Existing Building and Construct a 5-Story Mixed-Use Building at 7946 Broadway in the Village Commercial 5 Zone of the Downtown Specific Plan Area.

Commissioner LeBaron disclosed that she submitted emails for public comment from residents who asked for her assistance.

Commissioner Browne disclosed that he runs a business across the street from the project site.

Mike Viglione, Associate Planner presented the staff report and PowerPoint Presentation.

Applicant Russ Haley, Vice President of CityMark Development gave a statement on the project and responded to Commissioners questions.

Chair Bailey opened the Public Hearing at 7:32 p.m.

Public Comment was read into the Record by City Clerk, Chapel: Erik Wiese, Rosa Carney, Andrea Bishop, David Eckler, Anne Stapleton, Jeanne Peterson, Francesca

Redeski, Jamie Robinson, Melanie Lucero, Phill Bunch, Gary Elbert, Mary Sessom, and Helen O'Field,

Staff Recommendation: Conduct the Public Hearing, Receive Public Comment, and Adopt a Resolution Conditionally Approving Planned Development Permit PDP-190-0002, a Request to Demolish an Existing Building and Construct a 5-Story Mixed-Use Building at 7946 Broadway in the Village Commercial 5 Zone of the Downtown Village Specific Plan Area.

Action: The public hearing was closed at 7:55 p.m. on a motion by Vice Chair Browne made a motion to adopt the resolution as presented by staff. The motion died for lack of a second.

Motion by Commissioner Smith and second by Commissioner Evans to adopt Resolution No. 2020-02 with conditions to include: Inclusion of marked parking and marked bike lane on Grove Avenue, additional removable public seating in the front of building and amend design to include variations.

The motion passed by the following vote:

Ayes: Browne, Evans, and Smith

Noes: Bailey, and LeBaron,

Report to Commission:

3. 2019 General Plan Annual Progress Report

Noah Alvey, Community Development Manager presented the staff report and PowerPoint Presentation.

Report was a Receive and File.

Business from the Community Development Manager: (Non-Action Items)

Motion to adjourn the meeting made by Commissioner Evans and second by Commissioner Smith, 5-0 approved.

Adjournment:

There being no further business to come before the Commission, the meeting was adjourned at 8:46 p.m. to a meeting to be held Monday, June 29, 2020, for a Regular meeting.

Shelley Chapel

Shelley Chapel, MMC
Planning Commission Clerk



CITY OF LEMON GROVE

CITY COUNCIL STAFF REPORT

Item No. 1.E.

Meeting Date: July 7, 2020

Submitted to: Honorable Mayor and Members of the City Council

Department: City Manager's Office

Staff Contact: Shelley Chapel, City Clerk

Schapel@lemongrove.ca.gov

Item Title: **Biennial Review and Adoption of the Amended Conflict of Interest Code**

Recommended Action: Adopt a Resolution entitled, "A Resolution of the City Council of the City of Lemon Grove, California accepting the Amendment to the Conflict of Interest Code.

Summary:

Government Code Title 9, Political Reform, Chapter 7 Conflict of Interest, Section 87306.5 requires that in each even-numbered year, the Council, as the Code reviewing body for the City departments, must review the Conflict of Interest Code, list of designated reporting positions, and the respective disclosure categories. The purpose of this review is to provide reasonable assurance that all foreseeable potential conflict of interest situations involving City employees and members of listed boards, commissions and committees, and consultants will be disclosed or prevented. State law also mandates that upon completion of the review of the Conflict of Interest Code, the Code should be amended to reflect any changes necessitated by the review, including new and/or different positions, duties and responsibilities.

Discussion:

City Conflict of Interest Code:

Staff has completed a review of Code and Appendix (Exhibits A-B) of Designated Filers and is requesting the Council adopt the proposed resolution which will amend the Conflict of Interest Code. The Appendix has been updated with the following positions which have been established or abolished since the last review in 2018.

The attached Conflict of Interest Code includes consultants as public officials and provides direction in determining if their scope of work is subject to disclosure.

These new position have been assigned the corresponding reportable categories approved by the Council at the time the positions were established due to realignment and reorganization of positions through attrition. The action was adopted by the City Council on February 5, 2019, by Resolution No. 2019-3633.

New Positions/Titles added/amended since last update:

- Administrative Services Director
- Community Services Specialist
- Community Development Manager
- Public Works Operations/Administration Manager

No changes have been made to the lists of boards, commissions, and committee members who are also subject to this Code.

Also, all reportable categories for boards, commission and committee members have been maintained as previously approved by the Council.

It should be noted that Government Code Sections 87200-87210, and 87314 (2) (a,b,c) and (3); require that City Council, Members, Planning Board Members, City Manager, City Attorney, City Treasurer and other public officials who manage public investments and candidates for any of these offices at any election comply with the provisions of the Political Reform Act relating to the filing of Statements of Economic Interests. All such positions are deemed as 87200 Designated Positions and required full disclosure

Environmental Review:

- Not subject to review
- Negative Declaration
- Categorical Exemption, Section []
- Mitigated Negative Declaration

Fiscal Impact:

There is no fiscal impact associated with this item.

Public Notification: None.

Staff Recommendation: Adopt a Resolution entitled, “A Resolution of the City Council of the City of Lemon Grove, California accepting the Amendment to the Conflict of Interest Code.

Attachment:

- Attachment A - Draft Resolution
- Exhibit A – Revised Appendix
- Exhibit B – Revised Disclosure Categories/Positions

RESOLUTION NO. 2020-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE,
CALIFORNIA, AUTHORIZING THE AMENDMENTS TO THE CITY OF LEMON
GROVE CONFLICT OF INTEREST CODE AS REQUIRED BY THE FAIR
POLITICAL PRACTICES COMMISSION (FPPC)
REPEALING RESOLUTION NO. 2018-3608**

WHEREAS, the Political Reform Act of 1974, Government Code Sections 81000, et seq., requires every governmental agency to adopt a Conflict of Interest Code that designates positions and financial interest that be disclosed by those positions; and

WHEREAS, the Fair Political Practices Commission (FPPC) has adopted a regulation, 2 California Code of Regulations Section 18730, which contains the terms of a standard Conflict of Interest Code, which can be incorporated by reference and may be amended by the FPPC after public notice and hearings to conform to amendments in the Political Reform Act;

WHEREAS, the City Council has heretofore adopted, as the Conflict of Interest Code of the City of Lemon Grove, the model conflict of interest code set forth in the California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission;

WHEREAS, the Appendix to the City Code includes Exhibit A (in which officials and employees are designated and in which disclosure categories are set forth), which may be modified by City Council from time to time, and all of which together does constitute the Conflict of Interest Code of the City of Lemon Grove.;

WHEREAS, designated employees shall file Statements of Economic Interests with the City Clerk who will make the statements available for public inspection and reproduction per Government Code Section 81008. Upon receipt of the statements of the Mayor, Councilmembers, City Manager, Finance Director/City Treasurer and the City Attorney, the City Clerk shall make and retain a copy and forward the original of these statements to the Fair Political Practices Commission. Statements for all other designated position will be retained by the City Clerk;

WHEREAS, the Conflict of Interest Code differentiates between designated positions with different powers and responsibilities and requires disclosure of all foreseeable potential Conflict of Interest.

WHEREAS, it is necessary to amend the City's Conflict of Interest Code to reflect the deletion and addition of certain City positions; and

WHEREAS, the Political Reform Act requires the City to review its Conflict of Interest Code biennially to determine if it is accurate or, alternatively that the code must be amended.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Lemon Grove, California hereby approves the attached City of Lemon Grove Conflict of Interest Code (Exhibit A).

- Section 1: That the above recitals are true and correct.
- Section 2: That the standard FPPC Conflict of Interest Code, as set forth in Title 2 California Code of Regulations Section 18730, and as may be amended from time to time by the FPPC, is incorporated by reference and constitutes the Conflict of Interest Code for the City of Lemon Grove.
- Section 3: That the list of designated positions subject to the requirements of the Conflict of Interest Code are amended, including their respective disclosure categories are set forth in Exhibit A.
- Section 4: That the City of Lemon Grove has conducted the 2018 Biennial review of its Conflict of Interest Code, as required by the Political Reform Act, and as a result of the biennial review determined the need for an amended Conflict of Interest Code as presented in this resolution.
- Section 5: That Resolution No. 2018-3608 is hereby repealed.

PASSED AND ADOPTED on _____, 2020, the City Council of the City of Lemon Grove, California, adopted Resolution No. _____, passed by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Racquel Vasquez, Mayor

Attest:

Shelley Chapel, MMC, City Clerk

Approved as to Form:

Kristen Steinke, City Attorney

REVISED APPENDIX
CITY OF LEMON GROVE
CONFLICT OF INTEREST CODE DESIGNATED POSITIONS

GENERAL PROVISIONS

When a designated employee or individual is required to disclose investments, business positions and sources of income, he or she need only disclose investments in business entities and sources of income which do business in the City, plan to do business in the City or have done business in the City within the past two (2) years. In addition to other activities, a business entity is doing business within the City if it owns real property within the City. When a designated employee or individual is required to disclose real property he or she need only disclose that which is located in whole or in part, within or not more than two (2) miles outside the boundaries of the City or within two (2) miles of any land owned or used by the City.

Designated employees or individuals shall disclose their financial interest pursuant to the appropriate disclosure category as indicated in Exhibit "A".

- All designated employees required to submit an initial Statement of Interest Form 700 shall file electronically including electronic signature with the City Clerk within thirty (30) days after the effective date of this resolution. Initial filings shall cover the period of the twelve (12) months prior to the date of the adoption of this Conflict of Interest Code.

- All individuals appointed, promoted, or transferred to a designated position shall file statements within thirty (30) days of assuming office. These "assuming office" statements cover the period of the twelve (12) months prior to the date of assuming office statement.

- When an individual is in an "interim or acting" capacity, they are subject to the same disclosure requirements of the position in which they are filling. An assuming office would be filed.

- Annual statements shall be filed with the City Clerk by April 1 of each year by all designated employees, elected officials, committee/board/commission members or individuals. Such statements shall cover the period of the preceding calendar year.

- Every designated employee who leaves office shall file, within thirty (30) days of leaving office, a statement disclosing financial interests held or received at any time during the period between the closing date of the last statement required to be filed and the date of leaving office.

- Any individual serving in dual roles may file a combined statement by reporting according to their broadest range of disclosure.

- Failure to file the required statement in a timely fashion may result in the imposition of administrative, criminal, and civil sanctions as provided in Government Code Sections 81000-91014.

Resource: Title 2, California Code of Regulations, Section 18730 Provisions of Conflict of Interest Codes.

EXHIBIT A

DISCLOSURE CATEGORIES CATEGORY

Category 1: Disclose all business entities and non-profit organizations in which investments, business positions (e.g. director, officer, partner, trustee, employee or hold any position of management) and sources of income including gifts, loans and travel payments located in Lemon Grove, including property located within a two-mile radius of any property owned or used by the City of Lemon Grove.

Category 2: All interests in real property within the jurisdiction of the City.

Category 3: All investments, business positions in business entities, non-profit organizations and sources of income, including gifts, loans and travel payments, interest in real property and sources of income subject to the regulatory, permit or licensing authority of the specific City department.

Category 4: All investments in business entities, non-profit organizations and sources of income, including gifts, loans and travel payments, and sources of income which engage in land development, construction or the acquisition of real property, and interests in real property located in Lemon Grove, including property located within a two-mile radius of any property owned or used by the City of Lemon Grove.

Category 5: All investments in business entities, non-profit organizations in which investments, business positions (e.g. director, officer, partner, trustee, employee or hold any position of management) and sources of income including gifts, loans and travel payments, and of the type which contracts with the City to provide services, supplies, materials, machinery or equipment to any City department.

Category 6: All investments in business entities and sources of income of the type which contracts with the City to provide to the designated employee's department services, supplies, materials, machinery or equipment to any City department.

Category 7: All investments, positions in business entities, income including gifts, loans and travel payments, and income from non-profit organizations, if the sources is the type that receives grants or other monies from or through the City.

Unlimited Disclosures: 87200 Category are required to file full disclosure of all categories pursuant to Article 2 of Chapter 7 of the Political Reform Act, Government Code sections 87200, et. seq. Lemon Grove Local Conflict of Interest Code August 22, 2017

CONSULTANTS

The staff person most knowledgeable of the work that a Consultant will be performing shall designate whether or not the Consultant must file a Statement of Economic Interest by marking the appropriate box on the Agreement or Contract cover sheet. When determined that a Consultant is designated and is responsible for disclosure, they shall be required to file a Statement of Economic Interest disclosing reportable interests subject to all disclosure categories.

Consultants who make (not just recommend) governmental decisions, such as whether to approve a rate, rule, or regulation, whether to issue, deny, suspend, or revoke any permit, license, application, certificate or similar authorization, adopt or grant City approval to a plan, design, report, study, or adopt or grant City approval of policies, standards, or guidelines for the City or any subdivision thereof shall be required to disclose. Consultants who act in a staff capacity with the City, and in that capacity perform the same or substantially all the same duties for the City that would otherwise be performed by an individual holding a designated position in the City's Conflict of Interest Code, shall disclose at the same level as the comparable designated position identified.

CURRENT POSITIONS	DISCLOSURE CATEGORIES 2019
Administrative Services Director	87200
Assistant City Manager	1, 2, 4
Assistant Civil Engineer	3, 4
Assistant Planner	3, 4
Associate Civil Engineer	3, 4
Associate Planner	3, 4
Associate Senior Planner	3, 4
Building Official (Esgil)	2, 3
Building Technician (Esgil)	2, 3
City Clerk	1, 2, 6
City Engineer	1, 2, 5
Code Enforcement /Storm Water Technician	2, 3
Community Advisory Commission	1
Community Development Manager	1, 2, 3, 4, 5, 7
Community Services Specialist	2, 3, 5, 6
Community Services Superintendent	2, 3, 5, 6
Consultants	1
Deputy Building Official/Inspector (Esgil)	2, 3
Deputy City Attorney	1, 2
Deputy Fire Chief	3, 4, 6
Deputy Fire Marshal	3, 4
Development Services Director	Unlimited Disclosure
Development Technician II	2, 3
Engineer Inspector	4
Engineering Technician III	4
Finance Director/Treasurer	Unlimited Disclosure
Fire Battalion Chief	1, 2, 3
Fire Chief	1, 2, 3
Fire Division Chief	2, 3, 5
Fire Inspector	3, 4, 6
Fire Marshal	1, 2, 3
Fire Public Educator	3
Human Resources Manager	3, 5, 7
Management Analyst	3, 5
Principal Planner	1, 2, 3, 4, 7
Public Works Director	1, 2, 3, 4, 6, 7
Public Works Operations/Administration Manager	2, 3, 4, 6
Public Works Superintendent	2, 3, 4, 6
Sanitation Supervisor	4
Senior Planner	1, 2, 3, 4, 7
Special Projects Supervisor	1, 2, 7
Street Supervisor	2, 4, 6

Exhibit B

UNLIMITED DISCLOSURE POSITIONS
City Attorney**
City Council**
City Manager**
Administrative Services Director/Finance Director (If City does not have Treasurer) **
Mayor**
Planning Commission**
**City Council also sit as Members of the Successor Agency of the Lemon Grove Redevelopment Agency - Includes Chair, Members, Executive Director, Counsel, Secretary
**City Council also sit as Members of the Public Finance Authority - Includes Chair, Members, Executive Director, Counsel, Secretary, and Treasurer

UNLIMITED DISCLOSURE 87200

****Statements are sent to the FPPC within 5 days of receipt**



CITY OF LEMON GROVE

CITY COUNCIL STAFF REPORT

Item No. 1.F.

Meeting Date: July 7, 2020

Submitted to: Honorable Mayor and Members of the City Council

Department: Finance

Staff Contact: Molly Brennan, Administrative Services Director
mbrennan@lemongrove.ca.gov

Item Title: **Rejection of Claim**

Recommended Action: That the City Council rejects a claim submitted by Doris Wight.

Summary: On June 1, 2020, The City of Lemon Grove received a claim from Doris Wight. After reviewing the claim, staff recommends that the City Council rejects the claim.

Environmental Review:

- Not subject to review Negative Declaration
 Categorical Exemption, Section [] Mitigated Negative Declaration

Fiscal Impact: None.

Public Notification: None.

Staff Recommendation: That the City Council rejects a claim submitted by Doris Wight.

Attachments: None.



CITY OF LEMON GROVE

CITY COUNCIL STAFF REPORT

Item No. 2

Meeting Date: July 7, 2020

Submitted to: Honorable Mayor and Members of the City Council

Department: City Manager's Office

Staff Contact: Shelley Chapel, City Clerk

Schapel@lemongrove.ca.gov

Item Title: **Presidential General Election Tuesday, November 3, 2020**

Recommended Action: Adopt: 1) Resolution Calling and Giving Notice of the General Municipal Election on Tuesday, November 3, 2020, for one (1) Mayor and two (2) Members of the City Council and Determining Tie Votes by Lot; 2) Requesting Consolidation of the General Municipal Election with the Presidential General Election and Requesting Services of the San Diego Registrar of Voters; and 3) Resolution Adopting Regulations for Candidate Statements.

If a special runoff election is desired to resolve tie votes, direct staff to return with a resolution prior to the election.

Summary:

A Presidential General Municipal Election will be held in the City of Lemon Grove on Tuesday, November 3, 2020. The purpose of the election is to elect one (1) Mayor and two (2) Members of the City Council, each for a full four-year term. The attached resolutions provide for the City Council to take required action calling the election, directing the City Clerk to publish notice of the election, and determining how tie votes are resolved, as well as requesting consolidation of the election with the Presidential General Municipal Election and requesting services of the County Registrar of Voters, and lastly to establish regulations for candidate statements.

Discussion:

Presidential General Municipal Election

The City will be holding a General Municipal Election on Tuesday, November 3, 2020, for the purpose of electing one (1) Mayor and two (2) Members of the City Council for the full

term of four years for the expiring terms of incumbents Racquel Vasquez, David Arambula and Yadira Altamirano respectively.

California Elections Code § 12101 (a) states the City Elections Official must publish a Notice of Election not earlier than the 127th day (June 29) nor later than the 113th day (July 13) before a Municipal Election including the time of the election, the offices to be filled, and the length of term of each office. The attached resolution (Attachment B) calls/notices the election and directs the City Clerk to give Notice of the Election in accordance with Federal and State law. The notice will be translated and published in the East County California (English), Filipino Press (Tagalog), El Latino Newspaper (Spanish), Nguoi Viet Today (Vietnamese) and Epoch Times (Chinese). Prior to October 24, a Notice of Nominees for Public Office will also be translated and published.

The nomination period is Monday, July 13, 2020 through Friday, August 7, 2020 at 5:00 p.m., or through Wednesday, August 12, 2020 at 5:00 p.m. if any incumbent does not file for office. See an Election Calendar at Attachment E. The polls will be open on Election Day from 7:00 a.m. to 8:00 p.m.

Tie Vote

The attached resolution (Attachment B) also includes the default for determining tie votes are resolved by lot. However, the City Council does have the option to determine tie votes for a special runoff election, but only if a resolution is adopted prior to the election.

Elections Code § 15651 (a) provides that in the event two or more persons receive an equal and the highest number of votes determined by canvass of the returns or upon a recount by a court, the election board (City Council) shall determine a tie vote by lot. The City Council would summon the candidates who have received the tie votes to appear before them at a time and place designated by them.

By lot methods are tossing a coin, drawing straws, drawing from a hat or envelope, etc.

If the City Council would prefer to hold a special runoff election in the case of tie votes, a Resolution must be adopted with such provisions prior to the election. With direction from the City Council, a Resolution will be prepared for consideration at a subsequent meeting prior to the election. A special runoff election would be costly.

Registrar of Voter Services

Elections Code § 10403 provides whenever an election called by a city for the submission of office(s) to be filled is to be consolidated with a statewide election and is to appear upon the same ballot as that provided for the statewide election, the city shall file a resolution (Attachment C) of the City Council making the request with the Board of Supervisors and Registrar of Voters. The resolution also requests authorization for San Diego County Registrar of Voters to render election services to the City in accordance with Elections Code § 10002 with related expenses to be paid by the City.

The election services include preparing and furnishing voter information pamphlets, ballots, notices, and printed matter to the registered voters in the City of Lemon Grove, supplies, election equipment and assisting the City, as well as canvassing the election returns.

The Registrar of Voters Office has estimated the cost to be between \$41,000 and \$83,000 for the November 3, 2020 City Council election. Many factors go into the cost of an election consolidated by the County including how many cities in the County participate, number of seats open, ballot measures etc., The County Registrar of Voters is still determining what the cost of the election will be with the ever changing requirements due to COVID-19, Personal Protective Equipment, Social Distancing Requirements (adding more facilities to accommodate), pre-paid postage for every ballot to be allowed to be vote-by-mail, and changes daily from both the Federal and State governments.

Candidate Statements

Elections Code § 13307 provides that the City Council adopt regulations pertaining to materials prepared by any candidate for a municipal election, including costs. The attached resolution (Attachment C) sets the candidate statement at no more than 200 words of the candidate's education and qualifications. The statement shall not include party affiliation nor membership or activity in partisan political organizations. The statement shall be typed in uniform size and darkness and with uniform spacing.

The statement is filed at the same time as the nomination paper. A deposit of \$850 will be required for the Candidate Statements, a fee that the County passes onto the City. In addition, a Candidate Statement Filing Fee of \$25 will be paid to the City of Lemon Grove as per Lemon Grove Municipal Code Section 9.08.030 Campaign statements and filing fees.

Environmental Review:

- Not subject to review Negative Declaration
 Categorical Exemption, Section [] Mitigated Negative Declaration

Fiscal Impact:

The Registrar of Voters has estimated election costs for one (1) Mayor and two (2) Members of the City Council at \$41,000 to \$83,000. The City will also incur costs of approximately \$3,200 for translation of election notices and publication. Monies were included in the FY 2020-2021 General Fund budget.

Public Notification: None.

Staff Recommendation: Adopt: 1) Resolution Calling and Giving Notice of the General Municipal Election on Tuesday, November 3, 2020, for one (1) Mayor and two (2) Members of the City Council and Determining Tie Votes by Lot; 2) Requesting Consolidation of the General Municipal Election with the Presidential General Election and Requesting Services of the San Diego Registrar of Voters; and 3) Resolution Adopting Regulations for Candidate Statements.

If a special runoff election is desired to resolve tie votes, direct staff to return with a resolution prior to the election.

