



# CITY OF LEMON GROVE

## CITY COUNCIL STAFF REPORT

**Item No.** 1.A  
**Meeting Date:** March 21, 2023  
**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:** March 21, 2023  
**Submitted to:** Honorable Mayor and Members of the City Council  
**Department:** City Manager's Office  
**Staff Contact:** Joseph Ware, Finance Director  
[jware@lemongrove.ca.gov](mailto:jware@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:

Joseph Ware, Finance Director

For Council Meeting: 03/21/23

ACH/AP Checks 02/28//23-03/10/23 1,116,046.52

Payroll - 03/07/23 146,949.27

Total Demands 1,262,995.79

CHECK NO	INVOICE NO	VENDOR NAME	CHECK DATE	Description	INVOICE AMOUNT	CHECK AMOUNT
ACH	Feb21 23	US Treasury	02/28/2023	Federal Taxes 2/21/23	26,806.90	26,806.90
ACH	Feb23	Wage Works	02/28/2023	FSA Reimbursement - Feb'23	2,428.04	2,428.04
ACH	4848	Yiftee, Inc	03/01/2023	Buy One Get One Gift Cards-Phase 1 Addtl Funds - ARPA	75,000.00	75,000.00
ACH	Jan25-Feb21 23	California Public Empl Retirement System	03/02/2023	Pers Retirement 1/25/23-2/21/23	68,017.90	68,017.90
ACH	30223	Pitney Bowes Global Financial Services LLC	03/02/2023	Postage Usage Annual Fee	50.00	50.00
ACH	Mar 2023	Pers Health	03/02/2023	Pers Health Insurance - Mar23	56,977.46	56,977.46
ACH	1/23/2023	Wells Fargo	03/02/2023	AT&T - Backup City Hall Internet- 1/23/23-2/22/23	85.60	3,939.40
	1/11/2023			Cox - Calsense Modem Line: 2259 Washington 1/11/23-2/10/23	27.62	
	1/1/2023			Cox - Calsense Modem Line: 7071 Mt Vernon/Berry St Pk 1/1-31/23	27.62	
	1/10/2023			Cox - Calsense Modem Line: 8235 Mt Vernon/Berry St Pk 1/9-2/8/23	80.39	
	1/19/2023			Cox - Phone/PW Yard/2873 Skyline- 1/19/22-2/18/23	216.04	
	1/1/2023			Cox - Phone/City Hall 1/1/23-1/31/23	817.07	
	1/29/2023			Cox - Internet/Comm Ctr- 12/30/22-1/29/23	110.39	
	1/19/2023			Cox - Copy Room Fax Line- 1/18/23-2/17/23	4.37	
	1/1/2023			Cox - MainPhone/Fire 1/1/23-1/31/23	488.28	
	1/26/2023			Cox - City Hall Fire Alarm 12/27/22-1/26/23	92.93	
	1/7/2023			Cox - PEG Circuit Svc- 1/7/23-2/6/23	161.04	
	1/4/2023			Cox - Phone/Internet/Rec Ctr/3131 School Ln- 1/4/23-2/3/23	341.86	
	786539			House of Automation - Maintenance/PW Yard Gate 10/28/22	285.00	
	787188			House of Automation - Maintenance/PW Yard Gate 11/18/22	285.00	
	9924443147			Verizon - Modems - Cardiac Monitors - 12/4/22-1/3/23	42.12	
	9925204317			Verizon - City Phone Charges- 12/13/22-1/12/23	350.62	
	9925204318			Verizon - PW Tablets- 12/13/22-1/12/23	169.35	
	9923401743			Verizon - MDC Engine Tablets- 11/21/22-12/20/22	393.10	
	12323			Refund Transaction Fee	-39.00	
ACH	Feb23	Home Depot Credit Services	03/03/2023	Home Depot Charges - Feb'23	2,125.51	2,125.51
ACH	Jan23	San Diego County Sheriff's Department	03/08/2023	Law Enforcement Services - Jan'23	603,123.75	603,123.75
ACH	Mar7 23	Employment Development Department	03/08/2023	State Taxes 3/7/23	8,568.90	8,568.90
ACH	14375033	LEAF	03/09/2023	Ricoh C3502 Copier System-PW Yard - Feb'22	138.27	138.27
ACH	Feb23-CC	Wells Fargo	03/10/2023	Credit Card Processing-Mo.Svc - Feb'23	9.95	966.37
	Feb23-CC			Credit Card Transaction Fees- Feb'23	956.42	
ACH	796866	Aflac	03/10/2023	AFLAC Insurance 3/9/23	1,561.06	1,561.06
ACH	Feb22-Mar7 23	Calpers Supplemental Income 457 Plan	03/10/2023	457 Plan 02/22/23-03/07/23	5,705.71	5,705.71
16890	L1072895XB	American Messaging	03/01/2023	Pager Replacement Program 2/1/23-2/28/23	51.22	51.22
16891	1/13/23-2/12/23	AT&T	03/01/2023	Phone Service 1/13/23-2/12/23	97.96	97.96
16892	1366	Badawi & Associates	03/01/2023	FY2022 Audit - Final Billing	3,233.50	3,233.50
16893	Feb2023	Benefit Coordinators Corporation (BCC)	03/01/2023	Dental Insurance- PPO -Feb'23	4,120.30	4,120.30
16894	296615-Jan23	Burke, William, & Sorensen, LLP	03/01/2023	08250-0001 General Jan'23	10,731.75	14,070.40
	296616-Jan23			08250-0003 Jan'23	464.80	
	296617-Jan23			08250-0008 Jan'23	2,409.05	
	296618-Jan23			08250-0012.002 Jan'23	49.80	
	296619-Jan23			08250-0011.002 Jan'23	33.20	
	296620-Jan23			08250-0011.003 Jan'23	232.40	
	296621-Jan23			08250-0014 Jan'23	149.40	
16895	Reimb-2/6/23	Burkett, Terry	03/01/2023	Reimb-Tuition/Company Ofcr 2A/Burkett 1/23/23-1/27/23	322.32	322.32
16896	2022.4880	Chen Ryan Associates Inc.	03/01/2023	Prof Svc: Connect Main St Ph 3 thru 1/27/23	852.50	2,432.50
	2022.4881			Prof Svc: Connect Main St Ph 1-2 thru 1/27/23	1,580.00	
16897	10	City of La Mesa	03/01/2023	Overtime Reimbursement - Bidagain 1/28/23	421.07	10,200.92

CHECK NO	INVOICE NO	VENDOR NAME	CHECK DATE	Description	INVOICE AMOUNT	CHECK AMOUNT
	10			Overtime Reimbursement - Doig 1/24/23	855.69	
	10			Overtime Reimbursement - Lima 1/21/23	1,517.04	
	10			Overtime Reimbursement - Nenow 1/23/23	1,392.90	
	10			Overtime Reimbursement - Nenow 1/30/23	1,392.90	
	10			Overtime Reimbursement - Runkle 1/29/23	1,711.38	
	10			Overtime Reimbursement - Tasco 1/25/23	1,517.04	
	10			Overtime Reimbursement - Wright 1/25/23	1,392.90	
	6	City of La Mesa	03/01/2023	Overtime Reimbursement - Lopez 11/30/22	116.08	6,053.75
	6			Overtime Reimbursement - Lopez 12/4/22	1,517.04	
	6			Overtime Reimbursement - Nenow 12/2/22	1,392.90	
	6			Overtime Reimbursement - Nenow 12/6/22	1,392.90	
	6			Overtime Reimbursement - Runkle 11/26/22	1,634.83	
	7	City of La Mesa	03/01/2023	Overtime Reimbursement - Blethen 12/17/22	1,203.32	10,698.80
	7			Overtime Reimbursement - Kleist 12/14/22	1,711.38	
	7			Overtime Reimbursement - Lopez 12/17/22	1,517.04	
	7			Overtime Reimbursement - Lopez 12/18/22	252.84	
	7			Overtime Reimbursement - Nenow 12/15/22	1,392.90	
	7			Overtime Reimbursement - Sergeant 12/17/22	1,711.38	
	7			Overtime Reimbursement - Tasco 12/18/22	1,517.04	
	7			Overtime Reimbursement - Wright 12/20/22	1,392.90	
	8	City of La Mesa	03/01/2023	Overtime Reimbursement - Doig 12/28/22	1,711.38	6,208.56
	8			Overtime Reimbursement - Nenow 1/4/23	1,392.90	
	8			Overtime Reimbursement - Roraff 12/31/22	1,392.90	
	8			Overtime Reimbursement - Sergeant 1/1/23	1,711.38	
	9	City of La Mesa	03/01/2023	Overtime Reimbursement - Bidegain 1/17/23	1,263.21	7,458.29
	9			Overtime Reimbursement - Carter 1/8/23	1,449.62	
	9			Overtime Reimbursement - Lopez 1/12/23	1,517.04	
	9			Overtime Reimbursement - Lopez 1/17/23	1,517.04	
	9			Overtime Reimbursement - Sergeant 1/14/23	1,711.38	
16898	Feb 23	Colonial Life	03/01/2023	Colonial Optional Insurance Feb-23	227.52	227.52
16899	HIRT-2023-011 UDC-2023-010	County of San Diego- OES	03/01/2023	FY22-23 - 7/1/22-6/30/23- HIRT Membership Fee FY22-23 Unified SD County- Emergency Svc Membership Fee	23,508.00 728.00	24,236.00
16900	221681	Dell Awards	03/01/2023	Name Plate for Planning Commission Mtgs	12.93	12.93
16901	01111051	Discount Specialty Chemical	03/01/2023	Disinfectant Cleaning Wipes	263.99	263.99
16902	0207239905	Domestic Uniform Rental	03/01/2023	Shop Towels & Safety Mats 2/7/23	53.10	53.10
16903	10193	Ellis Investigations Law Corporation	03/01/2023	Legal Svcs: CLG-00001	931.50	931.50
16904	2/13-16/23	EsGil, LLC	03/01/2023	75% Building Fees- 2/13/23-2/16/23	6,466.85	6,466.85
16905	SCS122207	ESRI Inc	03/01/2023	SubStructure Clean Up- El Roy	12,501.42	12,501.42
16906	28584	Excell Security, Inc.	03/01/2023	Courtyard Security Guard - 7/2/22	245.00	245.00
16907	AR013204	Grossmont Union High School District	03/01/2023	Business Cards	76.50	76.50
16908	114998	Horton, Oberrecht, Kirkpatrick & Martha	03/01/2023	Legal Svcs: GHC0019886	341.70	341.70
16909	1702 1702 1702	League of California Cities, San Diego Div	03/01/2023	2023 League Membership Dues- SD County Division 2023 League Luncheon Meetings- SD County Division - Mendoza 2023 League Luncheon Meetings- SD County Division - Romero	600.00 180.00 180.00	960.00
16910	0093227	Rick Engineering Company	03/01/2023	Prof Svc: LG Housing Element Support - Jan'23	1,958.75	1,958.75
16911	Robles	Robles, Sarahi	03/01/2023	Refund/Robles, Sarahi/Deposit - Courtyard- 2/18/23	200.00	200.00
16912	Sepulveda	Sepulveda, Marlen	03/01/2023	Refund/Sepulveda, Marlen/Deposit- C&D B19-000-0427	85.00	85.00
16913	2022-2008	Trauma Intervention Programs of SD Cnty	03/01/2023	On-Scene 24 Hr Volunteer Response Services - FY23	4,144.05	4,144.05
16914	114449	Tyson & Mendes, LLP	03/01/2023	Legal Svcs: GHC0019886	3,151.20	3,151.20
16915	24482	Van Dermyden Makus	03/01/2023	Legal Svcs: Matter 02418 thru 1/31/23	6,625.53	6,625.53
16916	Reimb-2/6/23	Ware, Joseph	03/01/2023	Reimb/Transp/Meals/CSMFO Conf/Sacramento/Ware 1/31/23-2/3/23	72.71	72.71
16917	40119	A Aaron Lock & Key	03/08/2023	Lock Repair - City Hall Front Door	271.50	271.50
16918	5656138901 5656182418 5656295360	AutoZone, Inc.	03/08/2023	Disinfectant Wipes Wiper Blades/Fuel Treatment/Degreaser Diesel Exhaust Fluid/Grip Cover	13.66 73.59 54.70	141.95
16919	12464651	Aztec Fire & Safety, Inc.	03/08/2023	Annual Fire Alarm/Extinguisher Svc & Insp/CHall	4,145.00	4,145.00
16920	L2476	Aztec Landscaping Inc	03/08/2023	Landscape Mgmt Svc - Jan'23	9,684.26	9,684.26

CHECK NO	INVOICE NO	VENDOR NAME	CHECK DATE	Description	INVOICE AMOUNT	CHECK AMOUNT
16921	5501648	Bearcom Group Inc.	03/08/2023	Portable Radios Monthly Contracts 1/22/23-2/21/23	150.00	150.00
16922	Mar2023	Benefit Coordinators Corporation (BCC)	03/08/2023	Dental Insurance- PPO -Mar'23	4,293.70	4,293.70
16923	62621/70693	Boot World Inc	03/08/2023	Work Boots - PW Crew	2,720.00	2,720.00
16924	WQSM337 Mar 23	Business Radio Licensing	03/08/2023	License for Irrigation Antenna/PW	110.00	110.00
16925	7579 7580 7581 7582 7584 7585 7586 7587 7588 7718	D- Max Engineering Inc	03/08/2023	0 Bonita Place Inspections 11/1/22-11/30/22 0 Mt Vernon Inspections 11/1/22-11/30/22 1896 Noble St Inspections 11/1/22-11/30/22 1993 Dain Dr Inspections 11/1/22-11/30/22 7508-7512 Church St Inspections 11/1/22-11/30/22 7946 Broadway Kelvin Inspections 11/1/22-11/30/22 8016 Broadway Inspections 11/1/22-11/30/22 8373 Broadway Inspections 11/1/22-11/30/22 Golden Doors Inspections 11/1/22-11/30/22 D-Max Stormwater Prof Svcs 1/1/23-1/31/23	65.00 383.31 1,010.88 1,036.44 289.69 763.50 65.00 624.69 201.19 4,423.69	8,863.39
16926	10107 10107	Duke's Root Control Inc.	03/08/2023	Annual Root Foam Services - 6" Pipe Annual Root Foam Services - 8" Pipe	12,753.70 37,139.70	49,893.40
16927	2/21-23/23 2/27-28/23 3/1-2/23	EsGil, LLC	03/08/2023	75% Building Fees- 2/21/23-2/23/23 75% Building Fees- 2/27/23-2/28/23 75% Building Fees- 3/1/23-3/2/23	3,977.39 4,638.65 6,692.66	15,308.70
16928	265789	GB Auto Service, Inc.	03/08/2023	Tire/Wheel Balance - LGPW#20 '00 GMC 2500	251.54	251.54
16929	INV1025132	George Hills Company	03/08/2023	TPA Claims- Adjusting/Other Services - Feb'23	772.50	772.50
16930	IN331401	Geotab USA, Inc.	03/08/2023	Monthly ProPlus Plan	197.50	197.50
16931	9608928884	Grainger Inc	03/08/2023	Air Conditioner/PW Yard/Inspector Office	737.28	737.28
16932	12/23/22-2/22/23	Helix Water District	03/08/2023	Water Services- 12/23/22-2/22/23	11,293.97	11,293.97
16933	11358	I.B. Trophies & Awards	03/08/2023	New Fire Name Badges - Govea/Felix/Strachota	38.79	38.79
16934	172223	Janazz, LLC SD	03/08/2023	IT Services- City Hall- Feb'23	2,500.00	2,500.00
16935	156135 156134	Knott's Pest Control, Inc.	03/08/2023	Monthly Bait Stations- Sheriff - Feb'23 Monthly Bait Stations- Treganza Park- Feb'23	60.00 60.00	120.00
16936	INV43807 INV43839	Logicopy	03/08/2023	Ricoh C3502 Copier Usage Charge- PW Yard-10/7/22-1/6/23 Ricoh C3502 Copier Contract Charge- PW Yard-2/7/23-3/6/23	167.41 51.58	218.99
16937	5541012 5541023	Mallory Safety and Supply, LLC	03/08/2023	Rechargeable Pump/Charger/Sampling Hose - Sanitation Nitrile Gloves	1,320.38 212.59	1,532.97
16938	Reimb 3/1/23	Mendoza, Jennifer	03/08/2023	Lodging/Transp/LCC Conf/Universal City/Mendoza 1/31/23-2/3/23	908.26	908.26
16939	INV00070230	RapidScale Inc.	03/08/2023	Virtual Hosting/Back Up Svc/Cloud Storage/Svr 2/28/23-3/30/23	4,381.14	4,381.14
16940	32776693 32777568 32787578 32788517 32788523 32788526 32796955 32796957	RCP Block & Brick, Inc.	03/08/2023	Bulk Concrete Sand Straw Hat Bulk Sand Bulk Class II Road Base Bulk Decomposed Granite Bulk Decomposed Granite Bulk Sand Bags Bulk Sand - Fire Stn	217.88 18.26 267.02 753.39 613.67 613.67 296.13 356.02	3,136.04
16941	154 159 192 199 205	RXR Plumbing, Inc.	03/08/2023	Plumbing Repair - Fire Stn 1/13/23 Plumbing Repair - Sheriff/Women's Shower 1/18/23 Plumbing Repair - Sheriff/Women's Shower 1/31/23 Plumbing Repair - Berry St Pk/Restroom 2/16/23 Plumbing Repair - Sheriff/Restroom 2/16/23	574.99 339.99 339.99 925.00 349.99	2,529.96
16942	199668	SD East County Chamber of Commerce	03/08/2023	Yiftee Program/Social Media Platform/CEO/Marketing Time -3 Wks	1,350.00	1,350.00
16943	2/21/2023 2/27/2023 2/23/2023 3601 1/2LGA0223	SDG&E	03/08/2023	3225 Olive- 1/21/23-2/21/23 3410 Washington St- 1/25/23-2/23/23 3500 1/2 Main- 1/21/23-2/21/23 3601 1/2 LGA-1/21/23-2/21/23	292.29 93.77 208.37 54.73	649.16
16944	121938888-0014 135153077-0001 135311320-0001 135605709-0001 135709001-0001	Sunbelt Rentals Inc.	03/08/2023	Equip Rental - Post Shore - Senior Ctr 1/19/23-2/15/23 Propane Propane Propane Propane	127.97 14.01 28.02 21.01 3.72	194.73
16945	14267 14268	T-Man Traffic Supply	03/08/2023	Sign Supplies/Signs - Streets Striping/Traffic Paint/Concrete - Streets	1,248.87 514.78	3,708.37

CHECK NO	INVOICE NO	VENDOR NAME	CHECK DATE	Description	INVOICE AMOUNT	CHECK AMOUNT
	14277			Sign Supplies - Streets	281.02	
	14302			Signs - Streets	1,052.52	
	14303			Signs/Sign Supplies - Streets	611.18	
16946	73539282	Vulcan Materials Company	03/08/2023	Asphalt	331.69	720.27
	73541405			Asphalt	127.22	
	73548543			Asphalt	129.53	
	73550710			Asphalt	131.83	
16947	81432255	Waxie Sanitary Supply	03/08/2023	Janitorial Supplies	27.23	1,530.84
	81475853			Janitorial Supplies	1,419.54	
	81477392			Janitorial Supplies	84.07	
16948	3/7/23	MissionSquare	03/08/2023	Deferred Compensation PPE 3/7/23	780.77	780.77
					1,116,046.52	1,116,046.52



# CITY OF LEMON GROVE

## CITY COUNCIL STAFF REPORT

**Item No.**            **1.C**  
**Meeting Date:**    March 21, 2023  
**Submitted to:**    Honorable Mayor and Members of the City Council  
**Department:**     City Manager's Office  
**Staff Contact:**    Deborah Harrington, Interim City Clerk  
                              [dharrington@lemongrove.ca.gov](mailto:dharrington@lemongrove.ca.gov)  
**Item Title:**        **Approval of City Council Meeting Minutes**

---

**Recommended Action:** Approval of City Council Meeting Minutes, meeting of March 7, 2023.

**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:** None.

**Public Notification:** None.

**MINUTES OF THE REGULAR MEETING  
OF THE LEMON GROVE CITY COUNCIL  
Lemon Grove Community Center  
3146 School Lane, Lemon Grove, CA 91945  
TUESDAY, MARCH 7, 2023 at 6:00 P.M.**

*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:**

Mayor Vasquez called the Regular City Council Meeting to order at 6:02 p.m.

**Present:**

Mayor Racquel Vasquez, Mayor Pro Tem George Gastil, Councilmember Alysso Snow and Councilmember Liana LeBaron

Absent: Councilmember Jennifer Mendoza

Interim City Clerk Harrington noted Councilmember Mendoza was absent due to a conflict in schedule.

**Staff Members Present:**

Lydia Romero, City Manager, Kristen Steinke, City Attorney, Brent Koch, Fire Chief, Patrick McEvoy, San Diego Sheriff's Lieutenant, Izzy Murguia, Public Works Director, Joe Ware, Finance Director and Deborah Harrington, Interim City Clerk.

**Pledge of Allegiance:**

Led by Councilmember Snow.

**Changes to the Agenda** – None.

**Presentation(s)**

Lemon Grove Fire Department Annual Update presentation provided by Brent Koch, Fire Chief

Sheriff's Department Annual Report provided by Patrick McEvoy, Lieutenant

**Public Comment**

Email Submitted:

- Barbara Gordon

In-Person:

- John Wood
- Minola Clark Manson
- Laura Hook
- Karen Toledo

**Consent Calendar:**

- 1.A Waive Full Text Reading of All Ordinances on the Agenda.
- 1.B City of Lemon Grove Payment Demands

- 1.C Approval of City Council Minutes of the Regular Meeting held February 21, 2023.
- 1.D Note and File Planning Commission Meeting Minutes of Meetings held April 25, 2022, June 17, 2022 and July 25, 2022.
- 1.E Adopt Resolution No. 2023-3929, renewing the City’s participation in the San Diego Urban County Community Development Block Grant (CDBG) Program Cooperation Agreement for three years from FY 2024-2025 to FY 2026-2027.
- 1.F Adopt Resolution No. 2023-3930, amending the Regional Transportation Congestion Improvement Plan (RTCIP) Fee.
- 1.G Adopt Resolution No. 2023-3931, awarding a contract (2023-01) for the CDBG FY 2021-22 Street Improvement (Crane Street) Project to Eagle Paving Company, Inc., in the amount of \$133,875 and authorize the City Manager to execute any necessary documents.
- 1.H Adopt Resolution No. 2023-3932, awarding contract for guardrail repairs to Hi-Way Safety, Inc., in the amount of \$54,972.85 and authorize the City Manager to execute any necessary documents. (No. 2023-08).

**Action:** Motion by Mayor Pro Tem Gastil, second by Councilmember Snow, to approve the Consent Calendar.

**The motion passed by the following vote:**

**Ayes:** Snow, Gastil, Vasquez  
**Noes:** LeBaron  
**Absent:** Mendoza

**Report(s) to Council:**

Mayor Vasquez announced the City Council will consider Item 3 out of order.

- 3. Installation of an All-Way Stop Intersection at Canton Drive and Bakersfield Street

Report presented by Izzy Murguia, Public Works Director.

**Public Comment:** None.

City Council provided questions/comments of staff.

**Action:** Motion by Mayor Pro Tem Gastil, second by Councilmember Snow, to adopt Resolution No. 2023-3933, approving the installation of an all-way stop intersection at Canton Drive and Bakersfield Street.

**The motion passed by the following vote:**

**Ayes:** LeBaron, Snow, Gastil, Vasquez  
**Noes:** None  
**Absent:** Mendoza

2. FY 2021-2022 Annual Combined Financial Report

Report presented by Joseph Ware, Finance Director.

Independent Financial Audit Report presentation was provided by Ahmed Badawi of Badawi & Associates.

**Public Comment:** None.

City Council provided questions/comments of staff.

**Action:** Motion by Mayor Pro Tem Gastil, second by Councilmember snow, to receive and file the Annual Comprehensive Financial Report (AFCR) for the Fiscal Year Ended June 30, 2022.

**The motion passed by the following vote:**

**Ayes:** LeBaron Snow, Gastil, Vasquez

**Noes:** None

**Absent:** Mendoza

**City Council Reports on Meetings Attended at the Expense of the City**

**Councilmember LeBaron**

- Homeless– Home Start Outreach Specialist
- Pickle Ball Recreation Program

**Councilmember Snow**

- League of California Cities Women's Caucus
- Care Corp. – Homeless Mental Health
- Metro Waste Water Meeting
- Founder's Day PTA
- San Diego Eviction Protection Collaborative
- Lemon Grove Black History Month Event
- Little League Clean Up and Upcoming Opening Day
- Meals on Wheels Event

**Mayor Pro Tem Gastil**

- Lemon Grove Black History Month Event
- Regional Planning Meeting of SANDAG (Cancelled at Meeting due to lack of a quorum)
- SANDAG Board of Directors Meeting

**Mayor Vasquez**

- School District Collaborative Meeting
- League of Cities Board of Directors Meeting
- Lemon Grove Black History Month Event

**City Manager Report**

- Staff will post Audit Information provided to the City.

**Closed Session** – None.

**Adjournment**

Mayor Vasquez adjourned the meeting at 8:32 p.m.

Deborah A. Harrington  
Interim City Clerk



# CITY OF LEMON GROVE

## CITY COUNCIL STAFF REPORT

**Item No.** 1.D

**Meeting Date:** March 21, 2023

**Submitted to:** Honorable Mayor and Members of the City Council

**Department:** City Manager's Office

**Staff Contact:** Bent Koch, Fire Chief

[bkoch@heartlandfire.org](mailto:bkoch@heartlandfire.org)

**Item Title:** Acceptance of FY 2022 State Homeland Security Grant Program  
(SHSGP) Funds

---

### **Recommended Action:**

Adopt a resolution (Attachment A) accepting the FY 2022 State Homeland Security Grant Program (SHSGP) funds and authorize the City Manager to execute appropriate agreements and/or grant documents (Attachment D) required to receive and use said funds in accordance with SHSGP requirements.

### **Summary:**

The City of Lemon Grove has been approved to receive \$16,812 from the State Homeland Security Grant Program from FY 22 funds. SHSGP funds play an important role in the implementation of Presidential Policy Directive-8 (PPD-8) by supporting the development and sustainment of core capabilities to fulfill the National Preparedness Goal (NPG). This amount was determined by the Unified Disaster Council's previously established and agreed upon allocation formula.

### **Discussion:**

The SHSGP supports the implementation of State Homeland Security Strategies to address the identified planning, organizational, equipment, training and exercise needs to prevent, protect against, mitigate, respond to and recover from acts of terrorism and other catastrophic events. The funds will be used to purchase mobile radios. Modifications to the equipment purchase may be made by the department.

### **Environmental Review:**

Not subject to review

Negative Declaration

Categorical Exemption, Section |                      |

Mitigated Negative Declaration

**Fiscal Impact:**

There is no direct fiscal impact to the City of Lemon Grove. No matching funds are required.

**Public Notification:**

None.

**Staff Recommendation:**

Adopt a resolution (Attachment A) accepting the FY 2022 State Homeland Security Grant Program (SHSGP) funds and authorize the City Manager to execute appropriate agreements and/or grant documents (Attachment D) required to receive and use said funds in accordance with SHSGP requirements.

**Attachments:**

**Attachment A – FY 2022 Resolution**

**Attachment B – FY 2022 SHSGP Award Letter**

**Attachment C – Grant Allocation List**

**Attachment D – FY 2022 SHSGP Grant Assurances**

**RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE,  
CALIFORNIA, ACCEPTING FISCAL YEAR 2022 STATE HOMELAND  
SECURITY GRANT PROGRAM FUNDS**

**WHEREAS**, the City of Lemon Grove is dedicated to providing high quality fire and EMS services to its citizens and maintaining the highest level of preparedness in order to respond to and mitigate acts of terrorism and other catastrophic events; and

**WHEREAS**, the State Homeland Security Grant Program distribution formula allocates \$16,812 to the City of Lemon Grove be used to respond to and/or recover from acts of terrorism and other catastrophic events; and

**WHEREAS**, the allocated funds will be used to purchase vital equipment used by fire department personnel to safely respond to acts of terrorism and other catastrophic events.

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

1. Accepts the Fiscal Year 2022 State Homeland Security Program funds.
2. Authorizes the City Manager to execute required grant documents and/or agreements necessary for the receipt and use of said funds.

**PASSED AND ADOPTED** on \_\_\_\_\_, 2023, 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:**

---

**Deborah Harrington, Interim City Clerk**

**Approved as to Form:**

---

**Kristen Steinke, City Attorney**



## **Standard Assurances For Cal OES Federal Non-Disaster Grant Programs**

---

**As the duly authorized representative of the Applicant, I hereby certify** that the Applicant has the legal authority to apply for federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay any non-federal share of project cost) to ensure proper planning, management, and completion of the project described in this application, within prescribed timelines.

**I further acknowledge that the Applicant is responsible for reviewing and adhering to all requirements within the:**

- (a) Applicable Federal Regulations (see below);
- (b) Federal Program Notice of Funding Opportunity (NOFO);
- (c) Federal Preparedness Grants Manual;
- (d) California Supplement to the NOFO; and
- (e) Federal and State Grant Program Guidelines.

### **Federal Regulations**

Government cost principles, uniform administrative requirements, and audit requirements for federal grant programs are set forth in Title 2, Part 200 of the Code of Federal Regulations (C.F.R.). Updates are issued by the [Office of Management and Budget \(OMB\)](http://www.whitehouse.gov/omb/) and can be found at <http://www.whitehouse.gov/omb/>.

**State and federal grant award requirements are set forth below. The Applicant hereby agrees to comply with the following:**

### **1. Proof of Authority**

The Applicant will obtain proof of authority from the city council, governing board, or authorized body in support of this project. This written authorization must specify that the Applicant and the city council, governing board, or authorized body agree:

- (a) To provide all matching funds required for the grant project and that any cash match will be appropriated as required;
- (b) Any liability arising out of the performance of this agreement shall be the responsibility of the Applicant and the city council, governing board, or authorized body;
- (c) Grant funds shall not be used to supplant expenditures controlled by the city council, governing board, or authorized body;



## Standard Assurances For Cal OES Federal Non-Disaster Grant Programs

---

- (d) Applicant is authorized by the city council, governing board, or authorized body to apply for federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-federal share of project cost, if any) to ensure proper planning, management and completion of the project described in this application; and
- (e) Official executing this agreement is authorized by the Applicant.

This Proof of Authority must be maintained on file and readily available upon request.

### 2. Period of Performance

The period of performance is specified in the Award. The Applicant is only authorized to perform allowable activities approved under the award, within the period of performance.

### 3. Lobbying and Political Activities

As required by Section 1352, Title 31 of the United States Code (U.S.C.), for persons entering into a contract, grant, loan, or cooperative agreement from an agency or requests or receives from an agency a commitment providing for the United States to insure or guarantee a loan, the Applicant certifies that:

- (a) No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- (b) If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.
- (c) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.



## Standard Assurances For Cal OES Federal Non-Disaster Grant Programs

---

The Applicant will also comply with provisions of the Hatch Act (5 U.S.C. §§ 1501- 1508 and §§ 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with federal funds.

Finally, the Applicant agrees that federal funds will not be used, directly or indirectly, to support the enactment, repeal, modification or adoption of any law, regulation or policy without the express written approval from the California Governor's Office of Emergency Services (Cal OES) or the federal awarding agency.

#### 4. Debarment and Suspension

As required by Executive Orders 12549 and 12689, and 2 C.F.R. § 200.214 and codified in 2 C.F.R. Part 180, Debarment and Suspension, the Applicant will provide protection against waste, fraud, and abuse by debarring or suspending those persons deemed irresponsible in their dealings with the federal government. The Applicant certifies that it and its principals, recipients, or subrecipients:

- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;
- (b) Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (2)(b) of this certification; and
- (d) Have not within a three-year period preceding this application had one or more public transaction (federal, state, or local) terminated for cause or default.

Where the Applicant is unable to certify to any of the statements in this certification, he or she shall attach an explanation to this application.

#### 5. Non-Discrimination and Equal Employment Opportunity

The Applicant will comply with all state and federal statutes relating to non-discrimination, including:



## Standard Assurances For Cal OES Federal Non-Disaster Grant Programs

---

- (a) Title VI of the Civil Rights Act of 1964 (Public Law (P.L.) 88-352 and 42 U.S.C. § 2000d et. seq.) which prohibits discrimination on the basis of race, color, or national origin and requires that recipients of federal financial assistance take reasonable steps to provide meaningful access to persons with limited English proficiency (LEP) to their programs and services;
- (b) Title IX of the Education Amendments of 1972, (20 U.S.C. §§ 1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex in any federally funded educational program or activity;
- (c) Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794), which prohibits discrimination against those with disabilities or access and functional needs;
- (d) Americans with Disabilities Act (ADA) of 1990 (42 U.S.C. §§ 12101- 12213), which prohibits discrimination on the basis of disability and requires buildings and structures be accessible to those with disabilities and access and functional needs;
- (e) Age Discrimination Act of 1975, (42 U.S.C. §§ 6101-6107), which prohibits discrimination on the basis of age;
- (f) Public Health Service Act of 1912 (42 U.S.C. §§ 290 dd—2), relating to confidentiality of patient records regarding substance abuse treatment;
- (g) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. § 3601 et seq.), relating to nondiscrimination in the sale, rental or financing of housing as implemented by the Department of Housing and Urban Development at 24 C.F.R. Part 100. The prohibition on disability discrimination includes the requirement that new multifamily housing with four or more dwelling units—i.e., the public and common use areas and individual apartment units (all units in buildings with elevators and ground-floor units in buildings without elevators)— be designed and constructed with certain accessible features (See 24 C.F.R. § 100.201);
- (h) Executive Order 11246, which prohibits federal contractors and federally assisted construction contractors and subcontractors, who do over \$10,000 in Government business in one year from discriminating in employment decisions on the basis of race, color, religion, sex, sexual orientation, gender identification or national origin;
- (i) Executive Order 11375, which bans discrimination on the basis of race, color, religion, sex, sexual orientation, gender identification, or national origin in hiring and employment in both the United States federal workforce and on the part of government contractors;
- (j) California Public Contract Code § 10295.3, which prohibits discrimination based on domestic partnerships and those in same sex marriages;



## Standard Assurances For Cal OES Federal Non-Disaster Grant Programs

---

- (k) DHS policy to ensure the equal treatment of faith-based organizations, under which all applicants and recipients must comply with equal treatment policies and requirements contained in 6 C.F.R. Part 19;
- (l) The Applicant will comply with California's Fair Employment and Housing Act (FEHA) (California Government Code §§ 12940, 12945, 12945.2), as applicable. FEHA prohibits harassment and discrimination in employment because of ancestry, familial status, race, color, religious creed (including religious dress and grooming practices), sex (which includes pregnancy, childbirth, breastfeeding and medical conditions related to pregnancy, childbirth or breastfeeding), gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, mental and physical disability, genetic information, medical condition, age, pregnancy, denial of medical and family care leave, or pregnancy disability leave, military and veteran status, and/or retaliation for protesting illegal discrimination related to one of these categories, or for reporting patient abuse in tax supported institutions;
- (m) Any other nondiscrimination provisions in the specific statute(s) under which application for federal assistance is being made; and
- (n) The requirements of any other nondiscrimination statute(s) that may apply to this application.

### 6. Drug-Free Workplace

As required by the Drug-Free Workplace Act of 1988 (41 U.S.C. § 701 et seq.), the Applicant certifies that it will maintain a drug-free workplace and a drug-free awareness program as outlined in the Act.

### 7. Environmental Standards

The Applicant will comply with state and federal environmental standards, including:

- (a) California Environmental Quality Act (CEQA) (California Public Resources Code §§ 21000- 21177), to include coordination with the city or county planning agency;
- (b) CEQA Guidelines (California Code of Regulations, Title 14, Division 6, Chapter 3, §§ 15000- 15387);
- (c) Federal Clean Water Act (CWA) (33 U.S.C. § 1251 et seq.), which establishes the basic structure for regulating discharges of pollutants into the waters of the United States and regulating quality standards for surface waters;
- (d) Federal Clean Air Act of 1955 (42 U.S.C. § 7401) which regulates air emissions from stationary and mobile sources;



## **Standard Assurances**

### **For Cal OES Federal Non-Disaster Grant Programs**

---

- (e) Institution of environmental quality control measures under the National Environmental Policy Act (NEPA) of 1969 (P.L. 91-190); the Council on Environmental Quality Regulations for Implementing the Procedural Provisions of NEPA; and Executive Order 12898 which focuses on the environmental and human health effects of federal actions on minority and low-income populations with the goal of achieving environmental protection for all communities;
- (f) Evaluation of flood hazards in floodplains in accordance with Executive Order 11988;
- (g) Executive Order 11514 which sets forth national environmental standards;
- (h) Executive Order 11738 instituted to assure that each federal agency empowered to enter into contracts for the procurement of goods, materials, or services and each federal agency empowered to extend federal assistance by way of grant, loan, or contract shall undertake such procurement and assistance activities in a manner that will result in effective enforcement of the Clean Air Act and the Federal Water Pollution Control Act Executive Order 11990 which requires preservation of wetlands;
- (i) The Safe Drinking Water Act of 1974, (P.L. 93-523);
- (j) The Endangered Species Act of 1973, (P.L. 93-205);
- (k) Assurance of project consistency with the approved state management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.);
- (l) Conformity of Federal Actions to State (Clear Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.);
- (m) Wild and Scenic Rivers Act of 1968 (16 U.S.C. § 1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

The Applicant shall not be: 1) in violation of any order or resolution promulgated by the State Air Resources Board or an air pollution district; 2) subject to a cease and desist order pursuant to § 13301 of the California Water Code for violation of waste discharge requirements or discharge prohibitions; or 3) determined to be in violation of federal law relating to air or water pollution.



## **Standard Assurances**

### **For Cal OES Federal Non-Disaster Grant Programs**

---

#### **8. Audits**

For subrecipients expending \$750,000 or more in federal grant funds annually, the Applicant will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and Title 2 of the Code of Federal Regulations, Part 200, Subpart F Audit Requirements.

#### **9. Cooperation and Access to Records**

All Applicants must cooperate with any compliance reviews or investigations conducted by DHS. In accordance with 2 C.F.R. § 200.337, the Applicant will give the awarding agency, the Comptroller General of the United States and, if appropriate, the state, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award. The Applicant will require any subrecipients, contractors, successors, transferees and assignees to acknowledge and agree to comply with this provision.

#### **10. Conflict of Interest**

The Applicant will establish safeguards to prohibit the Applicant's employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.

#### **11. Financial Management**

False Claims for Payment - The Applicant will comply with 31 U.S.C §§ 3729-3733 which sets forth that no subrecipient, recipient, or subrecipient shall submit a false claim for payment, reimbursement or advance.

#### **12. Reporting - Accountability**

The Applicant agrees to comply with applicable provisions of the Federal Funding Accountability and Transparency Act (FFATA) (P.L. 109-282), specifically (a) the reporting of subawards obligating \$30,000 or more in federal funds and (b) executive compensation data for first-tier subawards. This includes the provisions of FFATA, which includes requirements for executive compensation, and also requirements implementing the Act for the non-federal entity at 2 C.F.R. Part 25 Financial Assistance Use of Universal Identifier and Central Contractor Registration and 2 C.F.R. Part 170 Reporting Subaward and Executive Compensation Information.

#### **13. Whistleblower Protections**

The Applicant also must comply with statutory requirements for whistleblower protections at 10 U.S.C. § 2409, 41 U.S.C. § 4712, and 10 U.S.C. § 2324, 41 U.S.C. § 4304 and § 4310.



## Standard Assurances For Cal OES Federal Non-Disaster Grant Programs

---

### 14. Human Trafficking

The Applicant will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act of 2000, as amended (22 U.S.C. § 7104) which prohibits grant award recipients or a subrecipient from: (1) engaging in trafficking in persons during the period of time that the award is in effect; (2) procuring a commercial sex act during the period of time that the award is in effect; (3) using forced labor in the performance of the award or subawards under the award.

### 15. Labor Standards

The Applicant will comply with the following federal labor standards:

- (a) The Davis-Bacon Act (40 U.S.C. §§ 276a to 276a-7), as applicable, and the Copeland Act (40 U.S.C. § 3145 and 18 U.S.C. § 874) and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 327-333), regarding labor standards for federally-assisted construction contracts or subcontracts, and
- (b) The Federal Fair Labor Standards Act (29 U.S.C. § 201 et al.) as they apply to employees of institutes of higher learning (IHE), hospitals and other non-profit organizations.

### 16. Worker's Compensation

The Applicant must comply with provisions which require every employer to be insured to protect workers who may be injured on the job at all times during the performance of the work of this Agreement, as per the workers compensation laws set forth in California Labor Code §§ 3700 et seq.

### 17. Property-Related

If applicable to the type of project funded by this federal award, the Applicant will:

- (a) Comply with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of federal participation in purchase;
- (b) Comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires subrecipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more;



## Standard Assurances

### For Cal OES Federal Non-Disaster Grant Programs

---

- (c) Assist the awarding agency in assuring compliance with Section 106 of the
- (d) National Historic Preservation Act of 1966, as amended (16 U.S.C. § 470), Executive Order 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §469a-1 et seq.); and
- (e) Comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. § 4831 and 24 CFR Part 35) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.

#### **18. Certifications Applicable Only to Federally-Funded Construction Projects**

For all construction projects, the Applicant will:

- (a) Not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with federal assistance funds to assure nondiscrimination during the useful life of the project;
- (b) Comply with the requirements of the awarding agency with regard to the drafting, review and approval of construction plans and specifications; and
- (c) Provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progressive reports and such other information as may be required by the assistance awarding agency or State.

#### **19. Use of Cellular Device While Driving is Prohibited**

Applicants are required to comply with California Vehicle Code sections 23123 and 23123.5. These laws prohibit driving motor vehicle while using an electronic wireless communications device to write, send, or read a text-based communication. Drivers are also prohibited from the use of a wireless telephone without hands-free listening and talking, unless to make an emergency call to 911, law enforcement, or similar services.



## Standard Assurances For Cal OES Federal Non-Disaster Grant Programs

---

### **20. California Public Records Act and Freedom of Information Act**

The Applicant acknowledges that all information submitted in the course of applying for funding under this program, or provided in the course of an entity's grant management activities that are under Federal control, is subject to the Freedom of Information Act (FOIA), 5 U.S.C. § 552, and the California Public Records Act, California Government Code section 6250 et seq. The Applicant should consider these laws and consult its own State and local laws and regulations regarding the release of information when reporting sensitive matters in the grant application, needs assessment, and strategic planning process.

### **NONPROFIT SECURITY GRANT PROGRAM (NSGP) – PROGRAM SPECIFIC ASSURANCES / CERTIFICATIONS**

### **21. Acknowledgment of Federal Funding from DHS**

All recipients must acknowledge their use of federal funding when issuing statements, press releases, requests for proposals, bid invitations, and other documents describing projects or programs funded in whole or in part with federal funds.

### **22. Activities Conducted Abroad**

All recipients must ensure that project activities carried on outside the United States are coordinated as necessary with appropriate government authorities and that appropriate licenses, permits, or approvals are obtained.

### **23. Best Practices for Collection and Use of Personally Identifiable Information (PII)**

DHS defines personally identifiable information (PII) as any information that permits the identity of an individual to be directly or indirectly inferred, including any information that is linked or linkable to that individual. All recipients who collect PII are required to have a publicly-available privacy policy that describes standards on the usage and maintenance of PII they collect. Recipients may also find the DHS Privacy Impact Assessments: Privacy Guidance and Privacy template a useful resource respectively.

### **24. Copyright**

All recipients must affix the applicable copyright notices of 17 U.S.C. §§ 401 or 402 and an acknowledgement of U.S. Government sponsorship (including the award number) to any work first produced under federal financial assistance awards.



## **Standard Assurances**

### **For Cal OES Federal Non-Disaster Grant Programs**

---

#### **25. Duplication of Benefits**

Any cost allocable to a particular federal financial assistance award provided for in 2 C.F.R. Part 200, Subpart E may not be charged to other federal financial assistance awards to overcome fund deficiencies, to avoid restrictions imposed by federal statutes, regulations, or federal financial assistance award terms and conditions, or for other reasons. However, these prohibitions would not preclude recipients from shifting costs that are allowable under two or more awards in accordance with existing federal statutes, regulations, or the federal financial assistance award terms and conditions.

#### **26. Energy Policy and Conservation Act**

All recipients must comply with the requirements of 42 U.S.C. § 6201 which contain policies relating to energy efficiency that are defined in the state energy conservation plan issued in compliance with this Act.

#### **27. Federal Debt Status**

All recipients are required to be non-delinquent in their repayment of any federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowances, and benefit overpayments. See OMB Circular A-129.

#### **28. Fly America Act of 1974**

All recipients must comply with Preference for U.S. Flag Air Carriers: (air carriers holding certificates under 49 U.S.C. § 41102) for international air transportation of people and property to the extent that such service is available, in accordance with the International Air Transportation Fair Competitive Practices Act of 1974 (49 U.S.C. § 40118) and the interpretative guidelines issued by the Comptroller General of the United States in the March 31, 1981, amendment to Comptroller General Decision B-138942.

#### **29. Hotel and Motel Fire Safety Act of 1990**

In accordance with Section 6 of the Hotel and Motel Fire Safety Act of 1990, all Applicants must ensure that all conference, meeting, convention, or training space funded in whole or in part with federal funds complies with the fire prevention and control guidelines of the Federal Fire Prevention and Control Act of 1974, as amended, 15 U.S.C. § 2225a.



## **Standard Assurances**

### **For Cal OES Federal Non-Disaster Grant Programs**

---

#### **30. Non-supplanting Requirement**

All recipients who receive federal financial assistance awards made under programs that prohibit supplanting by law must ensure that federal funds do not replace (supplant) funds that have been budgeted for the same purpose through non-federal sources.

#### **31. Patents and Intellectual Property Rights**

Unless otherwise provided by law, recipients are subject to the Bayh-Dole Act, Pub. L. No. 96-517, as amended, and codified in 35 U.S.C. § 200 et seq. All recipients are subject to the specific requirements governing the development, reporting, and disposition of rights to inventions and patents resulting from financial assistance awards located at 37 C.F.R. Part 401 and the standard patent rights clause located at 37 C.F.R. § 401.14.

#### **32. SAFECOM**

All recipients who receive federal financial assistance awards made under programs that provide emergency communication equipment and its related activities must comply with the SAFECOM Guidance for Emergency Communication Grants, including provisions on technical standards that ensure and enhance interoperable communications.

#### **33. Terrorist Financing**

All recipients must comply with Executive Order 13224 and U.S. law that prohibit transactions with, and the provisions of resources and support to, individuals and organizations associated with terrorism. Recipients are legally responsible to ensure compliance with the Order and laws.

#### **34. Reporting of Matters Related to Recipient Integrity and Performance**

If the total value of the recipient's currently active grants, cooperative agreements, and procurement contracts from all federal assistance offices exceeds \$10,000,000 for any period of time during the period of performance of this federal financial assistance award, you must comply with the requirements set forth in the government-wide Award Term and Condition for Recipient Integrity and Performance Matters located at 2 C.F.R. Part 200, Appendix XII, the full text of which is incorporated here by reference in the award terms and conditions.



## Standard Assurances For Cal OES Federal Non-Disaster Grant Programs

---

### **35. USA Patriot Act of 2001**

All recipients must comply with requirements of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT Act), which amends 18 U.S.C. §§ 175–175c.

### **36. Use of DHS Seal, Logo, and Flags**

All recipients must obtain permission from their DHS Financial Assistance Office, prior to using the DHS seal(s), logos, crests or reproductions of flags or likenesses of DHS agency officials, including use of the United States Coast Guard seal, logo, crests or reproductions of flags or likenesses of Coast Guard officials.

### **37. Performance Goals**

In addition to the Biannual Strategy Implementation Report (BSIR) submission requirements outlined in the Preparedness Grants Manual, subrecipients must demonstrate how the grant-funded project addressed the core capability associated with this project. The capability gap reduction must be addressed in the Project Description of the BSIR for each project.

### **38. Applicability of DHS Standard Terms and Conditions to Tribes**

The DHS Standard Terms and Conditions are a restatement of general requirements imposed upon recipients and flow down to subrecipients as a matter of law, regulation, or executive order. If the requirement does not apply to Indian tribes or there is a federal law or regulation exempting its application to Indian tribes, then the acceptance by Tribes of, or acquiescence to, DHS Standard Terms and Conditions does not change or alter its inapplicability to an Indian tribe. The execution of grant documents is not intended to change, alter, amend, or impose additional liability or responsibility upon the Tribe where it does not already exist.



## Standard Assurances For Cal OES Federal Non-Disaster Grant Programs

---

**IMPORTANT**

The purpose of the assurance is to obtain federal and state financial assistance, including any and all federal and state grants, loans, reimbursement, contracts, etc. The Applicant recognizes and agrees that state financial assistance will be extended based on the representations made in this assurance. This assurance is binding on the Applicant, its successors, transferees, assignees, etc. Failure to comply with any of the above assurances may result in suspension, termination, or reduction of grant funds.

All appropriate documentation, as outlined above, must be maintained on file by the Applicant and available for Cal OES or public scrutiny upon request. Failure to comply with these requirements may result in suspension of payments under the grant or termination of the grant or both and the subrecipient may be ineligible for award of any future grants if the Cal OES determines that any of the following has occurred: (1) the recipient has made false certification, or (2) violates the certification by failing to carry out the requirements as noted above.

All of the language contained within this document must be included in the award documents for all subawards at all tiers. All recipients are bound by the Department of Homeland Security Standard Terms and Conditions 2021, Version 11.4, hereby incorporated by reference, which can be found at:  
<https://www.dhs.gov/publication/fy15-dhs-standard-terms-and-conditions>.

**The undersigned represents that he/she is authorized to enter into this agreement for and on behalf of the Applicant.**

Subrecipient: City of Lemon Grove

Signature of Authorized Agent: \_\_\_\_\_

Printed Name of Authorized Agent: Lydia Romero

Title: City Manager Date: \_\_\_\_\_

**FY 2022 STATE HOMELAND SECURITY PROGRAM (SHSP) GRANT ALLOCATION PROPOSAL**

JURISDICTION	FY2021 - ALLOCATION			FY2022 - Allocation					
	LE - 25% of FY21 Allocation	Non-LE Allocation	TOTAL	Sworn LE Personnel Figures (2021)	LE - 30% of FY21 Allocation	Non-LE Population (2021)	Non-LE Allocation	TOTAL	% Change from FY2021 to FY2022
<b>CITIES</b>									
CARLSBAD	18,412	64,909	83,321	132	21,061	115,501	56,787	77,848	-6.57%
CHULA VISTA	31,971	147,469	179,440	275	43,877	274,449	128,053	171,930	-4.19%
CORONADO	6,137	16,191	22,328	46	7,339	22,357	15,024	22,363	0.16%
DEL MAR	-	7,234	7,234	-	-	4,258	6,909	6,909	-4.49%
EL CAJON	17,984	59,639	77,623	123	19,625	103,243	51,290	70,915	-8.64%
ENCINITAS	-	37,546	37,546	-	-	62,289	32,928	32,928	-12.30%
ESCONDIDO	22,694	85,083	107,777	154	24,571	151,688	73,012	97,583	-9.46%
ESCONDIDO RINCON DEL DIABLO	-	7,142	7,142	-	-	-	6,289	6,289	-11.94%
IMPERIAL BEACH	-	19,684	19,684	-	-	27,774	17,453	17,453	-11.33%
LA MESA	9,848	36,386	46,234	70	11,169	59,578	31,713	42,882	-7.25%
LEMON GROVE	-	18,884	18,884	-	-	26,345	16,812	16,812	-10.97%
NATIONAL CITY	13,559	37,502	51,061	86	13,721	62,749	33,134	46,855	-8.24%
NATIONAL CITY - LINCOLN ACRES	-	827	827	-	-	-	723	723	-12.58%
OCEANSIDE	32,113	97,816	129,929	226	36,059	176,754	84,250	120,309	-7.40%
POWAY	-	30,823	30,823	-	-	48,936	26,941	26,941	-12.59%
SAN DIEGO	291,590	-	291,590	2,036	324,847	-	-	324,847	11.41%
SAN MARCOS	-	55,878	55,878	-	-	96,302	48,178	48,178	-13.78%
SAN MARCOS FPD	-	7,402	7,402	-	-	-	6,566	6,566	-11.29%
SANTEE	-	35,356	35,356	-	-	56,800	30,467	30,467	-13.83%
SOLANA BEACH	-	12,243	12,243	-	-	13,827	11,200	11,200	-8.52%
VISTA	-	58,872	58,872	-	-	103,268	51,302	51,302	-12.86%
VISTA FPD	-	10,858	10,858	-	-	-	9,179	9,179	-15.46%
<b>TOTAL CITIES</b>	<b>444,308</b>	<b>847,744</b>	<b>1,292,052</b>	<b>3,148</b>	<b>502,269</b>	<b>1,406,118</b>	<b>738,210</b>	<b>1,240,479</b>	<b>-3.99%</b>
<b>FIRE DISTRICTS/OTHER</b>									
ALPINE FPD	-	13,492	13,492	-	-	16,224	12,274	12,274	-9.03%
DEER SPRINGS FPD	-	11,407	11,407	-	-	12,242	10,489	10,489	-8.05%
LAKESIDE FPD	-	38,411	38,411	-	-	63,835	33,621	33,621	-12.47%
NORTH COUNTY FPD	-	32,415	32,415	-	-	52,380	28,485	28,485	-12.12%
PORT OF SAN DIEGO	19,125	-	19,125	140	22,337	-	-	22,337	16.79%
RANCHO SANTA FE FPD	-	22,904	22,904	-	-	34,208	20,338	20,338	-11.20%
SAN MIGUEL FPD	-	71,006	71,006	-	-	126,111	61,544	61,544	-13.33%
VALLEY CENTER FPD	-	13,567	13,567	-	-	16,367	12,338	12,338	-9.06%
<b>TOTAL FIRE DISTRICTS/OTHER</b>	<b>19,125</b>	<b>203,202</b>	<b>222,327</b>	<b>140</b>	<b>22,337</b>	<b>321,367</b>	<b>179,090</b>	<b>201,427.00</b>	<b>-9.40%</b>
<b>2-1-1 SAN DIEGO CONTRACT</b>		<b>70,000</b>	<b>70,000</b>				<b>70,000</b>	<b>70,000</b>	<b>0.00%</b>
<b>COUNTY DEPTS</b>									
UDC SHARE	0	102,357	102,357	-	-	-	102,357	102,357	0.00%
M&A (5%)	0	168,160	168,160	-	-	-	160,535	160,535	-4.53%
HHSA-PHPR	-	80,000	80,000	-	-	-	80,000	80,000	0.00%
OES	-	1,050,941	1,050,941	-	-	-	917,301	917,301	-12.72%
SHERIFF	377,369	-	377,369	2,749	438,607	-	-	438,607	16.23%
<b>TOTAL COUNTY DEPTS</b>	<b>377,369</b>	<b>1,401,458</b>	<b>1,778,827</b>	<b>2,749</b>	<b>438,607</b>	<b>-</b>	<b>1,260,193</b>	<b>1,698,800</b>	<b>-4.50%</b>
<b>TOTAL ALLOCATIONS</b>	<b>840,802</b>	<b>2,522,404</b>	<b>3,363,206</b>	<b>6,037</b>	<b>963,213</b>	<b>1,727,485</b>	<b>2,247,493</b>	<b>3,210,706</b>	<b>-4.53%</b>

**Notes:**

\*Personnel Cap: Each jurisdiction's allocation has a personnel cap of 50%.

\*San Diego Sheriff includes: Unincorporated San Diego County and the contracted cities of Del Mar, Encinitas, Imperial Beach, Lemon Grove, Poway, San Marcos, Santee, Solana Beach and Vista.



**County of San Diego Office of Emergency Services**  
5580 Overland Ave., Suite 100  
San Diego, CA 92123 -1251  
Phone: (858) 565-3490 Fax: (858) 565-3499  
Email: [oes@sdcounty.ca.gov](mailto:oes@sdcounty.ca.gov)



2/7/2023

City of Lemon Grove  
8054 Allison Avenue  
La Mesa, CA 91942

**SUBJECT: NOTIFICATION OF FEDERAL FUNDING AWARD**  
FY 2022 Homeland Security Grant Program (HSGP)  
Subaward #2022-0043, Cal OES ID #073-00000

The purpose of this letter is to notify you that the County of San Diego Office of Emergency Services has approved your **FY2022 SHSP** award in the amount of **\$16,812** as listed below:

<b>Subrecipient Name:</b>	City of Lemon Grove
<b>Subrecipient UEI:</b>	FE3TQY2ND4G9
<b>Federal Award ID (FAIN)</b>	EMW-2022-SS-00043
<b>Subaward Period of Performance:</b>	09/01/22 to 05/31/24
<b>Subrecipient Award Amount:</b>	\$16,812
<b>Federal Award Project Description:</b>	Implementation of homeland security management grant to support state, local, tribal and territorial efforts to prevent terrorism and other catastrophic events.
<b>Federal Awarding Agency:</b>	US Department of Homeland Security
<b>CFDA Number:</b>	97.067/Homeland Security Grant Program
<b>Research &amp; Development Award (Y/N):</b>	No
<b>Indirect Cost Rate:</b>	N/A
<b>Match Requirement:</b>	N/A

This grant award is subject to all provisions of Uniform Guidance (2 CFR Part 200), which can be accessed at [www.ecfr.gov](http://www.ecfr.gov). Non-federal entities that expend \$750,000 or more annually in Federal Awards must have a Single Audit performed each year. Please forward a copy of your most current Single Audit report to the contact below.

Subrecipients are to comply with all applicable federal, state, and local Environmental Planning and Historic Preservation (EHP) requirements. Additionally, Aviation/Watercraft requests, Establish/Enhance Emergency Operations Center projects, projects requiring EHP review, and Noncompetitive Procurement requests require additional approvals. Subrecipients must obtain written approval for these activities prior to incurring any costs, in order to be reimbursed for any related costs under this Grant Subaward. Subrecipients are also required to obtain a Performance Bond prior to the purchase of any equipment item over \$250,000, including any Aviation or Watercraft financed with Homeland Security dollars. Performance Bonds must be submitted to the contact below no later than the time of reimbursement.

Please complete and return the attached OES Grant Management Assessment Questionnaire, 2022 Grant Assurances and Signature Authorization Form, current Procurement Policies and Salvage Guidelines. A hard copy of the Grant Assurances and Signature Authorization Forms must be mailed.

**Unified San Diego County Emergency Services Organization**

CARLSBAD • CHULA VISTA • CORONADO • COUNTY OF SAN DIEGO • DEL MAR • EL CAJON • ENCINITAS • ESCONDIDO • IMPERIAL BEACH • LA MESA  
LEMON GROVE • NATIONAL CITY • OCEANSIDE • POWAY • SAN DIEGO • SAN MARCOS • SANTEE • SOLANA BEACH • VISTA

Your performance period ends May 31, 2024. Please submit your reimbursement requests in a timely manner, no later than June 30, 2024.

For further assistance, please contact Val Dama at (858) 289-2883 or [Valentine.Dama@sdcounty.ca.gov](mailto:Valentine.Dama@sdcounty.ca.gov)

Sincerely,

**Kurian,  
Martin**

Digitally signed by Kurian,  
Martin  
Date: 2023.02.10  
08:15:19 -08'00'

Martin Kurian, Departmental Budget Manager  
County of San Diego, Office of Emergency Services

Attachments: OES Grant Management Assessment Questionnaire  
2022 Grant Assurances  
SHSP 2022 Approved FMFW



# CITY OF LEMON GROVE

## CITY COUNCIL STAFF REPORT

**Item No.** 2

**Meeting Date:** March 21, 2023

**Submitted to:** Honorable Mayor and Members of the City Council

**Department:** Finance Department

**Staff Contact:** Joseph Ware, Finance Director  
jware@lemongrove.ca.gov

**Item Title:** **FY 2022-2023 General Fund & Sanitation District Mid-Year Budget Adjustments and Additions to Salary and Classification Plan**

---

**Recommended Action:** Adopt resolutions approving the Fiscal Year 2022-23 City of Lemon Grove Budget adjustments (Attachment A) and approving Addition of the Administrative Job Classifications to the City of Lemon Grove Salary and Classification Plan (Attachment B).

**Summary:** Staff is presenting updated forecasts of the City's General Fund and Sanitation Fund budgets, as well as updating the current Salary Plan and Classification Summary. Adopting budget adjustments to reflect revised revenue and expenditure projections improves the accuracy of the budget. Furthermore, the report is designed to provide City Council and the public with a review of City's financial health.

**Discussion:**

**Fiscal Year 2022-23 (FY 22-23) Adopted General Fund Budget**

Lemon Grove's General Fund is the City's primary day-to-day operating fund. Public safety, government administration, community services, street maintenance, environmental programs, and park maintenance are all funded through the General Fund. The City has other programs that are funded with restricted revenue sources. Those other funds, are not being discussed tonight, as their funds are not available for general city government services.

In June 2022, City Council adopted the General Fund budget. The formally adopted budget anticipated General Fund revenue of \$17,641,903 and expenditures including capital expenditures of \$18,326,141. The expenditures included \$783,000 of funds that were carried forward from FY 21-22 uncompleted projects and additional funding for streets with less than 25 PCI, which used approximately \$684,000 of the City's current fund balance.

### FY 22-23 Activity

As mentioned during previous budget discussions, in government finance, there is a delay of one to three months in receiving revenue and paying invoices. Although we are eight months into the fiscal year, most of the revenue and expenditures reflect July-December activity. Through the end of January 2023, the General Fund had received \$9,946,752 in revenue out of a budgeted \$17,641,903, about 56%. During the same period, the General Fund had expended \$8,873,908 out of a budgeted \$18,326,141, about 48%.

Looking at the revenue and expenditures totals year to date do not provide much insight into what the City can anticipate for the remainder of the fiscal year. It is more valuable to analyze each revenue source and expenditure line item, incorporating information gained since the budget was adopted to make updates. After adjusting specific revenue sources and expenditures, the new estimated bottom line can be totaled, providing a window into the City's probable financial future. The following information is focused solely on this current fiscal year.

## **General Fund Revenue**

### Sales Tax

Sales Tax typically makes up about 35% of the General Fund's annual revenue, the City's largest revenue source. Of the 7.75% sales tax rate paid by a customer making a taxable purchase in Lemon Grove, 1% goes to the City of Lemon Grove. The other 6.75% is shared between the state, county, and regional transportation agencies.

Sales that occur within the City are considered point of sales transactions. There is about a two month delay between customers paying sales tax in Lemon Grove and when the City receives that sales tax revenue. The business where the taxable purchase is made remits sales tax to the California Department of Tax and Fee Administration (CDTFA) by the end of the month following the tax period month. Then the state records and distributes that revenue to public agencies at the end of the next month. For example, when this report was written, the most recent sales tax revenue the City received at the end of January was for November taxable sales.

The current FY 22-23 budget estimates \$6,277,110 in sales tax revenue. Now that we have received four months of sales tax revenue for FY 22-23, we have learned that Lemon Grove’s point-of-sale business types remained relatively stable with slight increases in the categories of Auto and Transportation, Building and Construction, and County Pools. Based on this, staff is recommending that the budget be increased by \$500,000, for a total revenue projection of \$6,777,110.

In addition to the point-of-sale activity within Lemon Grove, it is also worth reviewing the growth in the state and county pools over the last year. As reflected in the chart below, the pools are our third largest category of sales tax revenue. The sales tax in pools represents taxes on online purchases. The growth is due to a shift to online shopping related to the pandemic and the implementation of AB 147 the Marketplace Facilitator Act which requires marketplace facilitators (like Amazon and Etsy) to collect and remit sales tax on behalf of their marketplace sellers.

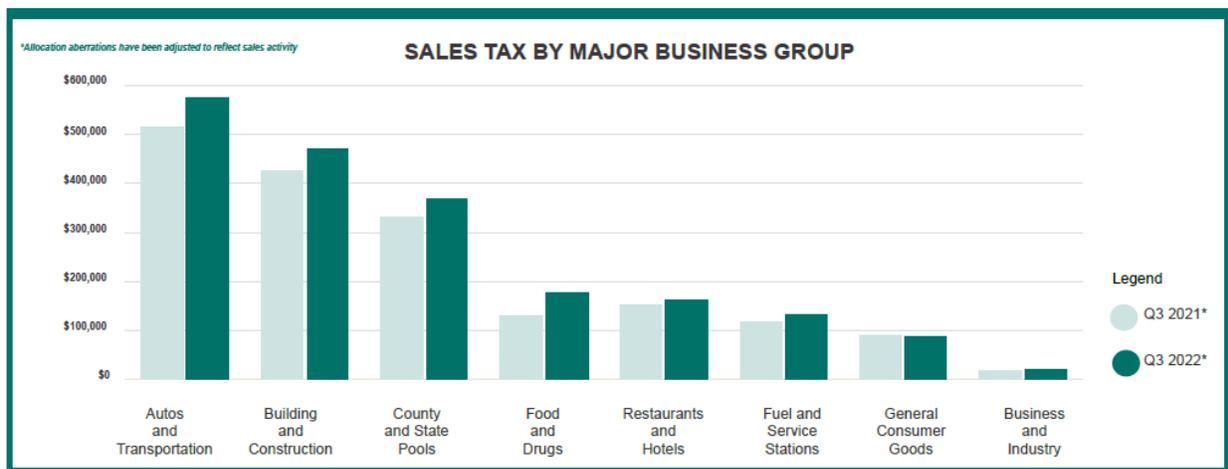


Chart provide by HdL, Inc.

Lemon Grove has experienced more growth in County pool revenue than our neighboring cities because the revenue is allocated based on point-of-sale performance. As stated above, our point-of-sale business types have been a benefit during and post pandemic, while neighboring cities that rely on tourism have been hard hit, which means more of the County pool is allocated to us for the time being. As tourism continues to pick up and our neighboring cities continue to recover, our portion of the pool will lessen.

### Property Tax

Property taxes are the second largest source of revenue for the General Fund. Property tax revenue continues to remain stable.

To get a Lemon Grove specific update it is valuable to look at recent property sales activity within in City and how the most recent quarter (August - October) compares with prior quarters. The number of homes sold began to decline in the 2<sup>nd</sup> quarter of 2022. This can be attributed to increasing interest rates and reduction of legacy homes being sold.

During 2022, the median price of a detached single family home in Lemon Grove grew 11.3%. Due to Prop 13, the growth in property values will only impact the property taxes on homes that sold during this period. All other homes will have an increase of 2% or current CPI, whichever is less. Staff is recommending increasing the Property Transfer Tax budget by \$20,000, from \$62,000 to \$82,000 for FY 22-23

#### The Property Tax in Lieu of VLF

Since 2004, the State of California has backfilled vehicle license fee revenues (VLF) with property tax. This has benefited Lemon Grove since the amount increases annually in proportion to the growth in gross assessed valuation of property. Property Tax in Lieu of VLF revenue is made in two equal payments each year. The City has received the first payment, which was a % increase over the adopted budget amount. Staff is recommending increasing the budget by \$66,925 for FY 22-23.

#### Franchise Fees

Franchise fees are paid by utilities that use public spaces or public right-of-ways within the City. The fees are a percentage of gross receipts, so as the business performance of the utility fluctuates, so does the revenue to the City. Based on revenue received so far this year, staff estimates the adopted budget overestimated this revenue source by \$24,400 and the budget should be adjusted downward accordingly.

#### Marijuana Dispensary Business Permit Tax

Measure J implemented a 5% cannabis tax on gross revenues of retail dispensaries. The City now has two dispensaries open. Staff now anticipates receiving a higher level of revenue for these dispensaries and is requesting an upward adjustment of \$200,000 from \$525,000 to \$725,000 for fiscal year FY 2022-23.

#### Cost Recovery

This year the City received a one-time legal settlement for the Lemon Grove Realignment project of \$482,000. Therefore, staff is recommending increasing this revenue source from \$6,500 to \$488,500.

## **General Fund Expenditures**

Unlike revenue, most expenditures are within the direct control of the City. Based on year to date spending, the City is on track to be within the confines of the budget for most line items. There are a handful expenditure accounts that staff is recommending adjusting to reflect revised year end projections.

### **Fire Department Salaries & Benefits**

The original budget projections were based on assumptions that we now have more information about and can be refined. The Fire Department salaries line item was based on a fully staffed department for the whole fiscal year. Unfortunately, there has been a series of vacant firefighter positions open due to promotions and resignations. These staffing changes will normally result in a savings for Fire Department salaries; however, due to the temporary staffing vacancies and use of paid leave, the amount paid for overtime to back-fill those positions is higher than budgeted. Staff recommends increasing the unscheduled overtime line item by \$90,000.

In October of 2022, the City Council adopted an equity pay plan for all non-contracted employees. An error was discovered in the calculation of Division Chief. The top step of this position was approved at \$13,048.35 per month; the correct amount should be \$13,700.90 per month. This adjustment will maintain the 7.5% differential between Battalion Chief and Division Chief. This adjustment is -1.79% of market median of the surveyed cities, adhering to the City Council approved philosophy of being within 5% of market median. The cost of this change for FY22-23 is not material and can be absorbed by the current budget allocation for Fire Department Salaries.

Overall, the net impact of the recommended changes to the Fire Department budget is a net increase of \$90,000.

### **Public Works**

During the first quarter of this fiscal year, the City Engineer had increased hours as a result of the vacant Assistant City Manager/Public Works Director position. The City Engineer served as an interim covering the administrative requirements of Public Works and Engineering divisions, including performing a transition of duties when the new Director was hired. This amounted to an additional \$95,100.

The cost of improvement of the Monterey Heights area, authorized by City Council on December 6, 2022, with installation of pedestrian crossing signs and flashing beacons exceeded original council allocation by \$4,000.

An unplanned project for storm drain repair in the Cedros and Amber Place area resulted in an additional \$20,000 in engineering cost, not previously budgeted.

Unplanned traffic signal repairs at San Miguel and Lemon Grove area required relocating electrical components. This requires trenching and conduit installation which resulted in \$49,600 in additional costs that was not previously budgeted.

This year, Kunkel Park was vandalized and park lights were knocked down and lights broken. This created a safety hazard and was a prioritized repair to ensure resident safety. A total of eight (8) lights, three (3) poles, and five (5) retrofitting of lights to new LED technology exceed the budgeted maintenance costs by \$30,980.

The street sweeping contract was renewed mid-year and the vendor significantly increased costs, creating a shortfall of \$14,500.

Recently, a sink hold has developed in the Public Works Yard. The repairs required to fix this sink hole is estimated at \$60,000.

Staff Recommends increasing the Public Works budget by these amounts needed to cover the additional costs of staffing, repair, and maintenance of city assets.

### **New Bottom Line**

The table below lists all of the recommended General Fund budget adjustments described in this staff report. The amounts represent the change to the adopted budget, not the new total for each revenue or expenditure line item. This reflects the anticipated FY 22-23 budget surplus, due to the increased revenue projections, the carry forward of capital projects, with all current expenditures projected through the rest of the fiscal year.

<b>FY22-23 Budget Surplus/(Deficit)</b>	<b>\$ (684,237)</b>
Increased Sales Tax	500,000
Property Transfer Tax	20,000
Property Tax in Lieu of VLF	66,925
Franchise Fees	(24,400)
MMD Business Tax	200,000
Cost Recovery Revenue	482,000
Fire Unscheduled Overtime	(90,000)
Public Works Repair and Maintenance	(274,180)
<b>New FY 22-23 Budget Surplus/(Deficit)</b>	<b>\$ 196,108</b>

Notwithstanding the unexpected capital repairs, the City's conservative approach to budgeting and all other financial matters has allowed the City to continue to operate at budgeted levels, without having to make cuts due to potential economic indicators discussed in the budget process last year that are now surfacing.

The table below shows the City's estimated reserves at the beginning of this fiscal year and at the end. This reserve funding excludes \$4,581,535 which is restricted per City Council reserve fund policy requirements for FY 22-23. The City reserves are currently at a safe level; however, they are subject to shrinkage unless additional revenue sources are identified and secured. Services to constituents may not be adequately funded in future, without securing additional funding sources beyond normal CPI tax increases.

Estimated Unrestricted Reserves as of 7/1/22	7,781,494
FY22-23 Surplus/(Deficit)	196,108
Estimated Unrestricted Reserves as of 7/1/23	7,977,602
Reserves as % of GF Exp	43.5%

### Fiscal Year 2022-23 (FY 22-23) Adopted Sanitation Fund Budget

#### **Sanitation Fund Expenditures**

The street sweeping contract was renewed mid-year and the vendor significantly increased costs, creating a shortfall of \$7,500.

Originally, \$40,000 was budgeted for replacement of Unit 17 (1999 Ford F350 truck) that has far exceeded its life expectancy. Vehicle pricing, especially for commercial size utility trucks have increased significantly. The lowest price estimate for a like vehicle utility truck exceeds the budgeted amount by \$35,000.

Staff recommends increasing the Sanitation Operating budget (Fund 15) by \$7,500 and Capital budget (Fund 16) by \$35,000. The Sanitation Fund had a \$2.16M increase in net position for FY2021-22. These additions of \$42,500 will have minimal impact on the fund balance of these two funds.

**Fiscal Year 2022-23 (FY 22-23) Addition of Administrative Job Classifications**

Currently the City has two administrative positions, Executive Assistant and Public Works Secretary. These two positions are specific in nature, reserved solely for the City Manager and Public Works Director. Without any other administrative job classifications, the City does not have means of providing administrative support to other Directors and Managers. Additionally these new classifications will allow Directors and Managers to reevaluate department needs and realign duties responsibilities to develop a more efficient work force, create ability for succession planning, and allow for employee professional growth which can lead to better employee retention.

In an effort to provide improved service to residents and customers, and to improve staff retention, staff is requesting authority to add these administrative job classifications to the City’s Salary Plan and Classification Summary.

This action does not immediately add any additional employees to the payroll, it simply allows Directors and Managers the ability to reorganize, create opportunity for growth, and provide for succession planning. This action only provides authorization to add these job classifications to the Salary Plan and Classification Summary. It has no financial impact to the FY2022-23 budget.

**Environmental Review:**

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

**Fiscal Impact:** See content of report.

**Public Notification:** None

**Staff Recommendation:** Adopt resolutions approving the Fiscal Year 2022-23 City of Lemon Grove Budget Adjustments (Attachment A) and approving Addition of the Administrative Job Classifications to the City of Lemon Grove Salary and Classification Plan (Attachment B).

**Attachments:**

**Attachment A – Resolution Approving FY 2022-2023 Lemon Grove Mid-Year Budget Adjustments**

**Attachment B – Resolution Approving Addition of the Administrative Job Classifications to the City of Lemon Grove Salary and Classification Plan.**

**RESOLUTION NO. 2023-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE,  
CALIFORNIA, APPROVING THE CITY OF LEMON GROVE BUDGET  
ADJUSTMENTS FOR FISCAL YEAR 2022-2023 AND AUTHORIZING  
EXPENDITURES THERETO**

**WHEREAS**, on June 21, 2022 the City Council adopted Resolution No. 2022-3893 approving the Consolidated Budget for Fiscal Year 2022-23; and

**WHEREAS**, said Budget warrants revision to reflect new information regarding revenue and expenditure projections; and

**WHEREAS**, said Budget warrants revision to reflect actions taken by the City Council since its adoption that impact the Budget; and

**WHEREAS**, the City Council has reviewed the proposed revisions.

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

1. Approves the Lemon Grove Fiscal Year 2022-23 Budget Adjustments (Exhibit 1); and
2. Authorizes expenditures thereto.

**PASSED AND ADOPTED** on March 23, 2023, the City Council of the City of Lemon Grove, California, adopted Resolution No. 2023 - \_\_\_\_\_, passed by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

---

**Racquel Vasquez, Mayor**

***Attest:***

---

***Deborah Harrington, Interim City Clerk***

***Approved as to Form:***

---

***Kristen Steinke, City Attorney***

<b>City of Lemon Grove</b>	
<b>FY 2022-23 Budget Adjustments</b>	
Exhibit 1 of Mid-Year Budget Resolution	
<b>Fund 01 - General Fund</b>	
<b>Revenue Increase/(Decrease)</b>	
<b>Description</b>	
Sales Tax	500,000
Property Tax Transfer	20,000
Priority Tax in Lieu of VLF	66,925
Franchise Fees	(24,400)
MMD Business Tax	200,000
Cost Recovery	482,000
Change in Revenue	1,244,525
<b>Expenditure Increase/(Decrease)</b>	
<b>Description</b>	
Fire Unschedule Overtime	(90,000)
Public Work Repair and Maintenance	(274,180)
Change in Expenditures	(364,180)
<b>FY22-23 Fund 01 Budget Net Change</b>	<b>880,345</b>
<b>Fund 15 - Sanitation Operating Fund</b>	
<b>Expenditure Increase/(Decrease)</b>	
<b>Description</b>	
Street Sweeping	(7,500)
Change in Expenditures	(7,500)
<b>FY22-23 Fund 15 Budget Net Change</b>	<b>(7,500)</b>
<b>Fund 16 - Sanitation Capital Fund</b>	
<b>Expenditure Increase/(Decrease)</b>	
<b>Description</b>	
Vehicle Replacement	(35,000)
Change in Expenditures	(35,000)
<b>FY22-23 Fund 16 Budget Net Change</b>	<b>(35,000)</b>

**RESOLUTION NO. 2023-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE,  
CALIFORNIA, APPROVING AN ADDITION TO THE SALARY PLAN AND  
CLASSIFICATION SUMMARY**

**WHEREAS**, on June 21, 2022, the City Council adopted a resolution approving the City Budget for Fiscal Year 2022-2023; and

**WHEREAS**, the Salary Plan and Classification Summary identifies the positions included in the budget, as well as salary ranges for each position and the number of employees per position; and

**WHEREAS**, the City Council finds it in the public interest to approve the attached additional job classifications to the Salary Plan and Classification Summary.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Lemon Grove, California, hereby approves the addition of job classifications to the Fiscal Year 2022-2023 Salary Plan and Classification Summary (Exhibit 1).

***PASSED AND ADOPTED*** on March 21, 2023, 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:***

---

***Deborah Harrington, Interim City Clerk***

***Approved as to Form:***

---

***Kristen Steinke, City Attorney***

**City of Lemon Grove**  
**Additional Classifications for FY2022-2023**  
**Salary Plan and Classification Summary**

Exhibit 1

Position Classification	Salary Range
Administrative Office Coordinator	\$3,552.02 - \$5,128.94 per month
Office Specialist II	\$2,756.42 - \$3,610.04 per month
Office Specialist I	\$2,625.48 - \$3,437.66 per month



# CITY OF LEMON GROVE

## CITY COUNCIL STAFF REPORT

**Item No.** 2

**Meeting Date:** March 21, 2023

**Submitted to:** Honorable Mayor and Members of the City Council

**Department:** Finance Department

**Staff Contact:** Joseph Ware, Finance Director  
jware@lemongrove.ca.gov

**Item Title:** **FY 2022-2023 General Fund & Sanitation District Mid-Year Budget Adjustments and Additions to Salary and Classification Plan**

---

**Recommended Action:** Adopt resolutions approving the Fiscal Year 2022-23 City of Lemon Grove Budget adjustments (Attachment A) and approving Addition of the Administrative Job Classifications to the City of Lemon Grove Salary and Classification Plan (Attachment B).

**Summary:** Staff is presenting updated forecasts of the City's General Fund and Sanitation Fund budgets, as well as updating the current Salary Plan and Classification Summary. Adopting budget adjustments to reflect revised revenue and expenditure projections improves the accuracy of the budget. Furthermore, the report is designed to provide City Council and the public with a review of City's financial health.

**Discussion:**

**Fiscal Year 2022-23 (FY 22-23) Adopted General Fund Budget**

Lemon Grove's General Fund is the City's primary day-to-day operating fund. Public safety, government administration, community services, street maintenance, environmental programs, and park maintenance are all funded through the General Fund. The City has other programs that are funded with restricted revenue sources. Those other funds, are not being discussed tonight, as their funds are not available for general city government services.

In June 2022, City Council adopted the General Fund budget. The formally adopted budget anticipated General Fund revenue of \$17,641,903 and expenditures including capital expenditures of \$18,326,141. The expenditures included \$783,000 of funds that were carried forward from FY 21-22 uncompleted projects and additional funding for streets with less than 25 PCI, which used approximately \$684,000 of the City's current fund balance.

### FY 22-23 Activity

As mentioned during previous budget discussions, in government finance, there is a delay of one to three months in receiving revenue and paying invoices. Although we are eight months into the fiscal year, most of the revenue and expenditures reflect July-December activity. Through the end of January 2023, the General Fund had received \$9,946,752 in revenue out of a budgeted \$17,641,903, about 56%. During the same period, the General Fund had expended \$8,873,908 out of a budgeted \$18,326,141, about 48%.

Looking at the revenue and expenditures totals year to date do not provide much insight into what the City can anticipate for the remainder of the fiscal year. It is more valuable to analyze each revenue source and expenditure line item, incorporating information gained since the budget was adopted to make updates. After adjusting specific revenue sources and expenditures, the new estimated bottom line can be totaled, providing a window into the City's probable financial future. The following information is focused solely on this current fiscal year.

## **General Fund Revenue**

### Sales Tax

Sales Tax typically makes up about 35% of the General Fund's annual revenue, the City's largest revenue source. Of the 7.75% sales tax rate paid by a customer making a taxable purchase in Lemon Grove, 1% goes to the City of Lemon Grove. The other 6.75% is shared between the state, county, and regional transportation agencies.

Sales that occur within the City are considered point of sales transactions. There is about a two month delay between customers paying sales tax in Lemon Grove and when the City receives that sales tax revenue. The business where the taxable purchase is made remits sales tax to the California Department of Tax and Fee Administration (CDTFA) by the end of the month following the tax period month. Then the state records and distributes that revenue to public agencies at the end of the next month. For example, when this report was written, the most recent sales tax revenue the City received at the end of January was for November taxable sales.

The current FY 22-23 budget estimates \$6,277,110 in sales tax revenue. Now that we have received four months of sales tax revenue for FY 22-23, we have learned that Lemon Grove’s point-of-sale business types remained relatively stable with slight increases in the categories of Auto and Transportation, Building and Construction, and County Pools. Based on this, staff is recommending that the budget be increased by \$500,000, for a total revenue projection of \$6,777,110.

In addition to the point-of-sale activity within Lemon Grove, it is also worth reviewing the growth in the state and county pools over the last year. As reflected in the chart below, the pools are our third largest category of sales tax revenue. The sales tax in pools represents taxes on online purchases. The growth is due to a shift to online shopping related to the pandemic and the implementation of AB 147 the Marketplace Facilitator Act which requires marketplace facilitators (like Amazon and Etsy) to collect and remit sales tax on behalf of their marketplace sellers.

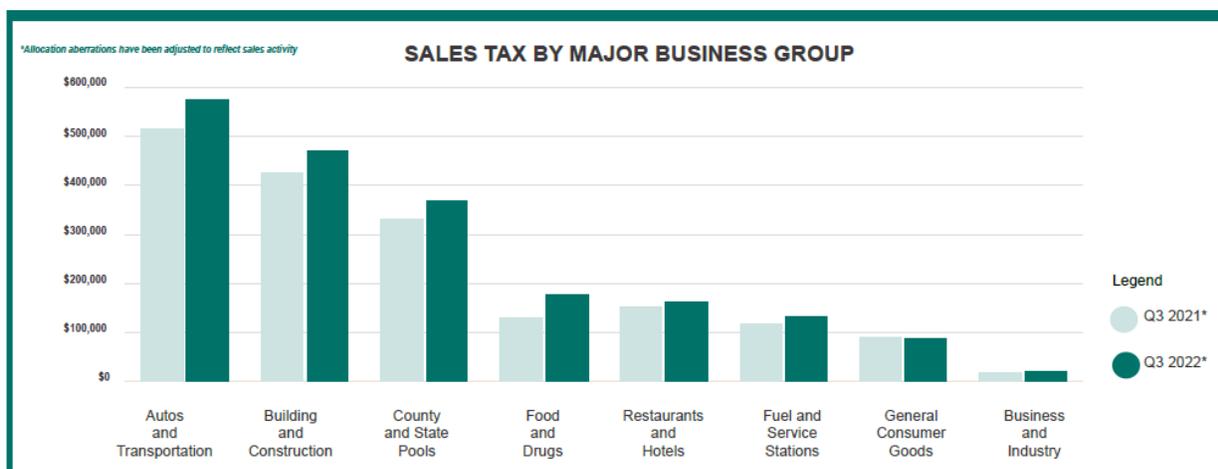


Chart provide by HdL, Inc.

Lemon Grove has experienced more growth in County pool revenue than our neighboring cities because the revenue is allocated based on point-of-sale performance. As stated above, our point-of-sale business types have been a benefit during and post pandemic, while neighboring cities that rely on tourism have been hard hit, which means more of the County pool is allocated to us for the time being. As tourism continues to pick up and our neighboring cities continue to recover, our portion of the pool will lessen.

### Property Tax

Property taxes are the second largest source of revenue for the General Fund. Property tax revenue continues to remain stable.

To get a Lemon Grove specific update it is valuable to look at recent property sales activity within in City and how the most recent quarter (August - October) compares with prior quarters. The number of homes sold began to decline in the 2<sup>nd</sup> quarter of 2022. This can be attributed to increasing interest rates and reduction of legacy homes being sold.

During 2022, the median price of a detached single family home in Lemon Grove grew 11.3%. Due to Prop 13, the growth in property values will only impact the property taxes on homes that sold during this period. All other homes will have an increase of 2% or current CPI, whichever is less. Staff is recommending increasing the Property Transfer Tax budget by \$20,000, from \$62,000 to \$82,000 for FY 22-23

#### The Property Tax in Lieu of VLF

Since 2004, the State of California has backfilled vehicle license fee revenues (VLF) with property tax. This has benefited Lemon Grove since the amount increases annually in proportion to the growth in gross assessed valuation of property. Property Tax in Lieu of VLF revenue is made in two equal payments each year. The City has received the first payment, which was a % increase over the adopted budget amount. Staff is recommending increasing the budget by \$66,925 for FY 22-23.

#### Franchise Fees

Franchise fees are paid by utilities that use public spaces or public right-of-ways within the City. The fees are a percentage of gross receipts, so as the business performance of the utility fluctuates, so does the revenue to the City. Based on revenue received so far this year, staff estimates the adopted budget overestimated this revenue source by \$24,400 and the budget should be adjusted downward accordingly.

#### Marijuana Dispensary Business Permit Tax

Measure J implemented a 5% cannabis tax on gross revenues of retail dispensaries. The City now has two dispensaries open. Staff now anticipates receiving a higher level of revenue for these dispensaries and is requesting an upward adjustment of \$200,000 from \$525,000 to \$725,000 for fiscal year FY 2022-23.

#### Cost Recovery

This year the City received a one-time legal settlement for the Lemon Grove Realignment project of \$482,000. Therefore, staff is recommending increasing this revenue source from \$6,500 to \$488,500.

## **General Fund Expenditures**

Unlike revenue, most expenditures are within the direct control of the City. Based on year to date spending, the City is on track to be within the confines of the budget for most line items. There are a handful expenditure accounts that staff is recommending adjusting to reflect revised year end projections.

### **Fire Department Salaries & Benefits**

The original budget projections were based on assumptions that we now have more information about and can be refined. The Fire Department salaries line item was based on a fully staffed department for the whole fiscal year. Unfortunately, there has been a series of vacant firefighter positions open due to promotions and resignations. These staffing changes will normally result in a savings for Fire Department salaries; however, due to the temporary staffing vacancies and use of paid leave, the amount paid for overtime to back-fill those positions is higher than budgeted. Staff recommends increasing the unscheduled overtime line item by \$90,000.

In October of 2022, the City Council adopted an equity pay plan for all non-contracted employees. An error was discovered in the calculation of Division Chief. The top step of this position was approved at \$13,048.35 per month; the correct amount should be \$13,700.90 per month. This adjustment will maintain the 7.5% differential between Battalion Chief and Division Chief. This adjustment is -1.79% of market median of the surveyed cities, adhering to the City Council approved philosophy of being within 5% of market median. The cost of this change for FY22-23 is not material and can be absorbed by the current budget allocation for Fire Department Salaries.

Overall, the net impact of the recommended changes to the Fire Department budget is a net increase of \$90,000.

### **Public Works**

During the first quarter of this fiscal year, the City Engineer had increased hours as a result of the vacant Assistant City Manager/Public Works Director position. The City Engineer served as an interim covering the administrative requirements of Public Works and Engineering divisions, including performing a transition of duties when the new Director was hired. This amounted to an additional \$95,100.

The cost of improvement of the Monterey Heights area, authorized by City Council on December 6, 2022, with installation of pedestrian crossing signs and flashing beacons exceeded original council allocation by \$4,000.

An unplanned project for storm drain repair in the Cedros and Amber Place area resulted in an additional \$20,000 in engineering cost, not previously budgeted.

Unplanned traffic signal repairs at San Miguel and Lemon Grove area required relocating electrical components. This requires trenching and conduit installation which resulted in \$49,600 in additional costs that was not previously budgeted.

This year, Kunkel Park was vandalized and park lights were knocked down and lights broken. This created a safety hazard and was a prioritized repair to ensure resident safety. A total of eight (8) lights, three (3) poles, and five (5) retrofitting of lights to new LED technology exceed the budgeted maintenance costs by \$30,980.

The street sweeping contract was renewed mid-year and the vendor significantly increased costs, creating a shortfall of \$14,500.

Recently, a sink hold has developed in the Public Works Yard. The repairs required to fix this sink hole is estimated at \$60,000.

Staff Recommends increasing the Public Works budget by these amounts needed to cover the additional costs of staffing, repair, and maintenance of city assets.

### **New Bottom Line**

The table below lists all of the recommended General Fund budget adjustments described in this staff report. The amounts represent the change to the adopted budget, not the new total for each revenue or expenditure line item. This reflects the anticipated FY 22-23 budget surplus, due to the increased revenue projections, the carry forward of capital projects, with all current expenditures projected through the rest of the fiscal year.

<b>FY22-23 Budget Surplus/(Deficit)</b>	<b>\$ (684,237)</b>
Increased Sales Tax	500,000
Property Transfer Tax	20,000
Property Tax in Lieu of VLF	66,925
Franchise Fees	(24,400)
MMD Business Tax	200,000
Cost Recovery Revenue	482,000
Fire Unscheduled Overtime	(90,000)
Public Works Repair and Maintenance	(274,180)
<b>New FY 22-23 Budget Surplus/(Deficit)</b>	<b>\$ 196,108</b>

Notwithstanding the unexpected capital repairs, the City’s conservative approach to budgeting and all other financial matters has allowed the City to continue to operate at budgeted levels, without having to make cuts due to potential economic indicators discussed in the budget process last year that are now surfacing.

The table below shows the City’s estimated reserves at the beginning of this fiscal year and at the end. This reserve funding excludes \$4,581,535 which is restricted per City Council reserve fund policy requirements for FY 22-23. The City reserves are currently at a safe level; however, they are subject to shrinkage unless additional revenue sources are identified and secured. Services to constituents may not be adequately funded in future, without securing additional funding sources beyond normal CPI tax increases.

Estimated Unrestricted Reserves as of 7/1/22	7,781,494
FY22-23 Surplus/(Deficit)	196,108
Estimated Unrestricted Reserves as of 7/1/23	7,977,602
Reserves as % of GF Exp	43.5%

Fiscal Year 2022-23 (FY 22-23) Adopted Sanitation Fund Budget

**Sanitation Fund Expenditures**

The street sweeping contract was renewed mid-year and the vendor significantly increased costs, creating a shortfall of \$7,500.

Originally, \$40,000 was budgeted for replacement of Unit 17 (1999 Ford F350 truck) that has far exceeded its life expectancy. Vehicle pricing, especially for commercial size utility trucks have increased significantly. The lowest price estimate for a like vehicle utility truck exceeds the budgeted amount by \$35,000.

Staff recommends increasing the Sanitation Operating budget (Fund 15) by \$7,500 and Capital budget (Fund 16) by \$35,000. The Sanitation Fund had a \$2.16M increase in net position for FY2021-22. These additions of \$42,500 will have minimal impact on the fund balance of these two funds.

**Fiscal Year 2022-23 (FY 22-23) Addition of Administrative Job Classifications**

Currently the City has two administrative positions, Executive Assistant and Public Works Secretary. These two positions are specific in nature, reserved solely for the City Manager and Public Works Director. Without any other administrative job classifications, the City does not have means of providing administrative support to other Directors and Managers. Additionally these new classifications will allow Directors and Managers to reevaluate department needs and realign duties responsibilities to develop a more efficient work force, create ability for succession planning, and allow for employee professional growth which can lead to better employee retention.

In an effort to provide improved service to residents and customers, and to improve staff retention, staff is requesting authority to add these administrative job classifications to the City's Salary Plan and Classification Summary.

This action does not immediately add any additional employees to the payroll, it simply allows Directors and Managers the ability to reorganize, create opportunity for growth, and provide for succession planning. This action only provides authorization to add these job classifications to the Salary Plan and Classification Summary. It has no financial impact to the FY2022-23 budget.

**Environmental Review:**

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

**Fiscal Impact:** See content of report.

**Public Notification:** None

**Staff Recommendation:** Adopt resolutions approving the Fiscal Year 2022-23 City of Lemon Grove Budget Adjustments (Attachment A) and approving Addition of the Administrative Job Classifications to the City of Lemon Grove Salary and Classification Plan (Attachment B).

**Attachments:**

**Attachment A – Resolution Approving FY 2022-2023 Lemon Grove Mid-Year Budget Adjustments**

**Attachment B – Resolution Approving Addition of the Administrative Job Classifications to the City of Lemon Grove Salary and Classification Plan.**

**RESOLUTION NO. 2023-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE,  
CALIFORNIA, APPROVING THE CITY OF LEMON GROVE BUDGET  
ADJUSTMENTS FOR FISCAL YEAR 2022-2023 AND AUTHORIZING  
EXPENDITURES THERETO**

**WHEREAS**, on June 21, 2022 the City Council adopted Resolution No. 2022-3893 approving the Consolidated Budget for Fiscal Year 2022-23; and

**WHEREAS**, said Budget warrants revision to reflect new information regarding revenue and expenditure projections; and

**WHEREAS**, said Budget warrants revision to reflect actions taken by the City Council since its adoption that impact the Budget; and

**WHEREAS**, the City Council has reviewed the proposed revisions.

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

1. Approves the Lemon Grove Fiscal Year 2022-23 Budget Adjustments (Exhibit 1); and
2. Authorizes expenditures thereto.

**PASSED AND ADOPTED** on March 23, 2023, the City Council of the City of Lemon Grove, California, adopted Resolution No. 2023 - \_\_\_\_\_, passed by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

---

**Racquel Vasquez, Mayor**

***Attest:***

---

***Deborah Harrington, Interim City Clerk***

***Approved as to Form:***

---

***Kristen Steinke, City Attorney***

<b>City of Lemon Grove</b>	
<b>FY 2022-23 Budget Adjustments</b>	
Exhibit 1 of Mid-Year Budget Resolution	
<b>Fund 01 - General Fund</b>	
<b>Revenue Increase/(Decrease)</b>	
<b>Description</b>	
Sales Tax	500,000
Property Tax Transfer	20,000
Priority Tax in Lieu of VLF	66,925
Franchise Fees	(24,400)
MMD Business Tax	200,000
Cost Recovery	482,000
Change in Revenue	1,244,525
<b>Expenditure Increase/(Decrease)</b>	
<b>Description</b>	
Fire Unschedule Overtime	(90,000)
Public Work Repair and Maintenance	(274,180)
Change in Expenditures	(364,180)
<b>FY22-23 Fund 01 Budget Net Change</b>	<b>880,345</b>
<b>Fund 15 - Sanitation Operating Fund</b>	
<b>Expenditure Increase/(Decrease)</b>	
<b>Description</b>	
Street Sweeping	(7,500)
Change in Expenditures	(7,500)
<b>FY22-23 Fund 15 Budget Net Change</b>	<b>(7,500)</b>
<b>Fund 16 - Sanitation Capital Fund</b>	
<b>Expenditure Increase/(Decrease)</b>	
<b>Description</b>	
Vehicle Replacement	(35,000)
Change in Expenditures	(35,000)
<b>FY22-23 Fund 16 Budget Net Change</b>	<b>(35,000)</b>

**RESOLUTION NO. 2023-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE,  
CALIFORNIA, APPROVING AN ADDITION TO THE SALARY PLAN AND  
CLASSIFICATION SUMMARY**

**WHEREAS**, on June 21, 2022, the City Council adopted a resolution approving the City Budget for Fiscal Year 2022-2023; and

**WHEREAS**, the Salary Plan and Classification Summary identifies the positions included in the budget, as well as salary ranges for each position and the number of employees per position; and

**WHEREAS**, the City Council finds it in the public interest to approve the attached additional job classifications to the Salary Plan and Classification Summary.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Lemon Grove, California, hereby approves the addition of job classifications to the Fiscal Year 2022-2023 Salary Plan and Classification Summary (Exhibit 1).

***PASSED AND ADOPTED*** on March 21, 2023, 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:***

---

***Deborah Harrington, Interim City Clerk***

***Approved as to Form:***

---

***Kristen Steinke, City Attorney***

**City of Lemon Grove**  
**Additional Classifications for FY2022-2023**  
**Salary Plan and Classification Summary**

Exhibit 1

Position Classification	Salary Range
Administrative Office Coordinator	\$3,552.02 - \$5,128.94 per month
Office Specialist II	\$2,756.42 - \$3,610.04 per month
Office Specialist I	\$2,625.48 - \$3,437.66 per month

**From:** Barbara Gordon <[barbaragordon1@gmail.com](mailto:barbaragordon1@gmail.com)>

**Sent:** Tuesday, March 21, 2023 6:47 AM

**To:** Racquel Vasquez <[rvasquez@lemongrove.ca.gov](mailto:rvasquez@lemongrove.ca.gov)>; George Gastil <[ggastil@lemongrove.ca.gov](mailto:ggastil@lemongrove.ca.gov)>; Alysson Snow <[asnow@lemongrove.ca.gov](mailto:asnow@lemongrove.ca.gov)>; Jennifer Mendoza <[jmendoza@lemongrove.ca.gov](mailto:jmendoza@lemongrove.ca.gov)>; [lianalebaron@gmail.com](mailto:lianalebaron@gmail.com) <[lianalebaron@gmail.com](mailto:lianalebaron@gmail.com)>

**Subject:** Non-agenda Public Comment

Dear City Council Members,

Yesterday began National Drug and Alcohol Facts Week- started by the National Institute on Drug Abuse (NIDA), which is meant to inspire meaningful conversations around youth substance use. It's vital to share informed facts around this topic that are often steeped in misinformation and stigma.

People ask why it is so important to be informed about drugs like marijuana but according to therapists many of their client's lives have been severely impacted due to their marijuana use. Nearly 30% of people who use the drug develop a marijuana use disorder according to the Journal of American Medical Association Psychiatry.

Teens and young adults are among the most at risk with marijuana use. Brain development can be negatively impacted, decision-making and impulse control. Anxiety and psychoses increase, attention, learning and memory are all negatively impacted.

Young people who use marijuana are 4 to 7 times more likely than adults to become addicted. There is a constant stream of new and more potent THC products in kid-friendly flavors and packaging designed to attract our teens and young adults.

As policy makers I urge you to seriously consider any decision regarding increasing marijuana outlets when the market is already over saturated.

Thank you,

Barbara Gordon



# City of Lemon Grove

---

WELCOME TO THE CITY COUNCIL MEETING OF MARCH 21, 2023

BEFORE THE START OF THE MEETING

PLEASE SILENCE YOUR CELL PHONES

# CALL TO ORDER

---

# PLEDGE OF ALLEGIANCE

---

# CHANGES TO THE AGENDA

---

# PUBLIC COMMENT

---

- Please fill out and submit a speaker slip to the City Clerk **BEFORE** the item on the agenda has been heard at the City Council Meeting to address the Council.
- Speaker slips are located at the entrance of the Chambers.

**ALL SPEAKER RELATING TO PUBLIC COMMENT WILL HAVE 3 MINUTES TO ADDRESS COUNCIL UNLESS OTHERWISE INDICATED BY THE MAYOR.**

# CONSENT CALENDAR

---

## 2. Reports to Council

---

### Mid Year Budget Review

# FY2022-23 Mid-Year Budget & Salary Plan and Classification Summary Update

Presented by:  
Joseph Ware, Finance Director



# Purpose

- ▶ Fiscal year July 1, 2022 through June 30, 2023
- ▶ Mid-Year review and report
- ▶ Intended to provide information on status of revenue and expenditures
- ▶ Request approval for requested budget adjustments
- ▶ Request approval to add job classifications

# FY 2022-23

## Adopted General Fund Budget

- ▶ General Fund is the City's primary day-to-day operating fund
- ▶ Adopted operating and capital budget with \$684,237 deficit
  - ▶ Static level of services
  - ▶ Deficit funded by General Fund unrestricted reserves due to roll over from previous year

# FY 2022-23 Activity

General Fund

# Year to Date General Fund Activity

	Year to Date	Budgeted	Percentage
Revenue	\$9,949,123	\$17,641,903	56%
Expenditure	\$8,873,908	\$18,326,141	48%

- ▶ Through January 31st
- ▶ Reflects mostly July-December activity due to delay in receiving revenue and paying invoices
- ▶ Budget adjustments recommended for budget line items trending over or under budget by at least \$5,000
- ▶ Making budget line items as accurate as possible leads to a bottom line estimate that is more precise

# General Fund Revenue

# Sales Tax

- ▶ Typically 35% of General Fund revenue, largest revenue source
- ▶ Of 7.75% sales tax rate paid by a customer, 1% goes to the City
- ▶ Point of sales transactions allocated directly to City
- ▶ Online transactions allocated through countywide pool
  - ▶ Pro-rata allocation based on point of sale activity

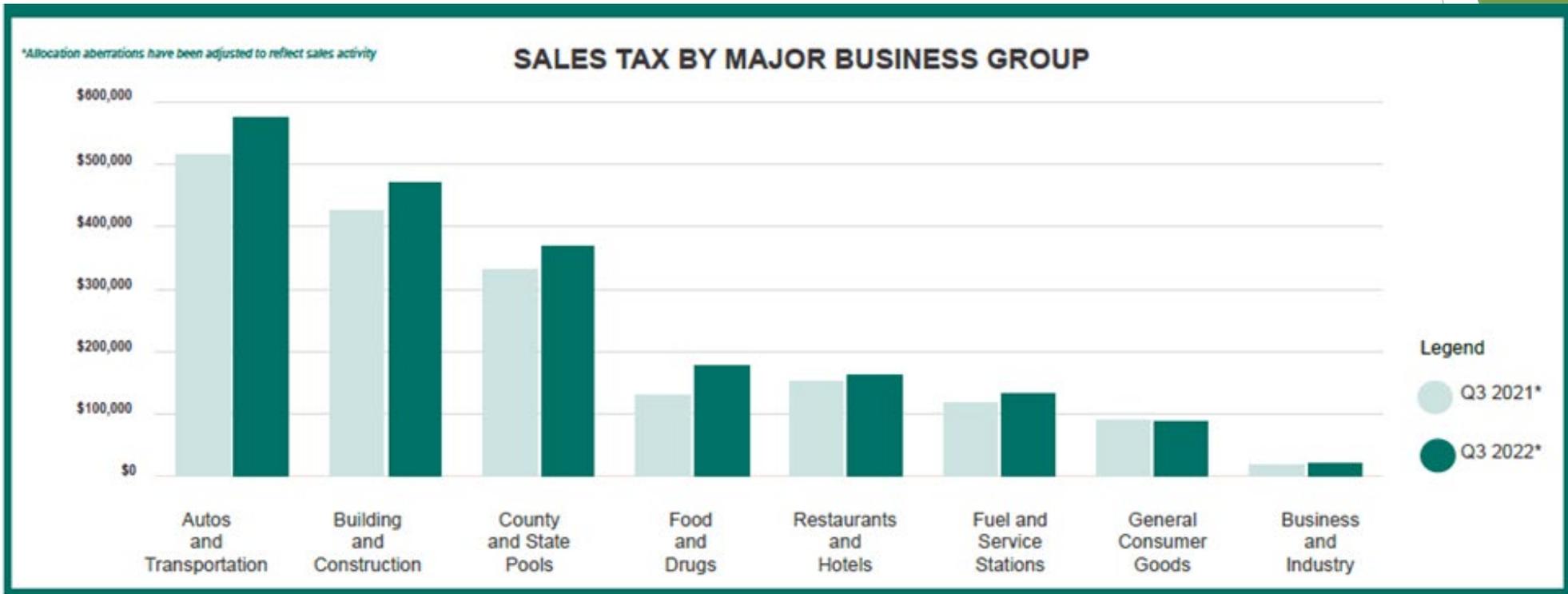


Chart provided by HdL Inc.

# Sales Tax

- ▶ Budgeted \$6,277,110
- ▶ Overall the cities taxable sales are up year over year
- ▶ Economic Indicators discussed in budget meetings have been slow to surface
- ▶ Starting to show but revenue is remaining steady
- ▶ Anticipate \$500,000 more than adopted budget, for a total of \$6,777,110

# Sales Tax

- ▶ Better than expected growth for FY2022-23
- ▶ More modest increase for FY2023-24
  - ▶ Our portion of the county pool will decrease as our neighboring cities recover and travel industry improves
  - ▶ Online sales tax now going to distribution center locations

# Property Tax

- ▶ Second largest source of General Fund revenue
- ▶ Receive revenue from County in December and March
- ▶ Sales have softened a bit, but remain relatively active
- ▶ Recommend increase in property transfer tax revenue by \$20,000
- ▶ Similar to Sales Tax, Property tax will see lower increases in FY 2023-24

# Property Tax in Lieu of VLF

- ▶ State swapped vehicle license fee (VLF) revenue for additional property tax revenue to cities
- ▶ Benefit from annual growth in assessed value of property
- ▶ Provided by state in two equal payments each year
- ▶ Recommend \$66,925 increase to reflect exact revenue will receive

# Franchise Fees

- ▶ Paid by utilities for use of public spaces and public right-of-ways
- ▶ Percentage of gross receipts
- ▶ Business performance impacts revenue source
- ▶ Trending decline as streaming services increase
- ▶ Recommend reduction of revenues by \$24,400

# Cannabis Business Tax Rates

- ▶ Retail sales of cannabis and/or industrial hemp - 5%
  - ▶ Receipts from customers with a valid CA State Medical Marijuana ID card are exempt
- ▶ Commercial cannabis and/or industrial hemp cultivation - 4%
- ▶ Operation of a testing laboratory for cannabis and/or industrial hemp - 2%
- ▶ Distribution of cannabis and/or industrial hemp - 3%
- ▶ Manufacturing or processing of cannabis and/or industrial hemp - 4%

# Cannabis Business Tax

- ▶ Measure J codified as Chapter 5.46 of the Lemon Grove Municipal Code
- ▶ Cannabis Business Tax 5% on adjusted gross revenue, paid monthly.
- ▶ City now has two active retailers.
- ▶ Increase revenue by \$200,000

# Other Revenue Changes

- ▶ Cost Recovery +\$482,000
  - ▶ One time settlement for LG Realignment Project

**Net Revenue Adjustments: + \$1,244,525**

# General Fund Expenditures

# General Fund Expenditures

- ▶ Fire Department -
  - ▶ Adjustment of Fire Division Chief
  - ▶ Unscheduled Overtime
    - ▶ + \$90,000
- ▶ Public Works: Professional Services & Repair and Maintenance
  - ▶ Staff Coverage: \$95,100
  - ▶ Unplanned Projects: \$164,580
  - ▶ Street Sweeping Contract Renewal \$14,500
  - ▶ Total recommended increase \$274,180

# FY 22-23 Updated Budget Projection

# New Bottom Line

FY 2022-23 General Fund Budget Deficit	\$(684,237)
Revenue Budget Adjustments	1,244,525
Expenditure Budget Adjustments	(364,180)
<b>New FY 2021-22 General Budget</b>	<b>\$196,108</b>

# FY 22-23 Unrestricted Reserves

---

Estimated Unrestricted Reserves as of 7/1/22	7,781,494
FY 22-23 Surplus/(Deficit)	196,108
<hr/>	
Estimated Unrestricted Reserves as of 7/1/23	7,977,602
Reserves as % of GF Exp	43.5%

---

# Sanitation Fund

- ▶ Operating Fund 15
  - ▶ Street Sweeping Contract \$7,500
- ▶ Capital Fund 16
  - ▶ Vehicle Replacement \$35,000
- ▶ No Significant Impact of Fund Balance

# Administrative Job Classifications

- ▶ Limited Administrative Job Classifications
- ▶ Limited Administrative Support
- ▶ Realign job functions
  - ▶ More efficient work force
  - ▶ Succession planning
  - ▶ Employee Growth/Retention
- ▶ No increase in Full Time Employee (FTE) Allocations
- ▶ No Impact on Budget

# Conclusion

- ▶ General Fund is on track and is projected to have a small surplus instead of a deficit
- ▶ Sanitation fund has minor adjustments that will not significantly impact fund balance
- ▶ Staffing classifications do not include administrative classifications

# Recommendation:

- ▶ Adopt a resolution approving the FY 2022-23 City of Lemon Grove Mid-Year Budget Adjustments.
- ▶ Adopt a resolution approving the addition of the administrative classifications to the City of Lemon Grove personnel salary and classification plan

# Questions?

# RECOMMENDATION:

---

Adopt resolutions approving the Fiscal Year 2022-23 City of Lemon Grove Budget adjustments and approving addition of Administrative Job Classifications to the City of Lemon Grove Salary and Classification Plan.

# CITY COUNCIL REPORTS ON MEETINGS ATTENDED AT THE EXPENSE OF THE CITY

---

# CITY MANAGER REPORT

---

# CLOSED SESSIONS:

---

1. Conference with legal counsel—anticipated litigation (Government Code § 54956.9(d)(2))
  
2. Conference with labor negotiator (Government Code §54957.6)  
Agency Designated Representative: Lydia Romero, City Manager  
Employee Organizations: Public Works Employees and Public Works Supervisors, The American Federation of State, County and Municipal Employees (AFSCME), District Council 36
  - Federation of State, County and Municipal Employees (AFSCME), District Council 36
  
3. Conference with labor negotiator (Government Code §54957.6)
  - Agency Designated Representative: Lydia Romero, City Manager
  - Employee Organization(s): Lemon Grove Firefighter’s Association, International Association of Firefighters (IAFF) – Local 2728

# ADJOURNMENT

---