



STAFF REPORT

December 7, 2022
File Number 0430-30

SUBJECT

FISCAL YEAR 2021/22 FINANCIAL STATUS REPORT AND AMERICAN RESCUE PLAN UPDATE

DEPARTMENT

Finance

RECOMMENDATION

Request the City Council:

- A. Receive and file the annual Financial Status Report and American Rescue Plan Update for FY2021/22 (Attachment 1);
- B. Adopt Budget Adjustments (Attachment 2) to distribute the fiscal year-end financial resources and commitments and allocate American Rescue Plan Act project funds;
- C. Adopt Resolution No. 2022-186 authorizing a three-year agreement with Crayon in the amount of \$1,689,820 to provide a Microsoft Enterprise Licensing Agreement with Software Assurance (SA);
- D. Adopt Resolution No. 2022-178 Amending the Salary Schedule for the Unclassified and Management Groups and Adopt Resolution No. 2022-179 Amending the Part-time Salary Plan.

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

Presenter: Christina Holmes, Director of Finance

FISCAL ANALYSIS

See Below.

PREVIOUS ACTION

On May 11, 2022, the City Council received the FY2021/22 Financial Status Report for the third quarter ending March 31, 2022.

On April 11, 2022, the City Council received a status update on American Rescue Plan Act funded projects.

On December 15, 2021, the City Council approved to amend and re-establish the salary schedule for the Unclassified and Management groups and the Part-Time Hourly Compensation Plan.



CITY *of* ESCONDIDO

STAFF REPORT

On December 18, 2019, the City Council approved a three-year agreement with Dell Inc for Microsoft Enterprise Services.

BACKGROUND

The City Council Budget and Financial Policies require that the City present quarterly financial reports each fiscal year. The purpose of this report is to provide City Council and the public a financial update of selected funds of the City. This report provides the City Council with an analysis of unaudited revenues and expenditures for FY2021/22 in comparison to FY2020/21 for the General Fund and the Water and Wastewater Funds. The report also includes an update on projects approved by City Council that are funded by the American Rescue Plan Act. The complete Financial Status Report can be found as Attachment 1. The financial highlights for the General Fund are summarized below.

General Fund

In June 2021, the City Council adopted the FY2021/22 operating budget with General Fund revenues of \$107.0 million and expenditures of \$117.1 million. Total operating revenue was projected to increase by 3% and the adopted expenditure budget increased by approximately \$7.1 million or 6% compared to the revised FY2020/21 operating budget. In addition to providing core City services including Public Safety, Public Works, Community Services, and Development Services, the FY2021/22 budget reflected the resources required to address specific public service needs around traffic flow, traffic safety, and homelessness.

The adopted FY2021/22 budget also projected an \$8 million net operating deficit. To continue to provide essential City services and identified community priorities, respond to infrastructure maintenance and repair needs, and address the net operating deficit with a balanced budget for FY2021/22, City Council approved the use of the final one-time source of funds from the Successor Agency Redevelopment Loan repayment of \$2.2 million and a transfer of \$6.1 million from the Section 115 Pension Trust Fund though this did not address the ongoing deficit the City faces.

In FY2021/22, strong consumer demand for products, continued high inflation, and a strong housing market resulted in overall operating revenue exceeding the amount projected by \$11.8 million, a 9% increase from the prior fiscal year ending June 30, 2021. The largest source of revenue for the General Fund is sales tax revenue at 40%, followed by property tax revenue at 27%, and other taxes account for 14% of total operating revenue.

The economy continued to recover from the initial impacts of the COVID-19 pandemic and resulting restrictions. The pent-up demand for goods, as well as inflation, led to higher prices for goods, increasing the sales tax revenue generated within the City. Actual sales tax receipts increased by \$5.6 million or 13% compared to the prior year. This increase was anticipated in the mid-year financial report to City Council, and the Sales Tax revenue budget was increased by \$4.2 million approved by City Council on February 2, 2022. Property tax and other tax revenue also increased from the prior year by about \$4.1 million.



CITY *of* ESCONDIDO

STAFF REPORT

Actual General Fund expenditures were under the amount budgeted by \$2.8 million as of June 30, 2022. This can be attributed to countless conscientious and efficient operational decisions, and an overall climate of fiscal prudence on the part of the entire City workforce. In addition, as reported in previous fiscal updates, the City continued to experience expenditure savings from vacant staff positions in multiple departments as recruitments are being performed, often taking much longer than anticipated to fill those positions. In calendar year 2021, the City had the highest turnover rate in the last 10 years at 14%. This is not unique to the City given the job market locally.

Included in total General Fund expenditures are commitments (carryovers) of \$1,172,200. Commitments are obligations incurred in the FY2021/22 operating budget that were not completed by the end of the fiscal year and, as a result, the remaining obligated amounts will be expended in the new fiscal year. All items have been encumbered under a FY2021/22 purchase order, the result of a FY2021/22 budget adjustment, or specifically referenced in the FY2021/22 adopted line item detail budget. Items totaling \$1,172,200 are as follows:

- With the approval of the Economic Development Subcommittee, the Economic Development division engaged with Beacon Economics to assist staff with an update of the City's Comprehensive Economic Development Strategy (\$99,700) and also engaged with New City America to prepare an analysis for forming a Property and Business Improvement District (\$99,700);
- Enterprise Software and Web Administration (\$30,040) for the Cityworks Timmons Portal professional services not completed in FY2021/22;
- Recreation department financial software contract (\$3,490) and funds for the completion of the electric sign installation at EVCC (\$33,900);
- Building Department professional services contract with EsGil (\$9,550);
- Engineering (\$13,730) consulting services for the VMT Exchange program with Fehr & Peers not completed in FY2020/21;
- Police Department (\$206,330) safety equipment services that were not received before the end of the fiscal year; and
- Purchases of vehicles and equipment by the Parks and Streets departments that were not received by the close of the fiscal year (\$677,460).

As a result of the increase in total operating revenue and expenditure savings experienced during the fiscal year ending June 30, 2022, the General Fund had a net operating surplus of \$9.1 million. As noted above, the City also received the final loan repayment from the Successor Agency Redevelopment Loan of \$2.2 million. Combined with the net operating surplus, total General Fund sources of funds are \$11,344,020.



CITY of ESCONDIDO

STAFF REPORT

RECOMMENDATION:

The FY2021/22 operating results benefited from a strong local economy; higher priced goods through periods of consistent demand have led to economic inflation. The City's Sales Tax forecasters are predicting growth in sales tax revenues into the next fiscal year; however, at a much slower pace. This is due to current economic conditions and an anticipated slowing of the economy. In November 2022, the Legislative Analyst's Office ("LAO") released [California's Fiscal Outlook](#) and after a record budget surplus, the LAO is now projecting a \$25 billion deficit in the next fiscal year as tax revenues decline. From the Fiscal Outlook Report, *"Facing rising inflation, the Federal Reserve—tasked with maintaining stable price growth—repeatedly has enacted large interest rate increases throughout 2022 with the aim of cooling the economy and, in turn, slowing inflation. The longer inflation persists and the higher the Federal Reserve increases interest rates in response, the greater the risk to the economy. The chances that the Federal Reserve can tame inflation without inducing a recession are narrow. Reflecting the threat of a recession, our revenue estimates represent the weakest performance the state has experienced since the Great Recession."*

The General Fund has benefitted from improved revenue activity since the recovery period of COVID-19, from the end of 2020 through 2022. However, revenues have not kept pace with the growing costs of providing municipal services, and the City's structural budget gap remains. With no ongoing additional source of revenue identified, the City will need to continue to make fiscally responsible and strategic decisions about how to use the one-time sources of revenue and fiscal year positive operating results to address the financial challenges ahead.

Staff is recommending the available General Fund resources for the fiscal year ending June 30, 2022 be allocated to the following:

Replacement of Critical Infrastructure - Transfer of **\$4,492,800** from the General Fund, \$633,600 from the Water Fund, and \$633,600 from the Wastewater Fund for a total of \$5,760,000 for the replacement of critical infrastructure and technology platforms CityWide. To address the structural General Fund budget deficit, the City has maintained a hardline on expenditures. Since the Great Recession the City has controlled costs by deferring maintenance and capital project costs of more than \$8 million annually. As a result of these budget restrictions, the City has also continued to defer the adoption of new technology.

Network Infrastructure - \$1,940,000: The network that supports all City services is now at a critical state, both current hardware and software will need to be replaced. Since the construction of City Hall in 1988 most of the methodology on how we deliver the supporting technology footprint has not changed. The City has operated in this hub and spoke design for over 40 years due to budget constraints. It has served the City well but we are unable to meet the Service Level Agreements (SLAs) outlined in the Continuity Of Operations Plan (COOP) adopted by City Council. Many departments have transformed to digital platforms to provide services and as such require access to technology solutions to deliver these municipal services at all times.



CITY of ESCONDIDO

STAFF REPORT

With the guidance of industry consultants, in collaboration with all departments, and in compliance with regulations, the Information Systems Department has identified priority areas for re-design and critical upgrades. The purpose of these upgrades is to meet the expectations of today's workforce while adhering to the City's COOP and many rigorous regulatory compliances. Technology has become an essential part of the way we deliver services. The City of Escondido faces many technological challenges currently and in the future. For reasons of cyber security, productivity, disaster recovery, continuity of operations, risk mitigation, and the critical role technology plays in providing the services to our community we must change to ensure the ability to deliver services no matter what situation the City is faced with.

Therefore, Staff recommends the following investment expenditures:

- Replace recently damaged equipment due to a water leak at City Hall (\$830,000)
- Create local redundancies in data communications infrastructure at Key Locations (\$200,000)
- Reduce on-premise compute infrastructure and increase system availability by using cloud-backed technology (\$810,000)
- Professional Services (\$100,000)

Microsoft Enterprise Agreement - \$320,000: The City has used Microsoft software technologies in a multitude of ways for more than 20 years. Microsoft software provides productivity applications, collaboration tools, a range of security solutions, workstation and server operating systems, cloud solutions, data storage, industry-leading database solutions that power many of our enterprise software solutions, and other technologies the City relies on to deliver municipal services. To properly license and support all of these Microsoft products, we maintain an Enterprise Agreement with Microsoft. The Enterprise Agreement not only covers the required software licenses, but also includes Software Assurance which provides us with software support, security updates, and the latest version and feature updates during the term of the three-year agreement. See Exhibit "A" to Resolution No. 2022-186.

Typically, pricing levels are set by Microsoft based on the total number of licenses purchased by an organization. The City is changing from a licensing model based on workstations to user based. With standard pricing, this puts the City of Escondido in Microsoft's Volume Level A pricing – for organizations that have a base licensing count of 250 to 2,399. Since we are a local government agency, we instead are allowed to use the lower Level D pricing – normally reserved for entities with more than 15,000 base licenses. Each pricing level represents approximately 8% savings, so Level D is approximately 24% cheaper than Level A.

To lock in Level D prices, the County of Riverside put out a Request for Proposal (RFP) for the acquisition of Microsoft software enterprise licensing and maintenance. That RFP resulted in an agreement between the County of Riverside and Microsoft – the County of Riverside Master Agreement #8084445. The agreement provides the ability for California local government agencies to participate in cooperative purchasing for Microsoft Licensing. In lieu of our own RFP, we utilized the pricing and vendors that the Riverside agreement specifies. This is not unusual - most of California's local government entities are



CITY of ESCONDIDO

STAFF REPORT

leveraging this agreement for their Microsoft licensing since it provides better pricing than any of these entities would otherwise receive on their own.

There are 11 authorized Microsoft resellers under the County of Riverside agreement. City staff requested quotes from all 11 vendors to obtain the best pricing. Out of the quotes that the City received, Crayon's quote was selected as the lowest. See Exhibit "C" to Resolution No. 2022-186 for details of the competitive quote comparison.

The City's Microsoft Licensing cost, based on cooperative purchasing and multiple quotes, is \$524,140 for the first year and \$582,840 per year for the second and third years. Additional funds of \$320,000 are needed to account for the increased contract costs in FY2022/23. Upon Council approval, the agreement with Crayon will begin January 1, 2023.

Enterprise Resource Planning System - \$3,500,000: In 1999, the City Council approved the purchase of an Enterprise Resource Planning (ERP) system called PeopleSoft. ERP solutions integrate all of the core systems that support the entire City into a single system – accounting, human resources, procurement, capital assets, building, inventory, budget, etc.

PeopleSoft has been supporting the City since it was implemented in 1999. However, Oracle acquired PeopleSoft Corp in 2005 and has since stopped developing upgrades for PeopleSoft, and the underlying technologies are now out of support for modern operating systems. The Information Systems, Finance, and Human Resources departments have been able to extend the life of PeopleSoft using internal staff resources and developing manual processes and workarounds for basic daily functions. The outdated software has limited the City's ability to improve and adapt to both business and technology needs that have changed since the City selected PeopleSoft in 1999, more than 23 years ago.

This is a CityWide system impacting every employee, citizens, and businesses. An ERP system will provide many modern tools that will enable the City to maintain and improve service to the City's customers (citizens, businesses, visitors, and staff). It will enable the integration of core business processes and facilitate consistent, integrated reporting with fewer resources. This in turn will enable additional oversight and accountability. An ERP system will bring broad-based functionality and modern tools that can enable efficiency and transparency for many years to come.

Transfer to the Section 115 Pension Trust Fund - \$2,194,370: As part of the 2011 Budget Act, the State of California Legislature approved the dissolution of the state's Redevelopment Agencies and replaced them with Successor Agencies effective February 1, 2012. As part of the dissolution of the City's Successor Agency, the State Department of Finance approved the repayment of loans made between the City and the former Redevelopment Agency. This resulted in annual loan repayments to the General Fund pursuant to a formula described in the Health and Safety Code which began in FY2018/19 and ended in FY2021/22.



CITY of ESCONDIDO

STAFF REPORT

In February 2018, City Council authorized the establishment of a Section 115 Irrevocable Pension Trust Fund. When the Pension Trust Fund was established, a funding policy for contributions to the Fund was recommended and included the four years of annual Successor agency Redevelopment Loan Repayments. However, to achieve a balanced budget for FY2021/22 and avoid further cuts to services, City Council approved the recommendation to divert the transfer of funds in the same amount from the Redevelopment Loan payment to the City.

As a result of the FY2021/22 General Fund operating surplus, the Successor Agency Redevelopment Loan Repayment is not needed to close the projected operating deficit. Staff is recommending that the Successor Agency Redevelopment Loan Repayment of \$2,194,370 be transferred to the Pension Trust Fund.

Transfer Remaining Net Resources to the Section 115 Pension Trust Fund - \$4,656,850: With no ongoing additional source of revenue identified, the City will need to continue to make fiscally responsible and strategic decisions about how to use the one-time sources of revenue and fiscal year positive operating results to address the financial challenges ahead. In order to prepare for the future fiscal deficits, staff is recommending that the remaining fiscal year resources of \$4.1 million be placed in the Section 115 Pension Trust Fund, to be used to offset the impact of future cost cutting and service reduction measures.

After consulting with City Treasurer Shultz, staff are recommending that be placed in the Trust rather than the General Fund reserve because the investment arrangements through the Trust enable the City to generate a higher rate of return on the funds while they are being held. Funds in the trust can be used to provide economic relief during recessionary cycles and/or rate increases that are significantly above anticipated projected employee rate increases. More importantly, funds placed in this Trust can also be used to offset the City's "normal" CalPERS costs, such that if funds are necessary for other purposes, a certain amount of flexibility is present.

UNCLASSIFIED SERVICE SCHEDULE, SALARY PLANS, AND BUDGET ADJUSTMENT

Annually, the City is required to update the Salary Schedule for the Unclassified and Management Salary groups as well as the Part-Time Salary Plan. The Schedule and the Salary Plan are legally required elements of the City's Personnel Rules and Regulations established pursuant to state law and the Escondido Municipal Code. All financial impacts related to Resolutions 2022-178 and 2022-179 were addressed in the FY2022/23 budget adopted on June 22, 2022.

The California Government Code, the California Code of Regulations, and the Escondido Municipal Code all require the City to formally maintain a list of all unclassified position titles. For example, the California Code of Regulations requires that, for purposes of determining a retiring member's pension allowance, the pay rate be limited to the amount listed "on a pay schedule that is approved by the governing body." The law also requires that this type of item be adopted as a matter of "current business" by the governing body.



CITY of ESCONDIDO

STAFF REPORT

The Human Resources Department conducts job studies to ensure that job classifications accurately reflect current job duties. Additionally, if a classification is experiencing a recruitment or retention issue, a classification and compensation study is conducted to ensure that the salary is competitive within the labor market. As a general rule, the City strives to be within 5% +/- of the public agency market median for comparable positions. Changes recommended at this time are identified on Exhibit A and Exhibit B, which are attached to Resolution No. 2022-178 and Exhibit A and Exhibit B, which are attached to Resolution No. 2022-179.

AMERICAN RESCUE PLAN ACT UPDATE

On March 11, 2021, the American Rescue Plan Act of 2021 ("ARPA") was signed into law, which contains \$1.9 trillion in overall national spending to support COVID relief and economic recovery efforts. ARPA provides a \$350 billion allocation of Coronavirus State & Local Fiscal Recovery Funds ("CSLFRF") to state, local, territorial, and tribal governments. Within the guidelines of ARPA, the City of Escondido was categorized as a Metropolitan City and was allocated \$38,808,509. Funds may only be used for project costs initiated on or after March 3, 2021, and must qualify within one of five eligible expenditure categories. All funds must be encumbered by December 31, 2024 and fully spent by December 31, 2026.

The Treasury identified the following five eligible categories of expenditures:

- Support public health expenditures;
- Address negative economic impacts caused by the public health emergency;
- Replace lost public sector revenue;
- Provide premium pay for essential workers;
- Invest in water, sewer, and broadband infrastructure.

Based on the initial guidelines, in September 2021 City Council approved a list of projects totaling \$22,808,509. A detailed update on each one of these projects is provided in **Attachment 1**.

On April 20, 2022, staff provided an update on the ARPA funded projects and requested City Council feedback for allocating the remaining funds. ***Based on the direction received on April 20, staff are recommending allocating additional funds for the following projects:***

Queen Califia Event Space - additional funds of \$585,000: This project will provide funding to construct a new rentable event space adjacent to the Queen Califia Magical Sculpture Garden.

On June 30, 2022, the City issued an RFP for the design of the event space and no responses were received. Staff believe this is due to the small-scale scope and budget of the project. With the escalation of infrastructure projects throughout the state, smaller projects such as this are at a disadvantage. Design firms have an extensive list of projects available to them and therefore have the ability to select larger, more lucrative projects.



CITY of ESCONDIDO

STAFF REPORT

After reviewing the options for this project, staff are recommending an alternative approach, similar to what was done with the National Fitness Campaign (NFC) Fitness Courts. Staff recommend purchasing the event structure in advance and issue an RFP for the installation and construction of the concrete pad and walkway. In addition to publicly advertising the RFP, staff will reach out directly to the firms that submitted proposals for the installation of the NFC Courts, as the two projects are similar in size and scope. Although constructing a DG walkway would alleviate stormwater requirements and save approximately \$85,000, it is the staff recommendation to construct the walkway out of concrete for better ADA accessibility, less required maintenance in the long-term, and better longevity of the pathway.

Staff are requesting an additional \$585,000 in ARPA funding for this project. This will cover materials, installation, staff support, and contingencies. The majority of the additional funding requested is to cover the purchase of the amphitheater style structure proposed, at \$450,000. It is estimated that the timeline to receive the materials is 16-20 weeks from the order date. Staff will consecutively release the RFP for Installations during that lead-time.

Pickleball - \$400,000: Accelerated by COVID, both tennis and pickleball have experienced dramatic growth over the past few years. In an attempt to accommodate this growing sport, the City has painted pickleball lines on nine of its 17 tennis courts, resulting in 20 dual-lined pickleball courts. Unfortunately, this model has led to tension between pickleball and tennis players.

With a goal of better serving more users and diversifying the recreation offerings at City parks, staff have done extensive outreach around this topic:

- Two community meetings were held to gather feedback from the pickleball and tennis communities, one at Mountain View Park and the other at Washington Park. Both events were very well attended with approximately 130 people in attendance at Mountain View Park and 30 in attendance at Washington Park.
- The City issued a survey regarding how courts are currently used and how court space should be allocated in the future. From that survey, 337 responses were received.
- A second survey related to proposed court rules was released November 23, 2022 and will be open for responses until December 15, 2022.
- Staff received dozens of emails from the public expressing their desires and concerns as it relates to modifying existing courts verses installing new courts.
- Staff conducted a survey of local municipalities to determine types of courts available and best practices around rules and enforcement.

Throughout all of these efforts staff saw strong advocacy for both sports and the need to balance the exploding popularity of pickleball without significantly impacting tennis. As a result, City staff are recommending both short term and long-term solutions.



CITY of ESCONDIDO

STAFF REPORT

Long term solution: Staff recognize that dedicated courts are the best solution and therefore are recommending ARPA funding to implement that project. If approved, this project will take months to implement. This project will fund the installation of eight new dedicated pickleball courts in Escondido. Staff evaluated multiple park options.

- a. Mountain View Park - *Staff's recommendation because the park master plan already calls for a sports court in this location adjacent to the existing tennis/pickleball courts, so no new environmental work would have to be done and there is already a thriving racket community utilizing this park. The impacts would be negligible and would therefore not result in a Master Plan amendment. However, the location cited in the master plan is in the existing historic Elmer Field property. Therefore, this would require realigning the existing fence to accommodate the new pickleball courts. The timeline for completion of the project at this location is the shortest.
- b. Rod McLeod Park – this developed park has plenty of space for construction and existing restroom facilities, but the master plan would have to be updated including environmental assessment and significant grading would have to be done in this hilly location to create a flat space for the courts. There is also an existing SDG&E easement through the middle of this park which would restrict the available locations for the courts and likely add to the cost. The timeline would be much longer than Mountain View Park and the cost would have to be increased to approximately \$800,000 to include updating the master plan, environmental assessment, and grading.
- c. 11th Avenue Park – this is a completely empty “greenfield” project with no adopted master plan. The timeline for this project would be the longest – most likely outside the scope of the ARPA approved timeline - and the cost would have to include a master plan, environmental assessment, and significant additional improvements such as restrooms that don't currently exist. The cost is estimated to be in the \$millions.

Short term solution: The City will be replacing the metal nets at Washington Park to make the courts more playable for both pickleball and tennis players, and we will be piloting a set of rules for Mountain View Park. The rules will be based on the survey results that will be returned by December 15 and either designate specific days of play or hours of play for each group. New signage reflecting these rules will be posted and made effective January 3, 2023. Our hope is that these small temporary changes will improve the players experience in our parks, until new dedicated pickleball courts can be built.

Archery Range - \$35,000: Archery ranges are relatively low cost and bring another outdoor recreational amenity to the City. Archery is a sport for everyone, regardless of age, fitness level, or physical capabilities. In addition, archery ranges can provide recreational and educational programming for youth summer camps, after school programs, Junior Olympic Development classes, and club sports. Archery is an Olympic sport and many Olympic athletes get introduced to the sport through a local municipal archery range.



CITY of ESCONDIDO

STAFF REPORT

The City of Poway operates an archery range at Lake Poway, <https://ca-poway.civicplus.com/403/Archery-Range>. City staff would model an archery range similar to the Lake Poway Archery Range in accordance with City Attorney recommendations. Staff would require participants to sign a waiver, check in with a Ranger prior to using the facility, and pay a nominal use fee (Poway - \$16/Year). Recreation staff would create a reservation system (facility calendar) for facility rentals i.e. birthday parties, tournaments, archery classes, summer camps, and other programming opportunities. During scheduled events, the archery range would be closed to the general public. Otherwise, the archery range would be open to the public, coinciding with park hours, on a first come, first served basis. After assessing potential locations at Dixon Lake, Lake Wohlford, and Ryan Park staff's recommendation is to install this archery range at Lake Wohlford due to the available space, topography of the land, and proximity to the Ranger station.

John Masson Bike Park at Jesmond Dene Park - \$300,000: This project will construct a one-acre bike park in Jesmond Dene Park. On November 18, 2020 the City Council approved the Prop 68 Per Capita grant allocation of \$271,303 for this project. Because the community surrounding the park does not qualify as a severely disadvantaged community, a match in the amount of \$70,000 is required. Additional funds are being requested to cover the matching requirement of the grant and inflationary cost increases in materials. The City is currently working with Kimley-Horn to design the park. The public engagement piece of this project will commence in January 2023. Design is expected to take eight months, with construction starting in late summer of 2023.

Futsal at Washington Park - \$215,000: This project will convert two tennis courts at Washington Park to two Futsal Courts. This includes materials, installation, project management, and contingencies.

On April 7, 2021, the City Council approved an MOU with The US Soccer Foundation to provide potential funding for two futsal courts in Washington Park. Unfortunately, The US Soccer Foundation has yet to identify a fiscal sponsor for the courts, so the City has since explored other options for partnerships. In early 2022, Street Soccer USA (SSUSA) and the San Diego Loyal, a San Diego based professional soccer team, reached out to City staff regarding such a partnership. SSUSA is committed to long term programming at Washington Park in the form of providing trained, paid coaches, oversight, management, scheduling of programming, and ongoing general upkeep of the site.

Funding for these services has been committed by the San Diego Loyal. Committed funds would cover the following weekly programming, for a 12-month period (approximately an \$80,000 value).

- Provide free soccer programming 2 times per week 40 weeks per year according to an agreed upon schedule with the City of Escondido and other community stakeholders.
- Place trained staff/coaches/volunteers to deliver the SSUSA Skills-Based Curriculum to a wide variety of clients both youth and adults.
- Work cooperatively with the City to resolve any questions or concerns about programming objectives or outcomes.



CITY of ESCONDIDO

STAFF REPORT

- Provide ongoing communication regarding program operations, activities and opportunities to expand/enhance services including additional practices, games and tournaments.
- With appropriate approvals, recognize a partnership with City in SSUSA written, electronic and promotional materials, including web-site material, as it concerns a shared mission and joint efforts to increase the number of citizens who participate in structured programming as well as open play.
- Reinforce the policies and procedures of the City.
- Provide basic equipment necessary for soccer programming.

In addition to programmed time, the futsal courts will be open to general community use for pick-up soccer play on a first come, first served basis. If demand is significant, staff will evaluate a free reservation system.

A survey was conducted in January 2021 to determine how and what amenities people use at Washington Park, as well as to gauge the level of support for converting two tennis courts to Futsal courts. There was an overwhelmingly positive response for the installation of futsal courts. Of the 412 responses, 391 were in support of converting the courts.

Additionally, two public outreach meetings were held in June 2022 to gather input on potential court conversions primarily related to pickleball and tennis. These meetings were also used as an opportunity to remind the public of the previously approved mini-pitch systems that would be coming to Washington Park.

Ryan Park LED Lighting Retrofit - \$675,000: There are currently eight fields at Ryan Park, five of which are lit. In 2021, funding for Ryan Park Field Expansion and Lighting Project was approved using Park Development Fees through the Capital Improvement Program budget. To supplement the previously approved Capital project at Ryan Park, this ARPA project will be used to retrofit the existing inefficient, expensive halide lights on the remaining fields to LED, so that they are consistent with the new lights being installed. The outcome of these collective projects is that Ryan Park will have eight total fields – seven of them will be lit with energy efficient, cost effective LEDs. One of those lit fields will be designated for public use only. One field will remain unlit.

El Caballo Park Master Plan - \$200,000: Per City Council direction in April 2022, funds will be used to engage with a consultant to complete the environmental document based on the existing draft park master plan. Once completed, the El Caballo Park master plan will be brought forward to City Council for adoption concurrent with the environmental document.

ARPA BUDGET RECOMMENDATION

The following table is a summary of the current ARPA funds allocated, recommendations for reallocation, and additional funding recommendations included in the Budget Adjustment Request (Attachment 2).



CITY of ESCONDIDO

STAFF REPORT

With City Council approval of the Budget Adjustment, the remaining balance for unallocated ARPA funds is \$13,056,056.

Total Distribution of Funds	\$38,808,509
City Council Approved Projects – September 29, 2021	(22,808,509)
Revenue Loss Category Earmarked in FY2022/23 Operating Budget	(3,735,030)
Remaining balance – Ambulance Gurneys	1,086
Reallocate – Technology Project / ERP System	3,200,000
Additional Funding – Queen Calafia	(585,000)
Additional Funding – Pickleball	(400,000)
Additional Funding – Archery Range	(35,000)
Additional Funding – John Masson Bike Park	(300,000)
Additional Funding – Futsal at Washington Park	(215,000)
Additional Funding – Ryan Park Lighting	(675,000)
New Project – El Caballo Park Master Plan	(200,000)
Total Unallocated ARPA Funds	\$13,056,056

RESOLUTIONS

- a. Resolution No. 2022-186 Authorizing a three-year agreement with Crayon in the amount of \$1,689,820 to provide a Microsoft Enterprise Licensing Agreement with Software Assurance (SA)
- b. Resolution No. 2022-186 – Exhibit A Microsoft Enterprise Licensing Agreement
- c. Resolution No. 2022-186 – Exhibit B Crayon Proposal
- d. Resolution No. 2022-186 – Exhibit C Microsoft Competitive Quote Comparison
- e. Resolution No. 2022-178 Amending the Salary Schedule for the Unclassified and Management Groups
- f. Resolution No. 2022-178 – Exhibit A Summary of Changes Management and Unclassified Clerical Technical Groups
- g. Resolution No. 2022-178 – Exhibit B Management and Unclassified Clerical Technical Groups Salary Schedule
- h. Adopt Resolution No. 2022-179 Amending the Part-time Salary Plan
- i. Resolution No. 2022-179 – Exhibit A Part-Time Hourly Compensation Plan
- j. Resolution No. 2022-179 – Exhibit B Part-Time Salary Schedule



CITY *of* ESCONDIDO

STAFF REPORT

ATTACHMENTS

- a. Attachment 1 – Financial status report and American Rescue Plan Act update for FY2021/22
- b. Attachment 2 – Budget Adjustment Requests: FY2021/22 General Fund carryovers and year-end resources, funding recommendations for deferred technology infrastructure, and American Rescue Plan Act Project funding