Attachments:

Attachment A – Resolution Notice of Election and Determining Tie Votes

Attachment B – Resolution Requesting Consolidation and Requesting Services

Attachment C – Resolution Adopting Regulations for Candidate Statements

Attachment D – Election Calendar

RESOLUTION NO. 2020-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA, CALLING FOR THE HOLDING OF A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 3, 2020, FOR THE ELECTION OF CERTAIN OFFICERS AS REQUIRED BY THE PROVISIONS OF THE LAWS OF THE STATE OF CALIFORNIA RELATING TO GENERAL LAW CITIES AND ELECTING TO DETERMINE TIE VOTES BY LOT

WHEREAS, under the provisions of the laws relating to general law cities in the State of California, a General Municipal Election shall be held on Tuesday, November 3, 2020, for the election of one (1) Mayor and two (2) members of the City Council for the full term of four years; seats now being held by incumbents Racquel Vasquez, David Arambula and Yadira Altamirano respectively and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. That pursuant to the requirements of the laws of the State of California relating to General Law Cities, there is called and ordered to be held in the City of Lemon Grove, California, on Tuesday, November 3, 2020, a General Municipal Election for the purpose of electing one (1) Mayor and two (2) Members of the City Council for the full term of four years.

SECTION 2. That the ballots to be used at the election shall be in form and content as required by law.

SECTION 3. That the City Clerk is authorized, instructed and directed to coordinate with the San Diego County Registrar of Voters to procure and furnish any and all official ballots, notices, printed matter and all supplies, equipment and paraphernalia that may be necessary in order to properly and lawfully conduct the election.

SECTION 4. That the polls for the election shall be open at seven o'clock a.m. (7:00 a.m.) of the day of the election and shall remain open continuously from that time until eight o'clock p.m. (8:00 p.m.) of the same day when the polls shall be closed, pursuant to Election Code § 10242, except as provided in § 14401 of the Elections Code of the State of California.

SECTION 5. That in all particulars not recited in this resolution, the election shall be held and conducted as provided by law for holding municipal elections.

SECTION 6. That notice of the time and place of holding the election is given; and the City Clerk is authorized, instructed and directed to give further or additional notice of the election, in time, form and manner as required by law.

SECTION 7. That in the event of a tie vote (if any two or more persons receive an equal and the highest number of votes for an office) as certified by the Elections Official, the City Council, in accordance with Election Code § 15651(a), shall set a date and time and place and summon the candidates who have received the tie votes to appear and will determine the tie by lot.

SECTION 8. That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

PASSED AND ADOPTED on _____, 2020, the City Council of the City of Lemon Grove, California, adopted Resolution No. 2020-_____, passed by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Racquel Vasquez, Mayor

Attest:

Shelley Chapel, MMC, City Clerk

Approved as to Form:

Kristen Steinke, City Attorney

RESOLUTION NO. 2020-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA, REQUESTING THE SAN DIEGO COUNTY BOARD OF SUPERVISORS AUTHORIZE THE SAN DIEGO COUNTY REGISTRAR OF VOTERS TO CONSOLIDATE A GENERAL MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 3, 2020, WITH THE PRESIDENTIAL GENERAL ELECTION TO BE HELD ON THE DATE PURSUANT TO § 10403 OF THE ELECTIONS CODE, AND TO RENDER SPECIFIED SERVICES RELATED TO A GENERAL MUNICIPAL ELECTION IN THE CITY OF LEMON GROVE

WHEREAS, the City Council of the City of Lemon Grove called a General Municipal Election to be held on Tuesday, November 3, 2020, for the purpose of the election of one (1) Mayor and two (2) Members of the City Council; and

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

WHEREAS, in the course of conduct of the election it is necessary for the City to request services of the County; and

WHEREAS, all necessary expenses in performing these services shall be paid by the City of Lemon Grove, California;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LEMON GROVE DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. That pursuant to the requirements of § 10403 of the Elections Code, the San Diego County Board of Supervisors and the San Diego County Registrar of Voters are hereby requested to consent and agree to the consolidation of a General Municipal Election with the Presidential General Election on Tuesday, November 3, 2020, for the purpose of the election of one (1) Mayor and two (2) Members of the City Council.

SECTION 2. That the San Diego County Board of Supervisors authorize San Diego County Registrar of Voters to take any and all steps necessary for holding the consolidated election and to prepare and furnish voter information pamphlets, notices, printed matter to the registered voters in the City of Lemon Grove and make additional supplies, election equipment and assistance available to the City to properly and lawfully conduct said election, according to State law.

SECTION 3. That the San Diego County Registrar of Voters is authorized to canvass the returns of the General Municipal Election. The election shall be held in all respects as if there were only one election, and only one form of ballot shall be used. The election will be held and conducted in accordance with the provisions of law regulating the Presidential General Election.

SECTION 4. The County of San Diego shall be reimbursed in full for the services performed by the Registrar of Voters for the City of Lemon Grove upon presentation of a bill therefor, and this City agrees to indemnify and save free and harmless the County, its officers, agents and employees from expense or liability, including reasonable attorneys' fees, as a result of an election contest arising after conduct of this election.

SECTION 5. That the City Clerk is hereby directed to file a certified copy of this Resolution with the San Diego County Board of Supervisors and the San Diego County Registrar of Voters.

SECTION 6. That the City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED on _____, 2020, the City Council of the City of Lemon Grove, California, adopted Resolution No. _____, passed by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Racquel Vasquez, Mayor

Attest:

Shelley Chapel, MMC, City Clerk

Approved as to Form:

Kristen Steinke, City Attorney

RESOLUTION NO. 2020-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE,
CALIFORNIA, ADOPTING REGULATIONS FOR CANDIDATES FOR
ELECTIVE OFFICE PERTAINING TO CANDIDATES STATEMENTS
SUBMITTED TO THE VOTERS AT AN ELECTION TO BE HELD ON
TUESDAY, NOVEMBER 3, 2020**

WHEREAS, §13307 of the Elections Code of the State of California provides that the governing body of any local agency adopt regulations pertaining to materials prepared by any candidate for a municipal election, including costs of the candidates statement;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA, DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. GENERAL PROVISIONS. That pursuant to §13307 of the Elections Code of the State of California, each candidate for elective office to be voted for at an Election to be held in the City of Lemon Grove, California on November 3, 2020 may prepare a candidate's statement on an appropriate form provided by the City Clerk.

The statement may include the name, age and occupation of the candidate and a brief description of no more than 200 words of the candidate's education and qualifications expressed by the candidate himself or herself. The statement shall not include party affiliation of the candidate, nor membership or activity in partisan political organizations. The statement shall be filed in typewritten form in the office of the City Clerk at the time the candidate's nomination papers are filed. The statement may be withdrawn, but not changed, during the period for filing nomination papers and until 5:00 p.m. of the next working day after the close of the nomination period.

SECTION 2. FOREIGN LANGUAGE POLICY.

A. Pursuant to the Federal Voting Rights Act, candidate statements will be translated into all languages required by the County of San Diego. The County is required to translate candidate's statements into the following languages: Spanish, Chinese, Tagalog (Filipino), and Vietnamese.

B. The County will mail separate voter information guides and candidates statements in Spanish, Chinese, Tagalog (Filipino), and Vietnamese to only those voters who are on the county voter file as having requested a voter information guide in a particular language. The County will make the voter information guides and candidates statements in the required languages available at all polling places, on the County's website, and in the Election Official's office.

SECTION 3. PAYMENT.

A. Translations:

1. The candidate shall be required to pay for the cost of translating the candidates statement into any required foreign language as specified in (A) of Section 2 above pursuant to Federal and/or State law.

B. Printing:

1. The candidate shall be required to pay for the cost of printing the candidate statement in English in the main voter pamphlet.

2. The candidate shall be required to pay for the cost of printing the candidates statement in a foreign language required in (A) of Section 2 above, in the main voter pamphlet.

3. The candidate shall be required to pay for the cost of printing the candidate statement in a foreign language requested by the candidate per (B) of Section 2 above, in the main voter pamphlet.

San Diego County Registrar of Voters has estimated the total cost of printing, handling, translating, and mailing the candidate's statements filed pursuant to this section, including costs incurred as a result of complying with the Voting Rights Act of 1965 (as amended), and require each candidate filing a statement to pay in advance to the local agency his or her estimated pro rata share as a condition of having his or her statement included in the voter's pamphlet. This amount is estimated to be \$850 and is payable upon filing of nomination papers. The estimate is just an approximation of the actual cost that varies from one election to another election and may be significantly more or less than the estimate, depending on the actual number of candidates filing statements. Accordingly, the clerk is not bound by the estimate and may, on a pro rata basis, bill the candidate for additional actual expense or refund any excess paid depending on the final actual cost. In the event of underpayment, the clerk may require the candidate to pay the balance of the cost incurred. In the event of overpayment, the clerk shall prorate the excess amount among the candidates and refund the excess amount paid within 30 days of the election or once final bill has been received from the County Registrar.

SECTION 4. MISCELLANEOUS.

A) All translations shall be provided by professionally-certified translators.

B) The City Clerk shall comply with all recommendations and standards set forth by San Diego County Registrar of Voters based on strict interpretation of §13307 of the Elections Code, which requires Candidate Statements printed in type of uniform size and darkness, and with uniform spacing. Candidate Statements are to be typed, single spaced, and in block paragraphs. The following WILL NOT be permitted: Stars, bullets, graphics, *Italics*, **Bold**, ALL CAPITAL LETTERS, underline or tables, extra exclamation points, multiple punctuation or lists.

SECTION 5. ADDITIONAL MATERIALS. No candidate will be permitted to include additional materials in the voter information guide.

SECTION 6. That the City Clerk shall provide each candidate or the candidate's representative a copy of this Resolution at the time nominating petitions are issued.

SECTION 7. That all previous resolutions establishing council policy on payment for candidate statements are repealed.

SECTION 8. That this resolution shall apply only to the election to be held on November 3, 2020 and shall then be repealed.

SECTION 9. That the City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED on _____, 2020, the City Council of the City of Lemon Grove, California, adopted Resolution No. 2020-_____, passed by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Racquel Vasquez, Mayor

Attest:

Shelley Chapel, MMC, City Clerk

Approved as to Form:

Kristen Steinke, City Attorney

PRESIDENTIAL STATEWIDE MUNICIPAL ELECTION

NOVEMBER 3, 2020

DATE	DESCRIPTION	ELECTION CODE JUSTIFICATION
June 8, 2020	Governor Proclaims General Election	
July 13-Aug 7 (E113 – E88)	Nomination Period 1. Candidate Statement 2. Public Notice – Notice of Election (all 5 languages)	EC 10510, 10220, 10224, 10407, 10603, 13307, 12101 G.C. 6061
July 31	Semi-Annual Filing (Form 460/470)	
Aug 7 (E88)	Candidate Withdrawal	EC 10224
Aug 8 – Aug 12 (E87 – E83)	Nomination Extension Period (If incumbent doesn't file)	EC 10225
Aug 8 – Aug 17 (E87 – E78)	Public Exam Period	EC 13313, 13314
Aug 13 (E82)	Randomized Alpha Drawing	G.C. 13112
Sept 24 – Oct 24 (E40 – E10)	Sample Ballot – Books Mailed	EC 13303
Sept 24 (E40)	Campaign Disclosure – 1 st Pre-Election Deadline	Candidate must file Form 460 or 470
Oct 19 (E15)	Last Day to Register to Vote	
Oct 22 (E12)	Campaign Disclosure – 2 nd Pre-Election Deadline	All Committee's must file Form 460
Oct 31 thru Nov 2 (E3-1)	Early Voting	
Nov 3 E0	ELECTION DAY!	
Dec 3 E+30 (30 working days)	Completion of Official Canvass – Provide Clerk Certification	EC 10263, 10264
Dec 15 E+ 30 +(Next Regular Meeting)	City Clerk (Elections Official) Certifies the Election at City Council Meeting	EC 10265



CITY OF LEMON GROVE

CITY COUNCIL STAFF REPORT

Item No. 3

Meeting Date: July 7, 2020

Submitted to: Honorable Mayor and Members of the City Council

Department: Public Works Department

Staff Contact: Mike James, Assistant City Manager / Public Works Director

mjames@lemongrove.ca.gov

Item Title: **Award a Professional Services Agreement for Engineering Services to Chen Ryan Associates, Incorporated**

Recommended Action: That the City Council adopts a resolution awarding a professional services agreement for engineering services to Chen Ryan Associates, Incorporated.

Summary: Chen Ryan Associates, Incorporated (Chen Ryan) is an engineering firm based out of San Diego that specializes in grant writing, collision analysis and vision zero, transportation planning, traffic operations and studies, active transportation, and civil and traffic engineering design. In September 2019, City staff entered into an agreement with Chen Ryan to write two grant applications for the Phase 3 of the Connect Main Street Project to the California Natural Resources Agency (CNRA) in exchange for \$200. If the grant application was successful Chen Ryan would continue its work by completing the design of the project and preparing construction bid documents. Prior to the City's award of the CNRA grant, it received a second grant (Smart Growth Incentive Program – SGIP) from San Diego Association of Governments (SANDAG) to complete the final design and construction of Phase 1 and 2 of the Connect Main Street Project.

Staff is recommending that Chen Ryan is selected to perform all final design and construction document preparation for Phases 1-3. The remaining portion of this staff report will provide additional information about Chen Ryan, outline why a direct award of an engineering agreement is warranted, describe both grant program amounts, and conclude with a summary of the scope of work that Chen Ryan will perform for the City if an agreement is awarded.

Discussion: Chen Ryan Associates, Incorporated (Chen Ryan) is an engineering firm based out of San Diego and Los Angeles that specializes in grant writing, collision analysis

and vision zero, transportation planning, traffic operations and studies, active transportation, and civil and traffic engineering design. There are an estimated 30 employees in the San Diego office and the office has worked with many cities in San Diego County on various engineering services/studies.

Over the past seven years, Chen Ryan has quickly shown the exclusive ability to serve various cities in multiple capacities by achieving over a 70 percent grant application success rate with more than 45 grants funded. City staff began working with the project manager from Chen Ryan in 2011 with grant applications and engineering design on various Public Works related projects. In September 2019, Chen Ryan partnered with the City to prepare two grant applications for the Connect Main Street Project – Phase 3 from the California Natural Resources Agency for the Recreational Trails and Greenways Grant and the Green Infrastructure Grant. The City’s application was recently funded up to \$1.4 million to complete the final design and construct the project through the Green Infrastructure Grant program.

Professional Services Agreement Direct Award to Chen Ryan: Lemon Grove Municipal Code 3.24.070 Professional Services states in part, “The purchasing officer may waive the requirements for solicitation of multiple proposals if only one individual or firm can provide the professional services.” As detailed above, Chen Ryan and its staff are extremely familiar with the City Council’s intent when it approved the 30 percent design update as well as amending the General Plan approving the Connect Main Street Project. It also brings a very strong project knowledge that is not readily available from any other consultant. Lastly, if it were not for Chen Ryan working with the City to complete the CNRA grant application, staff is confident the City would not have been able to apply and receive the \$1.4 million grant for Phase 3.

Staff considered the following benefits and drawbacks to award a professional services agreement to design Phases 1-3 of Connect Main Street to Chen Ryan.

Benefits:

- ✓ Chen Ryan is uniquely, very familiar with the City’s plan for Connect Main Street.
- ✓ Chen Ryan assisted City staff to host CNRA grant award team during the selection process.
- ✓ The project manager has had a positive working experience with City staff for nearly 10 years.
- ✓ The company brings a tremendous amount of grant application experience in addition to being able to successfully perform the design work on awarded projects.
- ✓ Streamlines the advertisement, selection and award process if a request for proposals is not publicized.

Drawbacks:

- Will not publicly advertise a request for proposals for all potential respondents to consider.
- Unknown if the design cost is the lowest amount available.

When looking at all of the experiences that Chen Ryan’s staff has with the City, in addition to the its current efforts to apply and receive a grant for the City, staff recommends that the City Council support the purchasing officer’s decision to waive the solicitation of multiple proposals and move forward with approving a professional services agreement with Chen Ryan.

Grant Summaries: As previously mentioned, there are two grant funded projects that staff recommends Chen Ryan prepare the final plans, specifications, and estimates for the Connect Main Street Project Phases 1 - 3. The two grant funds and information about each one are listed in the tables below:

Connect Main Street Project Phases 1-2

TransNet Smart Growth Incentive Program – Capital

Awarded in October 2018 – Deadline to expend funds expires 42 months after the agreement is signed.

Description	Amount	Percentage of Total
Collect Baseline Data	\$5,000.00	0.2%
Planning, Design & Permitting	\$359,000.00	14.3%
Construction	\$2,137,000.00	85.5%
TOTAL	\$2,501,000.00	

Connect Main Street Project Phase 3

California Natural Resources Agency – Green Infrastructure Grant Program

Awarded in March 2020 – Deadline to expend funds is March 2022

Description	Amount	Percentage of Total
Planning, Design & Permitting	\$291,879.50	19.8%
Construction	\$1,178,875.50	80.2%
TOTAL	\$1,470,755.00	

The proposals from Chen Ryan are anticipated not exceed 15.7% of the total grant funds or \$624,019.00. Generally, staff has observed design costs ranging from 10 to 20% of the total project cost, so the total design amount is within a reasonable percentage of total grant dollars.

All design and construction costs are fully funded by each grant. By consolidating the design and construction timelines, the two separate grants will achieve an economies of scale, streamline the design/construction timeline, and create one point of contact for each phase of both projects that will eliminate any questions of responsibility because it will be one consultant designing all three phases.

Scope of Work: Chen Ryan provided a scope of work for both separate grant funded projects (Phase 1 and 2 and Phase 3) to provide a professional level of design services to bring 30% design services through to 100%. That also includes the creation of the construction bid documents for each construction project. Some additional key points from the proposals include:

- Full survey, utility location and geotechnical analysis,
- Create of 100% construction plans,
- Preparation of the technical specifications and the final plans, specifications and estimate submittal, and
- As needed meetings with City staff to review progress and deadline submittals.

The scope of work was reviewed by the Contract City Engineer and approved as presented. As a point of clarity, Chen Ryan's final design estimate equals \$624,019 when the total grant award for design between both grant funds equals \$650,879.50. The difference of \$26,860.50 (Phase 1 and 2 \$10,128.00 and Phase 3 \$16,732.50) is an amount that staff recommends that the City Council set a contingency for unforeseen circumstances that may be encountered during the projects design phase.

Evaluation of the Partnership with Chen Ryan: The City is in a timely position as it considers the best course of action while managing the design and construction of three phases of the Connect Main Street Project with a total value of \$3.9 million. When considering the overall benefits and drawbacks of a single design consultant, staff believes that the benefits outweigh the drawbacks and is in the best interest of the City.

In closing, staff is operating in a very lean capacity and additional contract services are needed to seek, apply for, and provide the services if/when approved. Based on past experiences, City staff has and continues to receive sound, professional level of service from Chen Ryan and believes this high level of work will continue if an agreement is awarded by City Council.

Staff recommends that the partnership with Chen Ryan is warranted and recommends that the City Council forego the public solicitation to request proposals for professional engineering services and award an agreement to Chen Ryan.

Environmental Review:

- Not subject to review Negative Declaration
 Categorical Exemption, Section Mitigated Negative Declaration

Fiscal Impact: The grant funds were programmed as a part of the Fiscal Year 2020-2021 Consolidated Budget. This agenda item does not have any fiscal changes to the adopted budget.

Public Notification: None.

Staff Recommendation: That the City Council adopts resolution entitled, “Resolution of the City Council of the City of Lemon Grove, California, Awarding a Professional Services Agreement for Engineering Services to Chen Ryan Associates, Incorporated.”

Attachment:

Attachment A – Resolution

RESOLUTION NO. 2020 -

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE,
CALIFORNIA, AWARDED A PROFESSIONAL SERVICES AGREEMENT
FOR ENGINEERING SERVICES TO CHEN RYAN ASSOCIATES,
INCORPORATED**

WHEREAS, in 2016, the City Council created a new special treatment area (STA IX) for the Main Street Promenade Extension Project (Connect Main Street Project); and

WHEREAS, with the creation of STA IX, the City Council directed staff to seek and apply for grant funds that will enable the completion of the final design and construction of the entire Connect Main Street Project; and

WHEREAS, the City applied for and received two grants, the TransNet Smart Growth Incentive Program – Capital in October 2018 and the California Natural Resources Agency – Green Infrastructure Grant Program in March 2020 for a total amount of \$3,971,755.00, to complete the design and construction for Phases 1 – 3 of the Connect Main Street Project; and

WHEREAS, Chen Ryan Associates, Incorporated (Chen Ryan) partnered with the City to apply for the Green Infrastructure Grant Program, and if awarded the grant Chen Ryan would also complete the design and prepare the construction documents for Phase 3 of the Connect Main Street Project; and

WHEREAS, Chen Ryan is a professional engineering company that has extensive experience designing similar projects to the Connect Main Street Project as well as a local dedicated project team that has experience working in the City and with current City staff; and

WHEREAS, the City of Lemon Grove’s Municipal Code 3.24.070 allows a waiver of ... ”the requirements for solicitation of multiple proposals if only one individual or firm can provide the professional services.” Chen Ryan has demonstrated a unique and unmatched source of project knowledge regarding the Connect Main Street Project; and

WHEREAS, the timing of award of both grants is timely and creates a unique situation where the City may direct one contractor to design both projects at the same time; and

WHEREAS, the City Council finds it in the public interest, and of the most benefit, that a professional services agreement with Chen Ryan Associates, Incorporated is established to design Phases 1 through 3 of the Connect Main Street Project

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lemon Grove, California, hereby:

1. Approves a professional service agree (*Exhibit 1*) with Chen Ryan Associates, Incorporated to provide engineering service; and
2. Establishes a total project budget not to exceed six hundred fifty thousand and eight hundred seventy-nine dollars and fifty centers (\$650,879.50); and
3. Authorizes the City Manager or designee to manage all agreement documentation.

PASSED AND ADOPTED on _____, 2020, the City Council of the City of Lemon Grove, California, adopted Resolution No. _____, passed by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Racquel Vasquez, Mayor

Attest:

Shelley Chapel, MMC, City Clerk

Approved as to Form:

Kristen Steinke, City Attorney

**AGREEMENT
BY AND BETWEEN
THE CITY OF LEMON GROVE
AND
CONTRACTOR**

THIS AGREEMENT is approved and effective upon the date of the last signature, by and between the CITY OF LEMON GROVE, a municipal corporation (the "CITY"), and Chen Ryan Associates, Incorporated, a professional engineering services company (the "CONTRACTOR").

RECITALS

WHEREAS, the CITY desires to employ a CONTRACTOR to provide engineering services and support for the Connect Main Street Project Phases 1-2 and 3.

WHEREAS, the CITY has determined that the CONTRACTOR is a professional engineering consulting firm and is qualified by experience and ability to perform the services desired by the CITY, and the CONTRACTOR is willing to perform such services.

NOW, THEREFORE, THE PARTIES HERETO DO MUTUALLY AGREE AS FOLLOWS:

1. **ENGAGEMENT OF CONTRACTOR.** The CITY hereby agrees to engage the CONTRACTOR and the CONTRACTOR hereby agrees to perform the services hereinafter set forth in accordance with all terms and conditions contained herein.

The CONTRACTOR represents that all services required hereunder will be performed directly by the CONTRACTOR or under direct supervision of the CONTRACTOR.

2. **SCOPE OF SERVICES.** The CONTRACTOR will perform services as set forth in Exhibit "A" (Attached).

The CITY may unilaterally, or upon request from the CONTRACTOR, from time to time reduce or increase the Scope of Services to be performed by the CONTRACTOR under this Agreement. Upon doing so, the CITY and the CONTRACTOR agree to meet in good faith and confer for the purpose of negotiating a corresponding reduction or increase in the compensation associated with said change in services.

3. **PROJECT COORDINATION AND SUPERVISION.**

The Assistant City Manager (or designee) hereby is designated as the Project Coordinator for the CITY and will monitor the progress and execution of this Agreement. The CONTRACTOR shall assign a single Project Director to provide supervision and have overall responsibility for the progress and execution of this Agreement for the CONTRACTOR. Matt Capuzzi is designated as the Project Director for the CONTRACTOR.

4. **COMPENSATION AND PAYMENT.** The compensation for the CONTRACTOR shall be based on monthly billings covering actual work performed. Billings shall include labor classifications, respective rates, hours worked and also materials, if any. The total cost for all work described in Exhibit "A" equals six hundred twenty-four thousand ninety dollars and zero cents (\$624,019.00) with an additional contingency set aside of twenty-six thousand eight hundred sixty dollars and fifty centers (\$26,860.50). The total compensation for the CONTRACTOR will not exceed six hundred fifty thousand and eight hundred seventy-nine dollars and fifty centers (\$650,879.50) without prior written authorization from the City Council. Monthly invoices will be processed for payment and remitted within thirty (30) days from receipt of invoice, provided that work is accomplished consistent with Exhibit "A" as determined by and in the sole discretion of the CITY.

The CONTRACTOR shall maintain all books, documents, papers, employee time sheets, accounting records, and other evidence pertaining to costs incurred and shall make such materials available at its office at all reasonable times during the term of this Agreement and for three (3) years from the date of final payment under this Agreement, for inspection by the CITY and for furnishing of copies to the CITY, if requested.

5. **LENGTH OF AGREEMENT.** This agreement will expire one year from the effective date.

6. **DISPOSITION AND OWNERSHIP OF DOCUMENTS.** The Memoranda, Reports, Maps, Drawings, Plans, Specifications and other documents prepared by the CONTRACTOR for this Project, whether paper or electronic, shall become the property of the CITY for use with respect to this Project, and shall be turned over to the CITY upon completion of the Project, or any phase thereof, as contemplated by this Agreement.

Contemporaneously with the transfer of documents, the CONTRACTOR hereby assigns to the CITY and CONTRACTOR thereby expressly waives and disclaims, any copyright in, and the right to reproduce, all written material, drawings, plans, specifications or other work prepared under this agreement, except upon the CITY's prior authorization regarding reproduction, which authorization shall not be

unreasonably withheld. The CONTRACTOR shall, upon request of the CITY, execute any further document(s) necessary to further effectuate this waiver and disclaimer.

The CONTRACTOR agrees that the CITY may use, reuse, alter, reproduce, modify, assign, transfer, or in any other way, medium or method utilize the CONTRACTOR's written work product for the CITY's purposes, and the CONTRACTOR expressly waives and disclaims any residual rights granted to it by Civil Code Sections 980 through 989 relating to intellectual property and artistic works.

Any modification or reuse by the CITY of documents, drawings or specifications prepared by the CONTRACTOR shall relieve the CONTRACTOR from liability under Section 14 but only with respect to the effect of the modification or reuse by the CITY, or for any liability to the CITY should the documents be used by the CITY for some project other than what was expressly agreed upon within the Scope of this project, unless otherwise mutually agreed.

7. **INDEPENDENT CONTRACTOR.** Both parties hereto in the performance of this Agreement will be acting in an independent capacity and not as agents, employees, partners or joint venturers with one another. Neither the CONTRACTOR nor the CONTRACTOR'S employees are employees of the CITY and are not entitled to any of the rights, benefits, or privileges of the CITY's employees, including but not limited to retirement, medical, unemployment, or workers' compensation insurance.

This Agreement contemplates the personal services of the CONTRACTOR and the CONTRACTOR's employees, and it is recognized by the parties that a substantial inducement to the CITY for entering into this Agreement was, and is, the professional reputation and competence of the CONTRACTOR and its employees. Neither this Agreement nor any interest herein may be assigned by the CONTRACTOR without the prior written consent of the CITY. Nothing herein contained is intended to prevent the CONTRACTOR from employing or hiring as many employees, or subcontractors, as the CONTRACTOR may deem necessary for the proper and efficient performance of this Agreement. All agreements by CONTRACTOR with its subcontractor(s) shall require the subcontractor to adhere to the applicable terms of this Agreement.

8. **CONTROL.** Neither the CITY nor its officers, agents or employees shall have any control over the conduct of the CONTRACTOR or any of the CONTRACTOR's employees except as herein set forth, and the CONTRACTOR expressly agrees not to represent that the CONTRACTOR or the CONTRACTOR's agents, servants, or employees are in any manner agents, servants or employees of the CITY, it being understood that the CONTRACTOR, its agents, servants, and employees are as to the CITY wholly independent contractors and that the CONTRACTOR's obligations to the CITY are solely such as are prescribed by this Agreement.

9. **COMPLIANCE WITH APPLICABLE LAW.** The CONTRACTOR, in the performance of the services to be provided herein, shall comply with all applicable State and Federal statutes and regulations, and all applicable ordinances, rules and regulations of the CITY OF LEMON GROVE, whether now in force or subsequently enacted. The CONTRACTOR, and each of its subcontractors, shall obtain and maintain a current CITY OF LEMON GROVE business license prior to and during performance of any work pursuant to this Agreement.

10. **LICENSES, PERMITS, ETC.** The CONTRACTOR represents and covenants that it has all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice its profession. The CONTRACTOR represents and covenants that the CONTRACTOR shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement, any license, permit, or approval which is legally required for the CONTRACTOR to practice its profession.

11. **STANDARD OF CARE.**

A. The CONTRACTOR, in performing any services under this Agreement, shall perform in a manner consistent with that level of care and skill ordinarily exercised by members of the CONTRACTOR'S trade or profession currently practicing under similar conditions and in similar locations. The CONTRACTOR shall take all special precautions necessary to protect the CONTRACTOR's employees and members of the public from risk of harm arising out of the nature of the work and/or the conditions of the work site.

B. Unless disclosed in writing prior to the date of this agreement, the CONTRACTOR warrants to the CITY that it is not now, nor has it for the five (5) years preceding, been debarred by a governmental agency or involved in debarment, arbitration or litigation proceedings concerning the CONTRACTOR's professional performance or the furnishing of materials or services relating thereto.

C. The CONTRACTOR is responsible for identifying any unique products, treatments, processes or materials whose availability is critical to the success of the project the CONTRACTOR has been retained to perform, within the time requirements of the CITY, or, when no time is specified, then within a commercially reasonable time. Accordingly, unless the CONTRACTOR has notified the CITY otherwise, the CONTRACTOR warrants that all products, materials, processes or treatments identified in the project documents prepared for the CITY are reasonably commercially available. Any failure by the CONTRACTOR to use due diligence under this sub-paragraph will render the CONTRACTOR liable to the CITY for any increased costs that result from the CITY's later inability to obtain the specified items or any reasonable substitute within a price range that allows for project completion in the time frame specified or, when not specified, then within a commercially reasonable time.

12. **NON-DISCRIMINATION PROVISIONS.** The CONTRACTOR shall not discriminate against any employee or applicant for employment because of age, race, color, ancestry, religion, sex, sexual orientation, marital status, national origin,

physical handicap, or medical condition. The CONTRACTOR will take positive action to insure that applicants are employed without regard to their age, race, color, ancestry, religion, sex, sexual orientation, marital status, national origin, physical handicap, or medical condition. Such action shall include but not be limited to the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The CONTRACTOR agrees to post in conspicuous places available to employees and applicants for employment any notices provided by the CITY setting forth the provisions of this non-discrimination clause.

13. **CONFIDENTIAL INFORMATION.** The CITY may from time to time communicate to the CONTRACTOR certain confidential information to enable the CONTRACTOR to effectively perform the services to be provided herein. The CONTRACTOR shall treat all such information as confidential and shall not disclose any part thereof without the prior written consent of the CITY. The CONTRACTOR shall limit the use and circulation of such information, even within its own organization, to the extent necessary to perform the services to be provided herein. The foregoing obligation of this Section 13, however, shall not apply to any part of the information that (i) has been disclosed in publicly available sources of information; (ii) is, through no fault of the CONTRACTOR, hereafter disclosed in publicly available sources of information; (iii) is already in the possession of the CONTRACTOR without any obligation of confidentiality; (iv) has been or is hereafter rightfully disclosed to the CONTRACTOR by a third party, but only to the extent that the use or disclosure thereof has been or is rightfully authorized by that third party; or (v) is disclosed according to law or court order.

The CONTRACTOR shall not disclose any reports, recommendations, conclusions or other results of the services or the existence of the subject matter of this Agreement without the prior written consent of the CITY. In its performance hereunder, the CONTRACTOR shall comply with all legal obligations it may now or hereafter have respecting the information or other property of any other person, firm or corporation.

CONTRACTOR shall be liable to CITY for any damages caused by breach of this condition, pursuant to the provisions of Section 14.

14. **INDEMNIFICATION AND HOLD HARMLESS.** The CONTRACTOR shall indemnify, defend, and hold harmless the CITY, and its officers, officials, agents and employees from any and all claims, demands, costs or liability that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of CONSULTANT, its employees, agents, and subcontractors in the performance of services under this Agreement. CONTRACTOR's duty to indemnify under this section shall not include liability for damages for death or bodily injury to persons, injury to property, or other loss, damage or expense arising from the sole negligence or willful misconduct by the CITY or its elected officials, officers, agents, and employees. CONTRACTOR's indemnification obligations shall not be limited by the insurance provisions of this Agreement. The CITY AND CONTRACTOR expressly agree that any

payment, attorney's fees, costs or expense CITY incurs or makes to or on behalf of an injured employee under the CITY 's self-administered workers' compensation is included as a loss, expense, or cost for the purposes of this section, and that this section will survive the expiration or early termination of this Agreement.

15. **WORKERS' COMPENSATION.** The CONTRACTOR shall comply with all of the provisions of the Workers' Compensation Insurance and Safety Acts of the State of California, the applicable provisions of Division 4 and 5 of the California Government Code and all amendments thereto; and all similar state or Federal acts or laws applicable; and shall indemnify, and hold harmless the CITY and its officers, and employees from and against all claims, demands, payments, suits, actions, proceedings and judgments of every nature and description, including reasonable attorney's fees and defense costs presented, brought or recovered against the CITY or its officers, employees, or volunteers, for or on account of any liability under any of said acts which may be incurred by reason of any work to be performed by the CONTRACTOR under this Agreement.

16. **INSURANCE.** The CONTRACTOR, at its sole cost and expense, shall purchase and maintain, and shall require its subcontractors, when applicable, to purchase and maintain throughout the term of this agreement, the following insurance policies:

A. If checked, Professional Liability Insurance (errors and omissions) with minimum limits of \$1,000,000 per occurrence.

B. Automobile insurance covering all bodily injury and property damage incurred during the performance of this Agreement, with a minimum coverage of \$1,000,000 combined single limit per accident. Such automobile insurance shall include non-owned vehicles.

C. Comprehensive general liability insurance, with minimum limits of \$1,000,000 combined single limit per occurrence, covering all bodily injury and property damage arising out of its operation under this Agreement.

D. Workers' compensation insurance covering all of CONTRACTOR's employees.

E. The aforesaid policies shall constitute primary insurance as to the CITY, its officers, employees, and volunteers, so that any other policies held by the CITY shall not contribute to any loss under said insurance. Said policies shall provide for thirty (30) days prior written notice to the CITY of cancellation or material change.

F. Said policies, except for the professional liability and worker's compensation policies, shall name the CITY and its officers, agents and employees as additional insureds.

G. If required insurance coverage is provided on a "claims made" rather than "occurrence" form, the CONTRACTOR shall maintain such insurance coverage for three years after expiration of the term (and any extensions) of this Agreement.

H. Any aggregate insurance limits must apply solely to this Agreement.

I. Insurance shall be written with only California admitted companies which hold a current policy holder's alphabetic and financial size category rating of not less than A VIII according to the current Best's Key Rating Guide, or a company equal financial stability that is approved by the CITY.

J. This Agreement shall not take effect until certificate(s) or other sufficient proof that these insurance provisions have been complied with, are filed with and approved by the CITY. If the CONTRACTOR does not keep all of such insurance policies in full force and effect at all times during the terms of this Agreement, the CITY may elect to treat the failure to maintain the requisite insurance as a breach of this Agreement and terminate the Agreement as provided herein.

17. **LEGAL FEES.** If any party brings a suit or action against the other party arising from any breach of any of the covenants or agreements or any inaccuracies in any of the representations and warranties on the part of the other party arising out of this Agreement, then in that event, the prevailing party in such action or dispute, whether by final judgment or out-of-court settlement, shall be entitled to have and recover of and from the other party all reasonable costs and expenses of suit, including reasonable attorneys' fees.

For purposes of determining who is to be considered the prevailing party, it is stipulated that attorney's fees incurred in the prosecution or defense of the action or suit shall not be considered in determining the amount of the judgment or award. Attorney's fees to the prevailing party if other than the CITY shall, in addition, be limited to the amount of attorney's fees incurred by the CITY in its prosecution or defense of the action, irrespective of the actual amount of attorney's fees incurred by the prevailing party.

18. **MEDIATION/ARBITRATION.** If a dispute arises out of or relates to this Agreement, or the breach thereof, the parties agree first to try, in good faith, to settle the dispute by mutual negotiation between the principles, and failing that through nonbinding mediation in San Diego, California, in accordance with the Commercial Mediation Rules of the American Arbitration Association (the "AAA"). The costs of mediation shall be borne equally by the parties.

19. **TERMINATION.** A. This Agreement may be terminated with or without cause by the CITY. Termination without cause shall be effective only upon 30-day's written notice to the CONTRACTOR. During said 30-day period the

CONTRACTOR shall perform all services in accordance with this Agreement. The Contractor may terminate this agreement upon thirty (30) days prior notice in the event of a continuing and material breach by the City of its obligations under this Agreement including but not limited to payment of invoices.

B. This Agreement may also be terminated immediately by the CITY for cause in the event of a material breach of this Agreement that is not cured to the City's satisfaction within a ten (10) day prior cure period, or material misrepresentation by the CONTRACTOR in connection with the formation of this Agreement or the performance of services, or the failure to perform services as directed by the CITY.

C. Termination with or without cause shall be effected by delivery of written Notice of Termination to the CONTRACTOR as provided for herein.

D. In the event of termination, all finished or unfinished Memoranda Reports, Maps, Drawings, Plans, Specifications and other documents prepared by the CONTRACTOR, whether paper or electronic, shall immediately become the property of and be delivered to the CITY, and the CONTRACTOR shall be entitled to receive just and equitable compensation for any work satisfactorily completed on such documents and other materials up to the effective date of the Notice of Termination, not to exceed the amounts payable hereunder, and less any damages caused the CITY by the CONTRACTOR's breach, if any. Thereafter, ownership of said written material shall vest in the CITY all rights set forth in Section 6.

E. The CITY further reserves the right to immediately terminate this Agreement upon: (1) the filing of a petition in bankruptcy affecting the CONTRACTOR; (2) a reorganization of the CONTRACTOR for the benefit of creditors; or (3) a business reorganization, change in business name or change in business status of the CONTRACTOR.

20. **NOTICES.** All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered; or sent by overnight mail (Federal Express or the like); or sent by registered or certified mail, postage prepaid, return receipt requested; or sent by ordinary mail, postage prepaid; or telegraphed or cabled; or delivered or sent by telex, telecopy, facsimile or fax; and shall be deemed received upon the earlier of (i) if personally delivered, the date of delivery to the address of the person to receive such notice, (ii) if sent by overnight mail, the business day following its deposit in such overnight mail facility, (iii) if mailed by registered, certified or ordinary mail, five (5) days (ten (10) days if the address is outside the State of California) after the date of deposit in a post office, mailbox, mail chute, or other like facility regularly maintained by the United States Postal Service, (iv) if given by telegraph or cable, when delivered to the telegraph company with charges prepaid, or (v) if given by telex, telecopy, facsimile or fax, when sent. Any notice, request, demand, direction or other communication delivered or sent as specified above shall be directed to the following persons:

To the CITY: Lydia Romero, City Manager

CITY OF LEMON GROVE
3232 Main Street
Lemon Grove, CA 91945-1701

To the CONTRACTOR: (NAME / TITLE)
Chen Ryan Associates, Incorporated

Notice of change of address shall be given by written notice in the manner specified in this Section. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to constitute receipt of the notice, demand, request or communication sent. Any notice, request, demand, direction or other communication sent by cable, telex, telecopy, facsimile or fax must be confirmed within forty-eight (48) hours by letter mailed or delivered as specified in this Section.

21. **CONFLICT OF INTEREST AND POLITICAL REFORM ACT OBLIGATIONS.** During the term of this Agreement, the CONTRACTOR shall not perform services of any kind for any person or entity whose interests conflict in any way with those of the CITY OF LEMON GROVE. The CONTRACTOR also agrees not to specify any product, treatment, process or material for the project in which the CONTRACTOR has a material financial interest, either direct or indirect, without first notifying the CITY of that fact. The CONTRACTOR shall at all times comply with the terms of the Political Reform Act and the Lemon Grove Conflict of Interest Code. The CONTRACTOR shall immediately disqualify itself and shall not use its official position to influence in any way any matter coming before the CITY in which the CONTRACTOR has a financial interest as defined in Government Code Section 87103. The CONTRACTOR represents that it has no knowledge of any financial interests that would require it to disqualify itself from any matter on which it might perform services for the CITY.

If checked, the CONTRACTOR shall comply with all of the reporting requirements of the Political Reform Act and the CITY OF LEMON GROVE Conflict of Interest Code. Specifically, the CONTRACTOR shall:

1. Go to www.fppc.ca.gov
2. Download the Form 700: Statement of Economic Interests
3. Completely fill out the form
4. Submit the form to the Public Works Department with the signed contracts.

The CONTRACTOR shall be strictly liable to the CITY for all damages, costs or expenses the CITY may suffer by virtue of any violation of this Paragraph 21 by the CONTRACTOR.

22. **MISCELLANEOUS PROVISIONS.**

A. *Computation of Time Periods.* If any date or time period provided for in this Agreement is or ends on a Saturday, Sunday or federal, state or legal holiday, then such date shall automatically be extended until 5:00 p.m. Pacific Time of the next day which is not a Saturday, Sunday or federal, state or legal holiday.

B. *Counterparts.* This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute but one and the same instrument.

C. *Captions.* Any captions to, or headings of, the sections or subsections of this Agreement are solely for the convenience of the parties hereto, are not a part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision hereof.

D. *No Obligations to Third Parties.* Except as otherwise expressly provided herein, the execution and delivery of this Agreement shall not be deemed to confer any rights upon, or obligate any of the parties hereto, to any person or entity other than the parties hereto.

E. *Exhibits and Schedules.* The Exhibits and Schedules attached hereto are hereby incorporated herein by this reference for all purposes.

F. *Amendment to this Agreement.* The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the parties hereto.

G. *Waiver.* The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

H. *Applicable Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of California.

I. *Entire Agreement.* This Agreement supersedes any prior agreements, negotiations and communications, oral or written, and contains the entire agreement between the parties as to the subject matter hereof. No subsequent agreement, representation, or promise made by either party hereto, or by or to an employee, officer, agent or representative of any party hereto shall be of any effect unless it is in writing and executed by the party to be bound thereby.

J. *Successors and Assigns.* This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto.

K. *Construction.* The parties acknowledge and agree that (i) each party is of equal bargaining strength, (ii) each party has actively participated in the drafting, preparation and negotiation of this Agreement, (iii) each such party has consulted with or has had the opportunity to consult with its own, independent counsel and such other professional advisors as such party has deemed appropriate, relative to any and all matters contemplated under this Agreement, (iv) each party and such party's counsel and advisors have reviewed this Agreement, (v) each party has agreed to enter into this Agreement following such review and the rendering of such advice, and (vi) any rule or construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement, or any portions hereof, or any amendments hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.

CITY OF LEMON GROVE

CONTRACTOR

*(Corporation – signatures of two corporate officers)
(Partnership – one signature)
(Sole proprietorship – one signature)*

By: _____
Lydia Romero

City Manager

(Title)

(Date)

By: _____
(Name 1)

(Title)

(Date)

(Name 2)

(Title)

(Date)

APPROVED AS TO FORM:

By: _____
Kristen Steinke

City Attorney

(Title)

(Date)

By: _____
(Name)

(Title)

(Date)



June 25, 2020

Mr. Mike James
Assistant City Manager / Public Works Director
City of Lemon Grove
3232 Main Street
Lemon Grove, CA 91945

Re: Connect Main Street Phases 1 & 2 - Professional Services

Dear Mr. James,

Chen Ryan Associates, Inc. ("Chen Ryan") is pleased to submit this letter proposal to the City of Lemon Grove (the "Client") to provide professional engineering services related to the preparation of a Final PS&E for the Connect Main Street Phases 1 & 2 (the "Proposed Project") located within the City of Lemon Grove.

Project Understanding

Chen Ryan will develop engineering construction documents to support the Proposed Project as shown on the SANDAG Smart Growth Improvement Program (SGIP) Grant Application. The project limits extend along Main Street between Broadway and San Miguel.

Scope of Services

Task 1 – Data Collection and Review

Task 1.1 – Survey

The Chen Ryan team will perform field survey in locations where hard improvements are proposed as follows:

- Above ground utilities, fences, driveways, light poles, power poles, landscaping (tree sizes), site furniture, drainage structures, signage, etc.
- Dip gravity utilities (sewer cleanouts and manholes, storm drain manholes and inlets) to determine invert(s), pipe size(s), pipe orientation(s), and pipe material
- Top and bottom of walls and material type
- Locations of material change
- Spot elevations in asphalt and landscaping sufficient to generate 1' contours
- Spot elevations along sidewalks, top of curb, flow line, and lip of gutter including joint locations and grade breaks
- Cross gutters (including joint locations and grade breaks), flow lines, and storm drainage facilities
- Curb ramps (including wings, landing pads, truncated domes, and joint locations)
- Right-of-way, well monuments, intersection corners, and property monuments

Readily available record survey maps will be researched to verify the relative record positions of centerline and right-of-way monuments along Main Street.

This scope includes two (2) survey crew days for additional field survey during the final design effort.

Chen Ryan will conduct up to two site-visits to become familiar with existing site conditions and verify the survey.

The Chen Ryan team will perform right-of-way mapping services at locations where proposed improvements are in close proximity to the right-of-way and adjacent private properties (San Miguel to Burnell). Right-of-way for the remainder of the project will be shown based on publicly available GIS mapping.

