TOWN OF LOS GATOS
COUNCIL MEETING AGENDA
APRIL 07, 2026
110 EAST MAIN STREET AND TELECONFERENCE
TOWN COUNCIL CHAMBERS
7:00 PM

Rob Moore, Mayor
Maria Ristow, Vice Mayor
Mary Badame, Council Member
Matthew Hudes, Council Member
Rob Rennie, Council Member

IMPORTANT NOTICE

This is a hybrid meeting and will be held in-person at the Town Council Chambers at 110 E. Main Street and virtually through Zoom Webinar (log-in information provided below). You may watch the Council meeting without providing public comment on Comcast cable channel 15 or at www.LosGatosCA.gov/TownYouTube. Members of the public may provide public comments for agenda items in-person or virtually by following the instructions listed at the end of the agenda.

To watch and participate via Zoom, please go to:

https://losgatosca-gov.zoom.us/j/86730363468?pwd=pfKQoh92JnbwOYwFvZqIdSSWpjxYoK.1

Enter Passcode: 577971

CALL MEETING TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

PRESENTATIONS

i. Presentation by Valley Transportation Authority (VTA).
ii. Arbor Day Proclamation.

CONSENT ITEMS *(Consent Items are considered routine Town business and may be approved by one motion. Any member of the Council may remove an item from the Consent Items for comment and action. Members of the public may provide input on any or multiple Consent Item(s) when the Mayor asks for public comments on the Consent Items. If you wish to comment, please follow the Participation Instructions located at the end of this agenda. If an item is removed, the Mayor has the sole discretion to determine when the item will be heard. Each speaker is limited to no more than three (3) minutes or such time as authorized by the Mayor.)*

1. **Approve the Minutes of the March 16, 2026, Special Joint Study Session Meeting of the Town Council and Finance Commission.**
   RECOMMENDATION: Approve the Minutes of the March 16, 2026, Special Joint Study Session Meeting of the Town Council and Finance Commission.

2. **Approve the Minutes of the March 16, 2026, Town Council Special Meeting.**
   RECOMMENDATION: Approve the Minutes of the March 16, 2026, Town Council Special Meeting.

3. **Approve the Minutes of the March 17, 2026, Closed Session Town Council Meeting.**
   RECOMMENDATION: Approve the Minutes of the March 17, 2026, Closed Session Town Council Meeting.

4. **Approve the Minutes of the March 17, 2026, Special Joint Study Session Meeting of the Town Council and Planning Commission.**
   RECOMMENDATION: Approve the Minutes of the March 17, 2026, Special Joint Study Session Meeting of the Town Council and Planning Commission.

5. **Approve the Minutes of the March 17, 2026, Town Council Meeting.**
   RECOMMENDATION: Approve the Minutes of the March 17, 2026, Town Council Meeting.

6. **Approve the Minutes of the March 30, 2026, Closed Session Town Council Meeting.**
   RECOMMENDATION: Approve the Minutes of the March 30, 2026, Closed Session Town Council Meeting.

7. **Authorize the Town Manager to Execute a Construction Contract with QLM, Inc. in the Amount of $163,538 with Change Order Authority Not to Exceed $16,354; Approve the Plans and Specifications (Design Immunity), and Authorize the Town Manager to Execute a Professional Services with Ninyo & Moore for an Amount Not to Exceed $9,880 (Oak Meadow Bandstand Area Improvements Project)**
   RECOMMENDATION: Staff recommends that the Town Council take the following actions regarding the Oak Meadow Bandstand Area Improvements Project (4218405, CIP No. 831-4007):
   a. Authorize the Town Manager to execute a public works contract with QLM, Inc. in the amount of $163,538 with authority to approve construction change orders in an amount not to exceed $16,354 (10% contingency);
   b. Approve the project construction plans and specifications per Government Code 830.6 (Design Immunity);
   c. Authorize the Town Manager to execute an Agreement for Professional Services with Ninyo & Moore for Materials Testing Services for a total agreement in an amount not to exceed $9,880; and
   d. Find the project Categorically Exempt as a minor alteration under Section 15301(c) (Existing Facilities) of the California Environmental Quality Act.

8. **Authorize the Town Manager to Execute a First Amendment to the Agreement for Consultant Services with CSG Consultants, Inc., to Extend the Term of the Agreement**

RECOMMENDATION: Authorize the Town Manager to execute a First Amendment to the Agreement for Consultant Services with CSG Consultants, Inc., to extend the term of the agreement for encroachment permit plan review and inspection services related to Comcast projects for a term of one year.

9. Authorize the Town Manager to Execute a First Amendment to the Agreement for Services with Bear Electrical Solutions LLC to Increase the Scope of Work and Compensation for Fiscal Year 2025-26 and Fiscal Year 2026-27 for a Total Agreement Amount Not to Exceed $982,907

RECOMMENDATION: Staff recommends that the Town Council authorize the Town Manager to execute a first amendment to the agreement for services with Bear Electrical Solutions LLC to:

a. Increase the scope of work and compensation for Fiscal Year 2025-26 to include additional funds for unforeseen repair services in the amount of $40,000, assessment services for the Advanced Traffic Management System (ATMS) in the amount of $12,500, and ATMS management services in the amount of $3,520;
b. Increase the scope of work and compensation for FY 2026-27 to include additional funds for unforeseen repair services in the amount of $40,000 and ATMS management services in the amount of $21,120, for a total agreement amount not to exceed $982,907; and
c. Exercise the first-year option to extend the contract for FY 2026-27 services in the amount of $225,203.

10. Authorize the Town Manager to Execute a Professional Services Agreement with Dudek for the Town-Wide Evacuation Plan, in an Amount Not to Exceed $346,930.00; Execute a Cost Sharing Agreement with Monte Sereno, totaling $56,039.50; and Approve the Associated Revenue Budget Adjustment

RECOMMENDATION: Take the following actions:

a. Authorize the Town Manager to execute a Professional Services Agreement with Dudek for the Town-Wide Evacuation Plan with Simulation-Based Modeling for the Town of Los Gatos and the City of Monte Sereno, in an amount not to exceed $346,930;
b. Authorize the Town Manager to execute a Cost Sharing Agreement with the City of Monte Sereno, to include a $4,000 administration fee and 15% of the cost of Dudek services, totaling $56,039.50;
c. Authorize revenue budget adjustment of $56,039.50 to recognize the reimbursement revenue from the City of Monte Sereno; and
d. Authorize the Town Manager to make non-substantive revisions to the agreements and related documents consistent with the Council's action.

11. Authorize the Town Manager to Execute a First Amendment to an Agreement with NHA Advisors, LLC for Fiscal Condition Analysis, Fiscal Impact Analysis, and Asset Liability Management Studies to Extend the Contract to June 30, 2026

RECOMMENDATION: Authorize the Town Manager to execute a first amendment to an agreement with NHA Advisors, LLC for fiscal condition analysis, fiscal impact analysis, and asset liability management studies to extend the contract to June 30, 2026.

12. Adopt Resolutions to Join the California Joint Powers Insurance Authority (CJPIA), Participate in Its Liability Protection Program, Delegate Claims Handling Authority, Authorize Administrative Implementation, and Appoint the Mayor as Voting Delegate and the Town Manager and Town Attorney as Alternates

RECOMMENDATION: Adopt the following actions to implement the Town's transition from the Pooled Liability Assurance Network Joint Powers Authority to the California Joint Powers Insurance Authority (CJPIA), effective July 1, 2026:

a. Adopt a resolution approving execution of the Joint Powers Agreement creating the CJPIA.
b. Adopt a resolution authorizing and approving pooling of self-insurance through the Liability Protection Program of the CJPIA effective, July 1, 2026.
c. Adopt a resolution delegating tort liability claims handling responsibilities to the California Joint Powers Insurance Authority pursuant to Government Code sections 910 et seq.
d. Adopt a resolution authorizing the Town Manager, or the Town Manager's designee, to execute and administer activities and obligations related to the Town's membership in and participation with the California Joint Powers Insurance Authority.
e. Appoint the Mayor to serve as the Town's Director to the CJPIA Board of Directors and appoint the Town Manager and Town Attorney as Alternate Directors.
f. Authorize completion and submission of the 2026 Annual Board of Directors Meeting Voting Delegate and Alternate Form and any related membership and program participation documents.

13. Authorize the Town Manager to Negotiate and Execute an Art Transfer Agreement with the Los Gatos Museum Association (NUMU) to Transfer a Sculpture and Plaque

RECOMMENDATION: Authorize the Town Manager to negotiate and execute an Art Transfer Agreement with the Los Gatos Museum Association (NUMU) in substantially the form presented to transfer a sculpture and plaque.

VERBAL COMMUNICATIONS *(Members of the public are welcome to address the Town Council on any matter that is not listed on the agenda and is within the subject matter jurisdiction of the Town Council. The law generally prohibits the Town Council from discussing or taking action on such items. However, the Council may instruct staff accordingly. Town resources may not be used to facilitate audio or visual presentations. To ensure all agenda items are heard, this portion of the agenda is limited to 30 minutes. In the event additional speakers were not heard during the initial Verbal Communications portion of the agenda, an additional Verbal Communications will be opened prior to adjournment. Each speaker is limited to no more than three (3) minutes or such time as authorized by the Mayor.)*

PUBLIC HEARINGS *(Presentations during the Public Hearings portion of the agenda by appellants and applicants, including any expert or consultant assisting with the presentation, shall be limited to a total of no more than five (5) minutes for all speakers. Appellants and applicants shall be provided no more than three (3) minutes to rebut at the end of the public hearing. Visual presentations that require the use of staff resources shall be limited to appellants and applicants. Members of the public testifying at public hearings shall be limited to no more than three (3) minutes, or such time as authorized by the Mayor.)*

14. **Adopt a resolution approving the Comprehensive Fee Schedule for FY 2026-27 to continue certain Department fees, rates, and charges, and amend certain fees, rates, and charges for FY 2026-27; and Adopt a resolution approving the Administrative Fine and Penalty Schedule for FY 2026-27 to continue certain department fines and amend certain fines for FY 2026-27.**
RECOMMENDATION: Adopt a resolution approving the Comprehensive Fee Schedule for FY 2026-27 to continue certain Department fees, rates, and charges, and amend certain fees, rates, and charges for FY 2026-27; and Adopt a resolution approving the Administrative Fine and Penalty Schedule for FY 2026-27 to continue certain department fines and amend certain fines for FY 2026-27.

OTHER BUSINESS *(Each speaker is limited to no more than three (3) minutes or such time as authorized by the Mayor.)*

15. **Receive the West Valley Homeless Services Feasibility Study and Adopt a Resolution of Intent to Support Participation in a West Valley Homeless Services Implementation Task Force.**
RECOMMENDATION: Staff recommends that the Town Council receive the West Valley Homeless Feasibility Study and adopt a Resolution to support the Town's participation in a West Valley Homeless Services Implementation Task Force.

16. **Approve Legislative Priorities with Regard to State, Federal, and Regional Legislation**
RECOMMENDATION: Set the Town's Strategic Priorities as the Town's Legislative Priorities with regard to state, federal, and regional legislation.

COUNCIL MATTERS *(Members of the public who wish to speak on matters listed under Council Matters may do so under Verbal Communications.)*

MANAGER MATTERS

ATTORNEY MATTERS AND CLOSED SESSION REPORT

ADJOURNMENT *(Council policy is to adjourn no later than midnight unless a majority of Council votes for an extension of time.)*

ADA NOTICE - In compliance with the Americans with Disabilities Act, if you require special assistance to participate in this meeting, please contact the Clerk's Office at (408) 354-6834. Please notify the Clerk's Office at least two (2) business days prior to the meeting so that reasonable arrangements can be made to ensure accessibility in compliance with 28 CFR §35.102-35.104 and related provisions.

NOTICE REGARDING SUPPLEMENTAL MATERIALS - Materials related to an item on this agenda submitted to the Town Council after initial distribution of the agenda packets are available for public inspection in the Clerk's Office at Town Hall, 110 E. Main Street, Los Gatos and on the Town's website at www.losgatosca.gov. Town Council agendas and related materials can be viewed online at https://losgatos-ca.municodemeetings.com/.

HOW TO PARTICIPATE

Members of the public may provide public comments for agenda items in-person or virtually through the Zoom Webinar by following the instructions listed below.

The public is welcome to provide oral comments in real-time during the meeting in three ways:

- **Zoom Webinar (Online)**: To participate from a PC, Mac, iPad, iPhone or Android device. Please use this URL to join: https://losgatosca-gov.zoom.us/j/86730363468?pwd=pfKQoh92JnbwOYwFvZqIdSSWpjxYoK.1 Passcode: **577971**. You can also type in **867 3036 3468** in the "Join a Meeting" page on the Zoom website at www.zoom.us and use passcode **577971**. When the Mayor announces the item for which you wish to speak, click the "raise hand" feature in Zoom.
- **Telephone**: To participate by phone please dial 1 (408) 961-3927 or 1 (855) 758-1310 for US Toll-free and use Meeting ID: **867 3036 3468**. When the Mayor announces the item for which you wish to speak, press *9 on your telephone keypad to raise your hand.
- **In-Person**: Please complete a "speaker's card" located on the back of the chamber benches and submit it to the Town Clerk before the meeting or when the Mayor announces the item for which you wish to speak.

NOTES: Comments will be limited to three (3) minutes or less at the Mayor's discretion. If you are unable to participate in real-time, you may email to Clerk@losgatosca.gov the subject line "Public Comment Item #__ " (insert the item number relevant to your comment).

Deadlines to submit written comments are:

-3:00 p.m. the Thursday before the Council meeting for inclusion in the agenda packet.
-3:00 p.m. the Friday and Monday before the Council meeting for inclusion in an addendum.
-11:00 a.m. the day of the Council meeting for inclusion in a desk item.

TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 04/07/2026
ITEM NO: 1

DRAFT
Minutes of the Special Joint Study Session Meeting of the Town Council and the Finance Commission
Monday, March 16, 2026

The Town Council of the Town of Los Gatos conducted a special meeting in person and via teleconference to hold a joint Study Session with the Finance Commission.

MEETING CALLED TO ORDER AT 5:03 P.M.

ROLL CALL

Present: Mayor Rob Moore, Vice Mayor Maria Ristow, Council Member Mary Badame, Council Member Rob Rennie, Council Member Matthew Hudes, Commissioner Linda Reiners, Commissioner Joseph Rodgers, Vice Chair Adam Fischer, and Chair Ashby Monk
Absent: Commissioner Phil Koen

VERBAL COMMUNICATIONS

The following individual spoke during verbal communications:

1. Member of the Public

(Video time: 0:12:57)
MOTION: **Motion** by **Council Member Hudes** to have FAQ's (Frequently Asked Questions) for this meeting. **Seconded** by **Council Member Rennie**.

VOTE: Motion passed unanimously.

OTHER BUSINESS

1. Receive Presentation on Potential Revenue Options and Provide Feedback.

Kristina Alfaro, Administrative Services Director, introduced the item and the consultants.

Wing-See Fox, consultant from UFI Financial Solutions, gave a presentation on Tax Revenue Analysis.

The Town Council and the Finance Commission asked questions.

Mayor Moore opened public comment.

The following individuals spoke on this item:

1. Member of the Public
2. Jak VanNada
3. Heidi Owens

Mayor Moore closed public comment.

The Town Council and the Finance Commission discussed the item and provided comments.

No action taken on this item.

ADJOURNMENT
The meeting adjourned at 6:38 p.m.

Respectfully Submitted:

_____
Keara Johnson, Deputy Town Clerk

TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 04/07/2026
ITEM NO: 2

DRAFT
Minutes of the Town Council
Monday, March 16, 2026

The Town Council of the Town of Los Gatos conducted a special meeting in person and via teleconference.

MEETING CALLED TO ORDER AT 7:02 P.M.

ROLL CALL
Present: Mayor Rob Moore, Vice Mayor Maria Ristow, Council Member Mary Badame, Council Member Rob Rennie, Council Member Matthew Hudes.
Absent: None.

VERBAL COMMUNICATIONS

The following individual spoke during verbal communications:

1. Member of the Public

OTHER BUSINESS
1. Discuss and Provide Direction on Potential Revenue Options.

Kristina Alfaro, Administrative Services Director, presented the staff report.

The council asked questions.

Mayor Moore opened public comment.

The following individuals spoke on this item:

1. Member of the Public

Mayor Moore closed public comment.

Council discussed the item.

No action was taken.

ADJOURNMENT
The meeting adjourned at 7:13 p.m.

Respectfully Submitted:

_____
Keara Johnson, Deputy Town Clerk

TOWN OF LOS GATOS
COUNCIL CLOSED SESSION MINUTES

MEETING DATE: 04/07/2026
ITEM NO: 3

DRAFT
Minutes of the Town Council Special Meeting Closed Session
Tuesday, March 17, 2026

The Town Council of the Town of Los Gatos conducted a special meeting in person to hold a Closed Session.

MEETING CALLED TO ORDER AT APPROXIMATELY 4:02 P.M.

ROLL CALL
Present: Mayor Rob Moore, Council Member Mary Badame, Council Member Matthew Hudes, and Council Member Rob Rennie.
Absent: Vice Mayor Maria Ristow (Recused due to property's proximity to her residence.)

VERBAL COMMUNICATIONS (ONLY ON ITEMS ON THE AGENDA)
No one spoke.

Mayor Moore announced the closed session titles as listed on the agenda.

THE TOWN COUNCIL MOVED TO CLOSED SESSION ON THE FOLLOWING ITEMS:

1. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Government Code Section 54956.8)
   Property: 4 Tait Avenue
   Agency Negotiator(s): Chris Constantin, Town Manager; Katy Nomura, Assistant Town Manager; Julio J. Fuentes, Kosmont Senior Managing Director/Agent; Stephanie Ontiveros, Kosmont Managing Director; and Larry Kosmont, President/Broker
   Negotiating Parties: Branislav Vajdic; Howell Development & Investments, Inc., Gregory Howell; JoAn Smith; Rob White; Saratoga Capital, Inc., Kirk Kozlowski; and State Street Sedgwick Partners, LLC (Robin and Grant Sedgwick) and Susan and Adam Ward
   Under Negotiation: Price and Terms of Payment

There was no reportable action.

ADJOURNMENT
The meeting adjourned at approximately 4:46 p.m.

Attest:

_____
Keara Johnson, Deputy Town Clerk

Submitted by:

_____
Chris Constantin, Town Manager

TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 04/07/2026
ITEM NO: 4

DRAFT
Minutes of the Special Joint Study Session Meeting of the Town Council and the Planning Commission

Tuesday, March 17, 2026

The Town Council of the Town of Los Gatos conducted a special meeting in person and via teleconference to hold a joint Study Session with the Planning Commission.

MEETING CALLED TO ORDER AT 5:01 P.M.

ROLL CALL

Present: Mayor Rob Moore, Vice Mayor Maria Ristow, Council Member Mary Badame, Council Member Rob Rennie, Council Member Matthew Hudes, Commissioner Susan Burnett, Commissioner Joe Sordi, Commissioner Rob Stump (participated remotely and joined the meeting at approximately 5:03 p.m.), Chair Kendra Burch, Vice Chair Jeffrey Barnett
Absent: Commissioner Adam Mayer, Commissioner Emily Thomas

VERBAL COMMUNICATIONS

The following individuals spoke during verbal communications:

1. Member of the Public

(Video time: 0:05:38)
MOTION: Motion by **Council Member Hudes** to capture FAQ's (Frequently Asked Questions) from this meeting. **Seconded** by **Council Member Rennie**.

VOTE: Motion passed unanimously.

OTHER BUSINESS

1. Review the Progress on an Update to the Los Gatos Objective Design Standards for Multi-Family and Mixed-Use Development Throughout the Town and Provide Any Feedback or Direction.

Sean Mullin, Planning Manager, presented the staff report and introduced the consultant.

Cal Jurtz and Monica Szydlik, consultants from Lisa Wise Consulting, Inc., gave a presentation on Multi-Family and Mixed-Use Objective Design Standards.

Mayor Moore opened public comment.

The following individuals spoke during verbal communications:

1. Member of the Public
2. Lee Fagot
3. Carin Yamamoto

Mayor Moore closed public comment.

The Town Council and the Planning Commission asked questions, discussed the proposed Objective Design Standards, and provided feedback.

ADJOURNMENT
The meeting adjourned at 6:42 p.m.

Respectfully Submitted:

_____
Keara Johnson, Deputy Town Clerk

TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 04/07/2026
ITEM NO: 5

DRAFT
Minutes of the Town Council Meeting
Tuesday, March 17, 2026

The Town Council of the Town of Los Gatos conducted a regular meeting in person and via teleconference.

MEETING CALLED TO ORDER AT 7:02 P.M.

ROLL CALL
Present: Mayor Rob Moore, Vice Mayor Maria Ristow, Council Member Mary Badame, Council Member Rob Rennie, Council Member Matthew Hudes.
Absent: None.

PLEDGE OF ALLEGIANCE
Council Hudes led the Pledge of Allegiance. The audience was invited to participate.

PRESENTATIONS
Mayor Moore presented recognitions to the business of the month, the resident of the month, and read a proclamation for American Red Cross Month.

CONSENT ITEMS (TO BE ACTED UPON BY A SINGLE MOTION)
1. Approve the Minutes of the March 3, 2026, Closed Session Town Council Meeting.
2. Approve the Minutes of the March 3, 2026, Town Council Meeting.
3. Receive the Monthly Financial and Investment Report for January 2026.
4. Accept the Annual Progress Report for the General Plan and Housing Element Implementation.
5. Adopt a Resolution Approving the Final Map for Tract Number 10657 (Solana Project Located at 50 Los Gatos-Saratoga Road), Accepting the Dedications, and Approving and Authorizing the Town Manager to Execute the Subdivision Improvement Agreement, the Landscape Maintenance Agreement, the Stormwater Treatment Facilities Maintenance Agreement, and the Multi-Use Pathway Maintenance Agreement in Substantially the Form Presented. **RESOLUTION 2026-010**
6. Approve the 2026 Community Health and Senior Services (CHSSC) Work Plan.
7. Adopt a Resolution Confirming Action Only Minutes and Modifying the Minute Format. **RESOLUTION 2026-011**

Mayor Moore opened public comment.

The following individuals spoke on the consent items:

1. Member of the Public (Items 2 and 7)
2. Lee Quintana (Item 7)

Mayor Moore closed public comment.

(Video time: 00:22:53)
MOTION: **Motion** by **Council Member Badame** to approve items one through seven. **Seconded** by **Council Member Hudes.**

VOTE: **Motion passed unanimously.**

VERBAL COMMUNICATIONS

The following individuals spoke during verbal communications:

1. Jeff Susuki
2. SueAnn Lorig
3. Nigel Chandler
4. Lee Quintana
5. Lee Fagot (Council Matters)
6. Carin Yamamoto (Council Matters)
7. Gregory Gentile (Council Matters)
8. Gordon Yamate (Council Matters)
9. Anne Lamborn (Council Matters)
10. Joe Enz
11. Member of the Public

OTHER BUSINESS

8. Review and Provide Input on a Comprehensive Framework and Workplan for the Town's Multi-Year Capital Improvement Program.

Nicolle Burnham, Parks and Public Works Director, and Kristina Alfrao, Administrative Services Director, presented the staff report.

Mayor Moore opened public comment.

The following individual spoke on this item:

1. Member of the Public

Mayor Moore closed public comment.

Council discussed the item and asked questions.

(Video time: 1:32:17)

MOTION: **Motion** by **Council Member Badame** to approve the work plan and elements of the Capital Improvement Program, with consideration of the recommendations of the Finance Commission and hiring consultant services if needed and recommended by staff at a later date. **Seconded** by **Council Member Hudes.**

VOTE: **Motion passed unanimously.**

COUNCIL MATTERS

a. Consider the Mayor's Request to Place a Diversity, Equity, and Inclusion (DEI) Commission Recommendation Regarding a Proposed "Hand[Righting] the Constitution" Project on a Future Agenda for Future Action.

Council discussed the item.

(Video time: 1:53:11)

MOTION: **Motion** by **Council Member Rennie** to go with staff's recommendation [listed in the memo, that Commissioner's involvement in the project should be in their personal capacity and not on behalf of the DEI Commission or Town, that third party leads the project, staff will publicize it and provide Town facilities for the final product to be displayed]. **Seconded** by **Vice Mayor Ristow. AMENDMENT:** to include that the final product be checked and is a true transcription and not an interpretation, and that an interpretation will not be displayed.

The motion was discussed.

Mayor Moore opened public comment for clarification.

The following individual spoke:

1. Gordon Yamate

Mayor Moore closed public comment.

After further discussion, the Town Manager stated that he will proceed with the intent that community members handwrite the Constitution verbatim and consider a location for its display in a public venue to be determined.

Motion was withdrawn by Council Member Rennie.

Council Matters

- Council Member Badame stated she attended the Los Gatos Monte Sereno Police Foundation Ball and participated in the Little League Opening Day Ceremony.

- Vice Mayor Ristow stated she attended the Silicon Valley Clean Energy Administration and Finance Committee meeting, the Silicon Valley Clean Energy Board of Directors meeting, the Los Gatos Monte Sereno Police Foundation Ball; judged the American Legion Oratorical Contest; toured the El Camino Los Gatos Hospital; attended the Valley Transit Authority Policy Committee meeting, the Cities Association meeting; and met with residents about the West Valley Muslim Association Conditional Use Permit.
- Council Member Hudes stated he participated in the Finance Commission meeting, the Los Gatos Thrives meetings; and met with members of the public regarding the West Valley Muslim Association.
- Council Member Rennie stated he attended the Los Gatos Monte Sereno Police Foundation Ball; observed the West Valley Muslim Association Ramadan traffic; participated in a Silicon Valley Clean Energy Board tour of the Diablo Canyon Nuclear Power Plant; and met with Tom Picraux from the Thrives Foundation.
- Mayor Moore stated he observed the West Valley Muslim Association Ramadan traffic; spoke with the Los Gatos Interact Club and the Rotary Club; attended a Cal Poly alumni mixer; caught the first pitch at the Los Gatos Cupertino Saratoga Fast Pitch Softball Opening Day; attended Los Gatos Monte Sereno Police Foundation Ball, the Civic Well Policymakers conference; spoke at Compass Realty and at the Campo De Boche St. Patrick's Day celebration; and hosted community coffee and happy hour events.

MANAGER MATTERS

- Stated he attended the Los Gatos Monte Sereno Police Foundation Ball, commented on the Los Gatos Monte Sereno Police Foundation contributions, and received an invitation from the Consul General of Greece to attend the Greek Independence in San Francisco.

ATTORNEY MATTERS AND CLOSED SESSION REPORT

Gabrielle Whelan, Town Attorney

- Stated the Town Council met in closed session to discuss the disposition of 4 Tait and discuss real estate negotiations, and Vice Mayor Maria Ristow was recused due to living in proximity to 4 Tait. There was no reportable action.

ADJOURNMENT

The meeting adjourned at 9:11 p.m.

Respectfully Submitted:

_____

Keara Johnson, Deputy Town Clerk

TOWN OF LOS GATOS
COUNCIL CLOSED SESSION MINUTES

MEETING DATE: 04/07/2026
ITEM NO: 6

DRAFT
Minutes of the Town Council Special Meeting Closed Session
Tuesday, March 30, 2026

The Town Council of the Town of Los Gatos conducted a special meeting in person to hold a Closed Session.

MEETING CALLED TO ORDER AT APPROXIMATELY 5:01 P.M.

ROLL CALL
Present: Mayor Rob Moore, Council Member Mary Badame, Council Member Matthew Hudes, and Council Member Rob Rennie.
Absent: Vice Mayor Maria Ristow (Recused due to property's proximity to her residence.)

VERBAL COMMUNICATIONS (ONLY ON ITEMS ON THE AGENDA)
No one spoke.

Mayor Moore announced the closed session title as listed on the agenda.

THE TOWN COUNCIL MOVED TO CLOSED SESSION ON THE FOLLOWING ITEMS:

1. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Government Code Section 54956.8)
   Property: 4 Tait Avenue
   Agency Negotiator(s): Chris Constantin, Town Manager; Katy Nomura, Assistant Town Manager; Julio J. Fuentes, Kosmont Senior Managing Director/Agent; Stephanie Ontiveros, Kosmont Managing Director; and Larry Kosmont, President/Broker
   Negotiating Parties: Branislav Vajdic; Howell Development & Investments, Inc., Gregory Howell; JoAn Smith; Rob White; Saratoga Capital, Inc., Kirk Kozlowski; and State Street Sedgwick Partners, LLC (Robin and Grant Sedgwick) and Susan and Adam Ward
   Under Negotiation: Price and Terms of Payment

There was no reportable action.

ADJOURNMENT
The meeting adjourned at approximately 5:32 p.m.

Attest:

_____
Wendy Wood, Town Clerk

Submitted by:

_____
Chris Constantin, Town Manager

TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 04/07/2026
ITEM NO: 7

DATE: April 7, 2026

TO: Mayor and Town Council

FROM: Chris Constantin, Town Manager

SUBJECT: **Authorize the Town Manager to Execute a Construction Contract with QLM, Inc. in the Amount of $163,538 with Change Order Authority Not to Exceed $16,354; Approve the Plans and Specifications (Design Immunity), and Authorize the Town Manager to Execute a Professional Services with Ninyo & Moore for an Amount Not to Exceed $9,880 (Oak Meadow Bandstand Area Improvements Project)**

RECOMMENDATION: Staff recommends that the Town Council take the following actions regarding the Oak Meadow Bandstand Area Improvements Project (4218405, CIP No. 831-4007):

a. Authorize the Town Manager to execute a public works contract with QLM, Inc. in the amount of $163,538 with authority to approve construction change orders in an amount not to exceed $16,354 (10% contingency);
b. Approve the project construction plans and specifications per Government Code 830.6 (Design Immunity);
c. Authorize the Town Manager to execute an Agreement for Professional Services with Ninyo & Moore for Materials Testing Services for a total agreement in an amount not to exceed $9,880; and
d. Find the project Categorically Exempt as a minor alteration under Section 15301(c) (Existing Facilities) of the California Environmental Quality Act.

FISCAL IMPACT:

Sufficient funding is available in the adopted CIP for the Oak Meadow Bandstand Area Improvements Project (CIP No. 831-4007, 4218405). Total authorized project expenditures under this action equal $189,772, comprised of: QLM, Inc. construction contract ($163,538),

PREPARED BY: Saurabh Nijhawan
Senior Civil Engineer

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Finance Director

10% contingency ($16,354), and materials testing services (Ninyo & Moore) NTE $9,880. No additional General Fund appropriation is required.

STRATEGIC PRIORITY:

This item does not directly address a Strategic Priority; however, it aligns with the Core Goal of Quality Public Infrastructure**.**

BACKGROUND:

The adopted FY 2025/26-2029/30 Capital Improvement Program (CIP) Budget designates funding for the Oak Meadow Bandstand Area Improvements Project (CIP No. 831-4007) to enhance the perimeter outdoor space surrounding the Lyndon Bandstand at Oak Meadow Park and improve its functionality as an accessible and programmable event space.

The project was initiated to address increased demand for event space, as the Lyndon Bandstand has become a popular destination for larger events and activities. To accommodate the increased need for programmable and reservable space, the area around the bandstand needs improvements and modifications. The improvements will stabilize the area with decorative hardscape, improve accessibility, and enhance landscaping to support a broader range of public and private events.

DISCUSSION:

The Oak Meadow Bandstand Area Improvements Project (CIP No. 831-4007) was advertised for bid on January 23, 2026. On February 18, 2026, bid packages were opened, and eight contractors submitted bids. A summary of bid results is presented in Table 1 with QLM Inc. as the apparent low bidder. A detailed list of bid results is in Attachment 2.

Table 1. Bid Summary for Oak Meadow Bandstand Area Improvements Project (CIP No. 831-4007)

Contractor	Base Bid
Engineers Estimate	$ 180,000.00
QLM Inc.	$ 163,538.00
SAE Consulting Engineering	$ 175,057.90
Silicon Valley Paving, Inc.	$ 195,243.00
RAM-CON Corporation	$ 200,154.93
SBAY CONSTRUCTION, INC	$ 206,305.71
John Boylan Engineering, Inc.	$ 224,845.45
BNO Builders	$ 237,989.87
Raposo Engineering Inc	$ 244,861.38

Staff reviewed the bids received for responsiveness and responsibility. Based on this review, QLM Inc. was determined to be the lowest responsive and responsible bidder. The proposed construction contract amount of $163,538 is within the approved project budget and consistent with the scope of work identified in the construction documents. The bid submitted by QLM, Inc. is approximately 9% below the Engineer's Estimate, indicating competitive pricing consistent with current market conditions.

Government Code 830.6 states that neither a public entity nor a public employee is liable under this chapter for an injury caused by the plan or design of a construction of, or an improvement to, public property where such plan or design has been approved in advance of the construction or improvement by the legislative body. Staff requests that the Town Council approve the construction plans for this project. Approval of the plans and specifications will provide design immunity pursuant to Government Code Section 830.6. The project construction plans are provided in Attachment 3.

The Town received proposals for materials testing, and staff recommends an agreement with Ninyo & Moore (Attachment 5), which is proposed based on the quality of their proposal and ability to perform the work successfully.

Construction is anticipated to begin in April 2026 and be completed within approximately 28 calendar days, minimizing disruption to park operations.

CONCLUSION:

Staff recommends the Town Council authorize the Town Manager to execute a public works contract with QLM, Inc., and a Professional Services agreement with Ninyo & Moore for the Oak Meadow Bandstand Area Improvement Project. The proposed actions would allow the Town to proceed with executing an agreement for construction services with QLM Inc. to build a decorative hardscape surrounding Lyndon Bandstand at Oak Meadow Park.

COORDINATION:

This project was coordinated with the Finance Department.

ENVIRONMENTAL ASSESSMENT:

This is a project defined under CEQA as being Categorically Exempt pursuant to CEQA Guidelines Section 15301(c). A Notice of Exemption has been filed.

SUBJECT: Authorize The Town Manager to Execute an Agreement with QLM Inc. for Construction on the Oak Meadow Bandstand Area Improvements Project (CIP No. 831-4007)

DATE: April 7, 2026

Attachments:

1. Construction Agreement
2. Bid Results
3. Construction Plans
4. Contract Specifications
5. Agreement for Material Testing Services

CONSTRUCTION CONTRACT

CONSTRUCTION AGREEMENT

This public works contract ("Contract") is by and between Town of Los Gatos ("Town") and QLM INC. ("Contractor"), for work on the Construction Agreement for Oak Meadow Bandstand Area Improvements Project #21-831-4007 ("Project").

The parties agree as follows:

Award of Contract. In response to the Notice Inviting Bids, Contractor has submitted a Bid Proposal to perform the Work to construct the Project. The Town has authorized award of this Contract to Contractor for the amount set forth in Section 4, below. Town has elected to include the following Project alternate(s) in the Contract: No alternates.

Contract Documents. The Contract Documents incorporated into this Contract include and are comprised of all of the documents listed below. The definitions provided in Article 1 of the General Conditions apply to all of the Contract Documents, including this Contract.

A. Notice Inviting Bids;

B. Instructions to Bidders;

C. Addenda, if any;

D. Bid Proposal and attachments thereto;

E. Contract;

F. Payment and Performance Bonds;

G. General Conditions;

H. Special Conditions;

I. Project Plans and Specifications;

J. Change Orders, if any;

K. Notice of Potential Award;

L. Notice to Proceed; and

M. The following: No other documents

Contractor's Obligations. Contractor will perform all of the Work required for the Project, as specified in the Contract Documents. Contractor must provide, furnish, and supply all things necessary and incidental for the timely performance and completion of the Work, including all necessary labor, materials, supplies, tools, equipment, transportation, onsite facilities, and utilities, unless otherwise specified in the Contract Documents. Contractor must use its best efforts to diligently prosecute and complete the Work in a professional and expeditious manner and to meet or exceed the performance standards required by the Contract Documents.

Payment. As full and complete compensation for Contractor's timely performance and completion of the Work in strict accordance with the terms and conditions of the Contract Documents, City will pay Contractor $163,538.00 ("Contract Price") for all of Contractor's direct and indirect costs to perform the Work, including all labor, materials, supplies, equipment, taxes, insurance, bonds and all overhead costs, in accordance with the payment provisions in the General Conditions.

Time for Completion. Contractor will fully complete the Work for the Project, meeting all requirements for Final Completion, within 28 calendar days from the start date set forth in the Notice to Proceed ("Contract Time"). below, Contractor expressly waives any claim for delayed early completion.

Liquidated Damages. As further specified in Section 5.4 of the General Conditions, if Contractor fails to complete the Work within the Contract Time, Town will assess liquidated damages in the amount of $1,800 per day for each day of unexcused delay in achieving Final Completion, and such liquidated damages may be deducted from City's payments due or to become due to Contractor under this Contract.

Labor Code Compliance.

A. **General.** This Contract is subject to all applicable requirements of Chapter 1 of Part 7 of Division 2 of the Labor Code, including requirements pertaining to wages, working hours and workers' compensation insurance, as further specified in Article 9 of the General Conditions.

B. **Prevailing Wages.** This Project is subject to the prevailing wage requirements applicable to the locality in which the Work is to be performed for each craft, classification or type of worker needed to perform the Work, including employer payments for health and welfare, pension, vacation, apprenticeship and similar purposes. Copies of these prevailing rates are available online at http://www.dir.ca.gov/DLSR.

C. **DIR Registration.** City may not enter into the Contract with a bidder without proof that the bidder and its Subcontractors are registered with the California Department of Industrial Relations to perform public work pursuant to Labor Code § 1725.5, subject to limited legal exceptions.

D. **Workers' Compensation Certification.** Pursuant to Labor Code § 1861, by signing this Contract, Contractor certifies as follows: "I am aware of the provisions of Labor Code § 3700 which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the Work on this Contract."

Conflicts of Interest. Contractor, its employees, Subcontractors, and agents may not have, maintain, or acquire a conflict of interest in relation to this Contract in violation of any City ordinance or requirement, or in violation of any California law, including Government Code § 1090 et seq., or the Political Reform Act, as set forth in Government Code § 81000 et seq. and its accompanying regulations. Any violation of this Section constitutes a material breach of the Contract.

Independent Contractor. Contractor is an independent contractor under this Contract and will have control of the Work and the means and methods by which it is performed. Contractor and its Subcontractors are not employees of City and are not entitled to participate in any health, retirement, or any other employee benefits from City.

Notice. Any notice, billing, or payment required by or pursuant to the Contract Documents must be made in writing, signed, dated, and sent to the other party by personal delivery, U.S. Mail, a reliable overnight delivery service, or by email as a PDF file. Notice is deemed effective upon delivery, except that service by U.S. Mail is deemed effective on the second working day after deposit for delivery. Notice for each party must be given as follows:

Town:

Invoices:
Town of Los Gatos
Attn: Accounts Payable
P.O. Box 655

Notices:
Town of Los Gatos
Attn: Town Clerk
110 E. Main Street
Los Gatos, CA 95030

Contractor:

QLM INC.
94 Umbarger Road, San Jose, CA 95111

Attn: Darrell Qualls President darrell.qualls@qlm-inc.com (408)-265-0904

General Provisions.

A. **Assignment and Successors.** Contractor may not assign its rights or obligations under this Contract, in part or in whole, without City's written consent. This Contract is binding on Contractor's and City's lawful heirs, successors and permitted assigns.

B. **Third Party Beneficiaries.** There are no intended third party beneficiaries to this Contract.

C. **Governing Law and Venue.** This Contract will be governed by California law and venue will be in the Santa Clara County Superior Court, and no other place. Contractor waives any right it may have pursuant to Code of Civil Procedure § 394, to file a motion to transfer any action arising from or relating to this Contract to a venue outside of Santa Clara County, California.

D. **Amendment.** No amendment or modification of this Contract will be binding unless it is in a writing duly authorized and signed by the parties to this Contract.

E. **Integration.** This Contract and the Contract Documents incorporated herein, including authorized amendments or Change Orders thereto, constitute the final, complete, and exclusive terms of the agreement between City and Contractor.

F. **Severability.** If any provision of the Contract Documents is determined to be illegal, invalid, or unenforceable, in whole or in part, the remaining provisions of the Contract Documents will remain in full force and effect.

G. **Iran Contracting Act.** If the Contract Price exceeds $1,000,000, Contractor certifies, by signing below, that it is not identified on a list created under the Iran Contracting Act, Public Contract Code § 2200 et seq. (the "Act"), as a person engaging in investment activities in Iran, as defined in the Act, or is otherwise expressly exempt under the Act.

H. **Authorization.** Each individual signing below warrants that he or she is authorized to do so by the party that he or she represents, and that this Contract is legally binding on that party. If Contractor is a corporation, signatures from two officers of the corporation are required pursuant to California Corporations Code § 313.

[Signatures are on the following page.]

The parties agree to this Contract as witnessed by the signatures below:

TOWN OF LOS GATOS:	QLM INC.:
SIGNATURE	**CONTRACTOR SIGNATORY'S SIGNATURE**
Chris Constantin	Darrell Qualls
FULL NAME	**CONTRACTOR SIGNATORY'S FULL NAME**
Town Manager	President
TITLE	**CONTRACTOR SIGNATORY'S TITLE**
DATE SIGNED	**DATE SIGNED**

Approved as to form:

SIGNATURE
Gabrielle Whelan
FULL NAME
Town Attorney
TITLE
DATE SIGNED

The execution date is the date on which the last party has signed.

Base Bid				QLM-Inc.		SAE Consulting Engineering		Silicon Valley Paving, Inc.		RAM-CON Corporation		SBAY CONSTRUCTION, INC		John Boylan Engineering, Inc.		BNO Builders		Raposo Engineering Inc	
Line Item	Description	Quantity	Unit of Me	Unit Cost	Total	Unit Cost	Total	Unit Cost	Total	Unit Cost	Total	Unit Cost	Total	Unit Cost	Total	Unit Cost	Total	Unit Cost	Total
1	MOBILIZATION	1	LS	$6,000.00	$6,000.00	$12,500.00	$12,500.00	$3,000.00	$3,000.00	$6,755.00	$6,755.00	$7,410.00	$7,410.00	$40,000.00	$40,000.00	$12,876.27	$12,876.27	$14,000.00	$14,000.00
2	TEMPORARY PEDESTRIAN ACCESS	1	LS	$3,500.00	$3,500.00	$3,000.00	$3,000.00	$2,000.00	$2,000.00	$2,235.00	$2,235.00	$1,200.00	$1,200.00	$4,000.00	$4,000.00	$6,427.00	$6,427.00	$2,500.00	$2,500.00
3	TEMPORARY CONSTRUCTION FENCE	340	LF	$6.00	$2,040.00	$9.00	$3,060.00	$6.00	$2,040.00	$15.34	$5,215.60	$5.05	$1,717.00	$19.25	$6,545.00	$26.78	$9,105.20	$9.00	$3,060.00
4	DEMOLITION	1	LS	$5,000.00	$5,000.00	$5,000.00	$5,000.00	$5,000.00	$5,000.00	$5,000.00	$5,000.00	$5,000.00	$5,000.00	$5,000.00	$5,000.00	$5,000.00	$5,000.00	$5,000.00	$5,000.00
5	CLEARNING & GRUBBING	1	LS	$6,500.00	$6,500.00	$5,000.00	$5,000.00	$9,000.00	$9,000.00	$7,938.00	$7,938.00	$9,412.00	$9,412.00	$15,180.00	$15,180.00	$8,569.00	$8,569.00	$23,500.00	$23,500.00
6	EROSION AND SEDIMENT CONTROL	1	LS	$1,500.00	$1,500.00	$2,500.00	$2,500.00	$2,000.00	$2,000.00	$4,062.00	$4,062.00	$2,752.00	$2,752.00	$4,082.50	$4,082.50	$7,498.00	$7,498.00	$3,000.00	$3,000.00
7	EXISTING TREE PROTECTION	2	EA	$600.00	$1,200.00	$1,100.00	$2,200.00	$300.00	$600.00	$1,031.00	$2,062.00	$273.00	$546.00	$1,040.00	$2,080.00	$803.33	$1,606.66	$500.00	$1,000.00
8	GRADING (ROUGH & FINE)	1	LS	$14,000.00	$14,000.00	$6,400.00	$6,400.00	$10,000.00	$10,000.00	$19,216.00	$19,216.00	$22,646.00	$22,646.00	$18,538.00	$18,538.00	$36,049.00	$36,049.00	$4,500.00	$4,500.00
9	SOIL PREPARATION	3098	SF	$2.00	$6,196.00	$2.30	$7,125.40	$2.00	$6,196.00	$6.88	$21,314.24	$2.05	$6,350.90	$4.70	$14,560.60	$1.87	$5,793.26	$2.50	$7,745.00
10	CONCRETE PAVING TYPE 1 W/ 6" AB	623	SF	$23.00	$14,329.00	$25.00	$15,575.00	$35.00	$21,805.00	$29.94	$18,652.62	$35.61	$22,185.03	$31.50	$19,624.50	$19.28	$12,011.44	$41.95	$26,134.85
11	CONCRETE PAVING TYPE 2 W/ 6" AB	347	SF	$25.00	$8,675.00	$27.00	$9,369.00	$40.00	$13,880.00	$27.96	$9,702.12	$47.88	$16,614.36	$34.10	$11,832.70	$20.35	$7,061.45	$62.45	$21,670.15
12	CONCRETE PAVING TYPE 3 W/ 6" AB	2633	SF	$23.00	$60,559.00	$21.50	$56,609.50	$30.00	$78,990.00	$18.96	$49,921.68	$24.79	$65,272.07	$9.55	$25,145.15	$30.13	$79,332.29	$25.25	$66,483.25
13	STAMP CONCRETE Type 1 W/ 6" AB (BRICK SUBSITUTE)	252	SF	$25.00	$6,300.00	$25.00	$6,300.00	$50.00	$12,600.00	$25.29	$6,373.08	$37.81	$9,528.12	$45.00	$11,340.00	$34.28	$8,638.56	$77.38	$19,499.76
14	STAMP CONCRETE Type 2 W/ 6" AB (BRICK SUBSITUTE)	114	SF	$25.00	$2,850.00	$27.00	$3,078.00	$60.00	$6,840.00	$73.18	$8,342.52	$77.83	$8,872.62	$91.50	$10,431.00	$36.42	$4,151.88	$102.00	$11,628.00
15	CONCRETE CURB @ LAWN AREA	240	LF	$68.00	$16,320.00	$87.00	$20,880.00	$40.00	$9,600.00	$86.03	$20,647.20	$48.15	$11,556.00	$55.00	$13,200.00	$48.20	$11,568.00	$83.75	$20,100.00
16	TOP SOIL	1	LS	$800.00	$800.00	$5,000.00	$5,000.00	$3,000.00	$3,000.00	$4,312.00	$4,312.00	$3,718.00	$3,718.00	$10,902.00	$10,902.00	$12,853.00	$12,853.00	$7,500.00	$7,500.00
17	TURF RESTORATION	923	SF	$3.00	$2,769.00	$7.00	$6,461.00	$4.00	$3,692.00	$3.69	$3,405.87	$7.07	$6,525.61	$8.00	$7,384.00	$4.82	$4,448.86	$2.7523	$2,540.3729
18	NEW AREA DRAIN	1	LS	$5,000.00	$5,000.00	$5,000.00	$5,000.00	$5,000.00	$5,000.00	$5,000.00	$5,000.00	$5,000.00	$5,000.00	$5,000.00	$5,000.00	$5,000.00	$5,000.00	$5,000.00	$5,000.00
	Total				**$163,538.00**		**$175,057.90**		**$195,243.00**		**$200,154.93**		**$206,305.71**		**$224,845.45**		**$237,989.87**		**$244,861.3829**

CONTRACTOR AGREES THAT HE SHALL ASSUME SOLE AND COMPLETE RESPONSIBILITY FOR JOB SITE CONDITIONS DURING THE COURSE OF CONSTRUCTION OF THIS PROJECT, INCLUDING SAFETY OF ALL PERSONS AND PROPERTY; THAT THIS REQUIREMENT SHALL APPLY CONTINUOUSLY AND NOT BE LIMITED TO NORMAL WORKING HOURS; AND THAT THE CONTRACTOR SHALL DEFEND, INDEMNIFY AND HOLD THE OWNER AND THE ENGINEER HARMLESS FROM ANY AND ALL LIABILITY, REAL OR ALLEGED, IN CONNECTION WITH THE PERFORMANCE OF WORK ON THIS PROJECT, EXCEPTING FOR LIABILITY ARISING FROM THE SOLE NEGLIGENCE OF THE OWNER OR THE ENGINEER.

TOWN OF LOS GATOS STANDARD NOTES

1. ALL WORK SHALL BE PERFORMED IN CONFORMANCE WITH THE THESE PLANS, THE PROJECT SPECIFICATIONS, AND THE TOWN OF LOS GATOS ENGINEERING DESIGN STANDARDS AND SPECIFICATIONS (UNLESS SPECIFICALLY STATED OTHERWISE ON THE PLANS).
2. IT SHALL BE THE RESPONSIBILITY OF THE CONTRACTOR TO IDENTIFY, LOCATE AND PROTECT ALL UNDERGROUND FACILITIES. THE CONTRACTOR SHALL NOTIFY USA (UNDERGROUND SERVICE ALERT) AT 1-800-227-2600 A MINIMUM OF FORTY-EIGHT (48) HOURS BUT NOT MORE THAN FOURTEEN (14) DAYS PRIOR TO COMMENCING ALL WORK.
3. THE CONTRACTOR SHALL COMPLY WITH ALL LOCAL, STATE AND FEDERAL LAWS, CODES, RULES AND REGULATIONS GOVERNING THE WORK IDENTIFIED ON THESE PLANS. THESE SHALL INCLUDE, WITHOUT LIMITATION, SAFETY AND HEALTH RULES AND REGULATIONS ESTABLISHED BY OR PURSUANT TO THE OCCUPATIONAL SAFETY AND HEALTH ACT OR ANY OTHER APPLICABLE PUBLIC AUTHORITY.
4. THE GENERAL CONTRACTOR SHALL PROVIDE QUALIFIED SUPERVISION ON THE JOB SITE AT ALL TIMES DURING CONSTRUCTION.
5. THE CONTRACTOR SHALL EXERCISE ALL NECESSARY CAUTION TO AVOID DAMAGE TO ANY EXISTING TREES, IRRIGATION, SURFACE IMPROVEMENTS, DRAINAGE, WATER, SEWER, LIGHTING, ELECTRICAL, OR TELECOMMUNICATION FACILITIES WHETHER ABOVE GROUND OR UNDERGROUND. THE CONTRACTOR SHALL BEAR FULL RESPONSIBILITY FOR ANY DAMAGE THERETO.
6. THE CONTRACTOR SHALL COORDINATE ALL UTILITY INFORMATION SHOWN ON THE PLANS WITH UTILITY OWNERS FOR LAYOUT AND DETAILS OF INSTALLATION, RELOCATION, ADJUSTMENT, AND ABANDONMENT.
10. LOCATIONS OF EXISTING UNDERGROUND UTILITIES SHOWS ARE BASED ON FIELD SURVEY AND/OR AVAILABLE UTILITY AS-BUILTS. IT IS THE CONTRACTOR'S RESPONSIBILITY TO VERIFY THE LOCATION OF ALL EXISTING UTILITIES PRIOR TO THE COMMENCEMENT OF WORK.
11. THE CONTRACTOR TO PROTECT ALL EXISTING UTILITIES AND SERVICE LATERALS FROM DAMAGE DUE TO THE CONTRACTOR'S OPERATIONS. ANY AND ALL UTILITY SERVICES THAT ARE DAMAGED DURING CONSTRUCTION SHALL BE REPAIRED OR REPLACED TO THE SATISFACTION OF THE UTILITY OWNER. THE CONTRACTOR TO CONTACT UTILITY COMPANIES TO RELOCATE UTILITIES THEM IF NECESSARY TO COMPLETE THE PROJECT AT NO ADDITIONAL COST TO THE TOWN.
12. HORIZONTAL AND VERTICAL CONTROLS SHALL BE SET AND CERTIFIED BY A LICENSED SURVEYOR OR REGISTERED CIVIL ENGINEER QUALIFIED TO PRACTICE LAND SURVEYING.
13. THE CONTRACTOR SHALL INSTALL AND MAINTAIN TEMPORARY CONSTRUCTION FENCING, BARRICADES, LIGHTS, FLAGGERS, AND SIGNS THAT ARE NECESSARY TO GIVE ADEQUATE WARNING AND PROTECTION TO THE PUBLIC AT ALL TIMES.
14. SURVEY MONUMENT PRESERVATION AND RESTORATION: ALL MONUMENTS, LOT CORNER PIPES, AND OTHER PERMANENT MONUMENTS DISTURBED DURING THE PROCESS OF CONSTRUCTION SHALL BE REPLACED AND A RECORD OF SURVEY OR CORNER RECORD PER SECTION 8771 OF THE PROFESSIONAL LAND SURVEYOR'S ACT FILED BEFORE ACCEPTANCE OF THE IMPROVEMENTS BY THE TOWN. COPIES OF ANY RECORD OF SURVEY OR CORNER RECORDS SHALL BE SUBMITTED TO THE TOWN.
15. THE CONTRACTOR SHALL KEEP UP-TODATE A COMPLETE RECORD OF PRINTS OF THE CONTRACT DRAWINGS SHOWING EVERY CHANGE FROM THE ORIGINAL DRAWINGS MADE DURING THE COURSE OF CONSTRUCTION, INCLUDING EXACT LOCATIONS, SIZES, MATERIALS, AND EQUIPMENT. A COMPLETE SET OF CORRECTED AND COMPLETED RECORD DRAWINGS (AS-BUILTS) SHALL BE SUBMITTED TO THE TOWN PUBLIC WORKS INSPECTOR PRIOR TO FINAL ACCEPTANCE.
16. THE CONTRACTOR TO CUT AND CAP ABANDONED OR RETIRED UTILITIES AS SHOWN ON THE PLANS PER TOWN STANDARDS.
17. THE CONTRACTOR SHALL PROVIDE AND MAINTAIN PEDESTRIAN ACCESS AND SAFETY AT ALL TIMES.
18. GOOD HOUSEKEEPING PRACTICES SHALL BE OBSERVED AT ALL TIMES DURING THE COURSE OF CONSTRUCTION. SUPERINTENDENCE OF CONSTRUCTION SHALL BE DILIGENTLY PERFORMED BY A PERSON OR PERSONS AUTHORIZED TO DO SO AT ALL TIMES DURING WORKING HOURS. THE STORING OF GOODS AND/OR MATERIALS IN THE TOWN RIGHT-OF-WAY WILL NOT BE ALLOWED UNLESS APPROVED BY THE TOWN.
19. ALL WORK SHALL BE PERFORMED IN SUCH A MANNER AS TO COMPLY WITH THE STANDARDS ESTABLISHED BY THE AIR QUALITY MANAGEMENT DISTRICT FOR AIRBORNE
20. PLEASE SEE GENERAL NOTES BELOW.
    a. All trenching within the dripline of existing trees to remain shall be by hand, with care taken not to cut or damage roots over 1-inch diameter. trees to remain shall be fenced with temporary fencing, such as steel stakes (max. 5 feet o.c.) with wire mesh fabric (6x6 open), chainlink, or similar, height to be 5 feet minimum.
    b. Keep all planting, paving and curb areas free from weeds, debris and trash during the entire duration of the contract. weed control herbicides shall be applied if the engineer deems it necessary. Type of herbicide to be used and method of application shall be approved by the arborist.
    c. Care should be taken with existing trees to remain. Grades within the drip line of the tree shall not be changed unless otherwise specified on the plans. Any compaction of the area within the drip line shall be avoided.
    d. Any areas damaged or disturbed during the process of construction including grass, plantings, trees shall be replaced and restored in kind.
    e. Contractor shall escort all construction vehicles entering and exiting the park. Personnel shall walk in front of the vehicle to ensure there are no conflicts with pedestrians.
    f. Contractor shall be responsible for any damage caused by construction vehicles or equipment to park features, including but not limited to: lawns/turf, pathways, irrigation, trees, site furnishings, and other park amenities.
    g. Contractor shall be responsible for restoring all lawn/turf areas disturbed by any construction operations including but not limited to trenching.
    h. Repair any existing irrigation lines interrupted during demolition. Field-verify all repairs and restore the affected lawn areas.
    i. Existing soil/planting areas to remain. Remove debris to prepare the area for future planting.

TOWN OF LOS GATOS

OAK MEADOW BANDSTAND AREA IMPROVEMENT PROJECT

PROJECT NO. 21-831-4007



VICINITY MAP
SCALE NONE



PROPOSED SITE PLAN
SCALE NONE

ABBREVIATIONS

AB	AGGREGATE BASE
AC	ASPHALT CONCRETE
AD	AREA DRAIN
ARV	AIR RELEASE VALVE
BC	BACK OF CURB
BFP	BACKFLOW PREVENTER
BW	BOTTOM OF WALL
CATV	CABLE TELEVISION
CB	CATCH BASIN
CFS	CUBIC FEET PER SECOND
C/L	CENTERLINE
CMP	CORRUGATED METAL PIPE
CO	CLEANOUT
CY	CUBIC YARD
DCVA	DOUBLE CHECK VALVE ASSEMBLY
DI	DROP INLET
DIA	DIAMETER
DIP	DUCTILE IRON PIPE
DWY	DRIVEWAY
(E)	EAST
EG	EXISTING GRADE
ELEC	ELECTRICAL
EP	EDGE OF PATH
EVAE	EMERGENCY VEHICLE ACCESS EASEMENT
EX	EXISTING
FC	FACE OF CURB
FDC	FIRE DEPARTMENT CONNECTION
FF	FINISHED FLOOR ELEVATION
FG	FINISHED GRADE
FH	FIRE HYDRANT
FL	FLOW LINE
FM	FORCED MAIN
FS	FIRE SERVICE
FT	FEET
G	GAS
GA	GAUGE
GB	GRADE BREAK
GM	GAS METER
GS	GAS SERVICE
HDPE	HIGH-DENSITY POLYETHYLENE
HP	HIGH POINT
IEE	INGRESS/EGRESS EASEMENT
IN	INCH
INV	INVERT ELEVATION
LAT	LATERAL
LG	LIP OF GUTTER
LP	LOW POINT
MAX	MAXIMUM
MH	MANHOLE
MIN	MINIMUM
MPH	MILES PER HOUR
(N)	NORTH
N.T.S.	NOT TO SCALE
O.C.	ON CENTER
O.D.	OUTSIDE DIAMETER
PAD	PAD ELEVATION
PCC	PORTLAND CEMENT CONCRETE
PERF	PERFORATED
PG&E	PACIFIC GAS & ELECTRIC COMPANY
PIEE	PRIVATE INGRESS/EGRESS EASEMENT
PL	PROPERTY LINE
PR	PROPOSED
PSDE	PRIVATE STORM DRAIN EASEMENT
PSE	PUBLIC SERVICE EASEMENT
PSSE	PRIVATE SANITARY SEWER EASEMENT
PUE	PUBLIC UTILITY EASEMENT
PVC	POLYVINYL CHLORIDE
R	RADIUS
RCP	REINFORCED CONCRETE PIPE
RIM	RIM ELEVATION
R/W	RIGHT-OF-WAY
(S)	SOUTH
S	SLOPE
SCC	SANTA CLARA COUNTY
SCCFD	SANTA CLARA COUNTY FIRE DEPARTMENT
SD	STORM DRAIN
SDCO	STORM DRAIN CLEANOUT
SDE	STORM DRAIN EASEMENT
SDMH	STORM DRAIN MANHOLE
SDR	STANDARD DIMENSION RATIO
SF	SQUARE FEET
SJWC	SAN JOSE WATER COMPANY
SS	SANITARY SEWER
SSCO	SANITARY SEWER CLEANOUT
SSE	SANITARY SEWER EASEMENT
SSMH	SANITARY SEWER MANHOLE
STD	STANDARD
S/W	SIDEWALK
TC	TOP OF CURB
TELE	TELEPHONE
TLG	TOWN OF LOS GATOS
TW	TOP OF WALL
TYP	TYPICAL
VCP	VITRIFIED CLAY PIPE
VIF	VERIFY IN FIELD
(W)	WEST
W	WATER
WM	WATER METER
WS	WATER SERVICE
WV	WATER VALVE
WVSD	WEST VALLEY SANITATION DISTRICT
XING	CROSSING

CL	CENTER LINE
CONC	CONCRETE
D	DECIDUOUS
DEP	DEPRESSED
E	ELECTRIC
EOC	EDGE OF CONCRETE
EP	EDGE OF PAVEMENT
ELEC	ELECTRICAL
FDC	FIRE DEPARTMENT CONNECTION
FH	FIRE HYDRANT
FL	FLOW LINE
G	GAS
GV	GAS VALVE
HV	HIGH VOLTAGE
HYD	HYDRANT
IRR	IRRIGATION
L	LIGHTING CONDUIT
RR	RAILROAD
SD	STORM DRAIN
SL	STREET LIGHT
SS	SANITARY SEWER
TC	TOP OF CURB
TELE	TELEPHONE
TYP	TYPICAL
TW	TOP OF WALL
WV	WATER VALVE

SHEET INDEX

SHEET NO.	SHEET TITLE	PAGE NO.
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L0.2	SITE DEMOLITION PLAN	3 of 8
L0.3	SITE GRADING PLAN	4 of 8
L0.4	SITE LAYOUT PLAN	5 of 8
L0.5	SITE MATERIAL PLAN	6 of 8
L1.1	PAVING DETAILS	7 of 8
L1.2	PAVING DETAILS	8 of 8

LEGENDS

DEMOLITION LEGEND

SYMBOL		SYMBOL	
	LIMIT OF WORK WITH CONSTRUCTION FENCEING		DEMOLITION AND RECONSTRUCTION AREA
	TREE PROTECTION FENCE		

NOTES:
1. REFER TO CIVIL GRADING AND UTILITY PLANS FOR OUTSIDE OF LANDSCAPE LIMIT OF WORK
2. PROTECT IN PLACE FOR VARIOUS EXISTING IMPROVEMENTS FOR EXITING TREES, WALKWAYS, UTILITY BOXES ETC

GRADING LEGEND

SYMBOL	
FS XX.XX	PROPOSED FINISHED SURFACE ELEVATION
FG XX.XX	PROPOSED FINISHED GROUND ELEVATION
TC XX.XX	PROPOSED TOP OF CURB ELEVATION
TS XX.XX	PROPOSED TOP OF STAIR ELEVATION
	PROPOSED TOPO LINE
2% MAX 5% MAX	PROPOSED FINISHED SURFACE SLOPE DIRECTION
	PROPOSED GRADE BREAK
	EXISTING SPOT ELEVATION
	EXISTING TOPO LINE
	AREA DRAIN CONNECT TO MEP SYSTEM

NOTE: REFER TO CIVIL GRADING AND UTILITY PLANS FOR OUTSIDE OF LANDSCAPE LIMIT OF WORK

MATERIAL LEGEND

SYMBOL	
	CONCRETE TYPE 1 - NATURAL COLOR, SAND BLAST FINISH
	CONCRETE TYPE 2 - DARK GREY COLORED CONCRETE, SAND BLAST FINISH
	CONCRETE TYPE 3 - NATURAL COLOR, BROOM FINISH
	STAMPED CONCRETE TYPE 1 - BRICK PATTERN TAN COLOR
	STAMPED CONCRETE TYPE 2 - BRICK PATTERN RED COLOR
	CONCRETE CURB - NATURAL COLOR
	AREA DRAIN

NOTE: REFER TO CIVIL GRADING AND UTILITY PLANS FOR OUTSIDE OF LANDSCAPE LIMIT OF WORK

SURVEY LEGEND

	BRICK
100	CONTOUR MAJOR (5' INTERVAL)
99	CONTOUR MINOR (1' INTERVAL)
	FENCE
	GRADE BREAK LINE
	TOE OF BANK
	TOP OF BANK
	RETAINING WALL

SURVEY NOTES

1. DISTANCES SHOWN ARE IN FEET AND DECIMALS THEREOF.
2. HORIZONTAL DATUM IS NORTH AMERICAN DATUM OF 1983 (NAD 83) PER CALIFORNIA REAL TIME NETWORK (CRTN), EPOCH 2017.5.
3. VERTICAL DATUM IS NORTH AMERICAN DATUM OF 1988 (NAVD88) PER CALIFORNIA REAL TIME NETWORK (CRTN), EPOCH 2017.5.
4. TOPOGRAPHY SHOWN WAS PERFORMED BY FIELD SURVEY ON APRIL 25, 2022.

GENERAL LEGEND

SYMBOL		SYMBOL		SYMBOL	
POS VIF	POINT OF START/ VERIFY IN FIELD		EXPANSION JOINT	ALIGN / ALIGN	ALIGN
	CENTER LINE		CONTROL JOINT	XXX / XXX	DIMENSION
	ENLARGED DETAIL AREA		COLD JOINT		

NOTE: REFER TO CIVIL GRADING AND UTILITY PLANS FOR OUTSIDE OF LANDSCAPE LIMIT OF WORK

LICENSED LANDSCAPE ARCHITECT
SHENGYONG KANG No. 5961
Expiration: 01/31/2026
Renewal Date: 1/31/2024
Date
STATE OF CALIFORNIA

DATE:	DEC. 2, 2025
SCALE:	AS SHOWN
DESIGN:	FIELDSCAPE
DRAWN:	SK
CHECK:	JS
ENGR:	NA
PROJECT NO.:	21-831-4007

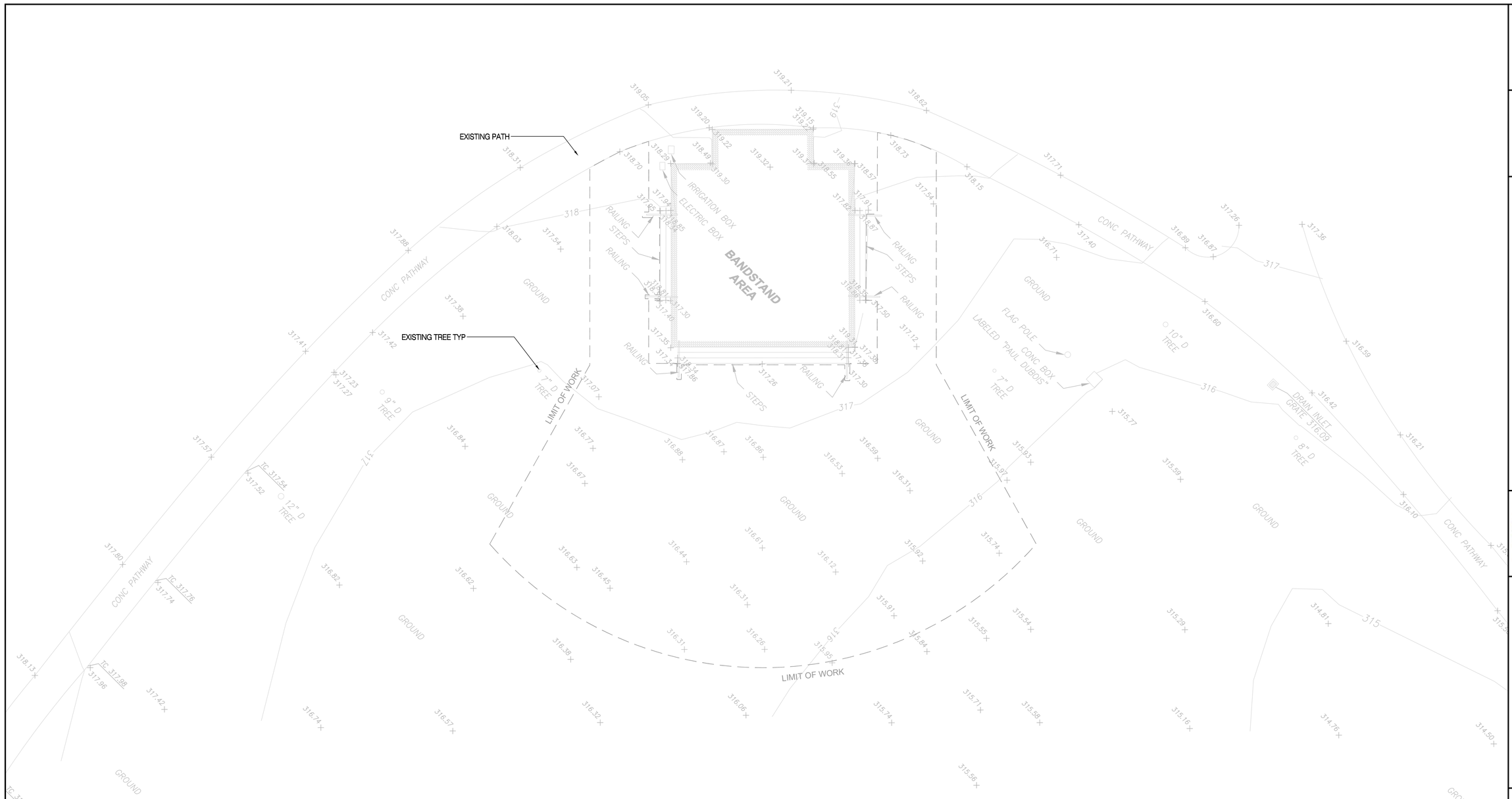
OAK MEADOW BANDSTAND AREA IMPROVEMENT PROJECT
80% CONSTRUCTION DOCUMENTATION SUBMISSION
TOWN OF LOS GATOS
PARKS AND PUBLIC WORKS DEPARTMENT

Fieldscape
Landscape Architecture

	DATE	BY	REVISIONS
	1/20/25	Team	95% Construction Document
	12/3/25	Team	100% Construction Document

SHEET L0.0

CONTRACTOR AGREES THAT HE SHALL ASSUME SOLE AND COMPLETE RESPONSIBILITY FOR JOB SITE CONDITIONS DURING THE COURSE OF CONSTRUCTION OF THIS PROJECT, INCLUDING SAFETY OF ALL PERSONS AND PROPERTY; THAT THIS REQUIREMENT SHALL APPLY CONTINUOUSLY AND NOT BE LIMITED TO NORMAL WORKING HOURS; AND THAT THE CONTRACTOR SHALL DEFEND, INDEMNIFY AND HOLD THE OWNER AND THE ENGINEER HARMLESS FROM ANY AND ALL LIABILITY, REAL OR ALLEGED, IN CONNECTION WITH THE PERFORMANCE OF WORK ON THIS PROJECT, EXCEPTING FOR LIABILITY ARISING FROM THE SOLE NEGLIGENCE OF THE OWNER OR THE ENGINEER.



ABBREVIATIONS

AC	ASPHALTIC CONCRETE	G	GAS
BFP	BACK FLOW PREVENTER	GV	GAS VALVE
C	CONIFEROUS	HV	HIGH VOLTAGE
CL	CENTER LINE	HYD	HYDRANT
CONC	CONCRETE	IRR	IRRIGATION
D	DECIDUOUS	L	LIGHTING CONDUIT
DEP	DEPRESSED	RR	RAILROAD
E	ELECTRIC	SD	STORM DRAIN
EOC	EDGE OF CONCRETE	SL	STREET LIGHT
EP	EDGE OF PAVEMENT	SS	SANITARY SEWER
ELEC	ELECTRICAL	TC	TOP OF CURB
FDC	FIRE DEPARTMENT CONNECTION	TELE	TELEPHONE
FH	FIRE HYDRANT	TYP	TYPICAL
FL	FLOW LINE	TW	TOP OF WALL
		W	WATER
		WV	WATER VALVE

NOTES

1. DISTANCES SHOWN ARE IN FEET AND DECIMALS THEREOF.
2. HORIZONTAL DATUM IS NORTH AMERICAN DATUM OF 1983 (NAD 83) PER CALIFORNIA REAL TIME NETWORK (CRTN), EPOCH 2017.5.
3. VERTICAL DATUM IS NORTH AMERICAN DATUM OF 1988 (NAVD88) PER CALIFORNIA REAL TIME NETWORK (CRTN), EPOCH 2017.5.
4. TOPOGRAPHY SHOWN WAS PERFORMED BY FIELD SURVEY ON APRIL 25, 2022.

LEGEND

- BRICK
- 100 — CONTOUR MAJOR (5' INTERVAL)
- 99 — CONTOUR MINOR (1' INTERVAL)
- FENCE
- GRADE BREAK LINE
- TOE OF BANK
- TOP OF BANK
- RETAINING WALL

0 5 15 30 FT

EXISTING SITE PLAN 01

SCALE: 1/8"=1'-0"

LICENSED LANDSCAPE ARCHITECT
SHENGTONG KANG No. 6461
Signature
11/21/2025
Renewal Date
11/21/2025
Date
STATE OF CALIFORNIA

DATE:	DEC. 2, 2025
SCALE:	AS SHOWN
DESIGN:	FIELDSCAPE
DRAWN:	SK
CHECK:	JS
ENGR:	NA
PROJECT NO.:	21-831-4007

OAK MEADOW BANDSTAND AREA IMPROVEMENT PROJECT

80% CONSTRUCTION DOCUMENTATION SUBMISSION

PARKS AND PUBLIC WORKS DEPARTMENT

TOWN OF LOS GATOS

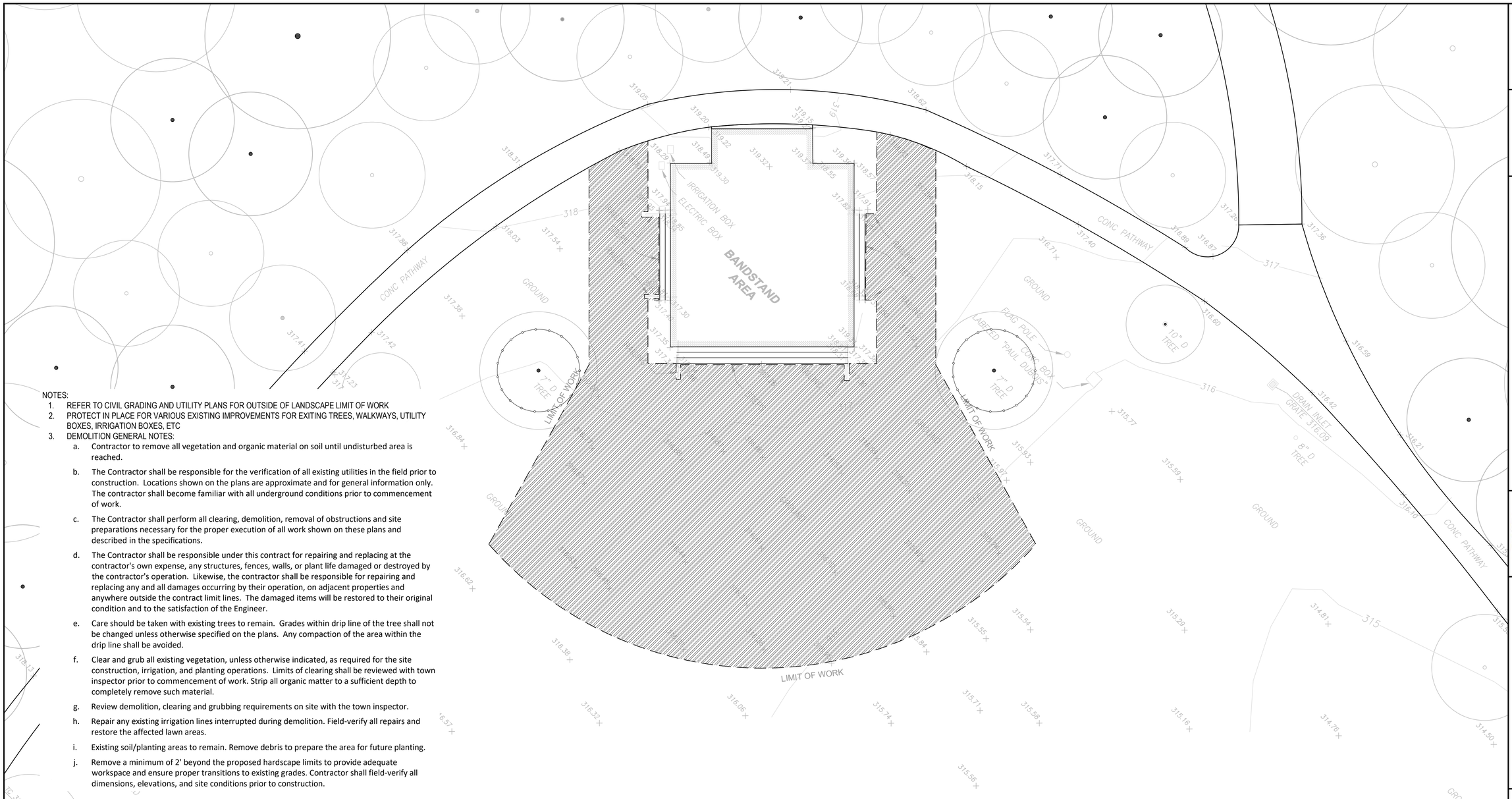
Fieldscape
Landscape Architecture

BY	DATE	REVISIONS
Team	1/30/25	95% Construction Document
Team	12/2/25	100% Construction Document

SHEET L0.1

C:\Users\nsaga\OneDrive\Fieldscape\Project\P2P_2201 LOS GATOS\4-Documents\ACAD\Sheet\L0.1_Existing Site Plan.dwg 12/02/2025 - 11:32 AM saga 1:1

CONTRACTOR AGREES THAT HE SHALL ASSUME SOLE AND COMPLETE RESPONSIBILITY FOR JOB SITE CONDITIONS DURING THE COURSE OF CONSTRUCTION OF THIS PROJECT, INCLUDING SAFETY OF ALL PERSONS AND PROPERTY; THAT THIS REQUIREMENT SHALL APPLY CONTINUOUSLY AND NOT BE LIMITED TO NORMAL WORKING HOURS; AND THAT THE CONTRACTOR SHALL DEFEND, INDEMNIFY AND HOLD THE OWNER AND THE ENGINEER HARMLESS FROM ANY AND ALL LIABILITY, REAL OR ALLEGED, IN CONNECTION WITH THE PERFORMANCE OF WORK ON THIS PROJECT, EXCEPTING FOR LIABILITY ARISING FROM THE SOLE NEGLIGENCE OF THE OWNER OR THE ENGINEER.



NOTES:

1. REFER TO CIVIL GRADING AND UTILITY PLANS FOR OUTSIDE OF LANDSCAPE LIMIT OF WORK
2. PROTECT IN PLACE FOR VARIOUS EXISTING IMPROVEMENTS FOR EXITING TREES, WALKWAYS, UTILITY BOXES, IRRIGATION BOXES, ETC
3. DEMOLITION GENERAL NOTES:
   a. Contractor to remove all vegetation and organic material on soil until undisturbed area is reached.
   b. The Contractor shall be responsible for the verification of all existing utilities in the field prior to construction. Locations shown on the plans are approximate and for general information only. The contractor shall become familiar with all underground conditions prior to commencement of work.
   c. The Contractor shall perform all clearing, demolition, removal of obstructions and site preparations necessary for the proper execution of all work shown on these plans and described in the specifications.
   d. The Contractor shall be responsible under this contract for repairing and replacing at the contractor's own expense, any structures, fences, walls, or plant life damaged or destroyed by the contractor's operation. Likewise, the contractor shall be responsible for repairing and replacing any and all damages occurring by their operation, on adjacent properties and anywhere outside the contract limit lines. The damaged items will be restored to their original condition and to the satisfaction of the Engineer.
   e. Care should be taken with existing trees to remain. Grades within drip line of the tree shall not be changed unless otherwise specified on the plans. Any compaction of the area within the drip line shall be avoided.
   f. Clear and grub all existing vegetation, unless otherwise indicated, as required for the site construction, irrigation, and planting operations. Limits of clearing shall be reviewed with town inspector prior to commencement of work. Strip all organic matter to a sufficient depth to completely remove such material.
   g. Review demolition, clearing and grubbing requirements on site with the town inspector.
   h. Repair any existing irrigation lines interrupted during demolition. Field-verify all repairs and restore the affected lawn areas.
   i. Existing soil/planting areas to remain. Remove debris to prepare the area for future planting.
   j. Remove a minimum of 2' beyond the proposed hardscape limits to provide adequate workspace and ensure proper transitions to existing grades. Contractor shall field-verify all dimensions, elevations, and site conditions prior to construction.

DEMOLITION LEGEND	
SYMBOL	
— — —	LIMIT OF WORK WITH CONSTRUCTION FENCEING
	DEMOLITION AND RECONSTRUCTION AREA
	TREE PROTECTION FENCE

SITE DEMOLITION PLAN 01
SCALE: 1/8"=1'-0"

LICENSED LANDSCAPE ARCHITECT
SHENGTONG KANG No. 6484
Signature
1-20-2025
Renewal Date
1/31/2025
Date
STATE OF CALIFORNIA

DATE:	DEC. 2, 2025
SCALE:	AS SHOWN
DESIGN:	FIELDSCAPE
DRAWN:	SK
CHECK:	JS
ENGR:	NA
PROJECT NO.:	21-831-4007

OAK MEADOW BANDSTAND AREA IMPROVEMENT PROJECT

80% CONSTRUCTION DOCUMENTATION SUBMISSION

PARKS AND PUBLIC WORKS DEPARTMENT

TOWN OF LOS GATOS

Fieldscape
Landscape Architecture

REVISIONS	BY	DATE
95% Construction Document	Team	1/20/25
100% Construction Document	Team	12/3/25

SHEET L0.2

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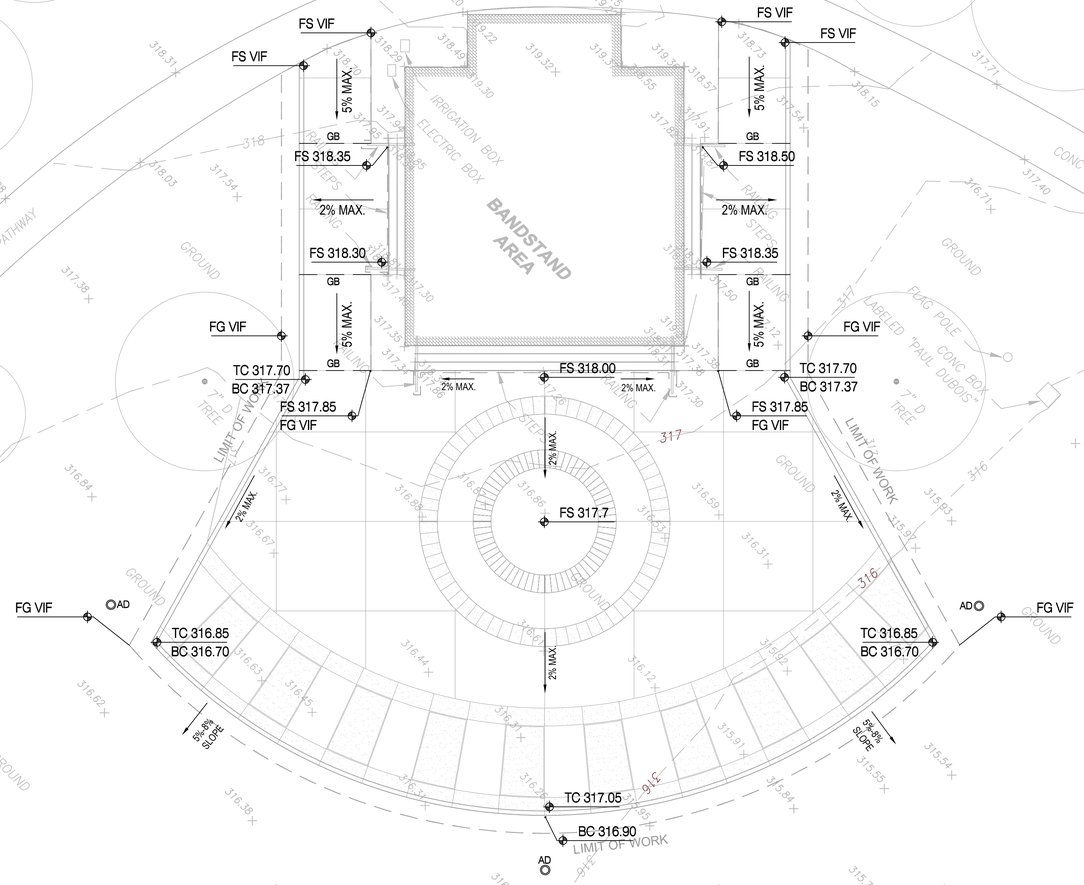
CONTRACTOR AGREES THAT HE SHALL ASSUME SOLE AND COMPLETE RESPONSIBILITY FOR JOB SITE CONDITIONS DURING THE COURSE OF CONSTRUCTION OF THIS PROJECT, INCLUDING SAFETY OF ALL PERSONS AND PROPERTY; THAT THIS REQUIREMENT SHALL APPLY CONTINUOUSLY AND NOT BE LIMITED TO NORMAL WORKING HOURS; AND THAT THE CONTRACTOR SHALL DEFEND, INDEMNIFY AND HOLD THE OWNER AND THE ENGINEER HARMLESS FROM ANY AND ALL LIABILITY, REAL OR ALLEGED, IN CONNECTION WITH THE PERFORMANCE OF WORK ON THIS PROJECT, EXCEPTING FOR LIABILITY ARISING FROM THE SOLE NEGLIGENCE OF THE OWNER OR THE ENGINEER.



GRADING LEGEND	
SYMBOL	
FS XX.XX	PROPOSED FINISHED SURFACE ELEVATION
FG XX.XX	PROPOSED FINISHED GROUND ELEVATION
TC XX.XX	PROPOSED TOP OF CURB ELEVATION
TS XX.XX	PROPOSED TOP OF STAIR ELEVATION
XXX.XX	PROPOSED TOPO LINE

GRADING LEGEND	
SYMBOL	
X% MAX.	PROPOSED FINISHED SURFACE SLOPE DIRECTION
GB	PROPOSED GRADE BREAK
XXX.XX	EXISTING SPOT ELEVATION
	EXISTING TOPO LINE
AD	AREA DRAIN CONNECT TO MEP SYSTEM

NOTES :

1. REFER TO CIVIL GRADING AND UTILITY PLANS FOR ALL AREAS OUTSIDE THE LANDSCAPE LIMITS OF WORK. PERFORM FINE GRADING IN ALL AFFECTED AREAS AS CONFIRMED IN THE FIELD.
2. REPAIR ANY EXITING IRRIGATION LINES INTERRUPTED DURING DEMOLITION. FIELD-VERIFY ALL REPAIRS AND RESTORE THE AFFECTED LAWN AREAS.
3. EXISTING SOIL/PLANTING AREAS TO REMAIN. REMOVE DEBRIS TO PREPARE THE AREA FOR FUTURE PLANTING.
4. EXISTING PLANTING AREA TO REMAIN. CONTRACTORS SHALL ENSURE THAT THE EXISTING FINISH GRADE IS A MINIMUM OF 1" BELOW THE NEW CONCRETE PAVING. ADD SOIL IF IT EXCEEDS A 2" DIFFERENCE. FIELD VERIFY.

0 5 15 30 FT

SITE GRADING PLAN 01

SCALE: 1/8"=1'-0"

LICENSED LANDSCAPE ARCHITECT
SHENGTONG KANG No. 6404
Expiration
12/31/2026
Renewal Date
12/31/2026
Date
STATE OF CALIFORNIA

DATE:	DEC. 2, 2025
SCALE:	AS SHOWN
DESIGN:	FIELDSCAPE
DRAWN:	SK
CHECK:	JS
ENGR:	NA
PROJECT NO.:	21-831-4007

OAK MEADOW BANDSTAND AREA IMPROVEMENT PROJECT

80% CONSTRUCTION DOCUMENTATION SUBMISSION

TOWN OF LOS GATOS

PARKS AND PUBLIC WORKS DEPARTMENT

TOWN OF LOS GATOS

Fieldscape
Landscape Architecture

BY	DATE
Team	1/30/25
Team	12/2/25

REVISIONS
95% Construction Document
100% Construction Document

SHEET L0.3

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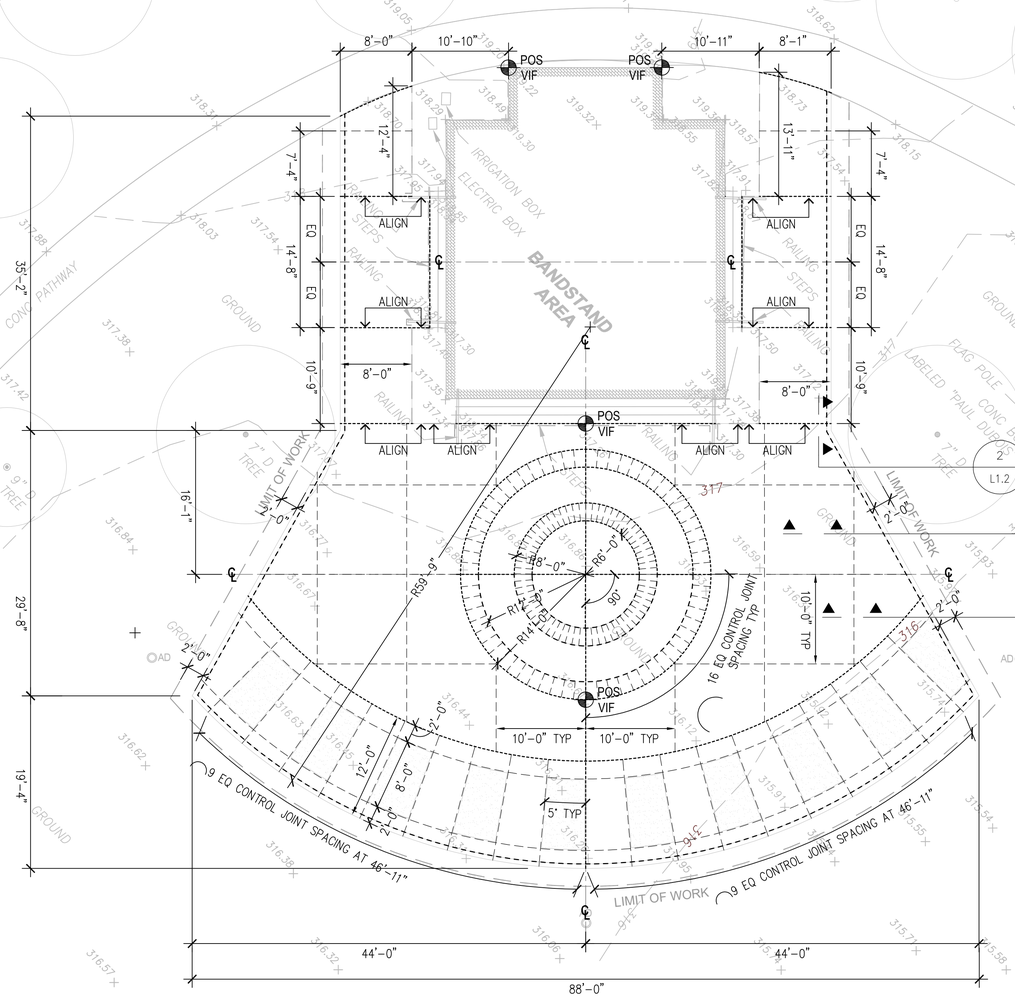
CONTRACTOR AGREES THAT HE SHALL ASSUME SOLE AND COMPLETE RESPONSIBILITY FOR JOB SITE CONDITIONS DURING THE COURSE OF CONSTRUCTION OF THIS PROJECT, INCLUDING SAFETY OF ALL PERSONS AND PROPERTY; THAT THIS REQUIREMENT SHALL APPLY CONTINUOUSLY AND NOT BE LIMITED TO NORMAL WORKING HOURS; AND THAT THE CONTRACTOR SHALL DEFEND, INDEMNIFY AND HOLD THE OWNER AND THE ENGINEER HARMLESS FROM ANY AND ALL LIABILITY, REAL OR ALLEGED, IN CONNECTION WITH THE PERFORMANCE OF WORK ON THIS PROJECT, EXCEPTING FOR LIABILITY ARISING FROM THE SOLE NEGLIGENCE OF THE OWNER OR THE ENGINEER.



GENERAL LEGEND					
SYMBOL		SYMBOL		SYMBOL	
POS VIF	POINT OF START VERIFY IN FIELD	----------	EXPANSION JOINT	ALIGN	ALIGN
℄	CENTER LINE	- - - - - - - -	CONTROL JOINT	XXX	DIMENSION
		----------	COLD JOINT		

NOTE : REFER TO CIVIL GRADING AND UTILITY PLANS FOR OUTSIDE OF LANDSCAPE LIMIT OF WORK

0 5 15 30 FT

SITE LAYOUT PLAN 01

SCALE: 1/8"=1'-0"

LICENSED LANDSCAPE ARCHITECT
SHENGTONG KANG No. 5961
Signature
12/5/2025
Renewal Date
12/5/2025
Date
STATE OF CALIFORNIA

DATE:	DEC. 2, 2025
SCALE:	AS SHOWN
DESIGN:	FIELDSCAPE
DRAWN:	SK
CHECK:	JS
ENGR:	NA
PROJECT NO.:	21-831-4007

OAK MEADOW BANDSTAND AREA IMPROVEMENT PROJECT

80% CONSTRUCTION DOCUMENTATION SUBMISSION

PARKS AND PUBLIC WORKS DEPARTMENT

TOWN OF LOS GATOS

Fieldscape
Landscape Architecture

	DATE	BY	REVISIONS
	1/20/25	Team	95% Construction Document
	12/2/25	Team	100% Construction Document

SHEET L0.4

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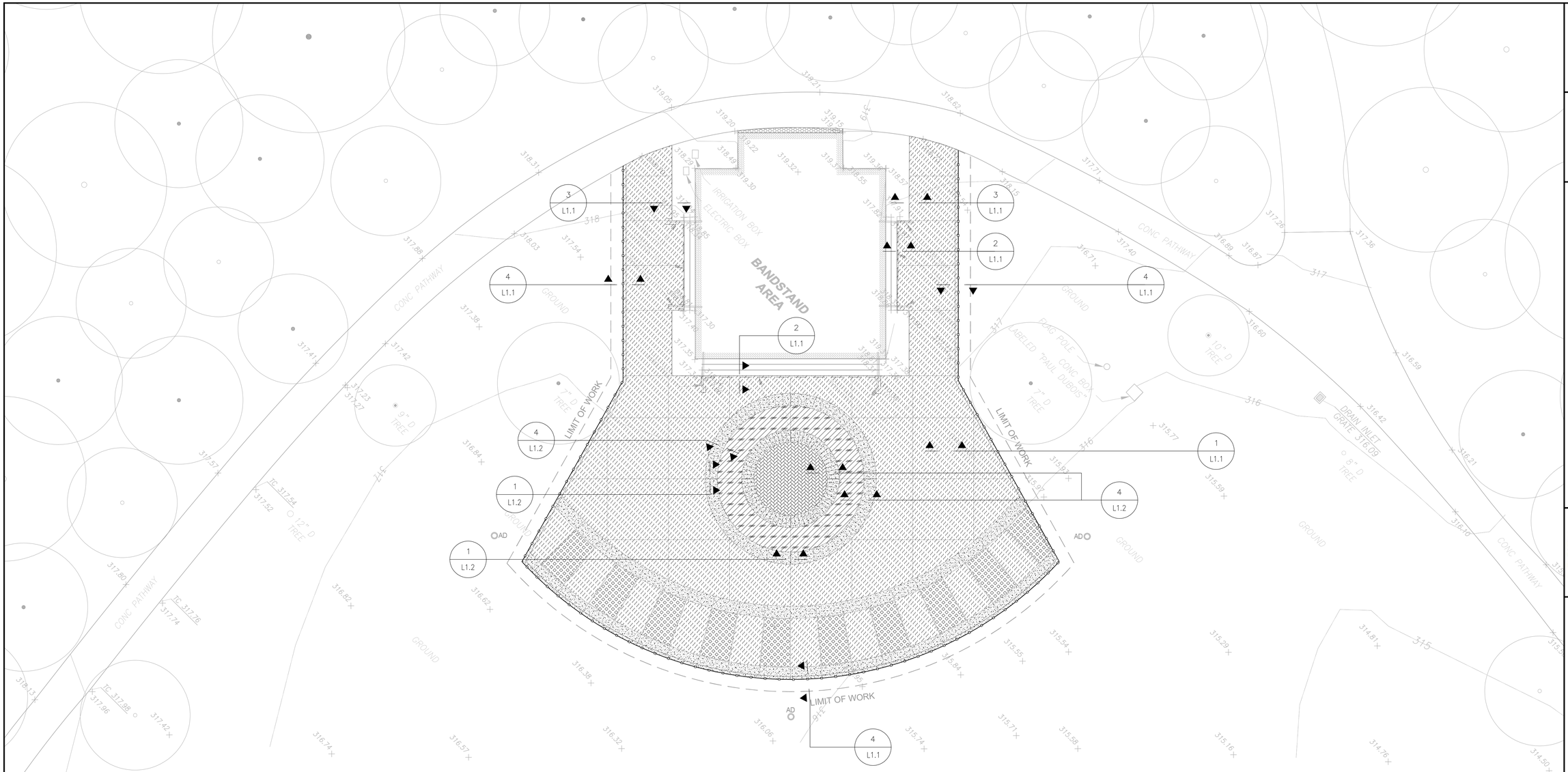
CONTRACTOR AGREES THAT HE SHALL ASSUME SOLE AND COMPLETE RESPONSIBILITY FOR JOB SITE CONDITIONS DURING THE COURSE OF CONSTRUCTION OF THIS PROJECT, INCLUDING SAFETY OF ALL PERSONS AND PROPERTY; THAT THIS REQUIREMENT SHALL APPLY CONTINUOUSLY AND NOT BE LIMITED TO NORMAL WORKING HOURS; AND THAT THE CONTRACTOR SHALL DEFEND, INDEMNIFY AND HOLD THE OWNER AND THE ENGINEER HARMLESS FROM ANY AND ALL LIABILITY, REAL OR ALLEGED, IN CONNECTION WITH THE PERFORMANCE OF WORK ON THIS PROJECT, EXCEPTING FOR LIABILITY ARISING FROM THE SOLE NEGLIGENCE OF THE OWNER OR THE ENGINEER.



MATERIAL LEGEND	
SYMBOL	
	CONCRETE TYPE 1 - NATURAL COLOR, SAND BLAST FINISH
	CONCRETE TYPE 2 - DARK GREY COLORED CONCRETE, SAND BLAST FINISH
	CONCRETE TYPE 3 - NATURAL COLOR, BROOM FINISH

MATERIAL LEGEND	
SYMBOL	
	STAMPED CONCRETE TYPE 1 - BRICK PATTERN TAN COLOR
	STAMPED CONCRETE TYPE 2 - BRICK PATTERN RED COLOR
	CONCRETE CURB - NATURAL COLOR
AD	AREA DRAIN

0 5 15 30 FT

NOTES :
1. REFER TO EXISTING SITE PLAN, CIVIL GRADING AND UTILITY PLANS FOR OUTSIDE OF LANDSCAPE LIMIT OF WORK.
2. CONTRACTOR SHALL BE RESPONSIBLE FOR THE VERIFICATION OF ALL EXITING UTILITIES AND MODIFY OR RECONNECT PER TOWN ENGINEERS DIRECTION IN THE FIELD.

SITE MATERIAL PLAN 01
SCALE: 1/8"=1'-0"

LICENSED LANDSCAPE ARCHITECT
SHENGTONG KANG NO. 5991
Signature
11/21/2025
Renewal Date
11/21/2025
Date
STATE OF CALIFORNIA

DATE:	DEC. 2, 2025
SCALE:	AS SHOWN
DESIGN:	FIELDSCAPE
DRAWN:	SK
CHECK:	JS
ENGR:	NA
PROJECT NO.:	21-831-4007

OAK MEADOW BANDSTAND AREA IMPROVEMENT PROJECT

80% CONSTRUCTION DOCUMENTATION SUBMISSION

TOWN OF LOS GATOS — PARKS AND PUBLIC WORKS DEPARTMENT

Fieldscape
Landscape Architecture

	DATE	BY	REVISIONS
	1/20/25	Team	95% Construction Document
	12/2/25	Team	100% Construction Document

SHEET L0.5

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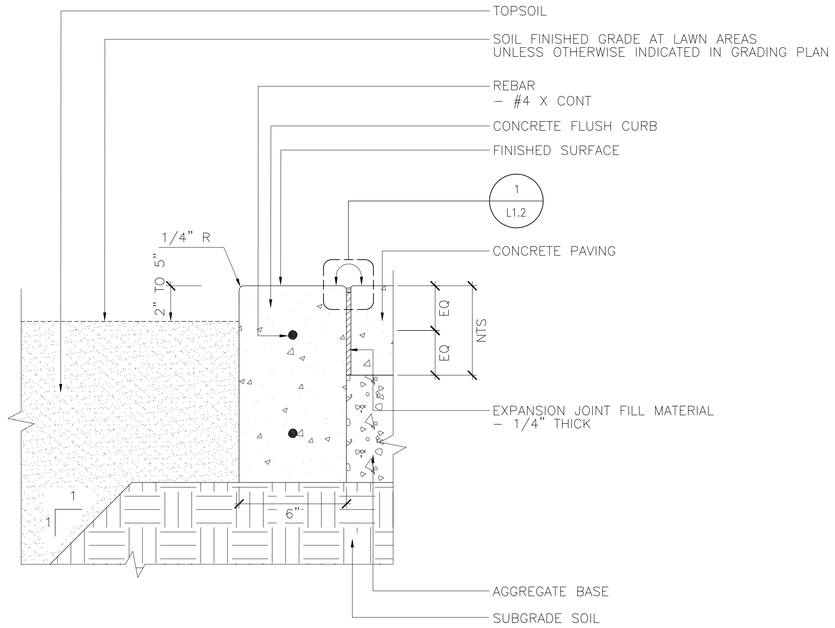
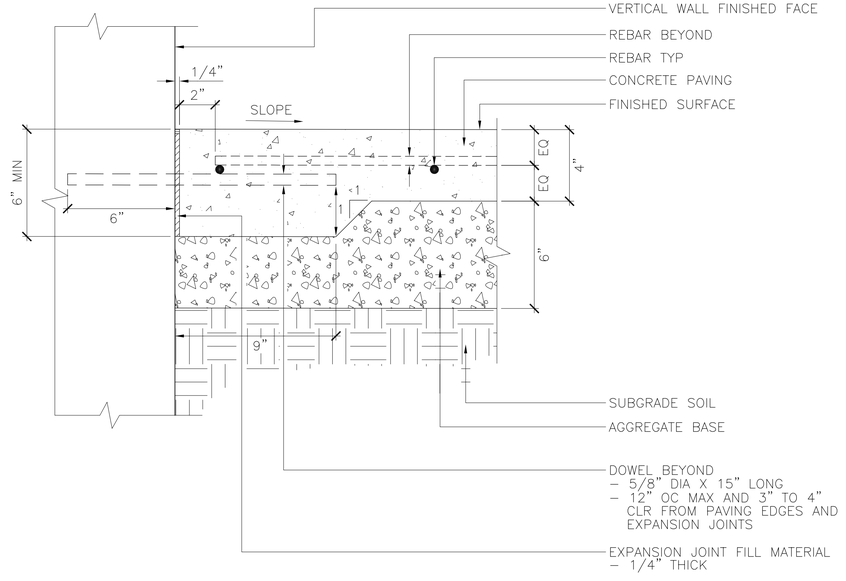
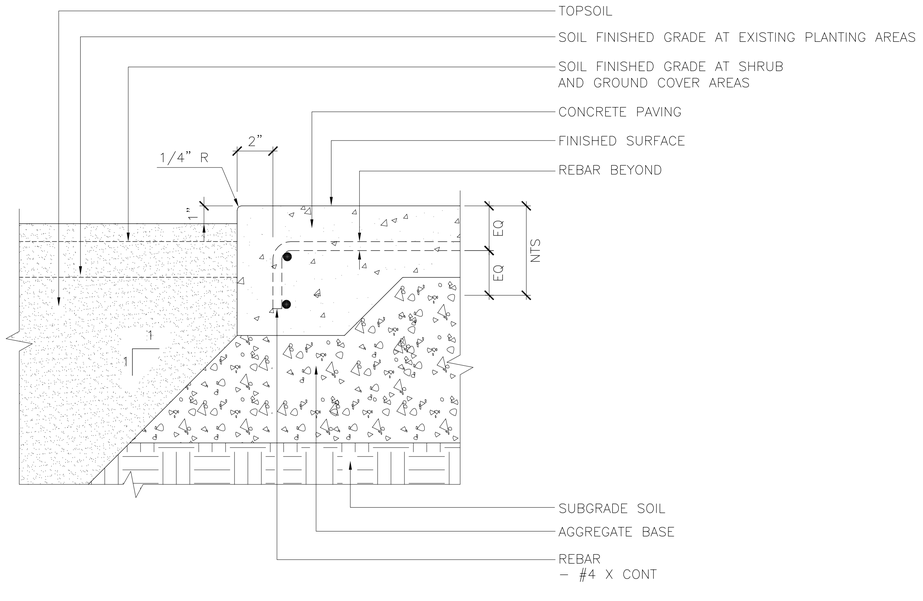
CONTRACTOR AGREES THAT HE SHALL ASSUME SOLE AND COMPLETE RESPONSIBILITY FOR JOB SITE CONDITIONS DURING THE COURSE OF CONSTRUCTION OF THIS PROJECT, INCLUDING SAFETY OF ALL PERSONS AND PROPERTY; THAT THIS REQUIREMENT SHALL APPLY CONTINUOUSLY AND NOT BE LIMITED TO NORMAL WORKING HOURS; AND THAT THE CONTRACTOR SHALL DEFEND, INDEMNIFY AND HOLD THE OWNER AND THE ENGINEER HARMLESS FROM ANY AND ALL LIABILITY, REAL OR ALLEGED, IN CONNECTION WITH THE PERFORMANCE OF WORK ON THIS PROJECT, EXCEPTING FOR LIABILITY ARISING FROM THE SOLE NEGLIGENCE OF THE OWNER OR THE ENGINEER.



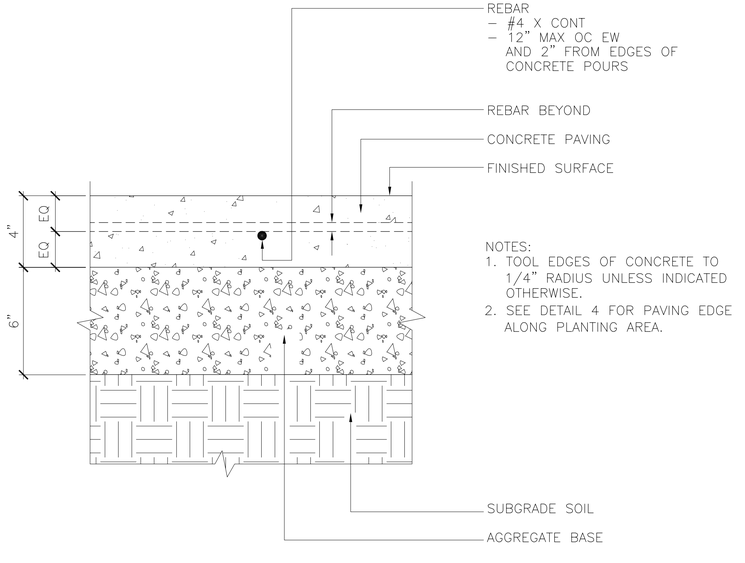
CONCRETE FLUSH CURB PAVING EDGE ALONG NEW TURF AREA 04
SCALE: 3"=1'-0"



PEDESTRIAN CONCRETE PAVING EDGE ALONG VERTICAL SURFACE 02
SCALE: 3"=1'-0"



CONCRETE PAVING EDGE ALONG EXISTINGN PLANTING AREA 03
SCALE: 3"=1'-0"



PEDESTRIAN CONCRETE PAVING TYPICAL SECTION 01
SCALE: 3"=1'-0"

LICENSED LANDSCAPE ARCHITECT
SEUNGYONG KANG No. 6406
Expiration
12/31/2026
Renewal Date
12/31/2026
Date
STATE OF CALIFORNIA

DATE:	DEC. 2, 2025
SCALE:	AS SHOWN
DESIGN:	FIELDSCAPE
DRAWN:	SK
CHECK:	JS
ENGR:	NA
PROJECT NO.:	21-831-4007

OAK MEADOW BANDSTAND AREA IMPROVEMENT PROJECT

80% CONSTRUCTION DOCUMENTATION SUBMISSION

PARKS AND PUBLIC WORKS DEPARTMENT

TOWN OF LOS GATOS

Fieldscape
Landscape Architecture

REVISIONS	BY	DATE
95% Construction Document	Team	1/30/25
100% Construction Document	Team	12/2/25

SHEET L1.1

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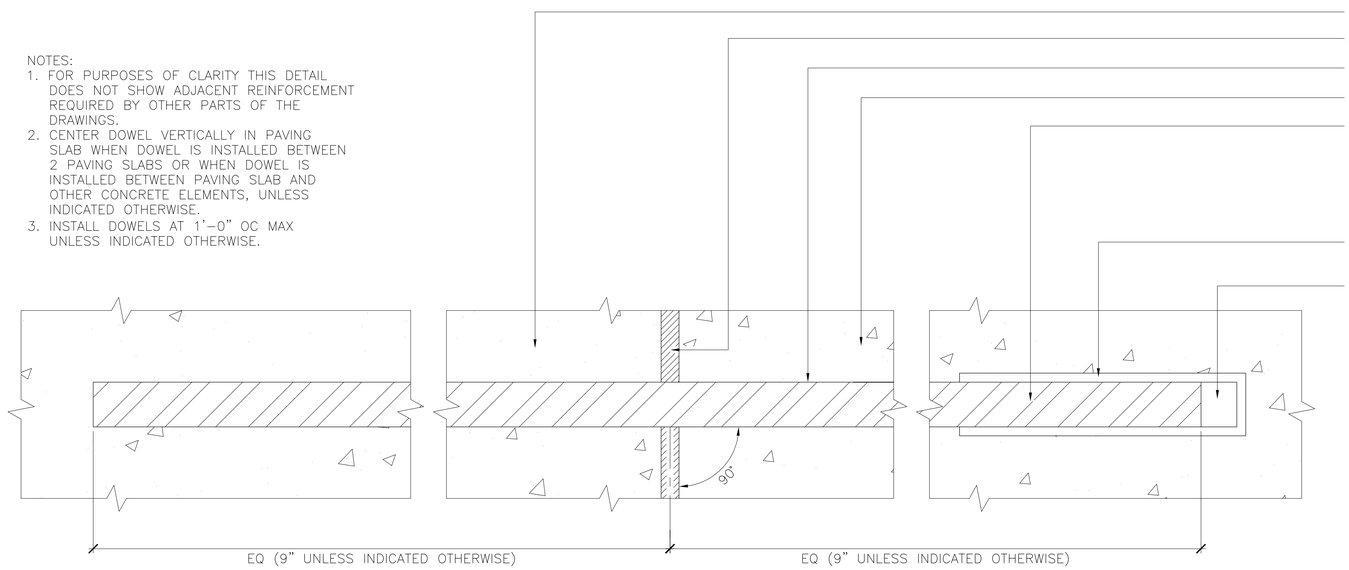
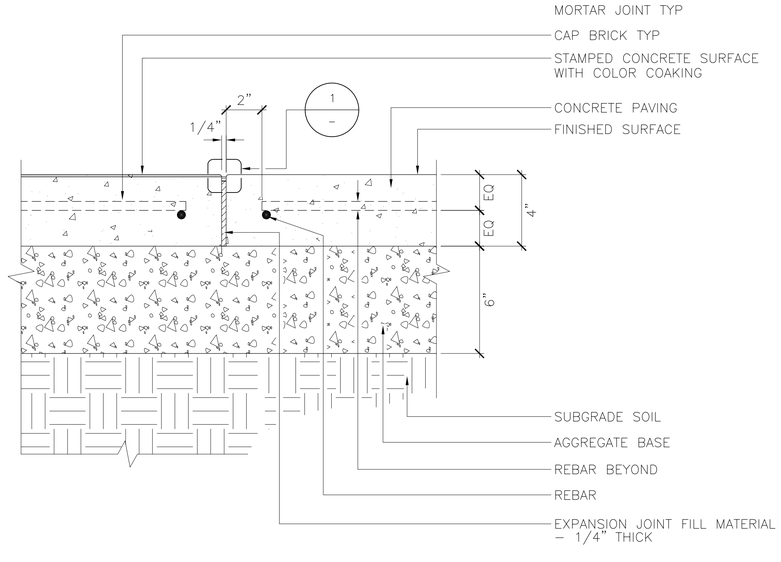
CONTRACTOR AGREES THAT HE SHALL ASSUME SOLE AND COMPLETE RESPONSIBILITY FOR JOB SITE CONDITIONS DURING THE COURSE OF CONSTRUCTION OF THIS PROJECT, INCLUDING SAFETY OF ALL PERSONS AND PROPERTY; THAT THIS REQUIREMENT SHALL APPLY CONTINUOUSLY AND NOT BE LIMITED TO NORMAL WORKING HOURS; AND THAT THE CONTRACTOR SHALL DEFEND, INDEMNIFY AND HOLD THE OWNER AND THE ENGINEER HARMLESS FROM ANY AND ALL LIABILITY, REAL OR ALLEGED, IN CONNECTION WITH THE PERFORMANCE OF WORK ON THIS PROJECT, EXCEPTING FOR LIABILITY ARISING FROM THE SOLE NEGLIGENCE OF THE OWNER OR THE ENGINEER.

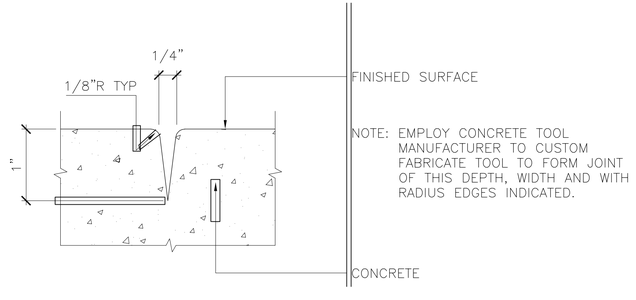
NOTES:
1. FOR PURPOSES OF CLARITY THIS DETAIL DOES NOT SHOW ADJACENT REINFORCEMENT REQUIRED BY OTHER PARTS OF THE DRAWINGS.
2. CENTER DOWEL VERTICALLY IN PAVING SLAB WHEN DOWEL IS INSTALLED BETWEEN 2 PAVING SLABS OR WHEN DOWEL IS INSTALLED BETWEEN PAVING SLAB AND OTHER CONCRETE ELEMENTS, UNLESS INDICATED OTHERWISE.
3. INSTALL DOWELS AT 1'–0" OC MAX UNLESS INDICATED OTHERWISE.



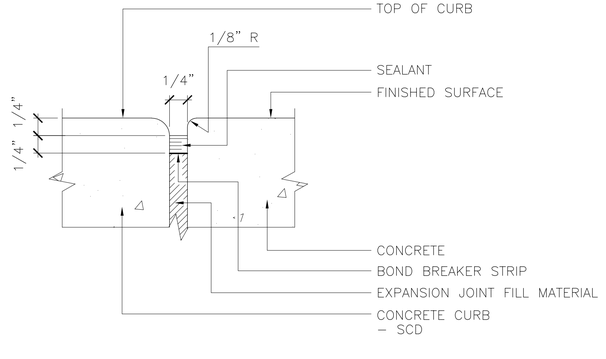
CONCRETE EXPANSION JOINT DOWEL 02
SCALE: 1"=1'-0"



PEDESTRIAN STAMPED CONCRETE PAVING 04
SCALE: 3"=1'-0"



TOOLED CONTROL JOINT IN CONCRETE PAVING 03
SCALE: 1"=1'-0"



EXPANSION JOINT 01
SCALE: 1"=1'-0"

LICENSED LANDSCAPE ARCHITECT
SANGYOUNG KANG No. 6401
Signature
6-30-2026
Renewal Date
6/30/2026
Date
STATE OF CALIFORNIA

DATE:	DEC. 2, 2025
SCALE:	AS SHOWN
DESIGN:	FIELDSCAPE
DRAWN:	SK
CHECK:	JS
ENGR:	NA
PROJECT NO.:	21-831-4007

OAK MEADOW BANDSTAND AREA IMPROVEMENT PROJECT

80% CONSTRUCTION DOCUMENTATION SUBMISSION

PARKS AND PUBLIC WORKS DEPARTMENT

TOWN OF LOS GATOS

Fieldscape
Landscape Architecture

BY	DATE	REVISIONS
Team	1/30/25	95% Construction Document
Team	12/2/25	100% Construction Document

SHEET L1.2

C:\Users\sksag\OneDrive\Fieldscape\Projects\P2P_2201 LOS GATOS\4-Documents\ACAD\Sheet\L1.2_Paving Details.dwg 12/02/2025 - 12:15 PM sksag 1:1

PROJECT
PLANS AND SPECIFICATIONS
FOR
OAK MEADOW BANDSTAND AREA IMPROVEMENTS
21-831-4007

Bid Opening
Wednesday, February 18, 2026, 2:00 pm

ISSUE DATE: January 23, 2026

OAK MEADOW BANDSTAND AREA IMPROVEMENTS
 # 21-831-4007

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2. Instructions to Bidders
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4. Vendor Questionnaire
5. General Conditions
6. Special Conditions
7. General Constructions Requirements
8. Technical Specifications

Attachments:

A - 100% Bid Set Project Plans

B - Sample Contract

1. NOTICE INVITING BIDS

1.1. Bid Submission

The Town of Los Gatos ("Town") will accept electronic bids for its Project # Oak Meadow Bandstand Area Improvements Project #21-831-4007 ("Project"), by or before Wednesday, February 18, 2026, at 2:00 pm, via the Town's bidding site at https://procurement.opengov.com/portal/losgatosca, at which time the bids will be opened electronically, as further specified in the Instructions to Bidders.

1.2. Project Information

A. **Location and Description -** The Project involves the installation of concrete pad, stamped concrete, grading, landscaping, restoration and associated work within the Town, as shown in **Appendix A**, Project Plans, incorporated herein.

B. **Time for Final Completion -** The Project must be fully completed within 28 calendar days from the start date set forth in the Notice to Proceed. Town anticipates that the Work will begin on or about April 21, but the anticipated start date is provided solely for convenience and is neither certain nor binding.

C. **Estimated Cost.** The estimated construction cost is 180000.

1.3. License and Registration Requirements

A. **License -** This Project requires a valid California contractor's license for the following classification(s): Class A or Class C-8.

B. **DIR Registration -** Town may not accept a Bid Proposal from or enter into the Contract with a bidder, without proof that the bidder is registered with the California Department of Industrial Relations ("DIR") to perform public work pursuant to Labor Code § 1725.5, subject to limited legal exceptions.

1.4. Contract Documents

The plans, specifications, bid forms and contract documents for the Project, and any addenda thereto ("Contract Documents") may be downloaded from Town's bidding site https://procurement.opengov.com/portal/losgatosca. Printed copy of the Contract Documents is not available from the Town.

1.5. Bid Security

The Bid Proposal must be accompanied by bid security of ten percent of the maximum bid amount, in the form of a cashier's or certified check made payable to Town, or a bid bond executed by a surety licensed to do business in the State of California on the Bid Bond form included with the Contract Documents. The bid security must guarantee that within ten days after Town issues the Notice of Potential Award, the successful bidder will execute the Contract and submit the payment and performance bonds, insurance certificates and endorsements, valid Certificates of Reported Compliance as required under the California Air Resources Board's In-Use Off-Road Diesel-Fueled Fleets Regulation (13 CCR § 2449 et seq.) ("Off-Road Regulation"), if applicable, and any other submittals required by the Contract Documents and as specified in the Notice of Potential Award.

1.6. Prevailing Wage Requirements

A. **General -** Pursuant to California Labor Code § 1720 et seq., this Project is subject to the prevailing wage requirements applicable to the locality in which the Work is to be performed for each craft, classification or type

of worker needed to perform the Work, including employer payments for health and welfare, pension, vacation, apprenticeship and similar purposes.

B. **Rates -** The prevailing rates are on file with the Town and are available online at http://www.dir.ca.gov/DLSR. Each Contractor and Subcontractor must pay no less than the specified rates to all workers employed to work on the Project. The schedule of per diem wages is based upon a working day of eight hours. The rate for holiday and overtime work must be at least time and one-half.

C. **Compliance -** The Contract will be subject to compliance monitoring and enforcement by the DIR, under Labor Code § 1771.4.

1.7. Retention

The percentage of retention that will be withheld from progress payments is 5 %.

1.8. Performance and Payment Bonds

The successful bidder will be required to provide performance and payment bonds, each for 100% of the Contract Price, as further specified in the Contract Documents.

1.9. Substitution of Securities

Substitution of appropriate securities in lieu of retention amounts from progress payments is permitted under Public Contract Code § 22300

1.10. Subcontractor List

Each Subcontractor must be registered with the DIR to perform work on public projects. Each bidder must submit a completed Subcontractor List form with its Bid Proposal, including the name, location of the place of business, California contractor license number, DIR registration number, and percentage of the Work to be performed (based on the base bid price) for each Subcontractor that will perform Work or service or fabricate or install Work for the prime contractor in excess of one-half of 1% of the bid price, using the Subcontractor List form included with the Contract Documents.

1.11. Instructions to Bidders

All bidders should carefully review the Instructions to Bidders for more detailed information before submitting a Bid Proposal. The definitions provided in Article 1 of the General Conditions apply to all of the Contract Documents, as defined therein, including this Notice Inviting Bids.

By: **/s/ Wendy Wood, Town Clerk**

Publication Date: Friday, January 23, 2026

2. Instructions to Bidders

Each Bid Proposal submitted to **Town of Los Gatos** ("Town") for its Oak Meadow Bandstand Area Improvements Project #21-831-4007 ("Project") must be submitted in accordance with the following instructions and requirements:

2.1. Bid Submission

A. **General -** Each bidder must register for an account on the Town's bidding site, https://procurement.opengov.com/portal/losgatosca to submit the Bid Proposal electronically. Plans, Specifications, and Addendums (if any) may be viewed and downloaded free of charge via the internet at https://procurement.opengov.com/portal/losgatosca. To be included on the Plan Holder's List for the Project, registered users must download the Plans and Specifications from the bidding website. Each Bid Proposal must be completed and submitted electronically through the bidding site, with all required forms and attachments, by or before the date and time set forth in Section 1 of the Notice Inviting Bids, or as amended by subsequent addendum. Faxed or emailed Bid Proposals will not be accepted. Late submissions will not be considered. Town reserves the right to postpone the date or time for receiving or opening bids. Each bidder is solely responsible for all of its costs to prepare and submit its bid and by submitting a bid waives any right to recover those costs from Town. The bid price(s) must include all costs to perform the Work as specified, including all labor, material, supplies, and equipment and all other direct or indirect costs such as applicable taxes, insurance and overhead.

B. **Bid Opening -** Bids timely submitted via the Town's bidding portal will be opened and publicly read aloud during a Zoom meeting after bids have closed on the day and time listed above. Here is the Zoom link to participate:

   https://losgatosca-gov.zoom.us/j/83324018680

   Meeting ID: 833 2401 8680

A. **DIR Registration -** Subject to limited legal exceptions for joint venture bids and federally-funded projects, Town may not accept a Bid Proposal from a bidder without proof that the bidder is registered with the DIR to perform public work under Labor Code § 1725.5. If Town is unable to confirm that the bidder is currently registered with the DIR, Town may disqualify the bidder and disregard its bid. (Labor Code §§ 1725.5 and 1771.1(a).)

2.2. Bid Proposal

A Bid Proposal submitted with exceptions or terms such as "negotiable," "will negotiate," or similar, will be considered nonresponsive. Each Bid Proposal must be accompanied by bid security, as set forth in Section titled "Bid Security" below, and by a completed Subcontractor List and Non-Collusion Declaration using the forms included with the Contract Documents, and any other required enclosures, as applicable.

2.3. Bid Security

Each Bid Proposal must be accompanied by bid security of ten percent of the maximum bid amount, in the form of a cashier's check or certified check, made payable to the Town, or bid bond using the form included in the Contract Documents and executed by a surety licensed to do business in the State of California. The bid security must guarantee that, within ten days after issuance of the Notice of Potential Award, the bidder will: execute and submit the enclosed Contract for the bid price; submit payment and performance bonds for 100% of the maximum Contract Price; submit the insurance certificates and endorsements; and submit valid Certificates of Reported Compliance as required by the Off-Road Regulation, if applicable, and any other submittals, if any, required by the Contract Documents or the Notice of

Potential Award. A Bid Proposal may not be withdrawn for a period of 60 days after the bid opening without forfeiture of the bid security, except as authorized for material error under Public Contract Code § 5100 et seq.

2.4. Liquidated Damages

As further specified in Section 5.4 of the General Conditions, if Contractor fails to complete the Work within the Contract Time, Town will assess liquidated damages in the amount of 1800 per day for each day of unexcused delay in achieving Final Completion, and such liquidated damages may be deducted from Town's payments due or to become due to Contractor under this Contract.

2.5. Requests for Information

Questions or requests for clarifications regarding the Project, the bid procedures, or any of the Contract Documents must be submitted through the Town's bidding site https://procurement.opengov.com/portal/losgatosca and received a minimum of five (5) working days prior to the scheduled bid opening. Oral responses are not authorized and are not binding on the Town. Bidders should submit any such written inquiries at least five Working Days before the scheduled bid opening. Questions received any later might not be addressed before the bid deadline. An interpretation or clarification by Town in response to Questions or requests for clarifications will be issued through an addendum no later than 72 hours prior to bid opening.

2.6. Pre-Bid Investigation

A. **General -** Each bidder is solely responsible at its sole expense for diligent and thorough review of the Contract Documents, examination of the Project site, and reasonable and prudent inquiry concerning known and potential site and area conditions prior to submitting a Bid Proposal. Each bidder is responsible for knowledge of conditions and requirements which reasonable review and investigation would have disclosed. However, except for any areas that are open to the public at large, bidders may not enter property owned or leased by the Town or the Project site without prior written authorization from Town.

B. **Document Review -** Each bidder is responsible for review of the Contract Documents and any informational documents provided "For Reference Only," e.g., as-builts, technical reports, test data, and the like. A bidder is responsible for notifying Town of any errors, omissions, inconsistencies, or conflicts it discovers in the Contract Documents, acting solely in its capacity as a contractor and subject to the limitations of Public Contract Code § 1104. Notification of any such errors, omissions, inconsistencies, or conflicts must be submitted in writing to the Town no later than five Working Days before the scheduled bid opening. (See Section 5, above.) Town expressly disclaims responsibility for assumptions a bidder might draw from the presence or absence of information provided by Town.

C. **Project Site -** Questions regarding the availability of soil test data, water table elevations, and the like should be submitted to the Town through the bidding site, as specified in Section 5, above. Any subsurface exploration at the Project site must be done at the bidder's expense, but only with prior written authorization from Town. All soil data and analyses available for inspection or provided in the Contract Documents apply only to the test hole locations. Any water table elevation indicated by a soil test report existed on the date the test hole was drilled. The bidder is responsible for determining and allowing for any differing soil or water table conditions during construction. Because groundwater levels may fluctuate, difference(s) in elevation between ground water shown in soil boring logs and ground water actually encountered during construction will not be considered changed Project site conditions. Actual locations and depths must be determined by bidder's field investigation.

The bidder may request access to underlying or background information on the Project site in Town's possession that is necessary for the bidder to form its own conclusions, including, if available, record drawings or other documents indicating the location of subsurface lines, utilities, or other structures.

D. **Utility Company Standards -** The Project must be completed in a manner that satisfies the standards and requirements of any affected utility companies or agencies (collectively, "utility owners"). The successful bidder may be required by the third party utility owners to provide detailed plans prepared by a California registered civil engineer showing the necessary temporary support of the utilities during coordinated construction work. Bidders are directed to contact the affected third party utility owners about their requirements before submitting a Bid Proposal.

2.7. Bidders Interested in More Than One Bid

No person, firm, or corporation may submit or be a party to more than one Bid Proposal unless alternate bids are specifically called for. However, a person, firm, or corporation that has submitted a subcontract proposal or quote to a bidder may submit subcontract proposals or quotes to other bidders.

2.8. Addenda

Any addenda issued prior to the bid opening are part of the Contract Documents. Subject to the limitations of Public Contract Code § 4104.5, Town reserves the right to issue addenda prior to bid time. Each bidder is solely responsible for ensuring it has received and reviewed all addenda prior to submitting its bid. Bidders should check Town's site periodically for any addenda or updates on the Project at https://procurement.opengov.com/portal/losgatosca.

2.9. Brand Designations and "Or Equal" Substitutions

Any specification designating a material, product, thing, or service by specific brand or trade name, followed by the words "or equal," is intended only to indicate quality and type of item desired, and bidders may request use of any equal material, product, thing, or service. All data substantiating the proposed substitute as an equal item must be submitted with the written request for substitution. A request for substitution must be submitted within 35 days after Notice of Potential Award unless otherwise provided in the Contract Documents. This provision does not apply to materials, products, things, or services that may lawfully be designated by a specific brand or trade name under Public Contract Code § 3400(c).

2.10. Bid Protest

Any bid protest against another bidder must be submitted in writing and received by Town sent via email to Gary Heap, Town Engineer, at gheap@losgatosca.gov before 5:00 p.m. no later than two Working Days following bid opening ("Bid Protest Deadline") and must comply with the following requirements:

A. **General -** Only a bidder who has actually submitted a Bid Proposal is eligible to submit a bid protest against another bidder. Subcontractors are not eligible to submit bid protests. A bidder may not rely on the bid protest submitted by another bidder, but must timely pursue its own protest. For purposes of this Section 10, a "Working Day" means a day that Town is open for normal business, and excludes weekends and holidays observed by Town. Pursuant to Public Contract Code § 4104, inadvertent omission of a Subcontractor's DIR registration number on the Subcontractor List form is not grounds for a bid protest, provided it is corrected within 24 hours of the bid opening or as otherwise provided under Labor Code § 1771.1(b).

B. **Protest Contents -** The bid protest must contain a complete statement of the basis for the protest and must include all supporting documentation. Material submitted after the Bid Protest Deadline will not be considered. The protest must refer to the specific portion or portions of the Contract Documents upon which the protest is based. The protest must include the name, address, email address, and telephone number of the protesting bidder and any person submitting the protest on behalf of or as an authorized representative of the protesting bidder.

C. **Copy to Protested Bidder -** Upon submission of its bid protest to Town, the protesting bidder must also concurrently transmit the protest and all supporting documents to the protested bidder, and to any other bidder who has a reasonable prospect of receiving an award depending upon the outcome of the protest, by email or hand delivery to ensure delivery before the Bid Protest Deadline.

D. **Response to Protest -** The protested bidder may submit a written response to the protest, provided the response is received by Town before 5:00 p.m., within two Working Days after the Bid Protest Deadline or after actual receipt of the bid protest, whichever is sooner (the "Response Deadline"). The response must attach all supporting documentation. Material submitted after the Response Deadline will not be considered. The response must include the name, address, email address, and telephone number of the person responding on behalf of or representing the protested bidder if different from the protested bidder.

E. **Copy to Protesting Bidder -** Upon submission of its response to the bid protest to the Town, the protested bidder must also concurrently transmit by email or hand delivery, by or before the Response Deadline, a copy of its response and all supporting documents to the protesting bidder and to any other bidder who has a reasonable prospect of receiving an award depending upon the outcome of the protest.

F. **Exclusive Remedy -** The procedure and time limits set forth in this Section are mandatory and are the bidder's sole and exclusive remedy in the event of a bid protest. A bidder's failure to comply with these procedures will constitute a waiver of any right to further pursue a bid protest, including filing a Government Code Claim or initiation of legal proceedings.

G. **Right to Award -** Town reserves the right, acting in its sole discretion, to reject any bid protest that it determines lacks merit, to award the Contract to the bidder it has determined to be the responsible bidder submitting the lowest responsive bid, and to issue a Notice to Proceed with the Work notwithstanding any pending or continuing challenge to its determination.

2.11. Reservation of Rights

Town reserves the unfettered right, acting in its sole discretion, to waive or to decline to waive any immaterial bid irregularities; to accept or reject any or all bids; to cancel or reschedule the bid; to postpone or abandon the Project entirely; or to perform all or part of the Work with its own forces. The Contract will be awarded, if at all, within 60 days after opening of bids or as otherwise specified in the Special Conditions, to the responsible bidder that submitted the lowest responsive bid. Any planned start date for the Project represents the Town's expectations at the time the Notice Inviting Bids was first issued. Town is not bound to issue a Notice to Proceed by or before such planned start date, and it reserves the right to issue the Notice to Proceed when the Town determines, in its sole discretion, the appropriate time for commencing the Work. The Town expressly disclaims responsibility for any assumptions a bidder might draw from the presence or absence of information provided by the Town in any form. Each bidder is solely responsible for its costs to prepare and submit a bid, including site investigation costs.

2.12. Bonds

Within ten calendar days following Town's issuance of the Notice of Potential Award to the successful bidder, the bidder must submit payment and performance bonds to Town as specified in the Contract Documents using the bond forms included in the Contract Documents. All required bonds must be calculated on the maximum total Contract Price as awarded, including additive alternates, if applicable.

2.13. License(s)

The successful bidder and its Subcontractor(s) must possess the California contractor's license(s) in the classification(s) required by law to perform the Work. The successful bidder must also obtain a Town business license within ten (10) days following Town's issuance of the Notice of Potential Award. Subcontractors must also obtain a Town business license before performing any Work.

2.14. Ineligible Subcontractor

Any Subcontractor who is ineligible to perform work on a public works project under Labor Code §§ 1777.1 or 1777.7 is prohibited from performing work on the Project.

2.15. Safety Orders

If the Project includes construction of a pipeline, sewer, sewage disposal system, boring and jacking pits, or similar trenches or open excavations, which are five feet or deeper, each bid must include a bid item for adequate sheeting, shoring, and bracing, or equivalent method, for the protection of life or limb, which comply with safety orders as required by Labor Code § 6707.

2.16. In-Use Off-Road Diesel-Fueled Fleets

If the Project involves the use of vehicles subject to the California Air Resources Board's In-Use Off-Road Diesel-Fueled Fleets Regulation (13 CCR § 2449 et seq.) ("Off-Road Regulation"), then within ten calendar days following Town's issuance of the Notice of Potential Award to the successful bidder, the bidder must submit to Town valid Certificates of Reported Compliance for its fleet and its listed Subcontractors, if applicable, in accordance with the Off-Road Regulation, unless exempt under the Off-Road Regulation.

2.17. Subcontractor Work Limits

The prime contractor must perform at least 20% of the Work on the Project, calculated as a percentage of the base bid price, with its own forces, except for any Work identified as "Specialty Work" in the Contract Documents. The total bid amount for any such Specialty Work, as shown on the Bid Schedule, may be deducted from the base bid price before computing the 20% self-performance requirement. The remaining Work may be performed by qualified Subcontractor(s).

2.18. Additive and Deductive Alternates

As required by Public Contract Code § 20103.8, if this bid solicitation includes additive or deductive items, the following method will be used to determine the lowest bid: The lowest bid will be the lowest total of the bid prices on the base contract and those additive or deductive items that were specifically identified in the bid solicitation or Bid Proposal as being used for the purpose of determining the lowest bid price.

2.19. Bid Schedule

Each bidder must complete the Bid Schedule form with unit prices as indicated, and submit the completed Bid Schedule with its Bid Proposal.

A. **Estimated Quantities -** Unless identified as a "Final Pay Quantity," the quantities shown on the Bid Schedule are estimated and the actual quantities required to perform the Work may be greater or less than the estimated amount. The Contract Price will be adjusted to reflect the actual quantities required for the Work based on the itemized or unit prices provided in the Bid Schedule, with no allowance for anticipated profit for quantities that are deleted or decreased, and no increase in the unit price, and without regard to the percentage increase or decrease of the estimated quantity and the actual quantity.

2.20. For Reference Only

The following documents are provided "For Reference Only," as defined in Section 3.4 of the General Conditions:

(Please list all attachments in alphabetical order in the format shown below and then delete this instruction)

- ATTACHMENT C - Blueprint for a Clean Bay
- ATTACHMENT D - Town of Los Gatos Storm Water Pollution Control Ordinance

3. Bid Schedule

This Bid Schedule must be completed and included with the Bid Proposal. Pricing must be provided for each Bid Item as indicated. Items marked "(SW)" are Specialty Work that must be performed by a qualified Subcontractor. The lump sum or unit cost for each item must be inclusive of all costs, whether direct or indirect, including profit and overhead. The sum of all amounts entered in the "Extended Total Amount" column must be identical to the Base Bid price entered in Section 1 of the Bid Proposal form.

AL = Allowance CF = Cubic Feet CY = Cubic Yard EA = Each LB = Pounds
LF = Linear Foot LS = Lump Sum SF = Square Feet TON = Ton (2000 lbs)

TABLE 1

Line Item	Description	Quantity	Unit of Measure	Unit Cost	Total
1	MOBILIZATION	1	LS		
2	TEMPORARY PEDESTRIAN ACCESS	1	LS		
3	TEMPORARY CONSTRUCTION FENCE	340	LF		
4	DEMOLITION	1	LS	$5,000.00	
5	CLEARNING & GRUBBING	1	LS		
6	EROSION AND SEDIMENT CONTROL	1	LS		
7	EXISTING TREE PROTECTION	2	EA		
8	GRADING (ROUGH & FINE)	1	LS		
9	SOIL PREPARATION	3,098	SF		
10	CONCRETE PAVING TYPE 1 W/ 6" AB	623	SF		
11	CONCRETE PAVING TYPE 2 W/ 6" AB	347	SF		
12	CONCRETE PAVING TYPE 3 W/ 6" AB	2,633	SF		
13	STAMP CONCRETE Type 1 W/ 6" AB (BRICK SUBSITUTE)	252	SF		
14	STAMP CONCRETE Type 2 W/ 6" AB (BRICK SUBSITUTE)	114	SF		
15	CONCRETE CURB @ LAWN AREA	240	LF		

Line Item	Description	Quantity	Unit of Measure	Unit Cost	Total
16	TOP SOIL	1	LS		
17	TURF RESTORATION	923	SF		
18	NEW AREA DRAIN	1	LS	$5,000.00	
TOTAL					

4. Vendor Questionnaire

1. Formation date of company*
*Response required

2. Number of years providing the specified services*
*Response required

3. Please list names and titles of all officers and directors. If an individual or partnership, please list names and addresses of all partners, indicating whether they are general or limited partners.*
*Response required

4. Indicate whether Proposer has ever failed to complete any Agreement awarded to it. If so, note when, where, and why. Attach additional sheets, if necessary. *
*Response required

5. Indicate whether Proposer has been or is the subject of a bankruptcy or insolvency proceeding or subject to assignment for the benefit of creditors. *
*Response required

6. Will you be using subcontractor/s?*
☐ Yes
☐ No

*Response required

When equals "Yes"

*6.1. Subcontractor's list**
Please download the below documents, complete, and upload.

- Subsontractors_list.pdf

*Response required

7. Please provide Bid Bond*
Please download the below documents, complete, and upload.

- bid_bond.pdf

*Response required

8. Noncollusion Declaration*

Please download the below documents, complete, and upload.

- Noncollusion_declaration_fo...

*Response required

9. Bidder's Certifications and Warranties. *

By confirming and submitting this Bid Proposal, Bidder certifies and warrants the following:

A. **Examination of Contract Documents.** Bidder has thoroughly examined the Contract Documents and represents that, to the best of Bidder's knowledge, there are no errors, omissions, or discrepancies in the Contract Documents, subject to the limitations of Public Contract Code § 1104.

B. **Addenda.** Bidder agrees that it has confirmed receipt of or access to, and reviewed, all addenda issued for this bid. Bidder waives any claims it might have against the Town based on its failure to receive, access, or review any addenda for any reason.

C. **Examination of Worksite.** Bidder has had the opportunity to examine the Worksite and local conditions at the Project location.

D. **Bidder Responsibility.** Bidder is a responsible bidder, with the necessary ability, capacity, experience, skill, qualifications, workforce, equipment, and resources to perform or cause the Work to be performed in accordance with the Contract Documents and within the Contract Time.

E. **Responsibility for Bid.** Bidder has carefully reviewed this Bid Proposal and is solely responsible for any errors or omissions contained in its completed bid. All statements and information provided in this Bid Proposal and enclosures are true and correct to the best of Bidder's knowledge.

F. **Nondiscrimination.** In preparing this bid, the Bidder has not engaged in discrimination against any prospective or present employee or Subcontractor on grounds of race, color, ancestry, national origin, ethnicity, religion, sex, sexual orientation, age, disability, or marital status.

G. **Iran Contracting Act.** If the Contract Price exceeds $1,000,000, Bidder is not identified on a list created under the Iran Contracting Act, Public Contract Code § 2200 et seq. (the "Act"), as a person engaging in investment activities in Iran, as defined in the Act, or is otherwise expressly exempt under the Act.

☐ Please confirm

*Response required

10. Award of Contract*

Award of Contract. By confirming and submitting this Bid Proposal, Bidder agrees that, if Town issues the Notice of Potential Award to Bidder, then within ten days following issuance of the Notice of Potential Award to Bidder, Bidder will do all of the following:

A. **Execute Contract.** Enter into the Contract with Town in accordance with the terms of this Bid Proposal, by signing and submitting to Town the Contract prepared by Town using the form included with the Contract Documents;

B. **Submit Required Bonds.** Submit to Town a payment bond and a performance bond, each for 100% of the Contract Price, using the bond forms provided and in accordance with the requirements of the Contract Documents;

C. **Insurance Requirements.** Submit to Town the insurance certificate(s) and endorsement(s) as required by the Contract Documents; and

D. **Certificates of Reported Compliance.** Submit to Town valid Certificates of Reported Compliance for its fleet and its listed Subcontractors, if applicable, if the Project involves the use of vehicles subject to the Off-Road Regulation. (See Section 16 of the Instructions to Bidders.)

☐ Please confirm

*Response required

5. General Conditions

Article 1 - Definitions

Definitions - The following definitions apply to all of the Contract Documents unless otherwise indicated, e.g., additional definitions that apply solely to the Specifications or other technical documents. Defined terms and titles of documents are capitalized in the Contract Documents, with the exception of the following (in any tense or form): “day,” “furnish,” “including,” “install,” “work day,” or “working day.”

Allowance means a specific amount that must be included in the Bid Proposal for a specified purpose.

Article, as used in these General Conditions, means a numbered Article of the General Conditions, unless otherwise indicated by the context.

Change Order means a written document duly approved and executed by Town, which changes the scope of Work, the Contract Price, or the Contract Time.

Claim means a separate demand by Contractor for a change in the Contract Time or Contract Price, that has previously been submitted to Town in accordance with the requirements of the Contract Documents, and which has been rejected by Town, in whole or in part; or a written demand by Contractor objecting to the amount of Final Payment.

Contract means the signed agreement between Town and Contractor for performing the Work required for the Project, and all documents expressly incorporated therein.

Contract Documents means, collectively, all of the documents listed as such in Section 2 of the Contract, including the Notice Inviting Bids; the Instructions to Bidders; addenda, if any; the Bid Proposal and attachments thereto; the Contract; the Notice of Potential Award and Notice to Proceed; the payment and performance bonds; the General Conditions; the Special Conditions; the Project Plans and Specifications; any Change Orders; and any other documents which are clearly and unambiguously made part of the Contract Documents. The Contract Documents do not include documents provided “For Reference Only,” or documents that are intended solely to provide information regarding existing conditions.

Contract Price means the total compensation to be paid to Contractor for performance of the Work, as set forth in the Contract and as may be amended by Change Order or adjusted for an Allowance. The Contract Price is not subject to adjustment due to inflation or due to the increased cost of labor, material, supplies, or equipment following submission of the Bid Proposal.

Contract Time means the time specified for complete performance of the Work, as set forth in the Contract and as may be amended by Change Order.

Contractor means the individual, partnership, corporation, or joint-venture that has signed the Contract with Town to perform the Work.

Day means a calendar day unless otherwise specified.

Design Professional means the licensed individual(s) or firm(s) retained by Town to provide architectural, engineering, or other design professional services for the Project. If no Design Professional has been retained for this Project, any reference to Design Professional is deemed to refer to the Engineer.

DIR means the California Department of Industrial Relations.

Drawings has the same meaning as Plans.

Engineer means the Town Engineer and his or her authorized delegees.

Excusable Delay is defined in Section 5.3(B), Excusable Delay.

Extra Work means new or unforeseen work added to the Project, as determined by the Engineer in his or her sole discretion, including Work that was not part of or incidental to the scope of the Work when the Contractor's bid was submitted; Work that is substantially different from the Work as described in the Contract Documents at bid time; or Work that results from a substantially differing and unforeseeable condition.

Final Completion means Contractor has fully completed all of the Work required by the Contract Documents to the Town's satisfaction, including all punch list items and any required commissioning or training, and has provided the Town with all required submittals, including the instructions and manuals, product warranties, and as-built drawings.

Final Payment means payment to Contractor of the unpaid Contract Price, including release of undisputed retention, less amounts withheld or deducted pursuant to the Contract Documents.

Furnish means to purchase and deliver for the Project.

Government Code Claim means a claim submitted pursuant to California Government Code § 900 et seq.

Hazardous Materials means any substance or material identified now or in the future as hazardous under any Laws, or any other substance or material that may be considered hazardous or otherwise subject to Laws governing handling, disposal, or cleanup.

Including, whether or not capitalized, means "including, but not limited to," unless the context clearly requires otherwise.

Inspector means the individual(s) or firm(s) retained or employed by Town to inspect the workmanship, materials, and manner of construction of the Project and its components to ensure compliance with the Contract Documents and all Laws.

Install means to fix in place for materials, and to fix in place and connect for equipment.

Laws means all applicable local, state, and federal laws, regulations, rules, codes, ordinances, permits, orders, and the like enacted or imposed by or under the auspices of any governmental entity with jurisdiction over any of the Work or any performance of the Work, including health and safety requirements.

Non-Excusable Delay is defined in Section 5.3(D), Non-Excusable Delay.

Plans means the Town-provided plans, drawings, details, or graphical depictions of the Project requirements, but does not include Shop Drawings.

Project means the public works project referenced in the Contract, as modified by any Project alternates elected by Town, if any.

Project Manager means the individual designated by Town to oversee and manage the Project on Town's behalf and may include his or her authorized delegee(s) when the Project Manager is unavailable. If no Project Manager has been designated for this Project, any reference to Project Manager is deemed to refer to the Engineer.

Recoverable Costs is defined in Section 5.3(F), Recoverable Costs.

Request for Information or **RFI** means Contractor's written request for information about the Contract Documents, the Work or the Project, submitted to Town in the manner and format specified by Town.

Section, when capitalized in these General Conditions, means a numbered section or subsection of the General Conditions, unless the context clearly indicates otherwise.

Shop Drawings means drawings, plan details or other graphical depictions prepared by or on behalf of Contractor, and subject to Town acceptance, which are intended to provide details for fabrication, installation, and the like, of items required by or shown in the Plans or Specifications.

Specialty Work means Work that must be performed by a specialized Subcontractor with the specified license or other special certification, and that the Contractor is not qualified to self-perform.

Specifications means the technical, text specifications describing the Project requirements, which are prepared for and incorporated into the Contract by or on behalf of Town, and does not include the Contract, General Conditions or Special Conditions.

Subcontractor means an individual, partnership, corporation, or joint-venture retained by Contractor directly or indirectly through a subcontract to perform a specific portion of the Work. The term Subcontractor applies to subcontractors of all tiers, unless otherwise indicated by the context. A third party such as a utility performing related work on the Project is not a Subcontractor, even if Contractor must coordinate its Work with the third party.

Technical Specifications has the same meaning as Specifications.

Town means the Town of Los Gatos, acting through its Town Council, officers, employees, Town Engineer, and any other authorized representatives.

Town Engineer means the Engineer for Town and his or her authorized delegee(s).

Work means all of the construction and services necessary for or incidental to completing the Project in conformance with the requirements of the Contract Documents.

Work Day or **Working Day**, whether or not capitalized, means a weekday when the Town is open for business, and does not include holidays observed by the Town.

Worksite means the place or places where the Work is performed, which includes, but may extend beyond the Project site, including separate locations for staging, storage, or fabrication.

Article 2 - Roles and Responsibilities

2.1 Town.

A. ***Town Council.*** The Town Council has final authority in all matters affecting the Project, except to the extent it has delegated authority to the Engineer.

B. ***Engineer.*** The Engineer, acting within the authority conferred by the Town Council, is responsible for administration of the Project on behalf of Town, including authority to provide directions to the Design Professional and to Contractor to ensure proper and timely completion of the Project. The Engineer's decisions are final and conclusive within the scope of his or her authority, including interpretation of the Contract Documents.

C. ***Project Manager.*** The Project Manager assigned to the Project will be the primary point of contact for the Contractor and will serve as Town's representative for daily administration of the Project on behalf of Town. Unless otherwise specified, all of Contractor's communications to Town (in any form) will go to or through the Project Manager. Town reserves the right to reassign the Project Manager role at any time or to delegate duties to additional Town representatives, without prior notice to or consent of Contractor.

D. ***Design Professional.*** The Design Professional is responsible for the overall design of the Project and, to the extent authorized by Town, may act on Town's behalf to ensure performance of the Work in compliance with the Plans and Specifications, including any design changes authorized by Change Order. The Design Professional's duties may include review of Contractor's submittals, visits to any Worksite, inspecting the Work, evaluating test and inspection results, and participation in Project-related meetings, including any pre-construction conference, weekly meetings, and coordination meetings. The Design Professional's interpretation of the Plans or Specifications is final and conclusive.

2.2 Contractor.

A. ***General.*** Contractor must provide all labor, materials, supplies, equipment, services, and incidentals necessary to perform and timely complete the Work in strict accordance with the Contract Documents, and in an economical and efficient manner in the best interests of Town, and with minimal inconvenience to the public.

B. ***Responsibility for the Work and Risk of Loss.*** Contractor is responsible for supervising and directing all aspects of the Work to facilitate the efficient and timely completion of the Work. Contractor is solely responsible for and required to exercise full control over the Work, including the construction means, methods, techniques, sequences, procedures, safety precautions and programs, and coordination of all portions of the Work with that of all other contractors and Subcontractors, except to the extent that the Contract Documents provide other specific instructions. Contractor's responsibilities extend to any plan, method or sequence suggested, but not required by Town or specified in the Contract Documents. From the date of commencement of the Work until either the date on which Town formally accepts the Project or the effective date of termination of the Contract, whichever is later, Contractor bears all risks of injury or damage to the Work and the materials and equipment delivered to any Worksite, by any cause including fire, earthquake, wind, weather, vandalism, or theft.

C. ***Project Administration.*** Contractor must provide sufficient and competent administration, staff, and skilled workforce necessary to perform and timely complete the Work in accordance with the Contract Documents. Before starting the Work, Contractor must designate in writing and provide complete contact information, including telephone numbers and email address, for the officer or employee in Contractor's organization who is to serve as Contractor's primary representative for the Project, and who has authority to act on Contractor's behalf. A Subcontractor may not serve as Contractor's primary representative.

D. ***On-Site Superintendent.*** Contractor must, at all times during performance of the Work, provide a qualified and competent full-time superintendent acceptable to Town, and assistants as necessary, who must be physically present at the Project site while any aspect of the Work is being performed. The superintendent must have full authority to act and communicate on behalf of Contractor, and Contractor will be bound by the superintendent's communications to Town. Town's approval of the superintendent is required before the Work commences. If Town is not satisfied with the superintendent's performance, Town may request a qualified replacement of the superintendent. Failure to comply may result in temporary suspension of the Work, at Contractor's sole expense and with no extension of Contract Time, until an approved superintendent is physically present to supervise the Work. Contractor must provide written notice to Town, as soon as practicable, before replacing the superintendent.

E. ***Standards.*** Contractor must, at all times, ensure that the Work is performed in an efficient, skillful manner following best practices and in full compliance with the Contract Documents, Laws, and applicable manufacturer's recommendations. Contractor has a material and ongoing obligation to provide true and complete information, to the best of its knowledge, with respect to all records, documents, or communications pertaining to the Project, including oral or written reports, statements, certifications, Change Order requests, or Claims.

F. ***Meetings.*** Contractor, its project manager, superintendent and any primary Subcontractors requested by Town, must attend a pre-construction conference, if requested by Town, as well as weekly Project progress meetings scheduled with Town. If applicable, Contractor may also be required to participate in coordination meetings with other parties relating to other work being performed on or near the Project site or in relation to the Project, including work or activities performed by Town, other contractors, or other utility owners.

G. ***Construction Records.*** Contractor will maintain up-to-date, thorough, legible, and dated daily job reports, which document all significant activity on the Project for each day that Work is performed on the Project. The daily report for each day must include the number of workers at the Project site; primary Work activities; major deliveries; problems encountered, including injuries, if any; weather and site conditions; and delays, if any. Contractor will take date and time-stamped photographs to document general progress of the Project, including site conditions prior to construction activities, before and after photographs at offset trench laterals, existing improvements and utilities, damage and restoration. Contractor will maintain copies of all subcontracts, Project-related correspondence with Subcontractors, and records of meetings with Subcontractors. Upon request by the Town, Contractor will permit review of and/or provide copies of any of these construction records.

H. ***Responsible Party.*** Contractor is solely responsible to Town for the acts or omissions of any Subcontractors, or any other party or parties performing portions of the Work or providing equipment, materials or services for or on behalf of Contractor or the Subcontractors. Upon Town's written request, Contractor must promptly and

permanently remove from the Project, at no cost to Town, any employee or Subcontractor or employee of a Subcontractor who the Engineer has determined to be incompetent, intemperate or disorderly, or who has failed or refused to perform the Work as required under the Contract Documents.

I. ***Correction of Defects.*** Contractor must promptly correct, at Contractor's sole expense, any Work that is determined by Town to be deficient or defective in any way, including workmanship, materials, parts, or equipment. Workmanship, materials, parts, or equipment that do not conform to the requirements under the Plans, Specifications, and other Contract Documents, as determined by Town, will be considered defective and subject to rejection. Contractor must also promptly correct, at Contractor's sole expense, any Work performed beyond the lines and grades shown on the Plans or established by Town, and any Extra Work performed without Town's prior written approval. If Contractor fails to correct or to take reasonable steps toward correcting defective Work within five days following notice from Town, or within the time specified in Town's notice to correct, Town may elect to have the defective Work corrected by its own forces or by a third party, in which case the cost of correction will be deducted from the Contract Price. If Town elects to correct defective Work due to Contractor's failure or refusal to do so, Town or its agents will have the right to take possession of and use any equipment, supplies, or materials available at the Project site or any Worksite on Town property, in order to effectuate the correction, at no extra cost to Town. Contractor's warranty obligations under Section 11.2, Warranty, will not be waived nor limited by Town's actions to correct defective Work under these circumstances. Alternatively, Town may elect to retain defective Work, and deduct the difference in value, as determined by the Engineer, from payments otherwise due to Contractor. This paragraph applies to any defective Work performed by Contractor during the one-year warranty period under Section 11.2.

J. ***Contractor's Records.*** Contractor must maintain all of its records relating to the Project in any form, including paper documents, photos, videos, electronic records, approved samples, and the construction records required pursuant to paragraph (G), above. Project records subject to this provision include complete Project cost records and records relating to preparation of Contractor's bid, including estimates, take-offs, and price quotes or bids.

1. Contractor's cost records must include all supporting documentation, including original receipts, invoices, and payroll records, evidencing its direct costs to perform the Work, including, but not limited to, costs for labor, materials, and equipment. Each cost record should include, at a minimum, a description of the expenditure with references to the applicable requirements of the Contract Documents, the amount actually paid, the date of payment, and whether the expenditure is part of the original Contract Price, related to an executed Change Order, or otherwise categorized by Contractor as Extra Work. Contractor's failure to comply with this provision as to any claimed cost operates as a waiver of any rights to recover the claimed cost.

2. Contractor must continue to maintain its Project-related records in an organized manner for a period of five years after Town's acceptance of the Project or following Contract termination, whichever occurs first. Subject to prior notice to Contractor, Town is entitled to inspect or audit any of Contractor's records relating to the Project during Contractor's normal business hours. Contractor's records may also be subject to examination and audit by the California State Auditor, pursuant to Government Code § 8546.7. The record-keeping requirements set forth in this subsection 2.2(J) will survive expiration or termination of the Contract.

K. ***Copies of Project Documents.*** Contractor and its Subcontractors must keep copies, at the Project site, of all Work-related documents, including the Contract, permit(s), Plans, Specifications, addenda, Contract amendments, Change Orders, RFIs and RFI responses, Shop Drawings, as-built drawings, schedules, daily records, testing and inspection reports or results, and any related written interpretations. These documents must be available to Town for reference at all times during construction of the Project.

2.3 Subcontractors.

A. ***General.*** All Work which is not performed by Contractor with its own forces must be performed by Subcontractors. Town reserves the right to approve or reject any and all Subcontractors proposed to perform the Work, for reasons including the Subcontractor's poor reputation, lack of relevant experience, financial instability, and lack of technical ability or adequate trained workforce. Each Subcontractor must obtain a Town business license before performing any Work.

B. ***Contractual Obligations.*** Contractor must require each Subcontractor to comply with the provisions of the Contract Documents as they apply to the Subcontractor's portion(s) of the Work, including the generally applicable terms of the Contract Documents, and to likewise bind their subcontractors. Contractor will provide that the rights that each Subcontractor may have against any manufacturer or supplier for breach of warranty or guarantee relating to items provided by the Subcontractor for the Project, will be assigned to Town. Nothing in these Contract Documents creates a contractual relationship between a Subcontractor and Town, but Town is deemed to be a third-party beneficiary of the contract between Contractor and each Subcontractor.

C. ***Termination.*** If the Contract is terminated, each Subcontractor's agreement must be assigned by Contractor to Town, subject to the prior rights of any surety, but only if and to the extent that Town accepts, in writing, the assignment by written notification, and assumes all rights and obligations of Contractor pursuant to each such subcontract agreement.

D. ***Substitution of Subcontractor.*** If Contractor requests substitution of a listed Subcontractor under Public Contract Code § 4107, Contractor is solely responsible for all costs Town incurs in responding to the request, including legal fees and costs to conduct a hearing, and any increased subcontract cost to perform the Work that was to be performed by the listed Subcontractor. If Town determines that a Subcontractor is unacceptable to Town based on the Subcontractor's failure to satisfactorily perform its Work, or for any of the grounds for substitution listed in Public Contract Code § 4107(a), Town may request removal of the Subcontractor from the Project. Upon receipt of a written request from Town to remove a Subcontractor pursuant to this paragraph, Contractor will immediately remove the Subcontractor from the Project and, at no further cost to Town, will either (1) self-perform the remaining Work to the extent that Contractor is duly licensed and qualified to do so, or (2) substitute a Subcontractor that is acceptable to Town, in compliance with Public Contract Code § 4107, as applicable.

2.4 Coordination of Work.

A. ***Concurrent Work.*** Town reserves the right to perform, have performed, or permit performance of other work on or adjacent to the Project site while the Work is being performed for the Project. Contractor is responsible for coordinating its Work with other work being performed on or adjacent to the Project site, including by any utility companies or agencies, and must avoid hindering, delaying, or interfering with the work of other

contractors, individuals, or entities, and must ensure safe and reasonable site access and use as required or authorized by Town. To the full extent permitted by law, Contractor must hold harmless and indemnify Town against any and all claims arising from or related to Contractor's avoidable, negligent, or willful hindrance of, delay to, or interference with the work of any utility company or agency or another contractor or subcontractor.

B. ***Coordination.*** If Contractor's Work will connect or interface with work performed by others, Contractor is responsible for independently measuring and visually inspecting such work to ensure a correct connection and interface. Contractor is responsible for any failure by Contractor or its Subcontractors to confirm measurements before proceeding with connecting Work. Before proceeding with any portion of the Work affected by the construction or operations of others, Contractor must give the Project Manager prompt written notification of any defects Contractor discovers which will prevent the proper execution of the Work. Failure to give notice of any known or reasonably discoverable defects will be deemed acknowledgement by Contractor that the work of others is not defective and will not prevent the proper execution of the Work. Contractor must also promptly notify Town if work performed by others, including work or activities performed by Town's own forces, is operating to hinder, delay, or interfere with Contractor's timely performance of the Work. Town reserves the right to backcharge Contractor for any additional costs incurred due to Contractor's failure to comply with the requirements in this Section 2.4.

2.5 Submittals. Unless otherwise specified, Contractor must submit to the Engineer for review and acceptance, all schedules, Shop Drawings, samples, product data, and similar submittals required by the Contract Documents, or upon request by the Engineer. Unless otherwise specified, all submittals, including Requests for Information, are subject to the general provisions of this Section, as well as specific submittal requirements that may be included elsewhere in the Contract Documents, including the Special Conditions or Specifications. The Engineer may require submission of a submittal schedule at or before a pre-construction conference, as may be specified in the Notice to Proceed.

A. ***General.*** Contractor is responsible for ensuring that its submittals are accurate and conform to the Contract Documents.

B. ***Time and Manner of Submission.*** Contractor must ensure that its submittals are prepared and delivered in a manner consistent with the current Town-accepted schedule for the Work and within the applicable time specified in the Contract Documents, or if no time is specified, in such time and sequence so as not to delay the performance of the Work or completion of the Project.

C. ***Required Contents.*** Each submittal must include the Project name and contract number, Contractor's name and address, the name and address of any Subcontractor or supplier involved with the submittal, the date, and references to applicable Specification section(s) and/or drawing and detail number(s).

D. ***Required Corrections.*** If corrections are required, Contractor must promptly make and submit any required corrections as specified in full conformance with the requirements of this Section, or other requirements that apply to that submittal.

E. ***Effect of Review and Acceptance.*** Review and acceptance of a submittal by Town will not relieve Contractor from complying with the requirements of the Contract Documents. Contractor is responsible for any errors in any submittal, and review or acceptance of a submittal by Town is not an assumption of risk or liability by Town.

F. ***Enforcement.*** Any Work performed or any material furnished, installed, fabricated or used without Town's prior acceptance of a required submittal is performed or provided at Contractor's risk, and Contractor may be required to bear the costs incident thereto, including the cost of removing and replacing such Work, repairs to other affected portions of the Work or material, and the cost of additional time or services required of Town, including costs for the Design Professional, Project Manager, or Inspector.

G. ***Excessive RFIs.*** A RFI will be considered excessive or unnecessary if Town determines that the explanation or response to the RFI is clearly and unambiguously discernable from the Contract Documents. Town's costs to review and respond to excessive or unnecessary RFIs may be deducted from payments otherwise due to Contractor.

2.6 Shop Drawings. When Shop Drawings are required by the Specifications or requested by the Engineer, they must be prepared according to best practices at Contractor's expense. The Shop Drawings must be of a size and scale to clearly show all necessary details. Unless otherwise specified by Town, Shop Drawings must be provided to the Engineer for review and acceptance at least 30 days before the Work will be performed. If Town requires changes, the corrected Shop Drawings must be resubmitted to the Engineer for review within the time specified by the Engineer. For all Project components requiring Shop Drawings, Contractor will not furnish materials or perform any Work until the Shop Drawings for those components are accepted by Town. Contractor is responsible for any errors or omissions in the Shop Drawings, shop fits and field corrections; any deviations from the Contract Documents; and for the results obtained by the use of Shop Drawings. Acceptance of Shop Drawings by Town does not relieve Contractor of Contractor's responsibility.

2.7 Access to Work. Contractor must afford prompt and safe access to any Worksite by Town and its employees, agents, or consultants authorized by Town; and upon request by Town, Contractor must promptly arrange for Town representatives to visit or inspect manufacturing sites or fabrication facilities for items to be incorporated into the Work.

2.8 Personnel. Contractor and its Subcontractors must employ only competent and skillful personnel to perform the Work. Contractor and its Subcontractor's supervisors, security or safety personnel, and employees who have unescorted access to the Project site must possess proficiency in English sufficient to read, understand, receive, and implement oral or written communications or instructions relating to their respective job functions, including safety and security requirements. Upon written notification from the Engineer, Contractor and its Subcontractors must immediately discharge any personnel who are incompetent, disorderly, disruptive, threatening, abusive, or profane, or otherwise refuse or fail to comply with the requirements of the Contract Documents or Laws, including Laws pertaining to health and safety. Any such discharged personnel may not be re-employed or permitted on the Project in any capacity without Town's prior written consent.

Article 3 - Contract Documents

3.1 Interpretation of Contract Documents.

A. ***Plans and Specifications.*** The Plans and Specifications included in the Contract Documents are complementary. If Work is shown on one but not on the other, Contractor must perform the Work as though fully described on both, consistent with the Contract Documents and reasonably inferable from them as being necessary to produce the indicated results. The Plans and Specifications are deemed to include and require everything necessary and reasonably incidental to completion of the Work, whether or not particularly mentioned or shown. Contractor must perform all Work and services and supply all things reasonably related to and inferable from the Contract Documents. In the event of a conflict between the Plans and Specifications, the Specifications

will control, unless the drawing(s) at issue are dated later than the Specification(s) at issue. Detailed drawings take precedence over general drawings, and large-scale drawings take precedence over smaller scale drawings. Any arrangement or division of the Plans and Specifications into sections is for convenience and is not intended to limit the Work required by separate trades. A conclusion presented in the Plans or Specifications is only a recommendation. Actual locations and depths must be determined by Contractor's field investigation. Contractor may request access to underlying or background information in Town's possession that is necessary for Contractor to form its own conclusions.

B. ***Duty to Notify and Seek Direction.*** If Contractor becomes aware of a changed condition in the Project, or of any ambiguity, conflict, inconsistency, discrepancy, omission, or error in the Contract Documents, including the Plans or Specifications, Contractor must promptly submit a Request for Information to the Engineer and wait for a response from Town before proceeding further with the related Work. The RFI must notify Town of the issue and request clarification, interpretation or direction. The Engineer's clarification, interpretation or direction will be final and binding on Contractor. If Contractor proceeds with the related Work before obtaining Town's response, Contractor will be responsible for any resulting costs, including the cost of correcting any incorrect or defective Work that results. Timely submission of a clear and complete RFI is essential to avoiding delay. Delay resulting from Contractor's failure to submit a timely and complete RFI to the Engineer is Non-Excusable Delay. If Contractor believes that Town's response to an RFI justifies a change to the Contract Price or Contract Time, Contractor must perform the Work as directed, but may submit a timely Change Order request in accordance with the Contract Documents. (See Articles 5 and 6.)

C. ***Figures and Dimensions.*** Figures control over scaled dimensions.

D. ***Technical or Trade Terms.*** Any terms that have well-known technical or trade meanings will be interpreted in accordance with those meanings, unless otherwise specifically defined in the Contract Documents.

E. ***Measurements.*** Contractor must verify all relevant measurements in the Contract Documents and at the Project site before ordering any material or performing any Work, and will be responsible for the correctness of those measurements or for costs that could have been avoided by independently verifying measurements.

F. ***Compliance with Laws.*** The Contract Documents are intended to comply with Laws and will be interpreted to comply with Laws.

3.2 Order of Precedence. Information included in one Contract Document but not in another will not be considered a conflict or inconsistency. Unless otherwise specified in the Special Conditions, in case of any conflict or inconsistency among the Contract Documents, the following order of precedence will apply, beginning from highest to lowest, with the most recent version taking precedent over an earlier version:

1. Change Orders;
2. Addenda;
3. Contract;
4. Notice to Proceed;
5. Federal Contract Requirements (only if used);

6. Special Conditions;
7. General Conditions;
8. Payment and Performance Bonds;
9. Specifications;
10. Plans;
11. Notice of Potential Award;
12. Notice Inviting Bids;
13. Federal Bidding Requirements (only if used);
14. Instructions to Bidders;
15. Contractor's Bid Proposal and attachments;
16. Locations of Work
17. Standard Plans; and
18. Any generic documents prepared by and on behalf of a third party, that were not prepared specifically for this Project, such as the Caltrans Standard Specifications or Caltrans Special Provisions.

3.3 Caltrans Standard Specifications. Any reference to or incorporation of the Standard Specifications of the State of California, Department of Transportation ("Caltrans"), including "Standard Specifications," "Caltrans Specifications," "State Specifications," or "CSS," means the most current edition of Caltrans' Standard Specifications, unless otherwise specified ("Caltrans Standard Specifications"), including the most current amendments as of the date that Contractor's bid was submitted for this Project. The following provisions apply to use of or reference to the Caltrans Standard Specifications or Special Provisions:

A. ***Limitations.*** The "General Provisions" of the Caltrans Standard Specifications, i.e., sections 1 through 9, do not apply to these Contract Documents with the exception of any specific provisions, if any, which are expressly stated to apply to these Contract Documents.

B. ***Conflicts or Inconsistencies.*** If there is a conflict or inconsistency between any provision in the Caltrans Standard Specifications or Special Provisions and a provision of these Contract Documents, as determined by Town, the provision in the Contract Documents will govern.

C. ***Meanings.*** Terms used in the Caltrans Standard Specifications or Special Provisions are to be interpreted as follows:

1. Any reference to the "Engineer" is deemed to mean the Town Engineer.
2. Any reference to the "Special Provisions" is deemed to mean the Special Conditions, unless the Caltrans Special Provisions are expressly included in the Contract Documents listed in Section 2 of the Contract.
3. Any reference to the "Department" or "State" is deemed to mean Town.

3.4 For Reference Only. Contractor is responsible for the careful review of any document, study, or report provided by Town or appended to the Contract Documents solely for informational purposes and identified as "For Reference Only." Nothing in any document, study, or report so appended and identified is intended to supplement, alter, or void any provision of the Contract Documents. Contractor is advised that Town or its representatives may be guided by information or recommendations included in such reference documents, particularly when making determinations as to the acceptability of proposed materials, methods, or changes in the Work. Any record drawings or similar final or accepted drawings or maps that are not part of the Contract Documents are deemed to be For Reference Only. The provisions of the Contract Documents are not modified by any perceived or actual conflict with provisions in any document that is provided For Reference Only.

3.5 Current Versions. Unless otherwise specified by Town, any reference to standard specifications, technical specifications, or any Town or state codes or regulations means the latest specification, code, or regulation in effect on the date that bids were due.

3.6 Conformed Copies. If Town prepares a conformed set of the Contract Documents following award of the Contract, it will provide Contractor with two hard copy (paper) sets and one copy of the electronic file in PDF format. It is Contractor's responsibility to ensure that all Subcontractors, including fabricators, are provided with the conformed set of the Contract Documents at Contractor's sole expense.

3.7 Ownership. No portion of the Contract Documents may be used for any purpose other than construction of the Project, without prior written consent from Town. Contractor is deemed to have conveyed the copyright in any designs, drawings, specifications, Shop Drawings, or other documents (in paper or electronic form) developed by Contractor for the Project, and Town will retain all rights to such works, including the right to possession.

Article 4 - Bonds, Indemnity, and Insurance

4.1 Payment and Performance Bonds. Within ten days following issuance of the Notice of Potential Award, Contractor is required to provide a payment bond and a performance bond, each in the penal sum of not less than 100% of the Contract Price, and each executed by Contractor and its surety using the bond forms included with the Contract Documents.

A. ***Surety*.** Each bond must be issued and executed by a surety admitted in California. If an issuing surety cancels the bond or becomes insolvent, within seven days following written notice from Town, Contractor must substitute a surety acceptable to Town. If Contractor fails to substitute an acceptable surety within the specified time, Town may, at its sole discretion, withhold payment from Contractor until the surety is replaced to Town's satisfaction, or terminate the Contract for default.

B. ***Supplemental Bonds for Increase in Contract Price*.** If the Contract Price increases during construction by five percent or more over the original Contract Price, Contractor must provide supplemental or replacement bonds within ten days of written notice from Town pursuant to this Section, covering 100% of the increased Contract Price and using the bond forms included with the Contract Documents.

4.2 Indemnity. To the fullest extent permitted by law, Contractor must indemnify, defend, and hold harmless Town, its Council, officers, officials, employees, agents, volunteers, and consultants (individually, an "Indemnitee," and collectively the "Indemnitees") from and against any and all liability, loss, damage, claims, causes of action, demands, charges, fines, costs, and expenses (including, without limitation, attorney fees, expert witness fees, paralegal fees, and fees and costs of litigation or arbitration) (collectively, "Liability") of every nature arising out of or in connection with the acts or omissions of Contractor, its employees, Subcontractors, representatives, or agents, in bidding or performing the

Work or in failing to comply with any obligation of Contractor under the Contract, except such Liability caused by the active negligence, sole negligence, or willful misconduct of an Indemnitee. This indemnity requirement applies to any Liability arising from alleged defects in the content or manner of submission of Contractor's bid for the Contract. Contractor's failure or refusal to timely accept a tender of defense pursuant to this Contract will be deemed a material breach of the Contract. Town will timely notify Contractor upon receipt of any third-party claim relating to the Contract, as required by Public Contract Code § 9201. Contractor waives any right to express or implied indemnity against any Indemnitee. Contractor's indemnity obligations under this Contract will survive the expiration or any early termination of the Contract.

4.3 Insurance. No later than ten days following issuance of the Notice of Potential Award, Contractor must procure and provide proof of the insurance coverage required by this Section in the form of certificates and endorsements acceptable to Town. The required insurance must cover the activities of Contractor and its Subcontractors relating to or arising from the performance of the Work, and must remain in full force and effect at all times during the period covered by the Contract, through the date of Town's acceptance of the Project. All required insurance must be issued by a company licensed to do business in the State of California, and each such insurer must have an A.M. Best's financial strength rating of "A" or better and a financial size rating of "VIII" or better. If Contractor fails to provide any of the required coverage in full compliance with the requirements of the Contract Documents, Town may, at its sole discretion, purchase such coverage at Contractor's expense and deduct the cost from payments due to Contractor, or terminate the Contract for default. The procurement of the required insurance will not be construed to limit Contractor's liability under this Contract or to fulfill Contractor's indemnification obligations under this Contract.

A. ***Policies and Limits.*** The following insurance policies and limits are required for this Contract, unless otherwise specified in the Special Conditions:

   1. *Commercial General Liability ("CGL") Insurance:* The CGL insurance policy must be issued on an occurrence basis, written on a comprehensive general liability form, and must include coverage for liability arising from Contractor's or its Subcontractor's acts or omissions in the performance of the Work, including contractor's protective coverage, contractual liability, products and completed operations, and broad form property damage, with limits of at least $2,000,000 per occurrence and at least $4,000,000 general aggregate. The CGL insurance coverage may be arranged under a single policy for the full limits required or by a combination of underlying policies with the balance provided by excess or umbrella policies, provided each such policy complies with the requirements set forth in this Section, including required endorsements.

   2. *Automobile Liability Insurance:* The automobile liability insurance policy must provide coverage of at least $2,000,000 combined single-limit per accident for bodily injury, death, or property damage, including hired and non-owned auto liability.

   3. *Workers' Compensation Insurance and Employer's Liability:* The workers' compensation and employer's liability insurance policy must comply with the requirements of the California Labor Code, providing coverage of at least $1,000,000 or as otherwise required by the statute. If Contractor is self-insured, Contractor must provide its Certificate of Permission to Self-Insure, duly authorized by the DIR.

B. ***Notice.*** Each certificate of insurance must state that the coverage afforded by the policy or policies will not be reduced, cancelled or allowed to expire without at least 30 days written notice to Town, unless due to non-payment of premiums, in which case ten days written notice must be made to Town.

C. ***Waiver of Subrogation.*** Each required policy must include an endorsement providing that the carrier will waive any right of subrogation it may have against Town.

D. ***Required Endorsements.*** The CGL policy, automobile liability policy, pollution liability policy, and builder's risk policy must include the following specific endorsements:

1. The Town, including its Council, officials, officers, employees, agents, volunteers and consultants (collectively, "Additional Insured") must be named as an additional insured for all liability arising out of the operations by or on behalf of the named insured, and the policy must protect the Additional Insured against any and all liability for personal injury, death or property damage or destruction arising directly or indirectly in the performance of the Contract. The additional insured endorsement must be provided using ISO form CG 20 10 11 85 or equivalent form(s) approved by the Town.

2. The inclusion of more than one insured will not operate to impair the rights of one insured against another, and the coverages afforded will apply as though separate policies have been issued to each insured.

3. The insurance provided by Contractor is primary and no insurance held or owned by any Additional Insured may be called upon to contribute to a loss.

4. This policy does not exclude explosion, collapse, underground excavation hazard, or removal of lateral support.

E. ***Contractor's Responsibilities.*** This Section 4.3 establishes the minimum requirements for Contractor's insurance coverage in relation to this Project, but is not intended to limit Contractor's ability to procure additional or greater coverage. Contractor is responsible for its own risk assessment and needs and is encouraged to consult its insurance provider to determine what coverage it may wish to carry beyond the minimum requirements of this Section. Contractor is solely responsible for the cost of its insurance coverage, including premium payments, deductibles, or self-insured retentions, and no Additional Insured will be responsible or liable for any of the cost of Contractor's insurance coverage.

F. ***Deductibles and Self-Insured Retentions***. Any deductibles or self-insured retentions that apply to the required insurance (collectively, "deductibles") in excess of $100,000 are subject to approval by the Town's Risk Manager, acting in his or her sole discretion, and must be declared by Contractor when it submits its certificates of insurance and endorsements pursuant to this Section 4.3. If the Town's Risk Manager determines that the deductibles are unacceptably high, at Town's option, Contractor must either reduce or eliminate the deductibles as they apply to Town and all required Additional Insured; or must provide a financial guarantee, to Town's satisfaction, guaranteeing payment of losses and related investigation, claim administration, and legal expenses.

G. ***Subcontractors.*** Contractor must ensure that each Subcontractor is required to maintain the same insurance coverage required under this Section 4.3, with respect to its performance of Work on the Project, including those requirements related to the Additional Insureds and waiver of subrogation, but excluding pollution liability or builder's risk insurance unless otherwise specified in the Special Conditions. A Subcontractor may be eligible for reduced insurance coverage or limits, but only to the extent approved in writing in advance by the Town's Risk Manager. Contractor must confirm that each Subcontractor has complied with these insurance requirements before the Subcontractor is permitted to begin Work on the Project. Upon request by the Town,

Contractor must provide certificates and endorsements submitted by each Subcontractor to prove compliance with this requirement. The insurance requirements for Subcontractors do not replace or limit the Contractor's insurance obligations.

Article 5 - Contract Time

5.1 Time is of the Essence. Time is of the essence in Contractor's performance and completion of the Work, and Contractor must diligently prosecute the Work and complete it within the Contract Time.

A. ***General.*** Contractor must commence the Work on the date indicated in the Notice to Proceed and must fully complete the Work in strict compliance with all requirements of the Contract Documents and within the Contract Time. Contractor may not begin performing the Work before the date specified in the Notice to Proceed.

B. ***Authorization.*** Contractor is not entitled to compensation or credit for any Work performed before the date specified in the Notice to Proceed, with the exception of any schedules, submittals, or other requirements, if any, that must be provided or performed before issuance of the Notice to Proceed.

C. ***Rate of Progress.*** Contractor and its Subcontractors must, at all times, provide workers, materials, and equipment sufficient to maintain the rate of progress necessary to ensure full completion of the Work within the Contract Time. If Town determines that Contractor is failing to prosecute the Work at a sufficient rate of progress, Town may, in its sole discretion, direct Contractor to provide additional workers, materials, or equipment, or to work additional hours or days without additional cost to Town, in order to achieve a rate of progress satisfactory to Town. If Contractor fails to comply with Town's directive in this regard, Town may, at Contractor's expense, separately contract for additional workers, materials, or equipment or use Town's own forces to achieve the necessary rate of progress. Alternatively, Town may terminate the Contract based on Contractor's default.

5.2 Schedule Requirements. Contractor must prepare all schedules using standard, commercial scheduling software acceptable to the Engineer, and must provide the schedules in electronic and paper form as requested by the Engineer. In addition to the general scheduling requirements set forth below, Contractor must also comply with any scheduling requirements included in the Special Conditions or in the Technical Specifications.

A. ***Baseline (As-Planned) Schedule.*** Within ten calendar days following Town's issuance of the Notice to Proceed (or as otherwise specified in the Notice to Proceed), Contractor must submit to Town for review and acceptance a baseline (as-planned) schedule using critical path methodology showing in detail how Contractor plans to perform and fully complete the Work within the Contract Time, including labor, equipment, materials, and fabricated items. The baseline schedule must show the order of the major items of Work and the dates of start and completion of each item, including when the materials and equipment will be procured. The schedule must also include the work of all trades, reflecting anticipated labor or crew hours and equipment loading for the construction activities, and must be sufficiently comprehensive and detailed to enable progress to be monitored on a day-by-day basis. For each activity, the baseline schedule must be dated, provided in the format specified in the Contract Documents or as required by Town, and must include, at a minimum, a description of the activity, the start and completion dates of the activity, and the duration of the activity.

1. *Specialized Materials Ordering*. Within five calendar days following issuance of the Notice to Proceed, Contractor must order any specialized material or equipment for the Work that is not readily available from material suppliers. Contractor must also retain documentation of the purchase order date(s).

B. ***Town's Review of Schedules.*** Town will review and may note exceptions to the baseline schedule, and to the progress schedules submitted as required below, to assure completion of the Work within the Contract Time. Contractor is solely responsible for resolving any exceptions noted in a schedule and, within seven days, must correct the schedule to address the exceptions. Town's review or acceptance of Contractor's schedules will not operate to waive or limit Contractor's duty to complete the Project within the Contract Time, nor to waive or limit Town's right to assess liquidated damages for Contractor's unexcused failure to do so.

C. ***Progress Schedules.*** After Town accepts the final baseline schedule with no exceptions, Contractor must submit an updated progress schedule and three-week look-ahead schedule, in the format specified by Town, for review and acceptance with each application for a progress payment, or when otherwise specified by Town, until completion of the Work. The updated progress schedule must: show how the actual progress of the Work as constructed to date compares to the baseline schedule; reflect any proposed changes in the construction schedule or method of operations, including to achieve Project milestones within the Contract Time; and identify any actual or potential impacts to the critical path. Contractor must also submit periodic reports to Town of any changes in the projected material or equipment delivery dates for the Project.

1. *Float*. The progress schedule must show early and late completion dates for each task. The number of days between those dates will be designated as the "float." Any float belongs to the Project and may be allocated by the Engineer to best serve timely completion of the Project.

2. *Failure to Submit Schedule*. Reliable, up-to-date schedules are essential to efficient and cost-effective administration of the Project and timely completion. If Contractor fails to submit a schedule within the time periods specified in this Section, or submits a schedule to which Town has noted exceptions that are not corrected, Town may withhold up to five percent from payment(s) otherwise due to Contractor until the exceptions are resolved, the schedule is corrected and resubmitted, and Town has accepted the schedule. In addition, Contractor's failure to comply with the schedule requirements in this Section 5.2 will be deemed a material default and a waiver of any claims for Excusable Delay or loss of productivity arising during any period when Contractor is out of compliance, subject only to the limits of Public Contract Code § 7102.

D. ***Recovery Schedule.*** If Town determines that the Work is more than one week behind schedule, within seven days following written notice of such determination, Contractor must submit a recovery schedule, showing how Contractor intends to perform and complete the Work within the Contract Time, based on actual progress to date.

E. ***Effect of Acceptance.*** Contractor and its Subcontractors must perform the Work in accordance with the most current Town-accepted schedule unless otherwise directed by Town. Town's acceptance of a schedule does not operate to extend the time for completion of the Work or any component of the Work, and will not affect Town's right to assess liquidated damages for Contractor's unexcused delay in completing the Work within the Contract Time.

F. ***Posting.*** Contractor must at all times prominently post a copy of the most current Town-accepted progress or recovery schedule in its on-site office.

G. ***Reservation of Rights.*** Town reserves the right to direct the sequence in which the Work must be performed or to make changes in the sequence of the Work in order to facilitate the performance of work by Town or others, or to facilitate Town's use of its property. The Contract Time or Contract Price may be adjusted to the extent such changes in sequence actually increase or decrease Contractor's time or cost to perform the Work.

H. ***Authorized Working Days and Times.*** Contractor is limited to working Monday through Friday, excluding holidays, during Town's normal business hours, except as provided in the Special Conditions or as authorized in writing by Town. Town reserves the right to charge Contractor for additional costs incurred by Town due to Work performed on days or during hours not expressly authorized in the Contract Documents, including reimbursement of costs incurred for inspection, testing, and construction management services.

5.3 Delay and Extensions of Contract Time.

A. ***Notice of Delay.*** If Contractor becomes aware of any actual or potential delay affecting the critical path, Contractor must promptly notify the Engineer in writing, regardless of the nature or cause of the delay, so that Town has a reasonable opportunity to mitigate or avoid the delay.

B. ***Excusable Delay.*** The Contract Time may be extended if Contractor encounters "Excusable Delay," which is an unavoidable delay in completing the Work within the Contract Time due to causes completely beyond Contractor's control, and which Contractor could not have avoided or mitigated through reasonable care, planning, foresight, and diligence, provided that Contractor is otherwise fully performing its obligations under the Contract Documents. Grounds for Excusable Delay may include fire, natural disasters including earthquake or unusually severe weather, acts of terror or vandalism, epidemic, unforeseeable adverse government actions, unforeseeable actions of third parties, encountering unforeseeable hazardous materials, unforeseeable site conditions, or suspension for convenience under Article 13. The Contract Time will not be extended based on circumstances which will not unavoidably delay completing the Work within the Contract Time based on critical path analysis.

C. ***Weather Delays.*** A "Weather Delay Day" is a Working Day during which Contractor and its forces, including Subcontractors, are unable to perform more than 40% of the critical path Work scheduled for that day due to adverse weather conditions which impair the ability to safely or effectively perform the scheduled critical path Work that day. Adverse weather conditions may include rain, saturated soil, and Project site clean-up required due to adverse weather. Determination of what constitutes critical path Work scheduled for that day will be based on the most current, Town-approved schedule. Contractor will be entitled to a non-compensable extension of the Contract Time for each Weather Delay Day in excess of the normal Weather Delay Days within a given month as determined by reliable records, including monthly rainfall averages, for the preceding ten years (or as otherwise specified in the Special Conditions or Specifications).

1. Contractor must fully comply with the applicable procedures in Articles 5 and 6 of the General Conditions regarding requests to modify the Contract Time.

2. Contractor will not be entitled to an extension of time for a Weather Delay Day to the extent Contractor is responsible for concurrent delay on that day.

3. Contractor must take reasonable steps to mitigate the consequences of Weather Delay Days, including prudent workforce management and protecting the Work, Project Site, materials, and equipment.

D. ***Non-Excusable Delay.*** Delay which Contractor could have avoided or mitigated through reasonable care, planning, foresight, and diligence is "Non-Excusable Delay." Contractor is not entitled to an extension of Contract Time or any compensation for Non-Excusable Delay, or for Excusable Delay that is concurrent with Non-Excusable Delay. Non-Excusable Delay includes delay caused by:

1. weather conditions which are normal for the location of the Project, as determined by reliable records, including monthly rainfall averages, for the preceding ten years;

2. Contractor's failure to order equipment and materials sufficiently in advance of the time needed for completion of the Work within the Contract Time;

3. Contractor's failure to provide adequate notification to utility companies or agencies for connections or services necessary for completion of the Work within the Contract Time;

4. foreseeable conditions which Contractor could have ascertained from reasonably diligent inspection of the Project site or review of the Contract Documents or other information provided or available to Contractor;

5. Contractor's failure, refusal, or financial inability to perform the Work within the Contract Time, including insufficient funds to pay its Subcontractors or suppliers;

6. performance or non-performance by Contractor's Subcontractors or suppliers;

7. the time required to respond to excessive RFIs (see Section 2.5(G));

8. delayed submission of required submittals, or the time required for correction and resubmission of defective submittals;

9. time required for repair of, re-testing, or re-inspection of defective Work;

10. enforcement of Laws by Town, or outside agencies with jurisdiction over the Work; or

11. Town's exercise or enforcement of any of its rights or Contractor's duties pursuant to the Contract Documents, including correction of defective Work, extra inspections or testing due to non-compliance with Contract requirements, safety compliance, environmental compliance, or rejection and return of defective or deficient submittals.

E. ***Compensable Delay.*** Pursuant to Public Contract Code § 7102, in addition to entitlement to an extension of Contract Time, Contractor is entitled to compensation for costs incurred due to delay caused solely by Town, when that delay is unreasonable under the circumstances involved and not within the contemplation of the parties ("Compensable Delay"). Contractor is not entitled to an extension of Contract Time or recovery of costs for Compensable Delay that is concurrent with Non-Excusable Delay.

F. ***Recoverable Costs.*** Contractor is not entitled to compensation for Excusable Delay unless it is Compensable Delay, as defined above. Contractor is entitled to recover only the actual, direct, reasonable, and substantiated costs ("Recoverable Costs") for each working day that the Compensable Delay prevents Contractor from proceeding with more than 50% of the critical path Work scheduled for that day, based on the most recent progress schedule accepted by Town. Recoverable Costs will not include home office overhead or lost profit.

G. ***Request for Extension of Contract Time or Recoverable Costs.*** A request for an extension of Contract Time or any associated Recoverable Costs must be submitted in writing to Town within 30 calendar days of the date the delay is first encountered, even if the duration of the delay is not yet known at that time, or any entitlement to the Contract Time extension or to the Recoverable Costs will be deemed waived. In addition to complying with the requirements of this Article 5, the request must be submitted in compliance with the Change Order request procedures in Article 6 below. Strict compliance with these requirements is necessary to ensure that any delay or consequences of delay may be mitigated as soon as possible, and to facilitate cost-efficient administration of the Project and timely performance of the Work. Any request for an extension of Contract Time or Recoverable Costs that does not strictly comply with all of the requirements of Article 5 and Article 6 will be deemed waived.

1. *Required Contents.* The request must include a detailed description of the cause(s) of the delay and must also describe the measures that Contractor has taken to mitigate the delay and/or its effects, including efforts to mitigate the cost impact of the delay, such as by workforce management or by a change in sequencing. If the delay is still ongoing at the time the request is submitted, the request should also include Contractor's plan for continued mitigation of the delay or its effects.

2. *Delay Days and Costs.* The request must specify the number of days of Excusable Delay claimed or provide a realistic estimate if the duration of the delay is not yet known. If Contractor believes it is entitled to Recoverable Costs for Compensable Delay, the request must specify the amount and basis for the Recoverable Costs that are claimed or provide a realistic estimate if the amount is not yet known. Any estimate of delay duration or cost must be updated in writing and submitted with all required supporting documentation as soon as the actual time and cost is known. The maximum extension of Contract Time will be the number of days, if any, by which an Excusable Delay or a Compensable Delay exceeds any concurrent Non-Excusable Delay. Contractor is entitled to an extension of Contract Time, or compensation for Recoverable Costs, only if, and only to the extent that, such delay will unavoidably delay Final Completion.

3. *Supporting Documentation.* The request must also include any and all supporting documentation necessary to evidence the delay and its actual impacts, including scheduling and cost impacts with a time impact analysis using critical path methodology and demonstrating the unavoidable delay to Final Completion. The time impact analysis must be submitted in a form or format acceptable to Town.

4. *Burden of Proof.* Contractor has the burden of proving that: the delay was an Excusable Delay or Compensable Delay, as defined above; Contractor has fully complied with its scheduling obligations in Section 5.2, Schedule Requirements; Contractor has made reasonable efforts to mitigate the delay and its schedule and cost impacts; the delay will unavoidably result in delaying Final Completion; and any Recoverable Costs claimed by Contractor were actually incurred and were reasonable under the circumstances.

5. *Legal Compliance.* Nothing in this Section 5.3 is intended to require the waiver, alteration, or limitation of the applicability of Public Contract Code § 7102.

6. *No Waiver.* Any grant of an extension of Contract Time, or compensation for Recoverable Costs due to Compensable Delay, will not operate as a waiver of Town's right to assess liquidated damages for Non-Excusable Delay.

7. *Dispute Resolution.* In the event of a dispute over entitlement to an extension of Contract Time or compensation for Recoverable Costs, Contractor may not stop Work pending resolution of the dispute, but must continue to comply with its duty to diligently prosecute the performance and timely completion of the Work. Contractor's sole recourse for an unresolved dispute based on Town's rejection of a Change Order request for an extension of Contract Time or compensation for Recoverable Costs is to comply with the dispute resolution provisions set forth in Article 12 below.

5.4 Liquidated Damages. It is expressly understood that if Final Completion is not achieved within the Contract Time, Town will suffer damages from the delay that are difficult to determine and accurately specify. Pursuant to Public Contract Code § 7203, if Contractor fails to achieve Final Completion within the Contract Time due to Contractor's Non-Excusable Delay, Town will charge Contractor in the amount specified in the Contract for each calendar day that Final Completion is delayed beyond the Contract Time, as liquidated damages and not as a penalty. Any waiver of accrued liquidated damages, in whole or in part, is subject to approval of the Town Council or its authorized delegee.

A. ***Liquidated Damages.*** Liquidated damages will not be assessed for any Excusable Delay or Compensable Delay, as set forth above.

B. ***Milestones.*** Liquidated damages may also be separately assessed for failure to meet milestones specified elsewhere in the Contract Documents.

C. ***Setoff.*** Town is entitled to deduct the amount of liquidated damages assessed against any payments otherwise due to Contractor, including progress payments, Final Payment, or unreleased retention. If there are insufficient Contract funds remaining to cover the full amount of liquidated damages assessed, Town is entitled to recover the balance from Contractor or its performance bond surety.

D. ***Occupancy or Use.*** Occupancy or use of the Project in whole or in part prior to Final Completion does not constitute Town's acceptance of the Project and will not operate as a waiver of Town's right to assess liquidated damages for Contractor's Non-Excusable Delay in achieving Final Completion.

E. ***Other Remedies.*** Town's right to liquidated damages under this Section applies only to damages arising from Contractor's Non-Excusable Delay or failure to complete the Work within the Contract Time. Town retains its right to pursue all other remedies under the Contract for other types of damage, including damage to property or persons, costs or diminution in value from defective materials or workmanship, costs to repair or complete the Work, or other liability caused by Contractor.

Article 6 - Contract Modification

6.1 Contract Modification. Subject to the limited exception set forth in subsection (D) below, any change in the Work or the Contract Documents, including the Contract Price or Contract Time, will not be a valid and binding change

to the Contract unless it is formalized in a Change Order, including a "no-cost" Change Order or a unilateral Change Order. Changes in the Work pursuant to this Article 6 will not operate to release, limit, or abridge Contractor's warranty obligations pursuant to Article 11 or any obligations of Contractor's bond sureties.

A. ***Town-Directed Changes.*** Town may direct changes in the scope or sequence of Work or the requirements of the Contract Documents, without invalidating the Contract. Such changes may include Extra Work as set forth in subsection (C) below, or deletion or modification of portions of the Work. Contractor must promptly comply with Town-directed changes in the Work in accordance with the original Contract Documents, even if Contractor and Town have not yet reached agreement as to adjustments to the Contract Price or Contract Time for the change in the Work or for the Extra Work. Contractor is not entitled to extra compensation for cost savings resulting from "value engineering" pursuant to Public Contract Code § 7101, except to the extent authorized in advance by Town in writing, and subject to any applicable procedural requirements for submitting a proposal for value engineering cost savings.

B. ***Disputes.*** In the event of a dispute over entitlement to or the amount of a change in Contract Time or a change in Contract Price related to a Town-directed change in the Work, Contractor must perform the Work as directed and may not delay its Work or cease Work pending resolution of the dispute, but must continue to comply with its duty to diligently prosecute the performance and timely completion of the Work, including the Work in dispute. Likewise, in the event that Town and Contractor dispute whether a portion or portions of the Work are already required by the Contract Documents or constitute Extra Work, or otherwise dispute the interpretation of any portion(s) of the Contract Documents, Contractor must perform the Work as directed and may not delay its Work or cease Work pending resolution of the dispute, but must continue to comply with its duty to diligently prosecute the performance and timely completion of the Work, including the Work in dispute, as directed by Town. If Contractor refuses to perform the Work in dispute, Town may, acting in its sole discretion, elect to delete the Work from the Contract and reduce the Contract Price accordingly, and self-perform the Work or direct that the Work be performed by others. Alternatively, Town may elect to terminate the Contract for convenience or for cause. Contractor's sole recourse for an unresolved dispute related to changes in the Work or performance of any Extra Work is to comply with the dispute resolution provisions set forth in Article 12, below.

C. ***Extra Work.*** Town may direct Contractor to perform Extra Work related to the Project. Contractor must promptly perform any Extra Work as directed or authorized by Town in accordance with the original Contract Documents, even if Contractor and Town have not yet reached agreement on adjustments to the Contract Price or Contract Time for such Extra Work. If Contractor believes it is necessary to perform Extra Work due to changed conditions, Contractor must promptly notify the Engineer in writing, specifically identifying the Extra Work and the reason(s) the Contractor believes it is Extra Work. This notification requirement does not constitute a Change Order request pursuant to Section 6.2, below. Contractor must maintain detailed daily records that itemize the cost of each element of Extra Work, and sufficiently distinguish the direct cost of the Extra Work from the cost of other Work performed. For each day that Contractor performs Extra Work, or Work that Contractor contends is Extra Work, Contractor must submit no later than the following Working Day, a daily report of the Extra Work performed that day and the related costs, together with copies of certified payroll, invoices, and other documentation substantiating the costs ("Extra Work Report"). The Engineer will make any adjustments to Contractor's Extra Work Report(s) based on the Engineer's records of the Work. When an Extra

Work Report(s) is agreed on and signed by both Town and Contractor, the Extra Work Report(s) will become the basis for payment under a duly authorized and signed Change Order. Failure to submit the required documentation by close of business on the next Working Day is deemed a full and complete waiver for any change in the Contract Price or Contract Time for any Extra Work performed that day.

D. ***Minor Changes and RFIs.*** Minor field changes, including RFI replies from Town, that do not affect the Contract Price or Contract Time and that are approved by the Engineer acting within his or her scope of authority, do not require a Change Order. By executing an RFI reply from Town, Contractor agrees that it will perform the Work as clarified therein, with no change to the Contract Price or Contract Time.

E. ***Remedy for Non-Compliance.*** Contractor's failure to promptly comply with a Town-directed change is deemed a material breach of the Contract, and in addition to all other remedies available to it, Town may, at its sole discretion, hire another contractor or use its own forces to complete the disputed Work at Contractor's sole expense, and may deduct the cost from the Contract Price.

6.2 Contractor Change Order Requests. Contractor must submit a request or proposal for a change in the Work, compensation for Extra Work, or a change in the Contract Price or Contract Time as a written Change Order request or proposal.

A. ***Time for Submission.*** Any request for a change in the Contract Price or the Contract Time must be submitted in writing to the Engineer within 30 calendar days of the date that Contractor first encounters the circumstances, information or conditions giving rise to the Change Order request, even if the total amount of the requested change in the Contract Price or impact on the Contract Time is not yet known at that time. If Town requests that Contractor propose the terms of a Change Order, unless otherwise specified in Town's request, Contractor must provide the Engineer with a written proposal for the change in the Contract Price or Contract Time within five working days of receiving Town's request, in a form satisfactory to the Engineer.

B. ***Required Contents.*** Any Change Order request or proposal submitted by Contractor must include a complete breakdown of actual or estimated costs and credits, and must itemize labor, materials, equipment, taxes, insurance, subcontract amounts, and, if applicable, Extra Work Reports. Any estimated cost must be updated in writing as soon as the actual amount is known.

C. ***Required Documentation.*** All claimed costs must be fully documented, and any related request for an extension of time or delay-related costs must be included at that time and in compliance with the requirements of Article 5 of the General Conditions. Upon request, Contractor must permit Town to inspect its original and unaltered bidding records, subcontract agreements, subcontract change orders, purchase orders, invoices, or receipts associated with the claimed costs.

D. ***Required Form.*** Contractor must use Town's form(s) for submitting all Change Order requests or proposals, unless otherwise specified by Town.

E. ***Certification.*** All Change Order requests must be signed by Contractor and must include the following certification:

"The undersigned Contractor certifies under penalty of perjury that its statements and representations in this Change Order request are true and correct. Contractor warrants that this Change Order request is comprehensive and complete

as to the Work or changes referenced herein, and agrees that any known or foreseeable costs, expenses, or time extension requests not included herein, are deemed waived."

6.3 Adjustments to Contract Price. The amount of any increase or decrease in the Contract Price will be determined based on one of the following methods listed below, in the order listed with unit pricing taking precedence over the other methods. Markup applies only to Town-authorized time and material Work, and does not apply to any other payments to Contractor. For Work items or components that are deleted in their entirety, Contractor will only be entitled to compensation for those direct, actual, and documented costs (including restocking fees), reasonably incurred before Contractor was notified of the Town's intent to delete the Work, with no markup for overhead, profit, or other indirect costs.

A. ***Unit Pricing.*** Amounts previously provided by Contractor in the form of unit prices, either in a bid schedule or in a post-award schedule of values pursuant to Section 8.1, Schedule of Values, will apply to determine the price for the affected Work, to the extent applicable unit prices have been provided for that type of Work. No additional markup for overhead, profit, or other indirect costs will be added to the calculation.

B. ***Lump Sum.*** A mutually agreed upon, all-inclusive lump sum price for the affected Work with no additional markup for overhead, profit, or other indirect costs.

C. ***Time and Materials.*** On a time and materials basis, if and only to the extent compensation on a time and materials basis is expressly authorized by Town in advance of Contractor's performance of the Work and subject to any not-to-exceed limit. Time and materials compensation for increased costs or Extra Work (but not decreased costs or deleted Work), will include allowed markup for overhead, profit, and other indirect costs, calculated as the total of the following sums, the cumulative total of which may not exceed the maximum markup rate of 15%:

1. All direct labor costs provided by the Contractor, excluding superintendence, project management, or administrative costs, plus 15% markup;
2. All direct material costs provided by the Contractor, including sales tax, plus 15% markup;
3. All direct plant and equipment rental costs provided by the Contractor, plus 15% markup;
4. All direct additional subcontract costs plus 10% markup for Work performed by Subcontractors; and
5. Increased bond or insurance premium costs computed at 1.5% of total of the previous four sums.

6.4 Unilateral Change Order. If the parties dispute the terms of a proposed Change Order, including disputes over the amount of compensation or extension of time that Contractor has requested, the value of deleted or changed Work, what constitutes Extra Work, or quantities used, Town may elect to issue a unilateral Change Order, directing performance of the Work, and authorizing a change in the Contract Price or Contract Time for the adjustment to compensation or time that the Town believes is merited. Contractor's sole recourse to dispute the terms of a unilateral Change Order is to submit a timely Claim pursuant to Article 12, below.

6.5 Non-Compliance Deemed Waiver. Contractor waives its entitlement to any increase in the Contract Price or Contract Time if Contractor fails to fully comply with the provisions of this Article. Contractor will not be paid for unauthorized Extra Work.

Article 7 - General Construction Provisions

7.1 Permits, Fees, Business License, and Taxes.

A. ***Permits, Fees, and Town Business License.*** Contractor must obtain and pay for all permits, fees, and licenses required to perform the Work, including a Town business license. Contractor must cooperate with and provide notifications to all government agencies with jurisdiction over the Project, as may be required. Contractor must provide Town with copies of all records of permits and permit applications, payment of required fees, and any licenses required for the Work.

B. ***Taxes.*** Contractor must pay for all taxes on labor, material, and equipment, except Federal Excise Tax to the extent that Town is exempt from Federal Excise Tax.

7.2 Temporary Facilities. Contractor must provide, at Contractor's sole expense, any and all temporary facilities for the Project, including an onsite staging area for materials and equipment, a field office, sanitary facilities, utilities, storage, scaffolds, barricades, walkways, and any other temporary structure required to safely perform the Work along with any incidental utility services. The location of all temporary facilities must be approved by the Town prior to installation. Temporary facilities must be safe and adequate for the intended use and installed and maintained in accordance with Laws and the Contract Documents. Contractor must fence and screen the Project site and, if applicable, any separate Worksites, including the staging area, and its operation must minimize inconvenience to neighboring properties. Additional provisions pertaining to temporary facilities may be included in the Specifications or Special Conditions.

A. ***Utilities.*** Contractor must install and maintain the power, water, sewer, and all other utilities required for the Project site, including the piping, wiring, internet and wifi connections, and any related equipment necessary to maintain the temporary facilities.

B. ***Removal and Repair.*** Contractor must promptly remove all such temporary facilities when they are no longer needed or upon completion of the Work, whichever comes first. Contractor must promptly repair any damage to Town's property or to other property caused by the installation, use, or removal of the temporary facilities, and must promptly restore the property to its original or intended condition.

7.3 Noninterference and Site Management. Contractor must avoid interfering with Town's use of its property at or adjacent to the Project site, including use of roadways, entrances, parking areas, walkways, and structures. Contractor must also minimize disruption of access to private property in the Project vicinity. Contractor must coordinate with affected property owners, tenants, and businesses, and maintain some vehicle and pedestrian access to their residences or properties at all times. Temporary access ramps, fencing or other measures must be provided as needed. Before blocking access to a private driveway or parking lot, Contractor must provide effective notice to the affected parties at least 48 hours in advance of the pending closure and allow them to remove vehicles. Private driveways, residences and parking lots must have access to a roadway during non-Work hours.

A. ***Offsite Acquisition.*** Unless otherwise provided by Town, Contractor must acquire, use, and dispose of, at its sole expense, any Worksites, licenses, easements, and temporary facilities necessary to access and perform the Work.

B. ***Offsite Staging Area and Field Office*****.** If additional space beyond the Project site is needed, such as for the staging area or the field office, Contractor may need to make arrangements with the nearby property owner(s) to secure the space. Before using or occupying any property owned by a third party, Contractor must provide Town with a copy of the necessary license agreement, easement, or other written authorization from the

property owner, together with a written release from the property owner holding Town harmless from any related liability, in a form acceptable to the Town Attorney.

C. ***Traffic Management.*** Contractor must provide traffic management and traffic controls as specified in the Contract Documents, as required by Laws, and as otherwise required to ensure public and worker safety, and to avoid interference with public or private operations or the normal flow of vehicular, bicycle, or pedestrian traffic.

7.4 Signs. No signs may be displayed on or about Town's property, except signage which is required by Laws or by the Contract Documents, without Town's prior written approval as to size, design, and location.

7.5 Project Site and Nearby Property Protections.

A. ***General.*** Contractor is responsible at all times, on a 24-hour basis and at its sole cost, for protecting the Work, the Project site, and the materials and equipment to be incorporated into the Work, until the Town has accepted the Project, excluding any exceptions to acceptance, if any. Except as specifically authorized by Town, Contractor must confine its operations to the area of the Project site indicated in the Plans and Specifications. Contractor is liable for any damage caused by Contractor or its Subcontractors to the Work, Town's property, the property of adjacent or nearby property owners and the work or personal property of other contractors working for Town, including damage related to Contractor's failure to adequately secure the Work or any Worksite.

1. Subject to Town's approval, Contractor will provide and install safeguards to protect the Work; any Worksite, including the Project site; Town's real or personal property and the real or personal property of adjacent or nearby property owners, including plant and tree protections.

2. Town wastewater systems may not be interrupted. If the Work disrupts existing sewer facilities, Contractor must immediately notify Town and establish a plan, subject to Town's approval, to convey the sewage in closed conduits back into the sanitary sewer system. Sewage must not be permitted to flow in trenches or be covered by backfill.

3. Contractor must remove with due care, and store at Town's request, any objects or material from the Project site that Town will salvage or reuse at another location.

4. If directed by Engineer, Contractor must promptly repair or replace any property damage, as specified by the Engineer. However, acting in its sole discretion, Town may elect to have the property damage remedied otherwise, and may deduct the cost to repair or replace the damaged property from payment otherwise due to Contractor.

5. Contractor will not permit any structure or infrastructure to be loaded in a manner that will damage or endanger the integrity of the structure or infrastructure.

B. ***Securing Project Site.*** After completion of Work each day, Contractor must secure the Project site and, to the extent feasible, make the area reasonably accessible to the public unless Town approves otherwise. All excess materials and equipment not protected by approved traffic control devices must be relocated to the staging area or demobilized. Trench spoils must be hauled off the Project site daily and open excavations must be protected with steel plates. Contractor and Subcontractor personnel may not occupy or use the Project site for

any purpose during non-Work hours, except as may be provided in the Contract Documents or pursuant to prior written authorization from Town.

C. ***Unforeseen Conditions.*** If Contractor encounters facilities, utilities, or other unknown conditions not shown on or reasonably inferable from the Plans or apparent from inspection of the Project site, Contractor must immediately notify the Town and promptly submit a Request for Information to obtain further directions from the Engineer. Contractor must avoid taking any action which could cause damage to the facilities or utilities pending further direction from the Engineer. The Engineer's written response will be final and binding on Contractor. If the Engineer's subsequent direction to Contractor affects Contractor's cost or time to perform the Work, Contractor may submit a Change Order request as set forth in Article 6 above.

D. ***Support; Adjacent Properties.*** Contractor must provide, install, and maintain all shoring, bracing, and underpinning necessary to provide support to Town's property and adjacent properties and improvements thereon. Contractor must provide notifications to adjacent property owners as may be required by Laws. See also, Section 7.15, Trenching of Five Feet or More.

E. ***Notification of Property Damage.*** Contractor must immediately notify the Town of damage to any real or personal property resulting from Work on the Project. Contractor must immediately provide a written report to Town of any such property damage in excess of $500 (based on estimated cost to repair or replace) within 24 hours of the occurrence. The written report must include: (1) the location and nature of the damage, and the owner of the property, if known; (2) the name and address of each employee of Contractor or any Subcontractor involved in the damage; (3) a detailed description of the incident, including precise location, time, and names and contact information for known witnesses; and (4) a police or first responder report, if applicable. If Contractor is required to file an accident report with another government agency, Contractor will provide a copy of the report to Town.

7.6 Materials and Equipment.

A. ***General.*** Unless otherwise specified, all materials and equipment required for the Work must be new, free from defects, and of the best grade for the intended purpose, and furnished in sufficient quantities to ensure the proper and expeditious performance of the Work. Contractor must employ measures to preserve the specified quality and fitness of the materials and equipment. Unless otherwise specified, all materials and equipment required for the Work are deemed to include all components required for complete installation and intended operation and must be installed in accordance with the manufacturer's recommendations or instructions. Contractor is responsible for all shipping, handling, and storage costs associated with the materials and equipment required for the Work. Contractor is responsible for providing security and protecting the Work and all of the required materials, supplies, tools and equipment at Contractor's sole cost until Town has formally accepted the Project as set forth in Section 11.1, Final Completion. Contractor will not assign, sell, mortgage, or hypothecate any materials or equipment for the Project, or remove any materials or equipment that have been installed or delivered.

B. ***Town-Provided.*** If the Work includes installation of materials or equipment to be provided by Town, Contractor is solely responsible for the proper examination, handling, storage, and installation in accordance with the Contract Documents. Contractor must notify Town of any defects discovered in Town-provided materials or

equipment, sufficiently in advance of scheduled use or installation to afford adequate time to procure replacement materials or equipment as needed. Contractor is solely responsible for any loss of or damage to such items which occurs while the items are in Contractor's custody and control, the cost of which may be offset from the Contract Price and deducted from any payment(s) due to Contractor.

C. ***Intellectual Property Rights.*** Contractor must, at its sole expense, obtain any authorization or license required for use of patented or copyright-protected materials, equipment, devices, or processes that are incorporated into the Work. Contractor's indemnity obligations in Article 4 apply to any claimed violation of intellectual property rights in violation of this provision.

7.7 Substitutions.

A. ***"Or Equal."*** Any Specification designating a material, product, or thing (collectively, "item") or service by specific brand or trade name, followed by the words "or equal," is intended only to indicate the quality and type of item or service desired, and Contractor may request use of any equal item or service. Unless otherwise stated in the Specifications, any reference to a specific brand or trade name for an item or service that is used solely for the purpose of describing the type of item or service desired, will be deemed to be followed by the words "or equal." A substitution will only be approved if it is a true "equal" item or service in every aspect of design, function, and quality, as determined by Town, including dimensions, weight, maintenance requirements, durability, fit with other elements, and schedule impacts.

B. ***Request for Substitution.*** A post-award request for substitution of an item or service must be submitted in writing to the Engineer for approval in advance, within the applicable time period provided in the Contract Documents. If no time period is specified, the substitution request may be submitted any time within 35 days after the date of award of the Contract, or sufficiently in advance of the time needed to avoid delay of the Work, whichever is earlier.

C. ***Substantiation.*** Any available data substantiating the proposed substitute as an equal item or service must be submitted with the written request for substitution. Contractor's failure to timely provide all necessary substantiation, including any required test results as soon as they are available, is grounds for rejection of the proposed substitution, without further review.

D. ***Burden of Proving Equality.*** Contractor has the burden of proving the equality of the proposed substitution at Contractor's sole cost. Town has sole discretion to determine whether a proposed substitution is equal, and Town's determination is final.

E. ***Approval or Rejection.*** If the proposed substitution is approved, Contractor is solely responsible for any additional costs or time associated with the substituted item or service. If the proposed substitution is rejected, Contractor must, without delay, install the item or use the service as specified by Town.

F. ***Contractor's Obligations.*** Town's approval of a proposed substitution will not relieve Contractor from any of its obligations under the Contract Documents. In the event Contractor makes an unauthorized substitution, Contractor will be solely responsible for all resulting cost impacts, including the cost of removal and replacement and the impact to other design elements.

7.8 Testing and Inspection.

A. ***General.*** All materials, equipment, and workmanship used in the Work are subject to inspection and testing by Town at all times and at all locations during construction and/or fabrication, including at any Worksite, shops, and yards. All manufacturers' application or installation instructions must be provided to the Inspector at least ten days prior to the first such application or installation. Contractor must, at all times, make the Work available for testing or inspection. Neither Town's inspection or testing of Work, nor its failure to do so, operate to waive or limit Contractor's duty to complete the Work in accordance with the Contract Documents.

B. ***Scheduling and Notification.*** Contractor must cooperate with Town in coordinating the inspections and testing. Contractor must submit samples of materials, at Contractor's expense, and schedule all tests required by the Contract Documents in time to avoid any delay to the progress of the Work. Contractor must notify the Engineer no later than noon of the Working Day before any inspection or testing and must provide timely notice to the other necessary parties as specified in the Contract Documents. If Contractor schedules an inspection or test beyond regular Work hours, or on a Saturday, Sunday, or recognized Town holiday, Contractor must notify the Engineer at least two Working Days in advance for approval. If approved, Contractor must reimburse Town for the cost of the overtime inspection or testing. Such costs, including the Town's hourly costs for required personnel, may be deducted from payments otherwise due to Contractor.

C. ***Responsibility for Costs.*** Town will bear the initial cost of inspection and testing to be performed by independent consultants retained by Town, subject to the following exceptions:

1. Contractor will be responsible for the costs of any subsequent inspections or tests which are required to substantiate compliance with the Contract Documents, and any associated remediation costs.

2. Contractor will be responsible for inspection costs, at Town's hourly rates, for inspection time lost because the Work is not ready, or Contractor fails to appear for a scheduled inspection.

3. If any portion of the Work that is subject to inspection or testing is covered or concealed by Contractor prior to the inspection or testing, Contractor will bear the cost of making that portion of the Work available for the inspection or testing required by the Contract Documents, and any associated repair or remediation costs.

4. Contractor is responsible for properly shoring all compaction test sites deeper than five feet below grade, as required under Section 7.15 below.

5. Any Work or material that is defective or fails to comply with the requirements of the Contract Documents must be promptly repaired, removed, replaced, or corrected by Contractor, at Contractor's sole expense, even if that Work or material was previously inspected or included in a progress payment.

D. ***Contractor's Obligations.*** Contractor is solely responsible for any delay occasioned by remediation of defective or noncompliant Work or material. Inspection or testing of the Work does not in any way relieve Contractor of its obligations to perform the Work as specified. Any Work done without the inspection(s) or testing required by the Contract Documents will be subject to rejection by Town.

E. ***Distant Locations.*** If required off-site testing or inspection must be conducted at a location more than 100 miles from the Project site, Contractor is solely responsible for the additional travel costs required for testing and/or inspection at such locations.

F. ***Final Inspection.*** The provisions of this Section 7.8 also apply to final inspection under Article 11, Completion and Warranty Provisions.

7.9 Project Site Conditions and Maintenance. Contractor must at all times, on a 24-hour basis and at its sole cost, maintain the Project site and staging and storage areas in clean, neat, and sanitary condition and in compliance with all Laws pertaining to safety, air quality, and dust control. Adequate toilets must be provided, and properly maintained and serviced for all workers on the Project site, located in a suitably secluded area, subject to Town's prior approval. Contractor must also, on a daily basis and at its sole cost, remove and properly dispose of the debris and waste materials from the Project site.

A. ***Air Emissions Control*.** Contractor must not discharge smoke or other air contaminants into the atmosphere in violation of any Laws. Contractor must comply with all Laws, including the California Air Resources Board's In-Use Off-Road Diesel-Fueled Fleets Regulation (13 CCR § 2449 et seq.).

B. ***Dust and Debris*.** Contractor must minimize and confine dust and debris resulting from the Work. Contractor must abate dust nuisance by cleaning, sweeping, and immediately sprinkling with water excavated areas of dirt or other materials prone to cause dust, and within one hour after the Engineer notifies Contractor that an airborne nuisance exists. The Engineer may direct that Contractor provide an approved water-spraying truck for this purpose. If water is used for dust control, Contractor will only use the minimum necessary. Contractor must take all necessary steps to keep waste water out of streets, gutters, or storm drains. See Section 7.19, Environmental Control. If Town determines that the dust control is not adequate, Town may have the work done by others and deduct the cost from the Contract Price. Contractor will immediately remove any excess excavated material from the Project site and any dirt deposited on public streets.

C. ***Clean up.*** Before discontinuing Work in an area, Contractor must clean the area and remove all debris and waste along with the construction equipment, tools, machinery, and surplus materials.

1. Except as otherwise specified, all excess Project materials, and the materials removed from existing improvements on the Project site with no salvage value or intended reuse by Town, will be Contractor's property.

2. Hauling trucks and other vehicles leaving the Project site must be cleaned of exterior mud or dirt before traveling on Town streets. Materials and loose debris must be delivered and loaded to prevent dropping materials or debris. Contractor must immediately remove spillage from hauling on any publicly traveled way. Streets affected by Work on the Project must be kept clean by street sweeping.

D. ***Disposal.*** Contractor must dispose of all Project debris and waste materials in a safe and legal manner. Contractor may not burn or bury waste materials on the Project site. Contractor will not allow any dirt, refuse, excavated material, surplus concrete or mortar, or any associated washings, to be disposed of onto streets, into manholes or into the storm drain system.

E. ***Completion.*** At the completion of the Work, Contractor must remove from the Project site all of its equipment, tools, surplus materials, waste materials and debris, presenting a clean and neat appearance. Before demobilizing from the Project site, Contractor must ensure that all surfaces are cleaned, sealed, waxed, or finished as applicable, and that all marks, stains, paint splatters, and the like have been properly removed from the completed Work and the surrounding areas. Contractor must ensure that all parts of the construction are

properly joined with the previously existing and adjacent improvements and conditions. Contractor must provide all cutting, fitting and patching needed to accomplish that requirement. Contractor must also repair or replace all existing improvements that are damaged or removed during the Work, both on and off the Project site, including curbs, sidewalks, driveways, fences, signs, landscaping, utilities, street surfaces and structures. Repairs and replacements must be at least equal to the previously existing improvements, and the condition, finish and dimensions must match the previously existing improvements. Contractor must restore to original condition all property or items that are not designated for alteration under the Contract Documents and leave each Worksite clean and ready for occupancy or use by Town.

F. ***Non-Compliance.*** If Contractor fails to comply with its maintenance and cleanup obligations or any Town clean up order, Town may, acting in its sole discretion, elect to suspend the Work until the condition(s) is corrected with no increase in the Contract Time or Contract Price, or undertake appropriate cleanup measures without further notice and deduct the cost from any amounts due or to become due to Contractor.

7.10 Instructions and Manuals. Contractor must provide to Town three copies each of all instructions and manuals required by the Contract Documents, unless otherwise specified. These must be complete as to drawings, details, parts lists, performance data, and other information that may be required for Town to easily maintain and service the materials and equipment installed for this Project.

A. ***Submittal Requirements.*** All manufacturers' application or installation instructions must be provided to Town at least ten days prior to the first such application. The instructions and manuals, along with any required guarantees, must be delivered to Town for review.

B. ***Training.*** Contractor or its Subcontractors must train Town's personnel in the operation and maintenance of any complex equipment or systems as a condition precedent to Final Completion, if required in the Contract Documents.

7.11 As-built Drawings. Contractor and its Subcontractors must prepare and maintain at the Project site a detailed, complete and accurate as-built set of the Plans which will be used solely for the purpose of recording changes made in any portion of the original Plans in order to create accurate record drawings at the end of the Project.

A. ***Duty to Update.*** The as-built drawings must be updated as changes occur, on a daily basis if necessary. Town may withhold the estimated cost for Town to have the as-built drawings prepared from payments otherwise due to Contractor, until the as-built drawings are brought up to date to the satisfaction of Town. Actual locations to scale must be identified on the as-built drawings for all runs of mechanical and electrical work, including all site utilities installed underground, in walls, floors, or otherwise concealed. Deviations from the original Plans must be shown in detail. The exact location of all main runs, whether piping, conduit, ductwork or drain lines, must be shown by dimension and elevation. The location of all buried pipelines, appurtenances, or other improvements must be represented by coordinates and by the horizontal distance from visible above-ground improvements.

B. ***Final Completion.*** Contractor must verify that all changes in the Work are depicted in the as-built drawings and must deliver the complete set of as-built drawings to the Engineer for review and acceptance as a condition precedent to Final Completion and Final Payment.

7.12 Existing Utilities.

A. ***General.*** The Work may be performed in developed, urban areas with existing utilities, both above and below ground, including utilities identified in the Contract Documents or in other informational documents or records. Contractor must take due care to locate identified or reasonably identifiable utilities before proceeding with trenching, excavation, or any other activity that could damage or disrupt existing utilities. This may include excavation with small equipment, potholing, or hand excavation, and, if practical, using white paint or other suitable markings to delineate the area to be excavated. Except as otherwise provided herein, Contractor will be responsible for costs resulting from damage to identified or reasonably identifiable utilities due to Contractor's negligence or failure to comply with the Contract Documents, including the requirements in this Article 7.

B. ***Unidentified Utilities.*** Pursuant to Government Code § 4215, if, during the performance of the Work, Contractor discovers utility facilities not identified by Town in the Contract Documents, Contractor must immediately provide written notice to Town and the utility. Town assumes responsibility for the timely removal, relocation, or protection of existing main or trunkline utility facilities located on the Project site if those utilities are not identified in the Contract Documents. Contractor will be compensated in accordance with the provisions of the Contract Documents for the costs of locating, repairing damage not due to Contractor's failure to exercise reasonable care, and removing or relocating utility facilities not indicated in the Plans or Specifications with reasonable accuracy, and for equipment on the Project necessarily idled during such work. Contractor will not be assessed liquidated damages for delay in completion of the Work, to the extent the delay was caused by Town's failure to provide for removal or relocation of the utility facilities.

7.13 Notice of Excavation. Contractor must comply with all applicable requirements in Government Code § 4216 et seq., which are incorporated by reference herein.

7.14 Trenching and Excavations of Four Feet or More. As required by Public Contract Code § 7104, if the Work includes digging trenches or other excavations that extend deeper than four feet below the surface, the provisions in this Section apply to the Work and the Project.

A. ***Duty to Notify.*** Contractor must promptly, and before the following conditions are disturbed, provide written notice to Town if Contractor finds any of the following conditions:

1. Material that Contractor believes may be a hazardous waste, as defined in § 25117 of the Health and Safety Code, that is required to be removed to a Class I, Class II, or Class III disposal site in accordance with the provisions of existing Laws;

2. Subsurface or latent physical conditions at the Project site differing from those indicated by information about the Project site made available to bidders prior to the deadline for submitting bids; or

3. Unknown physical conditions at the Project site of any unusual nature, materially different from those ordinarily encountered and generally recognized as inherent in work of the character required by the Contract Documents.

B. ***Town Investigation.*** Town will promptly investigate the conditions and if Town finds that the conditions materially differ from those indicated, apparent, or reasonably inferred from information about the Project site made available to bidders, or involve hazardous waste, and cause a decrease or increase in Contractor's cost of, or the time required for, performance of any part of the Work, Town will issue a Change Order.

C. ***Disputes.*** In the event that a dispute arises between Town and Contractor regarding any of the conditions specified in subsection (B) above, or the terms of a Change Order issued by Town, Contractor will not be excused from completing the Work within the Contract Time, but must proceed with all Work to be performed under the Contract. Contractor will retain any and all rights provided either by the Contract or by Laws which pertain to the resolution of disputes between Contractor and Town.

7.15 Trenching of Five Feet or More. As required by Labor Code § 6705, if the Contract Price exceeds $25,000 and the Work includes the excavation of any trench or trenches of five feet or more in depth, a detailed plan must be submitted to Town for acceptance in advance of the excavation. The detailed plan must show the design of shoring, bracing, sloping, or other provisions to be made for worker protection from the hazard of caving ground during the excavation. If the plan varies from the shoring system standards, it must be prepared by a California registered civil or structural engineer. Use of a shoring, sloping, or protective system less effective than that required by the Construction Safety Orders is prohibited.

7.16 New Utility Connections. Except as otherwise specified, Town will pay connection charges and meter costs for new permanent utilities required by the Contract Documents, if any. Contractor must notify Town sufficiently in advance of the time needed to request service from each utility provider so that connections and services are initiated in accordance with the Project schedule.

7.17 Lines and Grades. Contractor is required to use any benchmark provided by the Engineer. Unless otherwise specified in the Contract Documents, Contractor must provide all lines and grades required to execute the Work. Contractor must also provide, preserve, and replace if necessary, all construction stakes required for the Project. All stakes or marks must be set by a California licensed surveyor or a California registered civil engineer. Contractor must notify the Engineer of any discrepancies found between Contractor's staking and grading and information provided by the Contract Documents. Upon completion, all Work must conform to the lines, elevations, and grades shown in the Plans, including any changes directed by a Change Order.

7.18 Historic or Archeological Items.

A. ***Contractor's Obligations.*** Contractor must ensure that all persons performing Work at the Project site are required to immediately notify the Project Manager, upon discovery of any potential historic or archeological items, including historic or prehistoric ruins, a burial ground, archaeological or vertebrate paleontological site, including fossilized footprints or other archeological, paleontological or historical feature on the Project site (collectively, "Historic or Archeological Items").

B. ***Discovery; Cessation of Work.*** Upon discovery of any potential Historic or Archeological Items, Work must be stopped within an 85-foot radius of the find and may not resume until authorized in writing by Town. If required by Town, Contractor must assist in protecting or recovering the Historic or Archeological Items, with any such assistance to be compensated as Extra Work on a time and materials basis under Article 6, Contract Modification. At Town's discretion, a suspension of Work required due to discovery of Historic or Archeological Items may be treated as Excusable Delay pursuant to Article 5, or as a suspension for convenience under Article 13.

7.19 Environmental Control. Contractor must not pollute any drainage course or its tributary inlets with fuels, oils, bitumens, acids, insecticides, herbicides or other harmful materials. Contractor must prevent the release of any hazardous material or hazardous waste into the soil or groundwater, and prevent the unlawful discharge of pollutants

into Town's storm drain system and watercourses as required below. Contractor and its Subcontractors must at all times in the performance of the Work comply with all Laws concerning pollution of waterways.

A. ***Stormwater Permit.*** Contractor must comply with all applicable conditions of the State Water Resources Control Board National Pollutant Discharge Elimination System General Permit for Waste Discharge Requirements for Discharges of Stormwater Runoff Associated with Construction Activity ("Stormwater Permit").

B. ***Contractor's Obligations.*** If required for the Work, a copy of the Stormwater Permit is on file in Town's principal administrative offices, and Contractor must comply with it without adjustment of the Contract Price or the Contract Time. Contractor must timely and completely submit required reports and monitoring information required by the conditions of the Stormwater Permit. Contractor also must comply with all other Laws governing discharge of stormwater, including applicable municipal stormwater management programs.

7.20 Noise Control. Contractor must comply with all applicable noise control Laws. Noise control requirements apply to all equipment used for the Work or related to the Work, including trucks, transit mixers or transient equipment that may or may not be owned by Contractor.

7.21 Mined Materials. Pursuant to the Surface Mining and Reclamation Act of 1975, Public Resources Code § 2710 et seq., any purchase of mined materials, such as construction aggregate, sand, gravel, crushed stone, road base, fill materials, and any other mineral materials must originate from a surface mining operation included on the AB 3098 List, which may be accessed online at: https://www.conservation.ca.gov/smgb/Pages/AB-3098-List.aspx.

Article 8 - Payment

8.1 Schedule of Values. Prior to submitting its first application for payment, Contractor must prepare and submit to the Project Manager a schedule of values apportioned to the various divisions and phases of the Work, including mobilization and demobilization. If a Bid Schedule was submitted with Contractor's bid, the amounts in the schedule of values must be consistent with the Bid Schedule. Each line item contained in the schedule of values must be assigned a value such that the total of all items equals the Contract Price. The items must be sufficiently detailed to enable accurate evaluation of the percentage of completion claimed in each application for payment, and the assigned value consistent with any itemized or unit pricing submitted with Contractor's bid.

A. ***Measurements for Unit Price Work.*** Materials and items of Work to be paid for on the basis of unit pricing will be measured according to the methods specified in the Contract Documents.

B. ***Deleted or Reduced Work.*** Contractor will not be compensated for Work that Town has deleted or reduced in scope, except for any labor, material, or equipment costs for such Work that Contractor reasonably incurred before Contractor learned that the Work could be deleted or reduced. Contractor will only be compensated for those actual, direct and documented costs incurred, and will not be entitled to any mark up for overhead or lost profits.

8.2 Progress Payments. Following the last day of each month, or as otherwise required by the Special Conditions or Specifications, Contractor will submit to the Project Manager a monthly application for payment for Work performed during the preceding month based on the estimated value of the Work performed during that preceding month.

A. ***Application for Payment.*** Each application for payment must be itemized to include labor, materials, and equipment incorporated into the Work, and materials and equipment delivered to the Project site, as well as

authorized and approved Change Orders. Each payment application must be supported by the unit prices submitted with Contractor's Bid Schedule and/or schedule of values and any other substantiating data required by the Contract Documents.

B. ***Payment of Undisputed Amounts.*** Town will pay the undisputed amount due within 30 days after Contractor has submitted a complete and accurate payment application, subject to Public Contract Code § 20104.50. Town will deduct a percentage from each progress payment as retention, as set forth in Section 8.5, below, and may deduct or withhold additional amounts as set forth in Section 8.3, below.

8.3 Adjustment of Payment Application. Town may adjust or reject the amount requested in a payment application, including application for Final Payment, in whole or in part, if the amount requested is disputed or unsubstantiated. Contractor will be notified in writing of the basis for the modification to the amount requested. Town may also deduct or withhold from payment otherwise due based upon any of the circumstances and amounts listed below. Sums withheld from payment otherwise due will be released when the basis for that withholding has been remedied and no longer exists.

A. For Contractor's unexcused failure to perform the Work as required by the Contract Documents, including correction or completion of punch list items, Town may withhold or deduct an amount based on the Town's estimated cost to correct or complete the Work.

B. For loss or damage caused by Contractor or its Subcontractors arising out of or relating to performance of the Work or any failure to protect the Project site, Town may deduct an amount based on the estimated cost to repair or replace.

C. For Contractor's failure to pay its Subcontractors and suppliers when payment is due, Town may withhold an amount equal to the total of past due payments and may opt to pay that amount separately via joint check pursuant to Section 8.6(B), Joint Checks.

D. For Contractor's failure to timely correct rejected, nonconforming, or defective Work, Town may withhold or deduct an amount based on the Town's estimated cost to correct or complete the Work.

E. For any unreleased stop notice, Town may withhold 125% of the amount claimed.

F. For Contractor's failure to submit any required schedule or schedule update in the manner specified or within the time specified in the Contract Documents, Town may withhold an amount equal to five percent of the total amount requested until Contractor complies with its schedule submittal obligations.

G. For Contractor's failure to maintain or submit as-built documents in the manner specified or within the time specified in the Contract Documents, Town may withhold or deduct an amount based on the Town's cost to prepare the as-builts.

H. For Work performed without Shop Drawings that have been accepted by Town, when accepted Shop Drawings are required before proceeding with the Work, Town may deduct an amount based on the estimated cost to correct unsatisfactory Work or diminution in value.

I. For fines, payments, or penalties assessed under the Labor Code, Town may deduct from payments due to Contractor as required by Laws and as directed by the Division of Labor Standards Enforcement.

J. For any other costs or charges that may be withheld or deducted from payments to Contractor, as provided in the Contract Documents, including liquidated damages, Town may withhold or deduct such amounts from payment otherwise due to Contractor.

8.4 Early Occupancy. Neither Town's payment of progress payments nor its partial or full use or occupancy of the Project constitutes acceptance of any part of the Work.

8.5 Retention. Town will retain five percent of the full amount due on each progress payment (i.e., the amount due before any withholding or deductions pursuant to Section 8.3, Adjustment of Payment Application), or the percentage stated in the Notice Inviting Bids, whichever is greater, as retention to ensure full and satisfactory performance of the Work. Contractor is not entitled to any reduction in the rate of withholding at any time, nor to release of any retention before 35 days following Town's acceptance of the Project.

A. ***Substitution of Securities.*** As provided by Public Contract Code § 22300, Contractor may request in writing that it be allowed, at its sole expense, to substitute securities for the retention withheld by Town. Any escrow agreement entered into pursuant to this provision must fully comply with Public Contract Code § 22300 and will be subject to approval as to form by Town's legal counsel. If Town exercises its right to draw upon such securities in the event of default pursuant to section (7) of the statutory Escrow Agreement for Security Deposits in Lieu of Retention, pursuant to subdivision (g) of Public Contract Code § 22300 ("Escrow Agreement"), and if Contractor disputes that it is in default, its sole remedy is to comply with the dispute resolution procedures in Article 12 and the provisions therein. It is agreed that for purposes of this paragraph, an event of default includes Town's rights pursuant to these Contract Documents to withhold or deduct sums from retention, including withholding or deduction for liquidated damages, incomplete or defective Work, stop payment notices, or backcharges. It is further agreed that if any individual authorized to give or receive written notice on behalf of a party pursuant to section (10) of the Escrow Agreement are unavailable to give or receive notice on behalf of that party due to separation from employment, retirement, death, or other circumstances, the successor or delegee of the named individual is deemed to be the individual authorized to give or receive notice pursuant to section (10) of the Escrow Agreement.

B. ***Release of Undisputed Retention.*** All undisputed retention, less any amounts that may be assessed as liquidated damages, retained for stop notices, or otherwise withheld pursuant to Section 8.3, Adjustment of Payment Application, will be released as Final Payment to Contractor no sooner than 35 days following recordation of the notice of completion, and no later than 60 days following acceptance of the Project by Town's governing body or authorized designee pursuant to Section 11.1(C), Acceptance, or, if the Project has not been accepted, no later than 60 days after the Project is otherwise considered complete pursuant to Public Contract Code § 7107(c).

8.6 Payment to Subcontractors and Suppliers. Each month, Contractor must promptly pay each Subcontractor and supplier the value of the portion of labor, materials, and equipment incorporated into the Work or delivered to the Project site by the Subcontractor or supplier during the preceding month. Such payments must be made in accordance with the requirements of Laws pertaining to such payments, and those of the Contract Documents and applicable subcontract or supplier contract.

A. ***Withholding for Stop Notice.*** Pursuant to Civil Code § 9358, Town will withhold 125% of the amount claimed by an unreleased stop notice, a portion of which may be retained by Town for the costs incurred in handling the stop notice claim, including attorneys' fees and costs, as authorized by law.

B. ***Joint Checks.*** Town reserves the right, acting in its sole discretion, to issue joint checks made payable to Contractor and a Subcontractor or supplier, if Town determines this is necessary to ensure fair and timely payment for a Subcontractor or supplier who has provided services or goods for the Project. As a condition to release of payment by a joint check, the joint check payees may be required to execute a joint check agreement in a form provided or approved by the Town Attorney's Office. The joint check payees will be jointly and severally responsible for the allocation and disbursement of funds paid by joint check. Payment by joint check will not be construed to create a contractual relationship between Town and a Subcontractor or supplier of any tier beyond the scope of the joint check agreement.

8.7 Final Payment. Contractor's application for Final Payment must comply with the requirements for submitting an application for a progress payment as stated in Section 8.2, above. Corrections to previous progress payments, including adjustments to estimated quantities for unit priced items, may be included in the Final Payment. If Contractor fails to submit a timely application for Final Payment, Town reserves the right to unilaterally process and issue Final Payment without an application from Contractor in order to close out the Project. For the purposes of determining the deadline for Claim submission pursuant to Article 12, the date of Final Payment is deemed to be the date that Town acts to release undisputed retention as final payment to Contractor, or otherwise provides written notice to Contractor of Final Payment or that no undisputed funds remain available for Final Payment due to offsetting withholdings or deductions pursuant to Section 8.3, Adjustment of Payment Application. If the amount due from Contractor to Town exceeds the amount of Final Payment, Town retains the right to recover the balance from Contractor or its sureties.

8.8 Release of Claims. Town may, at any time, require that payment of the undisputed portion of any progress payment or Final Payment be contingent upon Contractor furnishing Town with a written waiver and release of all claims against Town arising from or related to the portion of Work covered by those undisputed amounts subject to the limitations of Public Contract Code § 7100. Any disputed amounts may be specifically excluded from the release.

8.9 Warranty of Title. Contractor warrants that title to all work, materials, or equipment incorporated into the Work and included in a request for payment will pass over to Town free of any claims, liens, or encumbrances upon payment to Contractor.

Article 9 - Labor Provisions

9.1 Discrimination Prohibited. Discrimination against any prospective or present employee engaged in the Work on grounds of race, color, ancestry, national origin, ethnicity, religion, sex, sexual orientation, age, disability, or marital status is strictly prohibited. Contractor and its Subcontractors are required to comply with all applicable Laws prohibiting discrimination, including the California Fair Employment and Housing Act (Govt. Code § 12900 et seq.), Government Code § 11135, and Labor Code §§ 1735, 1777.5, 1777.6, and 3077.5.

9.2 Labor Code Requirements.

A. ***Eight Hour Day.*** Pursuant to Labor Code § 1810, eight hours of labor constitute a legal day's work under this Contract.

B. ***Penalty.*** Pursuant to Labor Code § 1813, Contractor will forfeit to Town as a penalty, the sum of $25.00 for each day during which a worker employed by Contractor or any Subcontractor is required or permitted to work more

than eight hours in any one calendar day or more than 40 hours per calendar week, except if such workers are paid overtime under Labor Code § 1815.

C. ***Apprentices.*** Contractor is responsible for compliance with the requirements governing employment and payment of apprentices, as set forth in Labor Code § 1777.5, which is fully incorporated by reference.

D. ***Notices.*** Pursuant to Labor Code § 1771.4, Contractor is required to post all job site notices prescribed by Laws.

9.3 Prevailing Wages. Each worker performing Work under this Contract that is covered under Labor Code §§ 1720, 1720.3, or 1720.9, including cleanup at the Project site, must be paid at a rate not less than the prevailing wage as defined in §§ 1771 and 1774 of the Labor Code. The prevailing wage rates are on file with the Town and available online at http://www.dir.ca.gov/dlsr. Contractor must post a copy of the applicable prevailing rates at the Project site.

A. ***Penalties.*** Pursuant to Labor Code § 1775, Contractor and any Subcontractor will forfeit to Town as a penalty up to $200.00 for each calendar day, or portion thereof, for each worker paid less than the applicable prevailing wage rate. Contractor must also pay each worker the difference between the applicable prevailing wage rate and the amount actually paid to that worker.

B. ***Federal Requirements.*** If this Project is subject to federal prevailing wage requirements in addition to California prevailing wage requirements, Contractor and its Subcontractors are required to pay the higher of the currently applicable state or federal prevailing wage rates.

9.4 Payroll Records. Contractor must comply with the provisions of Labor Code §§ 1771.4, 1776, and 1812 and all implementing regulations, which are fully incorporated by this reference, including requirements for monthly electronic submission of payroll records to the DIR.

A. ***Contractor and Subcontractor Obligations***. Contractor and each Subcontractor must keep accurate payroll records, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed in connection with the Work. Each payroll record must contain or be verified by a written declaration that it is made under penalty of perjury, stating both of the following:

1. The information contained in the payroll record is true and correct; and

2. Contractor or the Subcontractor has complied with the requirements of Labor Code §§ 1771, 1811, and 1815 for any Work performed by its employees on the Project.

B. ***Certified Record.*** A certified copy of an employee's payroll record must be made available for inspection or furnished to the employee or his or her authorized representative on request, to Town, to the Division of Labor Standards Enforcement, to the Division of Apprenticeship Standards of the DIR, and as further required by the Labor Code.

C. ***Enforcement.*** Upon notice of noncompliance with Labor Code § 1776, Contractor or Subcontractor has ten days in which to comply with the requirements of this section. If Contractor or Subcontractor fails to do so within the ten-day period, Contractor or Subcontractor will forfeit a penalty of $100.00 per day, or portion thereof, for each worker for whom compliance is required, until strict compliance is achieved. Upon request by the Division of Apprenticeship Standards, or the Division of Labor Standards Enforcement, these penalties will be withheld from payments then due to Contractor.

9.5 Labor Compliance. Pursuant to Labor Code § 1771.4, the Contract for this Project is subject to compliance monitoring and enforcement by the DIR.

Article 10 - Safety Provisions

10.1 Safety Precautions and Programs. Contractor and its Subcontractors are fully responsible for safety precautions and programs, and for the safety of persons and property in the performance of the Work. Contractor and its Subcontractors must at all times comply with all applicable health and safety Laws and seek to avoid injury, loss, or damage to persons or property by taking reasonable steps to protect its employees and other persons at any Worksite, materials and equipment stored on or off site, and property at or adjacent to any Worksite.

A. ***Reporting Requirements.*** Contractor must immediately notify the Town of any death, serious injury or illness resulting from Work on the Project. Contractor must immediately provide a written report to Town of each recordable accident or injury occurring at any Worksite within 24 hours of the occurrence. The written report must include: (1) the name and address of the injured or deceased person; (2) the name and address of each employee of Contractor or of any Subcontractor involved in the incident; (3) a detailed description of the incident, including precise location, time, and names and contact information for known witnesses; and (4) a police or first responder report, if applicable. If Contractor is required to file an accident report with a government agency, Contractor will provide a copy of the report to Town.

B. ***Legal Compliance.*** Contractor's safety program must comply with the applicable legal and regulatory requirements. Contractor must provide Town with copies of all notices required by Laws.

C. ***Contractor's Obligations.*** Any damage or loss caused by Contractor arising from the Work which is not insured under property insurance must be promptly remedied by Contractor.

D. ***Remedies.*** If Town determines, in its sole discretion, that any part of the Work or Project site is unsafe, Town may, without assuming responsibility for Contractor's safety program, require Contractor or its Subcontractor to cease performance of the Work or to take corrective measures to Town's satisfaction. If Contractor fails to promptly take the required corrective measures, Town may perform them and deduct the cost from the Contract Price. Contractor agrees it is not entitled to submit a Claim for damages, for an increase in Contract Price, or for a change in Contract Time based on Contractor's compliance with Town's request for corrective measures pursuant to this provision.

10.2 Hazardous Materials. Unless otherwise specified in the Contract Documents, this Contract does not include the removal, handling, or disturbance of any asbestos or other Hazardous Materials. If Contractor encounters materials on the Project site that Contractor reasonably believes to be asbestos or other Hazardous Materials, and the asbestos or other Hazardous Materials have not been rendered harmless, Contractor may continue Work in unaffected areas reasonably believed to be safe, but must immediately cease work on the area affected and report the condition to Town. No asbestos, asbestos-containing products or other Hazardous Materials may be used in performance of the Work.

10.3 Material Safety. Contractor is solely responsible for complying with § 5194 of Title 8 of the California Code of Regulations, including by providing information to Contractor's employees about any hazardous chemicals to which they may be exposed in the course of the Work. A hazard communication program and other forms of warning and training about such exposure must be used. Contractor must also maintain Safety Data Sheets ("SDS") at the Project site, as

required by Laws, for materials or substances used or consumed in the performance of the Work. The SDS will be accessible and available to Contractor's employees, Subcontractors, and Town.

A. ***Contractor Obligations.*** Contractor is solely responsible for the proper delivery, handling, use, storage, removal, and disposal of all materials brought to the Project site and/or used in the performance of the Work. Contractor must notify the Engineer if a specified product or material cannot be used safely.

B. ***Labeling.*** Contractor must ensure proper labeling on any material brought onto the Project site so that any persons working with or in the vicinity of the material may be informed as to the identity of the material, any potential hazards, and requirements for proper handling, protections, and disposal.

10.4 Hazardous Condition. Contractor is solely responsible for determining whether a hazardous condition exists or is created during the course of the Work, involving a risk of bodily harm to any person or risk of damage to any property. If a hazardous condition exists or is created, Contractor must take all precautions necessary to address the condition and ensure that the Work progresses safely under the circumstances. Hazardous conditions may result from, but are not limited to, use of specified materials or equipment, the Work location, the Project site condition, the method of construction, or the way any Work must be performed.

10.5 Emergencies. In an emergency affecting the safety or protection of persons, Work, or property at or adjacent to any Worksite, Contractor must take reasonable and prompt actions to prevent damage, injury, or loss, without prior authorization from the Town if, under the circumstances, there is inadequate time to seek prior authorization from the Town.

Article 11 - Completion and Warranty Provisions

11.1 Final Completion.

A. ***Final Inspection and Punch List.*** When the Work required by this Contract is fully performed, Contractor must provide written notification to Town requesting final inspection. The Engineer will schedule the date and time for final inspection, which must include Contractor's primary representative for this Project and its superintendent. Based on that inspection, Town will prepare a punch list of any items that are incomplete, missing, defective, incorrectly installed, or otherwise not compliant with the Contract Documents. The punch list to Contractor will specify the time by which all of the punch list items must be completed or corrected. The punch list may include Town's estimated cost to complete each punch list item if Contractor fails to do so within the specified time. The omission of any non-compliant item from a punch list will not relieve Contractor from fulfilling all requirements of the Contract Documents. Contractor's failure to complete any punch list item within the time specified in the punch list will not waive or abridge its warranty obligations for any such items that must be completed by the Town or by a third party retained by the Town due to Contractor's failure to timely complete any such outstanding item.

B. ***Requirements for Final Completion.*** Final Completion will be achieved upon completion or correction of all punch list items, as verified by Town's further inspection, and upon satisfaction of all other Contract requirements, including any commissioning required under the Contract Documents and submission of all final submittals, including instructions and manuals as required under Section 7.10, and complete, final as-built drawings as required under Section 7.11, all to Town's satisfaction.

C. ***Acceptance.*** The Project will be considered accepted upon Town Council action during a public meeting to accept the Project, unless the Engineer is authorized to accept the Project, in which case the Project will be considered accepted upon the date of the Engineer's issuance of a written notice of acceptance. In order to avoid delay of Project close out, the Town may elect, acting in its sole discretion, to accept the Project as complete subject to exceptions for punch list items that are not completed within the time specified in the punch list.

D. ***Final Payment and Release of Retention.*** Final Payment and release of retention, less any sums withheld pursuant to the provisions of the Contract Documents, will not be made sooner than 35 days after recordation of the notice of completion. If Contractor fails to complete all of the punch list items within the specified time, Town may withhold up to 150% of Town's estimated cost to complete each of the remaining items from Final Payment and may use the withheld retention to pay for the costs to self-perform the outstanding items or to retain a third party to complete any such outstanding punch list item.

11.2 Warranty.

A. ***General.*** Contractor warrants that all materials and equipment will be new unless otherwise specified, of good quality, in conformance with the Contract Documents, and free from defective workmanship and materials. Contractor further warrants that the Work will be free from material defects not intrinsic in the design or materials required in the Contract Documents. Contractor warrants that materials or items incorporated into the Work comply with the requirements and standards in the Contract Documents, including compliance with Laws, and that any Hazardous Materials encountered or used were handled as required by Laws. At Town's request, Contractor must furnish satisfactory evidence of the quality and type of materials and equipment furnished. Contractor's warranty does not extend to damage caused by normal wear and tear, or improper use or maintenance.

B. ***Warranty Period.*** Contractor's warranty must guarantee its Work for a period of one year from the date of Project acceptance (the "Warranty Period"), except when a longer guarantee is provided by a supplier or manufacturer or is required by the Specifications or Special Conditions. Contractor must obtain from its Subcontractors, suppliers and manufacturers any special or extended warranties required by the Contract Documents.

C. ***Warranty Documents.*** As a condition precedent to Final Completion, Contractor must supply Town with all warranty and guarantee documents relevant to equipment and materials incorporated into the Work and guaranteed by their suppliers or manufacturers.

D. ***Subcontractors.*** The warranty obligations in the Contract Documents apply to Work performed by Contractor and its Subcontractors, and Contractor agrees to be co-guarantor of such Work.

E. ***Contractor's Obligations.*** Upon written notice from Town to Contractor of any defect in the Work discovered during the Warranty Period, Contractor or its responsible Subcontractor must promptly correct the defective Work at its own cost. Contractor's obligation to correct defects discovered during the Warranty Period will continue past the expiration of the Warranty Period as to any defects in Work for which Contractor was notified prior to expiration of the Warranty Period. Work performed during the Warranty Period ("Warranty Work") will

be subject to the warranty provisions in this Section 11.2 for a one-year period that begins upon completion of such Warranty Work to Town's satisfaction.

F. ***Town's Remedies.*** If Contractor or its responsible Subcontractor fails to correct defective Work within ten days following notice by Town, or sooner if required by the circumstances, Town may correct the defects to conform with the Contract Documents at Contractor's sole expense. Contractor must reimburse Town for its costs in accordance with subsection (H), below.

G. ***Emergency Repairs.*** In cases of emergency where any delay in correcting defective Work could cause harm, loss or damage, Town may immediately correct the defects to conform with the Contract Documents at Contractor's sole expense. Contractor or its surety must reimburse Town for its costs in accordance with subsection (H), below.

H. ***Reimbursement.*** Contractor must reimburse Town for its costs to repair under subsections (F) or (G), above, within 30 days following Town's submission of a demand for payment pursuant to this provision. If Town is required to initiate legal action to compel Contractor's compliance with this provision, and Town is the prevailing party in such action, Contractor and its surety are solely responsible for all of Town's attorney's fees and legal costs expended to enforce Contractor's warranty obligations herein, in addition to any and all costs Town incurs to correct the defective Work.

11.3 Use Prior to Final Completion. Town reserves the right to occupy or make use of the Project, or any portions of the Project, prior to Final Completion if Town has determined that the Project or portion of it is in a condition suitable for the proposed occupation or use, and that it is in its best interest to occupy or make use of the Project, or any portions of it, prior to Final Completion.

A. ***Non-Waiver.*** Occupation or use of the Project, in whole or in part, prior to Final Completion will not operate as acceptance of the Work or any portion of it, nor will it operate as a waiver of any of Town's rights or Contractor's duties pursuant to these Contract Documents, and will not affect nor bear on the determination of the time of substantial completion with respect to any statute of repose pertaining to the time for filing an action for construction defect.

B. ***Town's Responsibility.*** Town will be responsible for the cost of maintenance and repairs due to normal wear and tear with respect to those portions of the Project that are being occupied or used before Final Completion. The Contract Price or the Contract Time may be adjusted pursuant to the applicable provisions of these Contract Documents if, and only to the extent that, any occupation or use under this Section actually adds to Contractor's cost or time to complete the Work within the Contract Time.

11.4 Substantial Completion. For purposes of determining "substantial completion" with respect to any statute of repose pertaining to the time for filing an action for construction defect, "substantial completion" is deemed to mean the last date that Contractor or any Subcontractor performs Work on the Project prior to Town acceptance of the Project, except for warranty work performed under this Article.

Article 12 - Dispute Resolution

12.1 Claims. This Article applies to and provides the exclusive procedures for any Claim arising from or related to the Contract or performance of the Work.

A. ***Definition.*** "Claim" means a separate demand by Contractor, submitted in writing by registered or certified mail with return receipt requested, for a change in the Contract Time, including a time extension or relief from liquidated damages, or a change in the Contract Price, when the demand has previously been submitted to Town in accordance with the requirements of the Contract Documents, and which has been rejected or disputed by Town, in whole or in part. A Claim may also include that portion of a unilateral Change Order that is disputed by the Contractor.

B. ***Limitations.*** A Claim may only include the portion of a previously rejected demand that remains in dispute between Contractor and Town. With the exception of any dispute regarding the amount of money actually paid to Contractor as Final Payment, Contractor is not entitled to submit a Claim demanding a change in the Contract Time or the Contract Price, which has not previously been submitted to Town in full compliance with Article 5 and Article 6, and subsequently rejected in whole or in part by Town.

C. ***Scope of Article.*** This Article is intended to provide the exclusive procedures for submission and resolution of Claims of any amount and applies in addition to the provisions of Public Contract Code § 9204 and § 20104 et seq., which are incorporated by reference herein.

D. ***No Work Delay.*** Notwithstanding the submission of a Claim or any other dispute between the parties related to the Project or the Contract Documents, Contractor must perform the Work and may not delay or cease Work pending resolution of a Claim or other dispute, but must continue to diligently prosecute the performance and timely completion of the Work, including the Work pertaining to the Claim or other dispute.

E. ***Informal Resolution.*** Contractor will make a good faith effort to informally resolve a dispute before initiating a Claim, preferably by face-to-face meeting between authorized representatives of Contractor and Town.

12.2 Claims Submission. A Claim must be submitted in writing by registered or certified mail with return receipt requested, and must comply with the following requirements:

A. ***Substantiation.*** The Claim must be submitted to Town in writing, clearly identified as a "Claim" submitted pursuant to this Article 12 and must include all of the documents necessary to substantiate the Claim including the Change Order request that was rejected in whole or in part, and a copy of Town's written rejection that is in dispute. The Claim must clearly identify and describe the dispute, including relevant references to applicable portions of the Contract Documents, and a chronology of relevant events. Any Claim for additional payment must include a complete, itemized breakdown of all known or estimated labor, materials, taxes, insurance, and subcontract, or other costs. Substantiating documentation such as payroll records, receipts, invoices, or the like, must be submitted in support of each component of claimed cost. Any Claim for an extension of time or delay costs must be substantiated with a schedule analysis and narrative depicting and explaining claimed time impacts.

B. ***Claim Format and Content.*** A Claim must be submitted submitted in writing by registered or certified mail with return receipt requested in the following format:

1. Provide a cover letter, specifically identifying the submission as a "Claim" submitted under this Article 12 and specifying the requested remedy (e.g., amount of proposed change to Contract Price and/or change to Contract Time).

2. Provide a summary of each Claim, including underlying facts and the basis for entitlement, and identify each specific demand at issue, including the specific Change Order request (by number and submittal date), and the date of Town's rejection of that demand, in whole or in part.

3. Provide a detailed explanation of each issue in dispute. For multiple issues included within a single Claim or for multiple Claims submitted concurrently, separately number and identify each individual issue or Claim, and include the following for each separate issue or Claim:

   a. A succinct statement of the matter in dispute, including Contractor's position and the basis for that position;

   b. Identify and attach all documents that substantiate the Claim, including relevant provisions of the Contract Documents, RFIs, calculations, and schedule analysis (see subsection (A), Substantiation, above);

   c. A chronology of relevant events; and

   d. Analysis and basis for claimed changes to Contract Price, Contract Time, or any other remedy requested.

4. Provide a summary of issues and corresponding claimed damages. If, by the time of the Claim submission deadline (below), the precise amount of the requested change in the Contract Price or Contract Time is not yet known, Contractor must provide a good faith estimate, including the basis for that estimate, and must identify the date by which it is anticipated that the Claim will be updated to provide final amounts.

5. Include the following certification, executed by Contractor's authorized representative: "The undersigned Contractor certifies under penalty of perjury that its statements and representations in this Claim submittal are true and correct. Contractor warrants that this Claim submittal is comprehensive and complete as to the matters in dispute, and agrees that any costs, expenses, or delay not included herein are deemed waived."

C. ***Submission Deadlines.***

1. A Claim disputing rejection of a request for a change in the Contract Time or Contract Price must be submitted within 30 days following the date that Town notified Contractor in writing that a request for a change in the Contract Time or Contract Price, duly submitted in compliance with Article 5 and Article 6, has been rejected in whole or in part. A Claim disputing the terms of a unilateral Change Order must be submitted within 30 days following the date of issuance of the unilateral Change Order. These Claim deadlines apply even if Contractor cannot yet quantify the total amount of any requested change in the Contract Time or Contract Price. If the Contractor cannot quantify those amounts, it must submit an estimate of the amounts claimed pending final determination of the requested remedy by Contractor.

2. With the exception of any dispute regarding the amount of Final Payment, any Claim must be filed on or before the date of Final Payment or will be deemed waived.

3. A Claim disputing the amount of Final Payment must be submitted within 30 days of the effective date of Final Payment, under Section 8.7, Final Payment.

4. Strict compliance with these Claim submission deadlines is necessary to ensure that any dispute may be mitigated as soon as possible, and to facilitate cost-efficient administration of the Project. ***Any Claim that is not submitted within the specified deadlines will be deemed waived by Contractor.***

12.3 Town's Response. Town will respond within 45 days of receipt of the Claim with a written statement identifying which portion(s) of the Claim are disputed, unless the 45-day period is extended by mutual agreement of Town and Contractor or as otherwise allowed under Public Contract Code § 9204. However, if Town determines that the Claim is not adequately substantiated pursuant to Section 12.2(A), Substantiation, Town may first request in writing, within 30 days of receipt of the Claim, any additional documentation supporting the Claim or relating to defenses to the Claim that Town may have against the Claim.

A. ***Additional Information.*** If additional information is thereafter required, it may be requested and provided upon mutual agreement of Town and Contractor. If Contractor's Claim is based on estimated amounts, Contractor has a continuing duty to update its Claim as soon as possible with information on actual amounts in order to facilitate prompt and fair resolution of the Claim.

B. ***Non-Waiver.*** Any failure by Town to respond within the times specified above will not be construed as acceptance of the Claim, in whole or in part, or as a waiver of any provision of these Contract Documents.

12.4 Meet and Confer. If Contractor disputes Town's written response, or Town fails to respond within the specified time, within 15 days of receipt of Town's response or within 15 days of Town's failure to respond within the applicable 45-day time period under Section 12.3, respectively, Contractor may notify Town of the dispute in writing sent by registered or certified mail, return receipt requested, and demand an informal conference to meet and confer for settlement of the issues in dispute. If Contractor fails to notify Town of the dispute and demand an informal conference to meet and confer in writing within the specified time, Contractor's Claim will be deemed waived.

A. ***Schedule Meet and Confer.*** Upon receipt of the demand to meet and confer, Town will schedule the meet and confer conference to be held within 30 days, or later if needed to ensure the mutual availability of each of the individuals that each party requires to represent its interests at the meet and confer conference.

B. ***Location for Meet and Confer.*** The meet and confer conference will be scheduled at a location at or near Town's principal office.

C. ***Written Statement After Meet and Confer.*** Within ten working days after the meet and confer has concluded, Town will issue a written statement identifying which portion(s) of the Claim remain in dispute, if any.

D. ***Submission to Mediation.*** If the Claim or any portion remains in dispute following the meet and confer conference, within ten working days after the Town issues the written statement identifying any portion(s) of the Claim remaining in dispute, the Contractor may identify in writing disputed portion(s) of the Claim, which will be submitted for mediation, as set forth below.

12.5 Mediation and Government Code Claims.

A. ***Mediation.*** Within ten working days after the Town issues the written statement identifying any portion(s) of the Claim remaining in dispute following the meet and confer, Town and Contractor will mutually agree to a mediator, as provided under Public Contract Code § 9204. Mediation will be scheduled to ensure the mutual availability of the selected mediator and all of the individuals that each party requires to represent its interests. If there are multiple Claims in dispute, the parties may agree to schedule the mediation to address all

outstanding Claims at the same time. The parties will share the costs of the mediator and mediation fees equally, but each party is otherwise solely and separately responsible for its own costs to prepare for and participate in the mediation, including costs for its legal counsel or any other consultants.

B. ***Government Code Claims*.**

1. Timely presentation of a Government Code Claim is a condition precedent to filing any legal action based on or arising from the Contract. Compliance with the Claim submission requirements in this Article 12 is a condition precedent to filing a Government Code Claim.

2. The time for filing a Government Code Claim will be tolled from the time Contractor submits its written Claim pursuant to Section 12.2, above, until the time that Claim is denied in whole or in part at the conclusion of the meet and confer process, including any period of time used by the meet and confer process. However, if the Claim is submitted to mediation, the time for filing a Government Code Claim will be tolled until conclusion of the mediation, including any continuations, if the Claim is not fully resolved by mutual agreement of the parties during the mediation or any continuation of the mediation.

12.6 Tort Claims. This Article does not apply to tort claims and nothing in this Article is intended nor will be construed to change the time periods for filing tort-based Government Code Claims.

12.7 Arbitration. It is expressly agreed, under Code of Civil Procedure § 1296, that in any arbitration to resolve a dispute relating to this Contract, the arbitrator's award must be supported by law and substantial evidence.

12.8 Burden of Proof and Limitations. Contractor bears the burden of proving entitlement to and the amount of any claimed damages. Contractor is not entitled to damages calculated on a total cost basis, but must prove actual damages. Contractor is not entitled to speculative, special, or consequential damages, including home office overhead or any form of overhead not directly incurred at the Project site or any other Worksite; lost profits; loss of productivity; lost opportunity to work on other projects; diminished bonding capacity; increased cost of financing for the Project; extended capital costs; non-availability of labor, material or equipment due to delays; or any other indirect loss arising from the Contract. The Eichleay Formula or similar formula will not be used for any recovery under the Contract. The Town will not be directly liable to any Subcontractor or supplier.

12.9 Legal Proceedings. In any legal proceeding that involves enforcement of any requirements of the Contract Documents, the finder of fact will receive detailed instructions on the meaning and operation of the Contract Documents, including conditions, limitations of liability, remedies, claim procedures, and other provisions bearing on the defenses and theories of liability. Detailed findings of fact will be requested to verify enforcement of the Contract Documents. All of the Town's remedies under the Contract Documents will be construed as cumulative, and not exclusive, and the Town reserves all rights to all remedies available under law or equity as to any dispute arising from or relating to the Contract Documents or performance of the Work.

12.10 Other Disputes. The procedures in this Article 12 will apply to any and all disputes or legal actions, in addition to Claims, arising from or related to this Contract, including disputes regarding suspension or early termination of the Contract, unless and only to the extent that compliance with a procedural requirement is expressly and specifically waived by Town. Nothing in this Article is intended to delay suspension or termination under Article 13.

Article 13 - Suspension and Termination

13.1 Suspension for Cause. In addition to all other remedies available to Town, if Contractor fails to perform or correct Work in accordance with the Contract Documents, including non-compliance with applicable environmental or

health and safety Laws, Town may immediately order the Work, or any portion of it, suspended until the circumstances giving rise to the suspension have been eliminated to Town's satisfaction.

A. ***Notice of Suspension.*** Upon receipt of Town's written notice to suspend the Work, in whole or in part, except as otherwise specified in the notice of suspension, Contractor and its Subcontractors must promptly stop Work as specified in the notice of suspension; comply with directions for cleaning and securing the Worksite; and protect the completed and in-progress Work and materials. Contractor is solely responsible for any damages or loss resulting from its failure to adequately secure and protect the Project.

B. ***Resumption of Work.*** Upon receipt of the Town's written notice to resume the suspended Work, in whole or in part, except as otherwise specified in the notice to resume, Contractor and its Subcontractors must promptly re-mobilize and resume the Work as specified; and within ten days from the date of the notice to resume, Contractor must submit a recovery schedule, prepared in accordance with the Contract Documents, showing how Contractor will complete the Work within the Contract Time.

C. ***Failure to Comply.*** Contractor will not be entitled to an increase in the Contract Time or Contract Price for a suspension occasioned by Contractor's failure to comply with the Contract Documents.

D. ***No Duty to Suspend.*** Town's right to suspend the Work will not give rise to a duty to suspend the Work, and Town's failure to suspend the Work will not constitute a defense to Contractor's failure to comply with the requirements of the Contract Documents.

13.2 Suspension for Convenience. Town reserves the right to suspend, delay, or interrupt the performance of the Work in whole or in part, for a period of time determined to be appropriate for Town's convenience. Upon notice by Town pursuant to this provision, Contractor must immediately suspend, delay, or interrupt the Work and secure the Project site as directed by Town except for taking measures to protect completed or in-progress Work as directed in the suspension notice, and subject to the provisions of Section 13.1(A) and (B), above. If Contractor submits a timely request for a Change Order in compliance with Articles 5 and 6, the Contract Price and the Contract Time will be equitably adjusted by Change Order pursuant to the terms of Articles 5 and 6 to reflect the cost and delay impact occasioned by such suspension for convenience, except to the extent that any such impacts were caused by Contractor's failure to comply with the Contract Documents or the terms of the suspension notice or notice to resume. However, the Contract Time will only be extended if the suspension causes or will cause unavoidable delay in Final Completion. If Contractor disputes the terms of a Change Order issued for such equitable adjustment due to suspension for convenience, its sole recourse is to comply with the Claim procedures in Article 12.

13.3 Termination for Default. Town may declare that Contractor is in default of the Contract for a material breach of or inability to fully, promptly, or satisfactorily perform its obligations under the Contract.

Default. Events giving rise to a declaration of default include Contractor's refusal or failure to supply sufficient skilled workers, proper materials, or equipment to perform the Work within the Contract Time; Contractor's refusal or failure to make prompt payment to its employees, Subcontractors, or suppliers or to correct defective Work or damage; Contractor's failure to comply with Laws, or orders of any public agency with jurisdiction over the Project; evidence of Contractor's bankruptcy, insolvency, or lack of financial capacity to complete the Work as required within the Contract Time; suspension, revocation, or expiration and nonrenewal of Contractor's license or DIR registration; dissolution, liquidation, reorganization, or other major change in Contractor's organization, ownership, structure, or existence as a business entity; unauthorized assignment of Contractor's rights or duties under the Contract; or any material breach of the Contract requirements.

A. ***Notice of Default and Opportunity to Cure.*** Upon Town's declaration that Contractor is in default due to a material breach of the Contract Documents, if Town determines that the default is curable, Town will afford Contractor the opportunity to cure the default within ten days of Town's notice of default, or within a period of time reasonably necessary for such cure, including a shorter period of time if applicable.

B. ***Termination.*** If Contractor fails to cure the default or fails to expediently take steps reasonably calculated to cure the default within the time period specified in the notice of default, Town may issue written notice to Contractor and its performance bond surety of Town's termination of the Contract for default.

C. ***Waiver.*** Time being of the essence in the performance of the Work, if Contractor's surety fails to arrange for completion of the Work in accordance with the Performance Bond within seven calendar days from the date of the notice of termination pursuant to paragraph (C), Town may immediately make arrangements for the completion of the Work through use of its own forces, by hiring a replacement contractor, or by any other means that Town determines advisable under the circumstances. Contractor and its surety will be jointly and severally liable for any additional cost incurred by Town to complete the Work following termination, where "additional cost" means all cost in excess of the cost Town would have incurred if Contractor had timely completed Work without the default and termination. In addition, Town will have the right to immediate possession and use of any materials, supplies, and equipment procured for the Project and located at the Project site or any Worksite on Town property for the purposes of completing the remaining Work.

D. ***Compensation*****.** Within 30 days of receipt of updated as-builts, all warranties, manuals, instructions, or other required documents for Work installed to date, and delivery to Town of all equipment and materials for the Project for which Contractor has already been compensated, Contractor will be compensated for the Work satisfactorily performed in compliance with the Contract Documents up to the effective date of the termination pursuant to the terms of Article 8, Payment, subject to Town's rights to withhold or deduct sums from payment otherwise due pursuant to Section 8.3, and excluding any costs Contractor incurs as a result of the termination, including any cancellation or restocking charges or fees due to third parties. If Contractor disputes the amount of compensation determined by Town, its sole recourse is to comply with the Claim Procedures in Article 12, by submitting a Claim no later than 30 days following notice from Town of the total compensation to be paid by Town.

E. ***Wrongful Termination.*** If Contractor disputes the termination, its sole recourse is to comply with the Claim procedures in Article 12. If a court of competent jurisdiction or an arbitrator later determines that the termination for default was wrongful, the termination will be deemed to be a termination for convenience, and Contractor's damages will be strictly limited to the compensation provided for termination for convenience under Section 13.4, below. Contractor waives any claim for any other damages for wrongful termination including special or consequential damages, lost opportunity costs, or lost profits, and any award of damages is subject to Section 12.8, Burden of Proof and Limitations.

13.4 Termination for Convenience. Town reserves the right, acting in its sole discretion, to terminate all or part of the Contract for convenience upon written notice to Contractor.

A. ***Compensation to Contractor.*** In the event of Town's termination for convenience, Contractor waives any claim for damages, including for loss of anticipated profits from the Project. The following will constitute full and fair compensation to Contractor, and Contractor will not be entitled to any additional claim or compensation:

1. *Completed Work.* The value of its Work satisfactorily performed as of the date notice of termination is received, based on Contractor's schedule of values and unpaid costs for items delivered to the Project site that were fabricated for incorporation in the Work;

2. *Demobilization.* Demobilization costs specified in the schedule of values, or if demobilization costs were not provided in a schedule of values pursuant to Section 8.1, then based on actual, reasonable, and fully documented demobilization costs; and

3. *Termination Markup.* Five percent of the total value of the Work performed as of the date of notice of termination, including reasonable, actual, and documented costs to comply with the direction in the notice of termination for convenience, and demobilization costs, which is deemed to cover all overhead and profit to date.

B. ***Disputes.*** If Contractor disputes the amount of compensation determined by Town pursuant to paragraph (A), above, its sole recourse is to comply with the Claim procedures in Article 12, by submitting a Claim no later than 30 days following notice from Town of total compensation to be paid by Town.

13.5 Actions Upon Termination for Default or Convenience. The following provisions apply to any termination under this Article, whether for default or convenience, and whether in whole or in part.

A. ***General.*** Upon termination, Town may immediately enter upon and take possession of the Project and the Work and all tools, equipment, appliances, materials, and supplies procured or fabricated for the Project. Contractor will transfer title to and deliver all completed Work and all Work in progress to Town.

B. ***Submittals.*** Unless otherwise specified in the notice of termination, Contractor must immediately submit to Town all designs, drawings, as-built drawings, Project records, contracts with vendors and Subcontractors, manufacturer warranties, manuals, and other such submittals or Work-related documents required under the terms of the Contract Documents, including incomplete documents or drafts.

C. ***Close Out Requirements.*** Except as otherwise specified in the notice of termination, Contractor must comply with all of the following:

1. Immediately stop the Work, except for any Work that must be completed pursuant to the notice of termination and comply with Town's instructions for cessation of labor and securing the Project and any other Worksite(s).

2. Comply with Town's instructions to protect the completed Work and materials, using best efforts to minimize further costs.

3. Contractor must not place further orders or enter into new subcontracts for materials, equipment, services or facilities, except as may be necessary to complete any portion of the Work that is not terminated.

4. As directed in the notice, Contractor must assign to Town or cancel existing subcontracts that relate to performance of the terminated Work, subject to any prior rights, if any, of the surety for Contractor's performance bond, and settle all outstanding liabilities and claims, subject to Town's approval.

5. As directed in the notice, Contractor must use its best efforts to sell any materials, supplies, or equipment intended solely for the terminated Work in a manner and at market rate prices acceptable to Town.

D. ***Payment Upon Termination.*** Upon completion of all termination obligations, as specified herein and in the notice of termination, Contractor will submit its request for Final Payment, including any amounts due following termination pursuant to this Article 13. Payment will be made in accordance with the provisions of Article 8, based on the portion of the Work satisfactorily completed, including the close out requirements, and consistent with the previously submitted schedule of values and unit pricing, including demobilization costs. Adjustments to Final Payment may include deductions for the cost of materials, supplies, or equipment retained by Contractor; payments received for sale of any such materials, supplies, or equipment, less re-stocking fees charged; and as otherwise specified in Section 8.3, Adjustment of Payment Application.

E. ***Continuing Obligations.*** Regardless of any Contract termination, Contractor's obligations for portions of the Work already performed will continue and the provisions of the Contract Documents will remain in effect as to any claim, indemnity obligation, warranties, guarantees, submittals of as-built drawings, instructions, or manuals, record maintenance, or other such rights and obligations arising prior to the termination date.

Article 14 - Miscellaneous Provisions

14.1 Assignment of Unfair Business Practice Claims. Under Public Contract Code § 7103.5, Contractor and its Subcontractors agree to assign to Town all rights, title, and interest in and to all causes of action it may have under section 4 of the Clayton Act (15 U.S.C. § 15) or under the Cartwright Act (Chapter 2 (commencing with § 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services, or materials pursuant to the Contract or any subcontract. This assignment will be effective at the time Town tenders Final Payment to Contractor, without further acknowledgement by the parties.

14.2 Provisions Deemed Inserted. Every provision of law required to be inserted in the Contract Documents is deemed to be inserted, and the Contract Documents will be construed and enforced as though such provision has been included. If it is discovered that through mistake or otherwise that any required provision was not inserted, or not correctly inserted, the Contract Documents will be deemed amended accordingly.

14.3 Waiver. Town's waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of the Contract Documents will not be effective unless it is in writing and signed by Town. Town's waiver of any breach, failure, right, or remedy will not be deemed a waiver of any other breach, failure, right, or remedy, whether or not similar, nor will any waiver constitute a continuing waiver unless specified in writing by Town.

14.4 Titles, Headings, and Groupings. The titles and headings used and the groupings of provisions in the Contract Documents are for convenience only and may not be used in the construction or interpretation of the Contract Documents or relied upon for any other purpose.

14.5 Statutory and Regulatory References. With respect to any amendments to any statutes or regulations referenced in these Contract Documents, the reference is deemed to be the version in effect on the date that bids were due.

14.6 Survival. The provisions that survive termination or expiration of this Contract include Contract Section 11, Notice, and subsections 12.1, 12.2, 12.3, 12.4, 12.5, and 12.6 of Section 12, General Provisions; and the following provisions in these General Conditions: Section 2.2(J), Contractor's Records, Section 2.3(C), Termination, Section 3.7, Ownership, Section 4.2, Indemnity, Article 12, Dispute Resolution, and Section 11.2, Warranty.

6. Special Conditions

Pre-Construction Conference. Town will designate a date and time for a pre-construction conference with Contractor following Contract execution. Project administration procedures and coordination between Town and Contractor will be discussed, and Contractor must present Town with the following information or documents at the meeting for Town's review and acceptance before the Work commences:

1. Name, 24-hour contact information, and qualifications of the proposed on-site superintendent;
2. List of all key Project personnel and their complete contact information, including email addresses and telephone numbers during regular hours and after hours;
3. Staging plans that identify the sequence of the Work, including any phases and alternative sequences or phases, with the goal of minimizing the impacts on residents, businesses and other operations in the Project vicinity;
4. If required, traffic control plans associated with the staging plans that are signed and stamped by a licensed traffic engineer;
5. Water Pollution Control Plan;
6. Draft baseline schedule for the Work as required under Section 5.2 of the General Conditions, to be finalized within ten days after Town issues the Notice to Proceed;
7. 2 week public notification letter;
8. 2 day (48 hour) notice letter;
9. "No Parking" Sign;
10. Breakdown of lump sum bid items, to be used for determining the value of Work completed for future progress payments to Contractor;
11. Schedule with list of Project submittals that require Town review, and list of the proposed material suppliers;
12. Plan for coordination with affected utility owner(s) and compliance with any related permit requirements;
13. Videotape and photographs recording the conditions throughout the pre-construction Project site, showing the existing improvements and current condition of the curbs, gutters, sidewalks, signs, landscaping, streetlights, structures near the Project such as building faces, canopies, shades and fences, and any other features within the Project area limits;
14. Any other documents specified in the Special Conditions or Notice of Potential Award.

Close Out Requirements. Contractor's close out requirements include the following, if applicable:

1. Contractor must replace, with thermoplastic, any existing striping within and adjacent to the Project site that is damaged during the Work. Partially damaged striping must be replaced in its entirety.
2. Contractor must replace any survey monuments that are damaged or removed during the Work, with a Record of Survey filed by a licensed land surveyor as required by California law.
3. Before removing any traffic control or street signs on the Project site, Contractor must take photographs showing their original locations. Upon completion of each phase of construction, Contractor must temporarily reset the signs at those locations. Contractor must then replace the signs permanently upon completion of the Work and the cost of their removal and replacement must be included in the Bid Proposal.
4. Contractor must maintain any rural mail boxes on the Project site and relocate them to their permanent locations as soon as possible in the course of the Work, to the satisfaction of the affected property owners and the postal service.

END OF SPECIAL CONDITIONS

7. General Constructions Requirements

7.1. General Constructions Requirements

Measurement and Payment
Full compensation for furnishing all labor, materials, tools, equipment, and incidentals, and for doing all of the work involved in compliance with the Plans, Specifications, and “General Construction Requirements” of the contract documents, shall be deemed included in the price paid for other contract items and no additional compensation shall be allowed therefore.

Project Plans
The attached “Locations of Work” found in Attachment A shall be considered as the Plans.

Order of Work
Order of Work shall conform to the provisions in Section 5-1.02, “Contract Components,” of the Standard Specifications and these Contract Documents.

At least five (5) working days before any work is started, the Contractor shall furnish to the Engineer a written schedule for the work, listing the dates on which individual areas are to be subject to project related work and the extent of impact caused by the work. Additionally, the Contractor shall submit any request for approval for special traffic consideration including but not limited to lane closures, etc. The Contractor shall thenceforth adhere diligently to said written schedule in the prosecution of the work.

Work for this project needs to be coordinated with the 2024 Annual Street Repair and Resurfacing Project. Resurfacing work will generally follow the concrete work but certain work may need to occur around the same time. The Engineer shall be the main contact for the coordination of the work.

The street may not be available for work if scheduling is not requested by the Contractor and approved by the Engineer (5) working days prior to the desired workday.

Cooperation

Attention is directed to Section 5-1.36C, "Nonhighway Facilities," of the Standard Specifications.

It is the Contractor's responsibility to work with utility companies to coordinate the removal, relocation, raising to grade, installation of the new facilities, or any other utility work as shown on the plans or indicated in the specifications with the appropriate utility company. The Contractor shall provide advance notification and shall allow sufficient time and work space for the utility company to complete the work necessary.

If in the opinion of the Engineer, the Contractor's operations are delayed by reason of utility facilities not being removed or relocated, the Contractor will be entitled to an extension of time only. The Contractor shall be entitled to no other compensation for such delay.

Progress Schedule

The Contractor shall submit a project progress schedule for approval by the Engineer within eight (8) Working Days, not including Saturdays, Sundays, and legal holidays from the date of the Notice of the Award of Contract or 3 days before the pre-construction conference, whichever comes first. Failure to submit an acceptable progress schedule shall result in rejection of the Contractor's proposal. The progress schedule shall be in the form specified below unless otherwise specified in the Special Provision or approved by the Engineer. Updated progress schedules shall be provided by the Engineer monthly with the estimates of work required in Section 9-1.16, "Progress Payments," of the Standard Specifications. No partial payments will be made for any work until an updated schedule has been submitted and approved by the Engineer. Updated schedules shall incorporate all current schedule information, including actual progress, approved time adjustments, and proposed changes in sequence and logic.

The Contractor must furnish a computerized schedule prepared by the critical path method (CPM) which shows the order in which the Contractor proposes to carry out the work; the sequence and interdependence of construction activities; all salient features of the work (including procurement of materials and equipment); the dates on which the Contractor will start the salient features of the work; and the scheduled dates for completing the said salient features. The construction schedule shall include:

a. Time for submittals and reviews;
b. Time for fabrication and delivery of manufactured products for the work; and
c. The interdependence of procurement and construction activities.

The construction schedule shall:

a. Be a timescaled network diagram referenced to specific calendar dates;
b. Include time for the Engineer to review submittals or inspect the work; and
c. Identify the activities which constitute the controlling operations or critical path.

The construction schedule shall not contain multiple critical paths.

Scheduling of change order work is the responsibility of the Contractor. The Contractor shall revise the schedule to incorporate all activities involved in completing the change order work, and submit a new schedule to the Engineer for review.

Delays or changes to non-critical activities will not be considered for a contract time extension. Non-critical activities are those activities which when delayed, do not affect the contract completion time.

The project schedules submitted shall be consistent in all respects with the time and order of work requirements of the contract. The Engineer, at his or her sole discretion, retains the right to reject any and all construction schedules

submitted by the Contractor, including when the Engineer determines that the Contractor has too many items on the Critical Path, or the logic of the schedule is in error, or if the Engineer determines salient items of work are missing from the schedule.

Subject to the above provisions, nothing herein shall preclude the Contractor from early completion of the contract.

The Contractor shall submit updated progress schedules to the Engineer as a condition of approval for the monthly progress payments and final acceptance.

Record Drawings

The Contractor shall keep and maintain on the job site, one record set of drawings. On these, the Contractor shall mark all project conditions, locations, configurations, and any other changes or deviations which may vary from the details represented on the original contract documents, including buried or concealed construction and utility features which are revealed during the course of construction. Final payment will not be approved until the Contractor prepared record drawings have been delivered to the Engineer.

General Measurement and Payment Requirements

The Contractor shall submit in all field quantities completed to date for payment with each monthly pay estimate. The Contractor shall provide, in writing, who from their team will be responsible for field measuring quantities with the Town's representative. Upon completion of a contract bid item, the Contractor's representative shall field measure the final quantities with the Town's representative. This agreed upon amount will be considered final and no re-measuring of these field quantities will be allowed without the approval of the Engineer. All supporting documentation required for payment of an item, shall be submitted by the Contractor within two pay periods following the work. Documentation submitted more than two pay periods after the work was completed will not be paid and the cost of this work shall be borne by the Contractor.

Truck Routes

Per the Town Ordinance Section 15.30.410, the following streets and highways or portions thereof within the Town limits are designated Truck Routes and are authorized for use by operators of trucks and other vehicles, which exceed a maximum gross weight of ten thousand (10,000) pounds:

- Highway 17
- Los Gatos-Saratoga Road (Highway 9)
- Los Gatos-Almaden Road
- Los Gatos Boulevard
- Blossom Hill Road
- Winchester Boulevard
- Lark Avenue

Other Town streets are unauthorized for truck routes unless otherwise approved by the Engineer.

Hours of Work

Unless otherwise approved in writing by the Engineer or specified in these Contract Documents, the hours of work for this project are Monday through Friday, 8:00 AM to 5:00 PM, unless otherwise approved by the Engineer.

The work hours will be strictly enforced. The Engineer has full authority to implement the working hours and completely shut down the construction operations outside the hours of work specified. Should the provisions of this section not be met, liquidated damages of One Thousand Dollars ($1,000.00) for every 60-minute time period (or portion thereof) beyond the hours of work allowable shall be withheld from moneys due to the Contractor.

24-Hour Contact Number

The Contractor shall assign a project superintendent who has the complete authority to make decisions on behalf of the Contractor. The project superintendent shall be on the job at all times during construction and shall be available and on call 24 hours a day for the duration of the project. The Contractor shall provide to the Engineer and to the Los Gatos-Monte Sereno Police Department a 24-hour contact number for the project superintendent. This number shall not direct calls to a recorder or other message taking service.

Advance Public Notification

Two weeks prior to beginning any work in an area, the Contractor shall deliver written notice to all adjoining residents and businesses, tenants and other applicable parties listed below and all other properties where their only ingress/egress is through the project's work area. Individual or separate notices shall be given for general construction activity in an area as well as specific activities, which will, in any way, inconvenience the resident/property owner/tenant or affect their operations or access to their properties. Such notices shall include the expected date for start of construction, a general description of the construction activity to take place, expected duration of the activity, and the name, address, and the contact number of the Contractor's superintendent. The Contractor shall provide accurate information regarding the construction schedule and activities to be incorporated into the "two-week" notification. The Contractor shall make every effort to coordinate work with individual residents and businesses whose access will be disrupted in order to minimize the disruption and impacts on the resident or business.

The Contractor shall also prove and hand-deliver a "two-day" notice. The notice shall be distributed two working days prior to the work beginning. The "two-day" notice shall be delivered to all adjoining residents and business, tenants, and other applicable parties listed below and any other properties who sole ingress/egress is through the project's work area.

Copies of all notices shall be provided to the Engineer for approval five (5) working days prior to the desired distribution date.

Should the Contractor's schedule change and/or differ in any capacity from the schedule initially mentioned in the notification to the resident/property owner/tenant or from the updates to the Town website, the Contractor shall re-notify all applicable parties (residents/property owner/tenant and/or businesses mentioned below) five (5) working days prior to the beginning of any work on that street.

The Contractor shall contact and coordinate the work with the following parties throughout the project. The "two-week" and "two-day" notification shall also be given to the following parties prior to beginning any work:

Santa Clara Valley Transportation Agency–Steve Newgren–(408) 952-4106
West Valley Collection and Recycling–(408) 283-8500
U.S. Postal Service–Post Master–(408) 395-7526
Los Gatos/Monte Sereno Police Department–(408) 354-8600
Santa Clara County Fire Department–(408) 378-4010

The Contractor shall also give written notice to residents/businesses for any driveway closures or anticipated service disruptions. The Contractor shall coordinate all disruptions with the appropriate utility, property owner, resident, business and the Town. Notice shall be given in advance and specify the duration of the disruption of any utility, and the temporary closure of access to any driveway. Such notice will comply with the requirements for closure of driveway access as specified under Special Provision Section 10-2, "Traffic Control Requirements."

Lack of proper advance notification and coordination shall result in the work being shut down. All costs associated with the stoppage of work shall be borne by the Contractor.

Line and Grade
The Contractor shall layout the project by providing all stakes and marks needed to establish the lines and grades required for completion of the work specified on the Plans and in these Contract Documents to the satisfaction of the Engineer.

Meetings
Prior to commencement of any work on the project, a pre-construction conference will be scheduled by the Town and held at the Town's Engineering Building or hosted via virtual meeting for the purpose of review and discussion of the project schedule and construction procedures. The Contractor's project manager and/or project superintendent and representatives from all listed subcontractors shall be required to attend the pre-construction conference. The Contractor shall prepare and submit at the pre-construction meeting the proposed project schedule, water pollution control plan, traffic control plan, public notification letter, and other submittals as specified under Special Conditions.

The Contractor shall also schedule and conduct weekly field meetings at locations to be determined by the Town. The meetings shall be held at the same time and place each week and shall include all subcontractors working on the project and discussions of scheduled work on the project during the week of the meeting. The Contractor shall notify the Engineer of the time, date, and location of these meetings 72 hours in advance of the first meeting. Detailed schedules for the following two weeks shall be submitted to the Engineer at each weekly meeting.

Waste Haulers and Recycling Operations
The Contractor shall not impair or impede waste hauler and recycling operations scheduled to be conducted within the project area. It is the Contractor's responsibility to determine which waste hauler and recycling operators are scheduled to operate within the project area, and to develop a project schedule that will not impair or impede the waste hauler or recycling operations.

Project Appearance and Street Sweeping
The Contractor shall maintain a clean work site. Debris developed during construction shall be disposed concurrently with its generation. Stockpiling of debris or construction materials shall not be allowed unless otherwise approved by the Engineer.

The Town prohibits the use of any public property or public right-of-way locations as construction staging points, unless specifically approved by the Engineer.

Right-of-Way
The Contractor shall operate within the public right-of-way only.

Work in Private Property
The Contractor shall secure right-of-entry agreements with each private property owners before any work in private properties. The language for the right-of-entry agreement must be approved by the Town.

Tree Protection
The Contractor shall comply with the Town Ordinance Chapter 29, Article 1, Division 2, "Tree Protection." The Contractor shall provide protective tree fencing per the Town Ordinance Sec. 29.10.1005, "Protection of trees during construction." The Engineer and Town Arborist shall be notified of any damages that occurs to a protected tree during construction.

Staging/Disposal Areas
The Contractor shall survey the area for construction staging. Staging areas shall not be located in a residential area.

The following requirements shall apply to the contractor's staging area:

- No stockpiles or staging area will be allowed in the right-of-way or on undeveloped lots unless specifically approved by the Engineer
- The staging area will be included in the Contractor's SWPPP
- The staging area will not be located in an environmentally or culturally sensitive area and/or impact water resources (rivers, streams, bays, inlets, lakes, drainage sloughs).
- The staging area will not be located in a regulatory floodway or within the base floodplain (100-year).
- The staging area will not affect access to properties or roadways.

The Contractor shall obtain the approval of the Engineer before staging equipment or storing materials in the public right-of-way or on Town property. In addition, the Contractor shall provide proof of an agreement when using private property for staging, if requested by the Engineer.

All debris shall be hauled off and disposed of the same working day in which the material was generated.

Personal vehicles of the Contractor's employees shall not be parked in the neighborhood or on the traveled way. When entering or leaving roadways carrying public traffic, the Contractor's equipment, whether empty or loaded, shall in all cases yield to public traffic and shall travel in the normal direction of travel.

Dust Control

The following requirements shall be applicable to this contract in lieu of the requirements of Section 18, "Dust Palliatives," of the Standard Specifications:

A. The Contractor shall provide an acceptable plan for preventing the generation of dust due to the Contractor's operations in the construction zones, along the haul routes, or equipment parking areas. This plan may consist of water sprinkling sweepers or an equivalent service. No separate payment will be made for dust control and all costs in connection therewith shall be included in the payment items to which the work is incidental.
B. In the event the control of dust is not satisfactory to the Owner, the Owner shall take such measures as may be necessary to ensure satisfactory dust control and deduct the cost of such measures from any payments due to the Contractor.

Water for Construction

The costs of water as required for the construction and post-construction on this project, including dust control, shall be considered as included in the costs of items bid for applicable item of work and no separate payment will be made therefor. The Contractor shall conform to the requirements of the water company from which water is purchased. In no case shall the Contractor violate the Town's water conservation ordinance.

Sanitation

The Contractor shall provide for sanitary facilities for the use of the workers on the job. Such facilities shall be placed and maintained by the Contractor so as not to be a nuisance to the neighbors, nor offensive to the senses nor the community standards of decency. The Engineer shall be the sole judge of the adequacy of the facility, the placement, and the maintenance thereof. Upon notification by the Engineer of deficiencies in any of these areas, the Contractor shall make immediate corrections. Failure to take corrective action within 24 hours shall give the Engineer due cause to stop the work in the contract and to order the corrective work to be done on the sanitary facility and to charge all costs of such work against the monies due or to become due to the Contractor.

Water Pollution Control

Water pollution control work shall conform to the provisions in Section 13, “Water Pollution Control," of the Standard Specifications and these Contract Documents, with the exception of payment. Payment shall be covered under “Measurement and Payment” under these Technical Specifications.

The Contractor shall be responsible for ensuring that all work conforms to the “Best Management Practices for the Construction Industry” found in the Storm Water Pollution Prevention Plan (SWPPP), the “Blueprint for a Clean Bay” handout.

The Contractor shall comply with the requirements of the State Water Resource Control Board (SWRCB) National Pollutant Discharge Elimination System (NPDES) General Permit for Storm Water Discharge Associated with Construction and Land Disturbance Activities.

The Contractor shall not violate any discharge prohibition contained in the California Regional Water Quality Control Board San Francisco Bay Basin Water Quality Control Plan (“Basin Plan”).

7.2. Traffic Control Requirements

Measurement and Payment

Full compensation for preparing traffic control plans, temporary pavement delineation, providing construction, changeable message and detour signs, and for furnishing all labor, materials, tools, equipment, and incidentals, and for doing all of the work involved in compliance with the Plans, Specifications, and “Traffic Control Requirements” of the Contract Documents, including any additional changeable message signs, shall be included and paid for in the appropriate bid item price.

Bid Item #2 Temporary Pedestrian Access L.S.

General

Traffic control shall conform to the provisions of Section 12 "Temporary Traffic Control" of the Standard Specifications, Part 6, “Temporary Traffic Control,” of the California Manual on Uniform Traffic Control Devices (CA MUTCD) with latest revisions, and these Technical Specifications. Nothing in these Technical Specifications shall be construed as relieving the Contractor from the responsibilities specified in Section 7-1.04, “Public Safety,” of the Standard Specifications and these Contract Documents.

The traffic control plan shall be prepared in compliance with the Caltrans Standard Plans and/or CA MUTCD and shall be prepared by a certified traffic engineer or a qualified traffic control professional. The Contractor shall submit a scaled drawing with detailed information, such as lanes to be closed or narrowed, time and days of operation, transitions, cones and barricades, signs, arrow boards, pedestrian and bicycle provisions, etc. The traffic control plan should show length of transitions, cone spacing, sign spacing, etc. based on the posted speed limits or the posted construction zone speed limits. The traffic control plan shall also include a provision for the Contractor to contact and coordinate with the Valley Transportation Authority (VTA) if a bus stop is affected.

The Contractor shall maintain a safe workplace throughout the job including, but not limited to, providing all flaggers, safety equipment, flashing arrow boards, changeable message signs (minimum of two), traffic control devices; maintenance of barricades, safe pedestrian passages along sidewalks, maintenance of handicap access throughout the project site where applicable and maintenance of pavement within the limits of the roadway and driveways with a suitable traffic bearing surface.

The Contractor shall provide and maintain all necessary traffic control devices to ensure safe pedestrian and vehicular access through and around the job site. Warning signs shall be installed at locations in accordance with the CA MUTCD, Part 6, “Temporary Traffic Control.” The Contractor shall fulfill the requirements of this section, 24 hours per day, seven days a week, including holidays, from the time the Notice to Proceed is issued until the project is formally accepted.

Should the Contractor fail to perform these duties, the Engineer, at the Engineer's sole discretion, may elect to have City, or contract forces, perform the duties, deducting the expenses incurred from any moneys that are due, or to become due, to the Contractor. By exercising this option, the Contractor is in no way relieved of the responsibility to perform these duties.

The Contractor shall provide a minimum of two competent and qualified flaggers dedicated solely to directing traffic if traffic lanes have been reduced to only one lane for two-way traffic, in and out of driveways and cross-streets and/or across the construction area as deemed to ensure safe traffic control during construction operations. Flaggers shall be equipped with all necessary tools to properly control the traffic.

Traffic Control/Management Plan
A traffic control plan shall be submitted by the Contractor to the Engineer a minimum of five (5) working days prior to any work commencing on the project. The traffic control plan shall be reviewed and accepted by the Engineer prior to any work commencing on the project. All traffic plans shall be prepared in accordance with the CA MUTCD, Part 6, “Temporary Traffic Control,” Section 12, “Temporary Traffic Control,” of the Standard Specifications, and these Contract Documents.

No Parking Signs
Prior to the start of work which requires parking restriction, the Contractor shall request approval to post and maintain temporary “No Parking” signs on each street where the operations will take place. It shall be the Contractor's responsibility to post "No Parking" signs in the areas where the Contractor's work will require restricted parking. The Town will provide signs for the Contractor's use. To be enforceable, the signs must be posted not less than 72 hours prior to the start of the work at a maximum spacing of 60 feet. The signs must clearly show the date(s) and hours of the parking prohibition, as well as the date and time the signs were posted, and the project name and contractor’s phone number. If the work is not performed during the timeframe indicated on the “No Parking” signs, the work will be rescheduled with at least five (5) working days advance notice. The Contractor shall perform all re-posting of “No Parking” signs and re-notification of businesses, tenants, and residents as a result of his failure to meet the posted schedule. Any delays caused by failure of the Contractor to adhere to the approved schedule will be at the Contractor’s sole expense. No additional compensation will be allowed for costs resulting from said delays.

The Contractor shall remove the “No Parking” signs immediately when they are no longer needed for use in the respective area of the project. The Contractor shall notify the Los Gatos/Monte Sereno Police Department directly after posting and immediately upon removal of the said signs at (408) 354-8600.

During the morning of each scheduled workday, the Contractor shall be responsible for calling the Los Gatos/Monte Sereno Police Department Police Dispatch to tow cars, if necessary, as approved by the Engineer. The Contractor shall have available for the police responding to the call photo documentation of the “No Parking” signs being posted if the signs were removed or vandalized the previous night.

Detours, Temporary Striping, and Barriers
Any approved detours or barriers, signing and striping necessary to complete the construction of the project shall be provided, installed, maintained, and removed by the Contractor at his expense. Temporary striping shall be self-sticking traffic marking tape, vinyl or otherwise, developed for such use, and shall be used for temporary striping as required,

unless shown otherwise on the plans or specified in the Technical Specifications. No painted temporary striping or markings will be allowed unless the temporary markings will be entirely covered by the permanent markings.

Notify the Los Gatos/Monte Sereno Police Department daily at (408) 354-8600 of street or lane closures or detours within the roadway prior to setting up and upon removal of traffic control devices.

Additional Construction Area Signs and Controls
In addition to the requirements of the CA MUTCD, the following traffic controls will be required as specified by the Engineer. These additional requirements in no way relieve the Contractor from his obligation to comply with the standards set forth in that manual.

- "Road Work Ahead" (Type C-23(CA)) signs shall be posted in advance of the first major cross street before the start of the work zone to allow traffic to avoid the work zone prior to entering the zone. The signs shall also be posted at the approaches to the project site.
- "End Road Work" (Type G20-2) signs shall be placed at all public road exits from the project site.
- The Contractor shall provide, install and maintain a minimum of four (4) lighted barricades for each individual construction site for concrete improvements (i.e. for curb and gutter removal & replacement and for accessibility ramp installation).
- Changeable message signs will be used starting one (1) week prior to construction beginning and will be maintained in place until construction impacts to the public no longer exist as determined by the Engineer.
- “Bikes May Use Full Lane” (R4-11)–modified for temporary construction sign

The Contractor shall be responsible for locating existing poles on which to mount these signs or shall provide temporary stands or poles on which to place the required signs. The Engineer shall approve the method of attachment to existing poles prior to sign installation. No sign shall be mounted on decorative street light poles unless the Contractor can clearly show that the mounting method will not damage the finish on the poles.

Upon completion of the work, the signs and posts shall be removed and disposed of outside the public right of way in conformance with the provisions in the Standard Specifications.

Maintenance of Pedestrian Access and Circulation
Safe pedestrian access and circulation that is fully wheelchair accessible shall be maintained by the Contractor through or around the project area. All walkways, pedestrian crossings, ramps and other pedestrian facilities removed or blocked by the Contractor’s operations shall be replaced with temporary facilities unless otherwise approved by the Engineer.

Pedestrian access at each individual project site may be diverted for a maximum of five (5) calendar days with approved traffic control plan. Drop off from existing improvements to excavated areas shall be temporarily ramped. Ramps shall be maintained at 12:1 or flatter with compacted sub-grade or base rock material until final improvements are installed.

Lane Closures
Requests for lane closures shall be made a minimum of five working days prior to the proposed closure. Once the lane closure has been approved by the Town, the Contractor shall post a minimum of five (5) working days in advance of the proposed lane closure a changeable message sign at the limits of each closure or as specified by the Engineer. These changeable message signs shall also be used on the day of the actual closure. The changeable message signs shall indicate the days and hours of the proposed lane closure and the type of work being done during that lane closure.

Flashing arrow signs shall be used for all lane closures. The Contractor shall check with the Engineer to confirm any lane closure restrictions that may be in effect before closing any lanes.

The Contractor shall leave the streets open to traffic until just prior to starting the work, and will provide all barricades, signs and traffic control measures necessary to protect the work.

No work that interferes with public traffic shall be performed outside of the working hours, except as otherwise approved by the Engineer. All traffic lanes shall be open to traffic outside of the working hours.

A minimum of one paved, or surfaced traffic lanes and one paved bicycle lane, not less than fifteen (15) feet wide (10 foot wide for the traveled vehicle lane and 5 feet wide for the bicycle lane), shall be open for use by public traffic in each direction of travel. Traffic may not be routed over unpaved roadways unless authorized by the Engineer.

In addition, the full width of the traveled way on each street shall be open for public use on Saturdays and Sundays (except for those streets approved by the Engineer for weekend work), on designated legal holidays, and when construction operations are not actively in progress. Designated legal holidays are: January 1, the third Monday in January, the third Monday in February, June 19, the last Monday in May, July 4, the first Monday in September, the fourth Thursday of November, and December 25. When a designated holiday falls on a Saturday, the preceding Friday shall be treated as a legal holiday. When a designated holiday falls on a Sunday, the following Monday shall be treated as a legal holiday.

Deviations from the requirements of this section concerning hours of work, which do not change the cost of the work, may be permitted upon the written request of the Contractor, if in the opinion of the Engineer, the general public will be better served and the work expedited. Such deviations shall not be implemented until the Engineer has provided the Contractor with written approval to do so. All other modifications will be made by contract change order.

The Contractor shall pay the Town liquidated damages in the amount of $1,000 per hour (or part of an hour) for traffic control that is set-up before the designated and approved hours of work. Liquidated damages for failure to open streets by the required time shall be $1,000.00 per hour.

Traffic Control System for Lane Closure
A traffic control system shall consist of closing traffic lanes in accordance with the provisions of Section 12, “Temporary Traffic Control,” of the Standard Specifications, and these Contract Documents.

The provisions in this section will not relieve the Contractor from the responsibility to provide additional devices or take measures as may be necessary to comply with the provisions of Section 7-1.04, “Public Safety,” of the Standard Specifications.

Each vehicle used to place, maintain and remove components of a traffic control system on multilane roads shall be equipped with a Type II flashing arrow sign which shall be in operation when the vehicle is being used for placing, maintaining, or removing the components. Vehicles equipped with a Type II flashing arrow sign not involved in placing, maintaining, or removing the components when operated within a stationary type lane closure shall only display the caution display mode. The sign shall be controllable by the operator of the vehicle while the vehicle is in motion.

If any component of the traffic control system is displaced, or ceases to operate or function as specified from any cause, during the progress of the work, the Contractor shall immediately repair the component to its original condition or replace the component, and shall restore the component to its original location.

When lane closures are made for work periods only, at the end of each work period, all components of the traffic control system, except portable delineators placed along open trenches or excavations adjacent to the traveled way, shall be removed from the traveled way and shoulder. If the Contractor so elects, the components may be stored at selected central locations, approved by the Engineer.

Temporary Pavement Delineation
Temporary pavement delineation shall comply with these Technical Specifications and with Section 12-3, "Temporary Traffic Control Devices," of the Standard Specifications, CA MUTCD, and these Contract Documents.

Property Access Requirements
The Contractor shall maintain property access to all residents and businesses at all times unless otherwise approved by the Engineer. Upon approval by the Engineer, access to certain properties may be temporarily closed if all of the following conditions can be met:

a. No options exist to maintain property access and complete the project.
b. The Contractor has discussed the closure with the resident or business owner in person.
c. Residents or business owners has been notified, in writing, at least five (5) calendar days in advance of the time and length of closure
d. Resident or business owners have been reminded of the closure, in writing, at least two (2) working days prior to the actual closure.
e. The Contractor has provided the resident or business with a contractor name and number to call with questions regarding the closure.
f. Closure will last no longer than three (3) working days

Signalized Intersections
The Contractor shall be responsible for contacting and coordinating with the Town's signal maintenance contractor for any work at signalized intersections. No additional working days will be given due to the Contractor for not scheduling the work with the Town's signal maintenance contractor prior to the start of work.

8. Technical Specifications

8.1. Mobilization

Measurement and Payment

Full compensation for furnishing all labor, materials, tools, equipment, and incidentals, and for doing all of the work involved in compliance with the Plans, Specifications, and "Mobilization" of the Technical Specifications, shall be included and paid for in the appropriate bid item price.

Bid Item #1 Mobilization L.S.

General

Mobilization includes moving all materials and equipment onto the site of, furnishing and erecting plants, temporary buildings, and other construction facilities as required to ensure proper performance and completion of the Work. Mobilization shall include but not be limited to the following principal items:

- Achieving Town approval of the initial Contract Schedule.
- Moving on to the site of all Contractor's material and equipment required for first month's operations.
- Installing temporary construction power, wiring, and lighting facilities.

- Establishing fire protection system.
- Developing and installing construction water supply.
- Providing field office trailers for the Contractor, and the Engineer if required by the Contract Documents, complete with all specified furnishings and utility services including telephones, telephone appurtenances, computer and printer, and copying machine, Equipment, and Services.
- Providing on site sanitary facilities and potable water facilities.
- Furnishing, installing, and maintaining all storage buildings or sheds required for temporary storage of products, equipment, or materials that have not yet been installed in the Work. All such storage shall meet manufacturer's specified storage requirements, and the specific provisions of the specifications, including temperature and humidity control, if recommended by the manufacturer, and for all security.
- Arranging for and erecting Contractor's work and storage yard
- Posting all OSHA-required notices and establishment of safety programs and ensuring all safety programs required by the Contract Documents are implemented.
- Ensuring Contractor's superintendent is present at the job site full time.
- Furnishing, installing, and maintaining all off-site storage areas as required to undertake the Work, including all requirements of the Zoning Use Permit.
- Ensuring storm water control and biological compliance provisions are in place as required by the Contract Documents.
- Ensuring all requirements of the approved Storm Water Pollution Prevention Program are in place on the Project Site

Lump Sum Contract Payment

For Lump Sum contracts, the percent of the total Contract Price shown for mobilization will be withheld from any money due the Contractor as initial Progress Payments until all mobilization items have been completed. Such retention of money for failure to complete mobilization items shall be in addition to the Town’s right to retain any payments due to the Contractor.

Payment for mobilization will be made in the form of a single, lump sum, non-proratable allowance determined by the Engineer, and no part thereof will be approved for payment under the Contract until all mobilization items listed above have been completed as specified.

Negotiated Change Orders

For negotiated Change Orders to any Contract, mobilization shall not exceed more than 5 percent of the total change order cost unless otherwise approved by the Engineer.

8.2. Temporary Fencing

Measurement and Payment

Full compensation for furnishing all labor, materials, tool, equipment, and incidentals, and for doing all of the work in compliance with the Plans, Specifications and “Temporary Fencing”, of the Technical Specifications, shall be included and paid for in the appropriate bid item price.

Bid Item #3 Temporary Construction Fence L.F.

General

Temporary fencing shall conform to Section 80, “Fences,” of the Standard Specifications, the plans, and these contract documents. The Contractor shall erect, maintain, and dismantle temporary fencing around construction site and materials storage areas.

Product

Unless otherwise indicated, type of temporary chain link fencing shall be Contractor's option. The following types are acceptable:

- New materials or previously used salvaged chain link fencing in good condition.
- Posts: Galvanized steel pipe of diameter to provide rigidity. Post shall be suitable for setting in concrete footings, driving into ground, anchoring with base plates, or inserting in precast concrete blocks.
- Fabric: Woven galvanized steel wire mesh. Provide in continuous lengths to be wire tied to fence posts or prefabricated into modular pipe-framed fence panels. Steel Tubing: shall conform to ASTM A500, Grade B.
- Fence shall be minimum 6’ in height in all places measured from adjacent finished grade.

Execution

Installation of temporary fencing shall not deter or hinder access to existing and new hose connections and fire hydrants. Maintain 3 feet diameter clear space around fire hydrants. Where fire hydrant or hose connection is blocked by fencing, provide access gate. Provide gates for personnel, delivery of materials, and access by emergency vehicles. Field verify proposed location with Engineer prior to installation.

Chain link posts shall be:

- Space at 10’ maximum on center.
- Drive posts, set in holes and backfill, or anchor in precast concrete blocks.
- For soft and unstable ground conditions, install cast concrete plug around post.
- For posts over pavement, use steel post plates or precast concrete blocks.
- For gate posts, use bracing or concrete footings to provide rigidity for accommodating size of gate.

- Attach fabric Securely to posts.
- Install gates with required hardware.

Maintenance and Removal

Maintain fencing in good condition. If damaged, immediately repair.

Remove temporary fencing upon completion of Work or when no longer required for security or control. Backfill holes and compact. Holes in pavement shall be surfaced to match existing paving. Repair damage caused by installation of temporary fencing.

8.3. Demolition

Measurement and Payment

Full compensation for furnishing all labor, materials, tool, equipment, and incidentals, and for doing all of the work in compliance with the Plans, Specifications and “Demolition”, of the Technical Specifications, shall be included and paid for in the appropriate bid item price.

Bid Item #4 Demolition L.S.

PART 1 -- GENERAL

THE REQUIREMENT

A. The CONTRACTOR shall provide all materials, equipment and labor necessary to perform and complete all demolition work shown on the Drawings and as specified herein. This includes, but is not necessarily limited to, such items as demolition, removal, recycling and disposal of asphalt concrete, miscellaneous concrete, vegetation and all other structures, or features as required.

B. Manufactured articles, materials, equipment, and accessories shall be demolished in accordance with the manufacturer's printed specifications and recommendations, and industry standards, unless otherwise shown or specified.

C. Hazardous materials shall be handled, removed and disposed of in accordance with all regulatory agency requirements.

D. Building utilities shall be disconnected, removed, capped and identified in accordance with the appropriate agency requirements.

E. The CONTRACTOR shall coordinate with the TOWN for demolition permits required by the TOWN and with all other regulatory agencies and utility companies.

REFERENCE SPECIFICATIONS, CODES, AND STANDARDS

A. The demolition and sealing of wells, septic tanks and underground tanks shall be in accordance with regulatory agency requirements. The CONTRACTOR shall obtain all required permits and file all required reports.

B. Commercial Standards:

1. USA Underground Service Alert.

CONTRACTOR SUBMITTALS

A. **Demolition Schedule:** The CONTRACTOR shall submit a complete coordination schedule for demolition work including shut-off and continuation of utility services prior to start of the work. The schedule shall indicate proposed methods and operations of facility demolition, and provide a detailed sequence of demolition and removal work to ensure uninterrupted operation of occupied areas.

B. CONTRACTOR submit a Waste Management Plan identifying how that diversion will be met.

C. The CONTRACTOR shall provide copies of written agreements from private land owner's, landfill operators, or other agencies accepting disposal of any demolished material prior to any work.

JOB CONDITIONS

A. **Condition of Facilities:** The TOWN assumes no responsibility for actual condition of facilities to be demolished. The CONTRACTOR shall visit the site and inspect the existing facilities.

PART 2 -- PRODUCTS (Not Used)

PART 3 -- EXECUTION

OCCUPANCY AND POLLUTION CONTROL

A. Water sprinkling, temporary enclosures, chutes and other suitable methods shall be used to limit dust and dirt rising and scattering in the air. The CONTRACTOR shall comply with all government regulations pertaining to environmental protection.

B. Water shall not be used in a manner that creates hazardous or objectionable conditions such as ice, flooding, or pollution.

PROTECTION

A. Safe passage of persons around area of demolition shall be provided in accordance with all safety and regulatory requirements. Operations shall be conducted to prevent damage to adjacent buildings, structures, other facilities, people and property.

B. Interior and exterior shoring, bracing, or supports shall be provided to prevent movement, settlement or collapse of structures to be demolished and to adjacent facilities to remain.

C. Existing landscaping materials, structures, and appurtenances which are not to be demolished shall be protected and maintained.and replaced if damaged.

D. The CONTRACTOR shall protect and maintain conduits, drains, sewers, pipes and wires that are not to be demolished.

SMALL STRUCTURE DEMOLITION

A. Small structures may be removed intact when acceptable to the ENGINEER and approved by the Town Building Official.

B. Demolition shall proceed in a systematic manner, typically from top of structure to ground.

C. Concrete and masonry shall be demolished in small sections.

BELOW-GRADE DEMOLITION

A. Footings, foundation walls, below-grade construction and concrete slabs on grade including utility lines shall be demolished and removed to a depth which will not interfere with new construction but shall not be less than 12 inches below existing ground surface or future ground surface, whichever is lower.

B. Below-grade areas and voids resulting from demolition of structures shall be completely filled.

C. All fill and compaction shall be in accordance with Section 312300, "Utility Earthwork."

D. All fill and compaction surfaces shall be graded to meet adjacent contours and to provide flow to surface drainage structures, or as shown on the Drawings.

E. Where installation of new utilities requires partial removal or demolition of an existing utility, the existing utility shall be removed to sound material. Pipes to be demolished that require no future connection shall be removed to the extent required and sealed and capped. Sanitary sewer laterals shall be removed as required and a new sewer clean out shall be installed in accordance with the

Standard Specifications and Details. Pipes to be demolished that require a connection shall be removed to the extent required to install the new connection. Pipe sections shall be removed either by sawcutting, removing a complete pipe section to an existing joint, or other adequate means which results in a clean joint acceptable to the ENGINEER..

F. The CONTRACTOR shall demolish and seal all wells, septic tanks and underground tanks in accordance with applicable regulatory agency requirements and permits.

G. Joint domestic/fire service laterals shall be abandoned as follows:

1. The Blow Off Assembly shall be removed and capped underground.

2. At the connection to the main the existing lateral valve shall be removed and a blind flange shall be installed on the tee at the main. The lateral pipe shall be abandoned in place by capping both ends of the lateral pipe.

3. The existing structural section of the roadway shall be replaced in kind in accordance with the Town Standard specifications.

AT GRADE DEMOLITION

A. All asphalt concrete and all portland cement concrete curbs, gutters, sidewalks, access ramps and driveways shall be saw-cut at the nearest scoreline or deep joint and removed entirely to the saw-cut limits. Where

adjacent pavement or concrete is broken or deteriorated sufficiently to prohibit a sound replacement the entire deteriorated section shall be removed to the limits determined by the ENGINEER.

DISPOSAL OF DEMOLISHED MATERIALS

A. Demolition and removal of debris shall be conducted to ensure minimum interference with roads, streets, walks and other adjacent occupied or used facilities which shall not be closed or obstructed without permission from the TOWN. Alternate routes shall be provided around closed or obstructed traffic ways.

B. Site debris, rubbish and other materials resulting from demolition operations shall become the property of the CONTRACTOR and shall be removed by the CONTRACTOR at the CONTRACTOR's expense to a suitable site. The proper and legal disposal of demolished materials shall be the responsibility of the CONTRACTOR.

PATCHING AND REPAIRING

A. The CONTRACTOR shall provide patching, replacing, repairing and refinishing of damaged areas or damaged adjacent facilities involved in the demolition. New concrete shall match the existing adjacent surfaces, in kind or of better quality, to the satisfaction of the ENGINEER, at no cost to the TOWN or to the owners of the facilities.

CLEANUP

A. During and upon completion of work the CONTRACTOR shall promptly remove unused tools and equipment, surplus materials, rubbish, debris and dust and shall leave areas affected by work in a clean, approved condition.

B. The CONTRACTOR shall clean adjacent structures and facilities of dust, dirt and debris caused by demolition, as directed by the ENGINEER or governing authorities, and return adjacent areas to condition existing prior to start of work.

C. The CONTRACTOR shall clean and sweep daily all street and roads affected by its operation.

8.4. Site Clearing and Tree Protection

Measurement and Payment

Full compensation for furnishing all labor, materials, tool, equipment, and incidentals, and for doing all of the work in compliance with the Plans, Specifications and “Site Clearing and Tree Protection”, of the Technical Specifications, shall be included and paid for in the appropriate bid item price.

Bid Item #5	**Clearing and Grubbing**	**L.S.**
Bid Item #7	**Existing Tree Protection**	**E.A.**

PART 1 - GENERAL

SUMMARY

A. This Section includes the following:

1. Protecting existing trees to remain

a. Protecting and maintaining existing trees and vegetation not specifically designated for removal, to remain.

b. Protection shall be extended to trees and/or vegetation located within or adjacent to the Project Site, whether the tree trunk and/or vegetation is located within the designated Limits of Work.

2. Removing existing grass
3. Clearing and grubbing.
4. Stripping and stockpiling topsoil.
5. Removing above- and below-grade site improvements.
6. Minor obstructions above and below grade including irrigation.
7. Disconnecting and capping or sealing site utilities.
8. Temporary erosion and sedimentation control measures.

B. Related Documents:

1. The following applies to this section:

a. General provisions of the Contract, including General and Supplementary Conditions.

I. The Drawings.

II. Division 01 Specification Sections and related requirements in other sections of the Project Manual.

III. Related requirements in other Contract Documents listed in the Agreement.

IV. Review these documents for coordination with additional requirements and information that apply to work under this Section.

a.

a.

DEFINITIONS

A. Tree Protection Zone: Area surrounding individual trees or groups of trees to be protected during construction, and defined by the drip line of individual trees or the perimeter drip line of groups of trees, unless otherwise indicated

1. "Dripline" shall be generally defined as the outermost extent of the tree's foliaged canopy, which encompasses the tree leaves or fronds, trunk, branches, roots, and soil. In no case shall a dripline encompass an area under a tree canopy, which is less than ten feet (10'), in diameter. Since each tree is unique in size, scale, and form, the delineated dripline of each tree shall be refined at the discretion of the Landscape Architect.

2. "Injury" shall be defined, without limitation, as any bruising, scarring, tearing, gouging, or breaking of roots, branches, or trunk(s), soil compaction around the dripline, or contamination around the dripline which results in the decline to the health of the tree

B. Subgrade: The uppermost surface of an excavation, including excavation for trenches, or the top surface of a fill or backfill immediately below base course, pavement, or topsoil materials.

C. Unauthorized excavation consists of removing materials beyond indicated subgrade elevations or dimensions without direction by the Owner's representative. Unauthorized excavation, as well as remedial work directed by the Owner's Rep shall be at the Contractor's expense.

3.

REFERENCE

A. Standards for Tree Care Operations (Z133.1), American National Standards Institute, Latest Edition.

B. Safety Standards for Tree Care Operations (Z133), American National Standards Institute, Latest Edition.

C. Tree Pruning Guidelines, International Society of Arboriculture, 1995 Edition.

D. Pruning Standards for Shade Trees, National Arborists Association. Latest Edition

MATERIAL OWNERSHIP

A. Except for stripped topsoil or other materials indicated to remain Owner's property, cleared materials shall become Contractor's property and shall be removed from Project site.

SUBMITTALS

A. Photographic and/or digitally recorded documentation, sufficiently detailed, of existing conditions of trees and plantings, adjoining construction, and site improvements must be prepared. Unless otherwise documented, any damage discovered to trees, plantings, and site features denoted to remain, will be considered the responsibility of the contractor to correct. The owner may at his/her discretion request such photographs and/or video tapes be submitted at any time

B. Submit complete detailed schedule and description of Work to be done within dripline, (if any), including list of equipment to be used.

C. Submit schedule and description of proposed pruning and/or other remedial work to existing plant materials. Submit qualifications describing years of experience and list of similar projects completed for the following:

1. State of California licensed Pest Control Advisor shall propose application of all herbicides or pesticides.

2. Certified Arborist shall propose pruning of all trees or other vegetation. Certified Arborist shall have a minimum of five (5) year's post-certification experience performing pruning and observation work for projects of comparable size with trees of similar size and nature.

D. Tree Pruning Company, and List of Certified Tree Workers, who will perform Work on the Project relating requirements herein this Section. Tree Pruning Company shall have a minimum of five (5) years experience specializing in performing the work of this Section for projects of comparable size with trees of similar size and nature.

E. Record drawings, according to Division 01, identifying and accurately locating capped utilities and other subsurface structural, electrical, and mechanical conditions.

1.

PROJECT CONDITIONS

A. Contractor shall become aquatinted with existing site conditions, verifying quantities and locations of all protected trees and vegetation, and other information as may be necessary. Notify Landscape Architect of unsatisfactory conditions, in writing, prior to commencement of Work.

B. Tree Flagging: Prior to commencement of Work, Contractor shall flag all existing trees and vegetation to remain and protected throughout the duration of Work. Adequately flag tree trunks with bright-colored tape (neon colors preferred). Verify flagged trees and vegetation with Landscape Architect.

C. Traffic: Minimize interference with adjoining roads, streets, walks, and other adjacent occupied or used facilities during site-clearing operations.

1. Do not close or obstruct streets, walks, or other adjacent occupied or used facilities without permission from Owner and authorities having jurisdiction.

2. Provide alternate routes around closed or obstructed traffic ways if required by authorities having jurisdiction.

D. Salvable Improvements: Carefully remove items indicated to be salvaged and store on Owner's premises where indicated.

E. Utility Locator Service: Notify utility locator service for area where Project is located before site clearing.

F. Do not commence site clearing operations until temporary erosion and sedimentation control measures are in place.

G. Improvements on Adjoining Property: Authority for performing indicated removal and alteration work on property adjoining Owner's property shall be obtained by the adjoining property Owner(s) prior to commencement of Work.

H. Protect existing Work and Work of other trades: Damage to existing construction caused by Work of this Section shall be promptly repaired and/or replaced at the expense of the Contractor.

I. Environmental Requirements:

1. Perform actual pruning operations (if needed) during those seasons suitable for the specific tree type, in accordance with locally acceptable horticultural practices.

J. Pre-Tree Pruning/Tree Protection Conference:

1. Contractor shall conduct a Pre-Tree Pruning/Tree Protection Conference at the Project Site with Certified Arborist (who will be on-site supervising the Work of the Project) and the Owner.

2. The Contractor shall be responsible for notifying all parties, in writing, at least seven (7) days in advance to schedule the Conference.

3. The Contractor shall provide to all parties in attendance within seven (7) days a written legible inventory of Work to be accomplished, including species (botanical and common name), location, size, specific pruning needs or tree protection needs as identified during the Conference, recommended pruning or tree protection methods to meet the identified needs, and any additional conditions noted.

K. Staging Areas - Approval must be obtained from the Owner to use any area for staging that is not specifically identified as such on the plans. The Contractor shall restore all areas used for staging, the extent of said restoration to be defined by the Owner upon granting approval for the use of said area for staging.

L. Whether shown on the Plan or not, existing improvements, adjacent property, Utility and other facilities, and trees and plants that are not to be removed shall be protected from injury or damage resulting from the Contractor's operations.

M. The Contractor shall make such investigations and examinations as are required to determine the existence and locations of all pipes, conduits, and other underground improvements and shall consult with and advise the owners of the Utilities before undertaking any work that might endanger them.

N. The Contractor shall assume full responsibility for any damage to pipes, conduits, poles, or any other structures or Utilities. She/He shall not make any claim for inconvenience, delay or added cost of performing the Work which may be attributed in any degree to inaccuracy of information furnished by the Town relative to the locations, sizes, dimensions, depths, and character of any pipes, conduits, poles, or other structures and Utilities or for failure of the Town to furnish any information relative thereto.

O. The Town does not guarantee the accuracy or completeness of any data shown on the Plans relative to the locations, sizes, dimensions, depths, and character of pipes, conduits, poles or any other structures or Utilities located above ground or underground.

P. At locations where lawn sprinkler systems exist, the Contractor will cut and cap water lines at the property lines or at such point as directed by the Engineer. All heads and pipe removed shall be salvaged and returned to their respective owners. Full compensation for cutting and capping water lines shall be considered as included in this item.

Q. Existing land subdivision monuments and stakes shall be fully protected from damage or displacement and they shall not be disturbed unless directed by the Engineer.

1.

QUALITY ASSURANCE

A. Preinstallation Conference: Conduct conference at Project Site to comply with requirements in Division 1

B. Pruning and remedial work shall be done under the direct supervision of an Arborist certified by the International Society of Arborists (ISA); or Arborist who is a member of the American Society of Consulting Arborists, in compliance with ISA and ANSI Standards. Arborist shall be on Site continuously while existing trees or roots are being pruned or remedial work is being performed.

C. Contractor shall guarantee that all plants covered by the Provisions of this Section shall be healthy and in a flourishing condition of active growth for one (1) year from the date of Substantial Completion.

D. Requirements of the guarantee shall apply if failure of the Contractor to take specified precautions and Work within restrictions of this Section contributes to the destruction, decline, or injury to a tree to remain, in the judgement of the Landscape Architect.

E. If a tree to remain is destroyed or injured so that in the judgement of the Landscape Architect it should be replaced, it shall be removed at the expense of the Contractor. Contract shall pay compensation to the Owner of the property where the tree was located at the rate as specified herein this Section (see Compensation).

COMPENSATION

A. Contractor shall replace any existing tree that died or sustained injury from the result of the Contractor's negligence to provide adequate required tree protection, pruning, or maintenance during the course of construction operations. Compensation shall be awarded to the Owner as follows:

1. Contractor shall thoroughly remove damaged tree, including trunk, branches, and roots, at no cost to the Owner, and at the direction of the Landscape Architect.

2. Contractor shall furnish and install per requirements in Section 10-10 "Landscape Planting", with a minimum six-inch (6") caliper tree of the same form, species, and in the same quantity as those tree(s) that were damaged, at the direction of the Landscape Architect. Compensation shall include the actual cost of the item boxed out of the ground; transportation or delivery of boxed item to the site; unloading, planting and staking; maintenance, including watering, fertilizing, pruning, pest control, and other care to bring replacement to same general condition of the original item.

3. Contractor shall provide an additional cash settlement to the Owner, based on the following formula:

a. Tree caliper measurement of the damaged tree(s), where caliper is measured at the greatest trunk diameter 24" above the finished grade:

Tree Trunk Caliper	Amount

Less than 12” $3,000.00

12” to 18” $8,000.00

over 18”, add for each caliper inch $1,000.00

A. Contractor shall replace any vegetation (other than trees) that died or sustained injury from the result of the Contractor’s negligence to provide adequate required vegetation protection, pruning, or maintenance during the course of construction operations. Compensation shall be awarded to the Owner as follows:

   1. Contractor shall thoroughly remove damaged vegetation at no cost to the Owner, and at the direction of the Landscape Architect.

   2. Contractor shall furnish and install per requirements in Section 10-10 “Landscape Planting”, with five (5) gallon container stock minimum (as applicable) of the same form, species, and in the same quantity as vegetation that was damaged, at the direction of the Landscape Architect.

PART 2 - PRODUCTS

SOIL MATERIALS

A. Satisfactory Soil Materials: Requirements for satisfactory soil materials are specified in Division 31 Section "Earth Moving."

   1. Obtain approved borrow soil materials off-site when satisfactory soil materials are not available on-site.

TREE PROTECTION MATERIALS

A. Barricade for Protection of Existing Trees Vegetation

   1. Fabric: Utility (snow) type fencing, minimum six feet (6') high, consisting of a vinyl meshed fabric in a bright orange color. Fabric shall be approved by Landscape Architect.

   2. Posts: Metal or wood, sufficient in gauge (as appropriate) and size to support the fabric material in a taut and plumb condition. Posts shall be subject to approval by the Landscape Architect.

   3. Signs: Posted plastic laminated signs, attached to fabric fencing, with words "WARNING- KEEP OUT-TREE PROTECTION ZONE".

B. Mulch: Where available, Contractor shall stockpile and reuse shredded wood chips produced from on-site tree removals and remedial work, if chips are disease free and acceptable to the Landscape Architect. Where on-site chips are not available, Contractor shall provide mulch as specified in Section 10-10 "Landscape Planting".

PART 3 - EXECUTION

PREPARATION

A. Protect and maintain benchmarks and survey control points from disturbance during construction.

B. Locate and clearly flag trees and vegetation to remain or to be relocated.

C. Protect existing site improvements to remain from damage during construction.

    1. Restore damaged improvements to their original condition, as acceptable to Owner.

TREE PROTECTION

A. Install tree protection barricades before commencement of Work.

B. Erect and maintain temporary fencing around tree protection zones before starting site clearing. Remove fence when construction is complete.

C. Protect existing trees and other vegetation indicated to remain in place against the following:

    1. Storage or parking of automobiles or other vehicles.

    2. Stockpiling of building materials, refuse, or excavated materials.

    3. Use of tres as support posts, power posts, or sign posts, anchorage for ropes, guy wires, or power lines, or other similar functions.

    4. Dumping of poisonous materials on or around plant roots, trunks, branches, or foliage. Such materials include, but are not limited to, paint, pertroleum products, dirty water, or other deleterious materials.

    5. Cutting, breaking, or shinning of roots caused by utility trenching, foundation digging, placement of curbs and trenches, and oyher miscellaneous excavation without prior written approval by the University's Authorized Representative.

    6. Damage by skinning or bruising of bark on trunks or branches, caused by maneuvering vehicles or stacking material or equipment too close to the plant.

    7. Compaction of the soil within the dripline of the plants due to movement of trucks or grading machines, pedestrian or vehicular traffic, storage of equipment or materials.

    8. Excessive water or heat from equipment, utility line construction, or burning of trash under or near vegetation to remain.

    9. Damage to root system from flooding, erosion, and excessive wetting and drying resulting from watering and other operations.

D. Prior to commencement of construction activities, the Contractor shall erect and maintain a temporary fenced barricade around the dripline of individual trees, around perimeter dripline of groups of trees, or around other vegetation to remain.

1. Prevent damage to roots during installation of barricade posts. Space posts approximately 4’-0” on center and securely attach fabric.
2. Barricades shall be installed plumb, taut, and sturdy to prevent unauthorized access around dripline of trees and protected vegetation. Repair sagging or damaged barricades immediately.
3. Immediately after barricade fencing is installed, cover entire soil area inside of the fence area with a four-inch (4”) layer of mulch. Keep mulch 18” away from root crown. Irrigate protected trees and vegetation to a moist soil depth of 18” deep.
4. During the course of construction, relocation of the barricade may be required to facilitate construction. Contractor shall relocate barricade as directed by the Landscape Architect at no additional expense to the Owner.
5. Remove barricade when construction operations are complete or when directed by Landscape Architect.

E. Irrigation: Contractor shall supply fresh potable water in adequate amounts and rates of application as required to maintain the health of all protected trees and vegetation throughout the duration of the construction operations. Contractor shall maintain a watering schedule and document dates and duration of irrigation applications.
   1. Construct a temporary watering basin, as required, on the surface of the existing undisturbed grade, with imported soil, to aid in the retention of water around existing protected trees and planting.

F. Do not excavate within drip line of trees, unless approved, in writing, by the Landscape Architect.

G. Where excavation for new construction is required within drip line of trees, hand clear and excavate to minimize damage to root systems. Use narrow-tine spading forks, comb soil to expose roots, and cleanly cut roots as close to excavation as possible.
   1. Cover exposed roots with burlap and water regularly to keep moist.
   2. Temporarily support and protect roots from damage until they are permanently relocated and covered with soil.
   3. Cover exposed roots with wet burlap to prevent roots from drying out. Backfill with soil as soon as possible.

H. Protect root systems of existing trees and vegetation from damage due to chemically injurious materials in solution caused by run-off or spillage during mixing or placement of construction materials, and drainage of stored materials.

I. Protect root systems from flooding, erosion, excessive wetting or drying resulting from de- watering or other operations.

J. Repair or replace trees and vegetation indicated to remain that are damaged by construction operations, in a manner approved by the Landscape Architect.
   1. Employ a qualified arborist, licensed in jurisdiction where Project is located, to submit details of proposed repairs and to repair damage to trees and shrubs.

2. Replace trees that cannot be repaired and restored to full-growth status, as determined by the qualified Arborist.

CLEARING AND GRUBBING

A. Remove obstructions, trees, shrubs, grass, and other vegetation to permit installation of new construction. Removal includes digging out stumps and obstructions and grubbing roots.
   1. Do not remove trees, shrubs, and other vegetation indicated to remain or to be relocated.
   2. Cut minor roots and branches of trees indicated to remain in a clean and careful manner where such roots and branches obstruct installation of new construction.
   3. Completely remove stumps, roots, obstructions, and debris extending to a depth of 18 inches below exposed subgrade.
   4. Use only hand methods for grubbing within drip line of remaining trees.

B. Fill depressions caused by clearing and grubbing operations with satisfactory soil material, unless further excavation or earthwork is indicated.

C. Clearing and grubbing shall conform to the provisions in Section 17-2 of the State Standard Specifications and these provisions.

D. Unless otherwise specified, the entire area within the Project limits shall be cleared and grubbed. No payment will be made to the Contractor for clearing and grubbing outside these limits, unless such work is authorized by the Engineer.

E. The Contractor shall inform himself/herself as to all regulations and requirements of the Town of Los Gatos and shall conduct his/her operations in compliance therewith.

F. Concrete removal shall conform to the provisions in subsection 15-1.03B of the State Standard Specifications and these provisions. Where a portion on an existing concrete facility is to be removed, it shall be cut to a minimum depth of 1 1/2 inches with an abrasive type saw at the first scoring line at or outside the planned joint and removed without damage to any portion that is to remain in place. If curbs and gutters cannot be cut off square and neat, the entire curb and gutter shall be removed to the nearest weakened plane or expansion joint. No patching at expansion joints will be permitted.

G. All concrete (Portland or asphalt) and oil dirt within the right-of-way shall be removed by the Contractor unless designated to remain on the Plans. Existing manholes, drain wells, drainage structures, irrigation lines, structures and headwalls to be abandoned shall be removed to at least 2 feet below the surface and backfilled or as specified in the Special Conditions.

H. Where existing house foundations and floor slabs overlap into the project area, the whole foundation will be removed. The portion beyond and outside the project area will be considered within the project area and included in the bid price of removing concrete.

I. Removal of any existing gravel, crushed rock surfacing, DG, landscape edging, landscape features, irrigation components, minor site furnishings.

a.

TOPSOIL STRIPPING

A. Remove sod and grass before stripping topsoil.

B. Strip topsoil to whatever depths are encountered in a manner to prevent intermingling with underlying subsoil or other waste materials.

C. Stockpile topsoil materials away from edge of excavations without intermixing with subsoil. Grade and shape stockpiles to drain surface water. Cover to prevent windblown dust.

PROUNING AND REMEDIAL WORK

A. Pruning and remedial work shall be done under continuous supervision of the approved Arborist, according to approved submittals, and per ANSI A-300 Pruning Standards.

B. Provide pruning, cabling and bracing, irrigation, pest and disease control and other remedial treatments as recommended by the approved Arborist, required to assure the long-term health of the trees and existing vegetation, and the safety of persons and property.

MAINTENANCE

A. Keep areas within tree protection barricades free from weeds, trash, and debris. Do not use herbicides.

B. Maintain mulch layer and protective devices throughout entire period of construction.

SITE IMPROVEMENTS

A. Remove existing above- and below-grade improvements as indicated and as necessary to facilitate new construction.

DISPOSAL

A. Disposal: Remove surplus soil material, unsuitable topsoil, obstructions, demolished materials, and waste materials including trash and debris, and legally dispose of them off Owner's property.

1. Separate recyclable materials produced during site clearing from other nonrecyclable materials. Store or stockpile without intermixing with other materials and transport them to recycling facilities.

B. Within the limits of clearing, all stumps, large roots, buried logs, and all other organic material shall be removed 3 feet below the existing ground surface or 6 feet below finished grade, whichever is deeper.

C. Trees and plants that are not designated for removal shall be fully protected from injury by the Contractor at his/her expense. Trees shall be removed in such a manner as not to injure standing trees, plants, and improvements which are to be preserved.

D. Contractor shall be responsible for disposal at their own expense.

8.5. Water Pollution Control

Measurement and Payment
Full compensation for furnishing all labor, materials, tools, equipment, and incidentals, and for doing all of the work involved in compliance with the Plans, Specifications, and “Water Pollution Control” of the Technical Specifications, shall be included and paid for in the appropriate bid item price.

Bid Item #6 Erosion and Sediment Control L.S.

General

Water pollution control work shall conform to the provisions in Section 13, "Water Pollution Control", of the Caltrans Standard Specifications and these Technical Specifications. Water pollution control work shall conform to the requirements in the Water Pollution Control Program (WPCP) Preparation Manual" and the "Construction Site Best Management Practices (BMPs) Manual," and addenda thereto issued up to, and including, the date of advertisement of the project. These manuals are hereinafter referred to respectively as the "Preparation Manual" and the "Construction Site BMPs Manual", and collectively, as the "Manuals". Copies of the Manuals may be obtained from the Department of Transportation, Material Operations Branch, Publication Distribution Unit, and may also be obtained from the Department's Internet website at:

https://dot.ca.gov/programs/construction/storm-water-and-water-pollution-control/manuals-and-handbooks

The Contractor shall know and fully comply with applicable provisions of the Manuals, and Federal, State, and local regulations and requirements that govern the Contractor's operations and storm water and non-storm water discharges from both the project site and areas of disturbance outside the project limits during construction. Attention is directed to Sections 7-1.02, "Laws", and 7-1.05, "Indemnification", of the Standard Specifications.

The Contractor shall be responsible for ensuring that all work conforms to the “Best Management Practices for the Construction Industry” found in the Storm Water Pollution Prevention Plan (SWPPP), the “Blueprint for a Clean Bay” handout.

The Contractor shall comply with the requirements of the State Water Resource Control Board (SWRCB) National Pollutant Discharge Elimination System (NPDES) General Permit for Storm Water Discharge Associated with Construction and Land Disturbance Activities.

The Contractor shall not violate any discharge prohibition contained in the California Regional Water Quality Control Board San Francisco Bay Basin Water Quality Control Plan (“Basin Plan”).

Water pollution control requirements shall apply to storm water and non-storm water discharges from areas outside the project site which are directly related to construction activities for this contract including, but not limited to, staging areas, storage yards and access roads. The Contractor shall comply with the Manuals for those areas and shall implement, inspect, and maintain the required water pollution control practices. Installing, inspecting, and maintaining water pollution control practices on areas outside the project limits not specifically arranged and provided for by the Town for the execution of this contract, will not be paid for.

The Contractor shall be responsible for penalties assessed or levied on the Contractor or the Town as a result of the Contractor's failure to comply with the provisions in this section "Water Pollution Control" including, but not limited to, compliance with the applicable provisions of the Manuals, and Federal, State and local regulations and requirements as set forth therein.

Penalties as used in this section shall include fines, penalties, and damages, whether proposed, assessed, or levied against the Town or the Contractor, including those levied under the Federal Clean Water Act and the State Porter-Cologne Water Quality Control Act, by governmental agencies or as a result of citizen suits. Penalties shall also include payments made or costs incurred in settlement for alleged violations of the Manuals, or applicable laws, regulations, or requirements. Costs incurred could include sums spent instead of penalties, in mitigation or to remediate or correct violations.

Retention of Funds

Notwithstanding any other remedies authorized by law, the Town may retain money due the Contractor under the contract, in an amount determined by the Town, up to and including the entire amount of penalties proposed, assessed, or levied as a result of the Contractor's violation of the Manuals, or Federal or State law, regulations or requirements. Funds may be retained by the Town until final disposition has been made as to the penalties. The Contractor shall remain liable for the full amount of penalties until such time as they are finally resolved with the entity seeking the penalties.

Retention of funds for failure to conform to the provisions in this section, "Water Pollution Control", shall be in addition to the other retention amounts required by the contract. The amounts retained for the Contractor's failure to conform to provisions in this section will be released for payment on the next monthly estimate for partial payment following the date when an approved WPCP has been implemented and maintained, and when water pollution has been adequately controlled, as determined by the Engineer.

When a regulatory agency identifies a failure to comply with the Manuals, or other Federal, State or local requirements, the Town may retain money due the Contractor, subject to the following:

a. The Town will give the Contractor seventy-two (72) hours' notice of the Town's intention to retain funds from partial payments which may become due to the Contractor prior to acceptance of the contract. Retention of funds from payments made after acceptance of the contract may be made without prior notice to the Contractor.

During the first progress payment period after that the Contractor fails to conform to the provisions in this section, "Water Pollution Control", the Town may retain an amount equal to twenty-five percent (25%) of the estimated value of all contract work performed on the entire contract.

The Contractor shall notify the Engineer immediately upon request from the regulatory agencies to enter, inspect, sample, monitor, or otherwise access the project site or the Contractor's records pertaining to water pollution control

work. The Contractor and the Town shall provide copies of correspondence, notices of violations, enforcement actions or proposed fines by regulatory agencies to the requesting regulatory agency.

Water Pollution Control Program Preparation, Approval, and Amendments

As part of the water pollution control work, a Water Pollution Control Program (WPCP) is required for this contract. The WPCP shall conform to the provisions in Section 13, “Water Pollution Control”, of the Standard Specifications, the requirements in the Manuals, and these Technical Specifications. Upon the Engineer's approval of the WPCP, the WPCP shall be considered to fulfill the provisions in Section 13, “Water Pollution Control”, of the Standard Specifications for development and submittal of a Water Pollution Control Plan.

No work having potential to cause water pollution shall be performed until the WPCP has been approved by the Engineer. Approval shall not constitute a finding that the WPCP complies with applicable requirements of the Manuals and applicable Federal, State and local laws, regulations, and requirements.

The Contractor shall designate a Water Pollution Control Manager. The Water Pollution Control Manager shall be responsible for the preparation of the WPCP and required modifications or amendments and shall be responsible for the implementation and adequate functioning of the various water pollution control practices employed. The Contractor may designate different Water Pollution Control Managers to prepare the WPCP and to implement the water pollution control practices. The Water Pollution Control Managers shall serve as the primary contact for issues related to the WPCP or its implementation. The Contractor shall assure that the Water Pollution Control Manager(s) have adequate training and qualifications necessary to prepare the WPCP, implement and maintain water pollution control practices, as described in Section 13, “Water Pollution Control”, of the Standard Specifications.

Within five (5) working days after the execution of the contract, the Contractor shall submit two (2) copies of the draft WPCP to the Engineer. The Engineer will have five (5) working days to review the WPCP. If revisions are required, as determined by the Engineer, the Contractor shall revise and resubmit the WPCP within five (5) working days of receipt of the Engineer's comments. The Engineer will have five (5) working days to review the revisions. Upon the Engineer's approval of the WPCP, one (1) approved copy of the WPCP, incorporating the required changes, shall be submitted to the Engineer. To allow construction activities to proceed, the Engineer may conditionally approve the WPCP while minor revisions are being completed. In the event the Engineer fails to complete the review within the time allowed, and if, in the opinion of the Engineer, completion of the work is delayed or interfered with by reason of the Engineer's delay in completing the review, the Contractor will be compensated for resulting losses, and an extension of time will be granted, in the same manner as provided for in Section 8-1.07, "Delays", of the Standard Specifications.

The WPCP shall incorporate water pollution control practices in the following categories:

a. Soil stabilization.

b. Sediment control.

c. Wind erosion control.

d. Tracking control.

e. Non-storm water management.

f. Waste management and materials pollution control.

The Contractor shall develop a Water Pollution Control Schedule that describes the timing of grading or other work activities that could affect water pollution. The Water Pollution Control Schedule shall be updated by the Contractor to

reflect changes in the Contractor's operations that would affect the necessary implementation of water pollution control practices.

The Contractor shall prepare an amendment to the WPCP when there is a change in construction activities or operations which may affect the discharge of pollutants to surface waters, ground waters, municipal storm drain systems, or when the Contractor's activities or operations violate Federal, State or local regulations, or when directed by the Engineer. Amendments shall identify additional water pollution control practices or revised operations, including those areas or operations not identified in the initially approved WPCP. Amendments to the WPCP shall be prepared and submitted for review and approval within a time approved by the Engineer, but in no case longer than the time specified for the initial submittal and review of the WPCP.

The Contractor shall keep one copy of the approved WPCP and approved amendments at the project site. The WPCP shall be made available upon request by a representative of the Regional Water Quality Control Board, State Water Resources Control Board, United States Environmental Protection Agency, or the local storm water management agency. Requests by the public shall be directed to the Engineer.

No adjustment in compensation will be made for ordered changes to correct WPCP work resulting from the Contractor's own operations or from the Contractor's negligence.

If requested by the Contractor and approved by the Engineer, changes to the water pollution control program, including addition of new water pollution control practices, will be allowed. Changes shall be included in the approved amendment of the WPCP. If the requested changes result in a net cost increase to the lump sum price for water pollution control, an adjustment in compensation will be made without change to the water pollution control item. The net cost increase to the water pollution control item will be paid for as extra work as provided in Section 4-1.05, "Changes and Extra Work", of the Standard Specifications.

WPCP Implementation

Unless otherwise specified, upon approval of the WPCP, the Contractor shall be responsible throughout the duration of the project for installing, constructing, inspecting, maintaining, removing, and disposing of the water pollution control practices specified in the WPCP and in the amendments. Unless otherwise directed by the Engineer, the Contractor's responsibility for WPCP implementation shall continue throughout any temporary suspension of work ordered in conformance with the provisions in Section 8-1.06, "Suspensions", of the Standard Specifications. Requirements for installation, construction, inspection, maintenance, removal, and disposal of water pollution control practices shall conform to the requirements in the Manuals and these Technical Specifications.

If the Contractor or the Engineer identifies a deficiency in the implementation of the approved WPCP or amendments, the deficiency shall be corrected immediately. The deficiency may be corrected at a later date and time if requested by the Contractor and approved by the Engineer in writing but shall be corrected prior to the onset of precipitation. If the Contractor fails to correct the identified deficiency by the date agreed or prior to the onset of precipitation, the project shall be in nonconformance with this section. Attention is directed to Section 5-1.03, "Engineer’s Authority", of the Standard Specifications, and to "Retention of Funds" of this section for possible nonconformance penalties.

If the Contractor fails to conform to the provisions of this section, "Water Pollution Control", the Engineer may order the suspension of construction operations until the project complies with the requirements of this section.

Implementation of water pollution control practices may vary by season. The Construction Site BMPs Manual and these Technical Specifications shall be followed for control practice selection of year-round, rainy season and non-rainy season water pollution control practices.

Year-Round Implementation Requirements

The Contractor shall have a year-round program for implementing, inspecting and maintaining water pollution control practices for wind erosion control, tracking control, non-storm water management, and waste management and materials pollution control.

The National Weather Service weather forecast shall be monitored and used by the Contractor on a daily basis. An alternative weather forecast proposed by the Contractor may be used if approved by the Engineer. If precipitation is predicted, the necessary water pollution control practices shall be deployed prior to the onset of the precipitation.

Disturbed soil areas shall be considered active whenever the soil disturbing activities have occurred, continue to occur or will occur during the ensuing fifteen (15) working days. Non-active areas shall be protected as prescribed in the Construction Site BMPs Manual within ten (10) working days of cessation of soil disturbing activities or prior to the onset of precipitation, whichever occurs first.

Rainy Season Implementation Requirements

Soil stabilization and sediment control practices conforming to the requirements of these Technical Specifications shall be provided throughout the rainy season, defined as between October 15th and April 15th.

An implementation schedule of required soil stabilization and sediment control practices for disturbed soil areas shall be completed no later than fifteen (15) working days prior to the beginning of each rainy season. The implementation schedule shall identify the soil stabilization and sediment control practices and the dates when the implementation will be twenty-five percent (25%), fifty percent (50%) and one hundred percent (100%) complete, respectively. For construction activities beginning during the rainy season, the Contractor shall implement applicable soil stabilization and sediment control practices.

Non-Rainy Season Implementation Requirements

The non-rainy season shall be defined as days outside the defined rainy season. The Contractor's attention is directed to the Construction Site BMPs Manual for soil stabilization and sediment control implementation requirements on disturbed soil areas during the non-rainy season. Disturbed soil areas within the project shall be protected in conformance with the requirements in the Construction Site BMPs Manual with an effective combination of soil stabilization and sediment control.

Maintenance

To ensure the proper implementation and functioning of water pollution control practices, the Contractor shall regularly inspect and maintain the construction site for the water pollution control practices identified in the WPCP. The construction site shall be inspected by the Contractor as follows:

a. Prior to a forecast storm.

b. After a precipitation event which causes site runoff.

c. At twenty-four (24) hour intervals during extended precipitation events.

d. Routinely, a minimum of once every two (2) weeks outside of the defined rainy season.

e. Routinely, a minimum of once every week during the defined rainy season.

The Contractor shall use the Caltrans Stormwater Site Inspection Report Form CEM-2030 provided at http://www.dot.ca.gov/hq/construc/forms.htm. One copy of each site inspection record shall be submitted to the Engineer within twenty-four (24) hours of completing the inspection.

Reporting Requirements

If the Contractor identifies discharges into surface waters or drainage systems in a manner causing, or potentially causing, a condition of pollution, or if the project receives a written notice or order from a regulatory agency, the Contractor shall immediately inform the Engineer. The Contractor shall submit a written report to the Engineer within five (5) working days of the discharge event, notice or order. The report shall include the following information:

a. The date, time, location, nature of the operation, and type of discharge, including the cause or nature of the notice or order.

b. The water pollution control practices deployed before the discharge event, or prior to receiving the notice or order.

c. The date of deployment and type of water pollution control practices deployed after the discharge event, or after receiving the notice or order, including additional measures installed or planned to reduce or prevent reoccurrence.

d. An implementation and maintenance schedule for affected water pollution control practices.

8.6. Earth Moving / Rough Grading

Measurement and Payment

Full compensation for furnishing all labor, materials, tool, equipment, and incidentals, and for doing all of the work in compliance with the Plans, Specifications and “Earth Moving / Rough Grading”, of the Technical Specifications, shall be included and paid for in the appropriate bid item price.

Bid Item #8 Grading (Rough & Fine) L.S.

PART 1 - GENERAL

SUMMARY

A. This Section includes the following:
   1. Preparing subgrades for pavements, lawns, grasses, and exterior plants.
   2. Drainage course for slabs-on-grade.
   3. Subbase course for concrete pavements.
   4. Excavating and backfilling for utility trenches.

B. Related Sections include the following:
   1. Division 01
   2. Division 02

3. Division 31 Section "Site Clearing and Tree Protection"
4. Division 2

DEFINITIONS

A. Backfill: Soil material used to fill an excavation.

   1. Initial Backfill: Backfill placed beside and over pipe in a trench, including haunches to support sides of pipe.

   2. Final Backfill: Backfill placed over initial backfill to fill a trench.

B. Base Course: Course placed between the subbase course and hot-mix asphalt paving.

C. Bedding Course: Course placed over the excavated subgrade in a trench before laying pipe.

D. Borrow Soil: Satisfactory soil imported from off-site for use as fill or backfill.

E. Drainage Course: Course supporting the slab-on-grade that also minimizes upward capillary flow of pore water.

F. Excavation: Removal of material encountered above subgrade elevations and to lines and dimensions indicated.

   1. Authorized Additional Excavation: Excavation below subgrade elevations or beyond indicated lines and dimensions as directed by Architect. Authorized additional excavation and replacement material will be paid for according to Contract provisions changes in the Work.

   2. Unauthorized Excavation: Excavation below subgrade elevations or beyond indicated lines and dimensions without direction by Architect. Unauthorized excavation, as well as remedial work directed by Architect, shall be without additional compensation.

G. Fill: Soil materials used to raise existing grades.

H. Structures: Buildings, footings, foundations, retaining walls, slabs, tanks, curbs, mechanical and electrical appurtenances, or other man-made stationary features constructed above or below the ground surface.

I. Subbase Course: Course placed between the subgrade and base course for hot-mix asphalt pavement, or course placed between the subgrade and a cement concrete pavement or a cement concrete or hot-mix asphalt walk.

J. Subgrade: Surface or elevation remaining after completing excavation, or top surface of a fill or backfill immediately below subbase, drainage fill, or topsoil materials.

K. Utilities: On-site underground pipes, conduits, ducts, and cables, as well as underground services within buildings.

SUBMITTALS

A. Material Test Reports: For each on-site and borrow soil material proposed for fill and backfill as follows:

   1. Classification according to ASTM D 2487.

   2. Laboratory compaction curve according to ASTM D 698.

B. Pre-excavation Photographs or Videotape: Show existing conditions of adjoining construction and site improvements, including finish surfaces, that might be misconstrued as damage caused by earth moving operations. Submit before earth moving begins.

QUALITY ASSURANCE

A. Pre-excavation Conference: Conduct conference at project site.

PROJECT CONDITIONS

A. Traffic: Minimize interference with adjoining roads, streets, walks, and other adjacent occupied or used facilities during site-clearing operations.

1. Do not close or obstruct streets, walks, or other adjacent occupied or used facilities without permission from Owner and authorities having jurisdiction.

2. Provide alternate routes around closed or obstructed traffic ways if required by authorities having jurisdiction.

B. Existing Utilities: Do not interrupt utilities serving facilities occupied by Owner or others unless permitted in writing by Architect and then only after arranging to provide temporary utility services according to requirements indicated.

C. Do not commence earth moving operations until protection measures are in place.

D. The following practices are prohibited within protection zones:

1. Storage of construction materials, debris, or excavated material.

2. Parking vehicles or equipment.

3. Foot traffic.

4. Erection of sheds or structures.

5. Impoundment of water.

6. Excavation or other digging unless otherwise indicated.

7. Attachment of signs to or wrapping materials around trees or plants unless otherwise indicated.

A. Do not direct vehicle or equipment exhaust towards protection zones.

A. Prohibit heat sources, flames, ignition sources, and smoking within or near protection zones

PART 2 - PRODUCTS

SOIL MATERIALS

A. General: Provide borrow soil materials when sufficient satisfactory soil materials are not available from excavations.

B. Satisfactory Soils: Soil Classification Groups GW, GP, GM, SW, SP, and SM according to ASTM D 2487, free of rock or gravel larger than 3 inches (75 mm) in any dimension, debris, waste, frozen materials, vegetation, and other deleterious matter.

   1. Plasticity Index: Not exceeding 15.

C. Unsatisfactory Soils: Soil Classification Groups GC, SC, CL, ML, OL, CH, MH, OH, and PT according to ASTM D 2487.

   1. Unsatisfactory soils also include satisfactory soils not maintained within 2 percent of optimum moisture content at time of compaction.

D. Subbase Material: Naturally or artificially graded mixture of natural or crushed gravel, crushed stone, and natural or crushed sand; ASTM D 2940; with at least 90 percent passing a 1-1/2-inch sieve and not more than 12 percent passing a No. 20) sieve.

E. Aggregate Base Course: Naturally or artificially graded mixture of natural or crushed gravel, crushed stone, and natural or crushed sand; ASTM D 2940; with at least 95 percent passing a 1- 1/2-inch) sieve and not more than 8 percent passing a No. 200 (0.075-mm) sieve.

F. Engineered Fill: Naturally or artificially graded mixture of natural or crushed gravel, crushed stone, and natural or crushed sand; ASTM D 2940; with at least 90 percent passing a 1-1/2-inch (37.5-mm) sieve and not more than 12 percent passing a No. 200 (0.075-mm) sieve.

G. Bedding Course: Naturally or artificially graded mixture of natural or crushed gravel, crushed stone, and natural or crushed sand; ASTM D 2940; except with 100 percent passing a 1-inch (25- mm) sieve and not more than 8 percent passing a No. 200 (0.075-mm) sieve.

H. Drainage Course: Narrowly graded mixture of washed crushed stone, or crushed or uncrushed gravel; ASTM D 448; coarse-aggregate grading Size 57; with 100 percent passing a 1-1/2-inch (37.5-mm) sieve and 0 to 5 percent passing a No. 8 (2.36-mm) sieve.

I. Filter Material: Narrowly graded mixture of natural or crushed gravel, or crushed stone and natural sand; ASTM D 448; coarse-aggregate grading Size 67; with 100 percent passing a 1-inch (25-mm) sieve and 0 to 5 percent passing a No. 4 (4.75-mm) sieve.

J. Sand: ASTM C 33; fine aggregate.

K. Impervious Fill: Clayey gravel and sand mixture capable of compacting to a dense state.

   1.

PART 3 - EXECUTION

PREPARATION

A. Protect structures, utilities, sidewalks, pavements, and other facilities from damage caused by settlement, lateral movement, undermining, washout, and other hazards created by earthwork operations.

B. Preparation of subgrade for earthwork operations including removal of vegetation, topsoil, debris, obstructions, and deleterious materials from ground surface is specified in Division 31 Section "Site Clearing."

C. Protect and maintain erosion and sedimentation controls, which are specified in Division 31 Section "Site Clearing." during earthwork operations.

DEWATERING

A. Prevent surface water and ground water from entering excavations, from ponding on prepared subgrades, and from flooding Project site and surrounding area.

B. Protect subgrades from softening, undermining, washout, and damage by rain or water accumulation.

1. Reroute surface water runoff away from excavated areas. Do not allow water to accumulate in excavations. Do not use excavated trenches as temporary drainage ditches.

EXCAVATION

A. Unclassified Excavation: Excavate to subgrade elevations regardless of the character of surface and subsurface conditions encountered. Unclassified excavated materials may include rock, soil materials, and obstructions. No changes in the Contract Sum or the Contract Time will be authorized for rock excavation or removal of obstructions.

1. If excavated materials intended for fill and backfill include unsatisfactory soil materials and rock, replace with satisfactory soil materials.

EXCAVATION FOR STRUCTURES

A. Excavate to indicated elevations and dimensions within a tolerance of plus or minus 1 inch (25 mm). If applicable, extend excavations a sufficient distance from structures for placing and removing concrete formwork, for installing services and other construction, and for inspections.

1. Excavations for Footings and Foundations: Do not disturb bottom of excavation. Excavate by hand to final grade just before placing concrete reinforcement. Trim bottoms to required lines and grades to leave solid base to receive other work.

EXCAVATION FOR WALKS AND PAVEMENTS

A. Excavate surfaces under walks and pavements to indicated lines, cross sections, elevations, and subgrades.

EXCAVATION FOR UTILITY TRENCHES

A. Excavate trenches to indicated gradients, lines, depths, and elevations.

B. Excavate trenches to uniform widths to provide the following clearance on each side of pipe or conduit. Excavate trench walls vertically from trench bottom to 12 inches (300 mm) higher than top of pipe or conduit, unless otherwise indicated.

   1. Clearance: 12 inches each side of pipe or conduit or As indicated.

C. Trench Bottoms: Excavate and shape trench bottoms to provide uniform bearing and support of pipes and conduit. Shape subgrade to provide continuous support for bells, joints, and barrels of pipes and for joints, fittings, and bodies of conduits. Remove projecting stones and sharp objects along trench subgrade.

   1. Excavate trenches 6 inches deeper than elevation required in rock or other unyielding bearing material, 4 inches deeper elsewhere, to allow for bedding course.

SUBGRADE INSPECTION

A. Proof-roll subgrade below the pavements with heavy pneumatic-tired equipment to identify soft pockets and areas of excess yielding. Do not proof-roll wet or saturated subgrades.

B. Reconstruct subgrades damaged by freezing temperatures, frost, rain, accumulated water, or construction activities, as directed by Architect, without additional compensation.

UNAUTHORIZED EXCAVATION

A. Fill unauthorized excavation under foundations or wall footings by extending bottom elevation of concrete foundation or footing to excavation bottom, without altering top elevation. Lean concrete fill, with 28-day compressive strength of 2500 psi may be used when approved by Architect.

   1. Fill unauthorized excavations under other construction or utility pipe as directed by Architect.

      a.

STORAGE OF SOIL MATERIALS

A. Stockpile borrow soil materials and excavated satisfactory soil materials without intermixing. Place, grade, and shape stockpiles to drain surface water. Cover to prevent windblown dust.

   1. Stockpile soil materials away from edge of excavations. Do not store within drip line of remaining trees.

UTILITY TRENCH BACKFILL

A. Place backfill on subgrades free of mud, frost, snow, or ice.

B. Place and compact bedding course on trench bottoms and where indicated. Shape bedding course to provide continuous support for bells, joints, and barrels of pipes and for joints, fittings, and bodies of conduits.

C. Backfill trenches excavated under footings and within 18 inches of bottom of footings with satisfactory soil; fill with concrete to elevation of bottom of footings. Concrete is specified in Division 03 Section "[Cast-in-Place Concrete] [Miscellaneous Cast-in-Place Concrete]."

D. Provide 4-inch- thick, concrete-base slab support for piping or conduit less than 30 inches (750 mm) below surface of roadways. After installing and testing, completely encase piping or conduit in a minimum of 4 inches of concrete before backfilling or placing roadway subbase.

E. Place and compact initial backfill of [subbase material] [satisfactory soil], free of particles larger than 1 inch in any dimension, to a height of 12 inches over the utility pipe or conduit.

    1. Carefully compact initial backfill under pipe haunches and compact evenly up on both sides and along the full length of utility piping or conduit to avoid damage or displacement of piping or conduit. Coordinate backfilling with utilities testing.

F. Place and compact final backfill of satisfactory soil to final subgrade elevation.

G. Install warning tape directly above utilities, 12 inches below finished grade, except 6 inches below subgrade under pavements and slabs.

SOIL FILL

A. Plow, scarify, bench, or break up sloped surfaces steeper than 1 vertical to 4 horizontal so fill material will bond with existing material.

B. Place and compact fill material in layers to required elevations as follows:

    1. Under grass and planted areas, use satisfactory soil material.

    2. Under walks and pavements, use satisfactory soil material.

    3. Under steps and ramps, use engineered fill.

    4. Under building slabs, use engineered fill.

    5. Under footings and foundations, use engineered fill.

        a.

SOIL MOISTURE CONTROL

A. Uniformly moisten or aerate subgrade and each subsequent fill or backfill soil layer before compaction to within 2 percent of optimum moisture content.

    1. Do not place backfill or fill soil material on surfaces that are muddy, frozen, or contain frost or ice.

2. Remove and replace, or scarify and air dry otherwise satisfactory soil material that exceeds optimum moisture content by 2 percent and is too wet to compact to specified dry unit weight.

COMPACTION OF SOIL BACKFILLS AND FILLS

A. Place backfill and fill soil materials in layers not more than [8 inches (200 mm)] <Insert dimension>in loose depth for material compacted by heavy compaction equipment, and not more than 4 inches in loose depth for material compacted by hand-operated tampers.

B. Place backfill and fill soil materials evenly on all sides of structures to required elevations, and uniformly along the full length of each structure.

C. Compact soil materials to not less than the following percentages of maximum dry unit weight according to [ASTM D 698] [ASTM D 1557]:

1. Under structures, building slabs, steps, and pavements, scarify and recompact top 12 inches of existing subgrade and each layer of backfill or fill soil material at 95 percent.

2. Under walkways, scarify and recompact top 6 inches below subgrade and compact each layer of backfill or fill soil material at 92 percent.

3. Under lawn or unpaved areas, scarify and recompact top 6 inches below subgrade and compact each layer of backfill or fill soil material at 85 percent.

4. For utility trenches, compact each layer of initial and final backfill soil material at 85 percent.

GRADING

A. General: Uniformly grade areas to a smooth surface, free of irregular surface changes. Comply with compaction requirements and grade to cross sections, lines, and elevations indicated.

B. Site Grading: Slope grades to direct water away from buildings and to prevent ponding. Finish subgrades to required elevations within the following tolerances:

1. Lawn or Unpaved Areas: Plus or minus 1 inch tolerance.

2. Walks: Plus or minus 1 inch tolerance.

3. Pavements: Plus or minus 1/2 inch tolerance.

4. Grading inside Building Lines: Finish subgrade to a tolerance of 1/2 inch when tested with a 10- foot straightedge.

1.

SUBBASE AND BASE COURSES

A. Place subbase and base course on subgrades free of mud, frost, snow, or ice.

B. On prepared subgrade, place subbase and base course under pavements and walks as follows:

1. Shape subbase and base course to required crown elevations and cross-slope grades.

2. Compact subbase and base course at optimum moisture content to required grades, lines, cross sections, and thickness to not less than 95 percent of maximum dry unit weight according to ASTM D 698.

DRAINAGE COURSE

A. Place drainage course on subgrades free of mud, frost, snow, or ice.

B. On prepared subgrade, place and compact drainage course under cast-in-place concrete slabs-on- grade as follows:

1. Place drainage course that exceeds 6 inches in compacted thickness in layers of equal thickness, with no compacted layer more than 6 inches thick or less than 3 inches thick.

2. Compact each layer of drainage course to required cross sections and thicknesses to not less than 95 percent of maximum dry unit weight according to ASTM D 698.

FIELD QUALITY CONTROL

A. Testing Agency: Owner will engage a qualified independent geotechnical engineering testing agency to perform field quality-control testing.

B. Allow testing agency to inspect and test subgrades and each fill or backfill layer. Proceed with subsequent earthwork only after test results for previously completed work comply with requirements.

C. Footing Subgrade: At footing subgrades, at least one test of each soil stratum will be performed to verify design bearing capacities. Subsequent verification and approval of other footing subgrades may be based on a visual comparison of subgrade with tested subgrade when approved by Architect.

D. Testing agency will test compaction of soils in place according to ASTM D 1556, ASTM D 2167, ASTM D 2922, and ASTM D 2937, as applicable.

E. When testing agency reports that subgrades, fills, or backfills have not achieved degree of compaction specified, scarify and moisten or aerate, or remove and replace soil to depth required; recompact and retest until specified compaction is obtained.

PROTECTION

A. Protecting Graded Areas: Protect newly graded areas from traffic, freezing, and erosion. Keep free of trash and debris.

B. Repair and reestablish grades to specified tolerances where completed or partially completed surfaces become eroded, rutted, settled, or where they lose compaction due to subsequent construction operations or weather conditions.

C. Where settling occurs before Project correction period elapses, remove finished surfacing, backfill with additional soil material, compact, and reconstruct surfacing.

1. Restore appearance, quality, and condition of finished surfacing to match adjacent work, and eliminate evidence of restoration to greatest extent possible.

DISPOSAL OF SURPLUS AND WASTE MATERIALS

A. Disposal: Remove surplus satisfactory soil and waste material, including unsatisfactory soil, trash, and debris, and legally dispose of it off Owner's property.

B. Contractor is responsible for disposal at their own expense.

8.7. Landscape Grading / Fine Grading

Measurement and Payment

Full compensation for furnishing all labor, materials, tool, equipment, and incidentals, and for doing all of the work in compliance with the Plans, Specifications and “Landscape Grading / Fine Grading”, of the Technical Specifications, shall be included and paid for in the appropriate bid item price.

Bid Item #8 Grading (Rough & Fine) L.S.

GENERAL

SUMMARY

A. This Section includes all materials, labor, transportation, services, and equipment necessary to install landscape planting and landscape construction items as shown on the Contract Drawings, and as specified herein this Section

1. Fine grading

B. Related Documents:

1. The following applies to this section:

a. General provisions of the Contract, including General and Supplementary Conditions.

b. The Drawings.

c. Division 01 Specification Sections and related requirements in other sections of the Project Manual.

d. Related requirements in other Contract Documents listed in the Agreement.

2. Review these documents for coordination with additional requirements and information that apply to work under this Section.

REFERENCES

A. General:

1. The following documents form part of the Specifications to the extent stated. Bring conflicts between Specifications, Drawings, and the referenced documents to the attention of the Architect, in writing, for resolution before taking any related action. Where differences exist between codes and standards, the one affording the greatest protection shall apply.
2. If the year of the adoption or latest revision is omitted from the designation, it shall mean the specification, manual or test designation in effect the date the Notice to Proceed with the Work is given.

SUMMARY

A. This Section includes landscape finish grading complete, as shown, and as specified.

B. Unit Pricing: Lump Sum.

PROJECT/SITE CONDITIONS

A. Existing Conditions: For protection of existing trees to remain, see Contract Drawing.

B. Dust Nuisance: Assume full responsibility for alleviation or prevention of dust as a result of grading work.

C. Observation: Site observation for Scope of Work specified herein this Section shall be made by the City. The Contractor shall request, in writing, at least one (1) week in advance of the time that observation is required. The Contractor, City, and/or City shall be in attendance at the Project Site at the time of each scheduled observation. Observation shall be required for the following Scope of Work:

1. Pre-Construction Meeting.
2. Incorporation of soil conditioning and fertilizers into the soil.
3. Upon completion of fine grading operations and prior to planting operations.

SEQUENCING AND SCHEDULING:

A. Complete all finish grading prior to installation of sprinkler irrigation systems in each area graded.

B. Regrade as required to finish grades established by Architect once the sprinkler system is installed.

PART 2 - PRODUCTS

MANUFACTURERS

A. Acceptable Manufacturers:

1. Products described below and identified by product name, model number, or other manufacturer designation, are basis of design products. Basis of design products establish the standards of type, function, dimension, in-service performance, physical properties, appearance, warranty, cost, and other characteristics required by the Project.

2. Subject to the requirements of Division 01 “Product Requirements”, products of manufacturers not listed may be proposed for substitution, provided they are comparable to the products specified.

   a. If “No substitutions” is indicated next to the product name, provide only products of listed manufacturers.

   b. The burden of proof of equality of proposed products is on the Contractor.

PART 3 - EXECUTION

EXAMINATION

A. Verification of Conditions: Verify that the following items have been completed prior to commencement of finish grading:
1. Installation of topsoil and soil preparation including debris removal.
2. Incorporation of soil amendments.

B. INSTALLATION
A. Finish Grading:

1. Provide all grades for natural runoff of water without low spots or pockets. Accurately set flow line grades at 2 percent minimum gradient unless otherwise noted in Drawings.

2. Finish grades shall be smooth, even and on a uniform plane with no abrupt changes of surface. Slope uniformly between given spot elevations.

3. Grades not otherwise indicated shall be uniform levels or slopes between points where elevations are given, or between points established by walks, paving, curbs or catch basins.

4. Tops and toes of all slopes shall be rounded to produce a gradual and natural-appearing transition between relatively level areas and slopes.

C. Tolerances:

1. All planting areas, including lawn areas, shall be true to grade within 1 in. when tested with a 10 ft. straightedge.

2. Hold finished grades below top of adjacent pavement, headers, curbs, or walls as follows:

a. Shrub, Annual and Groundcover Areas: 1-1/2 inches.

b. Sodded Lawn Areas: 1 inch.

a.

8.8. Concrete Paving

Measurement and Payment

Full compensation for furnishing all labor, materials, tools, equipment, and incidentals, and for performing all the work involved in compliance with the Plans, Specifications, and "Concrete Paving" of the Technical Specifications, including but not limited to rebar, base rock, and hot mix asphalt, shall be included and paid for in the appropriate bid item price.

Bid Item #10	**CONCRETE PAVING TYPE 1 W/ 6" AB**	**S.F.**
Bid Item #11	**CONCRETE PAVING TYPE 2 W/ 6" AB**	**S.F.**
Bid Item #12	**CONCRETE PAVING TYPE 2 W/ 6" AB**	**S.F.**
Bid Item #15	**CONCRETE CURB - LAWN AREA**	**L.F.**

GENERAL

SUMMARY

A. This Section includes all materials, labor, transportation, services, and equipment necessary to color and finish exterior, plaza, cast-in-place concrete as shown on the Contract Drawings, and as specified herein this Section. This Section includes the following:

1. Concrete Curbs.
2. Concrete Walkways and Plaza
3. Concrete Headers.

B. Related Documents:

1. The following applies to this section:

a. General provisions of the Contract, including General and Supplementary Conditions.

b. The Drawings.

c. Division 01 Specification Sections and related requirements in other sections of the Project Manual. Including but not limited;

I. Section 321373 Concrete Paving Joint Sealants

d. Related requirements in other Contract Documents listed in the Agreement.

2. Review these documents for coordination with additional requirements and information that apply to work under this Section.

DEFINITIONS

A. Cementitious Materials: Portland cement alone or in combination with one or more of blended hydraulic cement, expansive hydraulic cement, fly ash and other pozzolans, ground granulated blast-furnace slag, and silica fume.

SUBMITTALS

A. Product Data: For each type of manufactured material and product indicated.

B. Design Mixtures: For each concrete pavement mixture. Include alternate mixture designs when characteristics of materials, Project conditions, weather, test results, or other circumstances warrant adjustments.

C. Qualification Data: For manufacturer and testing agency.

D. Material Test Reports: From a qualified testing agency indicating and interpreting test results for compliance of the following with requirements indicated, based on comprehensive testing of current materials:

E. Material Certificates: Signed by manufacturers certifying that each of the following materials complies with requirements:

1. Cementitious materials.
2. Steel reinforcement and reinforcement accessories.
3. Color Admixtures.
4. Curing compounds.
5. Applied finish materials.
6. Bonding agent or epoxy adhesive.
7. Joint fillers.
8. Repair materials

F. Field quality-control test reports.

G. Minutes of preinstallation conference.

1.

QUALITY ASSURANCE

A. Manufacturer Qualifications: Manufacturer of ready-mixed concrete products who complies with ASTM C 94/C 94M requirements for production facilities and equipment.

1. Manufacturer certified according to NRMCA's "Certification of Ready Mixed Concrete Production Facilities."

B. Testing Agency Qualifications: An independent agency qualified according to ASTM C 1077 and ASTM E 329 for testing indicated, as documented according to ASTM E 548.

1. Personnel conducting field tests shall be qualified as ACI Concrete Field Testing Technician, Grade 1, according to ACI CP-01 or an equivalent certification program.

C. ACI Publications: Comply with ACI 301, "Specification for Structural Concrete," unless modified by requirements in the Contract Documents.

D. Concrete Testing Service: Engage a qualified independent testing agency to perform material evaluation tests and to design concrete mixtures.

E. Mockups: Cast mockups of full-size sections of concrete pavement to demonstrate typical joints, surface finish, texture, color, and standard of workmanship.

1. Build mockups in the location and of the size as directed by Owner's Authorized Representative. Mockups shall show full range of colors and finishes indicated on contract drawings. Mockups shall be constructed to show various colors and finishes in the adjacent relationships shown on the contract drawings.

2. Cast additional mockups of any proposed alternative methods of obtaining the desired effects, such as alternative methods of exposing aggregate.

3. Notify Owner's Authorized Representative seven days in advance of dates and times when mockups will be constructed.

4. Obtain Owner's Authorized Representative's approval of mockups before starting construction.

5. Maintain approved mockups during construction in an undisturbed condition as a standard for judging the completed pavement.

6. Demolish and remove approved mockups from the site when directed by Owner's Authorized Representative.

a.

PROJECT CONDITIONS

A. Traffic Control: Maintain access for vehicular and pedestrian traffic as required for other construction activities.

PART 2 - PRODUCTS

FORM MATERIALS

A. Form Materials: Plywood, metal, metal-framed plywood, or other approved panel-type materials to provide full-depth, continuous, straight, smooth exposed surfaces.

1. Use flexible or curved forms for curves with a radius 100 feet or less.

B. Form-Release Agent: Commercially formulated form-release agent that will not bond with, stain, or adversely affect concrete surfaces and will not impair subsequent treatments of concrete surfaces.

STEEL REINFORCEMENT

A. Plain-Steel Welded Wire Reinforcement: ASTM A 185, fabricated from as-drawn steel wire into flat sheets.

B. Deformed-Steel Welded Wire Reinforcement: ASTM A 497, flat sheet.

C. Reinforcing Bars: ASTM A 615/A 615M, Grade 60 deformed.

D. Plain Steel Wire: ASTM A 82,

E. Deformed-Steel Wire: ASTM A 496.

F. Joint Dowel Bars: Plain steel bars, ASTM A 615/A 615M, Grade 60 (Grade 420). Cut bars true to length with ends square and free of burrs.

G. Tie Bars: ASTM A 615/A 615M, Grade 60 (Grade 420), deformed.

H. Bar Supports: Bolsters, chairs, spacers, and other devices for spacing, supporting, and fastening reinforcing bars, welded wire reinforcement, and dowels in place. Manufacture bar supports according to CRSI's "Manual of Standard Practice."

1. Equip wire bar supports with sand plates or horizontal runners where base material will not support chair legs.

3.

CONCRETE MATERIALS

A. Cementitious Material: Use the following cementitious materials, of the same type, brand, and source throughout the Project:

1. Portland Cement: ASTM C 150, Type **II gray** or **white** as indicated on contract drawing

a. Fly Ash: ASTM C 618, Class [**C**] [**F**].

b. Ground Granulated Blast-Furnace Slag: ASTM C 989, Grade 100 or 120.

B. Normal-Weight Aggregates: ASTM C 33, Class 4 coarse aggregate, uniformly graded. Provide aggregates from a single source.

I. Maximum Coarse-Aggregate Size: 3/4 inch nominal.

II. Fine Aggregate: Free of materials with deleterious reactivity to alkali in cement.

C. Water: ASTM C 94/C 94M.

D. Air-Entraining Admixture: ASTM C 260.

E. Chemical Admixtures: ASTM C 494/C 494M, of type suitable for application, certified by manufacturer to be compatible with other admixtures and to contain not more than 0.1 percent water-soluble chloride ions by mass of cementitious material.

3.

ADMIXTURES

A. General: Admixtures certified by manufacturer to contain not more than 0.1 percent water- soluble chloride ions by mass of cement and to be compatible with other admixtures

B. Air-Entraining Admixture: ASTM C 260.

C. Water-Reducing Admixture: ASTM C 494, Type A.

D. High-Range, Water-Reducing Admixture: ASTM C 494, Type F.

E. Water-Reducing and Accelerating Admixture: ASTM C 494, Type E.

F. Water-Reducing and Retarding Admixture: ASTM C 494, Type D.

G. Colored Admixture (Integral Color), with matching water-based Colored Curing Wax: Provide materials from a single source and shall be like in color and visual appearance:

1. " Concrete Type 2"

a. Scofield, L. M. Company, Chromix Admixture. London Gray

b. or equal (no known equal).

CURING MATERIALS

A. Absorptive Cover: AASHTO M 182, Class 2, burlap cloth.

B. Moisture-Retaining Cover: ASTM C 171, polyethylene film or white burlap-polyethylene sheet.

C. Water: Potable.

D. Clear Solvent-Borne Liquid Membrane-Forming Curing Compound: ASTM C 309, Type I, Class A or B, wax free.

1. Curing compound for colored concrete: Curing compound shall comply with ASTM C- 309 and be approved by pigment manufacturer for use with colored concrete.

E. Matching-colored, Water-borne Membrane-Forming Curing Compound: ASTM C 309, Type I, Class A.

1. Provide material that has a maximum volatile organic compound (VOC) rating of 350 g/L.

a. Lithochrome ® Color Wax™, L.M. Scofield Company.

b. or equal (no known equal)

F. Evaporation Control: Mono-molecular film-forming compound applied to exposed concrete slab surfaces for temporary protection from rapid moisture loss.

RELATED MATERIALS

A. Expansion- and Isolation-Joint-Filler Strips: ASTM D 1751, asphalt-saturated cellulosic fiber, or ASTM D 1752, cork or self-expanding cork.

B. Bonding Agent: ASTM C 1059, Type II, non-redispersible, acrylic emulsion or styrene butadiene.

C. Epoxy Bonding Adhesive: ASTM C 881, two-component epoxy resin, capable of humid curing and bonding to damp surfaces, of class and grade to suit requirements.

1. Types I and II, non-load bearing, for bonding hardened or freshly mixed concrete to hardened concrete.

2. Chemical Surface Retarder (if approved by Owner's Authorized Representative after mock- up review): Water-soluble, liquid-set retarder with color dye, for horizontal concrete surface application, capable of temporarily delaying final hardening of concrete to a depth of 1/8 to 1/4 inch.

CONCRETE MIXTURES

A. Prepare design mixtures, proportioned according to ACI 301, for each type and strength of normal-weight concrete determined by either laboratory trial mixes or field experience.

1. Use a qualified independent testing agency for preparing and reporting proposed concrete mixture designs for the trial batch method.

A. Proportion mixtures to provide normal-weight concrete with the following properties:

1. Compressive Strength (28 Days): 3000 psi.

2. Maximum Water-Cementitious Materials Ratio at Point of Placement: 0.50.

3. Slump Limit: 4 inches, plus or minus 1/2 inch.

B. Add air-entraining admixture at manufacturer's prescribed rate to result in normal-weight concrete at point of placement having an air content as follows:

1. Air Content: 3-1/2 percent plus or minus 1.5 percent for 3/4-inch nominal maximum aggregate size

C. Limit water-soluble, chloride-ion content in hardened concrete to 0.30 percent by weight of cement.

D. Chemical Admixtures: Use admixtures according to manufacturer's written instructions.

E. Cementitious Materials: Limit percentage, by weight, of cementitious materials other than portland cement according to ACI 301 requirements as follows. Use cementitious materials other than portland cement only where they will not adversely affect the color. Use a minimum of 20 percent fly ash where it will not adversely affect the color.

1. Fly Ash or Pozzolan: 25 percent.
2. Ground Granulated Blast-Furnace Slag: 50 percent.
3. Combined Fly Ash or Pozzolan, and Ground Granulated Blast-Furnace Slag: 50 percent, with fly ash or pozzolan not exceeding 25 percent.

F. Color Pigment: Add color pigment to concrete mixture according to manufacturer's written instructions and to result in hardened concrete color consistent with approved mockup.

CONCRETE MIXING

A. Ready-Mixed Concrete: Measure, batch, and mix concrete materials and concrete according to ASTM C 94/C 94M. Furnish batch certificates for each batch discharged and used in the Work.
   1. When air temperature is between 85 deg F (30 deg C) and 90 deg F (32 deg C), reduce mixing and delivery time from 1-1/2 hours to 75 minutes; when air temperature is above 90 deg F (32 deg C), reduce mixing and delivery time to 60 minutes.

B. Project-Site Mixing: Permitted only for concrete that will not be visible, such as for footings and masonry fill. Measure, batch, and mix concrete materials and concrete according to ASTM C 94/C 94M. Mix concrete materials in appropriate drum-type batch machine mixer.
   1. For concrete mixes of 1 cu. yd. (0.76 cu. m) or smaller, continue mixing at least 1-1/2 minutes, but not more than 5 minutes after ingredients are in mixer, before any part of batch is released.
   2. For concrete mixes larger than 1 cu. yd. (0.76 cu. m), increase mixing time by 15 seconds for each additional 1 cu. yd. (0.76 cu. m).
   3. Provide batch ticket for each batch discharged and used in the Work, indicating Project identification name and number, date, mixture type, mixing time, quantity, and amount of water added.

PART 3 - EXECUTION

EXAMINATION

A. Examine exposed subgrades and subbase surfaces for compliance with requirements for dimensional, grading, and elevation tolerances.

B. Prepare subbase and base according to requirements in Division 2 Section "Earthwork."

C. Proof-roll prepared subbase surface with heavy pneumatic-tired equipment to identify soft pockets and areas of excess yielding.

D. Completely proof-roll subbase in one direction. Limit vehicle speed to 3 mph.

E. Proof-roll with a loaded 10-wheel tandem-axle dump truck weighing not less than 15 tons.

F. Subbase with soft spots and areas of pumping or rutting exceeding depth of ¬Ω inch require correction according to requirements in Division 2 Section "Earthwork."

G. Proceed with concrete pavement operations only after nonconforming conditions have been corrected and subgrade is ready to receive pavement.

PREPARATION

A. Remove loose material from compacted base surface immediately before placing concrete.

EDGE FORMS AND SCREED CONSTRUCTION

A. Set, brace, and secure edge forms, bulkheads, and intermediate screed guides for pavement to required lines, grades, and elevations. Install forms to allow continuous progress of work and so forms can remain in place at least 24 hours after concrete placement.

B. Clean forms after each use and coat with form-release agent to ensure separation from concrete without damage.

STEEL REINFORCEMENT

A. General: Comply with CRSI's "Manual of Standard Practice" for fabricating, placing, and supporting reinforcement.

B. Clean reinforcement of loose rust and mill scale, earth, ice, or other bond-reducing materials.

C. Arrange, space, and securely tie bars and bar supports to hold reinforcement in position during concrete placement. Maintain minimum cover to reinforcement.

D. Install welded wire reinforcement in lengths as long as practicable. Lap adjoining pieces at least one full mesh, and lace splices with wire. Offset laps of adjoining widths to prevent continuous laps in either direction.

E. Install fabricated bar mats in lengths as long as practicable. Handle units to keep them flat and free of distortions. Straighten bends, kinks, and other irregularities, or replace units as required before placement. Set mats for a minimum 2-inch (50-mm) overlap of adjacent mats.

JOINTS

A. General: Form construction, isolation, and contraction joints and tool edgings true to line with faces perpendicular to surface plane of concrete. Construct transverse joints at right angles to centerline, unless otherwise indicated.

1. When joining existing pavement, place transverse joints to align with previously placed joints, unless otherwise indicated.

B. Construction Joints: Set construction joints at side and end terminations of pavement and at locations where pavement operations are stopped for more than one-half hour unless pavement terminates at isolation joints.

1. Continue steel reinforcement across construction joints, unless otherwise indicated. Do not continue reinforcement through sides of pavement strips, unless otherwise indicated.
2. Provide tie bars at sides of pavement strips where indicated.
3. Butt Joints: Use epoxy bonding adhesive at joint locations where fresh concrete is placed against hardened or partially hardened concrete surfaces.
4. Keyed Joints: Provide preformed keyway-section forms or bulkhead forms with keys, unless otherwise indicated. Embed keys at least 1-1/2 inches (38 mm) into concrete.
5. Doweled Joints: Install dowel bars and support assemblies at joints where indicated. Lubricate or asphalt-coat one-half of dowel length to prevent concrete bonding to one side of joint.

C. Isolation Joints: Form isolation joints of preformed joint-filler strips abutting concrete curbs, catch basins, manholes, inlets, structures, walks, other fixed objects, and where indicated.

1. Locate expansion joints at intervals of 30 feet, unless otherwise indicated.
2. Extend joint fillers full width and depth of joint.
3. Terminate joint filler not less than 1/2 inch or more than 1 inch below finished surface if joint sealant is indicated.
4. Place top of joint filler flush with finished concrete surface if joint sealant is not indicated.
5. Furnish joint fillers in one-piece lengths. Where more than one length is required, lace or clip joint-filler sections together.
6. Protect top edge of joint filler during concrete placement with metal, plastic, or other temporary preformed cap. Remove protective cap after concrete has been placed on both sides of joint.

D. Contraction Joints: Form weakened-plane contraction joints, sectioning concrete into areas as indicated. Construct contraction joints for a depth equal to at least one-fourth of the concrete thickness, as follows:

1. Grooved Joints: Form contraction joints after initial floating by grooving and finishing each edge of joint with grooving tool to radius indicated. Repeat grooving of contraction joints after applying surface finishes. Eliminate groover marks on concrete surfaces.
2. Sawed Joints: Form contraction joints with power saws equipped with shatterproof abrasive or diamond-rimmed blades. Cut 1/8-inch-wide joints into concrete when cutting action will not tear, abrade, or otherwise damage surface and before developing random contraction cracks.
3. Doweled Contraction Joints: Install dowel bars and support assemblies at joints where indicated. Lubricate or asphalt coat one-half of dowel length to prevent concrete bonding to one side of joint.

E. Edging: Tool edges of pavement, gutters, curbs, and joints in concrete after initial floating with an edging tool to a 1/4-inch radius. Repeat tooling of edges after applying surface finishes. Eliminate tool marks on concrete surfaces.

A.

CONCRETE PLACEMENT

A. Inspection: Before placing concrete, inspect and complete formwork installation, steel reinforcement, and items to be embedded or cast in. Notify other trades to permit installation of their work.

B. Remove snow, ice, or frost from subbase surface and reinforcement before placing concrete. Do not place concrete on frozen surfaces.

C. Moisten subbase to provide a uniform dampened condition at time concrete is placed. Do not place concrete around manholes or other structures until they are at required finish elevation and alignment.

D. Comply with ACI 301 requirements for measuring, mixing, transporting, and placing concrete.

E. Do not add water to concrete during delivery or at Project site.

F. Do not add water to fresh concrete after testing.

G. Deposit and spread concrete in a continuous operation between transverse joints. Do not push or drag concrete into place or use vibrators to move concrete into place.

H. Consolidate concrete according to ACI 301 by mechanical vibrating equipment supplemented by hand spading, rodding, or tamping.

   1. Consolidate concrete along face of forms and adjacent to transverse joints with an internal vibrator. Keep vibrator away from joint assemblies, reinforcement, or side forms. Use only square-faced shovels for hand spreading and consolidation. Consolidate with care to prevent dislocating reinforcement, dowels, and joint devices.

I. Screed pavement surfaces with a straightedge and strike off.

J. Commence initial floating using bull floats or darbies to impart an open textured and uniform surface plane before excess moisture or bleed water appears on the surface. Do not further disturb concrete surfaces before beginning finishing operations or spreading surface treatments.

K. Hot-Weather Placement: Comply with ACI 301 and as follows when hot-weather conditions exist:

   1. Cool ingredients before mixing to maintain concrete temperature below 90 deg F (32 deg C) at time of placement. Chilled mixing water or chopped ice may be used to control temperature, provided water equivalent of ice is calculated to total amount of mixing water. Using liquid nitrogen to cool concrete is Contractor's option.

   2. Cover steel reinforcement with water-soaked burlap so steel temperature will not exceed ambient air temperature immediately before embedding in concrete.

3. Fog-spray forms, steel reinforcement, and subgrade just before placing concrete. Keep subgrade moisture uniform without standing water, soft spots, or dry areas.

A.

CONCRETE FINISHING

A. General: Do not add water to concrete surfaces during finishing operations.

B. Sandblast Textured Finishes (Concrete Type 1 & 2)

1. Perform abrasive blast finishing in as continuous an operation as possible, utilizing same work crew to maintain continuity of finish on each surface or area of work.

2. Use abrasive grit of proper type and gradation to expose fine aggregate and surrounding matrix surfaces to match approved mock-up panels.

3. Determine type of nozzle, nozzle pressure, and blasting techniques required to match approved mock-up panels.

4. Abrasive blasting of surfaces shall be done on concrete surfaces of approximately the same age. Required age of concrete shall be determined by small sample and the field constructed mock-up panel.

5. All work shall conform to CAL OSHA /MSDS for application and clean up procedures.

6. After concrete has cured, in approximately 30 days after being poured, provide a sandblast- textured finish to expose the desired aggregates below the concrete surface.

C. Medium Broom Finish (Concrete Type 3)

a. Draw a soft bristle broom across float-finished concrete surface perpendicular to line of traffic to provide a uniform, fine-line texture.

b. Match approved samples and field mockups, to compare for color(s), texture(s), finish(es), and other characteristics relating to aesthetic effects.

D. Slip-Resistive Aggregate Finish: Before final floating, spread slip-resistive aggregate finish on pavement surface according to manufacturer's written instructions.

1. Cure concrete with curing compound recommended by slip-resistive aggregate manufacturer. Apply curing compound immediately after final finishing.

2. After curing, lightly work surface with a steel wire brush or abrasive stone and water to expose nonslip aggregate.

CONCRETE PROTECTION AND CURING

A. General: Protect freshly placed concrete from premature drying and excessive cold or hot temperatures.

B. Comply with ACI 306.1 for cold-weather protection.

C. Evaporation Retarder: Apply evaporation retarder to concrete surfaces if hot, dry, or windy conditions cause moisture loss approaching 0.2 lb/sq. ft. x h (1 kg/sq. m x h) before and during finishing operations. Apply according to manufacturer's written instructions after placing, screeding, and bull floating or darbying concrete, but before float finishing.

D. Begin curing after finishing concrete but not before free water has disappeared from concrete surface.

E. Curing Methods: Cure concrete by moisture curing, moisture-retaining-cover curing, curing compound, or a combination of these as follows:

1. Moist Curing: Keep surfaces continuously moist for not less than seven days with the following materials:
    a. Water.
    b. Continuous water-fog spray.
    c. Absorptive cover, water saturated and kept continuously wet. Cover concrete surfaces and edges with 12-inch (300-mm) lap over adjacent absorptive covers.
2. Moisture-Retaining-Cover Curing: Cover concrete surfaces with moisture-retaining cover for curing concrete, placed in widest practicable width, with sides and ends lapped at least 12 inches (300 mm), and sealed by waterproof tape or adhesive. Immediately repair any holes or tears during curing period using cover material and waterproof tape.
3. Curing Compound: Apply uniformly in continuous operation by power spray or roller according to manufacturer's written instructions. Recoat areas subjected to heavy rainfall within three hours after initial application. Maintain continuity of coating and repair damage during curing period.

PAVEMENT TOLERANCES

A. Comply with tolerances of ACI 117 and as follows:

1. Elevation: 1/4 inch.
2. Thickness: Plus 3/8 inch, minus 1/4 inch.
3. Surface: Gap below 10-foot-long, unleveled straightedge not to exceed 1/4 inch.
4. Lateral Alignment and Spacing of Tie Bars and Dowels: 1 inch.
5. Vertical Alignment of Tie Bars and Dowels: 1/4 inch.
6. Alignment of Tie-Bar End Relative to Line Perpendicular to Pavement Edge: 1/2 inch.
7. Alignment of Dowel-Bar End Relative to Line Perpendicular to Pavement Edge: Length of dowel 1/4 inch per 12 inches.
8. Joint Spacing: ¬Ω inch.

9. Contraction Joint Depth: Plus 1/4 inch, no minus.
10. Isolation Joint Width: Plus 1/8 inch, no minus.

FIELD QUALITY CONTROL

A. Testing Agency: Engage a qualified independent testing and inspecting agency to perform field tests and inspections and prepare test reports.

B. Testing Services: Testing of composite samples of fresh concrete obtained according to ASTM C 172 shall be performed according to the following requirements:

1. Testing Frequency: Obtain at least 1 composite sample for each 5000 sq. ft. or fraction thereof of each concrete mix placed each day.
    a. When frequency of testing will provide fewer than five compressive-strength tests for each concrete mixture, testing shall be conducted from at least five randomly selected batches or from each batch if fewer than five are used.
2. Slump: ASTM C 143/C 143M; one test at point of placement for each composite sample, but not less than one test for each day's pour of each concrete mix. Perform additional tests when concrete consistency appears to change.
3. Air Content: ASTM C 231, pressure method; one test for each composite sample, but not less than one test for each day's pour of each concrete mix.
4. Concrete Temperature: ASTM C 1064; one test hourly when air temperature is 40 deg F (4.4 deg C) and below and when 80 deg F (27 deg C) and above, and one test for each composite sample.
5. Compression Test Specimens: ASTM C 31/C 31M; cast and laboratory cure one set of three standard cylinder specimens for each composite sample.
6. Compressive-Strength Tests: ASTM C 39/C 39M; test 1 specimen at 7 days and 2 specimens at 28 days.
    a. A compressive-strength test shall be the average compressive strength from 2 specimens obtained from same composite sample and tested at 28 days.

C. Strength of each concrete mix will be satisfactory if average of any 3 consecutive compressive- strength tests equals or exceeds specified compressive strength and no compressive-strength test value falls below specified compressive strength by more than 500 psi (3.4 MPa).

D. Test results shall be reported in writing to Owner's Authorized Representative, concrete manufacturer, and Contractor within 48 hours of testing. Reports of compressive-strength tests shall contain Project identification name and number, date of concrete placement, name of concrete testing and inspecting agency, location of concrete batch in Work, design compressive strength at 28 days, concrete mixture proportions and materials, compressive breaking strength, and type of break for both 7- and 28-day tests.

E. Nondestructive Testing: Impact hammer, sonoscope, or other nondestructive device may be permitted by Owner's Authorized Representative but will not be used as sole basis for approval or rejection of concrete.

F. Additional Tests: Testing and inspecting agency shall make additional tests of concrete when test results indicate that slump, air entrainment, compressive strengths, or other requirements have not been met, as directed by Owner's Authorized Representative.

G. Remove and replace concrete pavement where test results indicate that it does not comply with specified requirements.

H. Additional testing and inspecting, at Contractor's expense, will be performed to determine compliance of replaced or additional work with specified requirements.

A.

REPAIRS AND PROTECTION

A. Remove and replace concrete pavement that is broken, damaged, or defective or that does not comply with requirements in this Section.

B. Protect concrete from damage. Exclude traffic from pavement for at least 14 days after placement.

C. Maintain concrete pavement free of stains, discoloration, dirt, and other foreign material. Sweep concrete pavement not more than two days before date scheduled for Substantial Completion inspections.

8.9. Concrete Paving Joint Sealants

GENERAL

SUMMARY

A. This Section includes all services, labor, materials, transportation, and equipment necessary to perform the Work indicated on the Contract Drawings and specified herein this Section, as required to properly constructing site exterior horizontal and vertical joint sealants for the following:

1. Exterior joints in the following horizontal surfaces:

a. Control, expansion, and isolation joints in cast-in-place concrete pavement.

b. Joints between different materials.

2. Other joints, as indicated.

B. Related Documents:

1. The following applies to this section:

a. General provisions of the Contract, including General and Supplementary Conditions.

b. The Drawings.

c. Division 01 Specification Sections and related requirements in other sections of the Project Manual. Including but not limited;

I. Section 321313 Concrete Paving

d. Related requirements in other Contract Documents listed in the Agreement.

2. Review these documents for coordination with additional requirements and information that apply to work under this Section.

REFERENCES

A. ASTM: American Society for Testing and Materials

1. ASTM D2628: Standard Specification for Preformed Polychloroprene Elastomeric Joint Seals for Concrete Pavements

2. ASTM D2835: Standard Specification for Lubricant for Installation of Preformed Compression Seals in Concrete Pavements

B. CRD: U.S. Army Corps of Engineers Concrete Research Division

1. CRD C548: Handbook for Concrete and Cement Standard Specification for Jet-Fuel and Heat-Resistant Preformed Polychloroprene Elastomeric Joints Seals for Rigid Pavement

SUBMITTALS

A. Product Data: For each joint-sealant product indicated.

B. Samples for Verification: For each type and color of joint sealant required. Install joint-sealant samples in 1/2-inch-wide joints formed between two (2) 6-inch-long strips of material matching the appearance of exposed surfaces adjacent to joint sealants.

A. Sand or Grout Mixture for Cobble Band Expansion Joints: Provide a quarter (.25) LB sample of sand or grout mixture suitable for sanding the surface of joint sealant at Cobble Bands.

B. Product Certificates: Signed by manufacturers of joint sealants certifying that products furnished comply with requirements and are suitable for the use indicated.

C. Qualification Data: For firms and persons specified in "Quality Assurance" Article to demonstrate their capabilities and experience. Include lists of completed projects with project names and addresses, names and addresses of architects and Citys, and other information specified.

D. Compatibility and Adhesion Test Reports: From joint sealant manufacturer indicating the following:

1. Materials forming joint substrates and joint-sealant backer materials have been tested for compatibility and adhesion with joint sealants.

2. Interpretation of test results and written recommendations for primers and substrate preparation needed for adhesion.

E. Product Test Reports: From a qualified testing agency indicating joint sealants comply with requirements, based on comprehensive testing of current product formulations.

QUALITY ASSURANCE

A. Installer Qualifications: An experienced installer who has specialized in installing joint sealants similar in material, design, and extent to those indicated for this Project and whose work has resulted in joint-sealant installations with a record of successful in-service performance.

B. Source Limitations: Obtain each type of joint sealant through one (1) source from a single manufacturer.

C. Product Testing: Obtain test results for "Product Test Reports" Paragraph in "Submittals" Article from a qualified testing agency, based on testing current sealant formulations within a 36-month period.

1. Testing Agency Qualifications: An independent testing agency qualified according to ASTM C 1021 to conduct the testing indicated, as documented according to ASTM E 548.

2. Test elastomeric joint sealants for compliance with requirements specified by reference to ASTM C 920, and where applicable, to other standard test methods.

D. Performance Requirements: Provide elastomeric joint sealants that establish and maintain watertight and airtight continuous seals without staining or deteriorating joint substrates.

E. Preconstruction Compatibility and Adhesion Testing: Submit to joint sealant manufacturer, for testing indicated below, samples of materials that will contact or affect joint sealants.

1. Use manufacturer's standard test methods to determine whether priming and other specific joint preparation techniques are required to obtain rapid, optimum adhesion of joint sealants to joint substrates.

2. Submit each type of material, including joint substrates, joint-sealant backer materials, secondary seals, and miscellaneous material.

3. Schedule sufficient time for testing and analyzing results to prevent delaying the Work.

4. For materials failing tests, obtain joint sealant manufacturer's written instructions for corrective measures, including the use of specially formulated primers.

5. Testing will not be required if joint sealant manufacturer submits joint preparation data that are based on previous testing of current sealant products for adhesion to, and compatibility with, joint substrates and other materials matching those submitted.

F. Field-Constructed Mock-up Paving Samples: Include joint sealants, in each color/ pattern as required, in all Field-Constructed Mock-up Paving Samples as indicated in Section 321313, Concrete Paving. Approval of Field-Constructed Mock-up Paving Samples shall constitute approval of joint sealant materials prior to beginning of Work herein this Section.

1. Provide joint sealant at concrete to match color of concrete.

a.

FIELD CONDITIONS

A. Do not proceed with installation of joint sealants under the following conditions

1. When ambient and substrate temperature conditions are outside limits permitted by joint- sealant manufacturer.
2. When joint substrates are wet.
3. Where joint widths are less than those allowed by joint-sealant manufacturer for applications indicated.
4. Where contaminants capable of interfering with adhesion have not yet been removed from joint substrates.

DELIVERY, STORAGE, AND HANDLING

A. Deliver materials to Project Site in original unopened containers or bundles with labels indicating manufacturer, product name and designation, color, expiration date, pot life, curing time, and mixing instructions for multicomponent materials.

B. Store and handle materials to comply with manufacturer's written instructions to prevent their deterioration or damage due to moisture, high or low temperatures, contaminants, or other causes.

WARRANTY

A. Special Installer’s Warranty: Written warranty, signed by Installer, agreeing to repair or replace elastomeric joint sealants that do not comply with performance and other requirements specified herein this Section within specified warranty period

1. Warranty Period: Two (2) years from date of Substantial Completion.

PART 2 - PRODUCTS

MANUFACTURERS

A. Available Products: Subject to compliance with requirements, products that may be incorporated into the Work include, but are not limited to, products listed in other Part 2 articles.

B. Products: Subject to compliance with requirements, provide one of the products listed in other Part 2 articles.

MATERIALS, GENERAL

A. Compatibility: Provide joint sealants, backing materials, and other related materials that are compatible with one another and with joint substrates under conditions of service and application, as demonstrated by joint-sealant manufacturer based on testing and field experience.

ELASTOMERIC JOINT SEALANTS

A. Multi-Part Elastomeric Joint Sealant Standard for Concrete and Masonry: Pourable, chemically curing elastomeric formulation complying with the following requirements for formulation and with ASTM C 920 for type, grade, class, and uses indicated:

    1. Multi-Component Urethane Sealant: Except as otherwise indicated, provide manufacturer's standard, non-modified, three-component material (base, activator, and color catalyst), urethane-based, elastomeric sealant: Gun-grade, Type M (multi- component), Grade NS, Class 25, Type II.

        a. Acceptable Products:"Lithoseal™Trafficalk-3G™", L.M. Scofield Company.

        b. or equal (no known equal)

JOINT-SEALANT BACKER MATERIALS

A. General: Provide joint-sealant backer materials that are nonstaining; are compatible with joint substrates, sealants, primers, and other joint fillers; and are approved for applications indicated by joint-sealant manufacturer based on field experience and laboratory testing.

B. Plastic Foam Joint Fillers: Preformed, compressible, resilient, non-staining, non-waxing, non- extruding strips of flexible plastic foam, either open-cell polyurethane foam or closed-cell polyethylene foam, subject to approval of sealant manufacturer, for cold-applied sealants only. Polystyrene foam is not acceptable.

C. Elastomeric Tubing Joint Fillers: Neoprene, butyl, EPDM, or silicone tubing complying with ASTM D 1056, nonabsorbent to water and gas, and capable of remaining resilient at temperatures down to minus 26d F. Provide products with low compression set and of size and shape to provide a secondary seal, to control sealant depth, and otherwise contribute to optimum sealant performance.

D. Bond-Breaker Tape: Polyethylene tape or other plastic tape as recommended by sealant manufacturer for preventing sealant from adhering to rigid, inflexible joint-filler materials or joint surfaces at back of joint where such adhesion would result in sealant failure. Provide self- adhesive tape where applicable.

MISCELLANEOUS MATERIALS

A. Primer: Product recommended by joint sealant manufacturer where required for adhesion of sealant to joint substrates indicated, as determined from preconstruction joint- sealant-substrate tests and field tests.

B. Cleaners for Non-porous Surfaces: Chemical cleaners acceptable to manufacturers of sealants and sealant backing materials, free of oily residues or other substances capable of staining or harming joint substrates and adjacent nonporous surfaces in any way, and formulated to promote optimum adhesion of sealants with joint substrates.

C. Masking Tape: Non-staining, nonabsorbent material compatible with joint sealants and surfaces adjacent to joints.

D. Sand: Clean, washed, fine-textured plaster sand, with neutral pH and no salinity. Sieve analysis at 100% passing a no. 4 sieve

1.

PART 3 - EXECUTION

EXAMINATION

A. Examine joints indicated to receive joint sealants, with Installer present, for compliance with requirements for joint configuration, installation tolerances, and other conditions affecting joint- sealant performance.

B. Proceed with installation only after unsatisfactory conditions have been corrected.

PREPARATION

A. Surface Cleaning of Joints: Clean out joints immediately before installing joint sealants to comply with joint sealant manufacturer's written instructions and the following requirements:

1. Remove all foreign material from joint substrates that could interfere with adhesion of joint sealant, including dust, paints (except for permanent, protective coatings tested and approved for sealant adhesion and compatability by sealant manufacturer), old joint sealant, oil grease, waterproofing, water repellents, water, surface dirt, and stones.

2. Clean porous joint substrate surfaces by brushing, sweeping, grinding, blast cleaning, mechanical abrading, or a combination of these methods to produce a clean, sound substrate capable of developing optimum bond with joint sealants. Remove loose particles remaining from above cleaning operations by vacuuming or blowing out joints with oil- free compressed air. Porous joints include the following:

a. Concrete.

b. Masonry.

3. Remove laitance and form-release agents from concrete.

4. Clean non-porous surfaces with chemical cleaners or other means that do not stain, harm, or leave residues capable of interfering with adhesion of joint sealants. Non-porous joints include the following:

a. Metal

b. Glass

B. Joint Priming: Prime joint substrates where indicated or where recommended in writing by joint sealant manufacturer, based on preconstruction joint-sealant-substrate tests or prior experience. Apply primer to

comply with joint sealant manufacturer's written instructions. Confine primers to areas of joint-sealant bond; do not allow spillage or migration onto adjoining surfaces.

C. Masking Tape: Use masking tape where required to prevent contact of sealant with adjoining surfaces that otherwise would be permanently stained or damaged by such contact or by cleaning methods required to remove sealant smears. Remove tape immediately after tooling without disturbing joint seal.

INSTALLATION

A. General: Comply with joint sealant manufacturer's written installation instructions applicable to products and applications indicated, unless more stringent requirements apply

B. Sealant Installation Standard: Comply with recommendations of ASTM C 1193 for use of joint sealants as applicable to materials, applications, and conditions indicated.

C. Install sealant backings of type indicated to support sealants during application and at position required to produce cross-sectional shapes and depths of installed sealants relative to joint widths that allow optimum sealant movement capability.

   1. Do not leave gaps between ends of backer materials.

   2. Do not stretch, twist, puncture, or tear backer materials.

   3. Remove absorbent backer materials that have become wet before sealant application and replace them with dry materials.

D. Install bond breaker tapes behind sealants where sealant backings are not used between sealants and back of joints.

E. Install sealants by proven techniques to comply with the following and at the same time backings are installed:

   1. Place sealants so they directly contact and fully wet joint substrates.

   2. Completely fill recesses provided for each joint configuration.

   3. Produce uniform, cross-sectional shapes and depths relative to joint widths that allow optimum sealant movement capability.

F. Tooling of Non-Sag Sealants: Immediately after sealant application and before skinning or curing begins, tool sealants according to requirements specified below to form smooth, uniform beads of configuration indicated; to eliminate air pockets; and to ensure contact and adhesion of sealant with sides of joint.

   1. Remove excess sealants from surfaces adjacent to joint.

   2. Use tooling agents that are approved in writing by joint sealant manufacturer and that do not discolor sealants or adjacent surfaces.

G. Provide joint configuration to comply with joint sealant manufacturer's written instructions, unless otherwise indicated.

H. Provide recessed joint configuration for silicone sealants of recess depth and at locations indicated.

I. Apply sand or grout mixture by hand to sealant surface at cobble band expansion joints. Sealant shall be uncured and able to accept and retain dusting of material.

J. Lightly apply silica sand to all joints (except cobble band joint per #G above) once tooling sealants has been performed.

CLEANING

A. Clean off excess sealants or sealant smears adjacent to joints as the Work progresses by methods and with cleaning materials approved by manufacturers of joint sealants and of products in which joints occur.

PROTECTION

A. Protect joint sealants during and after curing period from contact with contaminating substances and from damage resulting from construction operations or other causes so sealants are without deterioration or damage at time of Substantial Completion. If, despite such protection, damage or deterioration occurs, cut out and remove damaged or deteriorated joint sealants immediately so installations with repaired areas are indistinguishable from the original Work.

EXTRA MATERIAL

A. Contractor shall supply City with six (6) extra packages of each sealant type and color specified prior to Substantial Completion of the project.

8.10. Stamped Concrete Paving

Measurement and Payment
Full compensation for furnishing all labor, materials, tools, equipment, and incidentals, and for doing all of the work involved in compliance with the Plans, Specifications, and “Planting” of the Technical Specifications, shall be included and paid for in the appropriate bid item price.

Bid Item #13 Stamp Concrete Type 1 w/6" AB (Brick Substitute) SF

Bid Item #13 Stamp Concrete Type 2 w/6" AB (Brick Substitute) SF

SUMMARY

A. This Section includes all materials, labor, transportation, services, and equipment necessary to color and finish exterior, plaza, cast-in-place concrete as shown on the Contract Drawings, and as specified herein this Section. This Section includes the following:

1. Stamped Concrete Paving

B. Related Documents:

1. The following applies to this section:

a. General provisions of the Contract, including General and Supplementary Conditions.

b. The Drawings.

c. Division 01 Specification Sections and related requirements in other sections of the Project Manual. Including but not limited;

I. Section 321616 Concrete Paving

II. Section 321373 Concrete Paving Joint Sealants

d. Related requirements in other Contract Documents listed in the Agreement.

2. Review these documents for coordination with additional requirements and information that apply to work under this Section.

DEFINITIONS

A. Cementitious Materials: Portland cement alone or in combination with one or more of blended hydraulic cement, expansive hydraulic cement, fly ash and other pozzolans, ground granulated blast-furnace slag, and silica fume.

SUBMITTALS

A. Product Data: For each type of manufactured material and product indicated.

B. Design Mixtures: For each concrete pavement mixture. Include alternate mixture designs when characteristics of materials, Project conditions, weather, test results, or other circumstances warrant adjustments.

C. Qualification Data: For manufacturer and testing agency.

D. Material Test Reports: From a qualified testing agency indicating and interpreting test results for compliance of the following with requirements indicated, based on comprehensive testing of current materials:

E. Material Certificates: Signed by manufacturers certifying that each of the following materials complies with requirements:

1. Dry-shake colored hardener

2. Antiquing release agent

3. Liquid release agent

4. Imprinting/Texturing tools

5. Curing compound and sealer

F. Design Mixes: For each type of concrete.

G. Samples for Initial Selection: Manufacturer's color charts showing full range of colors available.

H. Field quality-control test reports.

I. Minutes of preinstallation conference.

QUALITY ASSURANCE

A. Manufacturer Qualifications: Manufacturer of ready-mixed concrete products who complies with ASTM C 94/C 94M requirements for production facilities and equipment.

1. Manufacturer certified according to NRMCA's "Certification of Ready Mixed Concrete Production Facilities."

A. Testing Agency Qualifications: An independent agency qualified according to ASTM C 1077 and ASTM E 329 for testing indicated, as documented according to ASTM E 548.

1. Personnel conducting field tests shall be qualified as ACI Concrete Field Testing Technician, Grade 1, according to ACI CP-01 or an equivalent certification program.

B. ACI Publications: Comply with ACI 301, "Specification for Structural Concrete," unless modified by requirements in the Contract Documents.

C. Concrete Testing Service: Engage a qualified independent testing agency to perform material evaluation tests and to design concrete mixtures.

D. Stamped Concrete Paving Mockups:

1. Construct a 10 foot by 10 foot mockup at location selected by Architect.

2. Provide individual mockups for each color and pattern required.

3. Construct mockup using materials, processes, and techniques required for the work, including curing procedures. Incorporate representative control, construction, and expansion joints according to Project requirements. Installer for the work to construct mockup.

4. Notify Architect and Owner a minimum of seven calendar days in advance of the date scheduled for each mockup construction.

5. Obtain the Architect's and Owner's acceptance of each mockup prior to commencement of the work.

6. Each mockup to remain until completion of the work to serve as a quality control standard for the work. Provide suitable protections to preclude damage to mockup.

7. Demolish and remove each mockup from site when directed.

E. Preinstallation Conference: Conduct conference at Project site to comply with requirements in Division 1 Section "Project Management and Coordination."

1. Before submitting design mixtures, review concrete pavement mixture design and examine procedures for ensuring quality of concrete materials and concrete pavement construction practices. Require representatives, including the following, of each entity directly concerned with concrete pavement, to attend conference:

a. Contractor's superintendent.

b. Independent testing agency responsible for concrete design mixtures.

c. Ready-mix concrete producer.

d. Concrete pavement subcontractor.

1.

a.

PROJECT CONDITIONS

G. Traffic Control: Maintain access for vehicular and pedestrian traffic as required for other construction activities.

PART 2 - PRODUCTS

ACCEPTABLE MANUFACTURERS

A. Basis of Design: Provide products specified herein manufactured by Sika Corporation.

MATERIALS

A. Dry-Shake Colored Hardener: Cementitious material containing special hard aggregates, formulated as a high opacity color hardening material for the top surface of freshly place concrete substrates. Highly UV-resistant. Factory proportioned, mixed and packaged, ready-to-use. Comply with ASTM C 979.

1. Product: "LITHOCHROME Color Hardener", Sika Corporation.

2. Colors:

a. Stamped Concrete Type 1 – Brick Pattern Tan color: Scofield Weat Fields or equal

b. Stamped Concrete Type 2 – Brick Pattern Red Color : Scofield117 Spring Rose or equal .

3. Imprinting Tools: System of matched tools for imparting textures and patterns into freshly placed concrete surfaces.

4. Product: "LITHOTEX Pavecrafters", Sika Corporation.

5. Patterns:

a. New Brick Herringbone Pattern # S6000 or equal

I. Recommended Contractor Set: 10 Rigid, 2 Flex, 1 Skin, 1 Roller Sleeve

II. Suggested Touch-up and Detailing Tools: Touch-up Texture Skin: New Brick – S7318-TS Touch-up Texture Roller Sleeve: New Brick – SR0960 Chisels: 2", 4", & 8" Touch-up Wheel: 3/16" or 3/8

III. Grout Line Width: 1/4"-3/8", Brick Size: 7 5/8" x 3 3/4"

6. Border Patterns

a. New Brick Sailor Course Pattern # S6950 or equal

b. Additional Tools:

I. Single Brick Set – S6955

II. Recommended Contractor Set: 2 Rigid, 1 Flex, 1 Single Brick Set, 1 Skin, 1 Roller Sleeve

III. Suggested Touch-up and Detailing Tools:

i. Touch-up Texture Skin: New Brick – S7318-TS

ii. Touch-up Texture Roller Sleeve: New Brick – SR0960

iii. Chisels: 2", 4", & 8" Touch-up Wheel: 3/16" or 3/8"

IV. Grout Line Width: 1/4"-3/8", Grout Line Depth: 1/8"-3/16", Brick Size: 7 5/8" x 3 3/4"

B. Liquid Release Agent: Colorless, scented liquid formulated to break the bond between imprinting tools and surface of color-hardened concrete. Evaporates completely, leaving no residue.

1. Product: "SCOFIELD Liquid Release BG", Sika Corporation.

C. Waterborne Curing Compound and Sealer: Low VOC waterborne modified acrylic formulation. Complies with ASTM C 309.

1. Product: "SCOFIELD Cureseal-W", Sika Corporation.

D. CONCRETE MIX DESIGN

1. General: Refer to Section 321313 "Concrete Paving" for basic concrete paving requirements, including formwork, reinforcement, concrete materials, and mixing.

2. Minimum Cement Content: 5-1/2 sacks per cubic yard of concrete.

3. Mix design must not permit segregation of concrete materials during pumping, placing, or consolidation of concrete. Slump not to exceed 4 inches.

4. Admixtures:

a. A normal or retarded-set, water-reducing admixture is permissible.

b. An air-entraining admixture complying with ASTM C 260 is acceptable where freeze/thaw durability is required.

c. A nonchloride accelerator is acceptable for cold weather concrete placement.

d. Do not add a high-range water reducing admixture (superplasticizer).

5. Do not add calcium chloride to concrete mix.

6. Use of fly ash as a cement replacement may be acceptable, subject to manufacturer's current recommendations.

7. Do not add water to the mix in the field.

PART 3 - EXECUTION

EXAMINATION

A. General: Refer to Section 321313 "Concrete Paving" for basic concrete paving execution.

B. Subgrade to receive stamped concrete paving work must be well drained and have adequate, uniform loadbearing characteristics.

1. Verify grading will ensure a uniform concrete thickness during concrete placement.

C. At the time of concrete placement, subgrade must be moist, completely consolidated, and free from frost. If necessary, subgrade may be dampened with water prior to placement; however, freestanding water or soft, muddy, or frozen ground in not permissible.

CONCRETE PLACEMENT

A. General: Place and spread concrete to completely fill all space inside forms. Move concrete into place with square-tipped shovels or concrete rakes.

B. Consolidate concrete by tamping or vibrating to provide a suitable surface for finishing.

C. Prior to appearance of excess moisture or bleed water, screed concrete with wood or magnesium straight edge or mechanical vibrating screed.

D. Continue concrete surface leveling and consolidation with highway magnesium straight edge and (or) magnesium bull float.

E. Mechanically float concrete surfaces to required flatness and levelness as soon as concrete surface has taken its initial set and will support weight of a power float machine equipped with float shoes or combination blades and operator.

1. Comply with ACI 302.1R for acceptable tolerances.

F. Completed concrete placement to result in an open surface suitable to receive colored hardener.

STAMPED CONCRETE PAVING INSTALLATION

A. Apply 2/3 of dry-shake colored hardener at specified application rate to freshly floated concrete surface. Bleed water must not be present during or following application of first and second dry-shake applications.

B. Do not throw dry-shake colored hardener material; distribute evenly by hand or mechanical spreader designed to apply floor hardeners. Mechanical spreader manufacturer as acceptable to stamped concrete paving manufacturer.

C. As soon as dry-shake material has absorbed moisture, indicated by uniform darkening of surface, mechanically float concrete surface a second time, just enough to bring moisture from base slab through dry-shake color hardener.

D. Immediately following second floating, apply remaining 1/3 of dry-shake colored hardener at specified application rate. If applied by hand, broadcast in opposite direction of first application for a more uniform coverage. If a mechanical spreader is used, apply in same manner as previously described.

E. As soon as dry-shake material has absorbed moisture, mechanically float concrete surface a third time.

F. Do not add water to the surface.

G. Begin imprinting operations immediately after applying dry-shake colored hardener, according to manufacturer's written instructions, including application of powder antiquing release agent.

SEALING

A. Prior to sealing, the following conditions must be present:

1. Release agent has been removed.

2. Moisture content of concrete is low enough that alkali and other salts do not become trapped beneath sealer. This will require a minimum of 28 days subsequent to concrete placement, or longer if required.

3. No evidence of free water on concrete surfaces to receive curing and sealing compound.

B. Seal imprinted concrete with liquid membrane curing and sealing compounds as recommended by manufacturer.

C. Apply two coats of specified curing and sealing compound according to manufacturer's written instructions.

PROTECTION OF FINISHED WORK

A. Prohibit foot or vehicular traffic on the newly imprinted concrete surface.

B. Protect floor surface from damage throughout remainder of construction period until Final Acceptance of the work. If a covering material is necessary, surfaces must remain uncovered for a minimum of four days after which they may be covered with a new, smooth, nonstaining reinforced kraft curing paper. Plastic sheeting is unacceptable as a covering material.

SCHEDULE

A. Refer to Drawings for locations of stamped concrete paving applications.

8.11. Planting

Measurement and Payment
Full compensation for furnishing all labor, materials, tools, equipment, and incidentals, and for doing all of the work involved in compliance with the Plans, Specifications, and “Planting” of the Technical Specifications, shall be included and paid for in the appropriate bid item price.

Bid Item #9 Soil Preparation LS

Bid Item #16 Top Soil LS

SUMMARY

A. This section describes planting trees, shrubs, and ground cover, including mulching, pruning, guying, and staking.

B. Related Documents:

1. The following applies to this section:

a. General provisions of the Contract, including General and Supplementary Conditions.

b. The Drawings.

c. Division 01 Specification Sections and related requirements in other sections of the Project Manual.

d. Related requirements in other Contract Documents listed in the Agreement.

2. Review these documents for coordination with additional requirements and information that apply to work under this Section.

A.

REFERENCES

A. General:

1. The following documents form part of the Specifications to the extent stated. Bring conflicts between Specifications, Drawings, and the referenced documents to the attention of the Architect, in writing, for resolution before taking any related action. Where differences exist between codes and standards, the one affording the greatest protection shall apply.

2. If the year of the adoption or latest revision is omitted from the designation, it shall mean the specification, manual or test designation in effect the date the Notice to Proceed with the Work is given.

B. Standards

1. All plant material shall be true to botanical and common name as indicated in the following:

a. *Sunset Western Garden Book,* Sunset Publishing Corporation, 2001.

b. *American Standard for Nursery Stock, ANSI Z60.1-1966*, edition approved November 6, 1996, American Association of Nurserymen, and American National Standards Institute.

2. All plant material shall conform to the California State Department of Agriculture's regulations for nursery inspections, rules, and ratings.

C. Section Includes:

1. Fine Grading.

2. Soil Preparation.

3. Pre Plant Weed Control.
4. Tree, Shrub, Groundcover, Bulb, and Vine Planting.
5. Staking, Tying, Guying, and Wrapping.
6. Topsoil.
7. Soil Conditioners, Amendments, and Fertilizers.
8. Mulches (wood products, aggregates, etc.).
9. Erosion Control Materials.
10. Rodent, Rabbit, Deer, and Pest Control.
1.

PROJECT CONDITIONS

A. Site shall be free of weeds, native grasses, Bermuda grass, and Kikuyu grass prior to any planting or soil amendment placement.

B. All rock and other growth or debris accumulated throughout the duration of the project shall be removed from the Project Site by the Contractor.

C. Prior to excavation for planting or placing of plant materials, the Contractor shall locate all underground utility lines still in use and take proper precautions to avoid damage to such improvements. In the event of a conflict between such lines and plant material locations, the Contractor shall notify the Owner's Authorized Representative who shall arrange for the relocation of one or the other. The Contractor assumes all responsibility for making any or all repairs for damages resulting from Work as specified herein.

D. Excavation: When conditions detrimental to plant growth are encountered, such as rubble fill, adverse drainage conditions, or obstructions, cease planting operations and notify Owner's Authorized Representative for further direction.

E. Grading and soil preparation work shall be performed only during the period when beneficial and optimum results may be obtained. If the moisture content of the soil should reach such a level that working it would destroy soil structure or cause compaction, spreading and grading operations shall be suspended until, in the opinion of the Owner's Authorized Representative, the moisture content is increased or reduced to acceptable levels and the desired results are likely to be obtained.

F. Contractor shall coordinate all drainage work with the other trades. Established site drainage shall be maintained by the Contractor during all phases of landscape construction.

G. Grade all areas by filling and/or removing surplus soil as needed to insure proper grades and drainage as indicated on the plans. Unless otherwise noted, soil finish grades shall be below hardscape areas as follows:

1. Three inches (3") for all planting areas.

H. All undulations and irregularities in the planting surfaces resulting from tillage, rototilling, and all other operations, and all ridges and rises which are visually evident and would effect the maintenance of any planting area, shall be leveled and floated out before planting operations are initiated.

I. Final finish grades shall insure positive drainage of the Project Site with all surface drainage away from buildings, walls, and toward driveways, drain inlets, and catch basins.

   1. Final grades shall be acceptable to the Owner's Authorized Representative before planting operations will be allowed to commence.

   2. The above conditions shall also apply to the final finish grade at the time of project completion.

J. Actual planting shall be performed during those periods when weather and soil conditions are suitable in accordance with locally-accepted horticultural practice as approved by the Owner's Authorized Representative.

K. All scales dimensions are approximate. Before proceeding with any Work, the Contractor shall carefully check and verify all dimensions and shall immediately notify the Owner's Authorized Representative of any discrepancy between the Contract Drawings and/or Contract Specifications and the actual Project Site conditions.

L. Quantities of plant materials are shown for the Contractor's convenience only, and are not guaranteed. The Contractor shall check and verify count, and shall furnish a sufficient number of plant materials as needed to fulfill the intent and complete the Work as shown in the Contract Drawings. Plan plant symbol quantities shall take precedence over quantities indicated in the Plant List and Plan callouts

M. Contractor shall make arrangements to have a complete set of Contract Drawings and Contract Specifications at the Project Site at all times during Work under this Section.

N. As-Built Plans: As-Built Plans shall be prepared by the Contractor indicating any deviations in Work described herein and on the Contract Drawings, with respect to changes in materials, plant species, sizes, locations, and alignments. As-Built Plans shall be prepared by marking the changes on a conformed set of Xerox type prints in red ink. Provide As-Built Plans to the City at the end of the contracted Maintenance Period.

DEFINITIONS

A. Backfill: The earth used to replace or the act of replacing earth in an excavation.

B. Finish Grade: Elevation of finished surface of planting soil.

C. Manufactured Topsoil: Soil produced off-site by homogeneously blending mineral soils or sand with stabilized organic soil amendments to produce topsoil or planting soil.

D. Planting Soil: Native or imported topsoil, manufactured topsoil, or surface soil modified to become topsoil; mixed with soil amendments.

E. Subgrade: Surface or elevation of subsoil remaining after completing excavation, or top surface of a fill or backfill, before placing planting soil.

F. Subsoil: All soil beneath the topsoil layer of the soil profile, and typified by the lack of organic matter and soil organisms.

SUBMITTALS

A. General

1. Product certificates, legible, signed by manufacturer, certifying that their products comply with specified requirements. Certificates shall include grades, analysis, amount, supplier, species, type, size, and quantity where applicable.
2. Manufacturer's certified analysis for standard products.
3. Analysis for other materials by a recognized laboratory made according to methods established by the Association of Official Analytical Chemists, where applicable.
4. Label data substantiating that plants, trees, shrubs, and planting materials comply with specified requirements.
5. Soil amendment receipts containing analytical data.
6. Receipts from the soil supplier of all soil mixes specified in this Section.
7. At least one (1) plant of each species delivered to the project site shall have an identification tag from supplying nursery showing botanical and common name of plant.
8. List of all proposed landscape materials indicated by description, manufacturer, and model number. Include catalog cuts and manufacturer's current printed instructions of all material items described herein this Section.
9. List of all trees, shrubs, ground covers, vines, annuals, indicated by botanical name, common name, height, spread, caliper, container size, nursery, and location, contact person at nursery, and any specific remarks (i.e. "unable to locate", "photo submitted", etc.) The list shall be accompanied with color photographs of each tree type. Include a person or tape measurer in each photograph for scale purposes. Approval of photographs, however, does not indicate acceptance of plant material on site.
10. Submit certificates of compliance and invoices for soil amendments, fertilizers, and plant materials, with quantities of each.

B. Samples:

1. ½ cubic foot each of landscape mulch materials, i.e. shredded bark mulch, aggregate, etc. in labeled plastic bags.
2. 1/2 cubic foot of imported topsoil in a labeled plastic bag.
3. Edging materials and accessories, of manufacturer's standard size, to verify color selected.
4. One (1) tree tie each type used (do not include stake)

5. Photographs of all tree material: A person is to be included with the photos for scale relationship Product certificates

C. Planting Schedule: Indicating anticipated planting dates locations for each type of planting

D. Maintenance Instructions: Recommended procedures to be established by Owner for maintenance of exterior plants during a calendar year. Submit before expiration of required maintenance periods.

E. Qualification data for firms and persons specified in the "Quality Assurance" Article to demonstrate their capabilities and experience. Include lists of completed projects with project names and addresses, names and address of architects and Citys, and other information specified.

F. Immediately following site grading and *prior* to commencing soil preparation and any landscape planting operation(s), Contractor shall provide the horticultural soils fertility test and percolation test results to the City to verify required amendment types and quantities as specified:

G. Soil Fertility Tests, as described herein this Section.

H. Soil Percolation Tests, as described herein this Section

I. Warranty: Sample of special warranty

QUALITY ASSURANCE

A. Installer's Field Supervision: Require Installer to maintain an experienced full-time supervisor on Project site when planting is in progress.

B. Topsoil Analysis: Furnish soil analysis by a qualified soil-testing laboratory.

1. Report suitability of topsoil for plant growth. State-recommended quantities of nitrogen, phosphorus, and potash nutrients and soil amendments to be added to produce satisfactory topsoil.

C. Provide quality, size, genus, species, and variety of exterior plants indicated, complying with applicable requirements in ANSI Z60.1, "American Standard for Nursery Stock."

D. Preinstallation Conference: Conduct conference at project site

E. Regulatory Requirements:

1. Contractor shall meet the requirements of applicable laws, codes, and regulations as required by the authorities having jurisdiction over the Work.

F. Manufacturer’s Directions: Follow manufacturer’s directions and drawings in all cases where the manufacturer’s of articles used in this Section furnish directions covering points not shown in the Contract Drawings and Contract Specifications.

G. Permits, Fees, Bonds, and Inspections: The Contractor shall arrange and pay for any and all permits, fees, bonds, and inspections necessary to perform and complete his portion of the Work.

H. Contract Drawings and Contract Specifications:

1. Comply with the intent and meaning of Contract Drawings and Contract Specifications taken as a whole, not taking advantage of any readily perceived error or omission shall any exist.
2. Figures and dimensions on Contract Drawings shall take precedence over measurements by scale, and detailed drawings shall take precedence over general drawings.
3. Refer any errors and discrepancies in or between plans, specifications, lists, or notes to the Owner's Authorized Representative for adjustments or clarification before proceeding with the Work. In the event of errors or discrepancies, the Contractor shall assume responsibility for work performed without referring to the Owner's Authorized Representative for clarification.
4. The Owner's Authorized Representative shall interpret the meaning of the Contract Drawings and Contract Specifications in the event of conflict, and his/her decision shall be final.

DELIVERY, STORAGE, AND HANDLING

A. Do not prune trees and shrubs before delivery. Protect bark, branches, and root systems from sun scald, drying, sweating, whipping, and other handling and tying damage. Do not bend or bind- tie trees or shrubs in such a manner as to destroy their natural shape. Provide protective covering of exterior plants during delivery. Do not drop exterior plants during delivery and handling.

B. Handle planting stock by root ball.

C. Deliver exterior plants after preparations for planting have been completed and install immediately. If planting is delayed more than six hours after delivery, set exterior plants and trees in shade, protect from weather and mechanical damage, and keep roots moist.

D. Labeling: Furnish standard products in manufacturer's standard containers bearing original labels legibly showing quantity, analysis, genus/species and name of manufacturer/grower.

E. Deliver trees, shrubs, ground covers, and plants after preparations for planting have been completed and install immediately. If planting is delayed more than six (6) hours after delivery, set planting materials in shade, protect from weather and mechanical damage, and keep roots moist. Anchor plants to prevent damage from winds.

   1. DO NOT remove container-grown stock from containers before time of planting.
   2. Water root systems of trees and shrubs stored on site with a fine-mist spray. Water as often as necessary to maintain root systems in a moist condition.

SEQUENCING AND SCHEDULING

A. Acceptance: Do not install plant materials prior to acceptance of finish grades and main line trenching/installation of irrigation system.

B. Coordination: Coordinate with work of other sections to insure the following sequence of events:

1. General: Sprinkler system to be installed and operable prior to installation of plant materials. Schedule hand watering of all plant materials installed prior to sprinkler irrigation system.
2. Plants in Pots: Schedule delivery of plants to coincide with installation of pots.
3. Headers: Install prior to installation of adjacent sprinkler irrigation system.
4. Pruning: Do not prune plant materials prior to installation and acceptance. Request review by Landscape Architect prior to pruning.

WARRANTY

A. Special Warranty: Installer's standard form in which Installer agrees to repair or replace plantings that fail in materials, workmanship, or growth within specified warranty period.
    1. Failures include, but are not limited to, the following:
        a. Death and unsatisfactory growth, except for defects resulting from lack of adequate maintenance, neglect, abuse by Owner, or incidents that are beyond Contractor's control.
        b. Structural failures including plantings falling or blowing over.
    2. Warranty Periods from Date of Substantial Completion:
        a. Trees and Shrubs: One year.
        b. Ground Cover and Plants: Six months.
B. Correct Species: Warrant that all plant materials are true to species and variety.
C. Delays: Delays caused by the Contractor in completing planting operations which extend the planting into more than one planting season shall extend the Warranty Period correspondingly.
D. Condition of Plants: Plants shall be free of dead or dying branches and branch tips, with foliage of normal density, size and color.
E. Replacements: As soon as weather conditions permit, replace, without cost to Owner all dead plants and all plants not in a vigorous, thriving condition, as determined by Architect during and at the end of Warranty Period.
F. Exclusions: Contractor shall not be held responsible for failures due to neglect by Owner, vandalism, and natural disaster, during Warranty Period. Report such conditions.
        a.
    3.
    1.

MAINTENANCE SERVICE

A. Initial Maintenance Service: Provide full maintenance by skilled employees of landscape Installer. Maintain as required in Part 3. Begin maintenance immediately after each area is planted and continue until plantings are acceptably healthy and well established, but for not less than maintenance period below.

    1. Maintenance Period for Trees and Shrubs: 6 months from date of Substantial Completion.

B. REPLACEMENTS

    1. Failed Materials:

        a. Repair and/or replace at no cost to the Owner all plant materials exhibiting conditions which are determined as unacceptable due to workmanship by the Contractor.

        b. Closely match replacements to adjacent specimens of the same species. Apply requirements of this Specification to replacements.

        c. Contractor shall be held responsible for a maximum of two (2) replacements for each failed tree, shrub and vine, and same area of groundcover planting after final acceptance during warranty period.

C. Incorrect Materials:

    1. During Warranty Period, replace at no cost to Owner plants revealed as being untrue to name and species.

    2. Provide replacements of a size and quality to match the planted materials at the time the mistake is discovered.

    1.

PART 2 - PRODUCTS

GENERAL

A. Immediately upon award of Contract for Work in this Section, the Contractor shall locate and purchase or hold for purchase all plant material as required.

B. Contractor shall verify with Owner’s Authorized Representative of any plant material stock that has been nursery contract grown by Owner for use within Work of this Contract.

    1. Contractor shall review the condition of the plant material with the Owner’s Authorized Representative at the nursery maintaining the plant material, and at the time of delivery at the Project Site.

C. All plants shall have a growth habit typical for variety and species, symmetrical, with tightly knit branching, so trained or favored in development and appearance as to be superior in form, number of branches, compactness and symmetry, healthy, vigorous in growth. Plant materials shall also be free from insect pests, eggs and larvae, plant diseases, sun scalds, fresh bark abrasions, excessive abrasions, windburn, saltburn, or other objectable disfigurements or conditions as determined by the Owner’s Authorized Representative.

1. Container stock shall be grown in containers in which delivered for at least six (6) months, but not over two (2) years.
2. Trees shall be exceptionally heavy, symmetrical, tightly knit, and so trained or favored in development and appearance as to be superior in form for their species, with regard to number of branches, compactness and symmetry.
3. Pruning of trees as grown at the nursery shall meet the requirements outlined by the International Society of Arboriculture's "Tree Pruning Standards."
4. Leaders of trees shall not have been pruned by the nursery.

D. All plant material shall be subject per the California State Department of Agriculture Regulations for Nursery Inspections of Rules and Grading. Quantity and size of all plant shall be No. 1 Grade of Pinto Tag stock, or equal. Pinto tags shall be submitted to the Owner's Authorized Representative upon delivery of the plant material to the Project Site.

E. Vigor: Plants shall be sound, healthy and vigorous, well branched and densely foliated when in leaf. They shall be free of disease, insect pests, eggs, or larvae. They shall have healthy, well- developed root systems. Plants shall be free from physical damage or adverse conditions which would prevent thriving growth.

F. Condition of Root System: Samples must prove to be completely free of circling, kinked or girdling trunk surface and center roots and show no evidence of a pot-bound condition. Upon inspection by Architect at the job site, if five (5) percent or more of the plants of each species are found to contain kinked, circling or girdling roots, all plants of that species will be rejected.

G. MEASUREMENTS:

1. Size Range: If a range of size is given, do not use plant materials less than the minimum size. The measurements specified are the minimum size acceptable and are the measurements after pruning, where pruning is required. Plants that meet the measurements specified, but do not possess a normal balance between height and spread shall be rejected.
2. Substitutions: Substituted plants shall be true to species and variety and shall conform to measurements specified except that plants larger than specified may be used if accepted. Use of such plants shall not increase Contract price. If larger plants are accepted, increase the ball of earth in proportion to the size of the plant. Plants overgrown for their container size will be rejected.
3. Unacceptable Trees: Trees that have damaged or crooked leaders, will be rejected. Trees having a main leader shall not have been headed back. Trees with abrasions of the bark, sunscalds, disfiguring knots, or fresh cuts of limbs over 3/4 in. which have not completely callused, will be rejected.
4. Pruning: Do not prune plants before delivery. Consult Landscape Architect for pruning after installation.
5. Field Dug Stock: Prior to digging of field grown plant materials, insure that excess loose fill resulting from cultivation around stems and over roots be removed down to natural finish grade at crown of plant materials. During digging, verify that size of tree spade or other equipment is adequate to encompass the

actively growing root zone of all plants. Plants which, after digging, show mostly large fleshy roots and few fibrous roots will be rejected.

A.

TREE AND SHRUB MATERIAL

A. General: Furnish nursery-grown trees and shrubs complying with ANSI Z60.1, with healthy root systems developed by transplanting or root pruning. Provide well-shaped, fully branched, healthy, vigorous stock free of disease, insects, eggs, larvae, and defects such as knots, sun scald, injuries, abrasions, and disfigurement.

B. Root-Ball Depth: Furnish trees and shrubs with root balls measured from top of root ball, which shall begin at root flare according to ANSI Z60.1.Root flare shall be visible before planting.

C. Shrub sizes indicated on Drawings are sizes after pruning.

GROUND COVER PLANTS

A. Ground Cover: Provide ground cover of species indicated, established and well rooted in pots or similar containers, and complying with ANSI Z60.1.

B. Dichondra: Provide dichondra seed with a minimum of 99 percent pure seed, not less than 85 percent germination, and not more than 0.25 percent weed seed.

C. Dichondra: Provide dichondra plants grown in flats and suitable for cutting into plugs.

TOPSOIL

A. Topsoil: ASTM D 5268, pH range of 5.5 to 7, a minimum of 4 percent organic material content; free of stones 1 inch larger in any dimension and other extraneous materials harmful to plant growth.

    1. Topsoil Source: Reuse surface soil stockpiled on-site. Verify suitability of stockpiled surface soil to produce topsoil. Clean surface soil of roots, plants, sod, stones, clay lumps, and other extraneous materials harmful to plant growth.

        a. Supplement with imported or manufactured topsoil from off-site sources when quantities are insufficient.

    2. Topsoil Source: Import topsoil or manufactured topsoil from off-site sources. Obtain topsoil displaced from naturally well-drained construction or mining sites where topsoil occurs at least 4 inches deep; do not obtain from bogs or marshes.

    3. Topsoil Source: Amend existing in-place surface soil to produce topsoil. Verify suitability of surface soil to produce topsoil. Clean surface soil of roots, plants, sod, stones, clay lumps, and other extraneous materials harmful to plant growth.

a. Surface soil may be supplemented with imported or manufactured topsoil from offsite sources

ORGANIC SOIL AMENDMENTS

A. Compost: Well-composted, stable, and weed-free organic matter, pH range of 5.5 to 8; moisture content 35 to 55 percent by weight; 100 percent passing through 3/4-inch sieve; soluble salt content of 5 to 10 decisiemens/m. not exceeding 0.5 percent inert contaminants and free of substances toxic to plantings; and as follows: 1. Organic Matter Content: 50 to 60 percent of dry weight

B. Peat: Finely divided or granular texture, with a pH range of 6 to 7.5, containing partially decomposed moss peat, native peat, or reed-sedge peat and having a water-absorbing capacity of 1100 to 2000 percent.

C. Wood Derivatives: Decomposed, nitrogen-treated sawdust, ground bark, or wood waste; of uniform texture, free of chips, stones, sticks, soil, or toxic materials.

D. Manure: Well-rotted, unleached, stable or cattle manure containing not more than 25 percent by volume of straw, sawdust, or other bedding materials; free of toxic substances, stones, sticks, soil, weed seed, and material harmful to plant growth.

FERTILIZER

A. Composition: Nitrogen (N), phosphorous (P), and potassium (K) content.

B. Fertilizer shall be furnished in amounts recommended from the soil analysis, as reported from a qualified soil-testing agency. Refer to Section 3.3.

C. Bonemeal: Commercial, raw, finely ground; minimum of 4 percent nitrogen and 20 percent phosphoric acid.

D. Plant Fertilizer (pre-plant 12-8-8)

1. Shall be a long-lasting, controlled-release, uniform in composition, free flowing, granular type fertilizer, with trace minerals, suitable for application with approved equipment.

2. Plant fertilizer shall contain the following minimum available percentages by weight of plant food (pending results of soil analysis):

i. Nitrogen 12.0% minimum

ii. Phosphoric acid 8.0% minimum

iii. Potash 8.0% minimum

iv. Humus 25% minimum

v. Humic Acids w/ Trace minerals 5% minimum

E. Fertilizer or Planting Tablet:

1. 1. Provide 7-gram Plant Tablet. Tablet shall be tightly compressed chip-type commercial grade, 12-month slow-release planting tablets, and shall be composed of the following available percentages by weight of plant food (pending results of soil analysis):
    a. Nitrogen 12.0% minimum
    b. Phosphoric acid 8.0% minimum
    c. Potash 8.0% minimum
    d. Humus 20% minimum
    e. Humic Acids w/ micronutrients
    f. and soil enhancers 4% minimum
1.
2. Acceptable Manufacturer: Gro-Power or equal, (no known equal) as approved by the City.

MULCHES

A. Organic Bark Mulch: Organic mulch, free from deleterious materials, debris, and weed seed. Suitable as a top dressing of trees, shrubs and groundcovers, consisting of following:
    1. Type: Shredded cedar and/or redwood commercial wood bark products. Bark mulch shall be graded to average dimensions of one-half inches (1/2") to two inches (2") in length, and flat in cross section.
    2. Coverage depth shall be a minimum of three inches (3"), or as indicated on the Contract Drawings.
    3. Acceptable Products & Manufacturers:
    4. Walk-on Fir Bark Mulch as manufactured by Redi-Gro Corporation, Sacramento, CA. 916.381.6063.
    5. Or approved equal.
B. Gravel Mulch: 3/8" - 1/2" crushed Sierra white granite, free of loam, sand, clay, and other foreign substances.

WEED-CONTROL BARRIERS

A. Type: Permeable weed barrier fabric, “Style 0040” by Amoco Fabrics and Fibers Company, or “Typar” by Reemay, or equal as approved by the City

PLANTING SOIL MIX

A. Topsoil: ASTM D 5268, pH range of 5.5 to 7, 4 percent organic material minimum, free of stones one inch (1") or larger in any dimension, and other extraneous materials harmful to plant growth.

1. Topsoil Source: Reuse surface soil stockpiled on the site. Verify suitability of surface soil to produce topsoil meeting requirements and amend when necessary. Supplement with imported topsoil when quantities are insufficient. Clean topsoil of roots, plants, sods, stones, clay lumps, and other extraneous materials harmful to plant growth.
2. Topsoil Source: Amend existing surface soil to produce topsoil. Supplement with imported topsoil when required.

Tree Stake and Guys

A. Tree Staking:
   1. Stakes: Lodgepole Pine with 10 in. tapered driving point and chamfered top, green color, treated with copper napthanate to heartwood.
   2. Ties: Black rubber tire tie or other tie as accepted by Owner's representative.
B. Tree Guying:
   1. Deadman Type: Redwood or cedar with minimum length of 24 in. and sufficient diameter to hold eyebolt securely. Provide each deadman with one (1) 3/4 in. x 4 in. galvanized eyebolt, centered and secured on its side.
   2. Guying Cable: White vinyl-coated 7 x 7 galvanized steel cable, size as specified.
   3. Tree Collars: 500 I.D. x 12" UV resistant flexible tubing.
   4. Turnbuckles: Eye to eye type, zinc plated, size as specified.
   5. Cable Clamps: Zinc plated, U-bolt and Clevis type, size as required.

PART 3 - EXECUTION

Verification of Conditions:

A. Verify installation conditions as satisfactory to receive work of this Section. Do not install until unsatisfactory conditions are corrected. Beginning work constitutes acceptance of conditions as satisfactory
B. Finish Grades: Finish grades for planting areas shall have been established in another Section. Verify that all grades are within 1 in. plus or minus of required finish grade.
C. Soil Preparation: Do not commence planting work prior to completion and acceptance of soil preparation.
D. Irrigation: Verify that irrigation system has been installed and accepted.
E. Subdrainage: Verify that all subdrainage systems are functioning properly prior to planting.

PREPARATION

A. Protect structures, utilities, sidewalks, pavements, and other facilities, and lawns and existing exterior plants from damage caused by planting operations.

B. Provide erosion-control measures to prevent erosion or displacement of soils and discharge of soil-bearing water runoff or airborne dust to adjacent properties and walkways.

C. Lay out individual tree and shrub locations and areas for multiple plantings. Stake locations, outline areas, adjust locations when requested, and obtain Architect's acceptance of layout before planting. Make minor adjustments as required.

D. Apply antidesiccant to trees and shrubs using power spray to provide an adequate film over trunks (before wrapping), branches, stems, twigs, and foliage to protect during digging, handling, and transportation.

    1. If deciduous trees or shrubs are moved in full leaf, spray with antidesiccant at nursery before moving and again two weeks after planting

PLANTING BED ESTABLISHMENT

A. Loosen subgrade of planting beds to a minimum depth of 6 inches. Remove stones larger than 1 inch in any dimension and sticks, roots, rubbish, and other extraneous matter and legally dispose of them off Owner's property.

    1. Thoroughly blend planting soil mix off-site before spreading.

        a. Delay mixing fertilizer with planting soil if planting will not proceed within a few days.

        b. Mix lime with dry soil before mixing fertilizer.

    2. Spread planting soil mix to a depth of 8 inches but not less than required to meet finish grades after natural settlement. Do not spread if planting soil or subgrade is frozen, muddy, or excessively wet.

        a. Spread approximately 1/2 the thickness of planting soil mix over loosened subgrade. Mix thoroughly into top 4 inches of subgrade. Spread remainder of planting soil mix.

B. Finish Grading: Grade planting beds to a smooth, uniform surface plane with loose, uniformly fine texture. Roll and rake, remove ridges, and fill depressions to meet finish grades.

C. Before planting, restore planting beds if eroded or otherwise disturbed after finish grading.

WEED ABATMENT

A. Irrigate the prepared site for a period of three weeks to encourage weed growth. After that time, treat and remove all weeds with vinegar and hand tools. If after 1 week further, weeds persist, treat with Round-Up per manufacturers recommendation.

HEADERS

A. Lay out locations of headers for review prior to final installation. Install per details in Drawings true to line and grade.

TREES AND SHRUBS

A. Excavation of Pits and Trenches: Excavate circular pits with sides sloped inward. Trim base leaving center area raised slightly to support root ball and assist in drainage. Do not further disturb base. Scarify sides of plant pit smeared or smoothed during excavation.
    1. Excavate approximately three times as wide as ball diameter.
    2. Container-Grown Trees and Shrubs: Excavate to three times (3x) the container width and depth, plus the following setting-layer depth, or as further directed by the Owner.
B. Before planting, verify that root flare is visible at top of root ball according to ANSI Z60.1.
C. Stock with Root Balls: Set trees and shrubs plumb and in center of pit or trench with top of root ball flush with adjacent finish grades.
D. Balled and Burlapped: Remove burlap and wire baskets from tops of root balls and partially from sides, but do not remove from under root balls. Remove pallets, if any, before setting. Do not use planting stock if root ball is cracked or broken before or during planting operation.
E. Container Grown: Carefully remove root ball from container without damaging root ball or plant.
F. Fabric Bag Grown: Carefully remove root ball from fabric bag without damaging root ball or plant. Do not use planting stock if root ball is cracked or broken before or during planting operation.
G. Backfill around root ball in layers, tamping to settle soil and eliminate voids and air pockets. When planting pit is approximately one-half filled, water thoroughly before placing remainder of backfill. Repeat watering until no more water is absorbed.
    1. Use planting soil for backfill as permitted by Agricultural Soils Test.
H. Place planting soil mix around root ball in layers, tamping to settle mix and eliminate voids and air pockets. When pit is approximately one-half backfilled, water thoroughly before placing remainder of backfill. Repeat watering until no more water is absorbed. Water again after placing and tamping final layer of planting soil mix.
I. Continue backfilling process. Water again after placing and tamping final layer of soil.

TREE AND SHRUB PRUNING

A. Remove only dead, dying, or broken branches. Do not prune for shape.

B. Prune, thin, and shape trees and shrubs according to standard horticultural practice. Prune trees to retain required height and spread. Do not cut tree leaders; remove only injured or dead branches from flowering trees. Prune shrubs to retain natural character.

GROUND COVER AND PLANT PLANTING

A. Set out and space ground cover and plants 12 inches.

B. Dig holes large enough to allow spreading of roots and backfill with planting soil.

C. Work soil around roots to eliminate air pockets and leave a slight saucer indentation around plants to hold water.

D. Water thoroughly after planting, taking care not to cover plant crowns with wet soil.

E. Protect plants from hot sun and wind; remove protection if plants show evidence of recovery from transplanting shock.

PLANTING BED MULCHING

A. Install weed-control barriers before mulching according to manufacturer's written instructions. Completely cover area to be mulched, overlapping edges a minimum of 6 inches. Tape or pin seams as recommended by manufacturer.

B. Mulch backfilled surfaces of planting beds and other areas indicated. Provide mulch ring around trees in lawn areas.

1. [Organic Mulch] [and] [Mineral Mulch]: Apply 3-inch (75-mm) average thickness of mulch, and finish level with adjacent finish grades. Do not place mulch against plant stems.

PLANT MAINTENANCE

A. Tree and Shrub Maintenance: Maintain plantings by pruning, cultivating, watering, weeding, fertilizing, restoring planting saucers, and resetting to proper grades or vertical position, as required to establish healthy, viable plantings. Spray or treat as required to keep trees and shrubs free of insects and disease.

B. Ground Cover and Plant Maintenance: Maintain and establish plantings by watering, weeding, fertilizing, mulching, and other operations as required to establish healthy, viable plantings.

C. Protect exterior plants from damage due to landscape operations, operations by other contractors and trades, and others. Maintain protection during installation and maintenance periods. Treat, repair, or replace damaged plantings.

8.12. Turf and Grasses

Measurement and Payment
Full compensation for furnishing all labor, materials, tools, equipment, and incidentals, and for doing all of the work involved in compliance with the Plans, Specifications, and "Turf and Grasses" of the Technical Specifications, shall be included and paid for in the appropriate bid item price.

Bid Item #17 Turf Restoration SF

GENERAL

SUMMARY

A. Section Includes:
    1. Seeding.
    2. Sodding.
B. Related Documents:
    1. The following applies to this section:
        a. General provisions of the Contract, including General and Supplementary Conditions.
        b. The Drawings.
        c. Division 01 Specification Sections and related requirements in other sections of the Project Manual. Including but not limited;
            I. Section 320190 Landscape Maintenance
            II. Section 329119 Landscape Grading
            III. Section 329300 Planting
        d. Related requirements in other Contract Documents listed in the Agreement.
    2. Review these documents for coordination with additional requirements and information that apply to work under this Section.

REFERENCES

A. General:
    1. The following documents form part of the Specifications to the extent stated. Bring conflicts between Specifications, Drawings, and the referenced documents to the attention of the Architect, in writing, for resolution before taking any related action. Where differences exist between codes and standards, the one affording the greatest protection shall apply.

2. If the year of the adoption or latest revision is omitted from the designation, it shall mean the specification, manual or test designation in effect the date the Notice to Proceed with the Work is given.

DEFINITIONS

A. Finish Grade: Elevation of finished surface of planting soil.

B. Manufactured Soil: Soil produced off-site by homogeneously blending mineral soils or sand with stabilized organic soil amendments to produce topsoil or planting soil.

C. Planting Soil: Native or imported topsoil, manufactured topsoil, or surface soil modified to become topsoil; mixed with soil amendments.

D. Subgrade: Surface or elevation of subsoil remaining after completing excavation, or top surface of a fill or backfill immediately beneath planting soil.

E. Subsoil: All soil beneath the topsoil layer of the soil profile, and typified by the lack of organic matter and soil organisms.

1.

SUBMITTALS

A. Product Data: For each type of product indicated.

B. Certification of Grass Seed: From seed vendor for each grass-seed monostand or mixture stating the botanical and common name and percentage by weight of each species and variety, and percentage of purity, germination, and weed seed. Include the year of production and date of packaging.

1. Certification of each seed mixture for turfgrass sod, identifying source, including name and telephone number of supplie.

C. Product certificates: For soil amendments and fertilizers, signed by product manufacturer

D. Planting Schedule: Indicating anticipated planting dates for each type of planting.

E. Maintenance Instructions: Recommended procedures to be established by Owner for maintenance of lawns during a calendar year. Submit before expiration of required maintenance periods.

QUALITY ASSURANCE

A. Installer's Field Supervision: Require Installer to maintain an experienced full-time supervisor on Project site when planting is in progress.

B. Soil-Testing Laboratory Qualifications: An independent laboratory, recognized by the State Department of Agriculture, with the experience and capability to conduct the testing indicated and that specializes in types of tests to be performed

C. Topsoil Analysis: Furnish soil analysis by a qualified soil-testing laboratory.

1. Report suitability of topsoil for lawn growth. State-recommended quantities of nitrogen, phosphorus, and potash nutrients and soil amendments to be added to produce satisfactory topsoil.

DELIVERY, STORAGE, AND HANDLING

A. Seed and Other Packaged Materials: Deliver packaged materials in original, unopened containers showing weight, certified analysis, name and address of manufacturer, and indicationof compliance with state and Federal laws, as applicable

B. Sod: Harvest, deliver, store, and handle sod according to requirements in TPI's "Specifications for Turfgrass Sod Materials" and "Specifications for Turfgrass Sod Transplanting and Installation" in its "Guideline Specifications to Turfgrass Sodding." Deliver sod in time for planting within 24 hours of harvesting. Protect sod from breakage and drying.

SCHEDULING

A. Weather Limitations: Proceed with planting only when existing and forecasted weather conditions permit.

MAINTENANCE SERVICE

A. See Division 32 "Landscape Maintenance"

B. Begin maintenance immediately after each area is planted and continue until acceptable lawn is established, but for not less than the following periods:

1. Sodded Lawns: 90 days from date of Substantial Completion.

C. Maintain and establish lawn by watering, fertilizing, weeding, mowing, trimming, replanting, and other operations. Roll, regrade, and replant bare or eroded areas and remulch to produce a uniformly smooth lawn.

1. In areas where mulch has been disturbed by wind or maintenance operations, add new mulch. Anchor as required to prevent displacement.

D. Watering: Provide and maintain temporary piping, hoses, and lawn-watering equipment to convey water from sources and to keep lawn uniformly moist to a depth of 4 inches (100 mm).

1. Schedule watering to prevent wilting, puddling, erosion, and displacement of seed or mulch. Lay out temporary watering system to avoid walking over muddy or newly planted areas.

2. Water lawn at a minimum rate of 1 inch (25 mm) per week.

E. Mow lawn as soon as top growth is tall enough to cut. Repeat mowing to maintain specified height without cutting more than 40 percent of grass height. Remove no more than 40 percent of grass-leaf growth in initial or subsequent mowings. Do not delay mowing until grass blades bend over and become matted. Do not mow when grass is wet. Schedule initial and subsequent mowings to maintain the following grass height:

1. Mow grass 1/2 to 1 inch (13 to 25 mm) high.

F. Lawn Postfertilization: Apply fertilizer after initial mowing and when grass is dry.

1. Use fertilizer that will provide actual nitrogen of at least 1 lb/1000 sq. ft. (0.45 kg/92.9 sq. m) to lawn area.

PART 2 - PRODUCTS

MANUFACTURERS

A. Acceptable Manufacturers:

1. Products described below and identified by product name, model number, or other manufacturer designation, are basis of design products. Basis of design products establish the standards of type, function, dimension, in-service performance, physical properties, appearance, warranty, cost, and other characteristics required by the Project.

a. Pacific Coast Sod Patterson, CA 95352 Tel: (800) 692-8690

a. Or equal

1. Subject to the requirements of Division 01 "Product Requirements", products of manufacturers not listed may be proposed for substitution, provided they are comparable to the products specified.

a. If "No substitutions" is indicated next to the product name, provide only products of listed manufacturers.

b. The burden of proof of equality of proposed products is on the Contractor.

SEED

A. Grass Seed: Fresh, clean, dry, new-crop seed complying with AOSA's "Journal of Seed Technology; Rules for Testing Seeds" for purity and germination tolerances.

B. Seed Species: State-certified seed of grass species, as follows:

1. Quality: State-certified seed of grass species as listed below for solar exposure.

2. Quality: Seed of grass species as listed below for solar exposure, with not less than 85

3. percent germination, not less than 95 percent pure seed, and not more than 0.5 percent

4. weed seed:

5. Sun and Partial Shade: Proportioned by weight as follows, or approved equal:
    a. 50 percent Kentucky Bluegrass.
    b. 33 percent Creeping Red Fescue.
    c. 17 percent Kokamo Perennial Ryegrass

SOD

A. Product:
    1. Medallion Dwarf with Bonsai Thickness: 5/8" - 3/4" Sizes: 10" x 72"
    2. Or equal

A.

ORGANIC SOIL AMENDMENTS

A. Compost: Well-composted, stable, and weed-free organic matter, pH range of 5.5 to 8; moisture content 35 to 55 percent by weight; 100 percent passing through 1-inch (25-mm) sieve; soluble salt content of 5 to 10 decisiemens/m; not exceeding 0.5 percent inert contaminants and free of substances toxic to plantings; and as follows:
    1. Organic Matter Content: 50 to 60 percent of dry weight.
    2. Feedstock: Agricultural, food, or industrial residuals; biosolids; yard trimmings; or source- separated or compostable mixed solid waste.
B. Wood Derivatives: Decomposed, nitrogen-treated sawdust, ground bark, or wood waste; of uniform texture, free of chips, stones, sticks, soil, or toxic materials.
    1. In lieu of decomposed wood derivatives, mix partially decomposed wood derivatives with at least 0.15 lb (2.4 kg) of ammonium nitrate or 0.25 lb (4 kg) of ammonium sulfate per cubic foot (cubic meter) of loose sawdust or ground bark.
C. Manure: Well-rotted, unleached, stable or cattle manure containing not more than 25 percent by volume of straw, sawdust, or other bedding materials; free of toxic substances, stones, sticks, soil, weed seed, and material harmful to plant growth.

A.

FERTILIZER

A. Bonemeal: Commercial, raw or steamed, finely ground; a minimum of 4 percent nitrogen and 10 percent phosphoric acid.

B. Superphosphate: Commercial, phosphate mixture, soluble; a minimum of 20 percent available phosphoric acid.

C. Commercial Fertilizer: Commercial-grade complete fertilizer of neutral character, consisting of fast- and slow-release nitrogen, 50 percent derived from natural organic sources of urea formaldehyde, phosphorous, and potassium in the following composition:

1. Composition: 1 lb/1000 sq. ft. (0.45 kg/92.9 sq. m) of actual nitrogen, 4 percent phosphorous, and 2 percent potassium, by weight.

2. Composition: Nitrogen, phosphorous, and potassium in amounts recommended in soil reports from a qualified soil-testing agency.

D. Slow-Release Fertilizer: Granular or pelleted fertilizer consisting of 50 percent water-insoluble nitrogen, phosphorus, and potassium in the following composition:

1. Composition: 20 percent nitrogen, 10 percent phosphorous, and 10 percent potassium, by weight.

2. Composition: Nitrogen, phosphorous, and potassium in amounts recommended in soil reports from a qualified soil-testing agency.

MULCHES

A. Compost Mulch: Well-composted, stable, and weed-free organic matter, pH range of 5.5 to 8; moisture content 35 to 55 percent by weight; 100 percent passing through 1-inch (25-mm) sieve; soluble salt content of 5 to 10 decisiemens/m; not exceeding 0.5 percent inert contaminants and free of substances toxic to plantings; and as follows:

1. Organic Matter Content: 50 to 60 percent of dry weight.

2. Feedstock: Agricultural, food, or industrial residuals; biosolids; yard trimmings; or source- separated or compostable mixed solid waste.

B. Fiber Mulch: Biodegradable, dyed-wood, cellulose-fiber mulch; nontoxic; free of plant-growth or germination inhibitors; with maximum moisture content of 15 percent and a pH range of 4.5 to 6.5.

PLANTING ACCESSORIES

A. Selective Herbicides: EPA registered and approved, of type recommended by manufacturer for application.

PART 3 - EXECUTION

EXAMINATION

A. Examine areas to receive lawns for compliance with requirements and other conditions affecting performance. Proceed with installation only after unsatisfactory conditions have been corrected.

PREPARATION

A. Protect structures, utilities, sidewalks, pavements, and other facilities, trees, shrubs, and plantings from damage caused by planting operations.

B. Provide erosion-control measures to prevent erosion or displacement of soils and discharge of soil-bearing water runoff or airborne dust to adjacent properties and walkways.

LAWN PREPARATION

A. Limit lawn subgrade preparation to areas to be planted.

B. Newly Graded Subgrades: Loosen subgrade to a minimum depth of 6 inches (150 mm). Remove stones larger than 1 inch (25 mm) in any dimension and sticks, roots, rubbish, and other extraneous matter and legally dispose of them off Owner's property.

   1. Apply superphosphate fertilizer directly to subgrade before loosening.

   2. Thoroughly blend planting soil mix off-site before spreading or spread topsoil, apply soil amendments and fertilizer on surface, and thoroughly blend planting soil mix.

      a. Delay mixing fertilizer with planting soil if planting will not proceed within a few days.

      b. Mix lime with dry soil before mixing fertilizer.

   3. Spread planting soil mix to a depth of 6 inches (150 mm) but not less than required to meet finish grades after light rolling and natural settlement. Do not spread if planting soil or subgrade is frozen, muddy, or excessively wet.

      a. Spread approximately one-half the thickness of planting soil mix over loosened subgrade. Mix thoroughly into top 4 inches of subgrade. Spread remainder of planting soil mix.

      b. Reduce elevation of planting soil to allow for soil thickness of sod.

C. Unchanged Subgrades: If lawns are to be planted in areas unaltered or undisturbed by excavating, grading, or surface soil stripping operations, prepare surface soil as follows:

   1. Remove existing grass, vegetation, and turf. Do not mix into surface soil.

   2. Loosen surface soil to a depth of at least of 8 inches (200 mm). Apply soil amendments and fertilizers according to planting soil mix proportions and mix thoroughly into top 6 inches of soil. Till soil to a homogeneous mixture of fine texture.

   3. Apply superphosphate fertilizer directly to surface soil before loosening.

   4. Remove stones larger than 1 inch (25 mm) in any dimension and sticks, roots, trash, and other extraneous matter.

   5. Legally dispose of waste material, including grass, vegetation, and turf, off Owner's property.

D. Finish Grading: Grade planting areas to a smooth, uniform surface plane with loose, uniformly fine texture. Grade to within plus or minus 1/2 inch (13 mm) of finish elevation. Roll and rake, remove ridges, and fill depressions to meet finish grades. Limit fine grading to areas that can be planted in the immediate future.

E. Moisten prepared lawn areas before planting if soil is dry. Water thoroughly and allow surface to dry before planting. Do not create muddy soil.

F. Restore areas if eroded or otherwise disturbed after finish grading and before planting.

A.

SEEDING

A. Sow seed with spreader or seeding machine. Do not broadcast or drop seed when wind velocity exceeds 5 mph.

    1. 1. Evenly distribute seed by sowing equal quantities in two directions at right angles to each

    2. other.

    3. 2. Do not use wet seed or seed that is moldy or otherwise damaged.

    4. 3. Do not seed against existing trees. Limit extent of seed to outside edge of plantingsaucer.

B. Sow seed at a total rate of 25 lb/1000 sq. ft.

C. Rake seed lightly into top 1/8 inch of soil, roll lightly, and water with fine spray.

D. Protect seeded areas with slopes not exceeding 1:6 by spreading straw mulch. Spread uniformly at a minimum rate of 2 tons/acre to form a continuous blanket 1-1/2 inches in loose thickness over seeded areas.

    1. Anchor straw mulch by crimping into soil with suitable mechanical equipment.

E. Protect seeded areas from hot, dry weather or drying winds by applying compost mulch, peat mulch and planting soil within 24 hours after completing seeding operations. Soak areas, scatter mulch uniformly to a thickness of 3/16 inch, and roll surface smooth.

F. Do not broadcast or drop seed when wind velocity exceeds 5 mph (8 km/h). Evenly distribute seed by sowing equal quantities in two directions at right angles to each other.

SODDING

A. Lay sod within 24 hours of harvesting. Do not lay sod if dormant or if ground is frozen or muddy.

B. Lay sod to form a solid mass with tightly fitted joints. Butt ends and sides of sod; do not stretch or overlap. Stagger sod strips or pads to offset joints in adjacent courses. Avoid damage to subgrade or sod during installation. Tamp and roll lightly to ensure contact with subgrade, eliminate air pockets, and form a smooth surface. Work sifted soil or fine sand into minor cracks between pieces of sod; remove excess to avoid smothering sod and adjacent grass.

C. Saturate sod with fine water spray within two hours of planting. During first week after planting, water daily or more frequently as necessary to maintain moist soil to a minimum depth of 1-1/2 inches below sod.

1.

CLEANUP AND PROTECTION

A. Promptly remove soil and debris created by lawn work from paved areas. Clean wheels of vehicles before leaving site to avoid tracking soil onto roads, walks, or other paved areas.

B. Erect barricades and warning signs as required to protect newly planted areas from traffic. Maintain barricades throughout maintenance period and remove after lawn is established.

C. Remove erosion-control measures after grass establishment period.

LAWN MAINTENANCE

A. Maintain and establish lawn by watering, fertilizing, weeding, mowing, trimming, replanting, and other operations. Roll, regrade, and replant bare or eroded areas and remulch to produce a uniformly smooth lawn. Provide materials and installation the same as those used in the original installation.

B. Mow lawn as soon as top growth is tall enough to cut. Repeat mowing to maintain specified height without cutting more than 1/3 of grass height. Remove no more than 1/3 of grass-leaf growth in initial or subsequent mowings.

8.13. Subdrainage

Measurement and Payment

Full compensation for furnishing all labor, materials, tools, equipment, and incidentals, and for doing all of the work involved in compliance with the Plans, Specifications, and “Subdrainage” of the Technical Specifications, shall be included and paid for in the appropriate bid item price.

Bid Item #18 Area Drains LS

PART 1 - GENERAL

SUMMARY

A. This Section includes subdrainage systems for the following:

1. Underslab areas.

2. Landscaped areas.

3.

B. Related Documents

1. The following applies to this section:
    a. General provisions of the Contract, including General and Supplementary Conditions.
    b. The Drawings.
    c. Division 01 Specification Sections and related requirements in other sections of the Project Manual. Including but not limited;
        I. Section 311000 Site Clearing
        II. Section 311000 Earth Moving
        III. Section 321313 Concrete Paving
        IV. Section 321416 Brik Unit Paving
        V. Section 329119 Landscape Grading
        VI. Section 329300 Planting
    d. Related requirements in other Contract Documents listed in the Agreement.
2. Review these documents for coordination with additional requirements and information that apply to work under this Section

REFERENCE

A. General:

1. The following documents form part of the Specifications to the extent stated. Bring conflicts between Specifications, Drawings, and the referenced documents to the attention of the Architect, in writing, for resolution before taking any related action. Where differences exist between codes and standards, the one affording the greatest protection shall apply.
2. If the year of the adoption or latest revision is omitted from the designation, it shall mean the specification, manual or test designation in effect the date the Notice to Proceed with the Work is given.
3. Standard Specifications - Standard Specifications of the State of California, Business and Transportation Agency, Department of Transportation, CALTRANS.
4. ASTM - American Society for Testing and Materials
5. Town of Los Gatos Specifications and Details and Applicable Regulations.
6. Other applicable federal, state, and local regulations.

DEFINITIONS

A. ABS: Acrylonitrile-butadiene-styrene plastic.

B. HDPE: High-density polyethylene plastic.

C. PE: Polyethylene plastic.

D. PP: Polypropylene plastic.

E. PS: Polystyrene plastic.

F. PVC: Polyvinyl chloride plastic.

G. Subdrainage: Drainage system that collects and removes subsurface or seepage water.

SUBMITTALS

A. Product Data: For each type of drainage panel indicated.

PROJECT/SITE CONDITIONS

A. Existing Conditions: For protection of existing plants to remain, see Division 31, Section "Selective Tree Protection and Trimming".

B. Protection of Utilities:

1. Provide temporary support and protection of underground and surface utility structures, drains, services and other improvements to remain.

2. Where grade or alignment of pipe is obstructed by existing utility structures such as conduits, ducts or pipes, permanently support, relocate, remove or reconstruct the obstruction.

3. Restore all damaged improvements to original condition at no additional cost to Owner.

DELIVERY, STORAGE, AND HANDLING

A. Delivery: All containerized products shall be delivered to the site in manufacturer's original, unopened, legibly labeled containers. All pipe to be delivered bound securely to prevent damage. Supply pallets as required to protect products.

B. Storage: Protect materials from damage, water and rust. Store pipes on beds which are full length of pipe. Protect plastic materials from direct sunlight.

C. Pipe: Cap openings to prevent entry of dust, debris and other foreign matter.

SEQUENCING AND SCHEDULING

A. Concealed Work: Verify and locate existing pipes and structures to be coordinated with landscape drainage work.

B. Lines and Levels: Establish for each drainage system and coordinate with other systems to prevent conflicts and maintain proper clearances.

C. Notification: Submit written notification of all discrepancies in the Drawings or existing conditions which preclude successful installation of landscape drainage work as specified.

1.

PART 2 - PRODUCTS

PERFORATED-WALL PIPES AND FITTINGS

A. Perforated PE Pipe and Fittings: ASTM F 405 or AASHTO M 252, Type CP; corrugated, for coupled joints.

B. Perforated PVC Sewer Pipe and Fittings: ASTM D 2729, bell-and-spigot ends, for loose joints

SOLID-WALL PIPES AND FITTINGS

A. Cast-Iron Soil Pipe and Fittings: ASTM A 74, Service and Extra-Heavy classes, hub-and-spigot ends, gray, for gasketed joints.

1. Gaskets: ASTM C 564, rubber, of thickness matching class of pipe.

B. PE Drainage Tubing and Fittings: AASHTO M 252, Type S, corrugated, with smooth waterway, for coupled joints.

1. Couplings: AASHTO M 252, corrugated, band type, matching tubing and fittings.

C. PVC Sewer Pipe and Fittings: ASTM D 3034, SDR 35, bell-and-spigot ends, for gasketed joints.

1. Gaskets: ASTM F 477, elastomeric seal.

CLEANOUTS

A. Cast-Iron Cleanouts: ASME A112.36.2M; with round-flanged, cast-iron housing; and secured, scoriated, Medium-Duty Loading class, cast-iron cover. Include cast-iron ferrule and countersunk, brass cleanout plug.

B. PVC Cleanouts: ASTM D 3034, PVC cleanout threaded plug and threaded pipe hub.

SOIL MATERIALS

A. Backfill, drainage course, impervious fill, and satisfactory soil materials are specified in Division 31 Section "Earth Moving."

GEOTEXTILE FILTER FABRICS

A. Description: Fabric of PP or polyester fibers or combination of both, with flow rate range from 110 to 330 gpm/sq. ft. when tested according to ASTM D 4491.
    1. Structure Type: Nonwoven, needle-punched continuous filament
    2. Style(s): Flat and sock

PART 3 - EXECUTION

EARTHWORK

A. Excavating, trenching, and backfilling are specified in Division 31 Section "Earth Moving."

PIPING APPLICATIONS

A. Underground Subdrainage Piping:
    1. Perforated PE pipe and fittings, couplings, and coupled joints.
    2. Perforated PVC sewer pipe and fittings for loose, bell-and-spigot joints.
B. Underslab Subdrainage Piping:
    1. Perforated PE pipe and fittings, couplings, and coupled joints.
    2. Perforated PVC sewer pipe and fittings and loose, bell-and-spigot joints.

3.3 CLEANOUT APPLICATIONS

A. In Underground Subdrainage Piping:
    1. At Grade in Earth: Cast-iron or PVC cleanouts.
    2. At Grade in Paved Areas: Cast-iron cleanouts.
B. In Underslab Subdrainage Piping:
    1. In Equipment Rooms and Unfinished Areas: Cast-iron cleanouts.
    2. In Finished Areas: Copper-alloy cleanouts.

FOUNDATION DRAINAGE INSTALLATION

A. Place impervious fill material on subgrade adjacent to bottom of footing after concrete footing forms have been removed. Place and compact impervious fill to dimensions indicated, but not less than 6 inches deep and 12 inches wide.

B. Lay flat-style geotextile filter fabric in trench and overlap trench sides.

C. Place supporting layer of drainage course over compacted subgrade and geotextile filter fabric, to compacted depth of not less than 4 inches.

D. Encase pipe with sock-style geotextile filter fabric before installing pipe. Connect sock sections with adhesive or tape.

E. Install drainage piping as indicated in Part 3 "Piping Installation" Article for foundation subdrainage.

F. Add drainage course to width of at least 6 inches on side away from wall and to top of pipe to perform tests.

G. After satisfactory testing, cover drainage piping to width of at least 6 inches on side away from footing and above top of pipe to within 12 inches of finish grade.

H. Install drainage course and wrap top of drainage course with flat-style geotextile filter fabric.

I. Place layer of flat-style geotextile filter fabric or waterproofing felt over top of drainage course, overlapping edges at least 4 inches

J. Place initial backfill material over compacted drainage course. Place material in loose-depth layers not exceeding 6 inches. Thoroughly compact each layer. Final backfill to finish elevations and slope away from building.

1.

UNDERSLAB DRAINAGE INSTALLATION

A. Excavate for underslab drainage system after subgrade material has been compacted but before drainage course has been placed. Include horizontal distance of at least 6 inches between drainage pipe and trench walls. Grade bottom of trench excavations to required slope, and compact to firm, solid bed for drainage system.

B. Lay flat-style geotextile filter fabric in trench and overlap trench sides.

C. Place supporting layer of drainage course over compacted subgrade and geotextile filter fabric, to compacted depth of not less than 4 inches .

D. Encase pipe with sock-style geotextile filter fabric before installing pipe. Connect sock sections with adhesive or tape.

E. Install drainage piping as indicated in Part 3 "Piping Installation" Article for underslab subdrainage.

F. Add drainage course to width of at least 6 inches on side away from wall and to top of pipe to perform tests.

G. After satisfactory testing, cover drainage piping with drainage course to elevation of bottom of slab, and compact and wrap top of drainage course with flat-style geotextile filter fabric.

PIPING INSTALLATION

A. Install piping beginning at low points of system, true to grades and alignment indicated, with unbroken continuity of invert. Bed piping with full bearing in filtering material. Install gaskets, seals, sleeves, and couplings according to manufacturer's written instructions and other requirements indicated.

   1. Foundation Subdrainage: Install piping pitched down in direction of flow, at a minimum slope of 0.5 percent and with a minimum cover of 36 inches, unless otherwise indicated.
   2. Underslab Subdrainage: Install piping pitched down in direction of flow, at a minimum slope of 0.5 percent.
   3. Lay perforated pipe with perforations down.
   4. Excavate recesses in trench bottom for bell ends of pipe. Lay pipe with bells facing upslope and with spigot end entered fully into adjacent bell.

B. Use increasers, reducers, and couplings made for different sizes or materials of pipes and fittings being connected. Reduction of pipe size in direction of flow is prohibited.

C. Install PE piping according to ASTM D 2321.

D. Install PVC piping according to ASTM D 2321.

PIPE JOINT CONSTRUCTION

A. Cast-Iron Soil Pipe and Fittings: Hub and spigot, with rubber compression gaskets according to CISPI's "Cast Iron Soil Pipe and Fittings Handbook." Use gaskets that match class of pipe and fittings.

B. Join PE pipe, tubing, and fittings with couplings for soil-tight joints according to AASHTO's "Standard Specifications for Highway Bridges," Division II, Section 26.4.2.4, "Joint Properties."

C. Join perforated, PE pipe and fittings with couplings for soil-tight joints according to AASHTO's "Standard Specifications for Highway Bridges," Division II, Section 26.4.2.4, "Joint Properties"; or according to ASTM D 2321.

D. Join PVC pipe and fittings according to ASTM D 3034 with elastomeric seal gaskets according to ASTM D 2321.

E. Join perforated PVC pipe and fittings according to ASTM D 2729, with loose bell-and-spigot joints.

F. Special Pipe Couplings: Join piping made of different materials and dimensions with special couplings made for this application. Use couplings that are compatible with and fit materials and dimensions of both pipes

CLEANOUT INSTALLATION

A. Cleanouts for Foundation Subdrainage:

   1. Install cleanouts from piping to grade. Locate cleanouts at beginning of piping run and at changes in direction. Install fittings so cleanouts open in direction of flow in piping.

2. In vehicular-traffic areas, use NPS 4 cast-iron soil pipe and fittings for piping branch fittings and riser extensions to cleanout. Set cleanout frames and covers in a cast-in-place concrete anchor, 18 by 18 by 12 inches in depth. Set top of cleanout flush with grade. Cast-iron pipe may also be used for cleanouts in nonvehicular-traffic areas.
3. In nonvehicular-traffic areas, use NPS 4 Cast Iron or PVC pipe and fittings for piping branch fittings and riser extensions to cleanout. Set cleanout frames and covers in a cast- in-place concrete anchor, 12 by 12 by 4 inches (300 by 300 by 100 mm) in depth. Set top of cleanout plug 1 inch (25 mm) above grade.

B. Cleanouts for Underslab Subdrainage:

1. Install cleanouts and riser extensions from piping to top of slab. Locate cleanouts at beginning of piping run and at changes in direction. Install fittings so cleanouts open in direction of flow in piping.
2. Use NPS 4 cast-iron soil pipe and fittings for piping branch fittings and riser extensions to cleanout flush with top of slab.
1.

CONNECTIONS

A. Comply with requirements for piping specified in Town of Lost Gatos guidelines.

FIELD QUALITY CONTROL

A. Testing and Inspections:

1. After installing drainage course to top of piping, test drain piping with water to ensure free flow before backfilling.
2. Remove obstructions, replace damaged components, and repeat test until results are satisfactory.

B. Drain piping will be considered defective if it does not pass tests and inspections.

C. Prepare test and inspection reports.

CLEANING

A. Clear interior of installed piping and structures of dirt and other superfluous material as work progresses. Maintain swab or drag in piping and pull past each joint as it is completed. Place plugs in ends of uncompleted pipe at end of each day or when work stops.

AGREEMENT FOR SERVICES

AGREEMENT FOR PROFESSIONAL SERVICES

PREAMBLE

THIS AGREEMENT is by and between TOWN OF LOS GATOS, a California municipal corporation, ("Town") and Ninyo & Moore ("Contractor"), a Corporation whose address is 1301 Marina Village Parkway, Suite 110, Alameda, CA 94501. This Agreement is made with reference to the following facts.

I. RECITALS

A. Town desires to engage Consultant to provide materials testing and special inspection services for the Oak Meadow Bandstand Area Improvement Project.

B. Consultant represents and affirms that it is willing to perform the desired work pursuant to this Agreement.

C. Consultant warrants it possesses the distinct professional skills, qualifications, experience, and resources necessary to timely perform the services described in this Agreement. Consultant acknowledges Town has relied upon these warranties to retain the Consultant.

II. AGREEMENT

A. Scope of Services. Consultant shall provide services as described in the Scope of Services, which is hereby incorporated by reference and attached as Exhibit A.

B. Term. The term of this Agreement shall be from upon execution to Thursday, December 31, 2026.

C. Compliance with Laws. The Consultant shall comply with all applicable laws, codes, ordinances, and regulations of governing federal, state and local laws. Consultant represents and warrants to Town that it has all licenses, permits, qualifications and approvals of whatsoever nature which are legally required for the Consultant to practice its profession. Consultant shall maintain a Town of Los Gatos business license as required in Chapter 14 of the Code of the Town of Los Gatos.

D. Sole Responsibility. Consultant shall be responsible for employing or engaging all persons necessary to perform the services under this Agreement.

E. Information/Report Handling. All documents furnished to Consultant by the Town and all reports and supportive data prepared by the Consultant under this Agreement are the Town's property and shall be delivered to the Town upon the completion of services or at the Town's written request. All reports, information, data, and exhibits prepared or assembled by Consultant in connection with the performance of its services pursuant to this Agreement are confidential until released by the Town to the public, and the Consultant shall not make any of these documents or information available to any individual or organization not employed by the Consultant or the Town without the written consent of the Town before such release. The Town acknowledges that the reports to be prepared by the Consultant pursuant to this Agreement are for the purpose of evaluating a defined project, and Town's use of the information contained in the reports prepared by the Consultant in connection with other projects shall be solely at Town's risk, unless the Consultant expressly consents to such use in writing. Town further agrees that it will not appropriate any methodology or technique of Consultant which is and has been confirmed in writing by Consultant to be a trade secret of Consultant.

F. Compensation: Compensation for Consultant's professional services **shall not exceed $9,880.00** at the forth in Exhibit A which is attached and incorporated by reference. Payment shall be based upon Town approval of each task.

G. Billing. Billing shall be monthly by invoice within thirty (30) days of the rendering of the service and shall be accompanied by a detailed explanation of the work performed by whom at what rate and on what date. Also, plans, specifications, documents or other pertinent materials shall be submitted for Town review, even if only in partial or draft form.
Payment shall be net thirty (30) days. All invoices and statements to the Town shall be addressed as follows:
Invoices: Town of Los Gatos
Attn: Accounts Payable
P.O. Box 655
Los Gatos, CA 95031-0655
Email (preferred): AP@losgatosca.gov

H. Availability of Records. Consultant shall maintain the records supporting this billing for not less than three years following completion of the work under this Agreement. Consultant shall make these records available to authorized personnel of the Town at the Consultant offices during business hours upon written request of the Town.

I. Assignability and Subcontracting. The services to be performed under this Agreement are unique and personal to the Consultant. No portion of these services shall be assigned or subcontracted without the written consent of the Town.

J. Independent Contractor. It is understood that the Consultant, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and not an agent or employee of the Town. As an independent contractor he/she shall not obtain any rights to retirement benefits or other benefits which accrue to Town employee(s). With prior written consent, the Consultant may perform some obligations under this Agreement by subcontracting, but may not delegate ultimate responsibility for performance or assign or transfer interests under this Agreement. Consultant agrees to testify in any litigation brought regarding the subject of the work to be performed under this Agreement. Consultant shall be compensated for its costs and expenses in preparing for, traveling to, and testifying in such matters at its then current hourly rates of compensation, unless such litigation is brought by Consultant or is based on allegations of Consultant's negligent performance or wrongdoing.

K. Conflict of Interest. Consultant understands that its professional responsibilities are solely to the Town. The Consultant has and shall not obtain any holding or interest within the Town of Los Gatos. Consultant has no business holdings or agreements with any individual member of the Staff or management of the Town or its representatives, nor shall it enter into any such holdings or agreements. In addition, Consultant warrants that it does not presently and shall not acquire any direct or indirect interest adverse to those of the Town in the subject of this Agreement, and it shall immediately disassociate itself from such an interest, should it discover it has done so and shall, at the Town's sole discretion, divest itself of such interest. Consultant shall not knowingly and shall take reasonable steps to ensure that it does not employ a person having such an interest in this performance of this Agreement. If after employment of a person Consultant discovers it has employed a person

with a direct or indirect interest that would conflict with its performance of this Agreement, Consultant shall promptly notify Town of this employment relationship, and shall, at the Town's sole discretion, sever any such employment relationship.

L. Non-Discrimination. Consultant warrants that it is an equal opportunity employer and shall comply with applicable regulations governing equal employment opportunity. Neither Consultant nor its subcontractors do and neither shall discriminate against persons employed or seeking employment with them on the basis of age, sex, color, race, marital status, sexual orientation, ancestry, physical or mental disability, national origin, religion, or medical condition, unless based upon a bona fide occupational qualification pursuant to the California Fair Employment & Housing Act.

III. INSURANCE AND INDEMNIFICATION

A. Minimum Scope of Insurance:

1. Consultant agrees to have and maintain, for the duration of the contract, General Liability insurance policies insuring him/her and his/her firm to an amount not less than: two million dollars ($2,000,000) combined single limit per occurrence for bodily injury, personal injury and property damage.

2. Consultant agrees to have and maintain for the duration of the contract, an Automobile Liability insurance policy ensuring him/her and his/her staff to an amount not less than one million dollars ($1,000,000) combined single limit per accident for bodily injury and property damage.

3. Consultant shall provide to the Town all certificates of insurance, with original endorsements effecting coverage. Service Provider agrees that all certificates and endorsements are to be received and approved by the Town before work commences.

4. Consultant agrees to have and maintain, for the duration of the contract, professional liability insurance in amounts not less than $1,000,000 which is sufficient to insure Consultant for professional errors or omissions in the performance of the particular scope of work under this agreement.

B. General Liability:

1. The Town, its elected and appointed officials, employees, and agents are to be covered as insured as respects: liability arising out of activities performed by or on behalf of the Consultant; products and completed operations of Consultant, premises owned or used by the Consultant.

2. The Consultant's insurance coverage shall be primary insurance as respects the Town, its elected and appointed officials, employees, and agents. Any insurance or self-insurances maintained by the Town, its officers, officials, employees or agents shall be excess of the Consultant's insurance and shall not contribute with it.

3. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Town, its officers, officials, employees or agents.

4. Consultant's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.

C. All Coverages. Each insurance policy required in this item shall be endorsed to state that coverage sha suspended, voided, cancelled, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Town. Current certification of such insurance shall be kept on file at all times during the term of this agreement with the Town Clerk.

D. Workers' Compensation. In addition to these policies, Consultant shall have and maintain Workers' Compensation insurance as required by California law and shall provide evidence of such policy to the Town before beginning services under this Agreement. Further, Consultant shall ensure that all subcontractors employed by Consultant provide the required Workers' Compensation insurance for their respective employees. As required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than one million dollars ($1,000,000) per accident for bodily injury or disease.

E. Indemnification. The Consultant shall indemnify the Town its elected and appointed officials, employees and agents from all damages, liabilities, penalties, costs, or expenses in law or equity that may at any time arise or be set up because of damages to property or personal injury received by reason of, or in the course of performing work which may be occasioned by any act or omissions of the Consultant, or any of the Consultant's officers, employees, or agents or any subconsultant. Consultant shall defend the Town against any such claims.

IV. GENERAL TERMS

A. Waiver. No failure on the part of either party to exercise any right or remedy hereunder shall operate as a waiver of any other right or remedy that party may have hereunder, nor does waiver of a breach or default under this Agreement constitute a continuing waiver of a subsequent breach of the same or any other provision of this Agreement.

B. Governing Law. This Agreement, regardless of where executed, shall be governed by and construed to the laws of the State of California. Venue for any action regarding this Agreement shall be in the Superior Court of the County of Santa Clara.

C. Termination of Agreement. The Town and the Consultant shall have the right to terminate this agreement with or without cause by giving not less than fifteen days (15) written notice of termination. In the event of termination, the Consultant shall deliver to the Town all plans, files, documents, reports, performed to date by the Service Provider. In the event of such termination, Town shall pay Consultant an amount that bears the same ratio to the maximum contract price as the work delivered to the Town bears to completed services contemplated under this Agreement, unless such termination is made for cause, in which event, compensation, if any, shall be adjusted in light of the particular facts and circumstances involved in such termination.

D. Amendment. No modification, waiver, mutual termination, or amendment of this Agreement is effective unless made in writing and signed by the Town and the Consultant.

E. Notices. Any notice required to be given shall be deemed to be duly and properly given if mailed postage prepaid, and addressed to:

Town of Los Gatos
Attn: Town Clerk
110 E. Main Street, Los Gatos, CA 95030

Ninyo & Moore
1301 Marina Village Parkway, Suite 110, Alameda, CA 94501

or personally delivered to Consultant to such address or such other address as Consultant designates in writing to Town.

F. Order of Precedence. In the event of any conflict, contradiction, or ambiguity between the terms and conditions of this Agreement in respect of the Products or Services and any attachments to this Agreement, then the terms and conditions of this Agreement shall prevail over attachments or other writings.

G. Entire Agreement. This Agreement, including all Exhibits, constitutes the complete and exclusive statement of the Agreement between the Town and Consultant. No terms, conditions, understandings or agreements purporting to modify or vary this Agreement, unless hereafter made in writing and signed by the party to be bound, shall be binding on either party.

IN WITNESS WHEREOF, the Town and Consultant have executed this Agreement.

TOWN OF LOS GATOS:	CONSULTANT: Ninyo and Moore Geotechnical & Environmental Sciences Consultants
SIGNATURE	**SIGNATURE**
Chris Constantin	Lothus Hennefer
FULL NAME	**ENTER CONSULTANT SIGNATORY'S NAME**
Town Manager	Principal/Consulting Services
TITLE	**ENTER CONSULTANT SIGNATORY'S TITLE**
DATE SIGNED	**DATE SIGNED**

Approved as to form:

SIGNATURE
Gabrielle Whelan
FULL NAME
Town Attorney
TITLE
DATE SIGNED

The execution date is the date on which the last party has signed.

Attachments:

A - Ninyo&Moore_Proposal

TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 04/07/2026
ITEM NO: 8

DATE: April 7, 2026

TO: Mayor and Town Council

FROM: Chris Constantin, Town Manager

SUBJECT: **Authorize the Town Manager to Execute a First Amendment to the Agreement for Consultant Services with CSG Consultants, Inc., to Extend the Term of the Agreement**

RECOMMENDATION: Authorize the Town Manager to execute a First Amendment to the Agreement for Consultant Services with CSG Consultants, Inc., to extend the term of the agreement for encroachment permit plan review and inspection services related to Comcast projects for a term of one year.

FISCAL IMPACT:

There is no fiscal impact associated with this action. This agreement is fully funded through applicant (Comcast) deposits collected by the Town for encroachment permit review and inspection services by the consultant (CSG). The Town issues Authorizations to Proceed to the consultant based on available deposit balances, ensuring that all consultant costs are fully reimbursed and that no General Fund or other Town funds are utilized.

The agreement includes a not-to-exceed amount of $500,000; however, expenditures are limited to funds received from Comcast, resulting in no net fiscal impact to the Town. This structure eliminates financial exposure to the Town by ensuring services are only authorized when sufficient third-party funding is available.

STRATEGIC PRIORITIES:

This project specifically supports the Town's 2025-2027 Strategic Priorities Core Goals of Quality Public Infrastructure and Public Safety.

PREPARED BY: James Watson
Senior Civil Engineer

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Administrative Services Director

BACKGROUND:

Encroachment permits are used by the Town to control work in the public right-of-way and on Town property. Encroachment permit applications vary in scope from general maintenance activities, such as inspection of overhead electrical appurtenances from a bucket truck to installation of new facilities such as fiber optic lines buried along the side of the road. Encroachment permit applications are required to ensure Town Codes are followed, and work in the right-of-way is done safely with proper traffic control that accommodates all modes of transportation through the work area.

The Town continues to receive and process a significant number of encroachment permit applications due to the expansion of new telecommunication technologies in the area, including fiber optic wired connections to homes.

On January 21, 2025, the Town Council authorized the Town Manager to execute an agreement with CSG Consultants to provide plan review and inspection services of the proposed Comcast encroachment permits. The original contract term will expire June 30, 2026.

DISCUSSION:

With the recent expansion of fiber optic technologies and infrastructure in the Town by multiple telecommunication companies, staff have observed an increase in encroachment permit applications both in quantity and scope. To ensure success in meeting the Town's Strategic Priorities, the Town augmented the encroachment permit review process by using consultant services. Amending this agreement will provide staff with support to meet the continued demand for Comcast encroachment permit plan review and inspection services.

CONCLUSION:

Approval of this amendment will ensure the Town maintains timely and effective review and inspection of encroachment permit work in the public right-of-way, supporting public safety, infrastructure protection, and efficient service delivery. The cost of CSG's services will be borne by Comcast. Therefore, authorization to amend this on-call consultant services contract with CSG will benefit the Town without financial impact.

COORDINATION:

This staff report has been coordinated with the Finance Department.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:
1. First Amendment to CSG Services Agreement for Comcast EP Review
2. Original CSG Agreement

AMENDMENT TO AGREEMENT

This AMENDMENT TO AGREEMENT amends that certain agreement titled Agreement for Consultant Services dated January 21, 2025, made by and between the Town of Los Gatos, ("Town,") and CSG Consultants, Inc. (“Contractor”), a Corporation and whose address is 550 Pilgrim Drive, Foster City, CA 94404.

A. Town and Contractor entered into an Agreement for Consultant Services on January 21, 2025 (“Agreement”).

B. The parties desire to amend the Agreement in order to extend the term and time of performance by one year.

AMENDMENT

A. Section 2.2 Term and Time of Performance - is amended to read: This contract will remain in effect upon execution through June 30, 2027. Consultant shall perform the services described in this agreement as described in Exhibit A.

B. All other terms and conditions of the Agreement remain in full force and effect.

Attachments:

A - Scope of Services

TOWN OF LOS GATOS	CSG Consultants, Inc.
SIGNATURE	**SIGNATURE**
Chris Constantin	Cyrus Kianpour
FULL NAME	**CONTRACTOR SIGNATORY'S FULL NAME**
Town Manager	President
TITLE	**CONTRACTOR SIGNATORY'S TITLE**
DATE SIGNED	**DATE SIGNED**

Approved as to form:

SIGNATURE
Gabrielle Whelan
FULL NAME
Town Attorney
TITLE
DATE SIGNED

The execution date is the date on which the last party has signed.

Exhibits List

A - Scope of Services

Exhibit A

Scope of Services

Docusign Envelope ID: 057417E1-AD91-4794-B30F-8185E6C4252A

550 Pilgrim
Foster City, CA 94404
phone 650.522.2500
fax 650.522.2599

www.csgengr.com

December 12, 2024

Gary Heap,
Town Engineer
Town of Los Gatos
41 Miles Avenue
Los Gatos, CA 95030

RE: Comcast Encroachment Permit Plan Review - Proposal

Dear Gary:

CSG Consultants, Inc. is pleased to present this proposal to assist the Town of Los Gatos with Plan Review for the Comcast Encroachment permit application.

Comcast proposes to install communication lines within the Town of Los Gatos Public Right-of-Way..

Work to be performed under this proposal will include the following:

Plan Review

1) Plan Review:
   - Review plans for conflicts with existing surface improvements.
   - Review plans for conflicts with existing utilities. Identify utilities that may require potholing prior to construction.
   - Review plans for consistency with Town trench resurfacing standards.
   - Confirm plans show appropriate repairs to other surface improvements (concrete, pavers, landscaping) where these improvements are impacted.
2) Prepare a comment letter for each review. Meet with staff and/or the applicant as needed to review comments and how comments will be addressed.
3) Complete subsequent reviews as needed.
4) Review traffic control plans and provide comment letters and meet with Town staff and Comcast as needed.
5) Attend other meetings as needed.

Sandra Meditch, P.E., will serve as the point of contact, oversee plan review work, and conduct QA/QC.

Fee

Our fee for performing the work described above will be on a time and materials basis, based on our 2024 Standard Fee Schedule. See attached.

Docusign Envelope ID: 057417E1-AD91-4794-B30F-8185E6C4252A

Inspection Services

CSG stands ready to provide inspection services if and when needed. Enforcing traffic control requirements and the permit provisions are vital on this type of work. Also working closely with the contractor to ensure all utilities are marked and trenches are backfilled according to project plans and Town/Caltrans standards. As the level of effort and the contractor's schedule are unknown, it is very difficult to arrive at a cost at this time. However, as a place holder we suggest the Town set aside $10,000 to be finalized upon the determination of the level of effort desired by the Town and number of working days dictated by the contract.

Thank you for considering CSG Consultants for this work. We look forward to working with you on this project. Please feel free to call Sandra Meditch at (650) 522-2629 if you would like to discuss this further.

Sincerely,

Sandra A. Meditch, P.E.
Principal Engineer

cc: Hatem Ahmed, P.E.
Nourdin Khayata, P.E.
Sophie Truong, PE, PLS

Attachment

Docusign Envelope ID: 057417E1-AD91-4794-B30F-8185E6C4252A

AGREEMENT FOR CONSULTANT SERVICES

THIS AGREEMENT is dated for identification on this 21st day of January 2025 by and between TOWN OF LOS GATOS, a California municipal corporation, ("Town") and CSG Consultants, Inc. ("Consultant"), identified as a C Corporation and whose address is 550 Pilgrim Drive, Foster City, CA 94404. This Agreement is made with reference to the following facts.

I. RECITALS

1.1 The Town desires to engage Consultant to provide services to support the Comcast encroachment permit application plan review and inspection.

1.2 The Consultant represents and affirms that it is willing to perform the desired work pursuant to this Agreement.

1.3 Consultant warrants it possesses the distinct professional skills, qualifications, experience, and resources necessary to timely perform the services described in this Agreement. Consultant acknowledges Town has relied upon these warranties to retain Consultant.

II. AGREEMENTS

2.1 Scope of Services. Consultant shall provide services as described in that certain proposal sent to the Town on December 12, 2024 which is hereby incorporated by reference and attached as Exhibit A.

2.2 Term and Time of Performance. This contract will remain in effect upon execution through June 30, 2026. Consultant shall perform the services described in this agreement as described in Exhibit A.

2.3 Compliance with Laws. The Consultant shall comply with all applicable laws, codes, ordinances, and regulations of governing federal, state and local laws. Consultant represents and warrants to Town that it has all licenses, permits, qualifications and approvals of whatsoever nature which are legally required for Consultant to practice its profession. Consultant shall maintain a Town of Los Gatos business license pursuant to Chapter 14 of the Code of the Town of Los Gatos.

2.4 Sole Responsibility. Consultant shall be responsible for employing or engaging all persons necessary to perform the services under this Agreement.

2.5 Information/Report Handling. All documents furnished to Consultant by the Town and all reports and supportive data prepared by the Consultant under this Agreement are the Town's property and shall be delivered to the Town upon the completion of Consultant's services or at the Town's written request. All reports, information, data, and exhibits prepared or assembled by Consultant in connection with the performance of its services

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pursuant to this Agreement are confidential until released by the Town to the public, and the Consultant shall not make any of the these documents or information available to any individual or organization not employed by the Consultant or the Town without the written consent of the Town before such release. The Town acknowledges that the reports to be prepared by the Consultant pursuant to this Agreement are for the purpose of evaluating a defined project, and Town's use of the information contained in the reports prepared by the Consultant in connection with other projects shall be solely at Town's risk, unless Consultant expressly consents to such use in writing. Town further agrees that it will not appropriate any methodology or technique of Consultant which is and has been confirmed in writing by Consultant to be a trade secret of Consultant.

2.6 Compensation. Compensation for the Consultant's professional services shall be paid at the established hourly rates, as set forth in the Fee Schedule (Exhibit B), which is attached hereto. Payment shall be based upon Town approval of the Scope and Fee for each task and payment of fees by Comcast. The total not-to-exceed amount for this agreement shall not exceed **$500,000.**

2.7 Billing. Billing shall be monthly by invoice within thirty (30) days of the rendering of the service and shall be accompanied by a detailed explanation of the work performed by whom at what rate and on what date. Also, plans, specifications, documents or other pertinent materials shall be submitted for Town review, even if only in partial or draft form.

Payment shall be net thirty (30) days. All invoices and statements to the Town shall be addressed as follows:

Invoices:
Town of Los Gatos
Attn: Accounts Payable
P.O. Box 655
Los Gatos, CA 95031-0655
Email (preferred): AP@losgatosca.gov

2.8 Availability of Records. Consultant shall maintain the records supporting this billing for not less than three years following completion of the work under this Agreement. Consultant shall make these records available to authorized personnel of the Town at the Consultant's offices during business hours upon written request of the Town.

2.9 Assignability and Subcontracting. The services to be performed under this Agreement are unique and personal to the Consultant. No portion of these services shall be assigned or subcontracted without the written consent of the Town.

2.10 Independent Contractor. It is understood that the Consultant, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor

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and not an agent or employee of the Town. As an independent contractor he/she shall not obtain any rights to retirement benefits or other benefits which accrue to Town employee(s). With prior written consent, the Consultant may perform some obligations under this Agreement by subcontracting, but may not delegate ultimate responsibility for performance or assign or transfer interests under this Agreement. Consultant agrees to testify in any litigation brought regarding the subject of the work to be performed under this Agreement. Consultant shall be compensated for its costs and expenses in preparing for, traveling to, and testifying in such matters at its then current hourly rates of compensation, unless such litigation is brought by Consultant or is based on allegations of Consultant's negligent performance or wrongdoing.

2.11 Conflict of Interest. Consultant understands that its professional responsibilities are solely to the Town. The Consultant has and shall not obtain any holding or interest within the Town of Los Gatos. Consultant has no business holdings or agreements with any individual member of the Staff or management of the Town or its representatives nor shall it enter into any such holdings or agreements. In addition, Consultant warrants that it does not presently and shall not acquire any direct or indirect interest adverse to those of the Town in the subject of this Agreement, and it shall immediately disassociate itself from such an interest, should it discover it has done so and shall, at the Town's sole discretion, divest itself of such interest. Consultant shall not knowingly and shall take reasonable steps to ensure that it does not employ a person having such an interest in this performance of this Agreement. If after employment of a person, Consultant discovers it has employed a person with a direct or indirect interest that would conflict with its performance of this Agreement, Consultant shall promptly notify Town of this employment relationship, and shall, at the Town's sole discretion, sever any such employment relationship.

2.12 Equal Employment Opportunity. Consultant warrants that it is an equal opportunity employer and shall comply with applicable regulations governing equal employment opportunity. Neither Consultant nor its subcontractors do and neither shall discriminate against persons employed or seeking employment with them on the basis of age, sex, color, race, marital status, sexual orientation, ancestry, physical or mental disability, national origin, religion, or medical condition, unless based upon a bona fide occupational qualification pursuant to the California Fair Employment & Housing Act.

III. INSURANCE AND INDEMNIFICATION

3.1 Minimum Scope of Insurance:

i. Consultant agrees to have and maintain, for the duration of the contract, General Liability insurance policies insuring him/her and his/her firm to an amount not less than: two million dollars ($2,000,000) combined single limit per occurrence for bodily injury, personal injury and property damage.

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ii. Consultant agrees to have and maintain for the duration of the contract, an Automobile Liability insurance policy ensuring him/her and his/her staff to an amount not less than one million dollars ($1,000,000) combined single limit per accident for bodily injury and property damage.

iii. Consultant shall provide to the Town all certificates of insurance, with original endorsements effecting coverage. Consultant agrees that all certificates and endorsements are to be received and approved by the Town before work commences.

iv. Consultant agrees to have and maintain, for the duration of the contract, professional liability insurance in amounts not less than $1,000,000 which is sufficient to insure Consultant for professional errors or omissions in the performance of the particular scope of work under this agreement.

General Liability:

i. The Town, its elected and appointed officials, employees, and, agents are to be covered as insured as respects: liability arising out of activities performed by or on behalf of the Consultant; products and completed operations of Consultant, premises owned or used by the Consultant. This requirement does not apply to the professional liability insurance required for professional errors and omissions.

ii. The Consultant's insurance coverage shall be primary insurance as respects the Town, its elected and appointed officials, employees, and agents. Any insurance or self-insurances maintained by the Town, its officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

iii. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Town, its officers, officials, employees or volunteers.

iv. The Consultant's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.

3.2 All Coverages. Each insurance policy required in this item shall be endorsed to state that coverage shall not be suspended, voided, cancelled, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Town. Current certification of such insurance shall be kept on file at all times during the term of this agreement with the Town Clerk.

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3.3 Workers' Compensation. In addition to these policies, Consultant shall have and maintain Workers' Compensation insurance as required by California law and shall provide evidence of such policy to the Town before beginning services under this Agreement. Further, Consultant shall ensure that all subcontractors employed by Consultant provide the required Workers' Compensation insurance for their respective employees.

3.4 Indemnification. The Consultant shall save, keep, hold harmless and indemnify and defend the Town its elected and appointed officials, agents, employees and volunteers from all damages, liabilities, penalties, costs, or expenses in law or equity that may at any time arise or be set up because of damages to property or personal injury received by reason of, or in the course of performing work which may be occasioned by a willful or negligent act or omissions of the Consultant, or any of the Consultant's officers, employees, or agents or any subconsultant.

IV. GENERAL TERMS

4.1 Waiver. No failure on the part of either party to exercise any right or remedy hereunder shall operate as a waiver of any other right or remedy that party may have hereunder, nor does waiver of a breach or default under this Agreement constitute a continuing waiver of a subsequent breach of the same or any other provision of this Agreement.

4.2 Governing Law. This Agreement, regardless of where executed, shall be governed by and construed to the laws of the State of California. Venue for any action regarding this Agreement shall be in the Superior Court of the County of Santa Clara.

4.3 Termination of Agreement. The Town and the Consultant shall have the right to terminate this agreement with or without cause by giving not less than fifteen days (15) written notice of termination. In the event of termination, the Consultant shall deliver to the Town all plans, files, documents, reports, performed to date by the Consultant. In the event of such termination, Town shall pay Consultant an amount that bears the same ratio to the maximum contract price as the work delivered to the Town bears to completed services contemplated under this Agreement, unless such termination is made for cause, in which event, compensation, if any, shall be adjusted in light of the particular facts and circumstances involved in such termination.

4.4 Amendment. No modification, waiver, mutual termination, or amendment of this Agreement is effective unless made in writing and signed by the Town and the Consultant.

4.5 Disputes. In any dispute over any aspect of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, including costs of appeal.

4.6 Notices. Any notice required to be given shall be deemed to be duly and properly given if mailed postage prepaid, and addressed to:

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Town of Los Gatos
Attn: Town Clerk
110 E. Main Street
Los Gatos, CA 95030

CSG Consultants, Inc.
550 Pilgrim Drive
Foster City, CA 94404

or personally delivered to Consultant to such address or such other address as Consultant designates in writing to Town.

4.7 Order of Precedence. In the event of any conflict, contradiction, or ambiguity between the terms and conditions of this Agreement in respect of the Products or Services and any attachments to this Agreement, then the terms and conditions of this Agreement shall prevail over attachments or other writings.

4.8 Entire Agreement. This Agreement, including all Exhibits, constitutes the complete and exclusive statement of the Agreement between the Town and Consultant. No terms, conditions, understandings or agreements purporting to modify or vary this Agreement, unless hereafter made in writing and signed by the party to be bound, shall be binding on either party.

Docusign Envelope ID: 057417E1-AD91-4794-B30F-8185E6C4252A

IN WITNESS WHEREOF, the Town and Consultant have executed this Agreement.

Town of Los Gatos by:

Signed by:
Chris Constantin 1/30/2025
3EF03F232F1B428...
Chris Constantin, Town Manager

Consultant, by:

DocuSigned by:
Cyrus Kianpour 1/24/2025
7AC12FF2224A4B2...
Cyrus Kianpour, President

Recommended by:

Signed by:
Nicolle Burnham 1/27/2025
0E878313490 44C3...
Nicolle Burnham
Director of Parks and Public Works

Approved as to Form:

Signed by:
Gabrielle Whelan 1/30/2025
EFD0738A5534428...
Gabrielle Whelan, Town Attorney

Attest:

Signed by:
Wendy Wood 1/30/2025
20A720C4AE0A4D9...
Wendy Wood, CMC, Town Clerk

550 Pilgrim
Foster City, CA 94404
phone 650.522.2500
fax 650.522.2599

www.csgengr.com

December 12, 2024

Gary Heap,
Town Engineer
Town of Los Gatos
41 Miles Avenue
Los Gatos, CA 95030

RE: Comcast Encroachment Permit Plan Review - Proposal

Dear Gary:

CSG Consultants, Inc. is pleased to present this proposal to assist the Town of Los Gatos with Plan Review for the Comcast Encroachment permit application.

Comcast proposes to install communication lines within the Town of Los Gatos Public Right-of-Way..

Work to be performed under this proposal will include the following:

Plan Review

1) Plan Review:
   - Review plans for conflicts with existing surface improvements.
   - Review plans for conflicts with existing utilities. Identify utilities that may require potholing prior to construction.
   - Review plans for consistency with Town trench resurfacing standards.
   - Confirm plans show appropriate repairs to other surface improvements (concrete, pavers, landscaping) where these improvements are impacted.
2) Prepare a comment letter for each review. Meet with staff and/or the applicant as needed to review comments and how comments will be addressed.
3) Complete subsequent reviews as needed.
4) Review traffic control plans and provide comment letters and meet with Town staff and Comcast as needed.
5) Attend other meetings as needed.

Sandra Meditch, P.E., will serve as the point of contact, oversee plan review work, and conduct QA/QC.

Fee

Our fee for performing the work described above will be on a time and materials basis, based on our 2024 Standard Fee Schedule. See attached.

Inspection Services

CSG stands ready to provide inspection services if and when needed. Enforcing traffic control requirements and the permit provisions are vital on this type of work. Also working closely with the contractor to ensure all utilities are marked and trenches are backfilled according to project plans and Town/Caltrans standards. As the level of effort and the contractor's schedule are unknown, it is very difficult to arrive at a cost at this time. However, as a place holder we suggest the Town set aside $10,000 to be finalized upon the determination of the level of effort desired by the Town and number of working days dictated by the contract.

Thank you for considering CSG Consultants for this work. We look forward to working with you on this project. Please feel free to call Sandra Meditch at (650) 522-2629 if you would like to discuss this further.

Sincerely,



Sandra A. Meditch, P.E.
Principal Engineer

cc: Hatem Ahmed, P.E.
Nourdin Khayata, P.E.
Sophie Truong, PE, PLS

Attachment

CSG Engineering Division Hourly Rates

Calendar Year 2024
San Francisco Bay Area

CSG Consultants' services are billed on a time-and-materials basis according to our standard rates, shown below.

PROFESSIONAL ENGINEERING SERVICES	HOURLY RATE
Administrative Assistant	$90
Analyst	$150
Construction Inspector	$165
Assistant Resident Engineer	$195
Assistant Engineer	$165
Associate Engineer	$200
Associate Surveyor	$195
Senior Construction Inspector	$185
Senior Engineer	$220
Senior Land Surveyor	$220
Resident Engineer	$240
Structure Representative	$240
Senior Project Manager	$245
Principal Engineer	$270
Senior Principal Engineer	$290
Two-Person Survey Crew	$395

All hourly rates include overhead costs including, but not limited to, salaries, benefits, workers' compensation insurance, travel and office expenses. CSG will coordinate the pickup and return of plans between CSG and agency offices. Overtime services and services provided outside of normal business hours will be billed at 1.5x the applicable hourly rate. On July 1 of each year following the contract start year, CSG will initiate a rate increase based on change in CPI for the applicable region. CSG will deliver an invoice every month for services rendered during the previous month.

TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 04/07/2026
ITEM NO: 9

DATE: April 7, 2026

TO: Mayor and Town Council

FROM: Chris Constantin, Town Manager

SUBJECT: **Authorize the Town Manager to Execute a First Amendment to the Agreement for Services with Bear Electrical Solutions LLC to Increase the Scope of Work and Compensation for Fiscal Year 2025-26 and Fiscal Year 2026-27 for a Total Agreement Amount Not to Exceed $982,907**

RECOMMENDATION: Staff recommends that the Town Council authorize the Town Manager to execute a first amendment to the agreement for services with Bear Electrical Solutions LLC to:

a. Increase the scope of work and compensation for Fiscal Year 2025-26 to include additional funds for unforeseen repair services in the amount of $40,000, assessment services for the Advanced Traffic Management System (ATMS) in the amount of $12,500, and ATMS management services in the amount of $3,520;
b. Increase the scope of work and compensation for FY 2026-27 to include additional funds for unforeseen repair services in the amount of $40,000 and ATMS management services in the amount of $21,120, for a total agreement amount not to exceed $982,907; and
c. Exercise the first-year option to extend the contract for FY 2026-27 services in the amount of $225,203.

FISCAL IMPACT:

There are sufficient funds in the Parks and Public Works Streets and Signals Program FY2025-26 operating budget (1115401-63364) to support the recommended action. Future fiscal year funding is subject to operating budget appropriations made during the Town's annual budget

PREPARED BY: Mike Vroman
Senior Traffic Engineer

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Administrative Services Director

process. The FY 2026-27 proposed agreement amount has been included in the Department's proposed FY 2026-27 operating budget.

STRATEGIC PRIORITY:

This item does not directly address a Strategic Priority; however, it aligns with the Core Goal of Quality Public Infrastructure and Public Safety**.** The proposed work ensures safety for all users through the maintenance of the Town's streetlights, traffic signals, and various traffic safety equipment.

BACKGROUND:

The Town of Los Gatos contracts services for the routine maintenance and repair of traffic signals, streetlights, parking lot and park lights, and underground utility locating services relating to the electric services within the Town's jurisdiction. On June 17, 2025, the Town Council authorized the execution of a five-year Agreement for Services (FY2025/26 through FY2029/30) with Bear Electrical Solutions LLC for a total amount not to exceed $865,767. Contract services include repairs and upgrades on an as-needed basis, periodic inspections, testing of the equipment, and lamp replacements. Underground utility locating services involve responding to Underground Service Alert (USA) requests to identify and mark the Town's underground infrastructure at construction sites prior to any digging operations. The original agreement established an initial term through June 30, 2026, with up to four additional one-year extensions, subject to appropriation of funds and Town exercise of the option.

DISCUSSION:

The requested amendment reflects higher-than-anticipated repair demand associated with aging infrastructure and increased service needs, as well as the opportunity to consolidate ATMS system management under a single qualified contractor to improve system reliability, response time, and operational efficiency.

Staff monitors the amount of unforeseen costs that occur on a year-to-year basis. Unforeseen costs include repair services for inoperable traffic signals, streetlight repairs, as well as parking lot and park light repairs, maintenance and repair of radar speed feedback signs and crosswalk warning lights, signal equipment knockdowns, and other unforeseen repairs of the Town's aging infrastructure. The Town has experienced higher-than-average unforeseen repair costs this fiscal year, and staff is returning to the Town Council to request additional funding to address these needs.

The Town's signal system is managed through an automated Advanced Traffic Management System (ATMS). Staff recommends that the management of this system be provided by Bear Electrical Solutions LLC, in addition to their other services, per Exhibit A of Attachment 1. This

work will be funded out of the Parks and Public Works Streets and Signals Program FY2025-26 operating budget (1115401-63364) for the remainder of FY2025-26 and is proposed for funding from that same program in FY2026-27. Consolidating ATMS management with the Town's signal maintenance contractor reduces operational risk, improves system integration, and ensures timely response to system issues that directly affect traffic safety and mobility.

Through this amendment, the contractor will provide comprehensive preventive and corrective maintenance, monitoring, and technical support for the Town of Los Gatos ATMS. The intent is to ensure the continuous, reliable, and safe operation of all central software, communication networks, and field hardware associated with the Town's traffic management infrastructure, which improves multimodal safety and traffic operations; improves travel time for vehicles, bicycles and pedestrians; improves the ability to plan for and respond to variable traffic volumes and patterns; and helps traffic congestion issues on Los Gatos Boulevard, Blossom Hill Road and Winchester Boulevard. The proposed amendment will ensure continuity of operations.

Attachment 1 contains the first amendment, which includes the ATMS management as described above, and Attachment 2 is the original agreement. The table below depicts the original contract and amendment amounts, increasing the total five-year contract amount not to exceed amount to $982,907.

Bear Electric LLC Contract Details				
Contract Not to Exceed			**Total**	**$ 982,907**
Year 1 - FY2025-26			**Year 1 Total**	**$ 235,324**
Basic Services Covered Annually by the Agreement				
	Lighting and Traffic Signal Maintenance - Original	$ 72,834		
	USA Markings - Original	$ 31,680		
	ATMS Management - Amendment	$ 3,520		
		Subtotal	$ 108,034	
Unforeseen Additional Repair Amounts				
	Unforeseen Additional Repairs plus CPI - Original	$ 54,790		
	Unforeseen Additional Repairs - Amendment	$ 40,000		
		Subtotal	$ 94,790	
One-time Service				
	Blossom Hill Park Tennis Court Lighting Replacement - Original	$ 20,000		
	ATMS System Assessment - Amendment	$ 12,500		
		Subtotal	$ 32,500	
Year 2 - FY2026-27			**Year 2 Total**	**$ 225,203**
	Lighting and Traffic Signal Maintenance - Original	$ 75,019.02		
	USA Markings - Original	$ 32,630.40		
	ATMS Management - Amendment	$ 21,120		
		Subtotal	$ 128,769	
	Unforeseen Additional Repairs plus CPI - Original	$ 56,434		
	Unforeseen Additional Repairs - Amendment	$ 40,000		
		Subtotal	$ 96,434	
Year 3 - FY2027-28			**Year 3 Total**	**$ 169,006**
	Basic Services Covered Annually by the Agreement plus CPI	Subtotal	$ 110,879	
	Unforeseen Additional Repair Amounts plus CPI	Average	$ 58,127	
Year 4 - FY2028-29			**Year 4 Total**	**$ 174,076**
	Basic Services Covered Annually by the Agreement plus CPI	Subtotal	$ 114,204	
	Unforeseen Additional Repair Amounts plus CPI	Average	$ 59,871	
Year 5 - FY2029-30			**Year 5 Total**	**$ 179,298**
	Basic Services Covered Annually by the Agreement plus CPI	Subtotal	$ 117,631	
	Unforeseen Additional Repair Amounts plus CPI	Average	$ 61,667	

CONCLUSION:

Staff recommends that the Town Council authorize the Town Manager to execute a first amendment to the five-year agreement for services with Bear Electrical Solutions LLC, as recommended above.

COORDINATION:

This report was coordinated with the Finance Department.

ENVIRONMENTAL ASSESSMENT:

This is a project under CEQA and is exempt under CEQA Guidelines Section 15301. A Notice of Exemption will not be filed.

Attachments:
1. First Amendment to Agreement for Services with Bear Electrical Solutions, LLC, including Exhibit A
2. Original Agreement for Services with Bear Electrical Solutions, LLC

AMENDMENT

This AMENDMENT TO AGREEMENT amends that certain agreement titled Agreement for Services dated June 3, 2025, made by and between the Town of Los Gatos, ("Town,") and Bear Electrical Solutions, LLC (“Service Provider”), a Limited Liability Company and whose address is 1252 State Street, PO Box 924, Alviso, CA 95002.

RECITALS

A. Town and Service Provider entered into an Agreement for Services on June 3, 2025 (“Agreement”).

B. The parties desire to amend the Agreement in order to add additional services, extend the period of performance, and increase the compensation.

AMENDMENT

A. Section 2.1 Scope of Services - is amended to add the following: Service Provider shall provide an additional $40,000.00 in response services for Year 1 (FY 25/26) and $40,000.00 in response services for Year 2 (FY 26/27), in accordance with the original agreement's scope of services. Service Provider will also provide those additional services as described in that certain Proposal sent to the Town on February 20, 2026 which is hereby incorporated by reference and attached as Exhibit A.

B. Section 2.2 Term and Time of Performance - is amended to read: The effective date of this Agreement shall begin on July 1, 2025 through June 30, 2027 with an option to extend the contract up to three (3) additional years subject to appropriation of funds, notwithstanding any other provision of this agreement.

C. Section 2.6 Compensation - is amended to read: Compensation for year one (FY 2025/26) to provide traffic signal and streetlight maintenance and repair, Underground Service Alert (USA) marking services, park lighting improvement services and Advanced Traffic Management System (ATMS) operations and maintenance costs, plus unforeseen repair costs within the Town streets and parks, shall not exceed $235,324.00. Compensation for year two (FY 2026/27) to provide traffic signal and streetlight maintenance and repair, Underground Service Alert (USA) marking services, and Advanced Traffic Management System (ATMS) operations and maintenance costs, plus unforeseen repair costs within the Town streets and parks, shall not exceed $225,203.00. Compensation for the future years will be the base cost for lighting, traffic signal maintenance and response, and USA markings adjusted upward annually for the remaining term of this agreement by the change, if any, in the San Francisco-Oakland-San Jose Metropolitan Area Consumer Price Index for all Urban Consumers, all items (CPI). The adjustment shall be based upon the CPI published on December 31 of the preceding year. If the CPI indicates a downward adjustment, compensation would remain at the base amount. Payment shall be based upon Town approval of each task as shown below.Year 1 - $235,324 (FY25/26), including unforeseen repair costs.Year 2 - $225,203 (FY 26/27), including 3% CPI.Year 3 - $169,006 (FY 27/28), including 3% CPI.Year 4 - $174,076 (FY 28/29), including 3% CPI.Year 5 - $179,298 (FY 29/30), including 3% CPI.For a total agreement **not to exceed $982,907**, inclusive of all costs. Payments shall be based upon Town approval of each task.*Total compensation includes an annual 3.0% adjustment for Years 2-5.

D. All other terms and conditions of the Agreement remain in full force and effect.

TOWN OF LOS GATOS

SIGNATURE	
Chris Constantin	
FULL NAME	
Town Manager	
TITLE	
DATE SIGNED	

CONTRACTOR: Bear Electrical Solutions, LLC

SIGNATURE	
Andrew Bader	
CONTRACTOR SIGNATORY'S FULL NAME	
President	
CONTRACTOR SIGNATORY'S TITLE	
DATE SIGNED	

Approved as to form:

SIGNATURE
Gabrielle Whelan
FULL NAME
Town Attorney
TITLE
DATE SIGNED

The execution date is the date on which the last party has signed.

Attachments:

A - ExhibitA-ATMS Maintenance&Ops-Proposal

BEAR ELECTRICAL SOLUTIONS

Contractors License No. 982079
A – General Engineering
C-10 High Voltage Electrical

1252 State Street, PO Box 924, Alviso, CA 95002-0924
Tel: 408-449-5178 Fax 408-449-5147

PROPOSAL

DATE:	2/20/2026	TO:	Gary Heap
FROM:	Brent Paulson	COMPANY:	Town of Los Gatos
PHONE:	(408) 449-5178	PHONE:	(408) 399-5773
FAX:	(408) 449-5147	EMAIL:	Gheap@losgatosca.gov

BID/ PROJECT: Town of Los Gatos ATMS Operations and Maintenance

BES received a request for pricing to provide electrical labor and equipment for the following scope of work:

1. Purpose and Objectives
The contractor shall provide comprehensive preventive and corrective maintenance, monitoring, and technical support for the Town of Los Gatos Advanced Traffic Management System (ATMS). The intent is to ensure the continuous, reliable, and safe operation of all central software, communication networks, and field hardware associated with the Town's traffic management infrastructure.

Objectives include:

- Maintaining full functionality of the Econolite Centracs software and all connected field devices.
- Ensuring communications integrity, uptime, and performance consistent with Caltrans and NTCIP standards.
- Providing timely response to all system and field malfunctions.
- Supporting system reliability through proactive maintenance, accurate documentation, and coordination with Town staff.
- Set up and maintain video camera live streaming at the ATMS, confirm and/or establish communications to each field camera, provide maintenance and necessary upgrades as needed.

2. System Overview
The Town's ATMS currently includes:

- Central System: Econolite Centracs software and associated servers, workstations, and network switches.
- Traffic Signal Controllers: Econolite Cobalt controllers with NEMA TS-1 or TS-2 cabinet assemblies.
- Field Equipment: Detection systems (loops, video, radar), pedestrian pushbuttons, conflict monitors, UPS units, and cabinet power distribution equipment.

BEAR ELECTRICAL SOLUTIONS

Contractors License No. 982079
A – General Engineering
C-10 High Voltage Electrical

1252 State Street, PO Box 924, Alviso, CA 95002-0924
Tel: 408-449-5178 Fax 408-449-5147

- Communications Network: Fiber-optic, copper, and wireless communications infrastructure linking intersections to the Traffic Management Center (TMC).
- Peripheral Devices: CCTV cameras, Ethernet switches, routers, and associated field network hardware.

3. Scope of Services

3.1 Preventive Maintenance

The contractor shall perform scheduled preventive maintenance for all components to prevent failures, extend equipment life, and ensure consistent performance. Work shall be completed semi-annually for software/network systems. Tasks include:
- Testing communication links and verifying latency thresholds.
- Reviewing event logs and controller alarms for recurring issues.
- Updating firmware and Centracs software in coordination with Town staff.

3.2 Corrective Maintenance

For failures or service interruptions, the contractor shall provide prompt corrective action as follows:
- Response Time: Two (2) hours for critical failures affecting operations; twenty-four (24) hours for non-critical issues.
- Repair: Diagnose, replace, or reconfigure failed components; test and verify proper function.
- Reporting: Provide a detailed service report within forty-eight (48) hours of completion.
- Coordination: Notify Town staff prior to significant reprogramming or system modifications.

3.3 System Monitoring and Administration

The contractor shall support 24/7 system monitoring and administration through the following activities:
- Monitor Centracs software status, communications, and device connectivity.
- Manage user permissions, software updates, and backups.
- Configure and maintain IP addressing, network routing, and firewall settings.
- Analyze system logs to identify latency, communication errors, or recurring faults.
- Support the Town's operational staff with timing plan uploads and schedule updates.

3.4 Documentation and Reporting

All maintenance activities shall be documented in a digital format acceptable to the Town. The contractor and Town shall maintain:
- Intersection inventory and device registry.
- Controller configuration backups and timing databases.
- Fiber network diagrams and IP addressing tables.
- Preventive and corrective maintenance logs.
- Quarterly system performance reports summarizing uptime, failures, and corrective actions.

BEAR ELECTRICAL SOLUTIONS

Contractors License No. 982079
A – General Engineering
C-10 High Voltage Electrical

1252 State Street, PO Box 924, Alviso, CA 95002-0924
Tel: 408-449-5178 Fax 408-449-5147

4. Performance Standards

All work shall conform to:

- Caltrans Standard Specifications (latest edition)
- Caltrans Traffic Operations Policy Directives (TOPDs)
- NEMA TS-2, ATC, and NTCIP 1202 standards
- Econolite Centracs user and maintenance manuals
- Town of Los Gatos design standards and permit conditions

5. Coordination and Communication

The contractor shall maintain close coordination with Town traffic engineering staff and other regional agencies as necessary. Responsibilities include:

- Notifying the Town prior to planned maintenance or outages.
- Providing a 24-hour emergency contact for after-hours incidents.
- Attending quarterly coordination meetings and one annual performance review.
- Maintaining communication with Econolite technical support for escalated software or firmware issues.

6. Additional Services (As Requested)

The contractor may also provide the following additional or on-call services at the Town's direction:

1. System Expansion and Integration:
   - Configure and commission new intersections or field devices.
   - Integrate new CCTV cameras, switches, or wireless radios.
   - Develop and test new signal timing plans.

2. Network and Fiber Support:
   - Splice, test, and document new or repaired fiber runs.
   - Install or configure network switches, routers, and security appliances.
   - Provide GIS-based as-built mapping of communications infrastructure.

3. Software and Server Upgrades:
   - Migrate Centracs software to newer versions or updated hardware.
   - Assist with virtualization or disaster recovery planning.
   - Coordinate with Econolite and Town IT staff for major updates.

4. Consulting and Engineering Support:
   - Prepare technical memos or feasibility studies for ATMS enhancements.

BEAR ELECTRICAL SOLUTIONS

Contractors License No. 982079
A – General Engineering
C-10 High Voltage Electrical

1252 State Street, PO Box 924, Alviso, CA 95002-0924
Tel: 408-449-5178 Fax 408-449-5147

- Develop cost estimates and equipment specifications for capital projects.
- Support grant-funded ITS improvements or pilot technology deployments.

5. Emergency or After-Hours Support:
- Provide 24/7 emergency response and on-call service for unplanned failures.

All additional services shall be pre-approved in writing by the Town and billed in accordance with the contract's established rates.

The below cost is an estimated budget for initial assessment and an ongoing monthly service. Invoicing to be delivered monthly based upon actual hours worked.

System Assesment and Understanding with Town Staff				
Labor Description	Unit of Measure	Rate	Quantity	Total
Project Manager	Hr	$ 185.00	20	$ 3,700.00
Electrician and Service Vehicle	Hr	$ 220.00	40	$ 8,800.00
Total				$ 12,500.00
Ongoing Monthly Service				
Electrician and Service Vehicle	Hr	$ 220.00	8	$ 1,760.00

QUOTE PREPARED BY:
BEAR ELECTRICAL SOLUTIONS, INC
Brent Paulson
Office: (408) 449-5178
Brent@bear-electrical.com

APPROVED

_____
SIGNATURE

_____
PRINTED NAME and DATE

Docusign Envelope ID: 9180C9BB-A894-4944-BC71-66CC81C369AA

AGREEMENT FOR SERVICES

PREAMBLE

THIS AGREEMENT is dated for identification on 3rd day of June 2025 by and between TOWN OF LOS GATOS, a California municipal corporation, ("Town") and Bear Electrical Solutions, LLC ("Service Provider"), identified as an C Corporation and whose address is 1252 State Street, PO Box 924, Alviso, CA 95002. This Agreement is made with reference to the following facts.

I. RECITALS

1.1 Town sought quotations for the services described in this Agreement, and Service Provider was found to be the lowest responsible supplier for this purchase.

1.2 Service Provider represents and affirms that it is willing to perform the desired work pursuant to this Agreement.

1.3 Town desires to engage Service Provider to provide Traffic Signal and Streetlight Maintenance and Repair, and Underground Service Alert (USA) Marking Services. Field maintenance and repair of streetlights, parking lot lights, lights in the Town's public parks, traffic signals, and other traffic related equipment (such as electronic speed feedback signs and crosswalk warning lights, etc.)

1.4 Service Provider warrants it possesses the distinct professional skills, qualifications, experience, and resources necessary to timely perform the services described in this Agreement. Service Provider acknowledges Town has relied upon these warranties to retain Service Provider.

II. AGREEMENT

2.1 Scope of Services. Service Provider shall provide services as described in that certain Proposal sent to the Town on April 17, 2025 which is hereby incorporated by reference and attached as Exhibit A.

2.2 Term and Time of Performance. The effective date of this Agreement shall begin July 1, 2025 through June 30, 2026 with an option to extend the contract up to four (4) additional years subject to appropriation of funds, notwithstanding any other provision in this agreement.

2.3 Compliance with Laws. The Service Provider shall comply with all applicable laws, codes, ordinances, and regulations of governing federal, state and local laws. Service Provider represents and warrants to Town that it has all licenses, permits, qualifications and approvals of whatsoever nature which are legally required for Service Provider to practice

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its profession. Service Provider shall maintain a Town of Los Gatos business license pursuant to Chapter 14 of the Code of the Town of Los Gatos.

2.4 Sole Responsibility. Service Provider shall be responsible for employing or engaging all persons necessary to perform the services under this Agreement.

2.5 Information/Report Handling. All documents furnished to Service Provider by the Town and all reports and supportive data prepared by the Service Provider under this Agreement are the Town's property and shall be delivered to the Town upon the completion of services or at the Town's written request. All reports, information, data, and exhibits prepared or assembled by Service Provider in connection with the performance of its services pursuant to this Agreement are confidential until released by the Town to the public, and the Service Provider shall not make any of these documents or information available to any individual or organization not employed by the Service Provider or the Town without the written consent of the Town before such release. The Town acknowledges that the reports to be prepared by the Service Provider pursuant to this Agreement are for the purpose of evaluating a defined project, and Town's use of the information contained in the reports prepared by the Service Provider in connection with other projects shall be solely at Town's risk, unless Service Provider expressly consents to such use in writing. Town further agrees that it will not appropriate any methodology or technique of Service Provider which is and has been confirmed in writing by Service Provider to be a trade secret of Service Provider.

2.6 Compensation: Compensation for year one (FY 2025/26) to provide maintenance services and Underground Service Alert (USA) marking services, plus unforeseen repair costs within the Town and park lighting improvements, shall not exceed $179,304. Compensation for future years will be the base cost of $159,304 and shall be adjusted upward annually for the remaining term of this agreement by the change, if any, in the San Francisco-Oakland-San Jose Metropolitan Area Consumer Price Index for All Urban Consumers, all items (CPI). The adjustment shall be based upon the CPI published on December 31 of the preceding year. If the CPI indicates a downward adjustment, compensation would remain at the base amount. Payment shall be based upon Town approval of each task as shown below.

Bear Electric LLC Proposal for Basic Services		
	Total	**$104,514**
	Units	**Annual Cost**
Traffic Signals	31	$45,384
Street Lights	1,607	$24,105
Parking Lot Lights	119	$1,785
Park Lights	104	$1,560
USA Markings (24/month)	288/yr	$31,680

Year 1 - $179,304 (FY25/26), including unforeseen repair costs.

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Year 2 - $164,083 (FY26/27), including 3% CPI.

Year 3 - $169,006 (FY27/28), including 3% CPI.

Year 4 - $174,076 (FY28/29), including 3% CPI.

Year 5 - $179,298 (FY29/30), including 3% CPI.

For a total agreement amount **not to exceed $865,767**, inclusive of all costs. Payment shall be based upon Town approval of each task.

*Total compensation includes an annual 3.0% CPI adjustment for Years 2-5.

2.7 Billing. Billing shall be monthly by invoice within thirty (30) days of the rendering of the service and shall be accompanied by a detailed explanation of the work performed by whom at what rate and on what date. Also, plans, specifications, documents or other pertinent materials shall be submitted for Town review, even if only in partial or draft form.

Payment shall be net thirty (30) days. All invoices and statements to the Town shall be addressed as follows:

Invoices:
Town of Los Gatos
Attn: Accounts Payable
P.O. Box 655
Los Gatos, CA 95031-0655
Email (preferred): AP@losgatosca.gov

2.8 Availability of Records. Service Provider shall maintain the records supporting this billing for not less than three years following completion of the work under this Agreement. Service Provider shall make these records available to authorized personnel of the Town at the Service Provider offices during business hours upon written request of the Town.

2.9 Assignability and Subcontracting. The services to be performed under this Agreement are unique and personal to the Service Provider. No portion of these services shall be assigned or subcontracted without the written consent of the Town.

2.10 Independent Contractor. It is understood that the Service Provider, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and not an agent or employee of the Town. As an independent contractor he/she shall not obtain any rights to retirement benefits or other benefits which accrue to Town employee(s). With prior written consent, the Service Provider may perform some obligations under this Agreement by subcontracting, but may not delegate ultimate responsibility for performance or assign or transfer interests under this Agreement. Service Provider agrees to testify in any litigation brought regarding the subject of the work to be

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performed under this Agreement. Service Provider shall be compensated for its costs and expenses in preparing for, traveling to, and testifying in such matters at its then current hourly rates of compensation, unless such litigation is brought by Service Provider or is based on allegations of Service Provider's negligent performance or wrongdoing.

2.11 Conflict of Interest. Service Provider understands that its professional responsibilities are solely to the Town. The Service Provider has and shall not obtain any holding or interest within the Town of Los Gatos. Service Provider has no business holdings or agreements with any individual member of the Staff or management of the Town or its representatives nor shall it enter into any such holdings or agreements. In addition, Service Provider warrants that it does not presently and shall not acquire any direct or indirect interest adverse to those of the Town in the subject of this Agreement, and it shall immediately disassociate itself from such an interest, should it discover it has done so and shall, at the Town's sole discretion, divest itself of such interest. Service Provider shall not knowingly and shall take reasonable steps to ensure that it does not employ a person having such an interest in this performance of this Agreement. If after employment of a person Service Provider discovers it has employed a person with a direct or indirect interest that would conflict with its performance of this Agreement Service Provider shall promptly notify Town of this employment relationship, and shall, at the Town's sole discretion, sever any such employment relationship.

2.12 Equal Employment Opportunity. Service Provider warrants that it is an equal opportunity employer and shall comply with applicable regulations governing equal employment opportunity. Neither Service Provider nor its subcontractors do and neither shall discriminate against persons employed or seeking employment with them on the basis of age, sex, color, race, marital status, sexual orientation, ancestry, physical or mental disability, national origin, religion, or medical condition, unless based upon a bona fide occupational qualification pursuant to the California Fair Employment & Housing Act.

III. INSURANCE AND INDEMNIFICATION

3.1 Minimum Scope of Insurance:

i. Service Provider agrees to have and maintain, for the duration of the contract, General Liability insurance policies insuring him/her and his/her firm to an amount not less than: two million dollars ($2,000,000) combined single limit per occurrence for bodily injury, personal injury and property damage.

ii. Service Provider agrees to have and maintain for the duration of the contract, an Automobile Liability insurance policy ensuring him/her and his/her staff to an amount not less than one million dollars ($1,000,000) combined single limit per accident for bodily injury and property damage.

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iii. Service Provider shall provide to the Town all certificates of insurance, with original endorsements effecting coverage. Service Provider agrees that all certificates and endorsements are to be received and approved by the Town before work commences.

General Liability:

i. The Town, its elected and appointed officials, employees, and agents are to be covered as insured as respects: liability arising out of activities performed by or on behalf of the Service Provider; products and completed operations of Service Provider, premises owned or used by the Service Provider.

ii. The Service Provider's insurance coverage shall be primary insurance as respects the Town, its elected and appointed officials, employees, and agents. Any insurance or self-insurances maintained by the Town, its officers, officials, employees or volunteers shall be excess of the Service Provider's insurance and shall not contribute with it.

iii. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Town, its officers, officials, employees or volunteers.

iv. The Service Provider's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.

3.2 All Coverages. Each insurance policy required in this item shall be endorsed to state that coverage shall not be suspended, voided, cancelled, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Town. Current certification of such insurance shall be kept on file at all times during the term of this agreement with the Town Clerk.

3.3 Workers' Compensation. In addition to these policies, Service Provider shall have and maintain Workers' Compensation insurance as required by California law and shall provide evidence of such policy to the Town before beginning services under this Agreement. Further, Service Provider shall ensure that all subcontractors employed by Service Provider provide the required Workers' Compensation insurance for their respective employees. As required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than one million dollars ($1,000,000) per accident for bodily injury or disease.

3.4 Indemnification. The Service Provider shall save, keep, hold harmless and indemnify and defend the Town its elected and appointed officials, agents, employees, and volunteers from all damages, liabilities, penalties, costs, or expenses in law or equity that may at any time

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arise or be set up because of damages to property or personal injury received by reason of, or in the course of performing work which may be occasioned by a willful or negligent act or omissions of the Service Provider, or any of the Service Provider's officers, employees, or agents or any subcontractor.

IV. GENERAL TERMS

4.1 Waiver. No failure on the part of either party to exercise any right or remedy hereunder shall operate as a waiver of any other right or remedy that party may have hereunder, nor does waiver of a breach or default under this Agreement constitute a continuing waiver of a subsequent breach of the same or any other provision of this Agreement.

4.2 Governing Law. This Agreement, regardless of where executed, shall be governed by and construed to the laws of the State of California. Venue for any action regarding this Agreement shall be in the Superior Court of the County of Santa Clara.

4.3 Termination of Agreement. The Town and the Service Provider shall have the right to terminate this agreement with or without cause by giving not less than fifteen days (15) written notice of termination. In the event of termination, the Service Provider shall deliver to the Town all plans, files, documents, reports, performed to date by the Service Provider. In the event of such termination, Town shall pay Service Provider an amount that bears the same ratio to the maximum contract price as the work delivered to the Town bears to completed services contemplated under this Agreement, unless such termination is made for cause, in which event, compensation, if any, shall be adjusted in light of the particular facts and circumstances involved in such termination.

4.4 Prevailing Wages. This project is subject to the requirements of Section 1720 et seq. of the California Labor Code requiring the payment of prevailing wages, the training of apprentices and compliance with other applicable requirements. Contractors and all subcontractors who perform work on the project are required to comply with these requirements. Prevailing wages apply to all projects over $1,000 which are defined as a "public work" by the State of California. This includes: construction, demolition, repair, alteration, maintenance and the installation of photovoltaic systems under a Power Purchase Agreement when certain conditions are met under Labor Code Section 1720.6. This include service and warranty work on public buildings and structures.

4.4.1 The applicable California prevailing wage rate can be found at www.dir.ca.gov and are on file with the Town of Los Gatos Parks and Public Works Department, which shall be available to any interested party upon request. The contractor is also required to have a copy of the applicable wage determination posted and/or available at each jobsite.

4.4.2 Specifically, contractors are reminded of the need for compliance with Labor Code Section 1774-1775 (the payment of prevailing wages and documentation of such), Section 1776 (the keeping and submission of accurate certified

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payrolls) and 1777.5 in the employment of apprentices on public works projects. Further, overtime, weekend and holiday pay, and shift pay must be paid pursuant to applicable Labor Code section.

4.4.3 The public entity for which work is being performed or the California Department of Industrial Relations may impose penalties upon contractors and subcontractors for failure to comply with prevailing wage requirements. These penalties are up to $200 per day per worker for each wage violations identified; $100 per day per worker for failure to provide the required paperwork and documentation requested within a 10-day window; and $25 per day per worker for any overtime violation.

4.4.4 As a condition to receiving progress payments, final payment and payment of retention on any and all projects on which the payment of prevailing wages is required, the contractor agrees to present to the TOWN, along with its request for payment, all applicable and necessary certified payrolls (for itself and all applicable subcontractors) for the time period covering such payment request. The term "certified payroll" shall include all required documentation to comply with the mandates set forth in Labor Code Section 1720 et seq, as well as any additional documentation requested by the Agency or its designee including, but not limited to: certified payroll, fringe benefit statements and backup documentation such as monthly benefit statements, employee timecards, copies of wage statements and cancelled checks, proof of training contributions (CAC2 if applicable), and apprenticeship forms such as DAS-140 and DAS-142.

4.4.5 In addition to submitting the certified payrolls and related documentation to the TOWN, the contractor and all subcontractors shall be required to submit certified payroll and related documents electronically to the California Department of Industrial Relations. Failure to submit payrolls to the DIR when mandated by the project parameters shall also result in the withholding of progress, retention and final payment.

4.4.6 No contractor or subcontractor may be listed on a bid proposal for a public works project unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5 [with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a)].

4.4.7 No contractor or subcontractor may be awarded a contract for public work on a public works project, unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5. Contractors MUST be a registered "public works contractor" with the DIR AT THE TIME OF BID. Where the prime contract is less than $15,000 for maintenance work or less than $25,000 for construction alternation, demolition or repair work, registration is not required.

4.4.8 Should any contractor or subcontractors not be a registered public works contractor and perform work on the project, Contractor agrees to fully indemnify the TOWN for any fines assessed by the California Department of Industrial Relations against the TOWN for such violation, including all staff costs and attorney's fee relating to such fine.

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4.4.9 The TOWN shall withhold any portion of a payment; including the entire payment amount, until certified payroll forms and related documentation are properly submitted, reviewed and found to be in full compliance. In the event that certified payroll forms do not comply with the requirements of Labor Code Section 1720 et seq., the TOWN may continue to hold sufficient funds to cover estimated wages and penalties under the contract.

4.5 Amendment. No modification, waiver, mutual termination, or amendment of this Agreement is effective unless made in writing and signed by the Town and the Service Provider.

4.6 Disputes. In any dispute over any aspect of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, including costs of appeal.

4.7 Notices. Any notice required to be given shall be deemed to be duly and properly given if mailed postage prepaid, and addressed to:

Town of Los Gatos
Attn: Town Clerk
110 E. Main Street
Los Gatos, CA 95030

Bear Electrical Solutions, LLC
1252 State Street, PO Box 924
Alviso, CA 95002

or personally delivered to Service Provider to such address or such other address as Service Provider designates in writing to Town.

4.8 Order of Precedence. In the event of any conflict, contradiction, or ambiguity between the terms and conditions of this Agreement in respect of the Products or Services and any attachments to this Agreement, then the terms and conditions of this Agreement shall prevail over attachments or other writings.

4.9 Entire Agreement. This Agreement, including all Exhibits, constitutes the complete and exclusive statement of the Agreement between the Town and Service Provider. No terms, conditions, understandings or agreements purporting to modify or vary this Agreement, unless hereafter made in writing and signed by the party to be bound, shall be binding on either party.

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IN WITNESS WHEREOF, the Town and Service Provider have executed this Agreement.

Town of Los Gatos by:

Signed by:
Chris Constantin 6/27/2025
3EF03F232F1B428...
Chris Constantin, Town Manager

Bear Electrical Solutions, LLC by:

Signed by:
Andrew Bader 6/23/2025
6EC6A965ED5F4BC...
Name and Title
Andrew Bader President

Recommended by:

Signed by:
Nicolle Burnham 2 6/24/2025
0E978313490 44C3...
Nicolle Burnham
Director of Parks and Public Works

Approved as to Form:

Signed by:
Barbara Choi for Gabrielle Whelan 6/27/2025
4D749A214F7F427...
Barbara Choi signing on behalf of Gabrielle Whelan, Town Attorney

Attest:

Signed by:
Wendy Wood 6/27/2025
20A720C4AE6A4D9...
Wendy Wood, CMC, Town Clerk

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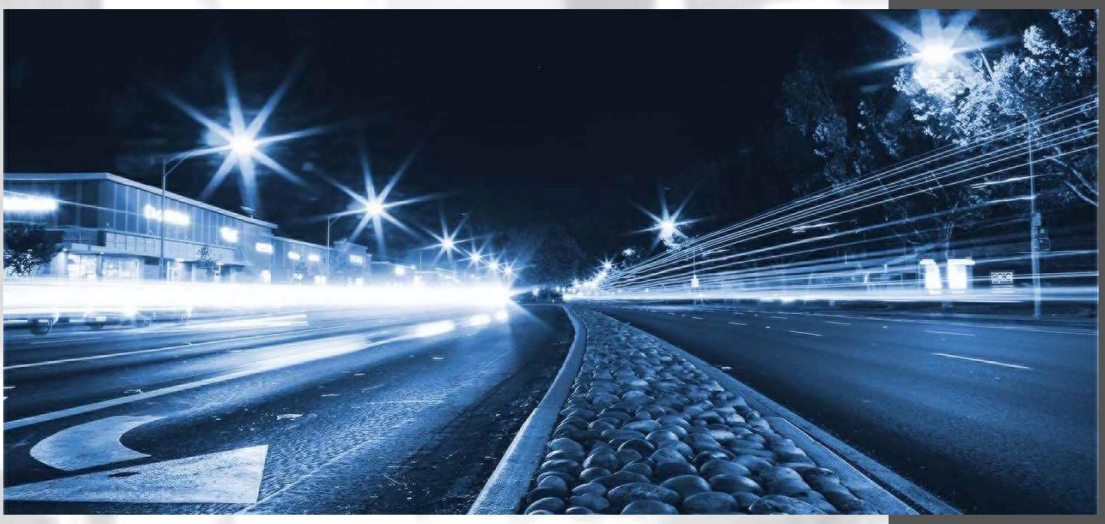
BEAR



Driving a Higher Standard

Bear Electrical Solutions LLC

April 18th 2025

Town of Los Gatos – Traffic Signal and Streetlight Maintenance and Repair, and USA Services

EXHIBIT A

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April 18th , 2025

Town of Los Gatos – Parks and Public Works Department
41 Miles Avenue
Los Gatos, CA 95030
Attn: Mike Vroman, TE – Senior Traffic Engineer

RE: RFP Response for Traffic Signal and Streetlight Maintenance and Repair, and USA Services

Dear Mike Vroman and Evaluation Committee,

Bear Electrical Solutions, LLC (Bear) is pleased to submit our proposal to provide traffic signal and streetlight maintenance and repair services for the Town of Los Gatos. We understand that the Town has been served by St. Francis Electric for the past decade, and while we respect their history, we believe Bear offers a unique advantage through our local presence, community involvement, and unmatched responsiveness.

Bear is headquartered in **Alviso**, less than 20 miles from Los Gatos, making us the most geographically aligned electrical contractor for your needs. In contrast, St. Francis Electric is based in **San Leandro**, which often results in longer travel times, delayed emergency response, and limited community integration. Our close proximity allows us to respond faster, mobilize resources more efficiently, and maintain a stronger presence within the community.

More importantly, **several Bear employees—including members of our ownership team—live in or near Los Gatos and are actively involved in the local community.** We don't just work here; we call this area home. That local commitment translates to a heightened sense of accountability, personal pride in our work, and a deeper understanding of the Town's values and expectations. In contrast, our incumbent competitor has **no direct affiliation with the Town of Los Gatos or its residents**, which can impact service continuity and community trust.

Bear is a full-service electrical contractor founded in 2013, specializing in traffic signal systems, street lighting, and emergency on-call services. We currently support more than 100 public agencies throughout California and are known for our responsiveness, expertise, and partnership-based approach with agencies just like yours.

This proposal outlines our comprehensive understanding of the Town's needs and highlights the strengths that set us apart:

- **Proximity & Responsiveness –** Located in Alviso with more than 45 qualified employees living in the Bay Area, we are well-positioned to provide consistent, on-time, and rapid-response maintenance services.
- **Deep Local Roots –** Our leadership and staff live and work in the community—bringing personal investment and local knowledge to every project.
- **Experienced & Dedicated Team –** Our executive, project, and field teams bring decades of combined experience supporting public agencies with traffic signal operations and maintenance.
- **Proactive, Collaborative Approach –** We operate as an extension of Town staff—offering guidance, innovation, and practical solutions tailored to each agency we serve.
- **Independent In-House Laboratory –** Bear maintains an off-site facility for cabinet and controller certifications and can provide training for Town staff at this location.
- **Outstanding Safety Record –** Bear has never received an OSHA violation and maintains a sub-0.65 EMR, reflecting our strong commitment to workplace safety.
- **PG&E Gold Shovel Certified** – We are authorized to coordinate and perform electrical work involving utility infrastructure, offering seamless support for related systems.

We welcome the opportunity to bring our locally rooted team, proven track record, and community-focused service model to the Town of Los Gatos. I am an authorized representative of Bear Electrical Solutions and am available at your convenience to answer questions or further discuss this proposal.

Thank you for your time and consideration.

Regards,
Bear Electrical Solutions, LLC

Robert Asuncion, TE robert@bear-electrical.com
Vice President

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2. SCOPE OF SERVICES / WORK PLAN

Scope of Services
Bear Electrical Solutions shall provide comprehensive field maintenance, repair, and Underground Service Alert (USA) marking services for the Town of Los Gatos. Services will be performed by qualified personnel and include the following components:

1. Streetlight Maintenance

- Maintain approximately 1,607 Town-owned streetlights in safe, operable condition.
- Respond to outages, missing tags, and hazardous conditions within five (5) working days; pedestrian crosswalks require next-day response.
- Provide monthly reports and log all service activities using Town-approved forms.
- Tag poles, inspect for hazards (e.g., missing hand hole covers), and report to Town staff.
- Verify inventory accuracy and update records as necessary.

2. Parking Lot Lighting

- Maintain 119 lights in various Town parking lots including pole-mounted, bollard, and wall-mounted fixtures.
- Respond to outages and hazards within five (5) working days; full lot outages require next-day repair.
- Perform monthly night checks of designated lots and streets and report findings.

3. Public Park Lighting

- Maintain ~104 lights in Town parks.
- Respond to park-wide outages by next day; other repairs within five (5) working days.
- Conduct biannual night checks and submit reports with identified issues and completion confirmations.

4. Traffic Signal Maintenance

- Provide monthly preventative maintenance for 31 signalized intersections.
- Maintain, test, and repair Econolite Cobalt controllers, video detection systems, preemption devices, inductive loops, communication infrastructure (fiber/twisted pair), and controller cabinets.
- Conduct annual conflict monitor testing with triplicate reporting (cabinet, contractor office, and Town).
- Provide temporary signal equipment as needed at no additional charge.

5. Emergency Services

- Maintain 24/7 emergency response capability with a one-hour maximum response time.
- Restore operation following knockdowns, loss of indication, or severe damage.
- Failure to meet response times will incur liquidated damages.

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2. SCOPE OF SERVICES / WORK PLAN (CONT)

Scope of Services (continued)

6. USA (Underground Service Alert) Marking

- Perform locating and marking of Town-owned circuits, including lighting and traffic signal infrastructure, upon USA ticket notification.
- Maintain complete and accurate records of all tickets and mark-outs performed.

7. Extra Work

- Perform additional work (e.g., new installations, major repairs) upon prior written authorization from the Town.
- Extra work will be compensated based on agreed labor rates, equipment rates, and material markups.

8. Reporting and Documentation

- Submit monthly electronic maintenance activity reports in Excel format.
- Maintain logs at each intersection and service cabinet, documenting inspections, repairs, callouts, and technician details.
- Provide summaries of outstanding repairs and warranty-covered items.

9. Shop and Equipment Requirements

- Maintain a fully equipped local shop with inventory and testing capability per Caltrans and Town specs.
- Provide all necessary equipment including a 40-foot hydraulic bucket truck, communication devices, and signal testing tools.

Work Plan and Approach

Bear Electrical Solutions proposes a proactive, well-resourced, and locally managed work plan to address the comprehensive needs of the Town of Los Gatos for traffic signal, streetlight, and USA marking services. Our approach integrates preventive maintenance, rapid response, system reliability, and clear documentation—ensuring safe, efficient, and responsive service delivery.

1. Program Mobilization

- **Kick-off Meeting:** Initiate within 2 weeks of Notice to Proceed with Town representatives.
- **Inventory Validation:** Field-verify streetlights, traffic signals, and park/lot lights within 30 days of contract start, as required.
- **Database Integration:** Upload assets into our CMMS platform to streamline tracking and reporting.

2. Streetlight, Park, and Parking Lot Maintenance

- **Routine Maintenance:** All reported outages addressed within 5 working days; crosswalk-related outages repaired before dark the next day.
- **Emergency Repairs:** Response within 2 hours for exposed conductors or hazardous conditions.

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2. SCOPE OF SERVICES / WORK PLAN (CONT)

Work Plan and Approach (continued)

2. Streetlight, Park, and Parking Lot Maintenance (cont)

- **Night Inspections:**
  - **Monthly** for parking lots and key corridors (e.g., Main St, Blossom Hill, Santa Cruz Ave).
  - **Biannually** for public parks.
- **Documentation:** Use of Town's Service Form (Attachment D) for all lighting repairs; monthly reports submitted electronically.

3. Traffic Signal Maintenance

- **Monthly Preventive Maintenance:** Inspections completed on a set schedule per Attachment E & F. Includes checks of Econolite Cobalt controllers, LED modules, cabinet fans, push buttons, and communications.
- **Conflict Monitor Testing:** Annual test conducted per intersection; 3 copies of results stored and shared.
- **Emergency Response:** Within 1 hour of notification for knockdowns, signal failure, or malfunctions.
- **Temporary Equipment:** Maintain in-stock spares of controllers, preemption units, and LED modules to ensure uninterrupted operation.

4. USA Marking Services

- **USA Ticket Management:** All marking services for Town-owned electrical and signal circuits performed promptly in accordance with regulations.
- **Tracking:** Maintain log of USA tickets, response times, and marking status; submitted monthly.

5. Communication & Documentation

- **24/7 Response Center:** Dedicated dispatch line with backup communications and instant two-way communication to field staff.
- **Reporting Tools:** All activities logged in our maintenance system, with exports formatted per Town requirements.
- **Monthly Reports:** Include activity logs, maintenance summaries, and outstanding issues.

6. Emergency & On-Call Support

- **Response Time:** One-hour maximum for traffic emergencies; verified and documented via system timestamps.
- **Coordination with Agencies:** Work with Town, CHP, and utility providers as necessary; notify Town upon dispatch and resolution.
- **Follow-Up Repairs:** Permanent repairs proposed within 7 days of emergency response.

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2. SCOPE OF SERVICES / WORK PLAN (CONT)

Work Plan and Approach (continued)

7. Extra Work and Upgrades

- **Scope Expansion:** Install or upgrade devices upon Town request; no work performed without prior written authorization.
- **Pricing Transparency:** Provide itemized cost proposals with labor, materials, and equipment pricing.
- **Technology Support:** Include design and installation of new LED systems, communications, or video detection enhancements as needed.

8. Quality Assurance & Meetings

- **Monthly Coordination:** Attend scheduled reviews with Town staff to go over maintenance logs, performance metrics, and outstanding repairs.
- **On-Demand Consultation:** Provide no-cost consultation for equipment recommendations or troubleshooting.
- **Staff Qualifications:** All assigned personnel meet or exceed five years' field experience; specialists in lighting and traffic systems.

9. Safety and Traffic Control

- **Setup Compliance:** All field operations performed with MUTCD-compliant traffic control setups.
- **Night Work Readiness:** Bucket trucks and tools equipped for safe night operations.

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2. SCOPE OF SERVICES / WORK PLAN (CONT)

Method of Approach

An RFP cannot capture all the literal details and intricacies of a traffic signal maintenance program. Because of this, we understand that a successful electrical maintenance contractor needs to be flexible and adaptable to complete necessary tasks promptly. For the Town of Los Gatos we will accomplish this in three (3) ways.

1. Communication

We understand that a maintenance business is a business built on trust and relationships. To build and maintain trust, continuous communication is paramount. This starts with assigning single points of contact in a qualified foreman electrician and project manager. Through these direct channels of communication, its our standard practice to consistently communicate with each other in a collaborative manner. This allows for us to adapt our work schedule, backlog, and manpower allocation to the specific needs of the Town. To assist with communication and transparency, we have developed an in-house web-based Maintenance Management System built on the salesforce platform. This, along with a well implemented communication and reporting plan allows us to provide real time updates on assigned tasks to our clients as well as meaningful reports.

2. Allocation of Resources

Through our combined experience and statewide presence, we know what it takes to properly staff and manage a traffic signal maintenance contract. We also understand that our assigned workload may not always be linear due to the responsive nature of such contracts. With that in mind, we assembled a field team of over 100 electricians, fiber optic and low voltage technicians, operators, and laborers available to assist under the direct supervision of our foreman electrician. This allows for us to not only exceed response time expectations on a day-to-day basis, but also complete larger scopes and tasks in a timely manner as they may arise.

3. Additional In-House Services

Through our experience servicing similarly positioned agencies, we understand that a maintenance program may evolve or expand at times to include signal upgrades, modifications, and installations. Over time, we have expanded our services to include the following to further support the needs of our existing maintenance clients. Over time, we have grown our maintenance business to capture the below mentioned scopes in-house. By performing these scopes of work in-house rather than subcontracting, it allows for us to have control of our schedule and meet the needs and expectations of our clients in a timely manner.

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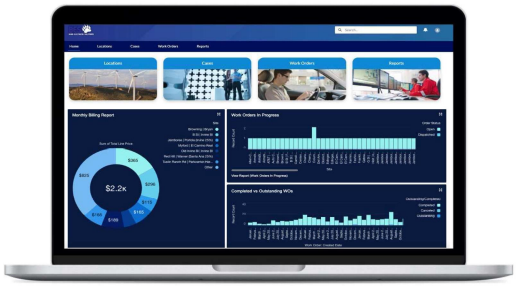
2. SCOPE OF SERVICES / WORK PLAN (CONT)

Communication and Reporting

We believe in leveraging technology to enhance our communication and provide an unparalleled customer experience. With that, we utilize a blend of automatically generated tasks in our maintenance management system accompanied by personal communication to ensure all stakeholders are informed on current status of work. Our intent is to work collaboratively to develop communication support channels that best suit the Town's needs. Below is a communication and reporting plan that we recommend to meet the reporting requirements as outlined in the Town of Los Gatos RFP.



Communication Support Plan

Type	Responsibility	Description
Automatic Email Alerts	Bear Salesforce CRM (to be provided at no additional cost)	Upon commencement of work, automatic email alerts are configured so stakeholders can be notified of work as its completed
Emergency Work requiring immediate attention	Bear Technician/Project Manager	For issues concerning public safety, we empower our technicians to communicate directly with our clients to resolve issues as quickly as possible. A brief follow-up with written communication on the subject matter will be communicated via email by the project manager
Weekly Account Update	Bear Project Manager	At the end of each week, the assigned project manager provides an update via email on completed work this week, proposed schedule for the following week, and status on all open work with action items for both Bear and the Town
Monthly Maintenance Meetings	Bear Project Manager	Meet in person or virtually once per month with all project stakeholders to discuss status of project.
Monthly Accounting Reports	Bear Accounting Department	Our accounting department sends monthly invoicing summarizing all work performed during the previous month with costs broken down per work order. Along with this report, our accounting department also captures year-to-date expenditures and available contract balances. This allows both the Town and Bear to manage the rate of expenditures and make educated decisions on how to best use available funding.

Communication Feedback

One of the core values we built our business on is the notion of continuous improvement. This can only happen with open and honest feedback. We encourage all stakeholders to provide feedback and suggest any improvements or changes meet the needs of the Town.

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2. SCOPE OF SERVICES / WORK PLAN (CONT)

Unlike other providers, Bear Electrical Solutions is uniquely positioned to serve the Town of Los Gatos thanks to our close proximity and strong local ties—factors that directly enhance our ability to meet and exceed project timelines. Our headquarters is located nearby in Alviso, which allows us to respond quickly and efficiently to service requests. Furthermore, several members of our management and field teams live in or around Los Gatos, deepening our connection to the community and reinforcing our commitment to maintaining its infrastructure with care and urgency.

The table below highlight Bear's committed response times for both routine maintenance and emergency work. We regularly outperform the Town's service expectations, providing 24-hour response for standard requests and ensuring on-site arrival within one (1) hour for critical issues. Our proximity and local investment translate into faster service, operational efficiencies, and long-term cost savings for the Town.

Base Maintenance

Work Type	Contract Required Response Time	Bear Committed Response Time
Traffic Signal Maintenance	Monthly by end of month	Monthly – no less than 3 weeks from previous service
Any traffic signal device malfunction, failure, loss of indication, construction damage, or any emergency traffic signal call.	1 Hour	Not greater than 1 hour on-site - 24/7/365
All Reported Inoperable Streetlights	Shall be serviced and repaired within five (5) working days or less.	Shall be serviced by end of the work week.
When the inoperable streetlights are reported for a pedestrian crosswalk.	Shall be repaired before dark of the next day.	Same day response
When the reported conditions require immediate attention, such as exposed hot conductors.	Shall be repaired or temporarily repaired within two hours from receiving the notice.	Not greater than 1 hour on-site and area is deemed safe – 24/7/365.
All reported inoperable parking lot lights	Shall be serviced and repaired within five (5) working days or less.	Shall be serviced by end of the work week.
When the inoperable lights are reported for an entire parking lot.	Shall be repaired before dark of the next day.	Same day response

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3. HOURLY RATES

The following table outlines our hourly rates for labor and equipment used in extraordinary work and emergency maintenance response services.

Labor Rates for Extra or Emergency Work, As Required	Straight Time	Over Time	Double Time
Journeyman Electrician (Foreman)	$ 195.00	$ 250.00	$ 305.00
Journeyman Electrician	$ 185.00	$ 240.00	$ 295.00
Heavy Equipment Operator	$ 155.00	$ 195.00	$ 245.00
Laborer	$ 105.00	$ 130.00	$ 155.00
Network Engineer	$ 185.00	$ 240.00	$ 295.00
Licensed Traffic Engineer	$ 145.00	$ 200.00	$ 250.00

Equipment Rates for Extra Work	Per Hour
Bucket Truck	$ 35.00
Crane	$ 65.00
Air Compressor	$ 25.00
Vactor	$ 45.00
Dump Truck	$ 45.00

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4. RELEVANT EXPERIENCE

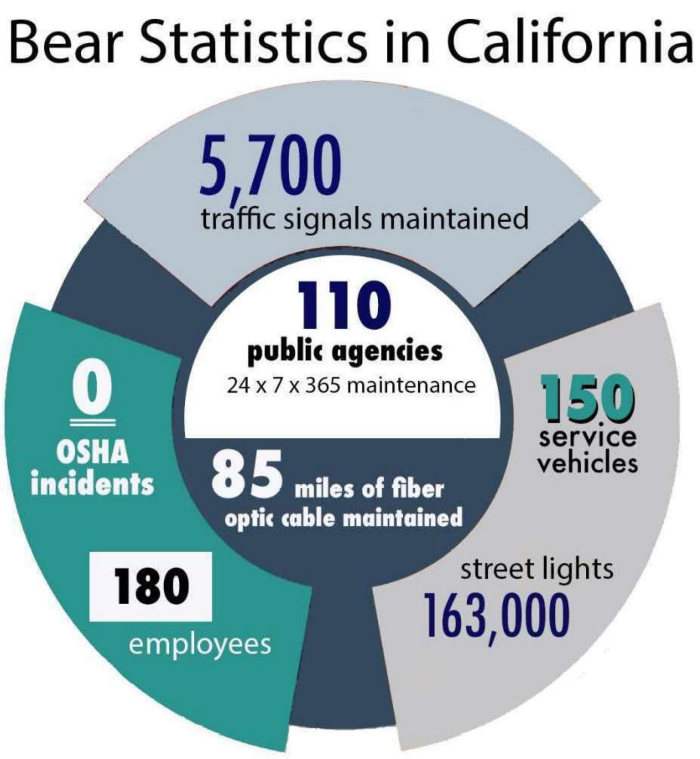
About Bear

Bear Electrical Solutions, LLC (Bear) is a privately held limited liability company established in January 2013. It operates as a subsidiary of **GreenArrow**, a multi-state holding company with more than 500 employees across California, Pennsylvania, Indiana, and Illinois. Bear employs 180 team members, including 81 based at our Alviso, California headquarters - with average employee tenure of 6.45 years, reflecting our strong retention and experienced workforce.

Founded by **Robert Asuncion** and **Andrew Bader**, both of whom are based in the South Bay Area, the company benefits from active ownership—Robert serves as Bear's Traffic Engineer, while Andrew oversees financial operations as President and Chief Financial Officer.

Bear was established with a clear mission: ***To become the trusted leader in transportation electrical services.*** Our steady growth reflects our commitment to delivering on our promises and earning the ongoing trust of our clients.

Today, Bear is uniquely positioned to provide the personalized service of a local firm with the financial backing and operational stability of a larger enterprise—making us an ideal partner for public agencies of all sizes.



The Perfect Combination:

1

Unlimited resources

Bear typically has on-hand the materials, equipment and personnel at one of our regional offices to support any size maintenance program. To help mitigate any risk for our agency customers, we also have access to unlimited capital through our larger holding company. Unlimited resources and powerful buying power have made Bear one of the most stable and viable long-term partners in the industry.

2

Local support with autonomy – Tailored for Los Gatos

With more than 25 years of experience supporting public agencies, we understand that each community has its own operational priorities and maintenance challenges. That's why our company is structured around autonomous regional offices led by local staff who build strong, responsive relationships with the agencies they serve. In the Town of Los Gatos, we've delivered a range of electrical services—including traffic signal maintenance, streetlighting, and ad-hoc electrical work—providing us with firsthand knowledge of the Town's infrastructure and a clear understanding of what works best for its systems and community expectations.

3

Extending your team knowledge:

Our diverse team has the largest breadth of skills in the industry (from traffic engineers to financial experts and construction management). In addition, we work across our network of seven offices in different states to ensure that we bring the latest trends and solutions to our customers. Our goal is to act as an extension of your team and help drive continuous improvement in your programs.

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4. RELEVANT EXPERIENCE (CONT)

BEAR

Industry Qualifications

Bear Electrical is qualified to meet and exceed the requirements outlined by the Town of Los Gatos:

- A — **Class A –** General Engineering
- C-10 — **Class C-10 –** Electrical
- C-31 — **Class C-31 –** Work Zone Traffic Control
- D-31 — **Class D-31 –** Pole Installation and Maintenance



Certifications and affiliations

- Signatory to the International Brotherhood of Electrical Workers (IBEW), Laborers, Low Voltage, and Operators Union(s)
- Department of Industrial Relations (DIR) Certified & Registered (#1000002158)
- Pacific Gas & Electric approved electrical contractor
- United Contractors Association Member (UCON)
- CCNA-certified
- Maintenance Superintendant Association (MSA) Sponsor
- National Association of Women in Construction (NAWIC) Member / Sponsor
- Institute of Traffic Engineer (ITE) Member / Sponsor
- International Municipal Signal Association – various certifications (employee certifications)



PG&E

NAWIC the National Association of Women in Construction

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

UNITED CONTRACTORS

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4. RELEVANT EXPERIENCE (CONT)

Company Vehicles, Equipment, and Stock Inventory

Bear owns and operates a $9M fleet comprised of bucket, utility, and crane trucks. Bear also maintains an inventory of necessary traffic control equipment, such as construction area signs, cones, and message signs, to facilitate our traffic control work.

Regarding stock inventory for our maintenance business – we maintain a stock level of over $2M of traffic signal and streetlight material between all our regional offices.

Below is an equipment and inventory breakout demonstrating our company's equipment readiness available for this project.



Regional Office	Bucket Truck	Dump Truck	Utility Trucks /Flat Bed	Van/Pick Up Trucks	Crane Trucks	Loop Truck
Anaheim	13	0	1	6	1	0
SF Bay Area	17	8	6	24	2	1
Sacramento	13	2	8	2	0	1
Totals	**43**	**10**	**15**	**32**	**3**	**2**

Shared Regional Resources (Construction Equipment)

	Qty	Description	Qty	Description
Heavy Equipment	10	Arrowboard 2021	1	2018 Water Buffalo
	8	2014 Atlas Copco XAS 185	1	2013 Magnum Light Tower
	3	SS125 DIESEL MELTER R-AB- crafco	1	SLABACH I-85 REEL TRAILER
	6	Bobcat E35 Mini-Ex	1	BOBCAT 753
	2	2021 BOBCAT E32	1	2019 Caterpillar 246D Skid Steer and Attachments
	3	DITCH WITCH JT20 DRILL	1	2016 CAT 246D SKID STEER
	12	2022 Tow Master T20D TRAILER	1	2023 CAT Trackloader 279D3
	3	2021 Vermeer Vactron	5	2018 BIGT UTILITY TRAILER
	4	Carson Trailer - wire trailer	2	2018 Vermeer Vactron
	Various	Traffic Control Equipment - Cones, Signs, Etc.		

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4. RELEVANT EXPERIENCE (CONT)



The City of San Jose

200 E. Santa Clara St, San Jose, CA 95113

The City of San Jose ranks 12th largest in the Country with a population of close to a million. The City has over 920 traffic signals and 62,000 streetlights. Bear currently provides 24/7/365 on-call traffic signal maintenance services. These services include knockdown response, repair, and ad-hoc electrical. Additional contract work involves on-call fiber communication maintenance. Bear has installed over 500 video detection systems for the City.

Reference Contact: Randy Griffith, Electrical Supervisor, (510) 828-3099

The City of Santa Clara

1500 Warbarton Ave., Santa Clara, CA 95050

Bear Electrical has been providing traffic signal maintenance under an all-inclusive contract to the City of Santa Clara for the past 4 years. Bear currently maintains 98 traffic signals with routine maintenance as well as 24/7/365 emergency response

Reference Contact: Joel Roque, Associate Engineer, (408) 615-3029





The City of Mountain View

500 Castro St., Mountain View, CA 94041

The City of Mountain View is a community located in the heart of Silicon Valley, with a population of approximately 82,000. The City maintains over 120 traffic signals and more than 7,000 streetlights. Bear currently provides 24/7/365 on-call traffic signal maintenance services, including knockdown response, signal repairs, and ad-hoc electrical work. Additional contract services include on-call maintenance and troubleshooting of the City's fiber communication network.

Reference Contact: Darwin Galang, Associate Civil Engineer, (650)903-6311 x 6005

The City of Fremont - 39550 Liberty St., Fremont, CA 95438

Bear Electrical has been providing traffic signal and lighting maintenance under an all-inclusive contract to the City of Fremont for the past 11 years. As a progressive city, Fremont is continually working to implement new technologies that ease traffic and congestion, while increasing safety. With 173 traffic signals and 20,000 streetlights, Bear provides all-inclusive services for traffic signal and streetlight maintenance, parks, and sports lighting facilities. Also included is 24/7/365 emergency response, preventative maintenance, & ad hoc electrical improvements.



Reference Contact: Victoria Walker, Associate Engineer, (510) 494-4756-3029

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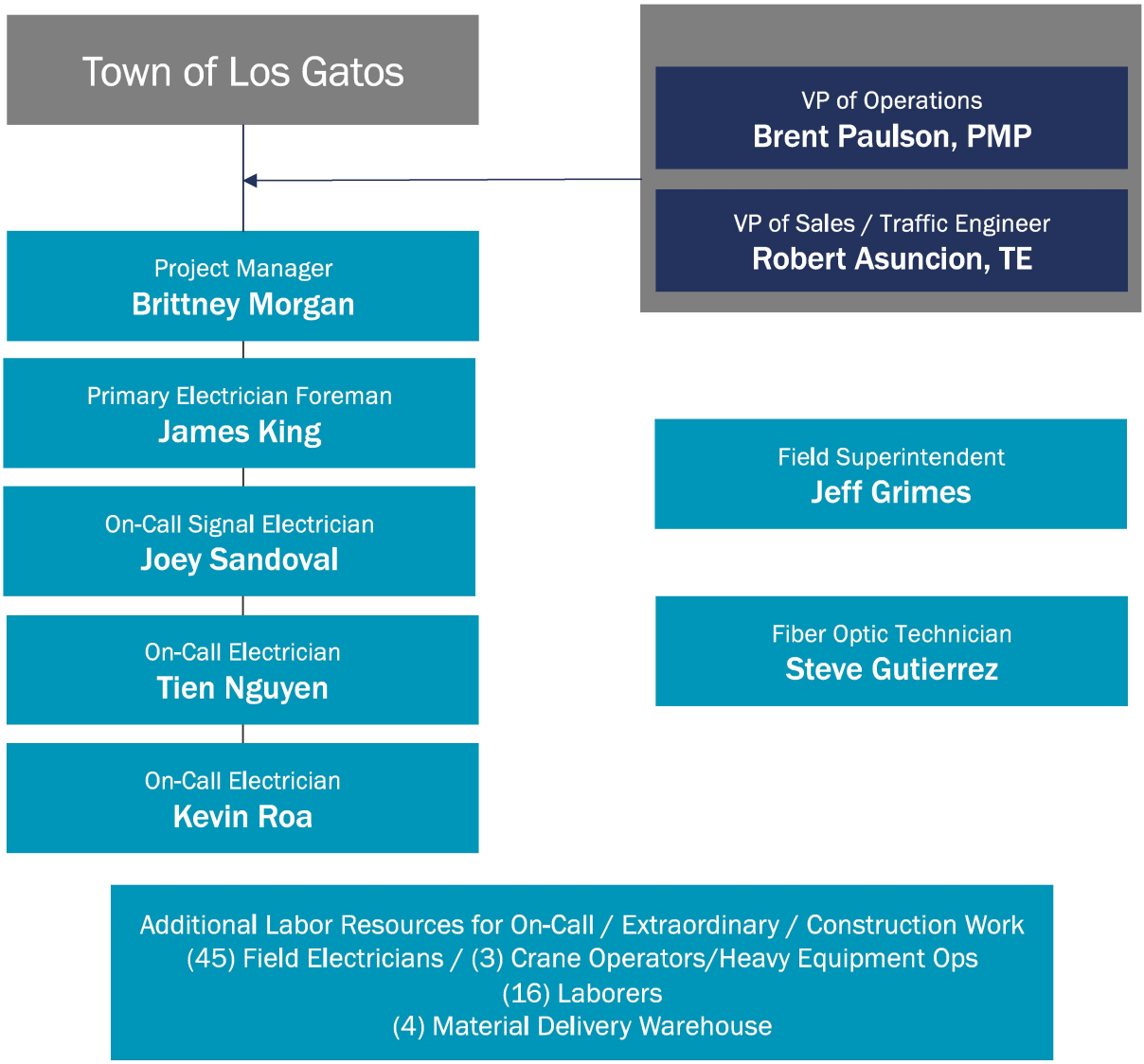
5. PROJECT TEAM AND MAIN CONTACT

Team & Experience

Through our experience we have found that a maintenance and repair services agreement has a vast diversity of scope that is not always linear. To manage the urgency and diversity of such work, we have a core group of competent team members dedicated to the Town as well as a large team of qualified and diverse individuals that can be leveraged at any anytime based upon demand or the specifics of expertise.

The main project contact for the Town will be Project Manager, Brittney Morgan. She will coordinate all project deliverables with the Town as well as maintain a regular cadence of meetings with the Town ensuring project alignment and effective communication.



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6. PROJECT TEAM RESUMES

BEAR

Brittney Morgan



Project Manager

Brittney is a dynamic and results-driven project manager with proven ability to lead teams, coordinate subcontractors, and drive projects to successful completion. She brings a unique combination of tenacity and clear, effective communication to every project – ensuring stakeholders are aligned and deliverables are met on time and within scope. Brittney is experienced in managing traffic signal maintenance-based contracts for over five (5) years ranging from small to large cities throughout the Bay Area.

Experience

Project Manager
Bear Electrical Solutions, LLC | 2020-present | Alviso, CA

- Forward-facing maintenance account representative for various public agency clients. Very client relationship focused.
- Responsible for project communications, material procurement, estimating and proposal development
- Procurement specialist with multiple vendor relationships in the traffic signal, ITS, and streetlighting business
- City/County permitting
- Responsible for construction/maintenance projects ranging from $500- $1M.

Area Sales Manager
Power Crunch| 2019-2020 | Alviso, CA

- Oversight of sales operations for large regional areas.
- Conducted market research and competitive analysis to identify trends, customer needs, and business expansion.
- Fostered strong relationships with key clients and partners, negotiating contracts and resolving issues to ensure long-term satisfaction.

Additional Skills

BA Communications – Professional Public & Organizational Communications (2012)
Permit Work and Permit Coordination
Computer – Email, MS Office
Purchasing, Tracking, Vendor Relations

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6. PROJECT TEAM RESUMES (CONT)

BEAR

James King



Foreman Electrician / Laboratory Manager

With over 25 years of experience in electrical maintenance and construction, James has successfully delivered a wide range of transportation-related projects throughout the Bay Area, including traffic signal installations, system upgrades, roadway lighting, and fiber optic communications—most notably in cities like Los Gatos. His expertise spans both routine maintenance and complex infrastructure improvements, giving him a comprehensive understanding of public works operations and industry standards. In addition to self-performing specialized field work, James is a respected leader who mentors and trains new employees, fostering a skilled and safety-focused workforce.

Experience

Field Foreman / Electrician / Lab Manager
Bear Electrical Solutions, LLC | 2013 | Alviso, CA

- Working field foreman responsible both training and mentoring younger electrician.
- Over two decades of traffic signal system installation and maintenance experience, including ITS, fiber optic, and underground repair.
- Experienced in construction and maintenance of traffic signal systems including new ITS technologies.
- Certified bench tester of controller and cabinet assemblies.

Electrician
Siemens / Republic ITS | 2004-2013 | Fremont, CA

- Traffic Signal, Streetlight Maintenance and Construction
- Emergency Response

Certifications	Licenses
IMSA - Work Zone Safety IMSA - Traffic Signals Field Electrician I/II OSHA Training & Heavy Equipment Operator FOA Certified Fiber Optic Technician Certified Cable Splicing and Terminating for	State of California General Electrician #E119642-G State of California Contractor License (C-10, C-31) - #982079 IBEW Union Member

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6. PROJECT TEAM RESUMES (CONT)

BEAR

Tien Nguyen

Traffic Signal and Streetlight Electrician

Mr. Nguyen has over 24 years of field experience as a commercial, residential, and industrial electrician. He is experienced in traffic signal, streetlighting, installation, maintenance, and troubleshooting. Additionally, he is experienced with SCADA, fiber optic installation, and security camera networking. Tien has completed some high visibility projects, such as switchgear replacement for the Bay Area bridges for Caltrans and signal work for VTA.

Experience

Electrician
Bear Electrical Solutions, LLC | 2020-present | Alviso, CA

As field electrician for the Bear Electrical – SF Bay Area operations, Mr. Nguyen performs construction and specialty work such as crane, fiber optic, and medium voltage works.

Electrician
Rays Electric. | 2019-2020 | Oakland, CA

Traffic Signal, RRFB, Highway Lighting Construction

Electrician
NorCal General Construction. | 2014-2019 | San Jose, CA

Commercial and Industrial Electrical

Electrician
All Bay Electric | 2016-2016 | Brentwood, CA

Industrial Electrical

Electrician
Amland | 2003-2013 | San Jose, CA

Certifications	Licenses
IMSA - Work Zone Safety IMSA - Traffic Signals Field Electrician I/II OSHA Training & Heavy Equipment Operator FOA Certified Fiber Optic Technician Certified Cable Splicing and Terminating for Medium Voltage & CIC Crane Certificate Certificate of Electrical Safety for Industrial	State of California General Electrician #E158856 IBEW Union Member

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6. PROJECT TEAM RESUMES (CONT)

BEAR

Joey T. Sandoval

Field Electrician

With over a decade of hands-on experience in the electrical field, Joey brings deep expertise in both traffic signal systems and commercial electrical installations. As a lifelong resident of San Jose, he has an in-depth understanding of the region's infrastructure and has successfully completed a wide range of projects throughout the area. Joey is known for his reliability, technical proficiency, and strong commitment to safety and quality. His familiarity with local agency standards and his ability to adapt to dynamic field conditions make him a valuable asset on any job site.

Experience

Electrician
Bear Electrical Solutions, LLC | 2023-present | Alviso, CA

- Maintenance and On-Call Repair
- ITS installation and deployment
- Emergency Response

Electrician
CSI Electrical Contractors | 2021-2023 | San Jose, CA

- Off-site electrical including lighting installation, new builds and retrofits
- Commercial, hospital electrical projects, medium voltage work

Electrician
Rosendin Electric | 2019-2021 | San Jose, CA

- Commercial and Industrial Electrical
- Caltrans and Public Works Construction focused on electrical
- Motor Controls

Fiber Technician/Fiber Splicer
Cal Coast Telecom | 2015-2016 | San Jose, CA

- Fiber Splicer for telecom projects
- Low voltage installation

Certifications	Licenses
IMSA Traffic Signal Field Electrician Level I/II OSHA Training FOA Certified Fiber Optic Technician Corning Optical Fiber Certified CAD Welding Cert. for Grounding and Bonding	California State Certified – Provisioned IBEW Graduate

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6. PROJECT TEAM RESUMES (CONT)

BEAR

Kevin Roa



Electrician

With over nine (9) years of experience as traffic signal/streetlight electrician, Kevin has established himself as dedicated and knowledgeable within the industry, specializing in on-call traffic signal and streetlight maintenance. Fully trained in all aspects of traffic signal and ITS troubleshooting, new installations, and modifications.

Experience

Electrician
Bear Electrical Solutions, LLC | 2015-present | Alviso, CA

- Dedicated traffic signal and streetlight routine, response, and emergency response services.
- Trained and certified in various ITS technologies and platforms (such as 2070/170/NEMA, TS1-TS2, legacy non-NEMA PLC.)
- Ensure maintenance contract compliance with agency requirements for field work.

Investigative Aide
Monterey County District Attorney| 2013-2014 | Salinas, CA

- Under direction of District Attorney provided information and communication support relating with criminal investigation cases.
- Independently contacted case requesters to obtain additional information.

Certifications	Licenses and Education
OSHA 30 IMSA Traffic Signal Bench Level III IMSA Traffic Signal Field Level III IMSA Work Zone Traffic Control Technician CPR/AED	BS Degree – Criminal Justice Minor – Information Technology

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6. PROJECT TEAM RESUMES (CONT)

BEAR

Steve Gutierrez



Fiber Technician Foreman

With over two decades of experience in the telecommunications industry, Steve specializes in fiber optics technology, leveraging extensive training and hands-on expertise to deliver efficient and safe performance. Steve is proficient in evaluating and troubleshooting complex fiber optic systems while ensuring timely and effective resolutions to technical challenges. Driven by a passion for excellence, Steve thrives in dynamic environments, embrace new challenges, and continually seek opportunities to enhance his knowledge and skills in advanced telecommunications technologies.

Experience

Field Fiber Technician Foreman
Bear Electrical Solutions, LLC | 2022-Present | Alviso, CA

Field foreman leading crews in the installation of new fiber plants.
Performs troubleshooting, repair, and testing and commissioning of fiber communication networks.
Projects involve Public Works, commercial, industrial, and public safety critical infrastructure.
Splicing, power meter testing, pulling and running Cat 6 and Fiber.

Fiber Technician
Cupertino Electric, Inc | 2019-2022 | Santa Clara, CA

Data Closet Build-Outs, Access Control Installation
Fire Alarm Wiring
Fiber Optic installation in commercial, industrial, and public safety infrastructure

Premise Technician / Construction Splicer
AT&T | 2007-2019 | Santa Clara, CA

Installation of Fiber Optic for U-Verse, Direct TV systems
Wiring of home with low voltage, fiber optic, satellite and troubleshooting.
Splicing, Cable conditioning/placement, pole climbing & repairs
Building phone rooms, utility work

Certifications	Skills & Abilities
Applied Professional Training FCC License Fiber Optic Communication DTSAT Data Communication& Network Cisco Networking Fundamentals	Electrical/Low Voltage Critical Infrastructure Maintenance Fiber / Copper Running, Installation, and Repair Pole / Ladder Climbing Manhole / Pole Climbing Union Steward Training

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6. PROJECT TEAM RESUMES (CONT)

BEAR

Jeff Grimes



Field Superintendent

As Field Superintendent, Jeff brings 32 years of experience in traffic signal and electrical maintenance and construction, with a proven ability to manage personnel, materials, and equipment logistics on complex infrastructure projects. He works closely with project managers to ensure deliverables are met with precision, proactively addressing challenges to maintain project timelines and quality. Jeff also oversees team training, safety compliance, and technical execution, drawing on his in-depth knowledge of electrical systems, traffic signal operations, and industry standards. His leadership and field expertise make him a key contributor to successful project outcomes.

Experience

Regional Field Superintendent
Bear Electrical Solutions, LLC | 2017-present | Alviso, CA

- Maintain day to day operations in the field
- Oversee manpower for all projects
- Make sure all safety protocols are followed and in compliance

Foreman Electrician
Tennyson Electric Inc. | 2010-2017 | San Jose, CA

- Street Lighting, Traffic Signals
- Cal-Trans Spec Splicing for outside
- Blueprint Reading
- Circulatory and Underground Layout

Apprentice to Foreman Electrician
BC Electric | 1992-2010 | San Jose, CA

- Commercial and Industrial Electrical
- Circuit Layout
- Motor Controls
- Lighting Control Blueprint Reading
- Conduit Bending
- Panel Termination & Main Gear Installation

Certifications & Licenses

OSHA 30
State of California General Electrician #E-112734G
IBEW Union Member

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6. PROJECT TEAM RESUMES (CONT)

BEAR

Brent Paulson



Vice President of Operations

As the Vice President of Operations for Bear Electrical Brent ensures all project resources – personnel, material, and equipment – are in place and operating as desired from a Company and customer perspective. As a previous electrician and project manager, Brent Paulson provides high-level oversight to our company's operations team, ensuring that internal and external customer expectations are met. Under Brent's leadership, the company has continued to grow and expand, delivering on Bear's promises and values to its clients.

Experience

Project Manager
Bear Electrical Solutions, LLC | 2013-present | Alviso, CA

As a project manager for Bear Electrical, Brent leads a project management team that is responsible for the maintenance and service of approximately 2,000 signals and 120,000 streetlights for various agencies in the San Francisco Bay Area. His team also specializes in ITS deployment and SMART City projects.

Electrician
Siemens/ Republic ITS | 2007-2013 | Fremont, CA

- Traffic Signal Maintenance
- Streetlight Maintenance
- Fiber Optic / Copper / Wireless Communication
- ITS Deployment
- Traffic Signal Upgrades/ Modifications

Certifications	Licenses
IMSA - Work Zone Safety IMSA - Traffic Signals Field Electrician I/II/III IMSA – Traffic Signals Bench I/II OSHA 30 Certified IBEW Apprenticeship Graduate NECA Accredited and Certified PM Project Management Professional (PMP)	State of California General Electrician #E-155344-G Project Management Professional (PMP)

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6. PROJECT TEAM RESUMES (CONT)

BEAR

Robert Asuncion



Company Principal / Traffic Engineer

Robert can provide on-call traffic engineering support should the Town require ad-hoc consulting. Starting his career in the public sector and later forming a business focused on meeting the needs of cities, Robert provides expertise and insights on best maintenance practices while ensuring technical compliance.

Experience

Co-Founder and Vice-President
Bear Electrical Solutions, LLC | 2013-present | Alviso, CA

- Co-founded business from scratch and grew operations from 2 employees to over 145 employees statewide.
- Provides traffic signal maintenance expertise;
- Business development.

Regional Manager
Siemens/ Republic ITS | 2004-2012 | Fremont, CA

- Responsible for P&L activities for the SF Bay Area regional office with annual revenues of over $40M per year;
- Cost estimating;
- Provided on-call traffic engineering consultation for various public agency clients.

Associate Transportation Engineer
City of Fremont | 1999-2004 | Fremont, CA

- Citizen respondent to all traffic engineering-related inquiries;
- Responsible for traffic signal operations & red light-camera program for a City with over 200k population.

Certifications	Licenses
IMSA - Work Zone Safety IMSA - Traffic Signals Field Electrician I/II/III IMSA – Traffic Signals Bench I/II Bachelors in Civil Engineering	State of California Professional Engineer in Traffic Engineering (No. TR 2156) State of California Contractor License - Class A General Engineering (No. 982079) State of Nevada Contractor License – Class A General Engineering (No. 0090133)

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Line Item	Description	Quantity	Unit of Measure	Unit Cost
1	Streetlight Maintenance & Repair Flat Rate per streetlight	1	Each	$1.25
2	Traffic Signal Preventative Maintenance & Repair Flat Rate per intersection	1	Each	$122.00
3	Parking Lot Light Maintenance & Repair Flat Rate per light	1	Each	$1.25
4	Lights in Public Parks Maintenance & Repair Flat Rate per light	1	Each	$1.25
5	USA Locating & Marking Flat Rate	1	Per Ticket	$110.00
	Total			$235.75

Line Item	Description	Quantity	Unit of Measure	Unit Cost
6	Install Town Standard LED light fixture (non-decorative)	1	Each	$1,285.00
7	Install Town furnished LED light fixture	1	Each	$200.00
8	Install light pole with arm on existing foundation – Octaflute pole	1	Each	$6,460.00
9	Install light pole with arm on existing foundation – Type 15 pole	1	Each	$5,970.00
10	Install light pole with Town furnished arm on existing foundation - Octaflute pole	1	Each	$5,720.00
11	Install light pole with Town furnished arm on existing foundation – Type 15 pole	1	Each	$2,340.00
12	Construct light pole foundation and restore affected sidewalk	1	Each	$2,170.00
13	Construct light pole foundation and restore affected area (no sidewalk)	1	Each	$4,520.00
14	Install Town furnished light pole and arm	1	Each	$2,485.00
15	Install luminaire arm on existing Octaflute pole	1	Each	$1,580.00
16	Install luminaire arm on existing Type 15 pole	1	Each	$1,450.00
17	Install Town furnished luminaire arm	1	Each	$620.00
18	Install pull box (#3 ½) and restore affected sidewalk	1	Each	$1,780.00

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19	Install pull box (#3 ½) and restore affected area (no sidewalk)	1	Each	$1,450.00
20	Construct new foundation, installation of 1B Pole on new foundation and restore affected sidewalk	1	Each	$4,125.00
21	Construct new foundation, installation ofInstallation of 1B Pole on new foundation and restore affected area (no sidewalk)	1	Each	$3,615.00
22	Installation of 1B Pole on existing foundation	1	Each	$2,075.00
23	Construct new foundation, installation of PPB post with ADA push button assembly on new foundation	1	Each	$2,845.00
24	Installation of PPB post with ADA push button assembly on existing foundation	1	Each	$1,900.00
25	Installation of inductive loops 6'x6' Type A, B, D, E, and Q per loop	1	Each	$750.00
26	Installation of inductive 2'x6' Type C Bicycle Loop	1	Each	$750.00
27	Installation of LED modules for Non-PV Heads Red	1	Per Module	$250.00
28	Installation of LED modules for Non-PV Heads Yellow	1	Per Module	$250.00
29	Installation of LED modules for Non-PV Heads Green	1	Per Module	$250.00
30	Installation of LED modules for PV Heads Red	1	Per Module	$340.00
31	Installation of LED modules for PV Heads Yellow	1	Per Module	$340.00
32	Installation of LED modules for PV Heads Green	1	Per Module	$340.00
33	Pedestrian Countdown (Combo)	1	Per Module	$360.00
34	Installation of 12" Signal Heads with LED modules (on existing framework), visors, back plates, and louvers as needed - 3 Section Non-PV Heads	1	Each	$1,015.00

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35	Installation of 12" Signal Heads with LED modules (on existing framework), visors, back plates, and louvers as needed - 4 Section Non-PV Heads	1	Each	$1,145.00
36	Installation of 12" Signal Heads with LED modules (on existing framework), visors, back plates, and louvers as needed - 5 Section Non-PV Heads	1	Each	$1,275.00
37	Installation of 12" Signal Heads with LED modules (on existing framework), visors, back plates, and louvers as needed - 3 Section PV Heads	1	Each	$4,895.00
38	Installation of 12" Signal Heads with LED modules (on existing framework), visors, back plates, and louvers as needed - 4 Section PV Heads	1	Each	$6,330.00
39	Installation of 12" Signal Heads with LED modules (on existing framework), visors, back plates, and louvers as needed - 5 Section PV Heads	1	Each	$7,800.00
40	Installation of Mounting Bracket - Type MAS	1	Each	$360.00
41	Installation of Mounting Bracket - Type MAT	1	Each	$360.00
42	Installation of Mounting Bracket - Type TV-1-T	1	Each	$645.00
43	Installation of Mounting Bracket - Type TV-2-T	1	Each	$945.00
44	Installation of Mounting Bracket - Type TV-3-T	1	Each	$1,280.00
45	Installation of Mounting Bracket - Type SV-1-T	1	Each	$610.00
46	Installation of Mounting Bracket - Type SV-2-T	1	Each	$910.00
47	Installation of Mounting Bracket - Type SV-3-T	1	Each	$1,200.00

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48	Installation of Mounting Bracket - Type SP-1-T	1	Each	$610.00
49	Installation of Mounting Bracket - Type SP-2-T	1	Each	$910.00
50	Installation of Yellow Reflective Tape on Existing Backplates (Prep & paint as necessary.)	1	Each	$100.00
51	Installation of Pedestrian Signal Head (with LED Countdown)	1	Each	$585.00
52	Installation of Accessible Pedestrian Signal (Polara or approved equal)	1	Each	$835.00
53	Installation of Pedestrian Push Button Assembly	1	Each	$400.00
54	Installation of Town furnished signal controller cabinet assembly on existing foundation	1	Each	$3,300.00
55	Install #4 pull box and restore affected sidewalk	1	Each	$1,650.00
56	Install #5 pull box and restore affected sidewalk	1	Each	$1,275.00
57	Install #6 pull box and restore affected sidewalk	1	Each	$1,275.00
58	Install #4 pull box in street (traffic grade) and restore affected area	1	Each	$3,050.00
59	Install #5 pull box in street (traffic grade) and restore affected area	1	Each	$3,550.00
60	Install #6 pull box in street (traffic grade) and restore affected area	1	Each	$3,925.00
61	Replace/install #4 pull box in dirt and restore affected area	1	Each	$1,140.00
62	Replace/install #5 pull box in dirt and restore affected area	1	Each	$770.00
63	Replace/install #6 pull box in dirt and restore affected area	1	Each	$780.00
64	Conflict monitor (CMU/MMU) test	1	Each	$200.00
65	Update streetlight inventory	1	Each	$8,000.00
66	Update parking lot lights inventory	1	Each	$1,600.00
67	Complete inventory of lights in Town Parks	1	Each	$1,600.00
68	Percent Markup on Materials	0	Percent	15%
	Total			$120,560.15

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EVALUATION

RFP FOR TRAFFIC SIGNAL AND STREETLIGHT MAINTENANCE AND REPAIR, AND UNDERGROUND SERVICE ALERT (USA) MARKING SERVICES

Request For Proposal

Parks and Public Works

96882, 96883

Release Date: Tuesday, April 1, 2025

Due Date: Friday, April 18, 2025 3:00pm

Posted Tuesday, April 1, 2025 9:59am

Bid Unsealed Monday, April 21, 2025 12:14pm by Kinjal Buch

Pricing Unsealed Monday, April 21, 2025 12:14pm by Kinjal Buch

All dates & times in Pacific Time

Viewing Phase 2 (current)

1. Scope of Work

Please add detailed scope of work here.

1.1. Detailed Scope of Work

A. SERVICES

The Contractor shall provide ongoing and field maintenance and repair of streetlights, parking lot lights, lights in theTown's public parks, traffic signals, and other traffic related equipment (such as electronic speed feedback signs and crosswalk warning lights, etc.) by duly trained and qualified personnel. The Contractor shall also perform USA (Underground Service Alert) marking.

The Contractor shall provide and maintain emergency service response on a 24-hours per day, 7 days per week basis, including all holidays, utilizing trucks equipped with radio dispatch and/or cellular communication capabilities, warning beacon/strobe lights; traffic cones; construction warning signs; a hydraulic bucket capable of reaching a height of 40 feet from the roadway surface; proper lighting for illuminating the work area at night; necessary computer laptop for programming, maintenance and testing of traffic signal controllers and various equipment. All required equipment shall be properly maintained and functional 24 hours a day, 7 days a week, including holidays.

The Contractor shall ensure that any vehicle used within the boundaries of the Town of Los Gatos where lane closures or work within the travel lanes is required shall be equipped with an arrow board, warning beacons/strobe lights, the proper quantity and sized cones for a lane closure, and advance warning signs. All of the Contractor's employees working within the boundaries of the Town shall be equipped with a communication device capable of instant 2-way communications for extended periods of time with the Contractor's shop or with Town staff.

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The Contractor shall have available, and readily accessible in functioning order, all required tools, equipment, apparatus, facilities, and m needed to perform all work necessary to maintain and repair the street lights, traffic signals, parking lot lights and lights in the parks as listed in Attachments A, B, C and K in compliance with current State and Town standards and specifications and National Electric Code (NEC).

The Contractor is required to provide a 24-hour phone service for taking calls for reported inoperable signals and lighting. All calls shall be logged by Contractor. The Contractor shall respond to call outs, inspect, verify, identify problems, and perform necessary repair per the contract requirements. All calls shall be entered into computer. The Contractor shall respond within the required response times as noted below and listed in Attachment I.

The Contractor shall provide traffic control, lane closures, sidewalk closure and/or detour that conform to the State and Town requirements. During emergency conditions, the Contractor shall assure full cooperation with the Town of Los Gatos.

B. **STREETLIGHT MAINTENANCE**

Maintain all streetlights (including streetlighting, and intersection safety lighting) owned by the Town in an operable and safe condition. Respond to call outs for outage, missing pole tag, missing hand hole cover, and any unsafe or inoperable condition. The PG&E owned streetlights (typically mounted on wood or utility poles) are not part of the contract.

All reported inoperable lights shall be serviced and repaired within five (5) working days or less. The five working days shall be measured beginning the first full day following receipt of the outage report. When the inoperable lights are reported for a pedestrian crosswalk, it shall be repaired before dark of the next day. When the reported conditions require immediate attention, such as exposed hot conductors, they shall be repaired or temporarily repaired within two hours from receiving notice. When performing streetlighting service, Contractor shall complete the Town's streetlight service form and report findings to Town staff. A copy of the streetlight service form is attached in Attachment D. All calls and services shall be entered logged. A summary report of activities, and an electronic file of repair records, shall be submitted to Town staff for review monthly.

The Contractor is required to have a lighting/electrical technician, with a minimum of five years of experience in streetlighting repairs, available to perform Services under this contract as designated. The technician shall have experience with the operation, maintenance, and repair of streetlights. The technician shall also have knowledge and experience of operation, maintenance, and repair of electrical service.

A complete inventory of approximately 1,607 Town-owned streetlights is available at Parks and Public Works Department. Most of the streetlights have been replaced with LED lights except for the decorative light fixtures. A summary table of LED streetlights is included as Attachment A. Town standard streetlight poles are Octaflute. Other streetlight standards that may be found in Town are Type 15, Octagonal, and other decorative poles. Town has installed LED streetlights town wide except for decorative light fixtures. It shall be the Contractor's responsibility to verify the accuracy of the inventory.

When responding to a streetlights maintenance call-out, the Contractor shall tag light pole in accordance with the Town and PG&E requirement if the pole ID tag is missing or not apparently visible. Contractor shall also note if there are any insecure or unsafe conditions such as missing hand hole covers, broken pull box lids, exposed wires, etc. repair and report to town staff.

Parking Lot Lights

Maintain lighting in Town's parking lots in an operable and safe condition. These lights are mounted on poles, bollards, walls, or garage ceiling. Respond to call outs for outage, missing pole tag, missing hand hole cover, broken fixture, broken bollard, and any unsafe or inoperable condition.

All reported inoperable lights shall be serviced and repaired within five (5) working days or less. The five working days shall be measured beginning the first full day following receipt of the outage report. When the inoperable lights are reported for an entire parking lot, it shall be repaired before dark of the next day. When performing lighting service, Contractor shall complete the Town's streetlight service form and report findings to Town staff. A copy of the streetlight service form is attached in Attachment D. All calls and services shall be entered and logged. A summary report of activities, and an electronic file of repair records, shall be submitted to Town staff for review monthly.

The Contractor is required to have a lighting/electrical technician, with a minimum of five years of experience in streetlighting repairs, availabl perform Services under this contract as designated. The technician shall have experience with the operation, maintenance, and repair of lights. The technician shall also have knowledge and experience of operation, maintenance, and repair of electrical service.

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A complete inventory of 119 parking lot lights is available at Parks and Public Works Department as shown in Attachment B. It shall be th Contractor's responsibility to verify the accuracy of the inventory.

Night Check for Parking Lot Lights and Specified Streets

Perform a monthly night check for outages and malfunctions of lighting and illuminated signs for the parking lots and the following streets: Los Gatos Boulevard, Main Street, Winchester Boulevard, Santa Cruz Avenue, Blossom Hill Road, Lark Avenue, Los Gatos Saratoga Road, Los Gatos Almaden Road, Pollard Road, and Knowles Drive. Also perform night check for problem locations as needed and as directed by Town staff. The cost for the monthly night check is considered part of monthly maintenance flat fees. A report with the results of night check shall be submitted to Town within a week from night check. Any identified light outage shall be repaired within a week from night check except for the repair that may require staff approval elsewhere in the contract specifications.

Lights in the Town's Public Parks

Maintain lighting in the Town's public parks in an operable and safe condition. These lights are mounted on poles, bollards, or walls. Respond to call outs for outage, missing pole tag, missing hand hole cover, broken fixture, broken bollard, and any unsafe or inoperable condition.

All reported inoperable lights shall be serviced and repaired within five (5) working days or less. The five working days shall be measured beginning the first full day following receipt of the outage report. When the inoperable lights are reported for the entire park, they shall be repaired before dark of the next day. When performing lighting service, Contractor shall complete the Town's streetlight service form and report findings to Town staff. A copy of the streetlight service form is attached in Attachment D. All calls and services shall be entered logged. A summary report of activities, and an electronic file of repair records, shall be submitted to Town staff for review monthly.

The Contractor is required to have a lighting/electrical technician, with a minimum of five years of experience in streetlighting repairs, available to perform Services under this contract as designated. The technician shall have experience with the operation, maintenance, and repair of lights. The technician shall also have knowledge and experience of operation, maintenance, and repair of electrical service.

An estimated inventory of approximately 104 lights in the Town's public parks is available at Parks and Public Works Department as shown in Attachment I. It shall be the Contractor's responsibility to complete a detailed inventory and provide to the Town staff by the end of July 2025.

Night Check for Lights in the Town's Public Parks

Perform a biannual (every six months) night check for outages and malfunctions of lighting in the Town's public parks. Also perform night check for problem locations as needed and as directed by Town staff. The cost for night check is considered part of monthly maintenance flat fees. A report with the results of the night check shall be submitted to Town within a week from night check. Any identified light outage shall be repaired within a week from night check except for the repair that may require staff approval elsewhere in the contract specifications.

USA (Underground Service Alert)

Provide USA locating and marking service for Town's electrical circuits such as streetlights, parking lot lights, lights in the Town's public parks, traffic signals, signal interconnect, fiber optic communication lines, and other Town owned public lighting.

C. **TRAFFIC SIGNAL MAINTENANCE**

Provide ongoing and routine preventive maintenance and repair of traffic signal equipment, associated lighting, and other pertinent apparatus by duly trained and qualified personnel. A list of the thirty-one (31) Town traffic signals is shown in Attachment C.

The Contractor is required to have a traffic signal technician, with a minimum of five years of experience in traffic signal repairs, available to perform Services under this contract as designated. The Traffic Signal Technician shall have experience with the operation and maintenance of Econolite Cobalt controllers currently in use by the Town of Los Gatos. The Traffic Signal Technician shall also have knowledge and experience of the operation and maintenance of traffic signal controller cabinet assemblies, inductive traffic loops, video detection systems, emergency vehicle preemption devices, twisted pair interconnect, fiber optic cables, and copper and fiber communication equipment. The Traffic Signal Technician shall keep up to date on the operation and maintenance of all state-of-the-art traffic signal control devices and related equipment to ensure that the Town's needs will also be supported in the future. The Traffic Signal Technician shall also be familiar with and adhere to National and State standards for programming traffic signal controllers.

The Contractor shall furnish temporary replacement traffic signal controllers, preemption units, traffic signal communications and monitoring equipment, detector amplifiers, conflict monitors, video detection systems, power supplies, and any standard traffic signal equipment necessary toring traffic signal operation. Contractor furnished temporary spares shall be identical to the component being replaced in manufacture,

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make and model. The Contractor shall deviate from this requirement only upon written advance approval from the Town. The Contracto provide temporary equipment, at no additional charge to the Town, whenever the original units are removed for repair or servicing.

Preventive Maintenance

The Contractor shall perform routine preventive maintenance service to eliminate or reduce any incidence of malfunctions and complaints, and to maximize the useful life of the Town's traffic signal equipment including and may not be limited to signalized intersections.

The Contractor shall provide monthly preventive maintenance for the signalized intersections listed in Attachment C. The Contractor shall complete Preventive Maintenance Checklists (Attachment E & F) for each maintenance inspection and shall indicate the work performed or required for each item. The Contractor shall maintain one copy of the completed form for each intersection, and for each inspection, in the controller cabinet and in the Contractor's business office throughout the term of this contract.

The monthly maintenance service shall be performed within the same week of every month for each intersection. Monthly maintenance services shall not be closer than three weeks for any intersection. The Contractor shall notify Town staff the scheduled date for preventive maintenance service at least one week prior to performing the service.

A conflict monitor test shall be performed annually at each traffic signal; the Contractor shall maintain three copies of full field test results. One copy shall be left in the traffic signal controller cabinet, one copy shall be maintained at the Contractor's business office, and one copy shall be sent to the Town.

It is understood and agreed that failure on the part of the Contractor to perform monthly preventive maintenance as required by this contract will cause the Town to suffer an unascertainable amount of damage. Therefore, the Contractor agrees to pay to the Town, not as a penalty but as liquidated damages, the amount of $500 per calendar day that the intersection is overdue for monthly preventative maintenance. The total amount of liquidated damages will be totaled and deducted from the monthly invoice payment.

Traffic Signal Equipment

The Contractor shall repair, replace, or otherwise render in good working order any and all defective parts of all traffic signal control equipment. Whenever the Contractor replaces any defective parts on either a temporary and/or permanent basis, the Contractor shall identify the parts being replaced by manufacturer's make, model, and serial number, and the locations of installation. Further, the Contractor shall only use new parts for permanent replacement. Exceptions to this requirement shall only occur on an individual basis upon advance written approval from the Town.

No permanent changes of traffic signal control devices shall be done without prior written approval from the Town. Whenever any traffic signal equipment is removed/replaced/modified, the Contractor shall notify the Town by telephone within two hours of the change, followed by written notification to the Town within one week. Furthermore, any changes shall also be indicated on the maintenance or repair log within the traffic signal controller cabinet. The Contractor agrees to notify the Town in advance of any planned or scheduled traffic signal turn-offs/turn-ons necessitated by the Contractor's operations. The Contractor shall make turn-offs/turn-ons of traffic signals only upon prior written approval by the Town.

All traffic signal control equipment shall be maintained in accordance with the manufacturer's recommendations. When the traffic signal equipment becomes obsolete or deteriorated to the point of being beyond reasonable or cost-effective repair, the Contractor shall report such conditions to the Town and provide satisfactory evidence that replacements are necessary. The Contractor shall prepare estimates showing the cost breakdown of materials and labor for replacement of such traffic signal equipment and submit this information to the Town.

When signal lamps are burned out, they shall be replaced with LED modules unless otherwise approved by Town staff. Signal LED modules shall be replaced when the light output and degradation fails specifications or when more than five percent of LED's are not working properly, such as burned out or flickering.

New Installation or Deletion

The Contractor shall maintain any new streetlighting, and traffic signal equipment, which are installed for the Town throughout the term of the contract. These devices shall be added to the contract when the Town notifies the Contractor of the installation. These added equipment or devices, regardless of the complexity of the technology, shall be maintained in the same manner and for the same flat rate as those devices already covered by the contract.

Should responsibility for the maintenance of any current or future lighting or traffic signal device cease to be the Town's, the Town will notify the Contractor in writing of the last date to perform maintenance. The flat rate maintenance for any such affected device shall be prorated on the of the number of days that the device was maintained by the Contractor.

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D. **WARRANTY**

Contractor shall manage all lighting and traffic signal related materials and devices under warranty. During the manufacturer's warranty period, the Contractor shall be responsible for making contact with the equipment manufacturer regarding any service determined to be under warranty. The Contractor shall replace the warranted materials (or replace with temporary equipment pending replacement material from manufacturer) without any charges to Town.

A minimum of twelve (12) month warranty shall apply to all work and materials installed by the Contractor. During the Contractor's warranty period, the Contractor shall be responsible for repairing and/or replacing the equipment without any charges to the Town. The warranty on the repaired or replaced equipment shall commence with the date of repair or replacement of equipment.

A minimum of three- (3) month warranty shall apply to all temporary replacement installed by Contractor. During the warranty period, the Contractor shall be responsible for repairing and/or replacing the equipment without any charges to the Town. The warranty on the repaired or replaced equipment shall again commence with the date of repair or replacement of equipment.

E. **CONTRACTOR SHOP**

The Contractor shall have adequate shop and storage facilities. This facility shall house the necessary staff, traffic signal poles, signals, traffic signal controllers, traffic signal communications devices, LEDs, controller cabinets, service cabinets, wiring, pullboxes, pullbox lids, and other necessary materials and vehicular equipment to perform all maintenance required and to perform temporary and permanent repair of accidental damage to traffic signal equipment/devices. This facility shall also be equipped to perform twenty-one-day bench test of traffic signal controller cabinets in accordance to Caltrans and Town specifications.

The Contractor shall maintain a single local telephone number during the entire term of the contract where he/she or a designated representative can be reached 24 hours a day, 365 days a year.

The Contractor shall also maintain and provide direct phone numbers, cellular phone numbers, fax numbers, and email addresses of various pertinent staff/employees with which the Town can maintain regular and direct contact with regarding billing, estimating, service calls, status reports, scheduling, testing of equipment, and various other issues.

F. **EMERGENCY SERVICE**

When notified of any traffic signal device malfunction, failure, loss of indication, accident damage, construction damage, or any emergency traffic signal service call, the Contractor shall respond and be at the location within one hour following notification from the Town.

In the event of a knockdown, the Contractor shall provide temporary emergency replacement of a type acceptable to the Town until permanent repairs can be accomplished. The Contractor shall install a temporary device appropriate for the situation and consult with the Town to identify a permanent replacement. Required replacement of equipment will require prior written approval from the Town before such replacements are commenced in conjunction with an emergency call.

In the case of a 1A/1B, pedestrian push button pole, or street light pole knock-down where the foundation and anchor bolts are still intact, the Contractor shall make all necessary repairs with necessary new equipment to return the pole to its original, undamaged condition upon the initial response. No additional compensation shall be provided for subsequent work to the original damage.

At any time the Contractor is notified of an emergency situation by the Town, CHP, County Sheriff or other duly recognized authority, the Contractor shall immediately notify the designated contact staff at the Parks and Public Works Department of the emergency call.

Upon completion of the response to the emergency call, the Contractor shall notify the appropriate Town staff by telephone and/or email the status of the emergency work. In addition, the Contractor shall notify the Town in writing or email within one week of the completion of the repair work. In the event a follow-up permanent repair is required, the Contractor shall submit a cost proposal to Town staff within a week from the emergency response.

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It is understood and agreed that failure on the part of the Contractor to respond within one hour to any emergency service call as provide cause the Town to suffer an unascertainable amount of damage. Therefore, the Contractor agrees to pay to the Town, not as a penalty but as liquidated damages, the amount of $500 per hour. The time for such liquidated damages shall commence from the first hour after the required response time for emergency service calls indicated in the previous sections. The total amount of liquidated damages will be totaled and deducted from the monthly invoice payment.

The Contractor shall enter any emergency service calls onto the log at the intersection controller cabinet along with the minimum required information as stated in the previous sections. Failure to do so will be construed to be a failure to respond to the emergency service calls.

G. **EXTRA WORK**

The Contractor shall install, modify, repair and/or upgrade lighting, traffic signals and all associated hardware or traffic safety devices as requested by the Town. All such work, if not covered in the flat rates, shall be considered extra work and shall be performed to the satisfaction of the Town. Please refer to the monthly signal maintenance service forms and the "Compensation" Section for details.

No additional or extra work shall be commenced or undertaken by the Contractor unless authorized in advance in writing by the Town. Said written authorization is a condition precedent to the Contractor's entitlement to reimbursement or remuneration for such services. This work shall be performed within a specified time limit established by the Town and for a mutually agreed upon price.

The Town shall retain discretionary right to perform any extra work using Town forces, by negotiated agreement, or to advertise such work by others.

H. **RECORDS**

Monthly Report

The Contractor shall submit to the Town, at the same time as the submission of monthly invoices, a computerized report covering all Contractor's activities within the Town during the previous month. This monthly activity report shall be provided in Excel file format. Formatting shall be agreed by the Town. The monthly activity report shall include at a minimum:

a. Time any service calls were received by the Contractor, time at which the service call was dispatched to the technician, the arrival time of the technician at the requested location, the departure time, the caller's name, and the results of diagnosis.

b. A complete record of any and all work performed on the lighting and traffic signal equipment during the period covered by the monthly activity report, including the make, model, and serial number of any replacement or newly installed equipment at each intersection. The report shall also detail the make, model and serial number of any equipment replaced.

c. Asset ID's (if applicable) and detailed location description of any repaired/replaced equipment.

d. The date and time that any preventive maintenance work was performed and any findings.

e. Any and all pending repair work needed at each intersection along with Repair Order number.

In addition, the Contractor shall submit to the Town, at the same time as the submission of monthly invoices, a separate summary list of outstanding items requiring follow-up repair.

The Contractor shall maintain and provide all required maintenance/service forms (Attachments D, E, F, and G). A copy of the completed maintenance and service forms, in electronic format, shall be submitted to Town staff monthly.

The Contractor shall be required to maintain a copy of the monthly activity report (either electronic or hardcopy), maintenance/service forms, conflict monitor test results, and any service records for a period of not less than five years.

Service Log In Controller and Service Cabinets

The Contractor shall maintain a log at each signalized intersection included under this contract. The log shall detail each inspection, repair, and/or emergency/service call. The Contractor shall complete at a minimum on this log, the date, arrival time, departure time, type of inspection/service, any findings or repairs, the Contractor's employee name and/or ID, the employee's job title, and in the event of signal

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outage/flash, display message on conflict monitor, controller, load switch position, etc. A similar log shall be maintained in each electric s cabinet where storage space is available.

I. **MEETINGS/CONSULTATION**

The Contractor shall be available to meet, when deemed necessary, with Town staff on a monthly basis or at a mutually agreed upon time and place to review maintenance activities, operational and repair activities, pending work, estimates, work quality, and any items related to Contractor's work under this contract.

Contractor shall be available at all times to the Engineer for consultation at no added expense to the Town. The consultation may consist of explanation of technical details, upgrade of signal equipment, and operational improvement. The contractor shall provide detailed work proposal and cost estimate to the Engineer upon request for repair, installation, replacement, or any improvements containing lighting or traffic signal components. Work associated with preparation of the proposal shall be provided at no charge to the Town.

J. **FAILURE TO PERFORM**

Should the Contractor fail to properly execute the work in a timely or correct matter as provided under the terms of this contract, the Town, after providing the Contractor with three business days' notice, may perform or hire another Contractor to perform such work and deduct the cost plus 25% thereof from any payment due to the Contractor.

K. **COMPENSATION**

1. **STREETLIGHTING SERVICE**

The Contractor shall be compensated for service required under this contract at a flat rate per streetlight.

Included in the monthly flat rate shall be compensation for all related labor, equipment, and materials for above ground lighting components including light fixtures and housings (and all components within), lamps, photo cells, conductors, starters, ballasts, transformers, fuses, sockets, hand hole covers, ID tags, and pull box lids. Also included in the flat rate is compensation for the 24-hour phone service, response to calls, identification/verification of problems, preparation for cost proposal, quarterly and special night check, logging of calls, reporting of service, and any other related service activities as specified in the Contract.

Not included in the flat rate compensation are poles, arms, bollards, pull boxes (except lids), service enclosures, and underground and in-structure conduits and conductors. Also not included is repair/replacement for damage caused by vehicular collisions, acts of God, or malicious damage.

2. **TRAFFIC SIGNAL SERVICE**

The Contractor shall be compensated for services required under this contract at a flat rate per intersection.

Included in monthly flat rate shall be compensation for the preventive maintenance including labor, equipment, and materials, as identified in the maintenance service form. The preventive maintenance items as identified in the maintenance service form shall be the Contractor's responsibility to repair, install and/or replace without additional charges to Town whether they are maintained, repaired, or replaced at call-outs or emergency call-outs, or at the time of maintenance routine. In addition, included in monthly flat rates, the following items shall be the Contractor's responsibility to repair, install and/or replace without additional charges to Town whether they are maintained, repaired, or replaced at call-outs or emergency call-outs, or at the time of maintenance routine: cabinet filters, cabinet fan, cabinet light, load switches; flashers; relays, resisters; BIU's; detector amplifiers; audible pedestrian signal indicators; push button assemblies; louvers; visors; back plates; above ground conductors, and signal indication LED modules for all vehicle and non-vehicle signal indication.

Also Included in the flat rate compensation is compensation for the logging of calls, work related to preparation of cost proposal, investigation/verification of trouble calls, warranty service, stocking of materials, reporting of service, record keeping, temporary equipment, an any other associated services as specified in the Contract.

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Not included in the flat rate compensation are any items not specified above, e.g. poles, arms, pull boxes (except lids), conflict monitors, supply units, video detection, signal head housing and brackets, underground conduits and conductors, etc. Also not included in the flat rate compensation is repair/replacement for damage caused by vehicular collisions, acts of God, or malicious damage.

3. PARKING LOT LIGHTING SERVICE

The Contractor shall be compensated for service required under this contract at a flat rate per light in the parking lots.

Included in the monthly flat rate shall be compensation for all related labor, equipment, and materials for above ground lighting components including light fixtures and housings (and all components within), lamps, photo cells, conductors, starters, ballasts, transformers, fuses, sockets, hand hole covers, ID tags, and pull box lids. Also included in the flat rate is compensation for the 24-hour phone service, response to calls, identification/verification of problems, preparation for cost proposal, quarterly and specified night checks, logging of calls, reporting of service, and any other related service activities as specified in the Contract.

Not included in the flat rate compensation are poles, arms, bollards, pull boxes (except lids), service enclosures, and underground and in-structure conduits and conductors. Also not included is repair/replacement for damage caused by vehicular collisions, acts of God, or malicious damage.

4. PUBLIC PARKS LIGHTING SERVICE

The Contractor shall be compensated for service required under this contract at a flat rate per light in theTown's public parks.

Included in the monthly flat rate shall be compensation for all related labor, equipment, and materials for above ground lighting components including light fixtures and housings (and all components within), lamps, photo cells, conductors, starters, ballasts, transformers, fuses, sockets, hand hole covers, ID tags, and pull box lids. Also included in the flat rate is compensation for the 24-hour phone service, response to calls, identification/verification of problems, preparation for cost proposal, quarterly and specified night checks, logging of calls, reporting of service, and any other related service activities as specified in the Contract.

Not included in the flat rate compensation are poles, arms, bollards, pull boxes (except lids), service enclosures, and underground and in-structure conduits and conductors. Also not included is repair/replacement for damage caused by vehicular collisions, acts of God, or malicious damage.

5. USA (Underground Service Alert)

The Contractor shall be compensated for service required under this contract at a flat rate per USA ticket. Included in the flat rate is compensation for all related labor, equipment, and materials for all related USA ticket related work.

6. EXTRA WORK

Town shall compensate the Contractor for the performed extra work and repairs in accordance with agreed upon labor rates, material markups, equipment rates, and miscellaneous costs.

Town may solicit competitive bids for extra work from the Contractor and alternative vendors or contractors.

Extra work refers to the replacement, repair, upgrade or installation of any streetlighting and traffic signal components that are not included in the compensation of the flat rates. The Contractor shall obtain Town approval prior to scheduling any work to be performed under this provision. The Contractor shall provide documentation to support invoiced charges, including but not limited to timecards and material invoices, upon request by the Town.

7. RATE INCREASE

Rates may be reviewed annually by the successful proposer and the Town; and rate increases may be requested in writing with detailed justification. Nevertheless, the maximum increase in labor and/or equipment costs in any calendar year shall be no more than the percent e in the U.S. Department of Labor, Bureau of Labor Statistics Consumer Price Index, All Items, All Urban Consumers, San Francisco-

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8. PAYMENT AND INVOICES

Payments will be made within thirty days following receipt of an accurate invoice and documentation of work performed. Invoices shall be submitted no later than 60 days after the completion of work and not more frequently than once per month. It is understood and agreed invoices submitted later than 60 days after the completion of work will cause the Town to suffer an unascertainable amount of staff effort in reconciling late invoice. Therefore, the Contractor agrees to pay to the Town, not as a penalty but as liquidated damages, the amount of $250 per invoice or 10% of the invoice, whichever is greater. The liquidated damage will be deducted from the invoice payment and shall not exceed the invoice amount.

TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 04/07/2026
ITEM NO: 10

DATE: April 7, 2026

TO: Mayor and Town Council

FROM: Chris Constantin, Town Manager

SUBJECT: **Authorize the Town Manager to Execute a Professional Services Agreement with Dudek for the Town-Wide Evacuation Plan, in an Amount Not to Exceed $346,930.00; Execute a Cost Sharing Agreement with Monte Sereno, totaling $56,039.50; and Approve the Associated Revenue Budget Adjustment**

RECOMMENDATION: Take the following actions:

a. Authorize the Town Manager to execute a Professional Services Agreement with Dudek for the Town-Wide Evacuation Plan with Simulation-Based Modeling for the Town of Los Gatos and the City of Monte Sereno, in an amount not to exceed $346,930;
b. Authorize the Town Manager to execute a Cost Sharing Agreement with the City of Monte Sereno, to include a $4,000 administration fee and 15% of the cost of Dudek services, totaling $56,039.50;
c. Authorize revenue budget adjustment of $56,039.50 to recognize the reimbursement revenue from the City of Monte Sereno; and
d. Authorize the Town Manager to make non-substantive revisions to the agreements and related documents consistent with the Council's action.

FISCAL IMPACT:

Approval of this item authorizes the Town to enter into a Professional Services Agreement with Dudek in an amount not to exceed $346,930.00, which will be funded by the Town Council approved Emergency Management allocation. Sufficient funding is available, with

PREPARED BY: Chris Todd
Emergency Manager

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Administrative Services Director

approximately $110,000 remaining available after dedicating funds to this project and other efforts such as grant matches.

Under the cost sharing agreement, the City of Monte Sereno will reimburse the Town with a $4,000 one time administration fee and 15% of Dudek invoices, for a total anticipated reimbursement of $56,039.50. After applying this reimbursement, the Town's net project cost is estimated at $290,890.50. A revenue budget adjustment of $56,039.50 is recommended to recognize this anticipated revenue.

STRATEGIC PRIORITY:

This item aligns with the strategic priority to further the Town's emergency preparedness, resiliency, and response capabilities, particularly in the area of wildfire risk.

BACKGROUND:

The Town continues to advance evacuation readiness and wildfire preparedness efforts identified in recent emergency planning initiatives. As reflected in the December 16, 2025, emergency preparedness update, Town-wide evacuation modeling was identified as a key next step and was expected to require a contract value of approximately $300,000 prior to coordinating with Monte Sereno and Dudek on a joint project structure.

On July 1, 2025, the Town issued a Request for Proposals for preparation of a Town-Wide Evacuation Plan with Simulation-Based Modeling. The Town received three proposals. Following evaluation of the proposals, Dudek was identified as the proposer offering the greatest value with the best combination of experience and cost to the Town.

Los Gatos and Monte Sereno share wildfire risk, evacuation routes, and operational response considerations, making a combined study the most effective approach for coordinated planning, modeling, and recommendations across both jurisdictions. Dudek provided a combined Los Gatos–Monte Sereno scope and fee proposal for one joint report that captures shared data, analysis, and recommendations for both jurisdictions, while identifying jurisdiction-specific considerations where appropriate. The combined Dudek fee proposal totals $346,930.00.

Following coordination with the City of Monte Sereno and Dudek, the parties agreed to pursue a joint project structure under which (1) the Town would contract directly with Dudek as lead agency and (2) the Town and the City of Monte Sereno would enter into a separate cost recovery and project coordination agreement to address Monte Sereno reimbursement and interagency coordination.

Dudek has confirmed May 1, 2026, as the project start date, and the agreement package now includes the final combined scope of services and fee schedule for Council consideration.

DISCUSSION:

The Dudek scope is organized into seven tasks that combine existing conditions documentation, traffic and evacuation simulation modeling, operational strategy development, public and stakeholder engagement, and final grant-ready deliverables. The combined scope will result in one joint report for the Town of Los Gatos and the City of Monte Sereno, with Los Gatos administering the consultant agreement and Monte Sereno participating through interagency coordination and cost recovery, while still supporting jurisdiction-specific review, recommendations, and presentation needs where identified in the scope.

The related cost recovery agreement provides a straightforward billing structure that supports coordinated evacuation planning across both jurisdictions while giving each agency clarity regarding cost responsibility. Under that agreement, Monte Sereno will reimburse Los Gatos a fixed one-time Town project management and contract administration fee of $4,000.00 with the first quarterly invoice and will reimburse Los Gatos quarterly for an amount equal to fifteen percent (15%) of the Dudek invoices billed to the Town for the joint project during the preceding quarter.

The interagency agreement also provides cost-control protections and clear billing procedures. Any change to the Dudek scope or compensation that would increase Monte Sereno's reimbursement obligation will require Monte Sereno's prior written approval. Los Gatos will provide supporting Dudek invoice documentation with each quarterly reimbursement invoice and will complete a final reconciliation at project closeout.

CONCLUSION:

Staff recommends that the Town Council authorize the Town Manager to execute the Dudek professional services agreement, authorize the associated expenditure and budget adjustment, and authorize the related cost recovery and project coordination agreement with the City of Monte Sereno.

COORDINATION:

Prepared in coordination with the Town Manager's Office, Parks and Public Works, and the Town Attorney's Office.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:

1. Agreement for Services - Dudek – Town-Wide Evacuation Plan with Simulation Based Modeling
2. Cost Sharing Agreement - Los Gatos & Monte Sereno - Town-Wide Evacuation Plan with Simulation Based Modeling

AGREEMENT FOR SERVICES

Town-Wide Evacuation Plan with Simulation-Based Modeling

PREAMBLE

THIS AGREEMENT is by and between TOWN OF LOS GATOS, a California municipal corporation, ("Town") and Dudek ("Contractor"), a Corporation and whose address is 687 S Coast Highway 101, Suite 110, Encinitas, CA 92024. This Agreement is made with reference to the following facts.

I. RECITALS

A. Town issued a Request for Proposals for the services described in this Agreement, and the Contractor was selected based on a combination of cost and experience with similar work to the Town.

B. Contractor represents and affirms that it is willing to perform the desired work pursuant to this Agreement.

C. Town desires to engage Contractor to provide professional consulting services to prepare a Town-Wide Evacuation Plan with Simulation-Based Modeling for the Town of Los Gatos and the City of Monte Sereno, as more fully described in Exhibit A

D. Contractor warrants it possesses the distinct professional skills, qualifications, experience, and resources necessary to timely perform the services described in this Agreement. Contractor acknowledges Town has relied upon these warranties to retain the Contractor.

II. AGREEMENT

A. Scope of Services. Contractor shall provide services as described in the Scope of Services, which is hereby incorporated by reference and attached as Exhibit A.

B. Standard of Care. Contractor shall perform the services under this Agreement in a manner that is consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances in the same or similar locality at the time of performance.

C. Term. The term of this Agreement shall be from May 1, 2026 to Sunday, April 30, 2028.

D. Compliance with Laws. The Contractor shall comply with all applicable laws, codes, ordinances, and regulations of governing federal, state and local laws. Contractor represents and warrants to Town that it has all licenses, permits, qualifications and approvals of whatsoever nature which are legally required for the Contractor to practice its profession. Contractor shall maintain a Town of Los Gatos business license as required in Chapter 14 of the Code of the Town of Los Gatos.

E. Sole Responsibility. Contractor shall be responsible for employing or engaging all persons necessary to perform the services under this Agreement.

F. Information/Report Handling. All documents furnished to the Contractor by the Town and all reports and supportive data prepared by the Contractor under this Agreement are the Town's property and shall be delivered to the Town upon the completion of services or at the Town's written request. All reports, information, data, and exhibits prepared or assembled by the Contractor in connection with the performance of its services pursuant to this Agreement are confidential until released by the Town to the public, and the Contractor shall not make any of these documents or information available to any individual or organization not

employed by the Contractor or the Town without the written consent of the Town before such releas Town acknowledges that the reports to be prepared by the Contractor pursuant to this Agreement are for the purpose of evaluating a defined project, and Town's use of the information contained in the reports prepared by the Contractor in connection with other projects shall be solely at Town's risk, unless Contractor expressly consents to such use in writing. Town further agrees that it will not appropriate any methodology or technique of Contractor which is and has been confirmed in writing by Contractor to be a trade secret of the Contractor.

G. Compensation: Compensation for services at the rates set forth in Exhibit A and in the amount **not to exceed $346,930.00**, inclusive of all costs subject to appropriation of funds, notwithstanding any other provision in this agreement. Payment shall be based upon Town approval of each task.

H. Billing. Billing shall be monthly by invoice within thirty (30) days of the rendering of the service and shall be accompanied by a detailed explanation of the work performed by whom at what rate and on what date. Also, plans, specifications, documents or other pertinent materials shall be submitted for Town review, even if only in partial or draft form.
Payment shall be net thirty (30) days. All invoices and statements to the Town shall be addressed as follows:
Invoices: Town of Los Gatos
Attn: Accounts Payable
P.O. Box 655
Los Gatos, CA 95031-0655
Email (preferred): AP@losgatosca.gov

I. Availability of Records. Contractor shall maintain the records supporting this billing for not less than three years following completion of the work under this Agreement. Contractor shall make these records available to authorized personnel of the Town at the Contractor offices during business hours upon written request of the Town.

J. Assignability and Subcontracting. The services to be performed under this Agreement are unique and personal to the Contractor. No portion of these services shall be assigned or subcontracted without the written consent of the Town.

K. Independent Contractor. It is understood that the Contractor, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and not an agent or employee of the Town. As an independent contractor he/she shall not obtain any rights to retirement benefits or other benefits which accrue to Town employee(s). With prior written consent, the Contractor may perform some obligations under this Agreement by subcontracting, but may not delegate ultimate responsibility for performance or assign or transfer interests under this Agreement. Contractor agrees to testify in any litigation brought regarding the subject of the work to be performed under this Agreement. Contractor shall be compensated for its costs and expenses in preparing for, traveling to, and testifying in such matters at its then current hourly rates of compensation, unless such litigation is brought by Contractor or is based on allegations of Contractor's negligent performance or wrongdoing.

L. Conflict of Interest. Contractor understands that its professional responsibilities are solely to the Town. The Contractor has and shall not obtain any holding or interest within the Town of Los Gatos. Contractor has no business holdings or agreements with any individual member of the Staff or management of the Town or its

representatives, nor shall it enter into any such holdings or agreements. In addition, the Contractor warrants that it does not presently and shall not acquire any direct or indirect interest adverse to those of the Town in the subject of this Agreement, and it shall immediately disassociate itself from such an interest, should it discover it has done so and shall, at the Town's sole discretion, divest itself of such interest. Contractor shall not knowingly and shall take reasonable steps to ensure that it does not employ a person having such an interest in this performance of this Agreement. If after employment of a person Contractor discovers it has employed a person with a direct or indirect interest that would conflict with its performance of this Agreement, Contractor shall promptly notify Town of this employment relationship, and shall, at the Town's sole discretion, sever any such employment relationship.

M. Non-Discrimination. Contractor warrants that it is an equal opportunity employer and shall comply with applicable regulations governing equal employment opportunity. Neither the Contractor nor its subcontractors do and neither shall discriminate against persons employed or seeking employment with them on the basis of age, sex, color, race, marital status, sexual orientation, ancestry, physical or mental disability, national origin, religion, or medical condition, unless based upon a bona fide occupational qualification pursuant to the California Fair Employment & Housing Act.

III. INSURANCE AND INDEMNIFICATION

A. Minimum Scope of Insurance:

1. Contractor agrees to have and maintain, for the duration of the contract, General Liability insurance policies insuring him/her and his/her firm to an amount not less than: two million dollars ($2,000,000) combined single limit per occurrence for bodily injury, personal injury and property damage.

2. Contractor agrees to have and maintain for the duration of the contract, an Automobile Liability insurance policy ensuring him/her and his/her staff to an amount not less than one million dollars ($1,000,000) combined single limit per accident for bodily injury and property damage.

3. Contractor shall provide to the Town all certificates of insurance, with original endorsements effecting coverage. Contractor agrees that all certificates and endorsements are to be received and approved by the Town before work commences.

B. General Liability:

1. The Town, its elected and appointed officials, employees, and agents are to be covered as insured as respects: liability arising out of activities performed by or on behalf of the Contractor; products and completed operations of the Contractor, premises owned or used by the Contractor.

2. The Contractor's insurance coverage shall be primary insurance as respects the Town, its elected and appointed officials, employees, and agents. Any insurance or self-insurances maintained by the Town, its officers, officials, employees or agents shall be excess of the Contractor's insurance and shall not contribute with it.

3. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Town, its officers, officials, employees or agents.

4. The Contractor's insurance shall apply separately to each insured against whom a claim is made or brought, except with respect to the limits of the insurer's liability.

C. All Coverages. Each insurance policy required in this item shall be endorsed to state that coverage shall not be suspended, voided, cancelled, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Town. Current certification of such insurance shall be kept on file at all times during the term of this agreement with the Town Clerk.

D. Workers' Compensation. In addition to these policies, Contractor shall have and maintain Workers' Compensation insurance as required by California law and shall provide evidence of such policy to the Town before beginning services under this Agreement. Further, Contractor shall ensure that all subcontractors employed by Contractor provide the required Workers' Compensation insurance for their respective employees. As required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than one million dollars ($1,000,000) per accident for bodily injury or disease.

E. Indemnification. The Contractor shall indemnify the Town its elected and appointed officials, employees and agents from all damages, liabilities, penalties, costs, or expenses in law or equity that may at any time arise or be set up because of damages to property or personal injury received by reason of, or in the course of performing work to the extent caused by a negligent act or omissions of the Contractor, or any of the Contractor's officers, employees, or agents or any subcontractor. Contractor shall defend the Town against any such claims. Notwithstanding the foregoing, with respect to any professional liability claim or lawsuit, this indemnity does not include providing the primary defense of Town, provided, however, Contractor shall be responsible for Town's defense costs to the extent such costs are incurred as a result of Contractor's negligence.

IV. GENERAL TERMS

A. Waiver. No failure on the part of either party to exercise any right or remedy hereunder shall operate as a waiver of any other right or remedy that party may have hereunder, nor does waiver of a breach or default under this Agreement constitute a continuing waiver of a subsequent breach of the same or any other provision of this Agreement.

B. Governing Law. This Agreement, regardless of where executed, shall be governed by and construed to the laws of the State of California. Venue for any action regarding this Agreement shall be in the Superior Court of the County of Santa Clara.

C. Mediation. Should any dispute arise out of this Agreement, any party may request that it be submitted to mediation. The parties shall meet in mediation within 30 days of a request. The mediator shall be agreed to by the mediating parties. In the absence of an agreement, the parties shall each submit one name from mediators listed by either the American Arbitration Association, the California State Board of Mediation and Conciliation, or other agreed-upon service. The mediator shall be selected by a blind draw. The cost of mediation shall be borne equally by the parties. Neither party shall be deemed the prevailing party. No party shall be permitted to file a legal action without first meeting in mediation and making a good faith attempt to reach a mediated settlement. The mediation process, once commenced by a meeting with the mediator, shall last until agreement is reached by the parties but not more than 60 days, unless the maximum time is extended by the parties.

D. Termination of Agreement. The Town and the Contractor shall have the right to terminate this agree or without cause by giving not less than fifteen days (15) written notice of termination. In the event of termination, the Contractor shall deliver to the Town all plans, files, documents, reports, performed to date by the Contractor. In the event of such termination, Town shall pay the contractor an amount that bears the same ratio to the maximum contract price as the work delivered to the Town bears to completed services contemplated under this Agreement, unless such termination is made for cause, in which event, compensation, if any, shall be adjusted in light of the particular facts and circumstances involved in such termination.

E. Amendment. No modification, waiver, mutual termination, or amendment of this Agreement is effective unless made in writing and signed by the Town and the Contractor.

F. Notices. Any notice required to be given shall be deemed to be duly and properly given if mailed postage prepaid, and addressed to:
Town of Los Gatos
Attn: Town Clerk
110 E. Main Street, Los Gatos, CA 95030Email: EmergencyManagement@LosGatosCA.gov

Dudek
687 S Coast Highway 101, Suite 110, Encinitas, CA 92024

or personally delivered to the Contractor to such address or such other address as the Contractor designates in writing to Town.

G. Excusable Delay. Contractor will not be responsible for damages or be in default by reason of delays caused by factors beyond Contractor's reasonable control.

H. Order of Precedence. In the event of any conflict, contradiction, or ambiguity between the terms and conditions of this Agreement in respect of the Products or Services and any attachments to this Agreement, then the terms and conditions of this Agreement shall prevail over attachments or other writings.

I. Entire Agreement. This Agreement, including all Exhibits, constitutes the complete and exclusive statement of the Agreement between the Town and the Contractor. No terms, conditions, understandings or agreements purporting to modify or vary this Agreement, unless hereafter made in writing and signed by the party to be bound, shall be binding on either party.

Attachments:

A - Exhibit A - Scope of Services

B - Exhibit B - Fee Schedule

IN WITNESS WHEREOF, the Town and the Contractor have executed this Agreement.

TOWN OF LOS GATOS:	CONTRACTOR: Dudek
SIGNATURE	**SIGNATURE**
Chris Constantin	Joseph Monaco
FULL NAME	**VENDOR SIGNATORY'S FULL NAME**
Town Manager	President & CEO
TITLE	**VENDOR SIGNATORY'S TITLE**
DATE SIGNED	**DATE SIGNED**

Approved as to form:

SIGNATURE
Gabrielle Whelan
FULL NAME
Town Attorney
TITLE
DATE SIGNED

The execution date is the date on which the last party has signed.

Exhibits List

A - Exhibit A - Scope of Services

B - Exhibit B - Fee Schedule

Exhibit A

Exhibit A - Scope of Services

Scope of Services

Task 1. Project Management and Coordination

This task includes necessary activities to manage the Town and City-Wide Evacuation Plan with Simulation-Based Modeling project, including correspondence, invoicing, oversight, and quality assurance/quality control tasks to be conducted by the Dudek project manager and/or designee over the project period. If requested, Dudek will provide the necessary documentation to the Town of Los Gatos (Town) to support grant reporting. Project invoices will be submitted monthly and will include the supporting documentation required by the Town. Dudek Project Manager Jeremy Cawn will oversee Dudek's successful completion of all tasks and deliverables for this contract. Jeremy will direct Dudek's efforts in accordance with the project schedule and budget. We believe that frequent, responsive communication is the best management practice to keep the project moving forward, and we will apply this approach to this project. As the project manager, Jeremy will do the following:

- Establish a regular reporting and communication process for project status, budget, and schedule updates, and problem/resolution identification
- Hold a kickoff meeting with the project team
- Hold regular project management meetings with key project staff to coordinate work efforts, check on task completion, and review budget conformance
- Update the project scope, schedule, progress reports, and inventories of available data, as necessary, so that all team members are aware of information that may affect their work products and schedules

Deliverables

- Project plan (digital Word or PDF)
- Kickoff meeting agenda and minutes (digital Word or PDF)
- Monthly progress report and invoice (digital Word or PDF)

Assumptions

- The kickoff meeting will be scheduled for 60 minutes
- Weekly meetings will be scheduled for 30 minutes, unless otherwise requested by the Town

Task 2. Existing Conditions Report

To support the work in Task 3, Traffic Simulation Modeling, Dudek–CRA will develop an existing conditions report that will provide background and foundational research upon which to build evacuation and resilience strategies. This report will begin with an introduction, purpose, regulatory review, and relationship to existing plans. This will be followed by a high-level overview of Town-wide information, including socioeconomic characteristics and the natural and built environment. Dudek will utilize census data, land use and parcel data, and the existing safety element to understand community characteristics. Dudek will describe major wildfire events from the last ten years and discuss the impacts of these events on the Town's transportation network.

Additionally, as part of the existing conditions report, Dudek–CRA will evaluate the Town and City's existing evacuation zones to identify opportunities to improve zone structures during phased evacuations, in particular considering zones with constrained roadways and parcels and populations with access and functional needs. After an audit of the evacuation zones, as described in Task 3 below, Dudek–CRA will coordinate updated signal timing plans for the Town along key evacuation corridors. The following describes the regulatory and policy review,

community infrastructure risk assessment, and evacuation zone assessment that will be incorporated into the existing conditions report.

Task 2.1 Regulatory and Policy Review

As part of the overall existing conditions report, Dudek will conduct a literature review of applicable federal, state, regional regulations, and local hazard mitigation and emergency plans and will summarize preparedness documents in the report. Dudek will meet with the Town and City to identify existing programs and initiatives that are successful, as well as gaps in mitigation and emergency management. An analysis of agency emergency functions, communication, and coordination networks will include governance structures, social media, neighborhood watch programs, and federal, state, regional, local, and transit agency roles and responsibilities.

Task 2.2 Community Infrastructure Risk Assessment

Dudek will develop a localized Los Gatos Travel Demand Model to evaluate transportation infrastructure capacity from an organizational and planning perspective. For purposes of the evacuation modeling in Task 4.2 below, the City of Monte Sereno's streets and land uses will be incorporated into the Town's model. We will conduct a transportation network identification exercise that includes a description of the roadway network, network capacity (including during contraflow conditions if applicable), bottleneck/pinch points due to roadway capacity, one-way in/out access, poor road conditions, bridges with known increased risk for scour, bridges that serve as the single access point in rural areas, difficult topography (steep grades), and potential points of catastrophic failure during a major evacuation event. To meet the criteria of Senate Bill 99, the existing conditions report will identify residential developments in hazard areas that do not have at least two emergency evacuation routes, as well as existing subdivisions in the state responsibility areas or very high fire hazard severity zones without secondary egress routes (Public Resource Code Section 4290.5).

Task 2.3 Evacuation Zone Assessment

Dudek–CRA project team will review and incorporate the Town and City's existing evacuation zones (e.g., Genasys Protect-compatible) into modeling and operational planning, while also evaluating whether alternative or supplemental zone structures may better support phased evacuation strategies and clearance time analysis. This assessment will also consider constrained areas and access and populations with access and functional needs, specifically to identify how to improve evacuation for special and at-risk populations.

Deliverables

- Existing conditions report
- Evacuation plan goals and objectives

Task 3. Signal Timing Plans

Dudek-CRA understands that the Town is currently moving forward with the implementation of the Los Gatos Smart Signal Adaptive Signal Control and Advanced Traffic Management Systems project. This initiative provides Town staff with the capability to operate traffic signals remotely and supports a system that can adapt to emergency conditions. Our team intends to fully utilize the capabilities of the Centracs system to support the development of an effective evacuation plan and corresponding evacuation signal timing strategies.

To begin, Dudek-CRA will coordinate with Town and City staff to gather the most current resources, including as-built plans, existing traffic signal timing sheets, equipment specifications, and the traffic interconnect plan. Following this information gathering, we will conduct a brief interview with key Town and City staff and, if needed,

representatives from law enforcement to better understand the procedures followed during an activation of the Emergency Operations Center.

Building upon this foundation and the results of preliminary evacuation analysis, the project team will prepare up to two evacuation signal timing plans for each intersection. These timing plans will be tested using the evacuation model to evaluate their effectiveness in improving clearance times. Based on the results, adjustments will be made to optimize the timing recommendations as needed. Because emergencies involve multiple unpredictable variables, we will also provide a summary sheet that outlines various signal timing strategies, including operating signals in free mode or implementing green waves along specific corridors. Each strategy will be paired with guidance on when it may be most applicable.

Our intent is not to provide an exhaustive catalog of solutions. Instead, we aim to equip the Town's Emergency Operations Center with a practical set of tools that support flexible and informed decision-making during emergency situations.

Deliverables

- Signal timing plans

Assumptions

- Up to 2 signal timing plans per signal (66 total)

Task 4. