A G E N D A

Meeting of the
Scotts Valley City Council
In-Person and Remote Access
Date: November 16, 2022
Time: 6:00 PM

CONTACT INFORMATION	**MEETING LOCATION**	**POSTING**
City of Scotts Valley 1 Civic Center Drive Scotts Valley, CA 95066 (831) 440-5600	City Council Chambers 1 Civic Center Drive Scotts Valley, CA 95066 OR Zoom Video Conference https://us02web.zoom.us/j/88161880441	The agenda was posted at City Hall, SV Senior Center, SV Public Works Building, and on the Internet at www.scottsvalley.org.

ELECTED OFFICIALS	**CITY STAFF MEMBERS**
Donna Lind, Mayor Jim Reed, Vice Mayor Jack Dilles, Council Member Randy Johnson, Council Member Derek Timm, Council Member	Mali LaGoe, City Manager Kirsten Powell, City Attorney Cathie Simonovich, City Clerk Lauren Lambert, Deputy City Clerk

MEETING NOTICE AND AGENDA PACKET MATERIALS

Notice regarding City Council Meetings:
The City Council meets regularly on the 1st and 3rd Wednesday of each month at 6:00 PM in the City Hall Council Chambers located at 1 Civic Center Drive, Scotts Valley, CA 95066, and via Zoom Webinar remote access.

Agenda and Agenda Packet Materials:
The City Council agenda and the complete agenda packet are available for review by 5:00 PM the Friday before the Wednesday meeting on the Internet at the City's website: www.scottsvalley.org and in the lobby of City Hall at 1 Civic Center Drive, Scotts Valley, CA. Pursuant to Government Code §54957.5, materials related to an agenda item, submitted after distribution of the agenda packet, are available for public inspection in the lobby of City Hall during normal business hours, Monday-Friday, 8am-12 pm and 1-5 pm. In accordance with AB 1344, such documents will be posted on the City's website at www.scottsvalley.org.

Public Participation:
The meeting will be available on Zoom and livestreamed to the City of Scotts Valley's YouTube channel: https://www.youtube.com/channel/UCLNTBScelB4wTfidYHrocWA
For those wishing to participate via Zoom you can join the following ways:

Zoom Webinar meeting link: https://us02web.zoom.us/j/88161880441
Or dial one of these numbers: (669) 900-9128 or (669) 444-9171
Webinar ID: 881 6188 0441

Whether attendance is in-person or remote, you will be given opportunities to provide public comment at the appropriate times throughout the meeting. The time limit is up to 3 minutes for an individual, or 5 minutes for someone who is representing a group of three or more, at the discretion of the Mayor. Please note that this is not a question-and-answer time, but simply a time to provide comments to the Council. At the appropriate times during the meeting for public comment, on items not on the agenda, and on specific agenda items, the Mayor will announce that public comment will be accepted.

How to comment via in-person attendance:
Please proceed to the public comment podium when the Mayor opens the item for public comment.

How to comment via Zoom Webinar:
Use the webinar attendee option to "raise hand" when the Mayor opens the item for public comment. The Clerk will unmute you when it is your turn. If you have joined via Zoom phone call, dial *9 or your phone to "raise your hand", and the Clerk will unmute you when it is your turn.

CALL TO ORDER 6:00 PM

PLEDGE OF ALLEGIANCE and MOMENT OF SILENCE

ROLL CALL

SPECIAL SET MATTER

1. Presentation of Mayor's proclamation honoring a Scotts Valley resident

COMMITTEE REPORTS

Council members are appointed to committees which are either City committees or committees dealing with other jurisdictions. This portion of the agenda allows the committee member to present oral or written reports to the Council regarding their committee assignments. It also allows the Council to make comments and give the committee member direction, as required.

CITY MANAGER REPORT

PUBLIC COMMENT TIME

This is the opportunity for individuals to make and/or submit written or oral comments to the Council on any items within the purview of the Council, which are NOT part of the Agenda. No action on the item may be taken, but the Council may request the matter be placed on a future agenda.

ALTERATIONS TO CONSENT AGENDA

Council can remove or add items to the Consent Agenda.

CONSENT AGENDA

The Consent Agenda is comprised of items which are intended to be non-controversial and are approved without discussion. Persons wishing to speak on any item may request the item be moved to the Regular Agenda by raising their hand to be recognized by the Mayor. An item will only be moved from the Consent Agenda to the Regular Agenda if a City Council Member requests it to be moved and a majority of the Council agrees.

A. Approve City Council minutes of 11-02-2022

B. Approve check register dated 11-03-2022

C. Receive the Local Agency Special Tax and Bond Accountability Report for Fiscal Year 2021-22

D. Amend the Personnel Rules and Regulations to include the Flexible Work and Telework policy

E. Authorize execution of contract with NBS to conduct the Comprehensive User Fee and Development Impact Fee Changes Study

F. Adopt Ordinance No. 102.17 adding Chapter 15.22 to create an expedited streamlined process of electric vehicle charging stations

G. Adopt Ordinance No. 102.16 amending the building code regulations contained in Title 15 of the Scotts Valley Municipal Code and adopting the California Code of Regulations Title 24, 2022 building standards codes and other codes

ALTERATIONS TO REGULAR AGENDA

Council can remove or add items to the Regular Agenda.

REGULAR AGENDA

Persons wishing to speak on any item may do so by raising their hand to be recognized by the Mayor.

1. Introduction of Ordinance No. 157.2 amending Municipal Code Chapter 2.70 - Purchasing

2. Future Council agenda items
   (This portion of the Regular Agenda allows the Council to determine items to be placed on a future agenda and to choose a date, if so desired.)

CONVENE TO CLOSED SESSION

CLOSED SESSION SUBJECT(S)

1. Conference with legal counsel – anticipated initiation of litigation
   Legal Authority: Government Code Section 54956.9
   Staff Present: City Manager, City Attorney

RECONVENE TO OPEN SESSION

REPORT ON ACTION TAKE DURING CLOSED SESSION

ADJOURNMENT

ADA NOTICE

The City of Scotts Valley does not discriminate against persons with disabilities. The City Council Chambers is an accessible facility. If you wish to attend a City Council meeting and require assistance such as sign language, a translator, or other special assistance or devices in order to attend and participate at the meeting, please call the City Clerk's office at (831) 440-5600 five to seven days in advance of the meeting to make arrangements for assistance. If you require the agenda of a City Council meeting be available in an alternative format consistent with a specific disability, please call the City Clerk's Office. The California State Relay Service (TTY/VCO/HCO to Voice: English 1-800-735-2929, Spanish 1-800-855-3000; or, Voice to TTY/VCO/HCO: English 1-800-735-2922, Spanish 1-800-855-3000), provides Telecommunications Devices for the Deaf and Disabled and will provide a link between the TDD caller and users of telephone equipment.

PROCEDURAL INFORMATION FOR THE PUBLIC

THE FOLLOWING IS THE PROCEDURE COUNCIL SHOULD TAKE IN APPROVAL OF A RESOLUTION:

1. Move the Resolution number for approval.
2. Second the motion.
3. Vote by body, a roll call vote is not required.

THE FOLLOWING IS THE PROCEDURE COUNCIL SHOULD TAKE IN INTRODUCTION/ADOPTION OF AN ORDINANCE:

1. Move the Ordinance number for introduction (or adoption).
2. Move the Ordinance be introduced by title only and waive the reading of the text.
3. Read the Ordinance title.
4. Second the motion.
5. Vote by body, a roll call vote is not required.

THE FOLLOWING IS THE PROCEDURE COUNCIL SHOULD TAKE IN PUBLIC COMMENT/PUBLIC HEARINGS:

Unless otherwise determined by the presiding officer of the meeting:

1. Three minutes allowed per individual to speak.
2. Five minutes allowed per individual representing a group of three or more.

❖ ❖ ❖ ❖ ❖ ❖ ❖ ❖

The City of Scotts Valley does not discriminate against persons with disabilities. The City Council Chambers is an accessible facility. If you wish to attend a City Council meeting and require assistance such as sign language, a translator, or other special assistance or devices in order to attend and participate at the meeting, please call the City Clerk's office at (831) 440-5602 five to seven days in advance of the meeting to make arrangements for assistance. If you require the agenda of a City Council meeting be available in an alternative format consistent with a specific disability, please call the City Clerk's Office. The California State Relay Service (TTY/VCO/HCO to Voice: English 1-800-735-2929, Spanish 1-800-855-3000; Voice to TTY/VCO/HCO: English 1-800-735-2922, Spanish 1-800-855-3000; or, from or to Speech-to-Speech, English & Spanish 1-800-854-7787), provides Telecommunications Devices for the Deaf and Disabled and will provide a link between the TDD caller and users of telephone equipment.

M I N U T E S

Meeting of the
Scotts Valley City Council
Date: November 2, 2022
Time: 6:00 PM

CONTACT INFORMATION	MEETING LOCATION	POSTING
City of Scotts Valley 1 Civic Center Drive Scotts Valley, CA 95066 (831) 440-5600	City Council Chambers 1 Civic Center Drive Scotts Valley, CA 95066 and Zoom Video Conference	The agenda was posted at City Hall, the SV Library, and the SV Senior Center and on the Internet at www.scottsvalley.org.

CALL TO ORDER 6:00 PM

The City Council meeting was called to order at 6:03 PM.

FLAG SALUTE and MOMENT OF SILENCE

ROLL CALL

ELECTED OFFICIALS PRESENT:	CITY STAFF MEMBERS PRESENT:
Donna Lind, Mayor Jim Reed, Vice Mayor Jack Dilles, Council Member Randy Johnson, Council Member Derek Timm, Council Member	Mali LaGoe, City Manager Kirsten Powell, City Attorney Taylor Bateman, Community Development Director Robin Woodman, Building Official Cathie Simonovich, City Clerk Lauren Lambert, Deputy City Clerk

COMMITTEE REPORTS

CM Dilles attended a meeting of the Santa Margarita Groundwater Agency and heard a summary of the City of Santa Cruz aquifer and storage recovery investigation. The Santa Cruz Water Supply Commission assists with this analysis.

CM Dilles was invited to a County Board of Supervisors meeting where there was a proclamation to honor outgoing Assemblymember Mark Stone. He thanked Assemblymember Stone for the work he has done to benefit foster youth and other vulnerable members of the community. He also thanked him for working on Scotts Valley's behalf to place Measure Z on the ballot.

CM Dilles attended a Racial Equity Institute webinar which was put on by the Santa Cruz Community Foundation. The webinar covered institutional racism and the need to change this narrative, as well as the fact that people need to be willing to be uncomfortable with these conversations in order to grow.

CM Dilles applied for and was appointed to the League of California Cites Revenue and Taxation Policy Committee. This will allow him to bring more revenue ideas to the Council in the future. He thanked CM Timm for forwarding that email invitation.

CM Timm attended the Economic Recovery Task force meeting. He thanked Greg Wimp, owner of Togo's, for organizing the Halloween Treasure Hunt, a very successful event. They also discussed employee shortages.

CM Timm attended the Mayor's State of the City, and he thanked Mayor Lind, City Manager LaGoe, and Chief Walpole for their contributions to this event.

Mayor Lind attended the Criminal Justice executive meeting. The committee has been working on a behavior health survey with all law enforcement agencies to better understand the needs in Santa Cruz County. The Chair acknowledged and thanked Chief Walpole for stepping up and ensuring the accuracy of our agency's survey results and statistics.

Mayor Lind attended a Santa Cruz Metropolitan Transit District (METRO) Board of Directors meeting where they adopted a social equity community funding policy. METRO is dealing with staffing shortages and had to cut one route.

Mayor Lind noted that the Local Agency Formation Commission (LAFCO) published a quarterly report.

Mayor Lind reported that the 2022 Tree Lighting Planning has begun, and she is joined by CM Dilles on a committee with Victor Alejandro to work on this event. The Community Center has been reserved for the first Saturday in December (12/3).

Mayor Lind expressed her appreciation for the support of the State of the City event.

CITY MANAGER REPORT

City Manager LaGoe reported the following updates:

Siltanen Pool: The pool has been resurfaced and next steps will be filling the pool and running tests.

New Police Officer Trainee: New Officer Trainee, Vitani Harrison, is starting the academy this week, and he will be a great addition to the Police Department.

Vine Hill Childcare Classroom: The City is working with the Scotts Valley Unified School District on the Vine Hill classroom funding that was received through the allocation from the Federal Government by way of support from Congresswoman Anna Eshoo. There is a significant amount of paperwork that needs to be submitted to the United States Department of Housing and Urban Development (HUD) to receive that funding. The City is working with the school district on this to ensure that their needs and timelines are met.

New Phone System: The City is transitioning to a new phone system, and this is a huge improvement for both the public and the City staff.

Fiber at City Hall: The fiber lines to City Hall are being tested and may be complete in a few weeks. This will mean much faster upload and download speeds and will be a huge improvement to our IT infrastructure.

Halloween Treasure Hunt: Both the Police Department and the Parks and the Recreation Department participated in the Scotts Valley Halloween Treasure Hunt. They had a great time decorating and welcoming the Trick-or-Treaters!

Coming Up:
- Annual Staff Appreciation Turkey Lunch (cooked and served by the Executive Team) on 11/15 to recognize and celebrate all staff members.
- Tree Lighting on 12/3

PUBLIC COMMENT TIME

No members of the public came forward during public comment time.

APPROVAL OF CONSENT AGENDA WITH NO ALTERATIONS

M/S: Reed/Timm
To approve the Consent Agenda.
Carried 5/0 (AYES: Dilles, Johnson, Lind, Reed, Timm)

CONSENT AGENDA

A. Approve City Council minutes of 10-19-2022

B. Approve check registers dated 10-20-2022 and 10-27-2022

C. Approve letter of support for state authorization to build a Veterans Home in the Monterey Region

D. Reappoint Eric Taylor to serve on the Cultural Resource Preservation Commission

E. Award contract for Public Works building demolition and abatement, PW Project No. P22-006

F. Authorize sanitary sewer connection, APN 056-102-02, 200 Old Coach Road

APPROVAL OF REGULAR AGENDA WITH NO ALTERATIONS

M/S: Reed/Johnson
To approve the Regular Agenda.
Carried 5/0 (AYES: Dilles, Johnson, Lind, Reed, Timm)

REGULAR AGENDA

1. Introduction of Ordinance No. 102.16 amending the building regulations contained in Title 15, Chapter 15.04 of the Scotts Valley Municipal Code and adopting the California Code of Regulations Title 24, 2022 building standards codes and other codes, subject to the specified deletions, amendments, exceptions and additions, and other codes and standards to establish minimum requirements to safeguard public health, safety and general welfare

Building Official Woodman presented this item and reviewed the PowerPoint presentation.

M/S: Timm/Johnson
To introduce Ordinance No. 102.16 and waive the reading thereof.
Carried 5/0 (AYES: Dilles, Johnson, Lind, Reed, Timm)

2. Introduction of Ordinance No. 102.17 adding Chapter 15.22 to create an expedited streamlined process of electric vehicle charging stations as required by Government Code Section 65850.7

Building Official Woodman presented this item and reviewed the PowerPoint presentation.

M/S: Timm/Dilles
To introduce Ordinance No. 102.17 and waive the reading thereof.
Carried 5/0 (AYES: Dilles, Johnson, Lind, Reed, Timm)

3. Future Council agenda items

None.

Prior to adjournment, Councilmember Johnson thanked his fellow Councilmembers for approving the letter of support for the Veteran's Home. He noted that this is a much-needed resource for Veterans.

Councilmember Timm shared that he has been at the 1440 Multiversity this week for the True North Leadership program which is attended by executives from across the country. He took the course last year and he came back this year to help facilitate it, and he highly recommends it for all leaders to attend. He also learned that Salesforce has 250-man hours a week to volunteer in our community, so please think about how we can use those hours to benefit our community.

Mayor Lind publicly thanked the 1440 Multiversity for providing the Gratitude Day for first responders.

ADJOURNMENT

The meeting adjourned at 6:32 PM.

Approved: ______________________________
Donna Lind, Mayor

Attest: ____________________________
Cathie Simonovich, City Clerk

AGENDA ITEM B

DATE: 11-16-2022

Report Selection:

RUN GROUP... 110322   COMMENT... 11/03/2022 A/P

DATA-JE-ID	DATA COMMENT
W-11032022-339	11/03/2022 A/P

Run Instructions:

Jobq	Banner	Copies	Form	Printer	Hold	Space	LPI	Lines	CPI	CP	SP	RT
L		01			Y	S	6	066	10			

BANK	VENDOR	CHECK#	DATE	AMOUNT
BA	GENERAL CHECKING ACCOUNT			
000041	ACC BUSINESS	125342	11/03/22	1,817.59
005027	ACE PORTABLE SERVICES	125343	11/03/22	1,500.48
003597	ADAMS ASHBY GROUP, INC	125344	11/03/22	4,700.00
001405	AFLAC-FLEX ONE	125345	11/03/22	627.63
001219	ALHAMBRA	125346	11/03/22	181.51
001219	ALHAMBRA	125347	11/03/22	14.90
003690	ALLIANT	125348	11/03/22	2,048.00
004057	ANDREWS/SELINA	125349	11/03/22	50.00
004029	ARMSTRONG/AMANDA	125350	11/03/22	50.00
000097	AT&T	125351	11/03/22	1,171.80
001928	BATEMAN/TAYLOR	125352	11/03/22	50.00
001373	BAY TREE, LLC	125353	11/03/22	3,620.38
004067	BEERS/OLIVIA	125354	11/03/22	50.00
004083	BRIGHTVIEW LANDSCAPE	125355	11/03/22	20,287.71
005037	BUCHANAN/LOGAN	125356	11/03/22	50.00
001566	BUSINESS WITH PLEASURE	125357	11/03/22	342.42
003714	CAPITOLA/CITY OF	125358	11/03/22	18,122.02
003887	CHEUNG/ATHENA	125359	11/03/22	50.00
002091	COMCAST	125360	11/03/22	148.31
005032	CREEKSIDE MINI STORAGE	125361	11/03/22	100.00
003043	CSG CONSULTANTS, INC	125362	11/03/22	18,874.25
003160	DIXON & SON TIRE	125363	11/03/22	273.44
004073	DU-ALL SAFETY, LLC	125364	11/03/22	450.00
001362	DUNCAN AUTO TECH	125365	11/03/22	594.16
001537	DYNAMIC PRESS	125366	11/03/22	433.51
000202	FEDERAL EXPRESS	125367	11/03/22	419.33
004039	GARNER/SCOTT	125368	11/03/22	50.00
004093	GERA/BEAUJO	125369	11/03/22	50.00
001881	GRAINGER	125370	11/03/22	1,811.95
003706	GRANADOS/JUSTIN	125371	11/03/22	50.00
000057	HACH COMPANY	125372	11/03/22	821.07
004059	HAROS/JOANNA	125373	11/03/22	50.00
003944	HEBARD/TYLER	125374	11/03/22	346.55
004023	HOUSEKEYS, INC.	125375	11/03/22	10,000.00
004041	INTERWEST CONSULTING GRO	125376	11/03/22	12,558.75
004024	K & D LANDSCAPING, INC.	125377	11/03/22	2,698.94
003292	KIMLEY-HORN & ASSOCIATES	125378	11/03/22	8,360.10
001660	KING/KATI	125379	11/03/22	50.00
005005	KRUSEE/RANDALL	125380	11/03/22	300.00
004018	LAMBERT/LAUREN	125381	11/03/22	50.00
004046	LAMM/CHRIS	125382	11/03/22	50.00
003726	LE DDS/VU	125383	11/03/22	12.80
005036	LINARTE/PHILLIP	125384	11/03/22	50.00
001673	LINCOLN FINANCIAL GROUP	125385	11/03/22	1,840.24
003389	LOCKE/CERINA	125386	11/03/22	50.00
000284	LOGAN & POWELL, LLP	125387	11/03/22	21,175.00
003913	LONG/AMANDA	125388	11/03/22	50.00
003942	M-GROUP	125389	11/03/22	29,125.00

BANK	VENDOR		CHECK#	DATE	AMOUNT	
BA	GENERAL CHECKING ACCOUNT					
	003403	MAR-KEN INTERNATIONAL PO	125390	11/03/22	260.00	
	001591	MARKELL/ROD	125391	11/03/22	1,974.00	
	001815	MC GRATH/TRISH	125392	11/03/22	50.00	
	005007	METOYER/ARTHUR	125393	11/03/22	50.00	
	000218	MID VALLEY SUPPLY	125394	11/03/22	264.65	
	001810	NEUMAN/PHILLIP D	125395	11/03/22	12,522.15	
	003766	ORMONDE/ROBERT	125396	11/03/22	50.00	
	000101	PACIFIC GAS & ELECTRIC C	125397	11/03/22	40,213.58	
	003977	PECKHAM & MCKENNEY	125398	11/03/22	24,799.98	
	000723	PIED PIPER INC./THE	125399	11/03/22	155.50	
	001097	PRODESSE PROPERTY GROUP	125400	11/03/22	3,523.52	
	000463	RALEY'S	125401	11/03/22	81.70	
	003572	REGIONAL GOVERNMENT SERV	125402	11/03/22	2,451.67	
	003567	ROBERTS/AARON	125403	11/03/22	144.39	
	005028	ROBINSON/ALICE	125404	11/03/22	50.00	
	001118	RUTHERFORD/JAYSON	125405	11/03/22	50.00	
	000201	SAFETY-KLEEN SYSTEMS, IN	125406	11/03/22	1,323.59	
	000135	SAN LORENZO VALLEY WATER	125407	11/03/22	45.01	
	000294	SANTA CRUZ CNTY TAX COLL	125408	11/03/22	548.24	
	001823	SANTA CRUZ CO ENVIRONMEN	125409	11/03/22	600.00	
	001544	SANTA CRUZ COUNTY CONFER	125410	11/03/22	6,386.59	
	001544	SANTA CRUZ COUNTY CONFER	125411	11/03/22	22,450.82	
	001544	SANTA CRUZ COUNTY CONFER	125412	11/03/22	23,016.02	
	000128	SCARBOROUGH LUMBER	125413	11/03/22	1,426.96	
	003745	SCOTTS VALLEY HOTEL LP	125414	11/03/22	49,403.32	
	000133	SCOTTS VALLEY SPRINKLER	125415	11/03/22	77.78	
	005034	SILVA/JULIO	125416	11/03/22	50.00	
	004092	SIMONOVICH/CATHIE	125417	11/03/22	50.00	
	000228	SOIL CONTROL LAB	125418	11/03/22	408.00	
	002065	SOTO/ART	125419	11/03/22	50.00	
	005004	STARK LEAK DETECTION, LL	125420	11/03/22	775.00	
	001361	STEVENS DDS/JOHN A	125421	11/03/22	140.80	
	005019	STOCKER/CORIE	125422	11/03/22	50.00	
	003973	THOMAS/TYLER	125423	11/03/22	50.00	
	000151	VISION SERVICE PLAN	125424	11/03/22	1,296.75	
	003145	WAGE WORKS	125425	11/03/22	5,010.57	
	005018	WATSONVILLE DIESEL	125426	11/03/22	2,607.29	
	005022	WELSH/ELISA	125427	11/03/22	50.00	
	003971	WIZIX TECHNOLOGY GROUP,	125428	11/03/22	14.50	
	001625	YOSHIDA DDS/NOREEN	125429	11/03/22	160.00	
	GENERAL CHECKING ACCOUNT				368,210.22	***

BANK	VENDOR	CHECK#	DATE	AMOUNT
REPORT TOTALS:				368,210.22

RECORDS PRINTED - 000197

FUND RECAP:

FUND	DESCRIPTION	DISBURSEMENTS
001	GENERAL	295,648.54
004	RECREATION	476.50
008	TRAFFIC IMPACT MITIGATION	1,782.69
010	WASTEWATER OPERATIONS	36,462.70
011	TERTIARY TREATMENT PLANT	692.03
019	AFFORDABLE HOUSING	11,974.00
023	SVRDA SUCCESSOR AGENCY	7,143.90
025	GENERAL TRUST	5,617.50
028	SENIOR CENTER	2,732.57
035	GREEN BUILDING FUNDING	137.13
050	PINEWOOD EST LNDSCP MAINT DT	68.93 CR
077	SKYPARK MAINT ASSESS DIST	1,557.30
112	DENTAL INS INTERNAL SERV	313.60
123	COMMUNITY FACILITY CENTER	1,594.32
150	GENERAL CAPITAL IMPROVEMENTS	2,146.37
TOTAL ALL FUNDS		368,210.22

BANK RECAP:

BANK	NAME	DISBURSEMENTS
BA	GENERAL CHECKING ACCOUNT	368,210.22
TOTAL ALL BANKS		368,210.22

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: November 16, 2022

TO: Honorable Mayor and City Council

FROM: Selina Andrews, Finance Manager

APPROVED BY: Mali LaGoe, City Manager

SUBJECT: **LOCAL AGENCY SPECIAL TAX AND BOND ACCOUNTABILITY REPORT FOR FISCAL YEAR 2021-22**

SUMMARY OF ISSUE

Senate Bill 165, filed with the Secretary of State on September 19, 2000, enacted the Local Agency Special Tax and Bond Accountability Act (Act) to provide accountability measures associated with a local agency's adoption of voter approved special taxes and certain forms of bonded indebtedness. The Act requires that, on or after January 1, 2001, any local special tax or bond measure subject to voter approval shall provide accountability measures that include:

1. A statement indicating the purpose of the special tax or bond;
2. A requirement that proceeds of the special tax or bond be applied to those specific identified purposes;
3. The creation of an account into which the proceeds shall be deposited; and
4. An annual report containing specified information concerning the use of the proceeds.