Task 1.2 – Utility Locations

Chen Ryan shall obtain from the Client the utility research that has already been performed as part of the conceptual planning and design of the Proposed Project. In addition to the information provided by the Client, Chen Ryan shall research and obtain readily available utility verification maps and create an existing utility base map to be used as a basis for the design plan submittals. Wet and dry utility types, sizes, and materials will be added to the base mapping. Utility research will be limited to areas in which hard improvements are anticipated. The research will include obtaining as-built drawings from the City of Lemon Grove, as well as sending out letters to utilities with an interest in the project study area and receiving as-built plans that have not already been obtained from prior utility research.

Visual site inspections will be performed to observe visible existing utility facilities located within and directly adjacent to the project's proposed hard improvements and assess surveying or potholing needs and potential conflicts.

Chen Ryan shall complete an initial utility conflict check, comparing the utility base map to the 40% design layout developed as part of Task 2.2. Potential conflicts will be documented in a utility conflict matrix at the 40%, 90%, and Pre-Final design level. Following the 40% submittal, a pothole request exhibit will be produced as part of Task 1.4.

Task 1.3 – Geotechnical Report

The Chen Ryan team will perform geotechnical pavement evaluation and infiltration testing services to provide recommendations for the proposed roadway structural section and potential infiltration BMPs. The Chen Ryan team will review background information including readily available geotechnical reports, geologic maps, groundwater data, and aerial photographs.

As part of this task, a geologic reconnaissance of the site will be performed. The Chen Ryan Team will prepare a Traffic Control Plan, submit to the City of Lemon Grove, and obtain necessary City of Lemon Grove permits for drilling in public right of way. We have assumed permit fees will be waived by the City.

This scope includes excavation of two (2) exploratory borings adjacent to the existing roadway between Burnell Avenue and San Miguel. These borings will be excavated to measure depths of underlying fill soils and site geology, and to collect soil samples for laboratory testing. The borings will be logged and sampled by a geologist from, and upon completion of drilling will be backfilled with soil cuttings. In addition to contacting Underground Service Alert, we will hand auger in all locations as an additional safety precaution against underground utility disruption.

A subsurface exploration consisting of excavation and logging of four (4) hand auger borings in the unpaved areas adjacent to the roadway will be performed. These borings will be excavated to the anticipated bottom of the proposed infiltration facilities (approximately 5 feet below ground surface). At the completion of testing, the borings will be backfilled with spoils from the excavation.

Bulk and in-place samples of the encountered soils will be collected and transported to a geotechnical laboratory for analysis.

Geotechnical laboratory testing on selected samples will be performed to evaluate soil parameters for design purposes. Testing is expected to include moisture/density (4), sieve analysis (2), and R-Value (2) laboratory tests. We will substitute lab testing when appropriate.

The Chen Ryan team will develop conventional and geosynthetic-reinforced pavement design recommendations for street sections based upon appropriate R-value testing of the subgrade soils.

A geotechnical report will be developed compiling and performing an engineering analysis of the data obtained and discussing the findings and conclusions.

The following assumptions have been made during the preparation of this proposal:

- The proposed work will occur in the unpaved areas adjacent to the roadway.
- The site is accessible during normal working hours.

Task 1.4 – Potholing

The Chen Ryan team will perform pothole investigations to verify the location of utilities that are determined to be in potential conflict with the proposed hard improvements. Pothole locations will be identified and summarized in a pothole request exhibit following the 40% submittal. The exact number of potholes required will not be known until after 40% design is complete. For the purpose of scoping and budgeting this task order, it is assumed that up to five (5) potholes will be required. The Chen Ryan team will prepare a Pothole Data Report identifying the location, depth, material and size of utilities in question. Additional utility potholes will be considered additional services, if required.

Task 1 Deliverables

- CAD (.dwg) base map with survey and existing utilities
- ROW Mapping
- Geotechnical Report
- Pothole Data Report

Task 2 – Construction Plans, Specifications, and Estimate (PS&E), and Technical Studies

Task 2.1 Pre-Design Kick-off Meeting

Chen Ryan will coordinate a kick-off meeting with the design team, the City Project Manager, and City staff to discuss the project, establish communication procedures, review scope and deliverables, confirm the project's goals and objectives, review data collected and project information, and review the project schedule, key milestones, and anticipated City review times.

Task 2.2 – Construction Plans

Based on the 30% design that was previously completed and the pre-design kick-off meeting, Chen Ryan will prepare 40%, 90%, Pre-Final, and Final (mylar) construction documents for City review and comment. The design will be based on the following standards: City of Lemon Grove Design Standards, City of Lemon Grove BMP Design Manual, San Diego County Regional Standards, and the 2014 California Manual on Uniform Traffic Control Devices Revision 4 (CA-MUTCD). Chen Ryan's design will consist of the following sheets:

- Title Sheet/Vicinity Map (1 Sheet)
- General Notes Sheet (1 Sheet)
- Key Map (1 Sheet)
- Construction Details (2 Sheets)
- Horizontal Control Plan: 1" = 40' Scale (2 Sheets)
- Demolition Plan: 1" = 20' Scale, (4 Sheets) (Showing sawcut lines, pavement removal limits and utility adjustment)
- Plan and Profile Sheet: 1" = 20' Scale (6 Sheets)

- Intersection Precise Grading Plan: 1" = 10' Scale (2 Sheets)
- Storm Drain and BMP Details (1 Sheets)
- Drainage and BMP Improvement Plan: 1" = 20' Scale (3 Sheets)
- Landscape Notes and Details (1 sheet)
- Landscape Plans (2 sheets)
- Irrigation Notes and Details (1 sheet)
- Irrigation Plans (2 sheets)
- Signing and Striping Notes and Details (1 sheet)
- Signing and Striping Plan: 1" = 40' Scale (2 sheets)
- Electrical Notes, Details, and Schedule (1 Sheet)
- Electrical Plans: 1" = 20' Scale (4 Sheet)
- Temporary Water Pollution Control Details (1 Sheet)
- Temporary Water Pollution Control Plan: 1" = 40' Scale (2 Sheets)

Task 2.3 – Stormwater Applicability Forms

Chen Ryan will complete the City of Lemon Grove's Applicability of Construction and Permanent Stormwater BMP Requirements Forms (I-1, I-2, and I-3). It is assumed that this project will utilize the Green Street exemption to avoid being categorized as a Priority Development Project (PDP).

Task 2.4 Storm Water Quality Management Plan (SWQMP)

A PDP Exempt SWQMP per the City of Lemon Grove BMP Design Manual will be prepared. This task includes a site visit to observe and document existing drainage conditions, identification of Green Street considerations, BMP selection, and BMP sizing. The calculations will quantify the amount of flow the proposed BMPs can treat within the project limits.

Assumptions:

- Two review cycles will be needed to process the document through the City of Lemon Grove.
- The hydrologic analysis will be limited to the area and blocks immediately adjacent to the proposed project and that no off-site hydrologic analysis will be required as part of the project.
- Hydromodification mitigation is not required and no continuous hydromodification simulation will be required.

Task 2.5 Construction Storm Water Pollution Prevention Plan (SWPPP)

Chen Ryan will prepare a SWPPP in order to assist the City of Lemon Grove in obtaining coverage under the State Construction General Permit. This task includes compiling California Stormwater Quality Association Factsheets for project planning, erosion control, sediment control, site management, and non-stormwater management BMP requirements. Chen Ryan will assist the City in uploading the necessary documents and information to the SMARTS system.

Task 2.6 – Opinion of Probable Construction Cost (OPCC)

Chen Ryan will prepare an OPCC for the 40%, 90%, Pre-Final, and Final (mylar) PS&E submittals. The OPCC will be presented to show the proposed bid items, unit prices, contingencies, and an overall cost.

Task 2.7 – Technical Specifications

Chen Ryan will prepare Technical Specifications for the Pre-Final and Final (mylar) PS&E submittals. The Technical Specifications for this project will be prepared in Greenbook special provisions format. Chen Ryan will also utilize City Specifications, as necessary, in preparation of the Greenbook special provisions (technical specifications). Additional source documents may be used by Chen Ryan to cover urban design and other project features not covered by the City specifications or Greenbook. Chen Ryan will develop a list of specifications anticipated to be used with the 40% submittal.

Task 2.8 – Interpretive Signage

The Chen Ryan Team will work with the City to refine the theme of the projects two (2) interpretive panels and develop an outline for the overall content and supporting imagery.

The team will then finalize the panel design, narrative content, and supporting imagery.

Image sourcing and purchasing is excluded.

Task 2.9 – Gateway Elements

The Chen Ryan Team will refine and then finalize the design of the two (2) gateway trellis portals as identified in the master plan. This will include an AutoCAD generated and color rendered elevations with dimensions and call outs communicating materials proposed.

Structural drawings and calculations will be prepared for each of the two (2) gateways and will be submitted with the prepare 90%, Pre-Final, and Final (mylar) submittals.

Task 2 – Deliverables:

- Four sets of construction plans (1-24"x36" and 3-11"x17") with the 40%, 90%, pre-final, and final submittal.
- One copy of the completed Stormwater BMP Requirement forms (8.5"x11") submitted with the 40% submittal.
- One copy of the PDP Exempt SWQMP (8.5"x11") submitted with the 90%, pre-final, and final submittal.
- One copy of the SWPPP (8.5"x11") submitted with the pre-final and final submittal.
- One electronic copy of the OPCC (PDF format) with the 40%, 90%, pre-final, and final submittal.
- One electronic copy of the list of Technical Specifications (Word format) anticipated to be used with the 40% submittal.
- One electronic copy of the Technical Specifications (Word format) with the pre-final and final submittal.

Task 3 – Project Coordination, Meetings, and Management

Chen Ryan will perform project management and administration services consisting of invoicing (with associated back up), monitoring progress against budget, and overall quality assurance (QA). Specific quality control (QC) efforts for each deliverable document are included in the task covering that document.

Chen Ryan will prepare contracts and task orders for required Subconsultant services. This task will also consist of monitoring Subconsultant progress against budget and schedule, reviewing monthly Subconsultant invoices and associated back up.

Chen Ryan will attend meetings as identified herein. Meetings will be either phone conference calls or meetings at the Client's offices. The meetings in this scope of services are as follows:

- Project Meetings with City Staff (up to 6) – up to 2 hours each
 - Not including meetings listed above
 - Manage an action items matrix
- Stakeholder Meetings with MTS and Franchise Utility Companies (up to 3) – up to 2 hours each
 - Prepare agenda, sign-in sheet, graphics, and a follow-up summary for each meeting
 - Document decisions made and action items

- Track action item resolution

Chen Ryan will spend time each month, up to twelve (12) months total, coordinating with City staff via email and telephone. Chen Ryan will also spend time coordinating with franchise utility representatives throughout the design process.

Task 3 – Deliverables:

- Schedule (electronically, in PDF format)
- A typed summary for each meeting will be provided (electronically, in PDF format)
- Action Item Matrix for monthly meeting

Additional Services

Any services not specifically described in the above scope, as well as any changes in the scope the Client requests, will be considered Additional Services and will be performed at our then-current hourly rates. Prior to commencing the Additional Services, Consultant shall obtain prior written approval from the Client. Additional services we can provide include, but are not limited to, the following:

- Attendance at additional meetings beyond those identified in the Scope of Services.
- Providing any other services not expressly included in this Agreement or not customarily furnished in accordance with generally accepted practices in the industry.
- Visual Renderings
- Bid and Construction Services
- Drainage Study Report
- Qualified SWPPP Practitioner (QSP) services
- Traffic Signal Modifications
- Preparation of technical studies not included in this scope of work
- Hazardous and remediation services
- Environmental study preparation
- Payment of any agency fees.
- Franchise utility studies and/or design

Information Provided by Client

We shall be entitled to rely on the completeness and accuracy of information provided by the Client. The Client shall provide information requested by Chen Ryan during the project, this shall include:

- As-builts
- Information from previously completed 30% design
 - CADD files showing property lines, right-of-way, existing topography, existing utilities, and proposed improvements
 - Preliminary drainage study
 - Preliminary SWQMP
- CAD files from Segment 1, Phase 1 design

Project Schedule

We will provide our services as expeditiously as practicable to meet a mutually agreed upon schedule.

Fee

Chen Ryan will perform the scope of services outlined above on a lump sum basis, not to exceed of \$348,872. Direct expenses will be invoiced at cost.

Fees will be invoiced monthly based upon the percentage of services performed as of the invoice date. Payment will be due within 30 days of the date of the invoice.

We appreciate the opportunity to submit this proposal.

Sincerely,

Matthew Capuzzi, PE
Principal

	Principal	Manager	Prof.	Analyst	Admin	Hours	CRA Cost	President	Principal	Senior PM	Designer	Hours	SDG Cost	Total Hours
	\$250.00	\$215.00	\$160.00	\$132.00	\$100.00			\$230.00	\$190.00	\$125.00	\$90.00			
	0	14	0	66	0	80	\$ 11,722.00	0	0	0	0	0	\$ -	80
		6		16		22	\$ 3,402.00					0	\$ -	22
		4		40		44	\$ 6,140.00					0	\$ -	44
		2		4		6	\$ 958.00					0	\$ -	6
		2		6		8	\$ 1,222.00					0	\$ -	8
	54	213	196	713	0	1176	\$ 184,771.00	3	49	109	548	709	\$ 72,945.00	1885
	2	4		2		8	\$ 1,624.00					0	\$ -	8
		1		5		6	\$ 875.00					0	\$ -	6
		1		4		5	\$ 743.00					0	\$ -	5
		2	2	12		16	\$ 2,334.00					0	\$ -	16
		6	8	36		50	\$ 7,322.00					0	\$ -	50
		6	4	32		42	\$ 6,154.00					0	\$ -	42
		16	20	64		100	\$ 15,088.00					0	\$ -	100
(ts)	8	48	40	120		216	\$ 34,560.00					0	\$ -	216
e) (2 Sheets)	4	12	20	32		68	\$ 11,004.00					0	\$ -	68
		6	4	16		26	\$ 4,042.00					0	\$ -	26
Scale) (3 Sheets)		12	6	48		66	\$ 9,876.00					0	\$ -	66
		1		2		3	\$ 479.00		2	6	32	40	\$ 4,010.00	43
		2	4	4		6	\$ 958.00	2	8	20	144	174	\$ 17,440.00	180
		1		2		3	\$ 479.00		2	6	28	36	\$ 3,650.00	39
		2	4	4		6	\$ 958.00		2	20	120	142	\$ 13,680.00	148
Sheet)		2	4	16		22	\$ 3,182.00					0	\$ -	22
Sheet)		8		36		44	\$ 6,472.00					0	\$ -	44
Sheet)		2	10	12		24	\$ 3,614.00					0	\$ -	24
		24	16	80		120	\$ 18,280.00					0	\$ -	120
(1 Sheet)		2		16		18	\$ 2,542.00					0	\$ -	18
0' Scale) (2 Sheets)		4	12	24		40	\$ 5,948.00					0	\$ -	40
	36					36	\$ 9,000.00		12			12	\$ 2,280.00	48
		1	2	2		5	\$ 799.00					0	\$ -	5
		12	4	32		48	\$ 7,444.00					0	\$ -	48
		4	4	36		44	\$ 6,252.00					0	\$ -	44
DPCC)	2	6	8	48		64	\$ 9,406.00		3	5	14	22	\$ 2,455.00	86
	2	24	32	20		78	\$ 13,420.00		4	14		18	\$ 2,510.00	96
		2		4		6	\$ 958.00	1	8	19	120	148	\$ 14,925.00	154
		2	4	4		6	\$ 958.00		8	19	90	117	\$ 11,995.00	123
agement	4	71	0	30	12	117	\$ 21,425.00	0	12	16	0	28	\$ 4,280.00	145
	4	18		8		30	\$ 5,926.00		12			12	\$ 2,280.00	42
		9		6		15	\$ 2,727.00					0	\$ -	15
		44		16	12	72	\$ 12,772.00			16		16	\$ 2,000.00	88
							\$ 3,000.00						\$ 2,000.00	
	58	298	196	809	12	1373	\$ 220,918.00	3	61	125	548	737	\$ 77,225.00	2110

CHEN RYAN

June 5, 2020

Mr. Mike James
Assistant City Manager / Public Works Director
City of Lemon Grove
3232 Main Street
Lemon Grove, CA 91945

Re: Connect Main Street Phase 3 - Professional Services

Dear Mr. James,

Chen Ryan Associates, Inc. (“Chen Ryan”) is pleased to submit this letter proposal to the City of Lemon Grove (the “Client”) to provide professional engineering services related to the preparation of a Final PS&E for the Connect Main Street Phase 3 (the “Proposed Project”) located within the City of Lemon Grove.

Project Understanding

Chen Ryan will develop engineering construction documents to support the Proposed Project as shown on the Prop 68 Green Infrastructure Grant Application. The project limits extend along Main Street between San Miguel and Buena Vista.

Scope of Services

Task 1 – Data Collection and Review

Task 1.1 – Survey

The Chen Ryan team will perform field survey in locations where hard improvements are proposed as follows:

- Above ground utilities, fences, driveways, light poles, power poles, landscaping (tree sizes), site furniture, drainage structures, signage, etc.
- Dip gravity utilities (sewer cleanouts and manholes, storm drain manholes and inlets) to determine invert(s), pipe size(s), pipe orientation(s), and pipe material
- Locations of material change
- Spot elevations in asphalt and landscaping sufficient to generate 1’ contours
- Spot elevations along sidewalks, top of curb, flow line, and lip of gutter including joint locations and grade breaks
- Curb ramps (including wings, landing pads, truncated domes, and joint locations)
- Right-of-way, well monuments, intersection corners, and property monuments

Readily available record survey maps will be researched to verify the relative record positions of centerline and right-of-way monuments along Main Street.

Chen Ryan will conduct up to two site-visits to become familiar with existing site conditions and verify the survey.

The Chen Ryan team will perform right-of-way mapping services at locations where proposed improvements are in close proximity to the right-of-way and adjacent private properties (Buena Vista to

Davidson). Right-of-way for the remainder of the project will be shown based on publicly available GIS mapping.

Task 1.2 – Utility Locations

Chen Ryan shall obtain from the Client the utility research that has already been performed as part of the conceptual planning and design of the Proposed Project. In addition to the information provided by the Client, Chen Ryan shall research and obtain readily available utility verification maps and create an existing utility base map to be used as a basis for the design plan submittals. Wet and dry utility types, sizes, and materials will be added to the base mapping. Utility research will be limited to areas in which hard improvements are anticipated. The research will include obtaining as-built drawings from the City of Lemon Grove, as well as sending out letters to utilities with an interest in the project study area and receiving as-built plans that have not already been obtained from prior utility research.

Visual site inspections will be performed to observe visible existing utility facilities located within and directly adjacent to the project's proposed hard improvements and assess surveying or potholing needs and potential conflicts.

Chen Ryan shall complete an initial utility conflict check, comparing the utility base map to the 40% design layout developed as part of Task 2.2. Potential conflicts will be documented in a utility conflict matrix at the 40%, 90%, and Pre-Final design level.

Task 1.3 – Geotechnical Report

The Chen Ryan team will perform geotechnical pavement evaluation and infiltration testing services to provide recommendations for the proposed roadway structural section and potential infiltration BMPs. The Chen Ryan team will review background information including readily available geotechnical reports, geologic maps, groundwater data, and aerial photographs.

As part of this task, a geologic reconnaissance of the site will be performed. The Chen Ryan Team will prepare a Traffic Control Plan, submit to the City of Lemon Grove, and obtain necessary City of Lemon Grove permits for drilling in public right of way. We have assumed permit fees will be waived by the City.

This scope includes excavation of two (2) exploratory borings adjacent to the existing roadway. These borings will be excavated to measure depths of underlying fill soils and site geology, and to collect soil samples for laboratory testing. The borings will be logged and sampled by a geologist from, and upon completion of drilling will be backfilled with soil cuttings. In addition to contacting Underground Service Alert, we will hand auger in all locations as an additional safety precaution against underground utility disruption.

A subsurface exploration consisting of excavation and logging of two (2) hand auger borings in the unpaved areas adjacent to the roadway will be performed. These borings will be excavated to the anticipated bottom of the proposed infiltration facilities (approximately 5 feet below ground surface). At the completion of testing, the borings will be backfilled with spoils from the excavation.

Bulk and in-place samples of the encountered soils will be collected and transported to a geotechnical laboratory for analysis.

Geotechnical laboratory testing on selected samples will be performed to evaluate soil parameters for design purposes. Testing is expected to include moisture/density, sieve analysis, and R-Value laboratory tests. We will substitute lab testing when appropriate..

The Chen Ryan team will develop conventional and geosynthetic-reinforced pavement design recommendations for street sections based upon appropriate R-value testing of the subgrade soils.

A geotechnical report will be developed compiling and performing an engineering analysis of the data obtained and discussing the findings and conclusions.

The following assumptions have been made during the preparation of this proposal:

- The proposed work will occur in the unpaved areas adjacent to the roadway.
- The site is accessible during normal working hours.

Task 1 Deliverables

- CAD (.dwg) base map with survey and existing utilities
- ROW Mapping
- Geotechnical Report

Task 2 – Construction Plans, Specifications, and Estimate (PS&E), and Technical Studies

Task 2.1 Pre-Design Kick-off Meeting

Chen Ryan will coordinate a kick-off meeting with the design team, the City Project Manager, and City staff to discuss the project, establish communication procedures, review scope and deliverables, confirm the project's goals and objectives, review data collected and project information, and review the project schedule, key milestones, and anticipated City review times.

Task 2.2 – Construction Plans

Based on the 30% design that was previously completed and the pre-design kick-off meeting, Chen Ryan will prepare 40%, 90%, Pre-Final, and Final (mylar) construction documents for City review and comment. The design will be based on the following standards: City of Lemon Grove Design Standards, City of Lemon Grove BMP Design Manual, San Diego County Regional Standards, and the 2014 California Manual on Uniform Traffic Control Devices Revision 4 (CA-MUTCD). Chen Ryan's design will consist of the following sheets:

- Title Sheet/Vicinity Map (1 Sheet)
- General Notes Sheet (1 Sheet)
- Key Map (1 Sheet)
- Construction Details (2 Sheets)
- Horizontal Control Plan: 1" = 40' Scale (1 Sheets)
- Demolition Plan: 1" = 20' Scale, (2 Sheets) (Showing sawcut lines, pavement removal limits and utility adjustment)
- Plan and Profile Sheet: 1" = 20' Scale (3 Sheets)
- Intersection Precise Grading Plans (2 Sheets)
- Storm Drain and BMP Details (1 Sheet)
- Drainage and BMP Improvement Plan: 1" = 20' Scale (1 Sheet)
- Landscape Notes and Details (1 sheet)
- Landscape Plans (2 sheets)
- Irrigation Notes and Details (1 sheet)
- Irrigation Plans (2 sheets)
- Signing and Striping Notes and Details (1 sheet)
- Signing and Striping Plan: 1" = 40' Scale (1 sheets)
- Electrical Notes, Details, and Schedule (1 Sheet)
- Electrical Plans: 1" = 20' Scale (2 Sheets)
- Temporary Water Pollution Control Details (1 Sheet)
- Temporary Water Pollution Control Plan: 1" = 40' Scale (1 Sheets)

Task 2.3 – Stormwater Applicability Forms

Chen Ryan will complete the City of Lemon Grove's Applicability of Construction and Permanent Stormwater BMP Requirements Forms (I-1, I-2, and I-3). It is assumed that this project will utilize the Green Street exemption to avoid being categorized as a Priority Development Project (PDP).

Task 2.4 Storm Water Quality Management Plan (SWQMP)

A PDP Exempt SWQMP per the City of Lemon Grove BMP Design Manual will be prepared. This task includes a site visit to observe and document existing drainage conditions, identification of Green Street considerations, BMP selection, and BMP sizing. The calculations will quantify the amount of flow the proposed BMPs can treat within the project limits.

Assumptions:

- Two review cycles will be needed to process the document through the City of Lemon Grove.
- The hydrologic analysis will be limited to the area and blocks immediately adjacent to the proposed project and that no off-site hydrologic analysis will be required as part of the project.
- Hydromodification mitigation is not required and no continuous hydromodification simulation will be required.

Task 2.5 Construction Storm Water Pollution Prevention Plan (SWPPP)

Chen Ryan will prepare a SWPPP in order to assist the City of Lemon Grove in obtaining coverage under the State Construction General Permit. This task includes compiling California Stormwater Quality Association Factsheets for project planning, erosion control, sediment control, site management, and non-stormwater management BMP requirements. Chen Ryan will assist the City in uploading the necessary documents and information to the SMARTS system.

Task 2.6 – Opinion of Probable Construction Cost (OPCC)

Chen Ryan will prepare an OPCC for the 40%, 90%, Pre-Final, and Final (mylar) PS&E submittals. The OPCC will be presented to show the proposed bid items, unit prices, contingencies, and an overall cost.

Task 2.7 – Technical Specifications

Chen Ryan will prepare Technical Specifications for the Pre-Final and Final (mylar) PS&E submittals. The Technical Specifications for this project will be prepared in Greenbook special provisions format. Chen Ryan will also utilize City Specifications, as necessary, in preparation of the Greenbook special provisions (technical specifications). Additional source documents may be used by Chen Ryan to cover urban design and other project features not covered by the City specifications or Greenbook.

Task 2.8 – Interpretive Signage

The Chen Ryan Team will work with the City to refine the theme of the projects five (5) interpretive panels and develop an outline for the overall content and supporting imagery.

The team will then finalize the panel design, narrative content, and supporting imagery.

Image sourcing and purchasing is excluded.

Task 2.9 – Gateway Elements

The Chen Ryan Team will refine and then finalize the design of the two (2) gateway trellis portals as identified in the master plan. This will include an AutoCAD generated and color rendered elevations with dimensions and call outs communicating materials proposed.

Structural drawings and calculations will be prepared for each of the two (2) gateways.

Task 2 – Deliverables:

- Four sets of construction plans (24"x36") with the 40%, 90%, pre-final, and final submittal.

- One copy of the completed Stormwater BMP Requirement forms (8.5"x11") submitted with the 40% submittal.
- One copy of the PDP Exempt SWQMP (8.5"x11") submitted with the 90%, pre-final, and final submittal.
- One copy of the SWPPP (8.5"x11") submitted with the pre-final and final submittal.
- One electronic copy of the OPCC (PDF format) with the 40%, 90%, pre-final, and final submittal.
- One electronic copy of the Technical Specifications (Word format) with the pre-final and final submittal.

Task 3 – Project Coordination, Meetings, and Management

Chen Ryan will perform project management and administration services consisting of invoicing (with associated back up), monitoring progress against budget, and overall quality assurance (QA). Specific quality control (QC) efforts for each deliverable document are included in the task covering that document.

Chen Ryan will prepare contracts and task orders for required Subconsultant services. This task will also consist of: monitoring Subconsultant progress against budget and schedule, reviewing monthly Subconsultant invoices and associated back up.

Chen Ryan will attend meetings as identified herein. Meetings will be either phone conference calls or meetings at the Client's offices. The meetings in this scope of services are as follows:

- Project Meetings with City Staff (up to 6) – up to 2 hours each
 - Not including meetings listed above
 - Meeting with the City to discuss 40%, 90%, and Pre-Final comments to plans, specs, estimates, and other documents mentioned above.
 - Manage an action items matrix
 - Update schedule on a monthly basis (up to 12 months total)
- Stakeholder Meetings with MTS and Franchise Utility Companies (up to 3) – up to 2 hours each
 - Prepare agenda, sign-in sheet, graphics, and a follow-up summary for each meeting
 - Document decisions made and action items
 - Track action item resolution

Chen Ryan will spend time each month, up to twelve (12) months total, coordinating with City staff via email and telephone. Chen Ryan will also spend time coordinating with franchise utility representatives throughout the design process.

Task 3 – Deliverables:

- Schedule (electronically, in PDF format)
- A typed summary for each meeting will be provided (electronically, in PDF format)
- Action Item Matrix for monthly meeting

Additional Services

Any services not specifically described in the above scope, as well as any changes in the scope the Client requests, will be considered Additional Services and will be performed at our then-current hourly rates. Prior to commencing the Additional Services, Consultant shall obtain prior written approval from the Client. Additional services we can provide include, but are not limited to, the following:

- Attendance at additional meetings beyond those identified in the Scope of Services.

- Providing any other services not expressly included in this Agreement or not customarily furnished in accordance with generally accepted practices in the industry.
- Visual Renderings
- Bid and Construction Services
- Drainage Study Report
- Qualified SWPPP Practitioner (QSP) services
- Traffic Signal Modifications
- Preparation of technical studies not included in this scope of work
- Hazardous and remediation services
- Environmental study preparation
- Payment of any agency fees.
- Franchise utility studies and/or design

Information Provided by Client

We shall be entitled to rely on the completeness and accuracy of information provided by the Client. The Client shall provide information requested by Chen Ryan during the project, this shall include:

- As-builts
- Information from previously completed 30% design
 - CADD files showing property lines, right-of-way, existing topography, existing utilities, and proposed improvements
 - Preliminary drainage study
 - Preliminary SWQMP

Project Schedule

We will provide our services as expeditiously as practicable to meet a mutually agreed upon schedule.

Chen Ryan will perform the scope of services outlined above on a lump sum basis, not to exceed of \$275,725. Direct expenses will be invoiced at cost.

Fees will be invoiced monthly based upon the percentage of services performed as of the invoice date. Payment will be due within 30 days of the date of the invoice.

We appreciate the opportunity to submit this proposal.

Sincerely,

Matthew Capuzzi, PE
Principal

	Principal	Manager	Prof.	Analyst	Admin	CRA Hours	CRA Cost	President	Principal	Senior PM	Designer	SDG Hours	SDG Cost	Total Hours
	\$250.00	\$215.00	\$160.00	\$132.00	\$100.00			\$230.00	\$190.00	\$125.00	\$90.00			
	0	7	0	32	0	39	\$ 5,729.00	0	0	0	0	0	\$ -	39
		3		8		11	\$ 1,701.00					0	\$ -	11
		2		20		22	\$ 3,070.00					0	\$ -	22
		2		4		6	\$ 958.00					0	\$ -	6
	42	150	148	477	0	817	\$ 129,394.00	3	49	109	548	709	\$ 72,945.00	1526
	2	4		2		8	\$ 1,624.00					0	\$ -	8
		1		5		6	\$ 875.00					0	\$ -	6
		1		4		5	\$ 743.00					0	\$ -	5
		2	2	12		16	\$ 2,334.00					0	\$ -	16
		6	8	36		50	\$ 7,322.00					0	\$ -	50
		3	2	16		21	\$ 3,077.00					0	\$ -	21
		8	10	32		50	\$ 7,544.00					0	\$ -	50
	4	24	24	60		112	\$ 17,920.00					0	\$ -	112
	4	12	20	32		68	\$ 11,004.00					0	\$ -	68
		6	4	16		26	\$ 4,042.00					0	\$ -	26
		4	2	16		22	\$ 3,292.00					0	\$ -	22
		1	2	2		3	\$ 479.00		2	6	32	40	\$ 4,010.00	43
		2	4	4		6	\$ 958.00	2	8	20	144	174	\$ 17,440.00	180
		1		2		3	\$ 479.00		2	6	28	36	\$ 3,650.00	39
		2		4		6	\$ 958.00		2	20	120	142	\$ 13,680.00	148
		2	4	16		22	\$ 3,182.00					0	\$ -	22
		4	10	18		24	\$ 3,236.00					0	\$ -	24
		2	8	40		60	\$ 9,140.00					0	\$ -	60
		2	6	16		18	\$ 2,542.00					0	\$ -	18
		2	6	12		20	\$ 2,974.00					0	\$ -	20
	28	1	2	2		28	\$ 7,000.00		12			12	\$ 2,280.00	40
		12	4	32		5	\$ 799.00					0	\$ -	5
		4	4	36		48	\$ 7,444.00					0	\$ -	48
		4	6	32		44	\$ 6,252.00					0	\$ -	44
	2	4	32	10		44	\$ 6,544.00		3	5	14	22	\$ 2,455.00	66
	2	2	32	4		68	\$ 12,100.00		4	14		18	\$ 2,510.00	86
		2	4	4		6	\$ 958.00	1	8	19	120	148	\$ 14,925.00	154
		2	4	4		6	\$ 958.00		8	19	90	117	\$ 11,995.00	123
	4	71	0	30	12	117	\$ 21,425.00	0	12	16	0	28	\$ 4,280.00	145
	4	18		8		30	\$ 5,926.00		12			12	\$ 2,280.00	42
		9		6		15	\$ 2,727.00					0	\$ -	15
		44		16	12	72	\$ 12,772.00			16		16	\$ 2,000.00	88
							\$ 3,000.00						\$ 2,000.00	
	46	228	148	539	12	973	\$ 159,548.00	3	61	125	548	737	\$ 77,225.00	1710



CITY OF LEMON GROVE

CITY COUNCIL STAFF REPORT

Item No. 4

Meeting Date: July 7, 2020

Submitted to: Honorable Mayor and Members of the City Council

Department: Public Works Department

Staff Contact: Mike James, Assistant City Manager / Public Works Director

mjames@lemongrove.ca.gov

Item Title: Community Development Block Grant Allocation for Fiscal Years 2020-2021

Recommended Action: Adopt a resolution (Attachment A) authorizing the submission of a revised application for the Community Development Block Grant program for the Fiscal Years 2020-21.

Summary: The Community Development Block Grant (CDBG) Program is a U.S. Department of Housing and Urban Development (HUD) program that provides funds annually to all entitlement jurisdictions. CDBG funds are used for community development and affordable housing activities that benefit low-income households and persons with special needs.

The purpose of this agenda item is to reconsider a previously approved CDBG funded program that would have resurfaced Golden Avenue and Crane Street altering the original project to now resurfacing and improving the right-of-way on Golden Avenue only.

Background: The Community Development Block Grant (CDBG) Program is a U.S. Department of Housing and Urban Development (HUD) program that provides funds annually to all entitlement jurisdictions. CDBG funds are used for community development and affordable housing activities that benefit low-income households and persons with special needs. The CDBG program was created by Congress in 1974 and is administered by the County of San Diego. According to the County of San Diego, CDBG-funded projects must satisfy one of three national program objectives:

- Provide a benefit to low and moderate income persons,
- Prevent or eliminate slums and blight, or
- Meet needs having a particular urgency.

Eligible activities broadly include:

- Real property acquisition,
- Public facilities and improvements,

- Public services,
- Economic development (job creation), and
- Housing development and rehabilitation.

For over 20 years, the City has participated in the CDBG Program, predominately relying on CDBG funds for street rehabilitation projects in eligible neighborhoods. Two other programs have been supported with CDBG funds in the past including the San Diego Food Bank School Food Backpack Program which was supported in FY 2011-12 and the Center for Social Advocacy which was supported in FY 2010-11.

On November 5, 2019, the City Council approved an application to continue the construction of street rehabilitation project and ADA pedestrian ramps city-wide. Like past applications, the City requested two years' worth of funds to receive an economy of scale with a larger rehabilitation project so the recently submitted application includes FY 2020-21 and 2021-22.

Staff used the following criteria to determine potential street rehabilitation projects:

- Street segments with the lowest Pavement Condition Index (PCI) from the Pavement Management Program adopted by the City Council on May 1, 2018;
- Exhibit of eligible Census areas (Attachment B) provided by the County;
- Field visits conducted by Public Works staff; and
- Block eligibility calculations performed by the County.

Based on these criteria, the two street segments were recommended for rehabilitation with the Fiscal Years 2020-21 and 2021-22 CDBG allocation:

- Crane Street from Golden Avenue to the cul-de-sac (PCI – 31 – poor)
- Golden Avenue from Acacia Street to Kempf Street (PCI – 21 – very poor)

Discussion: On May 18, 2020, City staff spoke with County staff and learned that the original amount of \$258,239 was reduced to \$155,667. Upon further inquiries, City staff learned that the County Housing and Community Development Services (HCDS) Department discontinued the practice of allowing advances due to strict expenditure requirements not being met by the cities that were requesting advances. Some examples of not meeting the expenditure requirements included not completing projects on time, cancelling projects, or multiple changes in project scope. HCDS concluded that these delays resulted in funds not being spent in a timely manner and could result in possible HUD sanctions if not addressed.

With the new direction provided from HCDS, City staff concluded that the original project scope to pave Golden Avenue and Crane Street was no longer affordable. When comparing the benefits of each project, independently, staff concluded that the improvements on Golden Avenue are a higher priority than Crane Street. Primarily because of the street location, amount of pedestrian/bicycle/vehicle traffic, proximity to the downtown district as well as Lemon Grove Academy.

Next, City staff evaluated the amount of work that can be performed with the reduced funding amount of \$155,667. While referring to *Exhibit 1*, staff estimates that additional construction work may also be included: New curb, gutter and sidewalk, new cross gutter, a new street light, and new sidewalk improvements that will improve drainage along Golden Avenue.

Public Notification: None.

Staff Recommendation: That the City Council adopts a resolution authorizing the submission of an application for the Community Development Block Grant program for the Fiscal Years 2020-2021.

Attachments:

Attachment A – Resolution

Attachment B – Revised CDBG Application

RESOLUTION NO. 2020 -

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE,
CALIFORNIA, AUTHORIZING THE SUBMISSION OF AN APPLICATION FOR
THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM FOR FISCAL
YEAR 2020-2021**

WHEREAS, the United States Department of Housing and Urban Development (HUD) administers the Community Development Block Grant (CDBG) Program, which provides Federal funds to assist community development activities in urban areas; and

WHEREAS, the County of San Diego (County) applies for and accepts CDBG funds with respect to its unincorporated areas and local governments that participate in the County's CDBG program known as "Urban County"; and

WHEREAS, the City of Lemon Grove (City) is a unit of general local government that participates in the "Urban County" program; and

WHEREAS, the City submitted an application to the County for approval to receive Federal funds to rehabilitate Golden Avenue and Crane Street. However, the amount of CDBG funding allocated to the City was reduced and the City must now resubmit an application that only improves the right-of-way along Golden Avenue; and

WHEREAS, the City understands and agrees that should the CDBG Program be discontinued, the City would be required to reimburse the County's Housing Development Fund for any affected funds.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lemon Grove hereby:

1. Directs the City Manager or her designee to allocate CDBG funding for street rehabilitation purposes and ADA pedestrian curb ramps; and
2. Authorizes the City Manager or her designee to submit an application for the CDBG Program for Fiscal Year 2020-2021.

PASSED AND ADOPTED on _____, 2020, the City Council of the City of Lemon Grove, California, adopted Resolution No. _____, passed by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:



Racquel Vasquez, Mayor

Attest:

Shelley Chapel, MMC, City Clerk

Approved as to Form:

Kristen Steinke, City Attorney

 	COUNTY OF SAN DIEGO 2020-21 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM – CFDA #14.218	Census Tract:
	APPLICATION FOR CDBG PARTICIPATING CITIES DUE BY 5:00 P.M. FRIDAY, NOVEMBER 1, 2019	Priority No:

Date Submitted: July 8, 2020DUNS #: 095889696Title of Project: Street Rehabilitation City-wide**AGENCY SUBMITTING APPLICATION:**

- a. City Department: Public Works Implementing Department: Public Works
- b. Project Manager: Mike James Telephone Number: 619-825-3814
- c. Contact Person (if different from Project Manager): _____ Telephone Number: _____
- d. Mail Stop/Address: 3232 Main Street, Lemon Grove, Ca 91945
- e. E-mail Addresses: mjames@lemongrove.ca.gov Fax Number: 619-825-3818
- f. **Signature of Authorized Official:** _____
- g. Name and Title of Authorized Official: Lydia Romero, City Manager
- h. Does your city expend \$750,000 or more a year in federal funds? Yes No (if yes, city must submit copy of independent (A-133) audits each year; if no, city must submit copy of audited financial statements each year).
- i. Date of City Council authorization to submit CDBG application, administer project, execute contract: July 7, 2020 (please forward documentation as soon as it is available). Because of noticing requirements for the public hearing and the dates in which the City's council meetings fall, we were unable to get this item to council prior to the application deadline. The approved resolution will be forwarded on July 8, 2019.
- j. Must maintain current Central Contractor Registration (SAM/CCR). Please include printout of current CCR registration with this application.
- k. Cities with fair share allocations under \$50,000. Those cities with allocations under this threshold must request a minimum of \$50,000. If available, the amount that exceeds their annual fair share allocation will be advanced by the County to be repaid with the city's future year CDBG allocations or other city funds should the CDBG program be discontinued.
1. **PROJECT LOCATION: (Attach map of project site showing the boundaries of the geographic area served. Also attach site plan or project sketch, or if located in a park include Park Master Plan, if applicable.)**
- a. Community: City of Lemon Grove
- b. Street address (include zip code): Golden Avenue (91945)
- c. Cross streets: Acacia Street and Kempf Street
- d. Assessor Parcel Number (where applicable): N/A
- e. Thomas Bros. Reference Page: 2006 Thomas Guide page 1270
2. **PROJECT DESCRIPTION:** (Provide a clear, detailed description of the project and specifically how the requested CDBG funds would be used. Include a sketch of the project site to clarify the proposal and attach any relevant information supporting this proposal. Attach a list of the proposed tasks with associated activities, expected accomplishments of each task, timelines, and information on staff/consultant who would supervise/perform the work. Note: All sub-recipients requesting funds for programs working directly or indirectly with homeless populations will be required to participate in the Homeless Management Information System (HMIS) database effort administered by the Regional Task Force on the Homeless.)

The proposed project includes 1 street and right-of-way rehabilitation project on Golden Avenue (Acacia Street to Kempf Street).

4. **TYPE OF ACTIVITY:** (Please check only one)

<input type="checkbox"/>	Public Facilities	<input type="checkbox"/>	Economic Development	<input type="checkbox"/>	Rental Housing	<input type="checkbox"/>	Other: _____
<input checked="" type="checkbox"/>	Infrastructure	<input type="checkbox"/>	Public Service ¹	<input type="checkbox"/>	Owner-Occupied Housing		
<input type="checkbox"/>	Planning/Administration	<input type="checkbox"/>	Non-homeless Special Needs	<input type="checkbox"/>	Homeless/HIV/AIDS		

5. **OBJECTIVE:** (Please check only one)

<input checked="" type="checkbox"/>	1	Suitable Living Environment	(Activities that benefit communities/ families/individuals by addressing issues in their living environment)
<input type="checkbox"/>	2	Decent Housing	(Housing activities that meet individual family or community needs; should not be used for activities where housing is an element of a larger effort)
<input type="checkbox"/>	3	Economic Opportunity	(Activities related to economic development, commercial revitalization, and job creation)

6. **OUTCOME:** (Please check only one)

<input type="checkbox"/>	1	Availability/ Accessibility	(Activities that make services, infrastructure, housing, and shelter available and accessible. Note that accessibility does not only refer to physical barriers)
<input type="checkbox"/>	2	Affordability	(Activities that provide affordability in a variety of ways. It can include creation or maintenance of affordable housing, basic infrastructure hookups, or services such as transportation or daycare)
<input checked="" type="checkbox"/>	3	Sustainability	(Activities that promote livable or viable communities and neighborhoods by providing services or by reviving slums or blighted areas)

7. **PROJECT BENEFICIARIES:**

- a. Describe the geographic service area or the specific population served, including the estimated number of persons served and other measurable outputs:
Each of the proposed street segments serves low-income residents who live on the street, and/or use the street to access their homes.
- b. If the proposed project only serves a limited clientele, a certain segment of the population, such as youth, childcare or senior centers, health facilities, ADA improvements, or housing activities/services:
 - (1) Provide the unduplicated number of people expected to be served annually.
N/A
 - (2) Describe what steps will be taken to document that a minimum of 51% unduplicated low- and moderate-income and limited clientele persons will be served annually.^{2, 3}
N/A

¹ Eligible public services are limited to those services that directly relate to and support physical community revitalization, homeless or housing activities.

² HCDS will require intake forms and supporting income verification documentation (third party verifications or source documentation) be submitted upon request.

³ All sub-recipients requesting funds for programs working directly or indirectly with homeless populations will be required to participate in the Homeless Management Information System (HMIS) database's effort administered by the Regional Task Force on the Homeless.

8. SITE INFORMATION:

- a. Suitability of site or facility:
N/A
- b. Availability of land/facility: (Indicate if the site has been selected, whether there is site control, and other issues of ownership.)
N/A
- c. Effect on surrounding land use:
N/A
- d. Conformance with General Plan: (For information, call PDS at (619) 615-8289)
N/A

9. ENVIRONMENTAL REVIEW STATUS: (Call Kimberly Jones at (858) 694-3917 and check appropriate boxes if environmental status is known)

- Exempt CEQA:
- Exempt NEPA:
- Environmental Assessment Needed: Underway Complete
- Environmental Impact Statement: Underway Complete

10. CDBG FUNDS REQUESTED: (Specific use of CDBG funds only)

Planning	\$ _____	Inspections	\$ _____
Personnel/Administration	\$ _____	Construction/Installations	\$ 155,667
Site Acquisition	\$ _____	Consultant Cost	\$ _____
Relocation Assistance	\$ _____	Supplies/Equipment	\$ _____
Permits and Fees	\$ _____	Insurance/Legal	\$ _____
Engineering/Designs	\$ _____	Other (_____)	\$ _____
		TOTAL	\$ 155,667

11. STAFF STATEMENT OF PROJECT NEED/OBJECTIVE:

- a. Indicate specific local conditions that warrant funding of the project:
This project provides resources for rehabilitating residential streets and right-of-way in a low-income neighborhood.
- b. Describe the relationship of the proposed activity to other similar community facilities/services. (If there are other similar facilities/services in the community, provide a map showing locations):
N/A

12. PROJECT BUDGET:

- a. Indicate how the requested CDBG funds will be leveraged and identify other sources of funds, including the amounts, for this project. Describe here if the proposal is part of larger project.
No other sources or funds will be used for this project. The City is requesting funding for FY 2020-21 in addition to a carry-over balance from FY 2018-19 in order to complete a larger scope of work in the same pre-approved site.
- b. Specify the status of other funding sources and include dates: application submitted, decision pending on requested funds, or funds committed.
N/A

13. PROJECT COST ESTIMATE:

a.	CDBG Funds Previously Allocated To This Project: \$ 258,239	_____
b.	Current Proposal:	
	(1) CDBG Project Request	\$ 102,572
	(2) Other Funds Allocated to Project for spending in FY 2020-21 (list sources):	
	Other Federal (Specify Source): _____	\$ _____
	Other State/Local (Specify Source): _____	\$ _____
	Other (Specify Source): FY2018-19 rollover/reallocated CDBG funds	\$ 53,095
	Other (Specify Source): _____	\$ _____
	Current Proposal Total	\$ 155,667
c.	Future Year Project Cost Estimates (list sources):	
(1)	_____	\$ _____
(2)	_____	\$ _____

14. PRELIMINARY SCHEDULE: (For CDBG Fund Requests Only)

<u>Task</u>	<u>Completion Date</u>
Environmental Review	_____
Contract Award	_____
Site Acquisition	_____
Engineering/Design	_____
Consultant Services	_____
Relocation Assistance	_____
Construction/Installation	02/02/2021
Other: _____	_____
Other: _____	_____

Estimated Date of Completion (assuming July 2020 Release of Funds) 02/02/2021

15. PROJECTED CDBG EXPENDITURES IN FY 2020-21

1 st Quarter	\$155,667 (FY 2021-22)	_____
2 nd Quarter	\$	_____
3 rd Quarter	\$	_____
4 th Quarter	\$	_____

16. Will the proposed project meet Americans with Disabilities Act standards for access to persons with disabilities? Explain.

Yes, the proposed project will remove and replace two ADA curb ramps at the intersection of Golden Avenue and Acacia Street.

17. Project will be carried out by: (Check one of the following)
- | | |
|--|--|
| <input type="checkbox"/> City Employees | <input type="checkbox"/> Non-Profit Organization |
| <input type="checkbox"/> Contractors | <input type="checkbox"/> For Profit Organization |
| <input checked="" type="checkbox"/> City Employees and Contractors | <input type="checkbox"/> Faith Based Organization |
| <input type="checkbox"/> Another Public Agency | <input type="checkbox"/> Institution of Higher Education |
18. CURRENT ACTIVITIES:
- a. Indicate current project status: None at this time.
- b. For phased projects, describe the progress on the current phase at time of this application and indicate the expected completion date of the previously funded work: N/A
19. BASIS FOR STAFF RECOMMENDATION:
- a. Include specific reasons for your support and indicate why this project is a priority: The City of Lemon Grove has prioritized different zones within the jurisdiction requiring street, curb and gutter, and sidewalk rehabilitation. The aforementioned area of Lemon Grove have been designated by staff as high priority requiring rehabilitation and are also in an area considered low income neighborhoods that can be supported by the CDBG Program. CDBG support will enable the City to expedite rehabilitating the proposed areas and improve traffic/pedestrian flow and ultimately quality of life.
- b. Note any anticipated problems or delays in implementation (e.g., use permits, other agency approvals or contingencies): No anticipated problems or delays in implementation.
- c. Describe the urgency or reasons for funding the project this year: The proposed street segment is past the end of its useful life, necessitating reconstruction and rehabilitation. Waiting will only cause further decay and increase the amount of funding needed for rehabilitation.
- d. If applicable, submit pictures of the project as an attachment (high quality pictures from different angles): See attached Pictures
20. CITIZEN OR ADVISORY COMMITTEE RECOMMENDATION:
- a. Actions taken and votes received: None
- b. Input received from citizens: (Attach letters received from public.) A public hearing has been advertised and was held on November 5, 2019. At that time the project was approved. However, in May 2020, County staff notified the City that the amount of funding decreased and therefore afforded the City an opportunity to revised its application. A City Council meeting is scheduled for July 7, 2020 to approve the project as listed in this application.
- Since 2012 the City's Public Works department has logged in its work order system the following calls from citizens regarding the street condition pertaining to the street segments listed as follows:
- Golden from Acacia to Kempf – 7 calls
- c. Status of Community/Local Planning Group review and approval: (Required prior to CDBG funding recommendation.) N/A

21. NATIONAL OBJECTIVE:
Any real property acquired or improved in whole or in part with CDBG funds in excess of \$25,000 shall be used to meet one of the national objectives. Cities are required to meet the national objective until five years after expiration of the contract or MOU. Describe how your agency will comply with this HUD requirement: N/A

PROJECT DESCRIPTION: (Provide a clear, detailed description of the project and specifically how the requested CDBG funds would be used. Include a sketch of the project site to clarify the proposal and attach any relevant information supporting this proposal. Attach a list of the proposed tasks with associated activities, expected accomplishments of each task, timelines, and information on staff/consultant who would supervise/perform the work. Note: All sub-recipients requesting funds for programs working directly or indirectly with homeless populations will be required to participate in the Homeless Management Information System (HMIS) database effort administered by the Regional Task Force on the Homeless.)

The requested CDBG funds would be used to rehabilitate a street segment and improvement the right-of-way within the city. Some portions of the street segment need major repairs before it is milled and paved. The chart below shows the proposed tasks, expected date of completion and the staff or consultant who would supervise or perform the work.

Project Tasks	Expected Date of Completion	Staff or Consultant
Project Design	N/A	N.A
Advertise Bid Documents	08/03/2020	Assistant City Manager / Public Works Director
Open Bid Documents	08/27/2020	Assistant City Manager / Public Works Director
Contract Award to Contractor	09/15/2020	Assistant City Manager / Public Works Director
Pre-Construction Conference	10/05/2020	City Staff/Contractor TBD
Project Completion	02/02/2021	City Staff/Contractor TBD

SAM Documentation

10/23/2019

Entity Overview | System for Award Management



Molly Brennan Log Out

ALERT: SAM.gov will be down for scheduled maintenance Saturday, 11/09/2019, from 8:00 AM to 3:00 PM

Entity Dashboard

- Entity Overview
- Entity Registration
 - Core Data
 - Assertions
 - Reps & Certs
 - POCs
- Reports
 - Service Contract Report
 - ProPreferred Report
- Exclusions
 - Active Exclusions
 - Inactive Exclusions
 - Excluded Family Members

BACK TO USER DASHBOARD

LEMON GROVE, CITY OF
 DUNS: 095899696 CAGE Code: 4EJN
 Status: Active
 Expiration Date: 10/08/2020
 Purpose of Registration: Federal Assistance Award, Civil

Entity Overview

Entity Registration Summary

DUNS: 095899696
 Name: LEMON GROVE, CITY OF
 Business Type: US Local Government
 Last Updated By: Molly Brennan
 Registration Status: Active
 Activation Date: 10/09/2019
 Expiration Date: 10/08/2020

Exclusion Summary

Active Exclusion Records? No

Pictures

Golden Avenue between Acacia and Kempf:





CITY OF LEMON GROVE

CITY COUNCIL STAFF REPORT

Item No. 5

Meeting Date: July 7, 2020

Submitted to: Honorable Mayor and Members of the City Council

Department: City Manager's Office

Staff Contact: Lydia Romero, City Manager

Item Title: CARES ACT–CRF Grant Acceptance and Allocation Plan

Recommended Action: Adopt a Resolution accepting the sub-grant of the CARES Act CRF grant money from the County of San Diego approving the allocation plan.

Background: On March 27, 2020 President Trump signed the Coronavirus Aid, Relief and Economic Security (CARES) Act into law. Included in the CARES Act is the Coronavirus Relief Fund (CRF) that allocated \$150 billion to states and local municipalities with populations greater than 500,000 based on a specified formula. Local municipalities with populations less than 500,000 received no CARES Act CRF funding. In the San Diego County Region only two entities received CARES ACT funding, City of San Diego and the County of San Diego. City of San Diego received \$249 million and the County of San Diego received \$344 million.

At the San Diego County Board of Supervisors meeting of May 19, 2020, the Board approved allocating \$25 million to the 17 cities in the region who did not receive CARES Act CRF funding. Lemon Grove's allocation is \$480,774. In order to receive this funding an expenditure plan must be submitted to the County that comports with the CARES Act funding guidelines. Staff has prepared an expenditure plan for the City Council's consideration based on the feedback staff received at the June 2, 2020 City Council meeting.

In addition to this allocation from the County, the City of Lemon Grove will receive an additional \$334,243 in CARES Act – CRF funding from the State due to the recently signed budget.

The County funds need to be expended by September 30, 2020 and the State funds by October 31, 2020.

Discussion: As a condition to receive the funds, the County of San Diego requires an expenditure plan to be consistent with the CARES Act, attached is the expenditure guidelines as provided by the Federal Treasury. CARES-CRF funds may not be used to compensate for a city's revenue loss.

The State requires us to certify that the expenditure plan is in-line with the CARES Act guidelines. That certification needs to be filed with the Department of Finance.

CARES Act expenditures may include:

- Law Enforcement for COVID-19
- Telework Enhancement/Infrastructure
- Sanitation Compliance
- Facility Enhancements- Social Distancing
- Economic Support Initiatives

In compliance with the guidelines, staff is proposing to utilize the funds in three categories, cover costs associated with COVID-19 compliance; Small Business Emergency Relief Fund Program, homeless assistance. The expenses will utilize both the County and State allocations.

The first category proposed by staff is to cover the costs of the City of Lemon Grove expenditures incurred or anticipated that are directly related to the impacts of the COVID-19 Pandemic. Staff has estimated these costs to be \$150,000. These expenses will, to the extent possible, allow employees to have a safe working environment and allow the public to conduct necessary business with the City in the safest manner possible. The expenditure includes remote working equipment, personal protection equipment, sanitary upgrades, eligible payroll expenses, employee testing, childcare for employees as essential workers and building sanitization.

The second category is a Small Business Emergency Relief Fund Program that will assist small businesses impacted by the pandemic. Staff is recommending that the City Council allocate \$650,000 of the CARES-CRF funding to provide individual businesses support and resources to address the effect of the emergency on their operations and to protect their patrons. Key elements of the program include:

- Funding for eligible business will be up to \$10,000. Businesses must demonstrate that all expenditures are consistent with the provisions of the CARES Act.
- Businesses must be physically located within the City of Lemon Grove and must have had a valid business license prior to March 12, 2020, in good standing.
- Only one (1) funding application may be submitted per business.
- Each business must demonstrate that it was directly and adversely affected by the conditions that precipitated the emergency declaration by Governor Gavin Newsom on March 4, 2020.

The following criteria must be met for a business to be considered eligible:

- Businesses must be located within the City of Lemon Grove boundaries with a valid business license and operate out of a physical location within the City of Lemon Grove limits. Physical location includes a 'brick and mortar' edifice, and other types of physical spaces that depend on foot traffic for business. Home-based businesses will not be eligible for the program.
- Businesses must have at least one (1) employee and no more than twenty (20) employees as of March 1, 2020. Franchises, chain stores, non-profit organizations, corporations, government organizations, school districts, and private community organizations are not eligible.

A general List of allowed business types include the following:

- Restaurants, cafes, and other places of public accommodation offering food or beverage for on-premises consumption.
- Bars, breweries, microbreweries, and other places of public accommodation offering alcoholic beverages for on-premises consumption.
- Gymnasiums, fitness centers, recreation centers, indoor sports facilities, indoor exercise facilities, exercise studios, tattoo parlors, businesses offering massage therapy or similar body work, spas, salons, nail salons, cosmetology salons, esthetician salons, eyelash salons, and barber shops. This includes, but is not limited to, all salons and shops licensed by the California Board of Barbering and Cosmetology.
- Small general retail facilities including gift shops, florists, sporting goods, mechanic services, bakeries, candy shops, convenience stores, and other retail businesses determined to be similar in nature.

Funding may only be used to cover “eligible expenditures” that are consistent with the CARES Act including:

- Necessary expenditures incurred due to the public emergency with respect to COVID-19
- Medical expenses including thermometers and testing for employees that serve vulnerable populations
- Costs to enforce health orders including shielding, thermometers and markings, additional tables, signs
- Sanitizing expenses and increased janitorial services
- Costs of personal protective equipment including sanitizer, gloves, masks, and sneeze guards
- Payroll and health insurance (COVID related)
- Expenses associated with distance or remote working
- Expenses for care of homeless individuals
- Unemployment insurance costs
- Costs of quarantined workers
- Back rent, due to COVID -19 closure
- Expenses related to an outdoor dining or sales plan.

The third category provides additional resources to residents experiencing or facing homelessness or unsafe living conditions because of COVID-19. This funding will augment the CARES DOJ Grant the City received for homeless outreach and assistance with our current non-profit partner Home Start. Staff is recommending \$15,017 to be allocated to these services.

The City of Lemon Grove proposed CARES Act-CRF Program and Expenditure Plan is intended to be consistent with the CARES Act. Should the City Council approve the expenditure plan, the following are the next steps:

1. Prior to distribution, the City of Lemon Grove must submit a plan that illustrates how the City will spend the allocation before the funds are released.
2. After the City has received the funds, the City must submit documentation to support all expenditures. All funds must be expended or returned to the County and all documents must be submitted prior to September 30, 2020.
3. The City will be financially responsible for any disallowed costs. If the City receives future federal stimulus funds (non-CARES Act funding), all fund allocated to the City by the County shall be returned.
4. City must submit a certification to the Department of Finance to receive the State allocation.

Options

- Approval of Resolution accepting CARES Act - CRF funding from the County of San Diego and authorizing the City Manager to execute a sub-grant agreement, and approving the CRF Program and Expenditure Plan.
- Modification of the expenditure plan and approval of Resolution.
- Provide specific direction to the City Manager.
- Deny Resolution.

Environmental Review:

- Not subject to review Negative Declaration
 Categorical Exemption, Section [] Mitigated Negative Declaration

Fiscal Impact: Reimbursement of City costs related to the COVID-19 expenditures back to the General Fund.

Public Notification: None

Staff Recommendation: Adopt a Resolution accepting the sub-grant of the CARES Act CRF grant money from the County of San Diego approving the allocation plan.

Attachments: **Attachment A** – Resolution
 Attachment B – CARES Act funding guidelines.

RESOLUTION NO. 2020-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE,
CALIFORNIA, ACCEPTING A SUB-GRANT ALLOCATION FROM THE
COUNTY OF SAN DIEGO PROVIDING FUNDING FROM THE
CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT
CORONAVIRUS RELIEF FUND (CRF) AND APPROVING THE
EXPENDITURE PLAN.**

WHEREAS, a novel coronavirus referred to as COVID-19, which causes infectious disease, was first detected in December 2019, and has now spread throughout the world; and

WHEREAS, on January 31, 2020, the U.S. Secretary of Health and Human Services declared a public health emergency related to the COVID-19 outbreak pursuant to Section 319 of the Public Health Service Act; and

WHEREAS, on February 14, 2020, the San Diego County Public Health Officer declared a local health emergency due to the threat of COVID-19 and on February 19, 2020, the San Diego County Board of Supervisors ratified the Declaration of Local Health Emergency and Proclamation of Local Emergency arising out of the COVID-19 outbreak; and

WHEREAS, on March 4, 2020, California Governor Gavin Newsom proclaimed a State of Emergency to exist in the State of California as a result of the threat of COVID-19; and

WHEREAS, on March 23, 2020, the City's Director of Emergency Services proclaimed the existence of a local emergency within the City and on March 31, 2020, the City Council for the City of Lemon Grove adopted Resolution 2020-3710, ratifying the declaration of the Director of Emergency Services and declaring the existence of an ongoing local emergency due to COVID-19 which was extended on May 19, 2020; and

WHEREAS, on March 29, 2020, the Health Officer of the County of San Diego issued an Order of the Health Officer and Emergency regulations which extends its regulations with no specific end date; and

WHEREAS, the Federal Government enacted the Coronavirus Aid, Relief, and Economic Security (CARES) Act and provided funding through the Coronavirus Relief

Fund (CRF) to assist local governments with expenses associated with the COVID-19 Pandemic; and

WHEREAS, the CARES Act and CRF authorized funding for cities of more than 500,000 residents and qualifying counties, but funding for smaller cities was not provided; and

WHEREAS, on May 19, 2020, the San Diego County Board of Supervisors voted to distribute \$25 million of the County's CARES CRF allocation to the 17 municipalities in the County that are not directly eligible for CARES CRF funding based on their proportional population; and

WHEREAS, the City of Lemon Grove will receive \$480,774 from the County of San Diego that must be expended in accordance with the provisions of the CARES Act; and

WHEREAS, the City Council desires to recoup the costs of the City in responding to the emergency, to the extent allowed by the CARES Act, associated with the COVID-19 Pandemic; and

WHEREAS, the City Council desires to provide funding to create an Emergency Relief Fund for Small Businesses to assist business owners with extraordinary costs associated with the COVID-19 Pandemic; and

WHEREAS, the City Council desires to provide funding to provide relief to the most vulnerable residents in need of housing assistance directly related to impacts of the COVID-19 Pandemic; and

WHEREAS, it is in the public interest and in the best interests of the City as a whole to promote economic stability and fairness and provide security for vulnerable populations during the continued COVID-19 emergency

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

1. The City Council finds the recitals above to be true and accurate and they are incorporated as such into this Resolution.
2. The City Council authorizes and directs the City Manager to execute the Sub-Grant Agreement with the County of San Diego to receive \$480,774 from the CARES Act - CRF and to complete all actions necessary to receive and expend the funds consistent with the Sub-Grant Agreement.

3. The City Council authorizes and directs the City Manager to submit the Expenditure Plan to the County of San Diego for approval and implement the provisions of the Plan and take all other related actions to achieve the goals set forth in the Expenditure Plan. The City Manager is authorized to execute any and all documents and take all other actions necessary or appropriate to implement this Resolution. The City Manager is also authorized to make any necessary adjustments to the implementation of the Expenditure Plan as necessary to comply with applicable law and in consultation with the City Attorney.

4. The City Council further authorizes and directs the City Manager to submit the required documentation to the State Department of Finance and take all other related actions to achieve the goals set forth in the Expenditure Plan.

PASSED AND ADOPTED on _____, 2020, the City Council of the City of Lemon Grove, California, adopted Resolution No. _____, passed by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Racquel Vasquez, Mayor

Attest:

Shelley Chapel, MMC, City Clerk

Approved as to Form:

Kristen Steinke, City Attorney

Coronavirus Relief Fund
Guidance for State, Territorial, Local, and Tribal Governments
April 22, 2020

The purpose of this document is to provide guidance to recipients of the funding available under section 601(a) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). The CARES Act established the Coronavirus Relief Fund (the “Fund”) and appropriated \$150 billion to the Fund. Under the CARES Act, the Fund is to be used to make payments for specified uses to States and certain local governments; the District of Columbia and U.S. Territories (consisting of the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands); and Tribal governments.

The CARES Act provides that payments from the Fund may only be used to cover costs that—

1. are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
2. were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and
3. were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.¹

The guidance that follows sets forth the Department of the Treasury’s interpretation of these limitations on the permissible use of Fund payments.

Necessary expenditures incurred due to the public health emergency

The requirement that expenditures be incurred “due to” the public health emergency means that expenditures must be used for actions taken to respond to the public health emergency. These may include expenditures incurred to allow the State, territorial, local, or Tribal government to respond directly to the emergency, such as by addressing medical or public health needs, as well as expenditures incurred to respond to second-order effects of the emergency, such as by providing economic support to those suffering from employment or business interruptions due to COVID-19-related business closures.

Funds may not be used to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify under the statute. Although a broad range of uses is allowed, revenue replacement is not a permissible use of Fund payments.

The statute also specifies that expenditures using Fund payments must be “necessary.” The Department of the Treasury understands this term broadly to mean that the expenditure is reasonably necessary for its intended use in the reasonable judgment of the government officials responsible for spending Fund payments.

Costs not accounted for in the budget most recently approved as of March 27, 2020

The CARES Act also requires that payments be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. A cost meets this requirement if either (a) the cost cannot lawfully be funded using a line item, allotment, or allocation within that budget *or* (b) the cost

¹ See Section 601(d) of the Social Security Act, as added by section 5001 of the CARES Act.

is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation.

The “most recently approved” budget refers to the enacted budget for the relevant fiscal period for the particular government, without taking into account subsequent supplemental appropriations enacted or other budgetary adjustments made by that government in response to the COVID-19 public health emergency. A cost is not considered to have been accounted for in a budget merely because it could be met using a budgetary stabilization fund, rainy day fund, or similar reserve account.

Costs incurred during the period that begins on March 1, 2020, and ends on December 30, 2020

A cost is “incurred” when the responsible unit of government has expended funds to cover the cost.

Nonexclusive examples of eligible expenditures

Eligible expenditures include, but are not limited to, payment for:

1. Medical expenses such as:
 - COVID-19-related expenses of public hospitals, clinics, and similar facilities.
 - Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs.
 - Costs of providing COVID-19 testing, including serological testing.
 - Emergency medical response expenses, including emergency medical transportation, related to COVID-19.
 - Expenses for establishing and operating public telemedicine capabilities for COVID-19-related treatment.
2. Public health expenses such as:
 - Expenses for communication and enforcement by State, territorial, local, and Tribal governments of public health orders related to COVID-19.
 - Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment, for medical personnel, police officers, social workers, child protection services, and child welfare officers, direct service providers for older adults and individuals with disabilities in community settings, and other public health or safety workers in connection with the COVID-19 public health emergency.
 - Expenses for disinfection of public areas and other facilities, *e.g.*, nursing homes, in response to the COVID-19 public health emergency.
 - Expenses for technical assistance to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety.
 - Expenses for public safety measures undertaken in response to COVID-19.
 - Expenses for quarantining individuals.
3. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

4. Expenses of actions to facilitate compliance with COVID-19-related public health measures, such as:
 - Expenses for food delivery to residents, including, for example, senior citizens and other vulnerable populations, to enable compliance with COVID-19 public health precautions.
 - Expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions.
 - Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions.
 - Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions.
 - COVID-19-related expenses of maintaining state prisons and county jails, including as relates to sanitation and improvement of social distancing measures, to enable compliance with COVID-19 public health precautions.
 - Expenses for care for homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.
5. Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, such as:
 - Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures.
 - Expenditures related to a State, territorial, local, or Tribal government payroll support program.
 - Unemployment insurance costs related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.
6. Any other COVID-19-related expenses reasonably necessary to the function of government that satisfy the Fund's eligibility criteria.

Nonexclusive examples of ineligible expenditures²

The following is a list of examples of costs that would *not* be eligible expenditures of payments from the Fund.

1. Expenses for the State share of Medicaid.³
2. Damages covered by insurance.
3. Payroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

² In addition, pursuant to section 5001(b) of the CARES Act, payments from the Fund may not be expended for an elective abortion or on research in which a human embryo is destroyed, discarded, or knowingly subjected to risk of injury or death. The prohibition on payment for abortions does not apply to an abortion if the pregnancy is the result of an act of rape or incest; or in the case where a woman suffers from a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death unless an abortion is performed. Furthermore, no government which receives payments from the Fund may discriminate against a health care entity on the basis that the entity does not provide, pay for, provide coverage of, or refer for abortions.

³ See 42 C.F.R. § 433.51 and 45 C.F.R. § 75.306.

4. Expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds.
5. Reimbursement to donors for donated items or services.
6. Workforce bonuses other than hazard pay or overtime.
7. Severance pay.
8. Legal settlements.



CITY OF LEMON GROVE

CITY COUNCIL STAFF REPORT

Item No. 6

Meeting Date: July 7, 2020

Submitted to: Honorable Mayor and Members of the City Council

Department: City Manager's Office, City Attorney's Office & Director of Finance

Staff Contact: Kristen Steinke, City Attorney & Lydia Romero, City Manager

KSS@LFAP.com; LRomero@lemongrove.ca.gov

Item Title: **Proposed Cannabis Business Gross Receipts Tax**

Recommended Action: Adopt Resolution submitting to the voters a ballot measure to repeal Section 5.04.220(D) and adding Chapter 5.46 to Title 5 to modernize and establish a new cannabis business tax which includes industrial hemp and hemp products. Adding the measure to the ballot being submitted to qualified electors of the City of Lemon Grove at the Presidential General Election to be held on Tuesday, November 3, 2020 as called by Resolution No. 2020-3744, as adopted by the City Council early at this same meeting dated July 7, 2020.

Summary: This item proposes the placement of a cannabis business gross receipts tax on the November 2020 ballot for voter approval. This Report was prepared in response to comments and feedback received from the City Council regarding such a tax during its consideration and adoption of the Fiscal Year 2020-2021 budget.

Discussion:

At the June 16, 2020 City Council meeting feedback and comments were provided to staff to bring back options for a cannabis gross receipts tax to be placed on the November 2020 ballot for consideration by the voters. Discussed below are several issues for consideration.

Under Proposition 62, the City Council must approve any tax increase ordinance by a four-fifths (4/5) vote to be able to place it on the ballot. The ballot measure will pass with the approval of a simple majority (50% plus 1) of votes in the City voting in an election on the issue. Proposition 218 (The Right to Vote on Taxes Act) applies voter authority to all cities. If approved by the voters, the measure will become effective ten days after certification of the election results at a regularly scheduled City Council Meeting

(Tuesday, December 15, 2020). If approved, the tax will be imposed beginning January 1, 2021.

Resolutions must be adopted by the City Council calling and consolidating the November 2020 election prior to the August 7, 2020 deadline. That action has been recommended in a separate report due to the time-sensitive nature, in the event the City Council provides further direction on the tax measure report presented to you this evening. The deadline for the City Clerk to submit an item to the Registrar of Voters in order for it to be included on the November 2020 ballot is also August 7, 2020.

Background

The Adult Use of Marijuana Act was adopted by the voters of California in November 2016 and had the effect of decriminalizing non-medical cannabis and established a regulatory system for non-medical cannabis business in California. In June 2017 the Medicinal and Adult-Use and Safety Act established a comprehensive set of laws regulating both individual and commercial medicinal cannabis activity throughout California.

Measure V passed in the City of Lemon Grove in November 2016 and had the effect of codifying the sale of medical marijuana in the City. The Measure is incorporated in the Lemon Grove Municipal Code at Chapter 17.32. Medical marijuana dispensaries are currently charged a \$15 per member business license permit fee per year.

Budget discussions have shown the need for increased revenues in the City. The addition of a cannabis business gross receipts tax will assist in bringing about long-term equity in the fair distribution of tax burdens. The marijuana industry is highly regulated, which requires more City resources than general businesses. The presence of marijuana businesses in the City justifies taxation that reflects this burden on the City's General Fund services such as law enforcement, safety, planning and development services and other resources.

The measure would be an annual tax that the City would collect from cannabis businesses that engage in business in the City under approved requirements and restrictions. The cannabis business tax is not a sales or use tax imposed directly on cannabis users or consumers. It is a tax on the businesses that have business activity involving medical marijuana, cannabis products, or industrial hemp in the City.

During the June 16, 2020 City Council meeting, staff provided revenue estimates reflected in the chart below. These projections are based on the assumption that each business will generate an average of \$3.5M in taxable sales each year. At the time of this report one medical marijuana dispensary is open for business.

Tax Rate	Revenue with 2 Businesses
4%	\$280,000
5%	\$350,000
6%	\$420,000

Based on feedback from City Council at the June 16, 2020 City Council Meeting, staff drafted the proposed ballot measure to reflect a retail tax rate not to exceed 8% of gross receipts and the measure provides City Council the authority to increase or decrease the tax rate up to the 8% maximum rate. Although only retail medical marijuana is currently legal in the City of Lemon Grove, the proposed cannabis business tax measure includes gross receipts taxes for commercial cultivation, laboratory testing, distribution, and manufacturing. If other types of cannabis activity are legalized in the City, this measure will allow the City to collect the cannabis business tax from them without the need to return to the voters with another ballot measure. The maximum tax rates for non-retail cannabis activity were based on the statewide averages from other cities at 4%.

A fiscal analysis of the tax measure is required to be included in the resolution and ballot question. Staff engaged an independent California cannabis tax expert to provide the fiscal analysis for the proposed cannabis business tax. Although the tax will apply to all types of cannabis activity, the fiscal analysis only includes the cannabis activity that is currently legal in the City, medical marijuana dispensaries. Based on current code and distancing requirements, about four medical marijuana dispensaries will be able to operate within Lemon Grove. The analysis estimated that with four operational dispensaries at a retail tax rate of 4%, \$560,000 of revenue will be generated, and at the maximum tax rate of 8%, \$1,120,000 of revenue will be generated each year. The fiscal analysis used the same \$3.5M annual taxable sales assumption that staff used in the table above, so staff's numbers are still accurate estimates for what the City will receive with two operational businesses.

Some key provisions included in the proposed measure include the following:

- If passed by the voters on November 3, 2020, the Measure will take effect on January 1, 2021.
- The tax will be imposed on the gross receipts of cannabis businesses in the City.
- Subject to the City Council's discretion, the proposed taxation rates below reflect the maximum percentage tax rate to be presented to the voters. These proposed

rates could be reduced or adjusted by resolution or ordinance adopted by the City Council after the voters approve the Measure:

- Retail sales of cannabis, including delivery services and microbusinesses, shall be subject to the maximum tax rate not to exceed eight percent (8%) of gross receipts.
- Cultivation of cannabis will be taxed at a maximum rate of 4%.
- Testing laboratories for cannabis shall be subject to the maximum tax rate not to exceed two percent (2%) of gross receipts.
- Distribution of cannabis shall be subject to the maximum tax rate not to exceed three percent (3%) of gross receipts.
- Manufacturing or processing of cannabis shall be subject to the maximum tax rate not to exceed four percent (4%) of gross receipts.

Examples of Similar Taxes in Other Cities

- Chula Vista: The Chula Vista City Council approved a 7-percent tax on retail marijuana sales and a \$15-per-square-foot tax on cannabis growing facilities in 2018 which was approved by the voters in November 2018.
- La Mesa: The La Mesa City Council approved a 2.5-percent tax on retail marijuana sales not to exceed 6-percent of gross receipts, which was approved by the voters in November 2018. La Mesa has established two tax rates for marijuana sold by a retailer -- zero percent for medicinal retail sales to a customer with a valid California Department of Public Health's Medical Marijuana Identification Card and a 4-percent tax rate for all other medicinal retail sales.

Environmental Review:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Not subject to review | <input type="checkbox"/> Negative Declaration |
| <input type="checkbox"/> Categorical Exemption, Section | <input type="checkbox"/> Mitigated Negative Declaration |

Fiscal Impact: An Estimated \$20,000 in additional election costs for printing the tax measure, ballot arguments, rebuttals and impartial analysis for the ballot and ballot materials, along with administrative costs. This cost was included in the adopted FY2020-21 General Fund Budget.

Public Notification: None needed.

Staff Recommendation: Staff recommends that the City Council adopt the Resolution submitting to the voters a ballot measure to repeal Section 5.04.220(D) and adding Chapter 5.46 to Title 5 to modernize and establish a new cannabis business tax which includes industrial hemp and hemp products. Adding the measure to the ballot being submitted to qualified electors of the City of Lemon Grove at the Presidential General Election to be held on Tuesday, November 3, 2020 as called by Resolution No. 2020-3744, as adopted by the City Council early at this same meeting dated July 7, 2020.

Attachment:

Attachment A – Resolution Adopting Proposed Cannabis Gross Receipts Tax Measure

RESOLUTION NO. 2020-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE SUBMISSION TO THE QUALIFIED ELECTORS OF THE CITY OF LEMON GROVE A CERTAIN MEASURE RELATING TO, REPEALING SECTION 5.04.220 (D) AND ADDING CHAPTER 5.46 TO TITLE 5 TO MODERNIZE AND ESTABLISH A NEW CANNABIS BUSINESS TAX WHICH INCLUDES INDUSTRIAL HEMP AND HEMP PRODUCTS; AT THE GENERAL MUNICIPAL ELECTION TO BE CONSOLIDATED WITH THE PRESIDENTIAL GENERAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 3, 2020 AS CALLED BY RESOLUTION NO. 2020-3744

WHEREAS, Sections 37101 and 37100.5 of the California Government Code authorizes the City to levy a license tax, for revenue purposes, upon business transacted in the City; and

WHEREAS, a result of recent voter-approved changes to state law and new state regulations being implemented, there has been a very strong interest by cannabis businesses to operate in the City; and

WHEREAS, the California Industrial Hemp Farming Act, (Government Code Section 81600 et seq. and related regulations) authorize the commercial production of Industrial Hemp in California; and

WHEREAS, the City Council has established a cannabis regulatory ordinance in order to enact the adoption of Measure V, and may in the future subsequently need to consider enacting a hemp regulatory ordinance in order to preserve public welfare, safety and wellness in the community; and

WHEREAS, the current retail cannabis business tax does not adequately capture revenues on retail stores located in the City and from out of town cannabis delivery services who conduct transactions within the Lemon Grove city limits; and

WHEREAS, if other cannabis business activities and hemp businesses are ultimately mandated by state regulations or future initiatives , they are likely to create demands upon City services, and the City's current cannabis tax does not impose taxes on cultivation, manufacturing, delivery, distribution, and testing lab aside from generally applicable municipal taxes; and

WHEREAS, the City Council desires to repeal the current cannabis tax and adopt a more modernized tax ordinance in order to impose the tax upon cannabis and hemp businesses, to be known as the "Cannabis Business Tax"; and

WHEREAS, the Cannabis Business Tax cannot be amended, modernized, or imposed without majority voter approval; and

WHEREAS, the City Council desires to submit a Cannabis Business Tax Measure to the voters of the City at a General Municipal Election to be held on Tuesday, November 3, 2020, and to be consolidated with the Presidential General Election and the to be held on that date.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LEMON GROVE RESOLVES AS FOLLOWS:

Section 1. Recitals. The City Council hereby finds and determines that the foregoing recitals are true and correct.

Section 2. Proposal. The City Council hereby proposes that the voters repeal Section 5.04.220 (D) of Title 5 and to adopt an ordinance establishing a Cannabis Business Tax. The full text of the proposed ordinance submitted to the voters is entitled “An Ordinance of the City of Lemon Grove, California Adding Chapter 5.46 (Cannabis Business Tax) to Title 5 of the Lemon Grove Municipal Code Establishing a Tax on Cannabis and Hemp Business Activities within the City” and is attached as Exhibit “A” and incorporated by reference. The full text of the proposed ordinance is not required to be printed in the Sample Ballot and Voters Pamphlet. However, the full text of the measure shall be made available to the public and to any voter at the Office of the San Diego County Registrar of Voters, the Lemon Grove City Clerk’s Office and the City Clerk’s Website at <https://www.lemongrove.ca.gov/city-hall/city-clerk/election>

Section 3. Election. The City Council hereby calls for a General Municipal Election for Tuesday November 3, 2020 (the “Election”) and orders, pursuant to Section 9222 of the Elections Code, that the Tax Ordinance be submitted to the voters at that election.

Section 4. Ballot Question. The question submitted by Section 4 of this Resolution shall appear on the ballot as follows:

To fund general municipal expenses such as fire, safety, roads and recreation, shall the City repeal the current cannabis tax and modernize it with a new cannabis or hemp business tax at annual rates not to exceed 8% of gross receipts for retail cannabis businesses, and 4% for all other cannabis businesses; which is estimated to generate \$560,000 to \$1,120,000 annually and will be levied until repealed by the voters?	YES	
	NO	

Section 5. Publication of Measure. The City Clerk is directed to publish a synopsis of the measure at least one time not later than one week before the election in accordance with Section 12111 of the Elections Code.

Section 6. Approval. Under Article XIII C of the Constitution, the vote requirement for this measure to pass shall be a simple majority of those casting ballots on the measure (50% plus 1).

Section 7. California Environmental Quality Act. The City Council hereby finds and determines that this resolution is exempt from the California Environmental Quality Act, Public Resources Code Sections 21000 et seq. (“CEQA”) and 14 Cal. Code Re. Sections 15000 et seq. (“CEQA Guidelines”). The calling and noticing of an election for the submission of a ballot measure to voters is not a project within the meaning of CEQA Guidelines 15378. The tax submitted to the voters is a general tax that can be used for any governmental purpose; it is not a commitment to any particular action or actions.

As such, under CEQA Guidelines Section 15378 (b)(4), the tax is not a project within the meaning of CEQA because it creates a government funding mechanism that does not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment. If revenue generated by the tax were used for a purpose that would have such an effect, the City of Lemon Grove would undertake the required CEQA review for that particular project. Therefore, pursuant to CEQA Guideline Section 15060 CEQA analysis is not required.

Section 8. Filing with County. The City Clerk shall file a certified copy of this Resolution with the County Registrar of Voters.

Section 9. Analysis and Argument. The City Attorney shall prepare an impartial analysis of the measure not to exceed 500 words in length. Any person or persons may file an argument either for or against the ballot measure. An argument for or against the measure shall not exceed 300 words in length. If more than one argument is submitted for the measure, or more than one argument against the measure, the City Clerk shall select the argument to be included with the ballot materials. Rebuttal arguments shall be permitted pursuant to applicable law.

Section 13. Implementation. The City Clerk and City Manager are authorized to take all actions as necessary to effectuate the purposes of this resolution and the election. The City Clerk and City Attorney are authorized to make any typographical, clerical, and non-substantive corrections to this resolution as may be deemed necessary by the San Diego County Registrar of Voters..

Section 14. Effective Date. This Resolution shall be effective immediately upon adoption.

EXHIBIT A

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY OF LEMON GROVE,
CALIFORNIA ADDING CHAPTER 5.46 (CANNABIS
BUSINESS TAX) TO TITLE 5 OF THE LEMON GROVE
MUNICIPAL CODE**

THE PEOPLE OF THE CITY OF LEMON GROVE DO ORDAIN AS FOLLOWS:

SECTION 1. CODE AMENDMENT. Chapter 5.46 is added to Title 5 of the Lemon Grove Municipal Code to read as follows:

CHAPTER 5.46

- 5.46.10 Title.
- 5.46.20 Authority and purpose.
- 5.46.30 Intent.
- 5.46.40 Definitions.
- 5.46.50 Tax imposed.
- 5.46.60 Registration, reporting, and remittance of tax.
- 5.46.70 Payments and communications – timely remittance.
- 5.46.80 Payment – when taxes deemed delinquent.
- 5.46.90 Notice not required by City.
- 5.46.100 Penalties and interest.
- 5.46.110 Refunds and credits.
- 5.46.120 Refunds and procedures.
- 5.46.130 Personal cultivation not taxed.
- 5.46.140 Administration of the tax.
- 5.46.150 Appeal procedure.
- 5.46.160 Enforcement –action to collect.
- 5.46.170 Apportionment.
- 5.46.180 Constitutionality and legality.
- 5.46.190 Audit and examination of premises and records.
- 5.46.200 Other licenses, permits, taxes or charges.
- 5.46.210 Payment of tax does not authorize unlawful business.
- 5.46.220 Deficiency determinations.
- 5.46.230 Failure to report – nonpayment, fraud.
- 5.46.240 Tax assessment –notice requirements.
- 5.46.250 Tax assessment – hearing, application, and determination.
- 5.46.260 Relief from taxes-disaster relief.
- 5.46.270 Conviction for violation – taxes not waived.
- 5.46.280 Violation deemed misdemeanor.
- 5.46.290 Severability.
- 5.46.300 Remedies cumulative.
- 5.46.310 Amendment or modification.

5.46.10 Title.

This ordinance shall be known as the Cannabis Business Tax Ordinance.

5.46.20 Authority and Purpose.

The purpose of this Ordinance is to adopt a tax, for revenue purposes, pursuant to Sections 37101 and 37100.5 of the California Government Code, upon cannabis businesses that engage in business in the City. The Cannabis Business Tax is levied based upon business gross receipts. It is not a sales and use tax, a tax upon income, or a tax upon real property and shall not be calculated or assessed as such. The Cannabis Business Tax shall not be separately identified or otherwise specifically assessed or charged to any member, customer, patient, or caretaker. The Cannabis Business Tax is a general tax enacted solely for general, governmental purposes of the City and not for specific purposes. All of the proceeds from the tax imposed by this chapter shall be placed in the City's general fund and be available for any lawful municipal purpose.

5.46.30 Intent.

The intent of this Ordinance is to levy a tax on all cannabis or industrial hemp businesses that operate in the City, regardless of whether such business would have been legal at the time this chapter was adopted. Nothing in this chapter shall be interpreted to authorize or permit any business activity that would not otherwise be legal or permissible under laws applicable to the activity at the time the activity is undertaken.

5.46.40 Definitions.

The following words and phrases shall have the meanings set forth below when used in this chapter:

A. "Business" shall include all activities engaged in or caused to be engaged in within the City, including any commercial or industrial enterprise, trade, profession, occupation, vocation, calling, or livelihood, whether or not carried on for gain or profit, but shall not include the services rendered by an employee to his or her employer.

B. "Fiscal Year" means July 1 through June 30, of the same accounting period.

C. "Cannabis" means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from cannabis. "Cannabis" shall not include "industrial hemp," unless otherwise specified.

D. "Cannabis product" means raw cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, an edible product, or a topical

product. “Cannabis product” also means cannabis products as defined by Section 11018.1 of the California Health and Safety Code and is not limited to medicinal cannabis products.

E. “Canopy” means all areas occupied by any portion of a cannabis or industrial hemp plant whether contiguous or noncontiguous on any one site. When plants occupy multiple horizontal planes (as when plants are placed on shelving above other plants) each plane shall be counted as a separate canopy area.

F. “Cannabis business” means any business activity involving cannabis or industrial hemp, including but not limited to cultivating, transporting, distributing, manufacturing, compounding, converting, processing, preparing, storing, packaging, delivering, testing, dispensing, retailing and wholesaling of cannabis, cannabis products, industrial hemp, industrial hemp products or of ancillary products and accessories, whether or not carried on for gain or profit.

G. “Cannabis business tax” or “business tax,” means the tax due pursuant to this chapter for engaging in a cannabis business in the City.

H. “Commercial cannabis cultivation” means cultivation of cannabis or industrial hemp undertaken in the course of conducting a cannabis business.

I. “Commercial cannabis permit” means a permit issued by the City to a person to authorize that person to operate a cannabis business or engage in business as a cannabis business within the City.

J. “Cultivation” means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis or industrial hemp and includes, but is not limited to, the operation of a nursery.

K. “Employee” means each and every person engaged in the operation or conduct of any business, whether as owner, member of the owner's family, partner, associate, agent, manager or solicitor, and each and every other person employed or working in such business for a wage, salary, commission, barter or any other form of compensation.

L. “Engaged in business as a cannabis business” means the commencing, conducting, operating, managing or carrying on of a cannabis business, whether done as owner, or by means of an officer, agent, manager, employee, or otherwise, whether operating from a fixed location in the City or coming into the City from an outside location to engage in such activities. A person shall be deemed engaged in business within the City if:

1. Such person or person’s employee maintains a fixed place of business within the City for the benefit or partial benefit of such person;
2. Such person or person’s employee owns or leases real property within the City for business purposes;
3. Such person or person’s employee regularly maintains a stock of tangible

personal property in the City for sale in the ordinary course of business;

4. Such person or person's employee regularly conducts solicitation of business within the City; or

5. Such person or person's employee performs work or renders services in the City.

The foregoing specified activities shall not be a limitation on the meaning of "engaged in business."

M. "Evidence of doing business" means evidence such as, without limitation, use of signs, circulars, cards or any other advertising media, including the use of internet or telephone solicitation, or representation to a government agency or to the public that such person is engaged in a cannabis business in the City.

N. "Gross Receipts," except as otherwise specifically provided, means, whether designated as a sales price, royalty, rent, membership fee, ATM service fee, delivery fee, slotting fee, any other fee, vaping room service charge, commission, dividend, or other designation, the total amount (including all receipts, cash, credits, services and property of any kind or nature) received or payable for sales of goods, wares or merchandise, or for the performance of any act or service of any nature for which a charge is made or credit allowed (whether such service, act or employment is done as part of or in connection with the sale of goods, wares, merchandise or not), without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor or service costs, interest paid or payable, losses or any other expense whatsoever. However, the following shall be excluded from Gross Receipts:

1. Cash discounts where allowed and taken on sales;

2. Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;

3. Such part of the sale price of any property returned by purchasers to the seller as refunded by the seller by way of cash or credit allowances or return of refundable deposits previously included in gross receipts;

4. Receipts derived from the occasional sale of used, obsolete or surplus trade fixtures, machinery or other equipment used by the taxpayer in the regular course of the taxpayer's business;

5. Cash value of sales, trades or transactions between departments or units of the same business located in the City of Lemon Grove or if authorized by the Tax Administrator in writing in accordance with Section 5.46.140 (B);

6. Whenever there are included within the gross receipts amounts which reflect sales for which credit is extended and such amount proved uncollectible in a

subsequent year, those amounts may be excluded from the gross receipts in the year they prove to be uncollectible; provided, however, if the whole or portion of such amounts excluded as uncollectible are subsequently collected they shall be included in the amount of gross receipts for the period when they are recovered;

7. Receipts of refundable deposits, except that such deposits when forfeited and taken into income of the business shall not be excluded;

8. Amounts collected for others where the business is acting as an agent or trustee and to the extent that such amounts are paid to those for whom collected. These agents or trustees must provide the City's Finance Department with the names and the addresses of the others and the amounts paid to them. This exclusion shall not apply to any fees, percentages, or other payments retained by the agent or trustees.

9. Payments made by the tax-reporting cannabis business (Seller) to a cannabis business (Buyer) for the difference in the original acquisition price and subsequent renegotiated or finalized selling price of products or services sold to a specific end customer. This type of transaction is referred to as a "Billback". The tax-reporting cannabis business must provide supporting documentation to substantiate the transaction in order to be eligible for an exemption.

O. "Industrial hemp" means a crop that is limited to types of the plant *Cannabis sativa* L. having no more than three-tenths of 1 percent tetrahydrocannabinol (THC) contained in the dried flowering tops, whether growing or not; the seeds of the plant; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin produced therefrom.

P. "Industrial hemp products" means any raw hemp that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, an edible product, or a topical product. "Hemp product" also means hemp products as defined by Section 11018.5 of the California Health and Safety Code.

Q. "Lighting" means a source of light that is primarily used for promoting the biological process of plant growth. Lighting does not include sources of light that primarily exist for the safety or convenience of staff or visitors to the facility, such as emergency lighting, walkway lighting, or light admitted via small skylights, windows or ventilation openings.

R. "Medicinal cannabis" or "medicinal cannabis product" means cannabis or a cannabis product, intended to be sold or sold for use pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code, for a medicinal cannabis patient in California who possesses a physician's recommendation, or a cannabis card issued pursuant to Health and Safety Code Section 11362.71.

S. "Nursery" means a facility or part of a facility that is used only for producing clones, immature plants, seeds, and other agricultural products used specifically for the planting, propagation, and cultivation of cannabis or industrial hemp industrial hemp.

T. “Person” means an individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit, whether organized as a nonprofit or for-profit entity, and includes the plural as well as the singular number.

U. “Processing” means a cultivation site that conducts only trimming, drying, curing, grading, packaging, or labeling of cannabis, industrial hemp and nonmanufactured cannabis products.

V. “Sale” “Sell” and “to sell” means and includes any sale, exchange, or barter. It shall also mean any transaction whereby, for any consideration, title to cannabis, cannabis products, industrial hemp and/or industrial hemp products are transferred from one person to another and includes the delivery of cannabis, cannabis products, industrial hemp and/or industrial hemp products pursuant to an order placed for the purchase of the same, but does not include the return of cannabis, cannabis products, industrial hemp and/or industrial hemp products to the licensee from whom the cannabis, cannabis product, industrial hemp and/or industrial hemp product was purchased.

X. “State” means the State of California.

Y. “State license,” “license,” or “registration” means a state license issued pursuant to California Business & Professions Code Section 26050, and all other applicable state laws, required for operating a cannabis business.

Z. “Tax Administrator” means the City Manager of the City of Lemon Grove or his or her designee.

AA. “Testing Laboratory” means a cannabis business that (i) offers or performs tests of cannabis, cannabis products, industrial hemp and/or industrial hemp products (ii) offers no service other than such tests, (iii) sells no products, excepting only testing supplies and materials, (iv) is accredited by an accrediting body that is independent from all other persons involved in the cannabis industry in the state and (v) is registered with the Bureau of Cannabis Control or other state agency.

5.46.50 Tax Imposed.

A. Beginning January 1, 2021, there is imposed upon each person who is engaged in business as a cannabis business a cannabis business tax. Such tax is payable regardless of whether the business has been issued a business license or commercial cannabis permit to operate lawfully in the City or is operating unlawfully. The City’s acceptance of a cannabis business tax payment from a cannabis business operating illegally shall not constitute the City’s approval or consent to such illegal operations.

B. The City Council may, by resolution or ordinance, increase or decrease the rate of the cannabis business tax, including the initial rate of cannabis business tax. The

City Council may, by resolution or ordinance, increase or decrease the rate of the medicinal cannabis business tax, including the initial rate of the medicinal business tax, independent of other cannabis business tax activities. In addition, the City Council may, by resolution or ordinance, increase or decrease the rate of the cannabis business tax on hemp or hemp products, including the initial rate of the tax on hemp or hemp products independent of other cannabis activities. Notwithstanding the foregoing, in no event shall the City Council repeal this tax or set any adjusted rate that exceeds the maximum rates calculated pursuant to this Chapter.

C. The maximum rate of the cannabis business tax shall be calculated as follows:

1. For every person engaged in commercial cannabis cultivation, including cultivation of industrial hemp, in the City:
 - a. The annual maximum rate shall be:
 - i. Four percent (4%) of gross receipts in a facility that uses exclusively artificial lighting.
 - ii. Four percent (4%) of gross receipts in a facility that uses a combination of natural and supplemental lighting as defined in Section 5.46.40 Q of this chapter.
 - iii. Four percent (4%) in a facility that uses no artificial lighting.
 - iv. Four percent (4%) in a facility that is a nursery.
2. For every person engaged in the operation of a testing laboratory for cannabis, cannabis products, industrial hemp and/or industrial hemp products s/he/it shall be subject to the maximum tax rate not to exceed two percent (2%) of gross receipts.
3. For every person engaged in retail sales of cannabis, cannabis products, industrial hemp, and/or industrial hemp products, including as a retailer (dispensary) or non-storefront retailer (retail delivery business), or microbusiness, s/he/it shall be subject to the maximum tax rate not to exceed eight percent (8%) of gross receipts.
4. For every person engaged in distribution of cannabis, cannabis products, industrial hemp and/or industrial hemp products, s/he/it shall be subject to the maximum tax rate not to exceed three percent (3%) of gross receipts.
5. For every person engaged in manufacturing or processing of cannabis, cannabis products, industrial hemp and/or industrial hemp products, or any other type of cannabis business not described in Section 5.46.50 (C) (1), (2), (3), or (4) s/he/it

shall be subject to the maximum tax rate not to exceed four percent (4%) of gross receipts.

- D. Persons subject to the cannabis business tax shall register with the City and pay the registration fee pursuant to Section 5.46.60. They shall also be required to obtain a business license pursuant to Chapter 5.04 of this code; provided, however, that cannabis business activities subject to the cannabis business tax shall be excluded from determining the amount of any business license tax payable under Chapter 5.04.

5.46.60 Registration, reporting and remittance of tax.

- A. Registration of Cannabis Business. All cannabis businesses shall be required to annually register as follows:
 - 1. All persons engaging in business as a cannabis business, whether an existing, newly established or acquired business shall register with the Tax Administrator within thirty (30) days of commencing operation and shall annually renew such registration within 30 days of the business registration anniversary date of each year thereafter. In registering, such persons shall furnish to the Tax Administrator a sworn statement, upon a form provided by the Tax Administrator, setting forth the following information:
 - i. The name of the business
 - ii. The names and addresses of each owner
 - iii. The exact nature or kind of business;
 - iv. The place where such business is to be carried on; and
 - v. Any additional information which the Tax Administrator may require.
- B. An annual registration fee in accordance with the current and approved City fee schedule shall be presented with the sworn statement submitted under this chapter. This fee shall not be considered a tax and may be adjusted by resolution of the City Council.
- C. The cannabis business tax imposed by this chapter shall be paid, in arrears, on a monthly basis. Each person owing a cannabis business tax each calendar month shall, no later than the last day of the month following the close of the calendar month, file with the Tax Administrator a statement (“tax statement”) of the tax owed for that calendar month and the basis for calculating that tax. The Tax Administrator may require that the tax statement be submitted on a form prescribed by the Tax Administrator. The tax for each calendar month shall be due and payable on that same date that the tax statement for the calendar month is due.

- D. Upon cessation of a cannabis business, tax statements and payments shall be immediately due for all calendar months up to the calendar month during which cessation occurred.
- E. The Tax Administrator may, at his or her discretion, establish alternative reporting and payment periods for any taxpayer as the Tax Administrator deems necessary to ensure effective collection of the cannabis business tax. The Tax Administrator may also require that a deposit, to be applied against the taxes for a calendar month, be made by a taxpayer at the beginning of that calendar month. In no event shall the deposit required by the Tax Administrator exceed the tax amount he or she projects will be owed by the taxpayer for the calendar month. The Tax Administrator may require that a taxpayer make payments via a cashier's check, money order, wire transfer, or similar instrument.

5.46.70 Payments and communications – timely remittance.

Whenever any payment, statement, report, request or other communication is due, it must be received by the Tax Administrator on or before the final due date. A postmark will not be accepted as timely remittance. If the due date would fall on a Saturday, Sunday or a holiday observed by the City, the due date shall be the next regular business day on which the City is open to the public.

5.46.80 Payment - when taxes deemed delinquent.

Unless otherwise specifically provided under other provisions of this chapter, the taxes required to be paid pursuant to this chapter shall be deemed delinquent if not received by the Tax Administrator on or before the due date as specified in Sections 5.46.60 and 5.46.70.

5.46.90 Notice not required by the City.

The City may as a courtesy send a tax notice to the cannabis business which owes the City a cannabis business tax. However, the Tax Administrator is not required to send a delinquency or other notice or bill to any person subject to the provisions of this chapter. Failure to send such notice or bill shall not affect the validity of any tax or penalty due under the provisions of this chapter.

5.46.100 Penalties and interest.

A. Any person who fails or refuses to pay any cannabis business tax required to be paid pursuant to this chapter on or before the due date shall pay penalties and interest as follows:

- 1. A penalty equal to ten percent (10%) of the amount of the tax, in addition to the amount of the tax, plus interest on the unpaid tax calculated from the due date of the tax at the rate of one percent (1%) per month.

2. If the tax remains unpaid for a period exceeding one calendar month beyond the due date, an additional penalty equal to twenty-five percent (25%) of the amount of the tax, plus interest at the rate of one percent (1%) per month on the unpaid tax and on the unpaid penalties.

3. Interest shall be applied at the rate of one percent (1%) per month on the first day of the month for the full month and will continue to accrue monthly on the tax and penalty until the balance is paid in full.

B. Whenever a check or electronic payment is submitted in payment of a cannabis business tax and the payment is subsequently returned unpaid by the bank for any reason, the taxpayer will be liable for the tax amount due plus any fees, penalties and interest as provided for in this chapter, and any other amount allowed under state law.

5.46.110 Refunds and credits.

A. No refund shall be made of any tax collected pursuant to this chapter, except as provided in Section 5.46.120.

B. No refund of any tax collected pursuant to this chapter shall be made because of the discontinuation, dissolution, or other termination of a business.

5.46.120 Refunds and procedures.

A. Whenever the amount of any cannabis business tax, penalty or interest has been overpaid, paid more than once, or has been erroneously collected or received by the City under this chapter, it may be refunded to the claimant who paid the tax provided that a written claim for refund is filed with the Tax Administrator within one (1) year of the date the tax was originally due or paid, whichever came first.

B. The Tax Administrator, his or her designee or any other City officer charged with the administration of this chapter shall have the right to examine and audit all the books and business records of the claimant in order to determine the eligibility of the claimant to the claimed refund. No claim for refund shall be allowed if the claimant refuses to allow such examination of claimant's books and business records after request by the Tax Administrator to do so.

C. In the event that the cannabis business tax was erroneously paid in an amount in excess of the tax due, and the error is attributable to the City, the City shall refund the amount of tax erroneously paid; provided that (i) a claim for refund has been timely filed with the Tax Administrator; and (ii) the refund cannot exceed, under any circumstance, the amount of tax overpaid during the twelve months preceding the last month for which the claim states the tax was overpaid.

5.46.130 Personal Cultivation Not Taxed.

The provisions of this chapter shall not apply to personal cannabis cultivation or personal use of cannabis, to the extent those activities are authorized in the "Medicinal and Adult

Use Cannabis Regulation and Safety Act,” as may be amended. This chapter shall not apply to personal use of cannabis that is specifically exempted from state licensing requirements, that meets the definition of personal use or equivalent terminology under state law, and provided that the individual receives no compensation whatsoever related to that personal cultivation or use.

5.46.140 Administration of the tax.

A. It shall be the duty of the Tax Administrator to collect the taxes, penalties, fees, and perform the duties required by this chapter.

B. For purposes of administration and enforcement of this chapter generally, the Tax Administrator may from time to time promulgate such administrative interpretations, rules, and procedures consistent with the purpose, intent, and express terms of this chapter as he or she deems necessary to implement or clarify such provisions or aid in enforcement.

C. The Tax Administrator may take such administrative actions as needed to administer the cannabis business tax, including but not limited to:

1. Provide to all cannabis business taxpayers forms for the reporting of the tax;
2. Provide information to any taxpayer concerning the provisions of this chapter;
3. Receive and record all taxes remitted to the City as provided in this chapter;
4. Maintain records of taxpayer reports and taxes collected pursuant to this chapter;
5. Assess penalties and interest to taxpayers pursuant to this chapter; and
6. Determine amounts owed under and enforce collection pursuant to this chapter.

5.46.150 Appeal procedure.

Any taxpayer aggrieved by any decision of the Tax Administrator with respect to the amount of tax, interest, penalties and fees, if any, due under this chapter may appeal to the City Council by filing a notice of appeal with the City Clerk within thirty (30) calendar days of the serving or mailing of the Tax Administrator’s determination of the amount due. The City Clerk, or his or her designee, shall fix a time and place for hearing such appeal, and the City Clerk, or his or her designee, shall give notice in writing to such operator at the last known place of address. The finding of the City Council shall be final and conclusive and shall be served upon the appellant in the manner prescribed by Section 5.46.150 for service of notice of hearing. Any amount found to be due shall be immediately due and payable upon the service of the notice.

5.46.160 Enforcement - action to collect.

Any taxes, penalties and/or fees required to be paid under the provisions of this chapter shall be deemed a debt owed to the City. Any person owing money to the City under the provisions

of this chapter shall be liable in an action brought in the name of the City for the recovery of such debt. The provisions of this chapter shall not be deemed a limitation upon the right of the City to bring any other action including criminal, civil and equitable actions, based upon the failure to pay the tax, penalties and/or fees imposed by this chapter or the failure to comply with any of the provisions of this chapter.

5.46.170 Appportionment.

If a business subject to the tax is operating both within and outside the City, it is the intent of the City to apply the cannabis business tax so that the measure of the tax fairly reflects the proportion of the taxed activity actually carried on in the City. To the extent federal or state law requires that any tax due from any taxpayer be apportioned, the taxpayer may indicate said apportionment on his or her tax return. The Tax Administrator may promulgate administrative procedures for apportionment as he or she finds useful or necessary.

5.46.180 Constitutionality and legality.

This tax is intended to be applied in a manner consistent with the United States and California Constitutions and state law. None of the tax provided for by this chapter shall be applied in a manner that causes an undue burden upon interstate commerce, a violation of the equal protection or due process clauses of the Constitutions of the United States or the State of California or a violation of any other provision of the California Constitution or state law. If a person believes that the tax, as applied to him or her, is impermissible under applicable law, he or she may request that the Tax Administrator release him or her from the obligation to pay the impermissible portion of the tax.

5.46.190 Audit and examination of premises and records.

A. For the purpose of ascertaining the amount of cannabis business tax owed or verifying any representations made by any taxpayer to the City in support of his or her tax calculation, the Tax Administrator shall have the power to inspect any location where commercial cannabis business activity occurs and to audit and examine all books and records (including, but not limited to bookkeeping records, state and federal income tax returns, and other records relating to the gross receipts of the business) of persons engaged in cannabis businesses. In conducting such investigation, the tax administrator shall have the power to inspect any equipment, such as computers or point of sale machines, that may contain such records.

B. It shall be the duty of every person liable for the collection and payment to the City of any tax imposed by this chapter to keep and preserve, for a period of at least three (3) years, all records as may be necessary to determine the amount of such tax as he or she may have been liable for the collection of and payment to the City, which records the Tax Administrator or his/her designee shall have the right to inspect at all reasonable times.

5.46.200 Other licenses, permits, taxes, fees or charges.

A. Nothing contained in this chapter shall be deemed to repeal, amend, be in lieu of,

replace or in any way affect any requirements for any commercial cannabis permit or City license required by, under or by virtue of any provision of any other Chapter of this code or any other ordinance or resolution of the City, nor be deemed to repeal, amend, be in lieu of, replace or in any way affect any tax, fee or other charge imposed, assessed or required under any other Chapter of this code or any other ordinance or resolution of the City. Any references made or contained in any other Chapter of this code to any licenses, license taxes, fees, or charges, or to any schedule of license fees, shall be deemed to refer to the licenses, license taxes, fees or charges, or schedule of license fees, provided for in other Chapters of this code.

B. The Tax Administrator may revoke or refuse to renew the license required by Chapter 5.46 of this code for any business that is delinquent in the payment of any tax due pursuant to this chapter or that fails to make a deposit required by the Tax Administrator pursuant to Section 5.46.60.

A commercial cannabis permit issued under the Lemon Grove Municipal Code may be revoked, suspended or not renewed in the event that the business holding that permit has failed to (i) make a deposit required by the Tax Administrator pursuant to Section 5.46.60 or (ii) timely pay all taxes, interest and penalties owed by that business under this section.

5.46.210 Payment of tax does not authorize unlawful business.

A. The payment of a cannabis business tax required by this chapter, and its acceptance by the City, shall not entitle any person to carry on any cannabis business unless the person has complied with all of the requirements of this code and all other applicable state laws.

B. No tax paid under the provisions of this chapter shall be construed as authorizing the conduct or continuance of any illegal or unlawful business, or any business in violation of any local or state law.

5.46.220 Deficiency determinations.

If the Tax Administrator is not satisfied that any statement filed as required under the provisions of this chapter is correct, or that the amount of tax is correctly computed, he or she may compute and determine the amount to be paid and make a deficiency determination upon the basis of the facts contained in the statement or upon the basis of any information in his or her possession or that may come into his or her possession within three (3) years of the date the tax was originally due and payable. One or more deficiency determinations of the amount of tax due for a period or periods may be made. When a person discontinues engaging in a cannabis business, a deficiency determination may be made at any time within three (3) years thereafter as to any liability arising from engaging in such cannabis business whether or not a deficiency determination is issued prior to the date the tax would otherwise be due. Whenever a deficiency determination is made, a notice shall be given to the person concerned in the same manner as notices of assessment are given under Section 5.46.240.

5.46.230 Failure to report—nonpayment, fraud.

A. Under any of the following circumstances, the Tax Administrator may make and give notice of an assessment of the amount of tax owed by a person under this chapter at any time:

1. If the person has not filed a complete statement required under the provisions of this chapter;
2. If the person has not paid the tax due under the provisions of this chapter;
3. If the person has not, after demand by the Tax Administrator, filed a corrected statement, or furnished to the Tax Administrator adequate substantiation of the information contained in a statement already filed, or paid any additional amount of tax due under the provisions of this chapter; or
4. If the Tax Administrator determines that the nonpayment of any cannabis business tax due under this chapter is due to fraud, a penalty of twenty-five percent (25%) of the amount of the tax shall be added thereto in addition to penalties and interest otherwise payable under this chapter and any other penalties allowed by law.

B. The notice of assessment shall separately set forth the amount of any tax known by the Tax Administrator to be due or estimated by the Tax Administrator, after consideration of all information within the Tax Administrator's knowledge concerning the business and activities of the person assessed, to be due under each applicable provision of this chapter and shall include the amount of any penalties or interest accrued on each amount to the date of the notice of assessment.

5.46.240 Tax assessment - notice requirements.

The notice of assessment shall be served upon the person either by personal delivery, by overnight delivery by a nationally-recognized courier service, or by a deposit of the notice in the United States mail, postage prepaid thereon, addressed to the person at the address of the location of the business or to such other address as he or she shall register with the Tax Administrator for the purpose of receiving notices provided under this chapter; or, should the person have no address registered with the Tax Administrator for such purpose, then to such person's last known address. For the purpose of Section 5.46.240, a service by overnight delivery shall be deemed to have occurred one (1) calendar day following deposit with a courier and service by mail shall be deemed to have occurred three (3) days following deposit in the United States mail.

5.46.250 Tax assessment - hearing, application and determination.

Within thirty (30) calendar days after the date of service of the notice of assessment the person may apply in writing to the Tax Administrator for a hearing on the assessment. If application for a hearing before the City is not made within the time herein prescribed, the tax assessed by the Tax Administrator shall become final and conclusive. Within thirty (30) calendar days of the receipt of any such application for hearing, the Tax Administrator shall cause the matter to be set for hearing before him or her no later than thirty (30) calendar days after the receipt of the application, unless a later date is agreed to by the Tax Administrator and the person requesting the hearing. Notice of such hearing shall be given by the Tax Administrator to the person

requesting such hearing not later than five (5) calendar days prior to such hearing. At such hearing said applicant may appear and offer evidence why the assessment as made by the Tax Administrator should not be confirmed and fixed as the tax due. After such hearing the Tax Administrator shall determine and reassess (if necessary) the proper tax to be charged and shall give written notice to the person in the manner prescribed in Section 5.46.240 for giving notice of assessment.

5.46.260 Conviction for violation - taxes not waived.

The conviction and punishment of any person for failure to pay the required tax shall not excuse or exempt such person from any civil action for the tax debt unpaid at the time of such conviction. No civil action shall prevent a criminal prosecution for any violation of the provisions of this chapter or of any state law requiring the payment of all taxes.

5.46.270 Violation deemed misdemeanor.

Any person violating any of the provisions of this chapter shall be guilty of a misdemeanor.

5.46.280 Severability.

If any provision of this chapter, or its application to any person or circumstance, is determined by a court of competent jurisdiction to be unlawful, unenforceable or otherwise void, that determination shall have no effect on any other provision of this chapter or the application of this chapter to any other person or circumstance and, to that end, the provisions hereof are severable.

5.46.290 Remedies cumulative.

All remedies and penalties prescribed by this chapter or which are available under any other provision of this code and any other provision of law or equity are cumulative. The use of one or more remedies by the City shall not bar the use of any other remedy for the purpose of enforcing the provisions of this chapter.

5.46.300 Amendment or modification.

Except as set forth in Section 5.46.310, this chapter may be amended or modified but not repealed by the City Council without a vote of the people. However, as required by Article XIII C of the California Constitution, voter approval is required for any amendment that would expand, extend, or increase the rate of any tax levied pursuant to this section. The people of the City of Lemon Grove affirm that the following actions shall not constitute an increase of the rate of a tax:

A. The restoration or adjustment of the rate of the tax to a rate that is no higher than that allowed by this chapter, in those circumstances where, among others, the City Council has previously acted to reduce the rate of the tax or is incrementally implementing an increase authorized by this chapter;

B. An action that interprets or clarifies (i) the methodology of applying or calculating the tax or (ii) any definition applicable to the tax, so long as the interpretation or clarification (even if contrary to some prior interpretation or clarification) is not inconsistent with the provisions of this Chapter 5.46; or

C. The collection of the tax imposed by this chapter even if the City had, for some period of time, failed to collect the tax.

SECTION 2. SEVERABILITY. If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this ordinance. The people of the City of Lemon Grove hereby declare that they would have passed this ordinance and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared invalid.

SECTION 3. ENVIRONMENTAL COMPLIANCE. The findings establishing that this Ordinance is in compliance with the California Environmental Quality Act (“CEQA”) are the same as those set forth in the City Council’s Resolution No. 2020-3744 calling for an election on this Ordinance. The CEQA findings in Resolution No. 2020-3744 are incorporated herein by this reference.

SECTION 4. EFFECTIVE DATE. This Ordinance relates to the levying and collecting of a City tax and shall take effect immediately.

This Ordinance was approved and adopted by the People of the City of Lemon Grove at the City’s November 3, 2020 General Municipal Election.

This Ordinance was approved by Declaration of the vote by the City Council of the City of Lemon Grove on July 7, 2020.

Racquel Vasquez, Mayor

ATTEST:

Shelley Chapel, City Clerk