

**TO:** James L. App, City Manager  
**FROM:** Robert A. Lata, Community Development Director  
**SUBJECT:** Encroachment Permit Bonding  
**DATE:** November 15, 2005

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**Needs:** For the City Council to consider increasing the deposit amounts associated with Encroachment Permits.

- Facts:**
1. Encroachment Permits are required whenever a contractor does work in the City right-of-way. Contractors are required to provide a cash deposit to guarantee provision of appropriate safety devices, proper installation of work and to recover the cost to the city for time provided by the City Construction Inspector.
  2. The City currently limits deposit amounts to a minimum of \$300 and a maximum of \$1,000. The City Engineer determines the deposit amount based upon his evaluation of the scope of work and estimated time involved in inspections.
  3. The Encroachment Permit deposit limit of \$1,000 is, in many cases, not adequate to recover the City's costs if the contractor should fail to perform in accordance with City Standards.

**Analysis  
and**

**Conclusion:** The Encroachment Permit deposit provides the City adequate funds to complete a project if needed, encourage the contractor to finish the work in a timely manner and allow for recovery of costs of services. The current limit of \$1,000 will not satisfy those needs in every case. It is recommended that the maximum deposit amount be increased to \$2,500 to accomplish the purposes of the Encroachment Permit.

**Policy**

**Reference:** City of Paso Robles Municipal Code Section 11.20

**Fiscal**

**Impact:** None

- Options:**
- a. Adopt Resolution No. 05-xx authorizing the City Engineer to require cash deposits associated with Encroachment Permits up to \$2,500 in order to guarantee completion of work in accordance with City Standards and to ensure the City's cost recovery for services provided.
  - b. Maintain the current limits (\$1,000 maximum amount) for deposits associated with Encroachment permits.
  - c. Amend, modify, or reject one of the above options.

RESOLUTION NO. 05-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES  
APPROVING MODIFICATION OF THE LIMITS OF DEPOSITS REQUIRED WITH  
ENCROACHMENT PERMITS

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WHEREAS, the City requires Encroachment Permits under the Municipal Code, Section 11.20; and

WHEREAS, cash deposits are required with encroachment permits to ensure completion of construction in accordance with City Standards and cost recovery for City inspection services provided, and

WHEREAS, the maximum limit of deposit, \$1,000, is not adequate to ensure completion of construction in every case.

THEREFORE, BE IT RESOLVED AS FOLLOWS:

That the City Council of the City of Paso Robles does hereby approve modification of the deposit limits associated with Encroachment Permits to a maximum of \$2,500 per permit based upon the City Engineer's evaluation of cost of completion of construction and cost recovery for City inspection services provided.

ADOPTED by the City Council of the City of El Paso de Robles at a regular meeting of said Council held on the 15<sup>th</sup> day of November 2005 by the following vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

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Frank R. Mecham, Mayor

ATTEST:

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Sharilyn M. Ryan, Deputy City Clerk