At present, the City of Scotts Valley has one Community Facilities District (CFD) that falls under the provisions of the act, CFD 97-1. Previous council actions, public hearings, and elections have formally established the aforementioned district, authorized the levy of the special tax, and authorized the issuance of a special tax bond to finance the acquisition of certain necessary public improvements. The documents associated with those actions fulfill, or provide for, satisfaction of the first three requirements referenced above. The purpose of this report is to comply with the Annual Report requirements (No. 4, above) of the Act as they pertain to the above referenced CFD.

FISCAL IMPACT

None.

STAFF RECOMMENDATION

It is recommended that the City Council receive and file the Local Agency Special Tax and Bond Accountability Act report for the Fiscal Year ended June 30, 2022.

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LOCAL AGENCY SPECIAL TAX & BOND ACCOUNTABILITY

Senate Bill 165, filed with the Secretary of State on September 19, 2000, enacted the Local Agency Special Tax and Bond Accountability Act (the "Act"). This Act requires that any local special tax or local bond measure subject to voter approval contain a statement indicating the specific purposes of the special tax, require that the proceeds of the special tax be applied to those purposes, require the creation of an account into which the proceeds shall be deposited, and require an annual report containing specified information concerning the use of the proceeds. The Act only applies to any local special tax measure or local bond measure adopted on or after January 1, 2001, in accordance with Section 50075.1 or Section 53410 of the California Government Code.

Some of the requirements of the Act are handled at the formation of the Special Tax District and others are handled through annual reports. This Section of this report intends to comply with Sections 50075.3 and 53411 of the California Government Code that states:

"The chief fiscal officer of the issuing local agency shall file a report with its governing body no later than January 1, 2002, and at least once a year thereafter. The annual report shall contain both of the following:

1. The amount of funds collected and expended.
2. The status of any project required or authorized to be funded as identified in subdivision (a) of Sections 50075.1 [and] 53410."

The requirements of the Act apply to the Funds for the following:

City of Scotts Valley
Community Facilities District 97-1
Formation March 1, 1998

Purpose of Special Tax

The special tax provides funding for arterial and frontage improvements to Scotts Valley Drive between the Granite Creek interchange with State Highway 17 and Mount Hermon Road. Collectively, the improvements included street improvements, utility undergrounding, professional services, and land acquisition.

The projects funded by the Bonds are complete.

Collections and Expenditures

Fund Name	06/30/2021 Balance	Amount Collected	Amount Expended	06/30/2022 Balance
Special Tax Fund	$434,400.99	$390,898.89	$421,034.59	$404,265.29

(1) Amount based on budgeted expenses. Includes cumulative debt service payments and administrative expenses after the August 2012 Bonds were issued.

Fund Name	Initial Deposit	6/30/2022 Balance	Amount Expended	Status
Construction Fund	$5,616,000.00[1]	$0.00	$0.00	Completed
Costs of Issuance Fund	90,600.00	0.00	0.00	Closed
Escrow Fund	4,570,000.00	0.00	0.00	Closed
Prepayment Fund	0.00	8,390.03	0.00	Ongoing
Reserve Fund	412,725.00	424,150.98	0.00	Ongoing

(1) This is the initial amount deposited to the Construction Fund of the CFD 97-1 Prior Bonds.

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: November 16, 2022

TO: Honorable Mayor and City Council

FROM: Amanda Armstrong, HR Manager

APPROVED: Mali LaGoe, City Manager

SUBJECT: **AMEND THE PERSONNEL RULES AND REGULATIONS TO INCLUDE THE FLEXIBLE WORK SCHEDULE AND TELEWORK POLICY**

SUMMARY OF ISSUE

The COVID-19 pandemic permanently changed the structure of the workplace. The City has accommodated various flexible and teleworking schedule depending on the needs of each department and employee. It is important that the City adopt a policy for equity and consistency throughout the City.

A Flexible Work Schedule and Telework policy is also an important tool to attract competitive talent. A flexible and telework schedule is one of the top 3 motivators for applicants seeking a new job. Approving a Flexible Work Schedule and Telework policy will allow the City to compete for top talent in a competitive and growing remote/hybrid work world.

Each position was evaluated based on job duties and department needs to determine whether it could accommodate a flexible work schedule and/or telework. Flexible work schedules may be approved at the discretion of the Department Head or City Manager. Flexible work schedules will vary by department and will be based on the City's needs to provide coverage and adequate staffing for normal business hours. All existing duties, obligations, responsibilities, and conditions remain unchanged when a flexible or telework schedule is approved. The Flexible Work Schedule and Telework Policy is a privilege and not right. There is no guarantee that a request for a flexible or telework work schedule will be granted. A flexible work schedule may be revoked at any time at the discretion of the Department Head or City Manager. The granting of a flexible work schedule in no way implies that less work will be completed than that expected of an employee working a standard work schedule.

FISCAL IMPACT

There is no fiscal impact associated with adopting this policy.

STAFF RECOMMENDATION

It is recommended that the City Council amend the Personnel Rules and Regulations to include the Flexible Work Schedule and Telework Policy.

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SUBJECT: POLICY REGARDING FLEXIBLE WORK SCHEDULES

A. PURPOSE

The City provides the option of flexible work schedule arrangements where operationally feasible. The option of flexible work schedules is a privilege and not a right.

B. POLICY

Flexible work schedules may be approved in accordance with this policy, at the discretion of the Department Head or City Manager. Flexible work schedules may vary by department and will be based on the City's needs to provide coverage and adequate staffing for normal business hours. There is no guarantee that a request for a flexible work schedule will be granted. A flexible work schedule may be revoked at any time at the discretion of the Department Head or City Manager. The granting of a flexible work schedule in no way implies that less work will be completed than that expected of an employee working a standard work schedule.

City Administration operates on a standard work schedule which is Monday through Friday 8:00 a.m. to 5:00 p.m. City Maintenance operates on a standard work schedule of Monday through Friday 6:00 a.m. to 2:30 p.m. City Wastewater operates on a standard work schedule which is Monday through Friday 6:30 a.m. to 3 p.m. A non-standard work schedule is called a flexible work schedule.

The City's operational objective is to have adequate staffing at all times to meet the needs of the public and the organization. It shall be the responsibility of the Department Heads to schedule adequate staffing to meet this operational objective.

Employees who are subject to 84-hour work schedules are not covered by this policy. Reference Exhibit A for eligible positions.

C. NON-EXEMPT EMPLOYEE WORK SCHEDULES

1. Introduction

A non-exempt employee's workweek is a fixed and regularly recurring period of 168 hours - seven consecutive 24-hour periods. The normal work schedule for full-time, regular employees shall consist of five (5) eight (8) hour days, subject to applicable breaks, Monday through Friday except specified holidays. The workweek shall commence on Saturday at midnight and end on the following Friday at midnight (to coincide with the established two-week pay period). A Department Head may make such changes to the schedule of work hours as defined below. A non-exempt employee is paid on an hourly basis and is eligible to earn overtime pay in accordance with an applicable Memorandum of Understanding and the Fair Labor Standards Act ("FLSA").

2. Flexible Work Schedule Options

A non-exempt employee must first request approval for a Flexible Work Schedule (FWS) on the

Flexible Work Schedule and Telework Request and Agreement Form approved by Human Resources. Approval of a Flexible Work Schedule is at the discretion of the Department Head or City Manager. FWS requests may be modified by the Department Head prior to approval if necessary, to address the operational or other needs of the Department. It is permissible for an employee to have both a flexible work schedule and a telework schedule concurrently. If an employee intends on requesting both a flexible work schedule and a telework schedule, both requests shall be submitted at the same time for review and consideration by the Department Head.

A bi-weekly time report is required to certify attendance and scheduled time off and shall be signed by the employee and the employee's supervisor at the close of each pay period. Although scheduling options may vary from department to department depending upon the specific operational requirements, there are four available Flexible Work Schedules that differ from the standard Monday through Friday, 8:00 am to 5:00 pm work schedule. These four options are called "9/80", "4/10", "4-9-4" and "Flex Schedule."

An employee may request to add/modify/delete a Flexible Work Schedule/Telework Schedule twice in a calendar year. Schedule change requests which exceed two per calendar year may be approved only by the City Manager or designee, based on the operational needs of the Department or other good cause.

"9/80" Schedule:
Employees will work eight 9-hour days and one 8-hour day every two weeks and have one regularly scheduled day off (RDO) every other week. The employee's scheduled RDO shall fall on the same day of the week as the 8-hour workday on the opposite week during the pay period.

The start of the workweek is deemed to be midway (4 hours) into the employee's 8-hour day. The workweek ends seven days later midway through the employee's next 8-hour regular day off (RDO).

The work schedule or regular day off (RDO) of an employee may not be changed to accommodate a holiday. If a holiday lands on the RDO, the holiday will be moved to the next working day unless that moves the holiday into the next workweek. If moving the holiday to the next working day causes the holiday to be observed in the next workweek, then the holiday will be moved to the previous workday. If a holiday lands on a 9-hour day, the employee will be required to use 1 hour of qualifying leave balance (vacation, CTO, floating holiday).

"4/10" Schedule:
Employees will work four 10-hour days per workweek and have one day off. Any 4/10 schedule must occur between Monday and Friday each week. The workweek is defined as Saturday at midnight and ending on the following Friday at midnight. If a holiday lands on the RDO, the holiday will be moved to the next working day unless that moves the holiday into the next workweek. If moving the holiday to the next working day causes the holiday to be observed in the next workweek, then the holiday will be moved to the previous workday. If a holiday lands on a 10-hour day, the employee will be required to use 2 hours of qualifying leave balance (vacation, CTO, floating holiday).

"4-9-4" Schedule:

Employees will work four 9-hour days and one 4-hour day per week. The typical schedule is Monday through Friday. Workweek is defined as Saturday at midnight and ending on the following Friday at midnight. If a holiday lands on the 4-hour day, the employee's 4-hour day will be moved to the next working day unless that moves the 4-hour day into the next workweek and in this case, the 4-hour day will be moved to the previous workday. If a holiday lands on a 9-hour day, the employee will be required to use 1 hour of qualifying leave balance (vacation, CTO, floating holiday).

"Flex" Schedule:
Subject to Department Head discretion and the operational needs of the department, employees may be assigned to work outside the standard work schedule, which includes all rest and meal breaks as required by law. Upon agreement by the Department Head and employee, an employee may flex their schedule to compensate for assigned work outside the standard schedule rather than be paid overtime. Employees on a flex schedule typically work Monday through Friday, 8 hours per day. With supervisory approval, a non-exempt employee may flex start and stop times during the same workweek for planned absences. Workweek is defined as Saturday at midnight and ending on the following Friday at midnight.

D. EXEMPT EMPLOYEE WORK SCHEDULES

1. Introduction

Employees in this group are exempt employees as defined by the Fair Labor Standards Act (FLSA).

The standard work schedule for full-time, regular employees shall consist of five 8-hour days from 8:00 a.m. to 12:00 p.m. and 1:00 p.m. to 5:00 p.m., subject to applicable breaks, Monday through Friday except specified holidays. The workweek shall commence on Saturday at midnight and end on the following Friday at midnight (to coincide with the established two-week pay period).

While expected to maintain regular hours equal to 80 hours in a two-week period, exempt employees may need to extend their work schedule to accommodate job demands and complete their work. For regular, full-time employees, regular hours frequently extend beyond 80 hours in a pay period. Exempt employees are paid a salary to accomplish both self-directed and assigned projects by balancing and managing their time appropriately and responsibly. Exempt employees do not receive overtime pay for working hours which extend beyond the 80 hours in a pay period but are provided with an additional Administrative Leave benefit to help offset the extra hours that they may need to work.

An exempt employee must first request approval for a FWS on the Flexible Work Schedule and Telework Request and Agreement Form approved by Human Resources. Approval of a Flexible Work Schedule is at the discretion of the Department Head. FWS requests may be modified by the Department Head prior to approval if necessary, to address the operational or other needs of the Department. It is permissible for an employee to have both a flexible work schedule and a telework schedule concurrently. If an employee intends on requesting both a flexible work schedule and a telework schedule, both requests shall be submitted at the same time for review and consideration by the Department Head. A request for a Flexible Work Schedule from a Department Head shall be made to and considered by the City Manager.

An employee may request to add/modify/delete a Flexible Work Schedule/Telework Schedule twice in a calendar year. Schedule change requests which exceed two per calendar year may be approved only by the City Manager or designee, based on the operational needs of the Department or other good cause.

2. Flexible Work Schedule Options

A Department Head may implement a flexible work schedule for exempt employees so long as adequate staffing is provided. When exempt employees are approved to work a FWS, they are responsible for successful performance of their position requirements and understand that they are required to work the number of hours necessary to successfully complete their assignment. Although scheduling options may vary from department to department depending upon the specific operational requirements, there are four available alternative work schedules that differ from the standard Monday through Friday, 8:00 am to 5:00 pm work schedule that are available for consideration by an exempt employee and his/her Department Head. These four options are called "9/80", "4/10", "4-9-4" and, “Flex Schedule.”

“9/80” Schedule
Employees will work four 9-hours days in one week (Saturday through Friday), having one day off, and four 9-hour days and one 8-hour day in the other week (Saturday through Friday) of the pay period. The work schedule or regular day off (RDO) of an employee may not be changed to accommodate a holiday. If a holiday lands on the RDO, the holiday will be moved to the next working day unless that moves the holiday into the next workweek, otherwise the holiday will be moved to the previous workday.

"4/10" Schedule
Employees will work four 10-hour days per workweek (Saturday through Friday) and have one day off per workweek. If a holiday lands on the RDO, the holiday will be moved to the next working day unless that moves the holiday into the next workweek and in this case, the holiday will be moved to the previous workday.

"4-9-4" Schedule
Employees will work four 9-hour days and one 4-hour day per workweek (Saturday through Friday). Employees on this schedule will not be required to use a leave balance for the 4 hours on their “short” day. If a holiday lands on the 4-hour day, the employee’s 4-hour day will be moved to the next working day unless that moves the 4-hour day into the next workweek and in this case, the 4-hour day will be moved to the previous workday.

“Flex” Schedule:
Subject to Department Head discretion and the operational needs of the department, employees may be assigned to work outside the standard work schedule, which includes all rest and meal breaks as required by law. Upon agreement by the Department Head and employee, an employee may flex their schedule to compensate for assigned work outside the standard schedule. Employees

on a flex schedule typically work Monday through Friday, 8 hours per day. With supervisory approval, an exempt employee may flex start and stop times during the same workweek for planned absences. Workweek is defined as Saturday at midnight and ending on the following Friday at midnight.

SUBJECT: CITY OF SCOTTS VALLEY TELEWORK POLICY

A. Purpose

The City of Scotts Valley Teleworking program provides telework as an option that may be offered to certain job classifications, positions and employees in the City. The City Manager or their designee may authorize broader telework for episodic use during a utility disruption, communicable disease outbreak, other health risk, or other approved situations.

Telework is provided at the sole discretion of the City Manager or their designee and is not an employee right. Teleworking agreements may not reduce customer service to internal and external customers nor reduce standard hours of operation. The employee must self-disclose proof of a safe work area at home or other location via the Flexible Work Schedule and Telework Request and Agreement Form approved by Human Resources. Employees agree to cooperate with the City to verify compliance with the required minimum workplace standards while teleworking. This may include physical inspection, photographs, or live video feed, which shall be mutually agreed upon. Telework is not to be completed until written authorization and approval of the City Manager or their designee.

B. DEFINITIONS

"Telework" is a work arrangement authorizing an employee to work from an alternative worksite other than their normal work location, such as home, for all or a portion of their regularly scheduled work hours.

"Alternative Worksite" means the employee's home, place of residence or other location appropriate for the work to be performed.

"Work Schedule" means the days and hours determined by the supervisors or mangers during which non-exempt, overtime eligible employees should be in attendance and available to perform required duties at the Alternative Worksite. The Work Schedule shall provide for and include the rest and meal breaks required under applicable federal and state law, as well as under an applicable memorandum of understanding.

C. ELIGIBILITY CRITERIA

The list of positions who may be eligible to Telework is attached as Exhibit A. Such list may be modified from time to time by the City Manager. However, prior to approval of a specific Telework schedule, the City Manager, or their designee, shall consider the following criteria when making a decision about whether or not Telework is appropriate for that particular position:

1. The operational needs of the City and employee's department and division;
2. The disruption of or potential for disruption to the City's functions;
3. The ability of the employee to perform their job duties (both essential and marginal) from an Alternative Worksite without diminishing the quantity or quality of the work performed;
4. The degree to which the employee's job functions require face-to-face interaction with other City employees, contractors and members of the public;
5. The employee's job performance, as determined by their last performance review;
6. The employee possesses the following skills/attributes:

- Demonstrated dependability and responsibility
- Effective communication with supervisors, coworkers, and clients
- Demonstrated motivation
- The ability to work independently
- A consistently high rate of productivity
- A high level of skill and knowledge of the job
- The ability to prioritize work effectively
- Good organizational and time management skills.

6. The employee's length of service with the City, department or division;
7. The portability of the employee's work, including the employee's ability to remotely access tools, equipment, and materials necessary to perform their job functions;
8. The availability of or ability to create a functional, reliable, healthy, safe, and secure Alternate Worksite for the employee at a reasonable cost;
9. The risk factors associated with performing the employee's job duties from a location other than the employee's normal workplace at a City worksite;
10. The City's capacity to monitor and measure the employee's work performance at the Alternative Worksite;
11. The employee's supervisory responsibilities;
12. The employee's need for supervision; and
13. Other considerations deemed necessary and appropriate by the City, including tax and other legal implications of teleworking.

Employees working remotely will customarily work within the general Scotts Valley area, including for the purpose of emergency response as all City employees are Disaster Service Workers under California law. Additionally, while the City anticipates nearly all remote work will occur within the state of California, on rare occasions, an employee may be authorized to temporarily work outside of the state of California for a limited and specific duration. Any time an employee performs work in another state, that employee may be subject to taxes from California ***and*** any other state in which work was performed.

Employees may be permitted to Telework episodically when authorized by City Manager or their designee. The employee must sign a Flexible Work Schedule and Telework Request and Agreement

Form that details their Alternative Worksite and adherence to the guidelines set forth in the policy in advance of any episodes of telework.

The following are examples of circumstances that may support episodic Teleworking:

1. To complete special project work that requires a period of uninterrupted work time.
2. During self or family member convalescence from injury or illness; if for self, must be cleared by physician to do so.
3. To provide convenience and maximize work time on days in which off-site meetings or personal appointment make travel to the regular work site impractical.
4. While all reasonable commute routes are blocked.
5. While the primary worksite at a City worksite is inaccessible.
6. As a reasonable accommodation pursuant to the interactive process.
7. During PSPS (public safety power shutoff) events, wildfire threats.
8. Other approved conditions by the City Manager or their designee.

D. TELEWORK ENROLLMENT PERIODS

1. Requests to Telework may be submitted by an employee twice per calendar year.
    a. Requests regarding flexible work schedules must be made at the same time, if an employee requests a flexible work schedule.
    b. Supervisor shall track the number of requests by an employee.
    c. City Manager or their designee may consider additional Telework and/or flexible work schedule change requests based on the operational needs of the Department or other good cause.

2. An employee may be asked to Telework on an episodic basis due to departmental or City need, such as emergencies, power outages, natural disasters, or building closure.

Process for Employee to Request to Telework; Final Determination; No Right to Appeal:

To make a request for a Teleworking arrangement, employees must complete a Flexible Work Schedule and Telework Request and Agreement Form and submit the completed request to their supervisor or manager.

The employee's supervisor or manager will provide the request form to the Department Head or their designee and will discuss the employee's request with the Department Head as it relates to the impact of the request on department or city operations.

In consultation with or based on information provided by the employee's supervisor or manager, the Department Head will consider Teleworking requests on a case-by-case basis and may rely upon the criteria above and other factors relevant to the employee's request to Telework when deciding whether to approve, approve with modifications or deny the request.

The decision of the Department Head regarding an employee’s Teleworking request is final and binding. Neither the employee nor the employee’s employee organization possesses any right to appeal or grieve the decision.

When an eligible and qualified employee who has requested and been granted the opportunity to Telework, the employee agrees to work the approved telework Work Schedule (if applicable) and at the Alternative Worksite and follow all applicable work-related policies and procedures.

E. GENERAL DUTIES, OBLIGATIONS and RESPONSIBILITIES

1. All existing duties, obligations, responsibilities and conditions of employment remain unchanged. Teleworking employees shall abide by all City and departmental rules and regulations, policies and procedures.

2. All of the Teleworking employees’ existing supervisory relations, lines of authority and supervisory practices remain in effect.

3. Teleworking employees must have an Alternative Worksite that is adequate for performance of official duties, including an Alternative Worksite that is quiet and free of distractions and which has reliable and secure power, and adequate internet and/or wireless speeds.

4. Teleworking employees must notify their supervisor or manager promptly when unable to perform work assignments because of equipment failure or any other unforeseen circumstances.

5. Teleworking employees must not engage in activities that interfere with work responsibilities.

6. Teleworking employees must not bring clients, customers, vendors or other persons into their home to conduct City business.

7. Teleworking employees must safeguard any City equipment and only use the equipment according to City policy.

8. Teleworking employees shall ensure that all official City documents are retained and maintained according to the normal operating procedures in the same manner as if working at a City worksite. Employees agree to safeguard the City records from disclosure or access by unauthorized individuals and will comply with all confidentiality and privacy laws, rules, regulations, and policies applicable to their position and the handling, security and storage of the records and information related thereto.

9. Employees, upon approval of a request for Telework, agree that the City will not be liable for damages to an employee’s personal or real property while the employee is working at the approved Alternative Worksite.

10. Employees agree that Teleworking authorized pursuant to this Policy does not entitle them to Telework at will or on a permanent basis. Telework may be revoked by the City at any time. If

Telework is episodic, employees will return to their normal assignment location at the City worksite upon completion of the approved Telework assignment.

11. Nothing in this policy precludes the City from taking any appropriate disciplinary action or adverse action against an employee who fails to comply with Personnel Rules, other City policies or procedures, or their applicable MOU.

F. <u>SPACE AND EQUIPMENT, INFORMATION SECURITY AND CONFIDENTIALITY</u>

1. Teleworking employees will either receive approval to use personal computer equipment or will be provided with City issued equipment at the discretion of the Department Head or City Manager.

2. If the City provided any City issued equipment, Teleworking employees agree to follow the City's policy for the use of such equipment. Teleworking employees must report to their supervisor any loss, damage, or unauthorized access to City-owned equipment, immediately upon discovery of such loss, damage, or unauthorized access.

3. Where, in response to a request to Telework, the City allows an employee to Telework, the City shall not be responsible for Teleworking costs, including, but not limited to, the employee's use of their home or place of residence, their personal computer, utilities, internet, data, network costs, home maintenance, workspace furniture, ergonomic equipment, or any other incidental costs, unless expressly provided for in the Telework Agreement.

4. If an employee is directed to Telework for the majority of a pay period (more than half), for example, during an emergency or natural disaster, the employee will receive a stipend of $25 per pay period for use of personal items and utilities, that will begin the pay period such telework starts and will end the pay period such Telework ends (i.e., the employee is directed to return to the City worksite for the majority of a pay period).

5. Employees must take reasonable precautions to ensure their devices (*e.g.,* computers, laptops, tablets, phones, etc.) are secure before connecting remotely to the City's network and must close or secure all connections to City desktop or system resources (*e.g.*, remote desktop, VPN connections, etc.) when not conducting work for the City. Employees must maintain adequate firewall and security protection on all such devices used to conduct City work from the Alternative Worksite.

6. Teleworking employees shall exercise the same precautions to safeguard electronic and paper information, protect confidentiality, and adhere to the City's records retention policies, especially as it pertains to the California Public Records Act ("CPRA"). Teleworking employees must safeguard all sensitive and confidential information (both on paper and in electronic form) relating to City work they access from the Alternative Worksite or transport from their City worksite to the Alternative Worksite. Teleworking employees must also take reasonable precautions to prevent third parties from accessing or handling sensitive and confidential information they access from the Alternative Worksite or transport from their City worksite to the Alternative Worksite. Teleworking employees must return all records, documents, and correspondence to the City at the termination of the Agreement or upon request by their supervisor or manager, Department Head or Human Resources.

7. Continuously throughout a Telework assignment, Telework employees must maintain an ergonomic workspace.

G. <u>WORK SCHEDULE, OVERTIME, LEAVE, AND BENEFITS</u>

1. For non-exempt employees, the City will either provide such employee: (1) a work schedule that will be included in the Agreement and, which will include meal and rest breaks ("Work Schedule"); or (2) authorization to work on an intermittent basis.

2. For non-exempt employees assigned a Work Schedule, any deviation from the Work Schedule must be approved in advance, in writing, by the employee's supervisor or manager and the Department Head.

3. Non-exempt Telework employees working at an Alternative Worksite must not Telework outside their scheduled work hours without prior written authorization from their supervisor or manager and the Department Head. A non-exempt employee who fails to secure written authorization before Teleworking outside their scheduled work hours may face discipline in accordance with the City's policy for working unauthorized overtime.

4. Telework employees acknowledge that Telework does not change the employee's classification or rate of pay, salary, or benefits.

5. Telework employee must be available and accessible by phone, Teams chat and email during their agreed upon Work Schedule.

6. Non-exempt employees, regardless of whether assigned a Work Schedule or authorized to work intermittently, must take meal and rest breaks while Teleworking as required under applicable law and/or under applicable contract or City policy.

7. For non-exempt employees assigned a Work Schedule, all periods of Teleworking employees' unavailability must be approved in advance by their supervisor or manager and the Department Head in accordance with City policy and document the appropriate leave request. For non-exempt employees authorized to work intermittently, any intermittent schedule must be approved in advance by their supervisor or manager.

8. Non-exempt employees, regardless of whether assigned a Work Schedule or authorized to work intermittently, are required to report in a timely manner all hours worked at the Alternative Worksite and make that record available to their supervisor upon request. Employees shall record the use of all leave time on their timesheet.

9. Employees shall continue to abide by City policies and procedures for requests of sick, vacation and other leaves of absences. If an employee becomes ill while working under the Agreement, they shall notify their supervisor or manager immediately and record on their timesheet any hours not worked due to illness and/or incapacitation.

10. Non-exempt employees, regardless of whether assigned a Work Schedule or authorized to work intermittently, are required to request to work overtime in advance of doing so and such requests must be pre-approved in writing by the employee's supervisor or manager.

11. Workers' Compensation benefits will apply only to injuries arising out of and in the course of employment as defined by Workers' Compensation law. Teleworking employees must report any such work-related injuries to their supervisor or manager immediately. The City shall not be responsible for injuries or property damage unrelated to such work activities, including injuries to third persons when said injuries occur at the Alternative Worksite. In the event of a telework workplace injury, employee agrees to allow the City's Administrative Services Director or HR Manager, to access the employee's telework workspace upon request for purposes of investigating the injury.

EXHIBIT A

FLEXIBLE AND REMOTE WORK ELIGIBLE POSITIONS AS APPROVED BY CITY MANGER:

Department	Division	Job Classification
Administrative Services	Administration	Administrative Services Director
Administrative Services	Finance	Accountant II
Administrative Services	Finance	Senior Accountant
Administrative Services	Finance	Finance Manager
Administrative Services	Human Resources	Human Resources Manager
City Manager's Office	Administration	Assistant to the City Manager
City Manager's Office	Administration	City Clerk
City Manager's Office	Administration	City Manager
City Manager's Office	Administration	Deputy City Clerk
Community Development	Administration	Community Development Director
Community Development	Building	Building Permit Technician
Community Development	Planning	Assistant Planner
Community Development	Planning	Senior Planner
Police Department	Administration	Administrative Secretary III/Analyst
Public Works	Administration	Administrative Secretary III
Public Works	Administration	Public Works Director/City Engineer
Public Works	Engineering	Engineering Technician/Associate
Public Works	Engineering	Senior Civil Engineer
Public Works	Engineering	Project Manager
Public Works	Maintenance	Maintenance Division Manager
Public Works	Recreation	Recreation Division Manager
Public Works	Recreation	Recreation Coordinator
Public Works	Recreation	Administrative Secretary III
Public Works	Wastewater	Accountant II
Public Works	Wastewater	Wastewater Division Manager
Public Works	Wastewater	Administrative Secretary III
Public Works	Wastewater/Maintenance	Administrative Analyst I/II

Flexible Work Schedule and Telework Request Agreement Form

Name: ___________________________________ Position: ______________________________________

Date: _____________ Department:____

Current Schedule:____

Work Schedule Request

- ☐ 9/80 – RDO: ______________
- ☐ 4/10– RDO: ______________
- ☐ 4-9-4
- ☐ 5-8's - Flex Work Week
  - Proposed Flex Work Schedule:

    Start: ____________________

    End: _____________________
- ☐ Telework (Please see Telework Policy)
  - Proposed Telework Schedule:

    ____
  - Telework or Alternative Worksite Location:

____

Notes:____

I understand and agree to all the provisions in the City of Scotts Valley Flexible Work Schedule and/or Telework Policy and any violation of this agreement may result in loss of the Flexible and/or Telework schedule and may result in disciplinary action. This agreement may be revoked at any time if the schedule no longer serves the interest of the City. Flexible Schedules and Telework for the City of Scotts Valley is at the sole discretion of the City Manager or their designee and is not an employee right.

____

Employee Signature Date

Approved by:____

Department Head's Signature Date

Approved by:____

City Manager's Signature Date

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: November 16, 2022

TO: Honorable Mayor and City Council

FROM: Corie Stocker, Assistant to the City Manager

APPROVED BY: Mali LaGoe, City Manager

SUBJECT: **Comprehensive User Fee and Development Impact Fee Changes Study**

SUMMARY OF ISSUE

In fiscal year 2017/2018 the City contracted with NBS for a Comprehensive User Fee Study. The study's final report was published on May 31, 2018. A Comprehensive User Fee Schedule is one of the City's most important public documents as it outlines fees related to different City services based on the cost of providing such service. City Departments and Divisions such as Community Development, Building and Planning, Public Works, Parks and Recreation, Engineering and Wastewater and Administration/Miscellaneous each have their own list of related fees for services or permits. Recently, with the boom in development, a significant amount of staff time has been devoted to development impact fees and permitting which may not be included in the current schedule fees.

There are two major components to this study, the Comprehensive Study of Fees and Charges and the Development Impact Fee Nexus Study.

- Comprehensive Study of Fees and Charges seeks to evaluate all cost of services provided and examine whether a reasonable relationship exists between the cost of providing services and current service fees, while ensuring compliance with local laws and requirements. The City desires to undertake a comprehensive citywide review and evaluation of user fee and rate charges resulting in a cost-based user fee study. The study will calculate the full cost of providing specific City services and provide a recommended fee to be charged for each applicable service.
- The Development Impact Fee Nexus Study seeks to provide sufficient information and the necessary findings to help the City determine the development impact fees based on the proposed infrastructure requirements to support the City's General Plan growth projections and the City's Capital Improvement Plan. The City's impact fee program must comply with all laws and regulations.

Two of the City's Strategic Plan goals are to ensure long-term financial stability and economic development. To support these goals, the City plans to contract with NBS to ensure that the fees are properly updated to support the City's budget, stabilize our revenue sources, as well as analyze the recent spike in development and how that affects costs for services. The demand for development is expected to grow in the next few years, which further fuels the importance of the study.

In the 2022/2023 fiscal year budget cycle, the City accounted for the cost of this study. In September 2022, staff issued a Request for Proposals (RFP) for the Comprehensive User Fee and Developmental Impact Fee Changes Study. After approximately three weeks, the bid period closed and the City received a competitive proposal from NBS. Given that NBS provided services previously, their proposal ensured staff that they would utilize the same project manager from the FY 17/18 study. Additionally, NBS has a full-scale user fee model on file for the City and are familiar with our financial, organizational, and service level assumptions that developed the fee outcomes.

FISCAL IMPACT

There is no fiscal impact to the General Fund associated with for the Comprehensive User Fee and Development Impact Fee Changes Study. The funding expenditure of $114,950 is included in the FY 2022-23 budget.

STAFF RECOMMENDATION

It is recommended that the City Council authorize the City Manager to execute a contract with NBS for $114,950, in a form acceptable to the City Attorney, to conduct the Comprehensive User Fee and Development Impact Fee Changes Study.

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AGREEMENT FOR PROFESSIONAL SERVICES AND MATERIALS

This Agreement for Professional Services and Materials ("Agreement") is made and entered into as of November 17, 2022, by and between the City of Scotts Valley, a municipal corporation, hereinafter referred to as "CITY", and NBS, hereinafter referred to as "CONSULTANT".

RECITALS

A. CITY desires to retain Consultant for certain professional services and materials as set forth in this Agreement.

B. CONSULTANT is specially trained, experienced and competent to perform the special services which will be required by this Agreement.

C. CONSULTANT possesses the skill, ability, background, certification and knowledge to provide the services described in this Agreement on the terms and conditions described herein.

NOW, THEREFORE, in consideration of the recitals and the mutual promises contained herein, CITY and CONSULTANT agree as follows:

AGREEMENT

1. **Employment of CONSULTANT**: CITY agrees to, and hereby does, retain and employ CONSULTANT to perform the professional services as outlined in the Scope of Work attached hereto and incorporated herein as Exhibit "A". CONSULTANT'S work product shall be performed pursuant to generally accepted standards of practice in effect at the time of performance.

2. **Responsible Personnel**: CITY has relied upon the professional training and ability of CONSULTANT to perform the services hereunder as a material inducement to enter into this Agreement. Primary personnel responsible for the completion of the work described in this Agreement shall be Nicole Kissam, whose address is 32605 Temecula Parkway, Suite 100, Temecula, CA 92592; telephone: 800.434.8349; Email: nkissam@nbsgov.com.

3. **Scope of Work:** CONSULTANT shall perform the services as specified in Exhibit A in a professional manner.

4. **Time of Performance:** The services of CONSULTANT are to commence upon

execution of this Agreement and shall continue until all authorized work is approved by the CITY. All such work shall be completed no later than June 30, 2023. Time is of the essence in the performance of this Agreement. No waiver by either party hereto of the nonperformance or any breach of any term, provision, or condition of this Agreement, or any default hereunder shall be considered to be or operate as a waiver of any subsequent nonperformance, breach or default.

5. **Compensation:** CONSULTANT shall accept compensation for services outlined in Exhibit A, performed as set forth in Section 3, in an amount not to exceed $114,950. Payment to CONSULTANT shall be made upon completion of all services outlined in Exhibit A. Invoices will be paid by CITY within a reasonable time after the invoices are received and approved.

6. **Insurance:** CONSULTANT shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. Commercial General Liability (CGL): Insurance Services Office Form CG 00 01 covering CGL on an “occurrence” basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than $1,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

2. Automobile Liability: Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if Consultant has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than $1,000,000 per accident for bodily injury and property damage.

3. Workers’ Compensation insurance as required by the State of California, with Statutory Limits, and Employer’s Liability Insurance with limit of no less than $1,000,000 per accident for bodily injury or disease.
(Not required if consultant provides written verification it has no employees)

4. Professional Liability (Errors and Omissions) Insurance appropriates to the Consultant’s profession, with limit no less than $2,000,000 per occurrence or claim, $2,000,000 aggregate.
If the Consultant maintains broader coverage and/or higher limits than the minimums

shown above, the Entity requires and shall be entitled to the broader coverage and/or the higher limits maintained by the contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the Entity.

Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

Additional Insured Status
The Entity, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Consultant including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Consultant's insurance (at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 forms if later revisions used).

Primary Coverage
For any claims related to this contract, the Consultant's insurance coverage shall be primary insurance primary coverage at least as broad as ISO CG 20 01 04 13 as respects the Entity, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the Entity, its officers, officials, employees, or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

Notice of Cancellation
Each insurance policy required above shall state that coverage shall not be canceled, except with notice to the Entity.

Waiver of Subrogation
Consultant hereby grants to Entity a waiver of any right to subrogation which any insurer of said Consultant may acquire against the Entity by virtue of the payment of any loss under such insurance. Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the Entity has received a waiver of subrogation endorsement from the insurer.

Self-Insured Retentions
Self-insured retentions must be declared to and approved by the Entity. The Entity may require the Consultant to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or Entity.

Acceptability of Insurers
Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the Entity.

Claims Made Policies
If any of the required policies provide coverage on a claims-made basis:
1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.

Verification of Coverage
Consultant shall furnish the Entity with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) and a copy of the Declarations and Endorsement Page of the CGL policy listing all policy endorsements to Entity before work begins. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. The Entity reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

Subcontractors
Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Contractor shall ensure that Entity is an additional insured on insurance required from subcontractors.

Special Risks or Circumstances
Entity reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

7. **Indemnity:** CONSULTANT shall hold harmless, indemnify and defend CITY, its elective and appointive boards, commissions, officers, agents, servants, volunteers, and employees from and against any and all claims, costs, damages, liability, losses, or suits (including court costs and attorney fees) for personal injury (including death), property damage and any other damages of any sort whatsoever, arising out of, or alleged to have arisen out of, the willful or negligent acts, errors, or omissions of CONSULTANT or CONSULTANT'S contractors, subcontractors, agents, or employees in the performance

of this Agreement. This indemnity shall not apply to any claims brought by CONSULTANT for default of this Agreement, or for claims brought by CITY or any third party where the underlying injury or damage is finally determined by a court of competent jurisdiction to arise solely from the negligent or willful misconduct of CITY.

8. **Termination:** This Agreement may be terminated by the CITY immediately for cause or by either party without cause upon fifteen days' written notice of termination. Upon termination, CONSULTANT shall be entitled to compensation for services performed up to the effective date of termination.

CONSULTANT shall accept, for itself, as full payment for services rendered and all work to be done and performed hereunder and in complete satisfaction of all claims against CITY by reason of voluntary abandonment or suspension of work or termination of the Agreement, the sum determined on an hourly basis in accordance with the provisions of this Agreement, or any modification of amendment thereto, plus all direct expenses incurred, including those expenses incurred which are directly attributable to the incomplete portion of the work which could not be canceled.

In the event of termination, CONSULTANT shall deliver as a condition to the payment of the compensation provided for above, or otherwise make available to CITY, all research data. reports, estimates, summaries, and other such information and materials as may have been accumulated by CONSULTANT in performing this Agreement, whether completed or in process in accordance with Section 9 of this Agreement.

9. **Documents:** Notes, studies, chain, computations, electronic files, and other data and information obtained by CONSULTANT for this project shall, upon receipt of payment for services rendered, be made available to CITY by CONSULTANT at CITY'S request and shall become the property of CITY. In the event CITY alters the document, CITY agrees CONSULTANT shall have no responsibility whatsoever for any claim arising out of, or alleged to have risen out of, use of the altered document,

All plans, studies, documents, charts, computations, and electronic files prepared by and for CONSULTANT, its officers, employees and agents and subcontractors in the course of implementing this Agreement, except working notes and internal documents, shall become the property of the CITY upon payment to CONSULTANT for such work, and the CITY shall have the sole right to use such materials in its discretion without further compensation to CONSULTANT or to any other party. CONSULTANT shall, at CONSULTANT'S expense, provide such reports, plans, studies, documents and other writings to CITY upon written request.

10. **Independent Contractor:** CONTRACTOR is an independent contractor retained by CITY to perform the work described herein. ALL personnel employed by

CONSULTANT are not and shall not be deemed to be employees of CITY. CONSULTANT shall obtain no rights to retirement benefits or other benefits that accrue to CITY'S employees, and CONSULTANT hereby expressly waives any claim it may have to such rights. CONSULTANT shall comply with all state and federal laws pertaining to employment and compensation of its employees and its agents, including the provision of Workers' Compensation.

11. **Licenses:** CONSULTANT represents and warrants to CITY that it has all licenses, permits, qualifications, insurance and approvals of whatsoever nature which are legally required of CONSULTANT to practice its profession. CONSULTANT represents and warrants to CITY that CONSULTANT shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, insurance and approvals which are legally required of CONSULTANT to practice its profession. Consultant shall maintain a City of Scotts Valley business license.

12. **Assignment:** The parties recognize that a substantial inducement to CITY for entering into this Agreement is the professional reputation, experience and competence of CONSULTANT. Assignments of any or all rights, duties or obligations of the CONSULTANT under this Agreement will be permitted only with the express consent of the CITY. CONSULTANT shall not subcontract any portion of the work to be performed under this Agreement without the written authorization of the CITY. If the CITY consents to such subcontract, CONSULTANT shall be fully responsible to CITY for all acts or omissions of the subcontractor. Nothing in this Agreement shall create any contractual relationship between CITY and subcontractor nor shall it create any obligation on the part of the CITY to pay or to see to the payment of any monies due to any such contractor other than as otherwise required by law.

13. **Binding on Successors:** This Agreement is binding on the heirs, successors and assigns of the parties hereto.

14. **Amendment:** This Agreement may be amended, modified or changed by the parties, provided that said Agreement, modification or change is in writing and approved by the authorized representative of the parties.

15. **Applicable Law and Attorney's Fees:** This Agreement shall be construed and enforced in accordance with the laws of the State of California, and any action brought relating to this Agreement shall be held exclusively in a state court in the County of Santa Cruz. Should any legal action be brought by a party for breach of this Agreement or to enforce any provision of the Agreement, the prevailing party of such action shall be entitled to recover its reasonable litigation expenses, including attorney fees.

16. **Entire Agreement:** This Agreement contains the entire understanding between the parties with respect to the subject matter herein. There are no representations,

agreements or understandings. Whether oral or written, between or among the parties relating to the subject matter of this Agreement which are not fully expressed herein. The drafting and negotiation of this Agreement have been participated in by each of the parties and/or their counsel, and for all purposes this Agreement shall be deemed to have been drafted jointly by all parties.

17. **Waiver:** Waiver of a breach or default under this Agreement shall not constitute a continuing waiver of a subsequent breach of the same or any other provision under this agreement.

18. **Severability:** If any term or portion of this Agreement shall be held by a court of competent jurisdiction to be invalid, illegal, or otherwise unenforceable, the remaining provisions of this Agreement shall continue in full force and effect.

WITNESS WHEREOF this Agreement is executed by CITY and by CONSULTANT on this 17 day of November, 2022, at Scotts Valley, California.

CONSULTANT:	CITY: CITY OF SCOTTS VALLEY
________________________ By:	________________________ Mali LaGoe, City Manager
APPROVED AS TO FORM:	ATTEST:
________________________ Kirsten M. Powell, City Attorney	________________________ Cathie Simonovich, City Clerk

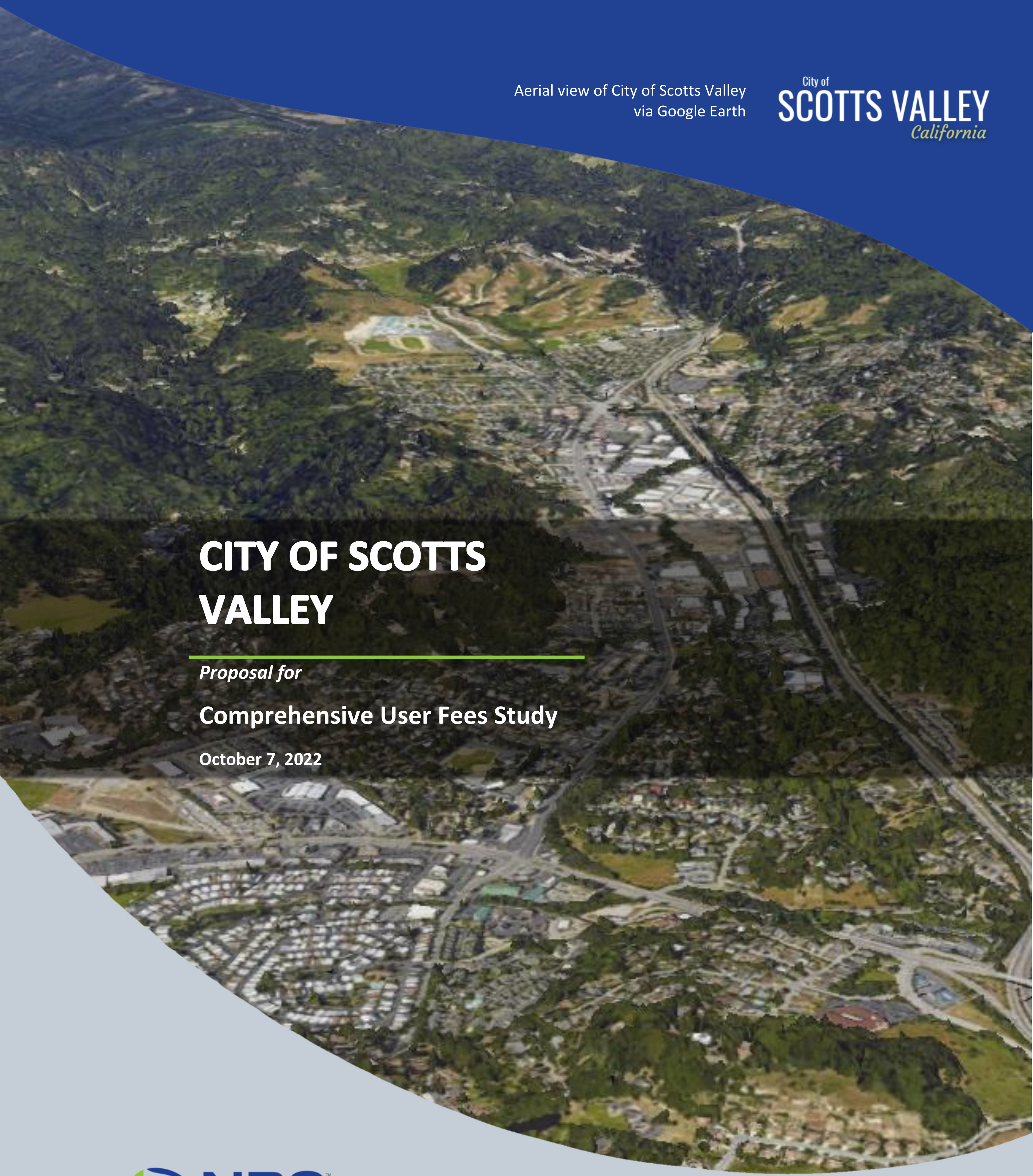
EXHIBIT “A”

SCOPE OF WORK

See Attached

Aerial view of City of Scotts Valley
via Google Earth

City of SCOTTS VALLEY California



CITY OF SCOTTS VALLEY

Proposal for

Comprehensive User Fees Study

October 7, 2022

NBS
helping communities
fund tomorrow since 1996

nbsgov.com

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helping communities
fund tomorrow since 1996
nbsgov.com

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870 Market Street, Suite 1223
San Francisco, CA 94102
Toll free: 800.434.8349

nbsgov.com

SUBMITTED BY:
NBS
870 Market Street, Suite 1223
San Francisco, CA 94102

CONTACT:
Nicole Kissam, Director
(e) nkissam@nbsgov.com
(p) 800.434.8349

AUTHORIZED SIGNER:
Michael Rentner, President

October 7, 2022

Casey Estorga
Administrative Services Director
City of Scotts Valley
cestorga@scottsvalley.gov
Electronic submittal only

SUBJECT: Proposal for Comprehensive User Fees Study

Dear Mr. Estorga,

The enclosed proposal presents a project approach and consulting team with the City's ultimate success in mind. Our goal is to help the City establish the full costs of providing services and translate costs into fee programs that meet legal requirements, industry best practices, and local community policy objectives.

I was the NBS Project Manager responsible for the City's 2018 Comprehensive User Fee Study, and plan to continue in that role if awarded the opportunity to work with the City again. One advantage to hiring NBS for this important project is that we already have a full-scale user fee model on file for the City and are familiar with financial, organizational, and service level assumptions that developed the fee outcomes.

Also, our Development Impact Fee team will provide sought-after subject matter expertise and hands-on experience to produce study reports on-time, within budget, and at the highest level of service. They have completed hundreds of impact fee studies for municipal clients throughout California over the span of their careers.

As the designated contact, please contact me at 800.434.8349 or via email at nkissam@nbsgov.com if you have any questions or would like to discuss our professional qualifications further. This proposal is signed by Michael Rentner, President and authorized signer, and is valid for 120 days.

Sincerely,

Nicole Kissam
Director

Michael Rentner
President, Authorized Signer

III | EXECUTIVE SUMMARY

Consulting Team Overview

The team of NBS and Colgan Consulting will provide successful project performance for the City of Scotts Valley.

NBS will manage the overall project and complete 100% of the Comprehensive User Fee Study technical services, as well as the optional Cost Allocation Plan should it be selected. NBS will also team with Joe Colgan, President of Colgan Consulting Corp. as a sub-consultant/ technical specialist for the Development Impact Fee Study. NBS has teamed with Colgan Consulting on more than 25 impact fee studies in the last four years.

NBS is an independent consulting firm founded in 1996 by experienced finance and engineering professionals. We provide a full range of cost and revenue consulting services to our public sector clients and have worked with more than 500 local governmental agencies to date, including cities, towns, counties, municipal utilities, and special purpose districts. We strive to provide support, expertise and solutions that allow local agencies to focus on community needs and core services.

NBS AT-A-GLANCE

26 YEARS In Business

100% ESOP NBS is a 100% employee-owned S-Corporation

NBS HEADQUARTERS
32605 Temecula Pkwy | Suite 100
Temecula, CA 92592

SAN FRANCISCO REGIONAL OFFICE
870 Market Street | Suite 1223
San Francisco, CA 94102

CONTACT
Nicole Kissam | 800.676.7516
nkissam@nbsgov.com

LEGAL NAME
NBS Government Finance Group

DBA
NBS

55 EMPLOYEES

INDIVIDUAL AUTHORIZED TO NEGOTIATE AGREEMENT
Michael Rentner, President

We are an S-Corp and 100% employee owned, with 55 employees located in Temecula (corporate headquarters) and San Francisco. **Services provided by NBS for this engagement will be from the Temecula office; normal office hours are 8am – 5pm, Monday – Friday.**

NBS' Financial Consulting Group focuses primarily on cost recovery mechanisms and supporting justification for various agency revenue streams, including the following:

- Indirect (overhead) cost allocation plans
- User and regulatory fees for local government programs and services
- Development Impact Fees
- Fiscal impact and equity analyses
- Rates and charges for publicly owned water and sewer utilities
- Long-range financial planning and financial feasibility analyses
- Expert evaluation or critique of above topics (for local government use only)

Colgan Consulting is a small **Sacramento-based** consulting firm focused exclusively on development impact fee studies for California cities, counties, and special districts. Joe Colgan founded Colgan Consulting in

2004, after 14 years as the principal impact fee consultant for David M. Griffith & Associates (DMG) and for MAXIMUS, Inc, which acquired DMG in 1998. Overall, he has specialized in development impact fees for more than 30 years and has prepared more than 150 impact fee studies for cities, counties, and special districts in California and five other states. Joe has a thorough understanding of the constitutional and statutory requirements for defensible impact fees and is an expert in the technical aspects of impact analysis, fee calculation and nexus documentation.

His background includes ten years in local government as a planner and planning director, which provided him with extensive experience in land use planning and capital facilities planning. He has served three terms on the board of the National Impact Fee Roundtable (now the Growth and Infrastructure Consortium) including one term as Vice-Chair and has given presentations on impact fees at conferences and seminars nationally.

Joe's key impact fee qualifications include:

- A thorough understanding of the legal framework for impact fees, including the Mitigation Fee Act, the Quimby Act, and constitutional requirements for defensible impact fees.
- Wide-ranging expertise in the technical aspects of impact analysis, fee calculation and nexus documentation and the ability to apply innovative analytical methods to complex situations.
- First-hand knowledge of a wide variety of cost allocation and fee calculation methodologies
- Experience calculating impact fees for water, sewer, transportation, and drainage systems; parks, open space and trails; community and recreation centers; libraries; police and fire facilities, and general government facilities.
- A background in land use planning and capital facilities planning, as well as direct involvement in the programming, planning, design, and construction of numerous of public facilities.
- The ability to understand and interpret planning documents, facility master plans, and engineering studies.
- Knowledge of cash flow modeling and the use of discounted present value calculations to incorporate past or future debt service payments into impact fees.
- Sensitivity to local political environments, and experience in productively involving stakeholders and the public in the impact fee process.
- A long record of successfully completing impact fee studies to the satisfaction of clients and with the respect of the building industry.

IV | DESCRIPTION

There has been no disciplinary action taken or pending lawsuits against the firm during the past five years with state regulatory bodies or professional organizations.

V | PROJECT UNDERSTANDING & APPROACH

Based on review of the City's RFP, we understand there are two projects requested for completion: a Comprehensive User Fee Study and a Development Impact Fee Study. We have also included an optional scope of work for an overhead Cost Allocation Plan.

Successfully meeting the City's objectives for these studies requires an experienced team well-versed in the nuances of all study areas. We have designed our project approach to achieve just such objectives, and we look forward to working with you to complete this scope of services.

Comprehensive User Fee Study

The Comprehensive User Fee Study calculates the total costs of providing various municipal services and translates those costs into a customized fee schedule. Working closely with the City, we will develop a robust cost analysis that substantiates the 100% cost recovery level of each individual fee and assist with implementation strategies for adoption of each fee at 100% of the total cost of service, or less, depending on local policy considerations.

The fee study methodology complies first and foremost with the provisions and guidance provided by **Article XIIIC, Section 1, of the California Constitution**. Article XIIIC defines the difference between charges that qualify as fees for services, as opposed to taxes. Fees for services (except for penalties and fees for entrance to or use of government property), qualify as such if the amount charged does not exceed the cost of providing the service. Fees to be studied under this scope of services represent cost recovery opportunities entirely within the City's control: revenues which the City Council may, at its sole discretion upon public hearing, implement and/or modify without further public process or approval.

Development Impact Fee Study

In general, the scope of services covered by this proposal involves the work necessary to prepare a development impact fee study that complies with the requirements of the California Mitigation Fee Act (Government Code Sections 66000 et seq.), the Quimby Act (Government Code Section 66477), where applicable, and relevant case law.

The specific scope of services offered in this proposal is defined by the tasks described in the work plan presented in Task 3. That scope excludes legal, engineering, architectural, cost estimating and appraisal services.

Impact Fee Calculation Methods

Laws governing impact fees, including both court decisions and the California Mitigation Fee Act (Govt. Code Sections 66000 et seq.) require that local agencies imposing fees as a condition of development approval demonstrate that there is a reasonable relationship or "nexus" between those fees and the impact of a development project on facilities to be funded by the fees.

The required nexus for impact fees, as set forth in relevant court decisions, can be thought of as having three elements:

- **Need.** The City must show that development creates a need for the improvements funded by impact fees;

- **Benefit.** The City must show that development derives a benefit from the provision of improvements funded by impact fees, and:
- **Proportionality**. The City must show that the fees charged to a development project are proportional to the impact of that project on facilities funded by the impact fees.

The "reasonable relationship" requirements contained in Section 66001 of the California Mitigation Fee Act address the same elements in different language

Any one of several methods may be used to calculate impact fees for a particular type of facility. The choice of an appropriate method may depend on the availability of information and how the impact of development is to be measured.

In 2021, the California Government Code was amended by AB 602, which requires local agencies that charge development (impact) fees to make certain information available to applicants and the public (Section 65940.1), and more importantly for this study mandates certain changes in the way those fees are calculated (Section 66016.5). The following are key requirements added by Section 66016.5:

- A nexus study must be adopted before the implementation of associated development impact fees.
- Impact fees based on a level of service that exceeds the existing level of service must be justified
- Impact fees imposed on residential development must be proportional to square footage unless the agency makes certain findings. Section 66016.5 also provides that a local agency that charges fees proportionate to square footage shall be deemed to have used a valid method to establish a reasonable relationship between the fee charged and the burden posed by the development.
- Large jurisdictions (counties of 250,000 and cities within those counties) must adopt a capital improvement plan as part of an impact fee nexus study.
- The notice period for public hearings on nexus studies supporting impact fees is increased from 10 days to 30 days.
- Impact fee nexus studies must be updated at least every eight years.

Impact Fees Covered by this Proposal

The following impact fees will be addressed in this proposal:

- General Facilities and Equipment
- Streets and Thoroughfares
- Storm Drainage Facilities
- Wastewater Treatment Facilities
- Library Facilities
- Law Enforcement Facilities
- Parks and Recreation Facilities

Information to be Provided by the City

The work to be performed by the Consultant on this impact fee study will depend heavily on information to be provided by the City. Among the types of information that may be needed by the Consultant for this study are:

- The current General Plan, and any specific plans or other relevant planning studies

- Data on the amount of existing development and planned future development in the study area, by land use type
- The Capital Improvement Program, level of service policies, facility master plans and other facility planning data, plus inventories of existing facilities, vehicles and equipment of types to be funded by impact fees
- Cost estimates for land, capital improvements, vehicles, and/or equipment to be funded by impact fees
- Information on capital improvement funding sources and financing plans and any outstanding debt related to existing capital facilities

This proposal assumes that all information needed to perform the work covered by the scope of this proposal will be provided by the City or is readily available from other sources such as the U.S. Census Bureau or the California Department of Finance.

OPTIONAL Cost Allocation Plan

A Cost Allocation Plan (Plan) is an analysis that reasonably distributes administrative (indirect) service costs within the organization to the direct municipal services and activities provided to the public. The Plan developed by NBS for the City of Scotts Valley will:

- Provide an industry standard, fair, and equitable basis for distributing overhead costs Citywide.
- Define the appropriate share of indirect costs attributable to fees and charges.
- Assist in calculation of fully burdened hourly rates for personnel.
- Support the basis for Inter-fund charges to special / enterprise funds for recovery of overhead costs.
- Substantiate recovery of costs from grants or agreements with other agencies.

All methods and deliverables will comply with the requirements and guidelines of Code of Federal Regulations (CFR), Title 2, Part 200, (formerly known as OMB A-87). The City will receive an allocated cost outcome that is either more or less restrictive in application of CFR, Title 2, Part 200, depending on whether the primary intended use of the results is for reimbursement of overhead costs from State or Federal grants, or for best practices pertaining to total cost recovery.

VI | QUALIFICATIONS

User Fee Studies Performed

NBS has performed more than 100 Fee Structure Studies since 2009. The following is a comprehensive list of all California municipal agencies for whom our proposed team has completed (or been recently selected to complete) **user and regulatory fee study consulting services**. In a recent survey conducted by the California Society of Municipal Finance Officers (CSMFO), NBS was used most often by municipal agencies for current or past Fee Study or Fee Review projects.

- Alameda
- Albany
- Aliso Viejo
- American Canyon Fire District
- Atherton
- Benicia
- Brea
- Cabazon Water District
- California Office of Emergency Services
- Camarillo
- Canyon Lake
- Carlsbad
- Chino Valley Fire District
- Chula Vista
- Clovis Fire Department
- Colma
- Colton
- Concord
- Contra Costa County
- East Contra Costa Fire Protection District
- East Palo Alto
- Emeryville
- Fairfield Fire Department
- Fountain Valley
- Fresno – Development Services and Fire
- Half Moon Bay
- Huntington Beach
- Indio
- Lathrop
- Lincoln
- Los Angeles Planning Department
- Los Angeles Public Works Department
- Marin County
- Mariposa County
- Martinez
- Merced Fire Department
- Modesto
- Moraga Orinda Fire Protection District
- Moreno Valley
- Napa
- Orland
- Petaluma
- Portola Valley
- Rancho Cucamonga Fire District
- Rancho Santa Margarita
- Rialto
- Richmond
- Riverside
- Rosamond Community Services District
- Ross
- Sacramento Code Compliance Department
- Sacramento Metropolitan Fire District
- Sacramento Regional Fire/EMS Communications Center
- San Carlos
- San Diego
- San Diego Unified School District
- San Francisco Planning
- San Francisco Public Works
- San Jose Development Services
- San Jose Fire
- San Juan Capistrano
- San Luis Obispo
- San Mateo County Environmental Health Department
- San Ramon
- Santa Ana
- Santa Clara
- Santa Clara County Environmental Health Department
- Santa Cruz
- Santa Paula
- Sausalito
- Scotts Valley
- Seaside
- Sierra Madre
- Sonoma County
- Sonoma County Agricultural Preservation and Open Space District
- Stanislaus Consolidated Fire Protection District
- Sunnyvale Fire Department
- Taft
- Tracy
- Tulare
- Turlock
- Tustin
- Vallejo Fire Department
- Ventura
- Victorville
- Vista
- West County Wastewater District
- Yorba Linda

Development Impact Fee Studies Performed

NBS as a firm has provided Development Impact Fee Study services for 15 years, and Colgan Consulting for over 30 years. Since 2018, NBS and Colgan Consulting have worked exclusively together on Development Impact Fee studies across California. The following table reflects a sampling of municipal agencies for whom NBS and Colgan Consulting have completed Development Impact Fee studies:

	TYPE OF IMPACT FEE					
Agency	Park Land / Improvements	Public Safety	Public Buildings	Roads / Traffic	Storm Drain	Water / Sewer
City of Beaumont	✓	✓	✓	✓		
City of Chowchilla	✓	✓	✓	✓	✓	✓
City of Cloverdale	✓	✓	✓	✓	✓	✓
City of Eastvale		✓	✓	✓		
City of Encinitas	✓	✓	✓			
City of Indio	✓	✓	✓	✓	✓	✓
City of La Quinta	✓	✓	✓	✓		
City of Lemoore	✓	✓	✓	✓		✓
City of Madera	✓	✓	✓	✓	✓	✓
City of Moreno Valley	✓	✓	✓	✓		
City of Orange		✓	✓			
City of Orland	✓	✓	✓	✓		✓
City of Rancho Cucamonga	✓	✓	✓			
City of Rocklin	✓	✓	✓			
City of Victorville	✓	✓	✓	✓	✓	✓
City of Visalia (ADU Fee Policy)	✓	✓	✓	✓	✓	✓
City of Vista	✓	✓		✓		
City of Watsonville	✓					
City of Wildomar	✓	✓	✓	✓	✓	
East Contra Costa Fire Protection District		✓				
Groveland CSD	✓	✓				✓
Lathrop Manteca Fire District		✓				
Moraga Orinda Fire District		✓				
Rancho Cucamonga Fire District		✓				
Sacramento Metropolitan Fire District		✓				
Town of Windsor	✓	✓	✓			

Staff Qualifications

The consulting team proposed for this engagement is shown and described below. We look forward to going the extra mile for the City to ensure a successful project outcome. Full resumes are included in the Appendix, which include a summary of relevant projects for each team member.

Project Organizational Chart

NICOLE KISSAM, PROJECT MANAGER

Role and Responsibilities: Nicole Kissam will provide leadership and project management, serving as the primary point of contact for the City's staff and directing the work efforts of our project team. She will be fully conversant in all findings and available for public events as needed. Nicole will work closely with the City's designated project manager to monitor the schedule and delivery of work products to the City's satisfaction. While designing and directing analytical efforts, she will also provide senior-level technical analysis on all deliverables.

Work Experience: Nicole Kissam is Director of NBS' Financial Consulting Group and been leading financial and management consulting projects for local governments for 20 years. She specializes in cost recovery policy, strategy, and analysis, and has an extensive background in public sector consulting, city government, corporate management, marketing, and public relations. Her subject matter expertise includes cost allocation plans, user and regulatory fee analysis, and impact fee analysis for California agencies. Nicole holds a Bachelor of Science in Business Administration from California Polytechnic State University in San Luis Obispo. She has completed similar projects as requested by the City for many agencies across California.

JOE COLGAN, IMPACT FEE SPECIALIST

Roles and Responsibilities: Joe Colgan will work closely with NBS and other team members as the technical expert on the impact fee analysis.

Work Experience: Joe Colgan is the President of Colgan Consulting and a recognized expert in impact fee analysis with over 30 years of experience in the field. He is a professional planner with 10 years of direct experience in local government as a planner and planning director and has extensive experience in land use planning and capital facilities planning. He has served three terms on the board of the National Impact Fee Roundtable (now the Growth and Infrastructure Consortium), including one term as vice chair, and has spoken on impact fees at conferences and seminars nationally.

ALLAN HIGHSTREET, PRINCIPAL CONSULTANT

Role and Responsibilities: Allan Highstreet will provide additional experience in water and sewer rate making and provide senior technical review on this project. He will be available as needed throughout the project to assist the project team with the analysis and technical issues as they arise.

Work Experience: Allan Highstreet has 41 years of experience in the water industry working as a water resources planner for Jacobs Engineering (previously CH2M Hill). Most recently he was senior vice president at Jacobs managing water resource planning and development projects. Allan's four decades of experience includes preparing water and sewer rate and capacity fee studies, and he provides invaluable experience to the NBS project team for this engagement. His academic background includes a BS in Agricultural Business and a MS in Agricultural Economics.

Additional NBS staff that may be assigned to support the Cost Allocation Plan and User Fee Study portions of this project include:

LAUREN GUIDO, NBS CONSULTANT

Roles and Responsibilities: Under the direction of the project manager, Lauren Guido will support this project as needed with the completion of key aspects of the project's Task Plan, including but not limited to fee model development, data collection and analysis, timeline management, draft reviews, and documentation efforts.

Work Experience: Lauren Guido is a Consultant with NBS. She brings four years of fee study analysis experience and more than a decade of accounting and financial management experience in the public and private sectors to our project team. She has extensive applied skills in analytical software, databases, and spreadsheets and a special talent for graphical display of complex information in presentations to elected and community stakeholders. Lauren has a Bachelor of Fine Arts and Multimedia from Woodbury University.

NICOLE HUERTA, NBS CONSULTANT

Role and Responsibilities: Under the direction of the project manager, Nicole Huerta will support projects as needed with the completion of key aspects of the project's Task Plan, including but not limited to organizational interviews, fee model development, data collection, timeline management, draft reviews, and documentation efforts.

Work Experience: Nicole Huerta offers more than a decade of research and analysis experience for public and private industry, including participation in cost allocation, user and regulatory fee studies. She has extensive background in public finance and governmental accounting practices and policies as well as experience working with analytical software, databases, and spreadsheets. Nicole has a Bachelor of Arts degree in Business Administration from California State University, Fullerton.

Additional NBS staff that may be assigned to support the Development Impact Fee Study portions of this project include:

JEREMY TAMARGO, ENGINEERING CONSULTANT

Role and Responsibilities: Jeremy Tamargo is available to provide engineering-focused resources and support to this project as needed.

Work Experience: Jeremy Tamargo is a professional engineer licensed in the State of Oregon and has an application in technical review with the California Board for Professional Engineers, Land Surveyors, and Geologists for comity licensure in the State of California. Jeremy's most recent professional experience was as an Assistant City Engineer and Principal Engineer, and he has extensive experience in both the public and private sectors. A member of the American Society of Civil Engineers, he is solutions-oriented and has a passion for focusing on excellence and sustainability on every project. Jeremy has a Master of Science in Environmental Engineering from Syracuse University and a Bachelor of Science in Civil Engineering from University of Notre Dame.

ALICE BOU, CONSULTANT

Role and Responsibilities: Alice Bou is on staff with NBS and specializes in the area of utility rate and connection and capacity fee analysis. Alice is available to support the project team in performing key tasks on any aspect of the impact fee program related to water, wastewater, or storm drain-related facilities.

Work Experience: Alice Bou has a Bachelor of Arts degree and offers more than two decades of experience working in accounting and financial management performing data analysis, variance analysis, budgeting and forecasting, financial modeling, and managerial reporting.

JORDAN TAYLOR, CONSULTANT

Role and Responsibilities: Jordan Taylor is on staff with NBS and specializes in the area of utility rate and connection and capacity fee analysis. She is available to support the project team in performing key tasks on any aspect of the impact fee program related to water, wastewater, or storm drain-related facilities.

Work Experience: Jordan Taylor has a Bachelor of Science degree in Chemistry and a master's degree in Business Administration with an emphasis in Finance. She offers more than 10 years of accounting experience along with extensive knowledge of financial analysis and budget planning. Jordan has completed more than 40 similar studies across California.

SARA MARES, CLIENT SERVICES DIRECTOR

Role and Responsibilities: Sara Mares will act as a representative of our corporate commitment to providing the highest level of service. She will ensure that the City's fundamental objectives are being met at all times.

Work Experience: Sara Mares is a Director with NBS with more than 22 years of experience with NBS. Sara forms and administers Special Financing Districts (SFDs), including Community Facilities Districts, 1913 Act Assessment Districts, Landscape and Lighting Districts, and Benefit Assessment Districts. She has experience working with all aspects of the formation process, including planning, project management, budget analysis, development of assessment methodologies, preparation of Engineer's Reports and public presentations. Sara also has significant experience with ongoing special district administration including working with troubled districts, annual levy submittal, delinquency management, and continuing disclosure. Sara is a Registered Municipal Advisor.

VII | SCOPE OF SERVICES

SCOPE OF SERVICES

The following provides a detailed step-by-step work plan and commensurate project schedule for completion of a Comprehensive User Fee Study and Development Impact Fee Study. Also in response to Question 1 of the RFP Questions and Responses, we have included an Overhead Cost Allocation Plan as a separate and optional scope of work. We are available to discuss and revise our work plan according to the City's needs at any time.

Task 1: Project Commencement

To ensure the project is initiated with common goals and understanding, we will conduct a project commencement video conference with City staff members who will oversee the progress, completion, and implementation of its findings. This meeting will include a discussion of expectations, initial identification of project-specific issues, overview of the project's timeline, process, and data needs, as well as any important City policies and procedures.

To become familiar with the City's organizational structure, accounting structure, and basic financial data, we will also issue a consolidated data request to the City. Initial data requested will center on adopted budgets, recent financial performance (revenues and expenditures), current labor cost detail and classifications, organizational structures, existing relevant policies, current General Plan and other master plan documents, and other items of a more global nature.

Task 2: User Fee Study

We understand the scope of this review to include all fees as listed in the Fee Schedule as published for Fiscal Year 2022-23. In general, the scope of services includes all fees for service that can be reasonably analyzed on a time per activity basis. Penalties, fines, and fees regulated or set by the State, as well as equipment and facility rentals, development impact fees (covered in Task 3), and utility rates would be excluded from this analysis. The work plan includes the following steps from project initiation to completion.

TASK 2.1 DATA COLLECTION

This task is accomplished through Task 1, Project Commencement.

TASK 2.2 FEE STRUCTURE REVIEW

We will meet with each Department directly to review their existing fee structure and gather staff's ideas for modifying or enhancing current practices. We will identify and recommend opportunities for streamlining fee structures as well as for addition of new fees that are in line with current practices seen in other agencies. Discussion will include advantages and disadvantages to fixed/one-time fees as well as deposit and actual cost billing structures. Working with staff to determine the most effective and efficient type of fee structure based on the organization, we will recommend and develop revisions to existing fee structures including any deletion of fees, potential new fees, or changes in billing practices. Based on the results of this discussion, we will incorporate the list of fees to be evaluated into the fee model template.

TASK 2.3 FACILITATED DATA COLLECTION

Working directly with each department, we will Initiate review of the organizational, workload, and time on task data needed to calculate the cost of providing each fee for service. We will first communicate the steps necessary to develop data for justifying fees. Staff will be asked to provide an estimate of time spent on various activities and services performed on an annual basis, as well as on each individual fee for service activity. We will explore permit software tracking and reporting capabilities that may enhance and streamline data collection efforts. Develop data collection materials and track progress weekly on data submittal activities. Enter data into the fee model and ensure that the cost of service analysis is defensible and reasonable. The product of this task will be a modeling of the complete organizational, performance, and time requirements for the services under review in this study.

TASK 2.4 COST OF SERVICE ANALYSIS

Determine the full cost of service on an annual basis for each department studied. The analysis will reflect all identifiable direct and indirect costs of providing services and will also incorporate applicable indirect costs, such as those defined by the City's organizational structure as well as the City's annual Cost Allocation Plan.[1] Segregate total annual costs between fee-recoverable and non-fee recoverable services.

Calculate fully burdened hourly rates for each department involved in the study. Rates will consider the applicability of productive hours or direct-billed hours as the basis for calculation, depending on the department or service analyzed.

Multiply the fully burdened hourly rates by the time estimates gathered in Task 2.3 to compute the full cost of each individual fee for service activity. The full cost of service defined by NBS serves as the analytically justified maximum amount that may be recovered through a user/regulatory fee adopted by the City Council.

Cross check all data metrics in the fee model to ensure the fee program is structured to recover 100% of costs considered.

TASK 2.5 DRAFT REVIEW AND REVISION

Meet with each department to review the outcomes of the analysis. Drafts will detail all the assumptions and data utilized to calculate results as well as a comparison of each fee's cost recovery performance. Determine any necessary refinements to core assumptions, revise the fee model, and finalize the cost-of-service analysis. This task represents one planned iteration of the analytical work products. Obtain each department's final sign off on fee models.

TASK 2.6 FEE COMPARISON

Policy makers often desire a comparison of fee amounts to neighboring jurisdictions. Presence of a comparison will ensure a smoother implementation process and provide a sense of the "market" rate for various services. We will utilize our expertise to compare similar user fees and charges in up to five (5) neighboring and comparable communities. A list of communities will be selected and approved by City staff. We will download the respective fee schedules from the Internet or make a reasonable attempt to

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[1] We will incorporate the results of the Cost Allocation Plan effort from the optional scope of work, detailed below, or the City can provide this information.

contact each agency for a copy of their current fee schedules as needed. Complete a comparison of the fee categories and amounts, for the most readily comparable fee items that match the City's fee structure.

TASK 2.7 RECOMMENDED PRICING REVIEW

Discuss pricing objectives from the City's perspective, i.e., comfort with full cost recovery or some alternative level of cost recovery. Facilitate this conversation by discussing public/private benefits or causation of each activity, potential market sensitivity, interaction with established City goals or policies, behavior modification influence, and other considerations.

Collect data from the City regarding recommended fees, either at or below the 100% full cost recovery fee amount calculated by NBS. Model the recommended cost recovery performance per fee item, and annually for the City as a whole.

TASK 2.8 FINAL REPORT

Prepare a written report describing the complete work and findings of the project. Conduct a review session with City staff and members of the executive team to review the findings issued in the draft report. Incorporate edits and issue the final report. Provide the City with twenty (20) bound paper copies, one unbound copy, and a digital file copy in PDF format of the final report. Should the need to defend the Study as a result of challenge, we are available to assist in answering questions and explaining results for up to four (4) hours of professional time.

Task 3: Development Impact Fee Study

The following sub-tasks represent the typical requirements of an impact fee study and can be customized to meet the specific needs of this project.

TASK 3.1 KICKOFF MEETING/PROJECT INITIATION

To kickoff this study, the NBS project team will attend a kickoff meeting with key City staff and carry out other activities required to initiate the study, including:

- Discuss the goals, work plan and schedule for the project.
- Establish coordination, communication, and reporting procedures.
- Conduct initial interviews with key City staff members.
- Evaluate available information resources.
- Review the existing impact fee program and identify any issues.
- Become familiar with the City's geography, development patterns, growth potential and existing facilities.

TASK 3.2 COMPILE DATA ON EXISTING AND FUTURE DEVELOPMENT

In this task, the project team will collect, review, organize and analyze data on existing and future development in the City and compile it in a form useful for this study. Steps in that process may include:

- Establish boundaries of the study area to be used in the analysis (e.g., existing City vs. sphere of influence).
- Establish the planning horizon for future development to be addressed in this study (either buildout or a specific target date).

- Define the breakdown of development types for which impact fees will be calculated in the study.
- Analyze available land use data to establish a baseline of existing development and a forecast of future development by land use type.
- Identify demand variables and specific demand factors that can be used to represent the impact of development in the impact fee model.
- Prepare development data tables to incorporate into the fee calculation model and the study report.

TASK 3.3 FACILITY NEEDS ANALYSIS

Using forecasts of future development from Task 3.2, the project team will review the Capital Improvement Program, facility master plans and engineering studies, and work with staff to identify new facilities, facility expansions, vehicles and equipment needed to serve future development. Steps in that process will include the following:

- Review adopted level-of-service standards and actual service levels for relevant facility types.
- Work with City staff to identify the operative level-of-service standard to be used in the impact fee analysis for each facility type.
- Identify any existing deficiencies or available capacity relative to the selected level of service standard for each type of facility.
- Project the additional service demand that will be created by new development, based on selected service levels.
- Translate service demand into facility needs by facility type.
- Compile cost estimates for relevant facilities and other assets.
- Identify costs eligible for impact fee funding.

TASK 3.4 IMPACT FEE ANALYSIS

Using the information developed in Tasks 3.2 and 3.3, the project team will conduct the impact fee analysis and build a spreadsheet model to calculate impact fees by land use type for each type of facility addressed in the study. That process typically includes these steps:

- Work with City staff to define appropriate fee calculation methods for each of the facilities addressed in this study.
- Construct a spreadsheet-based fee calculation model incorporating data on existing and future development, demand factors and eligible facility costs.
- Specify formulas in the model to allocate facility costs in proportion to the impact of new development by land use type.
- Calculate a cost per unit of service for each facility type.
- Convert the cost per unit of service into a schedule of impact fees per unit of development, by development type.
- Project potential revenue from the proposed impact fees.

TASK 3.5 CONDUCT COMPARATIVE IMPACT FEE SURVEY

Policy makers often desire a comparison of fee amounts to neighboring jurisdictions. Although an "apples to apples" comparison of cost recovery policy and fee structures between agencies is challenging, a comparison can ensure a smoother implementation process. NBS will utilize their industry expertise comparing similar impact fees in up to five (5) neighboring and comparable communities. A list of communities will be selected and approved by City staff. We will download their respective fee schedules and supporting studies from the Internet. If schedules and supporting studies are not available on the Internet, we will make a reasonable attempt to contact the agency to obtain that information. We will then compile a comparison of the fee categories and amounts, for the most readily comparable fee items that match the City's existing and proposed impact fees.

TASK 3.6 DRAFT AND FINAL STUDY REPORTS

The impact fee study report will explain the data, methodology, formulas and assumptions used in the fee calculations and document the nexus between the proposed fees and the impacts of development for each type of impact fee calculated in the study. The report will also propose findings to satisfy the requirements in Section 66001 of the Mitigation Fee Act regarding the purpose of the fees, the use of the fees, and the reasonable relationship between the fees and development.

As the study progresses, the project team will submit preliminary drafts of portions of the study report for review and comment by City staff. Once all sections are in draft form, an administrative draft of the entire study report, incorporating any previous staff comments, will be submitted and reviewed with City staff. Then a final draft document will be prepared for the City Council and public review. If necessary, additional changes will be incorporated into the final study report.

The study report will include the following components:

- An Executive Summary including summary impact fee tables.
- A chapter discussing the legal framework and methods used to calculate the fees.
- A chapter presenting data on existing and future development in the study area and the factors used to quantify the impacts of development on individual facility types.
- A separate chapter for each impact fee presenting the data and methodology used in the analysis, a detailed explanation of the impact fee calculations, and documentation of the nexus between the impact fees and development.
- A chapter on implementation recommendations, covering steps needed to comply with the Mitigation Fee Act through proper administration of the impact fees.

Deliverables include: (1) Preliminary chapter drafts; (2) a complete draft report for staff review; (3) a final draft report for City Council and public review; (4) the final report. All deliverables will be submitted in electronic pdf format. At the conclusion of the study, NBS will provide the City with the final report in Word format and the impact fee model in Excel format.

Task 4: Meetings and Presentations

MEETINGS AND PRESENTATIONS

In general, we have assumed all meetings with staff for purposes of developing the final findings and reports for each work plan above will be conducted remotely. We have the tools to accomplish all aspects of the project's work plan remotely from NBS offices. We utilize video conferencing, email, and telephone to coordinate on the project and review deliverables in an effective manner.

At the implementation stage of the project, we are available to present the Study's outcomes to the City Council. In this presentation, NBS will review the study process, present study results and recommendations, receive input and guidance on the direction of the study, and answer questions. We will prepare a PowerPoint presentation for these meetings which will include visual aids, graphics, charts, and additional worksheets or handouts. We have included up to three (3) remotely conducted presentations, or two (2) in-person site visits for presentation of the study results.

OPTIONAL Task 5: Overhead Cost Allocation Plan

TASK 5.1: INDIRECT COST CENTERS AND ALLOCATION FACTORS

Upon initiation of this project element, we will work closely with the City's finance staff to ensure that the Plan meets the City's specific needs. For example, we will discuss:

- How the Plan impacts any existing enterprise fund budgets and/or general fund budgets.
- The degree of complexity the City desires for the Plan in terms of the number of factors utilized to allocate costs, which depends greatly on data available and the City's capacity to track and update various data metrics over time.
- The intended use of the Plan for application in budget and accounting practices, development of hourly rates, reimbursement of costs from external agencies and/or grants.

We will review the City's existing Cost Allocation Plan and central chart of accounts and confirm the list of indirect (overhead) cost centers to be included in the Plan.

TASK 5.2: DRAFT OF OUTCOMES

We will review the line-item expenditure detail for each indirect cost center that is selected for cost allocation within the Plan and highlight any expenditure items that may not be reasonable to include in cost allocations. Based on review and feedback with City staff, we will make any necessary adjustments and include notations for future reference and audit trail purposes.

We will customize a version of our Cost Allocation Plan template to the City's organizational and accounting structure. We will complete the functionality of the Plan by inputting all expense, allocation factor, and other relevant data entries as needed, and generate:

- A summary schedule of the total annual allocated costs to each fund and budget unit.
- A schedule of indirect cost rates for each department/division and Citywide overall.

After a meeting with City staff to review the draft of outcomes, we will utilize staff's feedback to make a round of revisions to the draft plan results. We are available to assist the Finance Department in presenting the draft Plan to selected City staff and address any comments or concerns regarding methods of cost allocation or cost allocation outcomes.

TASK 5.3: FINAL DOCUMENTATION

The Final Report for the Plan includes an Executive Summary, illustration of analytical methods, presentation of findings, narrative descriptions complying with the standards of Title 2 CFR Part 200, and a technical appendix showing the analysis and any relevant data sources. We will submit the draft Final Report to City management, collect input, and make a round of revisions to the draft report to ensure the City is satisfied with the complete deliverable.

At the conclusion of the project, we will provide an electronic copy of the full detailed Cost Allocation Plan model in PDF format, as well as the schedule of summarized cost allocation outcomes in Excel.

Project Schedule

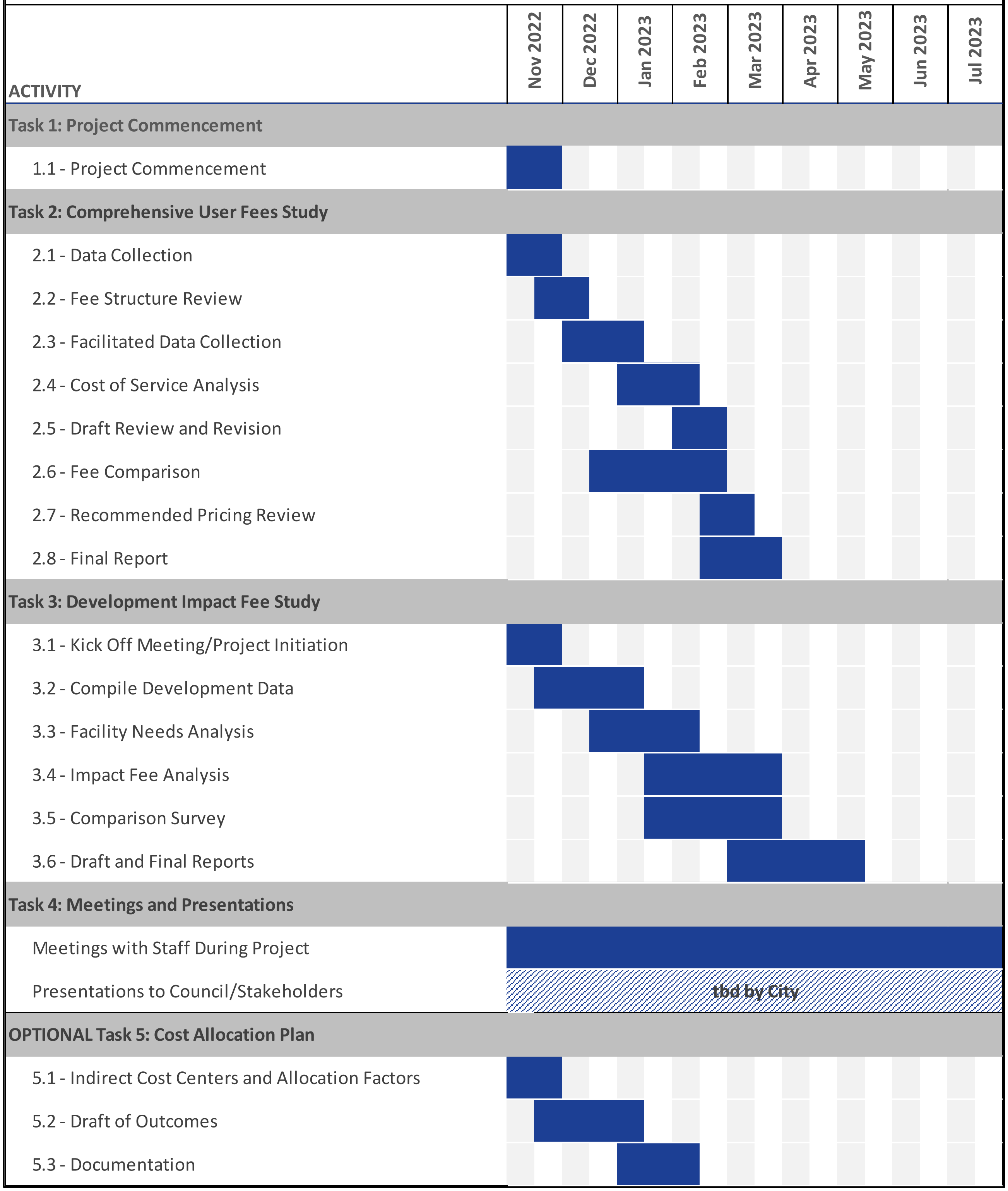
Our proposed project schedule on the following page shows an estimated start date in November 2022 to allow sufficient time for contracting. We are available to start in October 2022 if needed and/or feasible. We will discuss a detailed schedule at the kick-off meeting, along with the expected timing for individual tasks.

As shown, the Cost Allocation Plan and Comprehensive User Fee Study can be completed concurrently with an estimated Council review date for the User Fee Study in March or early April of 2023. Once fees are adopted, it is important to note that fees for approval of development projects will require a 60-day waiting period before they take effect as per the Government Code.

For the Development Impact Fee Study, the City may be looking at a slightly longer implementation timeline due to new 30-day noticing requirements imposed by Assembly Bill 602. Also as per Government Code, Development Impact Fees also require a 60-day waiting period before they take effect after adoption. The timeline shown on the following page provides an overview of the typical project timeline, which is four to six months to generate a final report.

City of Scotts Valley

Proposed Project Timeline



VIII | BUDGET & COST ANALYSIS

Our professional fees are based on our understanding of the City's needs and the effort we believe is necessary to complete the scope of services/task plan described. We express this honestly and transparently through our price proposal.

Our **maximum not to exceed pricing** for each project requested by the City is shown in the table on the following page, including a breakdown of professional fees by work plan task, hourly rate, and classification of personnel. We are very interested in working for the City on this study and, should the City desire to add, adjust, or modify study tasks and/or budgets, please let us know.

Title	Hourly Rate
Project Manager Principal Consultant	$225
Impact Fee Specialist NBS Consultant	$155

INVOICING

We invoice on a monthly basis, following recorded consultant time on the project, paralleling our completion of the work. At no time will we invoice for charges in excess of the fee to which the City and NBS mutually agree. Should the City specifically request additional services beyond those described in this document, we will discuss those requests and associated costs at that later time and only invoice for additional fees upon separate written authorization from the City.

PROJECT COST DETAIL City of Scotts Valley Task Plan	NBS Consultant Labor (Hours)		Grand Totals	
	Project Manager (Kissam) Principal Consultant (Highstreet)	Impact Fee Specialist (Colgan) NBS Fee, Utility, and Engineering Consultants	Consultant Labor (Hours)	Consultant Costs ($)
Hourly Rate	*$225*	*$155*		
User Fees Study and Development Impact Fee Study				
Task 1: Project Commencement	6.0	6.0	12.0	**$ 2,280**
Task 2: Comprehensive User Fee Study				
2.1 - Data Collection		*included above*		
2.2 - Fee Structure Review	16.0	32.0	48.0	**$ 8,560**
2.3 - Facilitated Data Collection	8.0	36.0	44.0	**7,380**
2.4 - Cost of Service Analysis	12.0	24.0	36.0	**6,420**
2.5 - Draft Review and Revision	12.0	20.0	32.0	**5,800**
2.6 - Fee Comparison	4.0	20.0	24.0	**4,000**
2.7 - Recommended Pricing Review	4.0	8.0	12.0	**2,140**
2.8 - Final Report	8.0	16.0	24.0	**4,280**
Subtotal Task 2	**64.0**	**156.0**	**220.0**	**$ 38,580**
Task 3: Development Impact Fee Study				
3.1 - Kick Off Meeting/Project Initiation	2.0	2.0	4.0	**760**
3.2 - Compile Development Data	16.0	40.0	56.0	**9,800**
3.3 - Facility Needs Analysis	16.0	54.0	70.0	**11,970**
3.4 - Impact Fee Analysis	24.0	54.0	78.0	**13,770**
3.5 - Comparison Survey	6.0	28.0	34.0	**5,690**
3.6 - Draft and Final Reports	24.0	48.0	72.0	**12,840**
Subtotal Task 3	**88.0**	**226.0**	**314.0**	**$ 54,830**
Task 4: Meetings and Presentations				
Virtual Meetings with City Staff - all tasks above		*included above*		
City Council Presentations	16.0	20.0	36.0	**6,700**
Subtotal Task 4	**16.0**	**20.0**	**36.0**	**$ 6,700**
TOTAL ALL TASKS	**174.0**	**408.0**	**582.0**	**$ 102,390**
OPTIONAL Task 5: Cost Allocation Plan				
5.1 - Indirect Cost Centers and Allocation Factors	8.0	20.0	28.0	**4,900**
5.2 - Draft of Outcomes	8.0	20.0	28.0	**4,900**
5.3 - Documentation	4.0	12.0	16.0	**2,760**
Subtotal Task 5	**20.0**	**52.0**	**72.0**	**$ 12,560**
TOTAL ALL TASKS and OPTIONAL CAP	**194.0**	**460.0**	**654.0**	**$ 114,950**

IX | CONFLICT OF INTEREST STATEMENT

Based on the information provided in the City's Request for Proposal, we do not foresee any conflicts of interest with this project.

X | REFERENCES

Below is a sampling of projects and references similar in scope and magnitude to the City's needs.

CONTRA COSTA COUNTY

FEE SCHEDULE AND COLLECTION CONSULTING SERVICES

Project Dates: 2017 – 2019

Contact Information
Jason Crapo
Deputy Director, Building Inspection
3685 Mt. Diablo Blvd., #120
Lafayette, CA 94549
P: 925.674.7722
E: Jason.Crapo@dcd.cccounty.us

NBS Project Team: Nicole Kissam, Project Manager; NBS Financial Analysts

NBS conducted a User Fee Study for two County departments: Conservation and Development Department, and Public Works Department. Fees studied included land development engineering, encroachment fees, planning application and entitlements fees, and building plan check and permits. Also included in this Fee Study was a review of the Departments fee collections processes for deposit-based permits. The Board adopted the final fee schedule unanimously on September 17, 2019.

CITY OF INDIO

OVERHEAD COST ALLOCATION PLAN, USER FEE & DEVELOPMENT IMPACT FEE STUDIES

Project Dates: Fiscal Years 2012 - 2021

Contact Information
Rob Rockwell
Assistant City Manager and Finance Director
100 Civic Center Mall
Indio, CA 92201
P: 760-391-4029
E: rrockwell@indio.org

NBS Project Team: Nicole Kissam, Project Manager; Joe Colgan, Impact Fee Specialist; Lauren Guido, Consultant

NBS has provided consulting services to the City of Indio on overhead cost allocation, fees and charges, and cost recovery policy since 2012. The most recent update to the study of all City fees was completed in 2019 and reviewed by Council in October of 2020. As a result of our work with the City over the years, the City Council reviews and refines their local cost recovery performance and policy at a frequency consistent with industry best management practices.

Beginning in June 2019 NBS and Colgan completed a comprehensive review and update of the City of Indio's impact fee program, which included the following fees: park land and improvements, police facilities, fire protection facilities, public buildings, roads and bridges, traffic signals, storm drainage improvements, and water system improvements. The final report for this study was completed in May, 2020 and implementation was delayed during the height of the pandemic. The report was reviewed by the local building industry association, and then results were reviewed and adopted unanimously by City Council on November 17, 2021.

CITY OF RICHMOND

COST ALLOCATION PLAN AND USER FEE STUDIES

Project Dates: Fiscal Years 2013, 2018, and Current

Contact Information
Antonio Banuelos
Revenue Manager
450 Civic Center Plaza, Suite 300
Richmond, CA 94804
P: 510.620.6741
E: abanuelos@ci.richmond.ca.us

NBS Project Team: Nicole Kissam, Project Manager; Lauren Guido, Nicole Huerta, Consultants

NBS has served the City in the capacity of cost of service consulting for nearly 10 years. NBS completed several successful user and regulatory fee analyses for the City of Richmond, including a third-party review of fully burdened hourly rate calculations for the Engineering, Wastewater, and Stormwater departments, as well as review of the City's existing approach to establishing Wastewater and Stormwater utility rates subject to Proposition 218 procedures. NBS also performed complete user and regulatory fee analyses pertaining to the Code Enforcement division and the permitting process for the recently adopted Medical Marijuana Collectives Dispensary Ordinance. In 2018, NBS recently completed a study of planning and building permit fees, as well as a study of fire prevention costs. NBS is currently assisting the City with highly focused Cost Allocation Plan assistance for approval of overhead cost allocations through Housing and Urban Development.

CITY OF ROCKLIN

IMPACT FEE STUDY – PARK IMPROVEMENTS AND PUBLIC FACILITIES

Project Dates: July 2019 – Current

Contact Information
Aly Zimmerman
City Manager
3970 Rocklin Road
Rocklin, CA 95677
P: 916.625.5583
E: alyz@rocklin.ca.us

NBS Project Team: Nicole Kissam, Director; Joe Colgan, Impact Fee Specialist

NBS and Colgan updated Rocklin's impact fees for park improvements and public facilities including community and recreation facilities and general government facilities. Those fees had not been updated since 2006. We worked with a committee consisting of the City Manager, Assistant City Manager and several department heads to identify an approach to the impact fee update, and to address the existence of a development agreement that controlled park impact fees for much of the new development in the City. We also worked closely with the City's Finance Department to address outstanding debt on some facilities. The project team met several times with the local building industry to answer questions about methodology and industry standards, and to resolve issues of concern to builders and developers. Impact fees based on this study were adopted by the Rocklin City Council in June 2022.

CITY OF SAN CARLOS

COST ALLOCATION PLAN AND USER FEE STUDIES

Project Dates: Fiscal Years 2013, 2017, 2019, 2022

Contact Information Rebecca Mendenhall Administrative Services Director 600 Elm Street San Carlos, CA 94070 P: 650.802.4128 E: rmendenhall@cityofsancarlos.org **NBS Project Team:** Nicole Kissam, Project Manager; Nicole Huerta, Consultant	In May 2013, NBS completed a Cost Allocation Plan and User Fee Study for the City of San Carlos. Included in the project was the development of a deliverable Overhead Cost Allocation Plan to identify and allocate the costs of central governmental and administrative services. Fees included in the analysis stemmed from the following broad categories: administration/governmental, building and safety, engineering, land development, planning and land use, and police. Key consulting tasks included development of a deliverable cost of service model justifying fully-burdened hourly rates and activity/service unit costs, a master fee schedule identifying the maximum fee amount justified, documentation of cost recovery and pricing objectives, and market comparison of all fees. In May 2017, NBS presented an update of this Study to City Council for adoption. In 2019, NBS completed a small fee study for the "Industrial / Commercial Business Stormwater C.4 Inspection Fee Program"; which was successfully adopted by the San Carlos City Council. Most recently, NBS was asked by the City to provide a comprehensive update to all City fees. The outcomes of this analysis were adopted by the City Council in May of 2022.

CITY OF VICTORVILLE

OVERHEAD COST ALLOCATION PLAN, USER FEE & DEVELOPMENT IMPACT FEE STUDIES

Project Dates: 2019 - 2022

Contact Information
Jenele Davidson, Deputy City Manager and/or Kim Scott, Finance Manager
14343 Civic Drive
Victorville, CA 92392
P JD: 760.955.5033
P KS: 760.955.5081
E: JDavidson@victorvilleca.gov
E: kscott@victorvilleca.gov

NBS Project Team: Nicole Kissam, Project Manager; Lauren Guido, Consultant; Joe Colgan, Impact Fee Specialist; Alice Bou, Utility Rate Consultant; Allan Highstreet, Utility Rate Senior Review

NBS recently completed a comprehensive study of all City overhead costs, user/regulatory fees, and development impact fees. Though the project was temporarily delayed due to pandemic-related issues, all fees were successfully adopted by City Council in June 2022.

The overhead cost allocation plan allocated actual expenditures to all City funds, departments, and divisions. Results of the cost allocation plan helped inform user/regulatory fee calculations. NBS also participated in a review of the results with various stakeholder departments that receive overhead charges in their budget.

The user fee study evaluated fees across 18 different departments, divisions, and service areas including development services, parks and recreation, administrative services, code enforcement, fire regulations, and others. NBS also developed a consolidated and well formatted Master Fee Schedule for communication of all City fees to the public.

The development impact fee analysis included establishment of citywide fees for water, sewer, parks, recreation centers, fire, police, general government, libraries, and roads facilities. The work of this study included demographic data analysis, and evaluation of whether a separate fee calculation was needed for the airport land use area of the City.

Upon issuance of the draft final report, NBS represented both fee study projects during the City’s outreach process to the local development community, conducted a study session with City Council, and supported staff during the adoption hearing.

APPENDIX | RESUMES

This appendix contains full resumes for our proposed project team.

NICOLE KISSAM | Project Manager

NBS helping communities fund tomorrow

EDUCATION

- Bachelor of Science, Business Administration, California Polytechnic State University, San Luis Obispo

AFFILIATIONS

- California Society of Municipal Finance Officers (CSMFO)
- Growth and Infrastructure Consortium (GIC)

SPEAKING / MEDIA

(LAST 5 YEARS)

- *"Cost Allocation Plans (CAP) Best Practices; A Discussion of CAP Basics, Timelines, Case Studies, and In-House vs. Vendor-supported Approaches"* - California State Association of County Auditors (SACA) Conference, 2021
- *"A Revenue Cornucopia: One Special District's Approach to Raising Revenue"* - California Special Districts Association (CSDA), Exhibitor Series, 2020
- *"Tools for Fiscal Sustainability"* - CSMFO Desert Chapter, 2020
- *"Fees, Fees, and MORE FEES!?"* - California Association of Recreation and Park Districts, Annual Conference, 2019
- *"Building Department Fees…you need a plan"* - California Building Officials (CALBO) Annual Business Meeting, 2018

"Thanks again for another successful fee study. Always a pleasure working with you and your team."

Greg McFann, Building Official
City of Alameda

HIGHLIGHTS

Nicole Kissam is Director of Financial Consulting for NBS. She has more than 20 years of experience in public sector consulting, city government, marketing, and public relations. Nicole specializes in cost recovery and revenue policy for California local governments. She routinely manages projects and provides senior level technical analysis on impact fee studies, user/regulatory fee analyses, cost allocation plans, and financial plans. She has completed over 100 consulting engagements for a range of cities, counties, and special districts, including those with less than 10,000 population up to the largest in the State such as Los Angeles, Sacramento, and San Jose. Her background also includes performance of various management audits that improved operational efficiency of development services, parks and recreation, and utility departments. Nicole is regularly invited to speak on the topics of cost recovery, fee program development, and fiscal sustainability for various prominent professional organizations in California.

RELEVANT PROJECT EXPERIENCE

- **Alameda,** Development Services Fee Study
- **Aliso Viejo,** Technology and General Plan Maintenance Fee Study
- **Carlsbad,** Citywide Cost Allocation Plan and Development Services Fee Study
- **Chowchilla,** Citywide Development Impact Fee Study
- **Contra Costa County**, Peer Review of Environmental Health Fees, and Development Services / PW User and Regulatory Analysis Review (in progress)
- **Culver City,** Citywide Cost Allocation Plan and Fee Study
- **East Palo Alto,** Cost Allocation Plan and Comprehensive Fee and Rate Study
- **Fresno,** Development Services Fee Analysis, Fire Prevention User Fee Analysis & Solar Permit Fee Consulting
- **Groveland Community Services District,** Development Impact Fee Analysis
- **Half Moon Bay,** Cost Allocation Plan and User Fee Study
- **Indio,** Cost Allocation Plan, User Fee Study, and Citywide Development Impact Fee Study
- **La Quinta**, Development Impact Fee Study

RELEVANT PROJECT EXPERIENCE | CONTINUED

“Nicole was awesome. Not sure if we could have gotten through it without her. Her patience and professionalism were top notch.”

Mark Uribe, Assistant Director of Finance, Camarillo

- **Los Angeles,** Fee Analyses for the Department of City Planning and Board of Public Works
- **Moraga-Orinda Fire Protection District,** User and Regulatory Fee Study and Impact Fee Study
- **Portola Valley,** Community Development User Fee Analysis
- **Rancho Cucamonga**, Citywide Impact Fee Study and Fire District Impact Fee Study
- **Richmond,** Citywide Cost Allocation Plan, User Fee Analysis for Planning and Building
- **Rocklin**, Impact Fee Study for Park Improvements and Public Facilities
- **Town of Ross**, Cost Allocation Plan and Comprehensive Fee Study
- **Sacramento (City),** Code Compliance Fee Study
- **Sacramento Metropolitan Fire District,** Fire Prevention Fee Analysis and Capital Facilities (Impact) Fee Analysis
- **San Carlos,** Citywide Cost Allocation Plan and User Fee Study
- **San Diego,** Park and Recreation Fee Study
- **San Diego Unified School District,** Comprehensive Fee Study for Civic Center
- **San Jose,** Development Services Fee Study and Fire Code Compliance Fee Study
- **San Luis Obispo,** Citywide User Fee Analysis
- **Santa Paula,** Citywide Fee Study
- **Sausalito,** Citywide User Fee Study
- **Santa Clara County Environmental Health Department,** User Fee and Fund Balance Analysis
- **Watsonville,** Parks and Recreation Facilities Impact Fee Analysis
- **Wildomar,** Citywide Development Impact Fee Study

JOE COLGAN | Impact Fee Specialist

EDUCATION

- Master of City Planning degree, University of Pennsylvania
  Bachelor of Architecture degree, University of Nebraska, Lincoln

AFFILIATIONS

- Growth and Infrastructure Consortium (formerly the National Impact Fee Roundtable)
- Over 35 years as a member of the American Planning Association (APA) and the American Institute of Certified Planners (AICP)

SPEAKING / MEDIA

- National Impact Fee Roundtable | 2004 2005, 2007, 2009, 2011
- California Association of Recreation and Parks Districts | 2019

HIGHLIGHTS

Joe Colgan is founder and president of Colgan Consulting Corporation, a small Sacramento firm specializing in development impact fees for cities, counties and special districts. He has a thorough understanding of the constitutional and statutory requirements for defensible impact fees and is an expert in impact fee methodologies.

The vast majority of Joe's impact fee work has been done for California clients, but he has also done impact fee studies in Oregon, Arizona, Utah, New Mexico and Florida. He has prepared more than 150 impact fee studies since 1990, for clients as large as Albuquerque, NM (pop. 555,000) and the Orange County (CA) Fire Authority (serving 22 cities and unincorporated Orange County), and as small as Angels Camp, CA (pop. 4,050)

RELEVANT PROJECT EXPERIENCE

- **Madera, CA,** Comprehensive Impact Fee Study and Update
- **Beaumont, CA,** Comprehensive Impact Fee Study
- **Windsor, CA,** Impact Fee Study for Parks and Rec, Open Space and Trails, Police, Fire and Public Facilities
- **Cloverdale, CA,** Impact Fee Study for Accessory Dwelling Units
- **Moreno Valley CA**, Comprehensive Impact Fee Studies and Updates; Joe has prepared four impact fee studies for Moreno Valley
- **Encinitas, CA,** Impact Fee Study Streets and Signals, Parks, Fire and Libraries; Joe has prepared three impact fee studies for Encinitas
- **Rancho Cucamonga, CA,** Two Impact Fee Studies for Parks, Community & Recreation Centers, Libraries, Police, and the Animal Center
- **Indio, CA,** Comprehensive Impact Fee Study
- **Manhattan Beach, CA,** Impact Fee Feasibility Study
- **Wildomar, CA,** Comprehensive Impact Fee Study and Two Impact Fee Update Studies
- **City of Rocklin, CA,** Parks and Public Facilities Impact Fee Study
- **Vista, CA,** Impact Fee Update Study for Streets and Signals; Joe has prepared four impact fee studies for Vista
- **La Quinta, CA,** Comprehensive Impact Fee Studies and Updates; Joe has prepared three impact fee studies for La Quinta
- **City of Orange, CA,** Impact Fee Study for Police, Libraries and Parks
- **Lemoore, CA,** Comprehensive Impact Fee Studies and Updates; Joe has prepared four impact fee studies for Lemoore

TEAM RESUME

ALLAN HIGHSTREET, PMP | Principal Consultant

EDUCATION

- Master of Science, Agricultural Economics, UC Davis
- Bachelor of Science, Agricultural Business Management, California State University, San Luis Obispo

AFFILIATIONS

- Project Management Professional (2002, No. 52367)
- American Water Works Association (AWWA), Member

PROJECTS | CONT.

- **City of Tracy, Tracy, CA – Sewer Rate Studies:** Has prepared sewer rate updates for the City of Tracy since 1979. Originally done to satisfy SRF requirements, more recent updates focused on cost of service studies.
- **City of Sacramento, CA – Sanitary Sewer and Storm Drainage Rate Study:** Project economist on this rate study. The primary focus of the project was to compute rates sufficient to upgrade the combined sewer portion of the system to a 10-year level of protection and prevent combined sewer overflows into the Sacramento and American Rivers.
- **Cities of Stockton, Millbrae, Turlock, Arcata, Wheatland, and Merced, CA:** Developed sewer revenue programs for the cities of Stockton, Millbrae, Turlock, Arcata, Wheatland, and Merced and for the American Canyon County Water District and the Tahoe-Truckee Sanitation Agency.
- **Sacramento Industrial Users Group** (Campbell's Soup and Crystal Creamery): Represented industry in review/revising SRCSD sewer rates.

HIGHLIGHTS

After retiring from Jacobs Engineering as a senior vice-president last fall, Allan Highstreet has since joined NBS as a technical consultant with the highest level of expertise in water-related financial analyses.

Allan is a senior economist with 41 years of experience in financial planning for water, wastewater, and stormwater utilities, including rate studies, project funding, and cost allocations. He has performed economic assessments, cost analyses, finance plans, and rate studies, including preparing loan applications and related documents for many municipal clients.

RELEVANT PROJECT EXPERIENCE

- **Merced Irrigation District, Merced, CA – Water Cost of Service Study:** Prepared a cost of service study that estimated user charges and fees for the water deliveries within the District. Also prepared the Proposition 218 material for the vote to enact the rates.
- **Byron Bethany Irrigation District, Byron, CA – Water Cost of Service Study:** Prepared a cost of service study that estimated user charges for the water deliveries within the District. Also prepared the Proposition 218 material for the vote to enact the rates.
- **Westlands Water District, CA – Evaluating Land Based Assessments:** Led an evaluation of possible land based assessments in the District, then prepared an Engineers Report to implement a benefit assessment for the District.
- **Oakdale Irrigation District, Oakdale, CA – Water Rate Study:** Prepared a cost of service study that estimated user charges for the water deliveries within the District. This study moved the District from a flat rate to tiered volumetric rates to comply with the Water Conservation Act of 2009 (SBx 7-7). Also prepared the Proposition 218 material for the vote to enact rates.
- **Flood Control User Charges and Financing Plans:** Developed financing plans and user charges for storm drainage and flood control projects, including the City of Sacramento Storm Drainage and Sewer Rate Study, the City of Palo Alto Storm Drainage Enterprise Fund, establishing the City of Tracy's storm drainage charges, a financing plan for the Auburn Ravine Mitigation Plan for Placer County Flood Control District, and a financing plan for the Colma Creek/Guadalupe Canyon master plan for Daly City.

Other clients Mr. Highstreet has provided similar services include:

- **City of Anaheim** – Storm Drainage Impact Fees and Financial Planning
- **City of Millbrae** – Sewer Rate Study
- **Tahoe Truckee Sanitation Agency** – Financial Analyses
- **Del Monte and Sun Maid Corporations** – Sewer Rate Evaluations for the Selma-Kingsburg-Fowler Sanitation District
- **City of Stockton** – Sewer Rate Study
- **City of Hollister** – Wastewater User Charges and Demand Fees
- **City of Merced** – Water and Sewer Rate Studies
- **City of Turlock** – Sewer Rate Studies
- **Oroville-Wyandotte Irrigation District** – Water Rate Study

LAUREN GUIDO | Consultant

EDUCATION

- Bachelor of Fine Arts and Multimedia, Woodbury University, Burbank

HIGHLIGHTS

- Experienced Consultant supporting cost allocation, user and regulatory fee studies
- Extensive experience in budget management and financial reporting
- Extensive experience working with analytical software, databases, and spreadsheets

"Lauren was terrific in helping to deliver this project for us. She took the time to dive into the more technical and detailed aspects of a very unique subject area, kept the project moving, and was in constant communication with us as the client. Would love to work with her again on any project."

Raoul Mendoza, Chief Management Analyst, Los Angeles City Planning

BIOGRAPHY

Lauren Guido offers more than a decade of finance experience in accounting, budget planning and systems analysis. She performs various financial analyses, data management, and customer data analyses for Overhead Cost Allocation Plans and User Fee Studies. Lauren's diverse knowledge of accounting, budgeting, and resource management is essential to the work performed by NBS.

RELEVANT PROJECT EXPERIENCE

Lauren has consulted and served on many projects, including the following representative and recent project samples:

- **City of Alameda,** Building, Planning, Public Works, and Fire Fee Study
- **City of Albany,** Building, and Planning Fee Study
- **City of Camarillo, Citywide** User Fee Study
- **East Contra Costa Fire Protection District,** Fire Prevention Regulatory Fee Study and Fire Facilities Development Impact Fee Study
- **City of Indio,** Citywide Fee Study Update and Development Impact Fee Study
- **City of Lathrop,** Building Fee Study
- **City of Los Angeles,** Department of City Planning Fee Study
- **City of Los Angeles,** Department of City Planning, Home Sharing Ordinance Fee Study
- **City of Modesto,** Recreation Fee Study
- **City of Portola Valley,** Development Services Fee Study
- **Rancho Cucamonga Fire Protection District,** Regulatory Fee Analysis
- **City of San Diego,** Park and Recreation Department Fee Study
- **San Diego Unified School District**, Theater Rental Rate Study
- **City of San Ramon**, Planning Fee Study
- **City of Tracy,** Citywide User Fee Study and Internal Service Fund Rates Analysis
- **City of Tustin,** Citywide User Fee Study
- **City of Yorba Linda,** Citywide Fee Study

TEAM RESUME

NICOLE HUERTA | Consultant

EDUCATION

- Bachelor of Arts, Business Administration, California State University, Fullerton

HIGHLIGHTS

- More than a decade of research and analysis experience for public and private industry
- Lead Consultant for Ground Emergency Medical Transportation cost reporting services
- Experienced Consultant supporting cost allocation, user and regulatory fee studies
- Working knowledge of public finance and governmental accounting practices and policies
- Extensive experience working with analytical software, databases, and spreadsheets

"NBS has provided services for the City for a number of years, and they do an outstanding job… The work is high quality and is performed on time."

Rebecca Mendenhall, Administrative Services Director, City of San Carlos

BIOGRAPHY

Nicole Huerta serves as a Consultant for NBS' Financial Consulting Group. She provides data gathering, analysis, modeling and project tracking support for Overhead Cost Allocation Plans and User Fee Studies. Nicole Huerta also serves as a project lead for Ground Emergency Medical Transportation cost reporting services. She has also served as an analyst for many of NBS' special district formation and administration clients. In addition to her experience at NBS, Nicole offers many years of work experience and undergraduate studies in cost/expense recovery analysis, asset allocation, market analysis, economic analysis, portfolio management, and profit and loss statements.

RELEVANT PROJECT EXPERIENCE

Nicole has consulted and served on many projects, including the following representative and recent project samples:

- **Commute.org,** Fully Burdened Hourly Rate Analysis
- **Carlsbad,** Citywide Cost Allocation Plan and User Fee Study
- **Culver City,** Annual Cost Allocation Plan
- **Indio,** Ambulance Fee Analysis
- **Long Beach Fire Department,** GEMT Cost Allocation Analysis
- **Marin County,** User Fee Study for Assessor-Recorder-Clerk
- **Modesto,** User Fee Study
- **Moraga Orinda Fire Department,** GEMT Cost Allocation Analysis
- **Poway,** Ambulance Fee Analysis
- **Riverside Community Services Agency,** Cost Allocation and Rate Study
- **Sacramento Public Library Authority,** Annual Cost Allocation Plan
- **San Carlos,** Cost Allocation Plan and User Fee Study
- **San Francisco Planning Department,** User Fee Study
- **San Jose Fire Department,** Regulatory Fee Analysis
- **Vallejo Fire Department,** Cost Analysis of Fire Department Services
- **Victorville,** Cost Allocation Plan and User Fee Study

ALICE BOU | Utility Rate Consultant

EDUCATION

- Bachelor of Arts, University of California San Diego, La Jolla

HIGHLIGHTS

- Two decades of financial, accounting and risk management experience
- Extensive experience in financial reporting, risk management analysis, budget management and development of accounting policies and procedures
- In-depth experience as a finance manager, consultant and controller in private industry
- Supports project teams completing public utility rate and fee studies in performing large-scale data analysis, financial modeling and rate analysis

"Thanks Alice, we certainly appreciate your patience, persistence, thoroughness, and ability to adapt on the fly! I believe our final product and recommended actions turned out very well."

Doug Mathews
Director of Public Works & Water, City of Victorville

BIOGRAPHY

Alice Bou is a Consultant in our Utility Rate and Fee group. She is an accomplished finance professional with proven success in the oversight of management accounting and business analysis. Alice has two decades of experience working in accounting and financial management, performing data analysis, variance analysis, budgeting and forecasting, financial modeling, and managerial reporting. She has also developed detailed procedures and systems documentation with a focus on productivity, data integrity and functionality to promote transparency of all finance and accounting functions across all departments of the entire organization. Alice's diverse experience is essential to the work performed by NBS.

As a member of the NBS team, Alice assists in the preparation of financial plans, cost of service, rate, and fee design analysis for our public utility clients. She reviews financial statements, budgets, capital improvement plans, operational data, and customer billing information for use in public utility rate and fee studies. Alice adds value to our team with her exceptional strategic financial planning and analytical skills.

RELEVANT PROJECT EXPERIENCE

- **City of Sausalito – Sewer Rate Study:** Developed a comprehensive financial plan to address the City's increasing operating and maintenance costs as well as the need to finance $8.6 million in planned capital improvements over the 5-year rate period. Due to the deteriorating condition of the City's sewer system, the overall goal was to identify equitable sewer charges that addressed sewer upgrades and services and develop rates that balanced the use of outstanding bond proceeds, cash reserves, and additional revenue generated from rate increases.
- **City of Davis – Sewer Rate and System Capacity Fee Study:** Established sewer capacity fees for the City that reflect the cost of sewer system infrastructure that is available to serve new development. Many factors were considered in the study, including the allocation of the $268 million in existing system assets, the cost of planned capital improvements, and adjustments for outstanding debt and cash reserves. The assigned EDU's per residential type of use were calculated based on the City's most recent sewer rate study and average winter water use.

RELEVANT PROJECT EXPERIENCE | CONTINUED

- **City of Redding – Water, Sewer, and Solid Waste Rate Study:** Performed an update of the City's rate studies for its water, sewer, and solid waste utilities, which included updating long-term financial plans to incorporate funding capital improvements estimated at $97.2 million and reviewing alternative rate structures. Although all three utilities were financially sound, rate increases were necessary to ensure the continued financial health of the City's utilities by generating sufficient revenue needed to meet projected capital funding requirements, providing revenue stability, and providing equity in rates among customer classes. In addition, the cost-of-service analysis for the solid waste utility examined specific allocation factors for each customer class and determined how costs are divided into various types of service (e.g., collection, disposal, and transfer station).

> *"Alice, You are the best rate analyst I have ever worked with; you are very talented."*
>
> *Cammie Morin*
> *Finance Director*
> *Solano Irrigation District*

- **Suisun-Solano Water Authority – Water Rate Study:** Conducted a comprehensive water rate study for the Authority which consisted of a long-term financial plan that includes the projection of revenues and expenditures on a cash-flow basis to help determine the amount of rate revenue required to maintain reserves at the recommended levels. Worked with Authority staff to develop a plan to fund over $20 million in necessary capital improvement projects, with a combination of new debt issuances, existing cash reserves, and rate adjustments.
- **Mill Valley – Sewer Rate Study:** In the process of preparing a long-term financial plan reflecting the City's growing concerns about shortfalls due to increased capital improvement costs and its current sewer rate structure, specifically the equitable assignment of costs to commercial customers (i.e., restaurants). Sewer rates will be evaluated to improve revenue stability in the light of current economic conditions as well as recent drought and continuing water conservation efforts. Water consumption data will be used to update commercial rates to assess how consumption has changed in the last few years and how projected water conservation might impact future consumption.
- **LADWP – Water Temperature Zone Analysis:** LADWP currently has a four-tiered water-budget based volumetric rate structure that assigns water budgets to each customer based on lot size and temperature zone. As part of LADWP's Interim Rate Review, evaluated the findings of previous temperature zone assignments to determine potential customer bill impacts of modifying the existing temperature zones. Prepared an analysis of temperature zone impacts on water customers, including a thorough review of the temperature data as well as recent trends related to the number of customers, water use, and water bills by zone, tier, and lot size over the last five years. The primary focus of this study was to see if recent changes in temperature data as defined by LADWP's current temperature zones warranted changing the customers assigned to each temperature zone, or the criteria used to define each zone.

JORDAN TAYLOR | Utility Rate Consultant

EDUCATION

- Master of Business Administration, Finance, University of Redlands
- Bachelor of Science, Chemistry, University of Utah, Salt Lake City

HIGHLIGHTS

- Extensive experience in large-scale data analysis
- Advanced Excel user with the essential skills for complex data analysis and alternative scenario analysis
- More than ten years of accounting experience for large and small businesses
- Experienced consultant with water, sewer and solid waste rate structures
- Experienced consultant with budget management, financial planning and reserve fund analysis

"Jordan has been great to work with on our Five-Year Water and Wastewater Rate Study. She is professional and very responsive to our requests from making last minute updates to the rate model to brainstorming alternative solutions with us."

Sunny Wang
Water Resources Manager
City of Santa Monica

BIOGRAPHY

Jordan Taylor is a Consultant at NBS in our Utility Rate group. She brings more than ten years of experience in finance, accounting, budget planning and system auditing. Jordan graduated with high honors in her Master's program and spent most of her studies focusing on large-scale financial analysis and data management.

Jordan provides analysis and support on water and sewer utility rate studies for cities and special districts in California. She performs various financial analyses, data management, and utility customer data analysis for utility rate and capacity fee studies. Jordan's diverse knowledge of managerial accounting is essential to the work performed by NBS.

RELEVANT PROJECT EXPERIENCE

- **Costa Mesa Sanitary District – Solid Waste Rate Study:** This comprehensive rate study included development of a long-term financial plan that evaluated funding options to reduce the annual operating deficit over a five-year period. An evaluation of the District's solid waste rates, and updated rates were calculated for the three cart sizes that are used by customers in the District and a five-year rate schedule was adopted.
- **Hidden Valley Lakes Community Services District – Water/Sewer Rates & Capacity Fee Study:** Completed an updated water and sewer cost of service study, based on a previous 2015 study conducted by NBS. A key part of this study was addressing significant capital improvement projects and drought-related changes in water consumption patterns. Major tasks included reviewing financial/rate setting policies, preparing financial plans, updating the cost of service analysis, and evaluating alternative rate designs.
- **Idyllwild Water District – Water and Sewer Rate Study:** Prepared water and sewer rate studies, which included developing long-term financial plans that allowed the District to begin funding capital improvement programs for both utilities, and maintain adequate reserves to meet established reserve fund policies. Updated the water rate structure to provide more revenue stability for the District, and implement a cost-based tiered volumetric rate.
- **City of Madera Water, Wastewater, Storm Drainage and Solid Waste Rate Studies:** Completed an updated water and sewer cost of service study, based on a previous 2015 study conducted by NBS. A key part of this study was addressing significant capital improvement projects and drought-related changes in water consumption patterns. Major tasks included reviewing financial/rate setting policies, preparing financial plans, updating the cost of service analysis, and evaluating alternative rate designs.

RELEVANT PROJECT EXPERIENCE | CONTINUED

- **City of Yuba City – Water and Sewer Rate Study Updates:** Perform annual updates of the City's most recent comprehensive Water and Sewer Financial Plan and Rate Study. Key objectives of the annual updates are to evaluate annual financial status and determine if the City needs to implement the previously approved rate increases, or if a lower increase is possible.
- **City of Lincoln – Sewer and Solid Waste Rate Study:** Prepared long-term financial plans for the City's Sewer and Solid Waste utilities, which included evaluating debt financing alternatives for sewer collection system and wastewater treatment plant improvements. Since this was the City's first full cost-of-service analysis for solid waste, Jordan and the project team developed all relevant data necessary to complete the study, including allocating collection, disposal, organics collection, and general and administrative costs.
- **City of McFarland – Water and Sewer Rate Study:** Developed long-term financial plans for the City's water and sewer utilities that would adequately fund operating, maintenance, and high-priority capital improvement needs, which included expanding the wastewater treatment plant and constructing a new water well. Worked with the project team to update the rate structures to reflect the cost of providing service to each customer class and current industry standards.
- **City of Morgan Hill – Wastewater Rate Study:** Prepared a financial plan for the 2018 wastewater rate study update, which included budget analysis, cash flow projections, and a detailed evaluation of capital funding options. The study evaluated debt financing alternatives to fund $87 million in capital improvements for pipeline replacement and a treatment plant expansion.
- **City of Sacramento – Development Impact Fee Study:** Conducted an extensive update of water, sewer, and storm drainage system capacity charges. This study addressed City policies and overall objectives in developing connection fee alternatives for the City to consider. Key tasks included preparing financial/rate setting policies, financial plans, projecting capital revenue requirements, cost-of-service analyses, and alternative fee methodologies.
- **City of Seal Beach – Water and Sewer Rate Study:** Prepared financial plans for the City's water and sewer utilities to ensure sufficient funding was available for operating, maintenance, capital improvement needs and to maintain appropriate reserve funds. Developed cash flow analyses and capital improvement program funding options that balanced the use of rate increases with potential debt financing to minimize the impact to ratepayers.
- **City of Santa Monica – Water and Wastewater Rate and Capital Facility Fee Study:** Developed long-term financial plans for the City's water and wastewater utilities that balanced meeting operating, maintenance, and capital needs along with maintaining adequate reserve funds. Worked with the project team to develop capital funding options for the City's $200 million Sustainable Water Infrastructure project by balancing outside debt financing, interfund loans, use of existing reserve fund balances, and rate increases. Developed updated rate structures which included collecting a greater percentage of revenue from fixed water meter charges, incorporating a modest fixed charge in the wastewater rate structure and developing tiered volumetric water rates based on the City's sources of water supply. Conducted a thorough analysis of water usage patterns and updated the wastewater discharge factors to reflect low water usage periods.

TEAM RESUME

JEREMY TAMARGO | Engineering Consultant*

EDUCATION

- Master of Science, Environmental Engineering, Syracuse University
- Bachelor of Science, Civil Engineering, University of Notre Dame
- Certificate, Advanced Study in Sustainable Enterprise, Syracuse University

PROFESSIONAL AFFILIATION

- American Society of Civil Engineers

HIGHLIGHTS

- Experience in both public and private sectors
- Stormwater management design
- Stormwater master planning
- Civil site design
- Mapping and analysis in ArcGIS
- AutoCAD

BIOGRAPHY

Jeremy Tamargo has nearly a decade of professional civil engineering experience in both the public and private sectors. *Jeremy is a licensed professional engineer in the State of Oregon and has an application in technical review with the California Board for Professional Engineers, Land Surveyors, and Geologists for comity licensure in the State of California.

Jeremy's recent experience as an Assistant City Engineer and Principal Engineer included the following activities:

- Supervising, planning, designing, and inspecting all phases of civil engineering public works construction projects
- Defining the scope of the project; securing adequate funding from Federal and State grant programs and other funding sources
- Coordinating with permitting and public utility agencies
- Performing historical document research and review
- Surveying and engineering analysis of alternatives
- Preparing plans, specifications, and cost estimates
- Performing research, map, and field studies and surveys
- Drafting site plans with specialized computer software
- Applying engineering principles and practices to specific problems
- Coordinating construction schedules with other projects and agencies
- Preparing and reviewing cost estimates and inspecting construction of projects to ensure compliance with construction documents
- Reviewing compliance criteria for the design and construction of streets, sidewalks, and public utilities

Jeremy also has experience in stormwater management design, preparing stormwater managements plans for both private and public developments. Specific duties included:

- Site characterization
- Delineating drainage basins
- Performing hydrologic calculations
- Designing stormwater facilities to meet water quality and water quantity standards
- Conveyance modeling
- Inlet capacity calculations
- Creating operations and maintenance plans

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: November 16, 2022

TO: Honorable Mayor and Members of the City Council

FROM: Robin Woodman, Building Official

APPROVED: Mali LaGoe, City Manager

SUBJECT: Second Reading and Adoption of An Ordinance Adding Chapter 15.22 to Create an Expedited Streamlined Process of Electric Vehicle Charging Stations as Required by Government Code Section 65850.7

SUMMARY OF ISSUE

On November 2, 2002, the City Council introduced Ordinance No. 102.17 creating an expedited streamlined process for Electric Vehicle Charging Stations as required by Government Code section 65850.7. As written, the ordinance will establish timelines and a checklist to expedite the approval process for charging stations. If adopted, the ordinance will be effective on January 1, 2023.

FISCAL IMPACT

There is no fiscal impact to the City as a result of the recommended action.

STAFF RECOMMENDATION

Adopt Ordinance No. 102.17 adding Chapter 15.22 to create an expedited streamlined process of electric vehicle charging stations as required by Government Code Section 65850.7.

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ORDINANCE NO. 102.17

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY SETTING FORTH PROCEDURES FOR EXPEDITING PERMITTING PROCESSING FOR ELECTRIC VEHICLE CHARGING SYSTEMS

WHEREAS, the State of California and the City of Scotts Valley has consistently promoted and encouraged the use of fuel-efficient electric vehicles; and

WHEREAS, in 2015, the State of California adopted Assembly Bill 1236, which requires local agencies to adopt an ordinance that creates an expedited and streamlined permitting process for electric vehicle charging systems; and

WHEREAS, in 2021, the State of California adopted Assembly Bill 970, which builds on the streamlining process of Assembly Bill 1236 and adds specific binding timelines to that review period based on the size of the project and clarifies parking requirements; and

WHEREAS, creation of an expedited, streamlined permitting process for electric vehicle charging stations would facilitate convenient charging of electric vehicles and help reduce the City's / County's reliance on environmentally damaging fossil fuels; and

WHEREAS, in the enactment of this ordinance, the City followed the guidelines adopted by the State of California and published in the California Code of Regulations, Title 14, Section 15000, et seq. and found this activity is not a "project" as defined by California Environmental Quality Act (CEQA) because it is an organizational or administrative activity that will not result in direct or indirect physical changes in the environment.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF SCOTTS VALLEY DOES ORDAIN AS FOLLOWS:

SECTION 1. The foregoing facts are adopted as findings of the City Council as though set forth in fully within the body of this ordinance.

SECTION 2. That a new Chapter 15.22 is added to Title 15 of the Scotts Valley Municipal Code to read as follows:

"**CHAPTER 15.22- ELECTRICAL VEHICLE CHARGING STATIONS**

Section 15.22.010 – Findings and Purpose.

The purpose of this Chapter is to promote and encourage the use of electric vehicles by creating an expedited, streamlined permitting process for electric vehicle charging stations while promoting public health and safety and preventing specific adverse impacts in the installation and use of such charging stations. This Chapter is also purposed to comply with California Government Code Section 65850.7.

Section 15.22.020 Definitions.

(a) “Electric vehicle charging station” or “charging station” means any level of electric vehicle supply equipment station that is designed and built in compliance with Article 625 of the California Electrical Code, as it reads on the effective date of this Chapter, and delivers electricity from a source outside an electric vehicle into a plug-in electric vehicle.

(b) “Specific, adverse impact” means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified, and written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete.

(c) “Electronic submittal” means the utilization of one or more of the following:

i. Electronic mail or email.

ii. The internet.

iii. Facsimile.

Section 15.22.030 Expedited Permitting Process.

Consistent with Government Code Section 65850.7, the Building Official shall implement an expedited, streamlined permitting process for electric vehicle charging stations, and adopt a checklist of all requirements with which electric vehicle charging stations shall comply with in order to be eligible for expedited review. The expedited, streamlined permitting process and checklist may refer to the recommendations contained in the most current version of the “Plug-In Electric Vehicle Infrastructure Permitting Checklist” of the “Zero-Emission Vehicles in California: Community Readiness Guidebook” as published by the Governor’s Office of Planning and Research. The City’s adopted checklist shall be published on the City’s website.

Section 15.22.040. Permit Application Processing.

(a) Prior to submitting an application for processing, the applicant shall verify that the installation of an electric vehicle charging station will not have specific, adverse impact to public health and safety and building occupants. Verification by the applicant includes, but is not limited to: electrical system capacity and loads; electrical system wiring, bonding and overcurrent protection; building infrastructure affected by charging station equipment and associated conduits; areas of charging station equipment and vehicle parking.

(b) A permit application that satisfies the information requirements in the City's adopted checklist shall be deemed complete and be promptly processed. Upon confirmation by the Building Official that the permit application and supporting documents meets the requirements of the City adopted checklist, and is consistent with all applicable laws and health and safety standards, the Building Official shall, consistent with Government Code Section 65850.7, approve the application and issue all necessary permits. Such approval does not authorize an applicant to energize or utilize the electric vehicle charging station until approval is granted by the City. If the Building Official determines that the permit application is incomplete, he or she shall issue a written correction notice to the applicant, detailing all deficiencies in the application and any additional information required to be eligible for expedited permit issuance.

(c) Consistent with Government Code Section 65850.7, the Building Official shall allow for electronic submittal of permit applications covered by this Ordinance and associated supporting documentations. In accepting such permit applications, the Building Official shall also accept electronic signatures on all forms, applications, and other documentation in lieu of a wet signature by any applicant.

Section 15.22.050. Technical Review.

(a) It is the intent of this Ordinance to encourage the installation of electric vehicle charging stations by removing obstacles to permitting for charging stations so long as the action does not supersede the Building Official's authority to address higher priority life-safety situations. If the Building Official makes a finding based on substantial evidence that the electric vehicle charging station could have a specific adverse impact upon the public health or safety, as defined in this Chapter, the City may require the applicant to apply for a use permit.

(b) In the technical review of a charging station, consistent with Government Code Section 65850.7, the Building Official shall not condition the approval for any electric vehicle charging station permit on the approval of such a system by an association, as that term is defined by Civil Code Section 4080.

Section 15.22.060. Electric Vehicle Charging Station Installation Requirements.

(a) Electric vehicle charging station equipment shall meet the requirements of the California Electrical Code, the Society of Automotive Engineers, the National

Electrical Manufacturers Association, and accredited testing laboratories such as Underwriters Laboratories, and rules of the Public Utilities Commission or a Municipal Electric Utility Company regarding safety and reliability.

(b) Installation of electric vehicle charging stations and associated wiring, bonding, disconnecting means and overcurrent protective devices shall meet the requirements of Article 625 and all applicable provisions of the California Electrical Code.

(c) Installation of electric vehicle charging stations shall be incorporated into the load calculations of all new or existing electrical services and shall meet the requirements of the California Electrical Code. Electric vehicle charging equipment shall be considered a continuous load.

(d) Anchorage of either floor-mounted or wall-mounted electric vehicle charging stations shall meet the requirements of the California Building or Residential Code as applicable per occupancy, and the provisions of the manufacturer's installation instructions. Mounting of charging stations shall not adversely affect building elements."

SECTION 3. SEVERABILITY. If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction such portion shall be deemed a separate, distinct and independent provision of such Ordinance and shall not affect the validity of the remaining portions thereof.

SECTION 4. REPEALS CONFLICTING ORDINANCES. All other ordinances of the City of Scotts Valley or provisions of the Scotts Valley Municipal Code which are in conflict with this Ordinance are hereby repealed to the extent of such conflict.

SECTION 5. CEQA COMPLIANCE. The City Council finds and determines that the enactment of this Ordinance is not a "project" as that term is used in the California Environmental Quality Act ("CEQA;" Cal. Pub. Resources Code Section 21000 et seq.) or the State CEQA Guidelines (Cal. Code of Regs., Title 14, Section 15000 et seq.). Therefore, no environmental assessment is required or necessary.

SECTION 6. EFFECTIVE DATE. The above and foregoing ordinance was introduced for a first reading on November 2, 2022, and passed and adopted on November 16, 2022, at a duly held meeting of the City Council of the City of Scotts Valley by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:_______________________________
Donna R. Lind, Mayor

ATTEST: _________________________________
Cathie Simonovich, City Clerk

APPROVED
AS TO FORM: ______________________________
Kirsten Powell, City Attorney

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: November 16, 2022

TO: Honorable Mayor and City Council

FROM: Taylor Bateman, Community Development Director

APPROVED: Mali LaGoe, City Manager

SUBJECT: **SECOND READING AND ADOPTION OF ORDINANCE NO. 102.16 AMENDING BUILDING REGULATIONS CONTAINED IN TITLE 15 OF THE SCOTTS VALLEY MUNICIPAL CODE AND ADOPTING THE CALIFORNIA CODE OF REGULATIONS TITLE 24, 2022 BUILDING STANDARDS CODES AND OTHER CODES SUBJECT TO THE SPECIFIED DELETIONS, AMENDMENTS, EXCEPTIONS AND ADDITIONS, AND OTHER CODES AND STANDARDS TO ESTABLISH MINIMUM REQUIREMENTS TO SAFEGUARD PUBLIC HEALTH, SAFETY AND GENERAL WELFARE**

SUMMARY OF ISSUE

On November 2, 2022, the City Council introduced Ordinance No. 102.16, adopting the 2022 California Building Codes and making local amendments based on findings that these amendments are necessary due to local climatic, topographic or geological conditions.

The Building Codes proposed for adoption with amendments as applicable include the following:

- 2022 California Building Code
- 2022 California Residential Code
- 2022 California Green Building Standards Code
- 2022 California Plumbing Code
- 2022 California Mechanical Code
- 2022 California Electrical Code
- 2022 California Administrative Code
- 2022 California Referenced Standards Code
- 2022 California Energy Code
- 2018 International Property Maintenance Code

FISCAL IMPACT

The City will be required to purchase new building code books in the amount of approximately $1,500.

RECOMMENDATION

It is recommended that the City Council adopt Ordinance No. 102.16, An Ordinance Of The City Council Of The City Of Scotts Valley Amending The Building Regulations Contained In Title 15, Chapter 15.04 Of The Scotts Valley Municipal Code And Adopting The California Code Of Regulations Title 24, 2022 Building Standards Codes And Other Codes, Subject To The Specified Deletions, Amendments, Exceptions And Additions, And Other Codes And Standards To Establish Minimum Requirements To Safeguard Public Health, Safety And General Welfare.

ATTACHMENTS PAGE

ORDINANCE NO. 102.16

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY AMENDING THE BUILDING REGULATIONS CONTAINED IN TITLE 15, CHAPTER 15.04 OF THE SCOTTS VALLEY MUNICIPAL CODE AND ADOPTING THE CALIFORNIA CODE OF REGULATIONS TITLE 24, 2022 BUILDING STANDARDS CODES AND OTHER CODES, SUBJECT TO THE SPECIFIED DELETIONS, AMENDMENTS, EXCEPTIONS AND ADDITIONS, AND OTHER CODES AND STANDARDS TO ESTABLISH MINIMUM REQUIREMENTS TO SAFEGUARD PUBLIC HEALTH, SAFETY AND GENERAL WELFARE

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY AS FOLLOWS:

WHEREAS, approximately every three years, new model building code standards are reviewed, modified and approved by the California Building Standard Commission, and thenceforth mandated for local jurisdiction enforcement within 180 days of publication.

WHEREAS, pursuant to Sections 17922, 17958, 17958.5 and 17958.7 of the California Health and Safety Code, the City of Scotts Valley may make changes to the California Building Standards Code or the other regulations thereafter adopted upon making findings based local geologic, topographic and climatic conditions.

WHEREAS, the following local geologic and climatic conditions necessitate modifications to the California Building Standards Code as detailed in Section 15.04.070 of the Scotts Valley Municipal Code:

1. Geological I - The region is located in an area of high seismic activities as indicated by United States Geological Survey and California Division of Mines and Geology. Recent earthquake activities have indicated the lack of adequate design and detailing as a contributing factor to damages that reduced the protection of the life-safety of building occupants.

2. Geological II - The region is located in an area of high seismic activities as indicated by United State Geological Survey and California Division of Mines and Geology. Recent earthquake activities have indicated the lack of flexibility of materials and/or building systems has been a contributing factor to damages that reduced the protection of the life-safety of building occupants and increased the cost of rehabilitation of structures.

3. Climatic I - The region is within a climate zone that requires compliance with energy efficiency standards for building construction. The amendment will add to energy efficiency and safety by utilizing the most current nationally recognized standards.

WHEREAS, the finding of necessity as set forth in Section 18941.5 (a) of the California Building Code and 17958.5 of Title 18 (Health and Safety Code) California Code of Regulations for the code amendments listed in Scotts Valley Municipal Code Section 15.04.070 is hereby made.

NOW THEREFORE, BASED UPON THE FOREGOING AND ALL EVIDENCE SUBMITTED TO IT, BE IT FURTHER ORDAINED BY THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY AS FOLLOWS:

SECTION 1. The foregoing facts are adopted as findings of the City Council as though set forth in fully within the body of this ordinance.

SECTION 2. Section 15.04.060 of Chapter 15.04, Title 15 is hereby amended to read as follows:

"**15.04.060 Adoption of Codes**

For the purpose of establishing proper regulations for building construction and for installation of mechanical, plumbing and electrical systems, the following codes or portions thereof hereinafter set forth are adopted and incorporated in this chapter by reference and made a part hereof as though fully set forth, without further publication or posting thereof:

A. California Code of Regulations (hereinafter referred to as "CCR") Title 24, Part 2, Volumes 1 and 2, the 2022 California Building Code, including Appendix C, H, I and, J except as modified herein (hereinafter referred to as "CBC").

B. CCR Title 24, Part 2.5, The 2022 California Residential Code, including Appendix H, J and AX, except as modified herein (hereinafter referred to as "CRC").

C. CCR Title 24, Part 3, The 2022 California Electrical Code, except as modified herein (hereinafter referred to as "CEC").

D. CCR Title 24, Part 4, The 2022 California Mechanical Code, including Appendices B, C and D, except as modified herein (hereinafter referred to as "CMC").

E. CCR Title 24, Part 5, The 2022 California Plumbing Code, including Appendices A, B, D, H, I and K except as modified herein (hereinafter referred to as "CPC").

F. CCR Title 24, Part 10, The 2022 California Existing Building Code,

Appendix Chapter A1, except as modified herein.

G. CCR Title 24, Part 11, The 2022California Green Standards Code, except as modified herein (Refer to Scotts Valley Municipal Code Chapter 17.51, Green Building Regulations).

H. CCR Title 24, Part 1, The 2022 California Administrative Code except as modified herein (hereinafter referred to as “CAC”).

I. CCR Title 24, Part 12, The 2022 California Referenced Standards Code except as modified herein (hereinafter referred to as “CRSC”).

J. CCR Title 24, Part 6, The 2022 California Energy Code except as modified herein.

K. The International Property Maintenance Code (hereinafter referred to as ”IPMC”), 2018 edition , as published by the International Code Council.”

SECTION 3. Section 15.04.070 of Chapter 15.04, Title 15 is hereby amended to read as follows:

“15.04.070 - Amendments to the 2022 California Code of Regulations Title 24.

The following sections of the codes as adopted in Section 15.04.060 are hereby modified as follows:

A. CBC Section 105.2. Buildings 2—Work exempt from permit is modified as follows: Fences not over eight feet as specified in Title 17, Chapter 17,46, Section 17.46.110

B. CBC Section 105.5.1 [Permit] Expiration
Every permit issued shall become invalid unless the work authorized by such permit is commenced within 180 days after its issuance or after commencement of work if more than 180 days pass between inspections. The building official is authorized to grant, in writing, one or more extensions of time, for periods of not more than 180 days each. The extension shall be requested in writing and justifiable cause demonstrated.

C. Add sentence to CBC Section 1.8.8.1, CRC Section 1.8.8.1 and CBC Section 113: Refer to Scotts Valley Municipal Code (hereinafter referred to as "SVMC") Chapter 15.04.120, Board of Appeals.

D. Add sentence to CBC Section 1804: Refer to SVMC Chapter 15.06, Excavation, Grading, Erosion and Sediment Control Regulations.

E. CBC Section 110.3.1, insert second paragraph to read as follows: A survey of the lot may be required by the building official to verify that the structure is located in accordance with the approved plans.

F. CRC R105.5 shall be amended to read:

Every permit issued shall become invalid unless the work authorized by such permit is commenced within 180 days after its issuance or after commencement of work if more than 180 days pass between inspections. The building official is authorized to grant, in writing, one or more extensions of time, for periods of not more than 180 days each. The extension shall be requested in writing and justifiable cause demonstrated.

G. CRC Section R109.1.1, insert second paragraph to read as follows: A survey of the lot may be required by the building official to verify that the structure is located in accordance with the approved plans.

H. CRC Table R301.2(1) shall be populated with the following criteria as established by the City of Scotts Valley, using criteria published in the CRC where applicable: Ground Snow load = 0, Wind Design/Speed (mph) = 110, Wind Design/Topographic Effects = No, Seismic Design Category = D2, Subject To Damage From/Weathering = Negligible, Subject To Damage From/Frost line depth = 12 inches below undisturbed soil, Subject To Damage From/Termite = Very Heavy, Winter Design Temp = 40 degrees Fahrenheit, Ice Barrier Underlayment Required = No, Flood Hazards = FIRM 3/2/2006 (Panels 219D, 238D, 329D, 331D, 332D, 333D, 334D, 351D), Air Freezing Index = 0, Mean Annual Temp = 55 degrees Fahrenheit.

I. CRC Table R602.10.4 Delete Methods LIB, GB and PCP.

J. CRC Appendix AX, Swimming Pool Safety Act Amend Section 115922 to read:

Except as provided in Section 115925, when a building permit is issued for the construction of a new swimming pool or spa or the remodeling of an existing swimming pool or spa at a private single-family home, the respective swimming pool or spas shall be equipped with a pool barrier which complies with Section 115923, and at least one of the following 6 features:

(1) Removable mesh fencing that meets American Society for Testing and Materials (ASTM) Specifications F2286 standards in conjunction with a gate that is self-closing and self-latching and can accommodate a key lockable device.

(2) An approved safety pool cover, as defined in subdivision (d) of Section 115921.

(3) Exit alarms on the private single-family home's doors that provide direct access to the swimming pool or spa. The exit alarm may

cause either an alarm noise or a verbal warning, such as a repeating notification that “the door to the pool is open.”

(4) A self-closing, self-latching device with a release mechanism placed no lower than 54 inches above the floor on the private single-family home’s doors providing direct access to the swimming pool or spa.

(5) An alarm that, when placed in a swimming pool or spa, will sound upon detection of accidental or unauthorized entrance into the water. The alarm shall meet and be independently certified to the ASTM Standard F2208 “Standard Safety Specification for Residential Pool Alarms,” which includes surface motion, pressure, sonar, laser, and infrared type alarms. A swimming protection alarm feature designed for individual use, including an alarm attached to a child that sounds when the child exceeds a certain distance or becomes submerged in water, is not a qualifying drowning prevention safety feature.

(6) Other means of protection, if the degree of protection afforded is equal to or greater than that afforded by any of the features set forth above and has been independently verified by an approved testing laboratory as meeting standards for those features established by the ASTM or the American Society of Mechanical Engineers (ASME).

K. The following modifications are made to the CMC:

Section 104.4.3 is deleted and replaced with the following:

Every permit issued shall become invalid unless the work authorized by such permit is commenced within 180 days after its issuance or after commencement of work if more than 180 days pass between inspections. The building official is authorized to grant, in writing, one or more extensions of time, for periods of not more than 180 days each. The extension shall be requested in writing and justifiable cause demonstrated.

Section 104.4.3.1 is Deleted

L. The following modification is made to the CPC:

Section 104.4.3 is deleted and replaced with the following:

Every permit issued shall become invalid unless the work authorized by such permit is commenced within 180 days after its issuance or after commencement of work if more than 180 days pass between inspections. The building official is authorized to grant, in writing, one or more extensions of time, for periods of not more than 180 days each. The extension shall be requested in writing and justifiable cause demonstrated.

Section 104.4.3.1 is Deleted”

SECTION 4. SEVERABILITY. If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction such portion shall be deemed a separate, distinct and independent provision of such Ordinance and shall not affect the validity of the remaining portions thereof.

SECTION 5. REPEALS CONFLICTING ORDINANCES. All other ordinances of the City of Scotts Valley or provisions of the Scotts Valley Municipal Code which are in conflict with this Ordinance are hereby repealed to the extent of such conflict.

SECTION 6. CEQA COMPLIANCE. The City Council finds and determines that the enactment of this Ordinance is not a “project” as that term is used in the California Environmental Quality Act (“CEQA”), (Cal. Pub. Res. Code Section 21000 et seq.) or the State CEQA Guidelines (Cal. Code of Regs., Title 14, Section 15000 et seq.). Therefore, no environmental assessment is required or necessary.

SECTION 7. EFFECTIVE DATE. This Ordinance shall take effect thirty days after the date of its adoption. Prior to the expiration of fifteen days from the date of adoption, this Ordinance shall be published in at least three (3) public places.

This Ordinance is herein introduced on the 2nd day of November, 2022, and passed and anticipated to be adopted on the 16th day of November, 2022, at a duly held meeting of the City Council of the City of Scotts Valley by the following votes:

Approved: ____________________________
Donna Lind, Mayor

Attest: ______________________________
Cathie Simonovich, City Clerk

Approved as to Form:

____
Kirsten Powell, City Attorney

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: November 16, 2022

TO: Honorable Mayor and City Council

FROM: Kirsten M. Powell, City Attorney

SUBJECT: **INTRODUCTION OF ORDINANCE NO. 157.2 AMENDING MUNICIPAL CODE CHAPTER 2.70 - PURCHASING**

SUMMARY OF ISSUE

Chapter 2.70 of the City of Scotts Valley Municipal Code defines the City's rules and processes for purchasing and procurement of goods, services and public works construction using public funds. The Chapter has not been updated since 1996 and warrants revisions to both modernize the requirements for the City's procurement policies as well as financial thresholds related to those policies. The purpose of this chapter and proposed revisions is to facilitate efficient procedures for the purchase of goods, services, materials, supplies and/or equipment for the City at the lowest possible cost commensurate with quality needed, to exercise positive financial control over purchases, and to clearly define authority for the purchasing function to assure the quality of purchases.

The proposed revisions clarify the purpose, add definitions, update procurement authority and responsibilities, add responsibilities to end users, clarify contract award authority, modernize procurement methods, modernize processes, and align with environmental mandates.

The City's Purchasing Officer is the City Manager. The proposed revision increases the Purchasing Agent's approval authority from $50,000 to $100,000. The purpose of this increase is to catch up with inflationary increases since the policy was last revised and to improve efficiency of city operations. The City Council retains authority for all purchase contracts great than $100,000, unless otherwise delegated to the City Manager.

The ordinance defines three tiers of procurement methods. The proposed revision would increase the open market procurement cap from $5,000 to $10,000; Informal bidding is required for purchases between $10,000 and $100,000 (an increase from $50,000); and formal bids are required for purchases over $100,000. Public Works projects align with the caps outlined in the Public Contracting Code.

The revised ordinance also allows for public agency purchases, such as those made using cooperative purchasing programs, or by piggyback arrangements, as viable alternatives to competitive bidding, so long as the underlying contract by the awarding agency resulted from competitive solicitation processes similar to those required by the City. Finally, the revised ordinance provides for Best Value Contracting for those circumstances in which qualifications and experience are critical factors when awarding contract for services, particularly professional services.

FISCAL IMPACT

There is no fiscal impact from approving the proposed revision to the Municipal Code Chapter 2.70 – Purchasing.

STAFF RECOMMENDATION

It is recommended the City Council introduce and hold the first reading of Ordinance No. 157.2 revising Chapter 2.70 – Purchasing of the Scotts Valley Municipal Code and waive the reading thereof.

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AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY AMENDING CHAPTER 2.70 OF THE SCOTTS VALLEY MUNICIPAL CODE ESTABLISHING PROCEDURES FOR THE PURCHASING OF GOODS AND SERVICES

WHEREAS, in 1993, the City Council of the City of Scotts Valley adopted Ordinance No. 157 establishing procedures for the purchase of goods and services by the City which were codified in Chapter 2.70 of the Scotts Valley Municipal Code (the "Ordinance"); and

WHEREAS, the Ordinance was updated in 1996 with the passage of Ordinance No. 157.1; and

WHEREAS, the purpose of Chapter 2.70 is to facilitate efficient procedures for the purchase of goods, services, materials, supplies and/or equipment for the City at the lowest possible cost commensurate with quality needed, to exercise positive financial control over purchases, and to clearly define authority for the purchasing function to assure the quality of purchases; and

WHEREAS, in order to modernize the purchasing procedures and increase the purchasing limits, the City Council desires to repeal the existing Chapter 2.70 adopted by Ordinance No. 157 and Ordinance No. 157.1 and adopt a new Chapter 2.70.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY as follows:

Section 1. Chapter 2.70 of the Scotts Valley Municipal Code is hereby repealed and replaced with a new Chapter 2.70 to read as follows:

"**Chapter 2.70 - PURCHASING**

2.70.100- Surplus or unused supplies, materials and equipment
2.70.110- Environmentally preferable materials and supplies
2.70-120- Local vendor preference

2.70.010 - Purposes.

This chapter establishes the policy requirements to be followed for the purchase of goods, services and public works construction using public funds. This chapter enumerates the contracting authority of the City Council, the City Manager, and designated employees.

The purpose of this chapter is to facilitate efficient procedures for the purchase of services, materials, supplies and/or equipment (goods) for the city at the lowest possible cost commensurate with quality needed, to exercise positive financial control over purchases, and to clearly define authority for the purchasing function to assure the quality of purchases.

2.70.020 – Definitions.

For the purpose of this chapter:

“Best value procurement” refers to the application of evaluative factors in addition to price for the purpose of awarding a purchase contract for goods, services and/or Professional services.

“Contract” means all types of city agreements, regardless of what they may be called, for the procurement of goods, services or public works construction.

“Cooperative purchasing” refers to the use of another public entity’s procurement process similar to that required by the city in order to purchase goods and/or services that result in time and/or cost savings or otherwise provide the best overall value. The practice of using another public entity’s competitive solicitation process can be referred to as “piggybacking.”

"Emergency" means any natural disaster, work stoppage or other action or activity that impairs public health, safety or both.

“Formal bidding” refers to the process by which sealed bids or proposals are solicited.

“Informal bidding” refers to the processes by which price quotations are solicited.

"Local vendor" means any wholesaler, distributor, dealer, merchant or seller of goods and/or services with their primary place of business located within the city limits of Scotts Valley.

"Materials, supplies and/or equipment," also referred to as “goods,” means all materials, supplies and/or equipment of whatever kind purchased by the city except materials, supplies and/or equipment for public works projects and governed by law related to bidding for public works projects.

"Professional services" means the services of attorneys; physicians; architects; engineers; consultants; auditors; specialized printers; other individuals or organizations possessing a high degree of professional, unique, specialized, technical skill and/or expertise; individuals contracting for special activities or negotiating for the acquisition of land; individuals contracting to provide services related to insurance bonds or any other services of a similar nature engaged for a particular project or series of projects; or other governmental agencies.

"Responsive bidding" means a person or entity who has submitted a bid that conforms in all material respects to the requirements set forth in the bidding documents.

"Responsible bidder" means a person or entity who possesses the demonstrated ability, capacity, experience and skill to deliver the required goods and/or services.

"Services" means all types of service except services provided by persons performing professional services.

"Sole source" refers to a situation where a good or service can only be obtained from one source due to its proprietary or specialized nature, or a situation where product/service compatibility is an overriding consideration to price.

"Surplus property" means materials, supplies, or equipment that is no longer used or has become obsolete, to be sold, exchanged or donated in accordance with established procedures.

2.70.030 – Procurement authority and responsibilities.

A. City Manager. The City Manager shall be designated as the purchasing officer and shall have the authority to:

   1. Purchase or contract for public works construction, services, materials, supplies and/or equipment (goods) required by any city department in accordance with purchasing requirements contained in this chapter;

   2. Adopt, or submit for adoption to the City Council as may be required, such administrative regulations necessary to effectively and efficiently administer the purchasing function;

   3. Designate another city employee or employees to function as, or perform the functions of, the purchasing officer;

   4. Negotiate and recommend execution of contracts for the purchase of services, materials, supplies and/or equipment;

   5. Procure for the city the needed quality in services, materials, supplies and/or equipment for the best overall value in exchange for public funds;

   6. Endeavor to obtain as full and open competition as possible on all purchases;

7. Prepare and recommend revisions and amendments to the purchasing ordinance based on best practices or to comply with changes in the law;
8. Keep informed of current developments in the field of purchasing, prices, market conditions and new products;
9. Prescribe and maintain such forms as reasonably necessary to the operation of this chapter and other purchasing rules and regulations;
10. Supervise the inspection of all services, materials, supplies and/or equipment purchased to insure conformance with specifications;
11. Authorize the transfer of surplus or unused supplies, materials and/or equipment between city departments as needed and the sale or trade of all supplies, materials and/or equipment which cannot be used by any city department or which have become unsuitable for city use; and
12. Maintain bidders' lists, vendor catalog files and records needed for the efficient operation of the purchasing office, as required.

B. Responsibilities of end users. End users of the purchasing system shall:

1. Comply at all times with the requirements of this chapter and associated administrative policies and procedures;
2. Identify procurement needs and the availability of funding;
3. Submit to the designated approver accurate specifications and bidding documents for required goods, services or public works construction;
4. Participate in the evaluation of submitted bids and proposals, as required;
5. Inspect goods delivered and services performed to verify conformity with bidding requirements and contractual obligations, and authorize payment for conforming goods and/or services; and
6. Report non-conforming goods and/or services and surplus property available for disposal to designated approvers.

2.70.040 – Contract award authority.

A. City Manager. The City Manager shall be the award authority for contracts up to $100,000.00. This provision shall apply to modifications to contracts awarded by the City Manager so long as the total of such modifications does not exceed the City Manager’s award threshold.

B. City Council. The City Council shall be the award authority for all contracts greater than $100,000.00, or subsequent modifications to such council-approved contracts. This provision shall apply to modifications to contracts awarded under the City Manager’s authority if such modifications result in the contract exceeding the City Manager’s award threshold.

C. Delegation of Contract Award Authority. The authorities established in this section may be delegated as follows.

1. City Manager. For operational effectiveness, the City Manager may delegate contract award authority in writing to other city officials and staff to procure goods and/or services and public works construction. Such delegated authority shall not exceed the City Manager's contract award authority established in Section 2.70.040.A.

2. City Council. The City Council may delegate its contract award authority to the City Manager if deemed necessary for operational effectiveness. Such delegation shall not be extended to city officials other than the City Manager unless expressly authorized by majority vote of the City Council.

2.70.050 – Procurement methods.

A. Open market procedure.

Any single purchase of contractual goods and/or services of an estimated value of up to $10,000.00, may be made by the purchasing officer in the open market without the necessity of competitively bidding. However, nothing shall preclude the use of prudent judgment and conducting price comparisons in order to obtain the best possible value.

B. Informal bidding procedures.

Any single purchase of goods and/or services of an estimated value between $10,001.00 and $100,000.00 may be made by the purchasing officer by observing the following procedures:

1. Inviting Informal Bids. The purchasing officer may solicit bids by written requests to prospective vendors, by telephone or by public notice posted on a public bulletin board in the Scotts Valley City Hall or by any other means deemed reasonably effective.

2. Written Bids Required. Solicitations, whether requested verbally or in writing, must be submitted in writing as price quotations or on bidding forms, as deemed appropriate by the purchasing officer. The purchasing officer may accept sealed bids if deemed appropriate.

3. Minimum Number of Bids. Purchases shall, wherever possible, be based on the solicitation of at least 3 informal bids, and shall be awarded to the lowest responsive and responsible bidder except as provided by this Chapter.

C. Formal bidding procedures.

Except as otherwise provided in this chapter, purchases of goods and/or services of an estimated value in excess of $100,000.00 shall be formally bid as provided hereinafter.

1. Notice Inviting Bids. Notice inviting bids shall be published at least 10 days before the date set for opening the bids. Notice shall be published at least once in a trade paper, magazine or a newspaper of general circulation. Notices inviting

bids shall include a general description of the required goods and/or services, where and how bidding documents can be obtained, and the time and place for opening bids.

2. Sealed Bids. Bids shall be submitted in sealed envelopes by the due date and time set by the city to receive the bids, in further accordance with bidding instructions contained in the bidding documents.

3. Bidders' Security. When deemed necessary by the purchasing officer, bidders' security shall be required as set forth in public notices inviting bids. Unsuccessful bidders shall be entitled to return of their bid security. The successful bidder shall forfeit his bid security upon refusal or failure to execute the contract within ten days after the notice of award has been issued by the city. The City Council may, on refusal or failure of the successful bidder to execute the contract, award the contract to the next lowest responsive and responsible bidder.

4. Bid Opening Procedure. Bids shall be opened at the time and place stated in the public notices. A tabulation of all bids received shall be available for public inspection as soon as practicable following the bid opening.

5. Rejection of Bids. Competitive bids not conforming to the solicitation requirements may be rejected by the purchasing officer as non-responsive. Notwithstanding any relevant provisions in state law, the city may, in its discretion reject any or all bids presented, readvertise for bids, or waive the bidding procedure if deemed necessary and approved by a four-fifths vote of the City Council. Minor irregularities in bids may be waived by the purchasing officer if the irregularity does not materially affect bid pricing or result in a competitive advantage.

6. Award of Contract. A contract shall be awarded to the lowest responsive and responsible bidder by the appropriate award authority, except as otherwise provided in this chapter.

7. Tie Bids. If two or more bids received are for the same total amount or unit price, quality and service being equal, and if the public interest will not permit for delay to readvertise for bids, the appropriate award authority may, upon successful negotiation or recommendation by the purchasing officer, accept the bid that provides the best overall value to the city.

D. Best Value Procurement. Nothing in this chapter shall preclude the use of formal or informal solicitation processes to procure goods, services and/or Professional services based on the best overall value obtained in exchange for public funds. In these situations, contracts are awarded based on factors in addition to price, the evaluation criteria of which are included in the solicitation document and determined by the purchasing officer. The following methods are representative of best value procurements.

   1. Request for Proposals. The request for proposals (RFP) process is used to procure goods and/or services that require specialized technical knowledge or professional expertise that cannot be exactly specified for the purpose of determining the lowest bid.

2. Request for Qualifications. The request for qualifications (RFQ) process is used mainly to procure Professional services where demonstrated competence and expertise are overriding considerations, and where pricing is not typically requested until a top rated proposer or proposers are identified. Unless otherwise determined by the Purchasing officer, the solicitation document used for the RFQ process shall request statements of qualifications (SOQ) from prospective proposers for evaluating qualifications and experience.

2.70.060 - Exceptions to competitive bidding.

The following procurement methods or situations may not require competitive bidding, subject to purchasing officer authorization and applicable state or federal laws.

A. Purchasing Cooperatives. Use of purchasing cooperatives is a best procurement practice and is encouraged as a way of obtaining goods and services by aggregating volume, securing value pricing, and reducing administrative overhead. Measured use of purchasing cooperatives can significantly reduce the time and resources needed to competitively bid goods and services contracts. There are numerous purchasing cooperatives the staff can evaluate for use. Some leading cooperatives include state contracts such as California Multiple Award Schedules (CMAS) of the Department of General Services (DGS); OMNIA Partners, Public Sector (formerly U.S. Communities); Sourcewell (formerly National Joint Partners Alliance); and NASPO ValuePoint (formerly WSCA-NASPO, or the Western States Contracting Alliance-National Association of State Procurement Officials).

B. Emergency Purchases. In the event of an emergency as defined in Section 2.70.020, the purchasing officer may purchase, or authorize the purchase, of goods and/or services in the open market without complying with the provisions of this chapter, unless competitive bidding is otherwise required by law and/or as a condition of grant reimbursement under emergency assistance programs.

C. Sole Source Purchases. Purchases that are only available from one source may be made without competitive bidding in accordance with instructions required by, and approval obtained from, the purchasing officer.

D. Piggyback Contracting. Subject to the appropriate approval authority, the City may enter into contracts for goods and services purchases, the pricing and terms of which have been previously established by another public agency. The following requirements apply to piggyback contracts, and must be verified by the purchasing officer prior to contract award:

   a. The parties to the original contract agree to the piggyback.

   b. The contract is for identical or nearly identical goods and/or services.

   c. The original contract resulted from competitive bidding or proposal procedures similar to those required by the City.

   d. The original contract was awarded within two years of the City's purchase, or written justification is provided to support the use of an older solicitation.

e. The price of the purchase is comparable to that estimated by the requesting department.

Provided that the above conditions are met, and the purchase is approved by the appropriate award authority, the purchasing officer will issue a purchase order and execute a separate contract with the vendor selected by the originating agency which incorporates by reference the original solicitation, terms, conditions and prices.

2.70.070 - Bidding for public works projects.

By City Council resolution Nos. 1137 and 1137.1, the City Council elected to be subject to the uniform construction accounting procedures set forth in Article 2 (commencing with Section 22010) of the California Public Contract Code (the "Act"). Public projects of the public works department, as defined in the Act (Section 22002), or as those sections may be amended from time to time by the state legislature, shall be advertised, bid and awarded in accordance with Article 3 (commencing with Section 22030) of the Act. To the extent Sections 2.70.071 through 2.70.074 are inconsistent with the Act, the provisions of the Act shall prevail.

2.70.071 - Informal bid procedures for public works projects.

Public projects, as defined in the Act, of less than $200,000.00, or such amount established in Section 22032 of the Act, may be let as set forth in Section 22032, et seq., of the Act.

2.70.072 - Contractors list for public works projects.

A list of contractors shall be developed and maintained in accordance with the provisions of Section 22034 of the Act and criteria promulgated from time to time by the California Uniform Construction Cost Accounting Commission (the "Commission").

2.70.073 - Notice inviting informal bids for public works projects.

When a public project is to be performed that is subject to Section 2.70.071, a notice inviting informal bids will be mailed to all contractors for the category of work to be bid, as shown on the list developed in accordance with Section 2.70.072. Additional contractors or construction trade journals may be notified at the discretion of the department soliciting bids; provided however:

A. If there is no list of qualified contractors maintained by the city for the particular category of work to be performed, the notice inviting bids shall be sent only to the construction trade journals specified by the Commission; and

B. If the product or service is proprietary in nature such that it can be obtained only from a certain contractor or contractors, the notice inviting informal bids may be sent exclusively to that contractor or contractors.

2.70.074 - Award of informal bid contracts.

The City Council will award informal contracts under Section 2.70.071 or designate a specific city officer to make the award on a project by project basis.

2.70.080 – Requisition and purchase order requirements.

Unless otherwise specified by the purchasing officer, city departments requiring goods and/or services, or public works construction, shall submit requests to the purchasing officer by standard requisition forms and purchase orders shall be issued prior to receiving the required goods and/or services or initiating construction work.

2.70.090 - Available funds.

Except in the event of an emergency as outlined in Section 2.70.060.B of this chapter, the purchasing officer shall not issue any purchase order for services, materials, supplies and/or equipment unless there exists an unencumbered appropriation in the fund account against which the purchase is to be charged.

2.70.100 - Surplus or unused supplies, materials and equipment.

All city departments shall submit to the purchasing officer, at such times and in such manner as he/she may prescribe, reports showing all supplies, materials and/or equipment which are no longer used or which have become obsolete or no longer usable by the city. The purchasing officer shall have authority to sell, exchange or trade supplies, materials and/or equipment which no longer can be used by any city department or which are unsuitable for city use, or trade the same for new supplies, materials and/or equipment.

2.70.110 – Environmentally preferable materials and supplies.

Whenever available at a reasonably comparable price, quality and fitness for intended use, or as otherwise required by law or order of the purchasing officer, environmentally preferable materials and supplies shall be purchased.

2.70.120 - Local vendor preference.

The purchasing officer shall establish and maintain procedures which provide for award of contracts for services, materials, supplies and/or equipment to local vendors in the city so long as their bid is no greater than five percent (5%) over the otherwise lowest bid."

Section 2. Severability. The provisions of this chapter are declared to be severable and if any provision, sentence, clause, section or part of this chapter is held illegal, invalid, unconstitutional or inapplicable to any person or circumstances, such illegality, invalidity or unconstitutionality or inapplicability shall not affect or impair any of the remaining provisions, sentences, clauses, sections or parts of this chapter or their application to persons and circumstances.

Section 3. Repeals Conflicting Ordinances. All other ordinances of the City of Scotts Valley or provisions of the Scotts Valley Municipal Code which are in conflict with this Ordinance are hereby repealed to the extent of such conflict.

Section 4. CEQA Compliance. The City Council finds and determines that the enactment of this Ordinance is not a "project" as that term is used in the California Environmental Quality Act ("CEQA"), (Cal. Pub. Res. Code Section 21000 et seq.) or the State CEQA Guidelines (Cal. Code of Regs., Title 14, Section 15000 et seq.). Therefore, no environmental assessment is required or necessary.

Section 5. Effective Date. Posting. This Ordinance shall be in full force and effect thirty (30) days from and after its passage and shall be posted in three (3) public places within the City of Scotts Valley.

This Ordinance was introduced on the 16th day of November, 2022, and passed and adopted on the 7th day of December, 2022, at a duly held meeting of the City Council of the City of Scotts Valley by the following votes:

AYES:

NOES:

ABSENT:

Approved: ______________________________
Donna Lind, Mayor

Attest: ___________________________
Cathie Simonovich, City Clerk

Approved as to Form:

____
Kirsten M. Powell, City Attorney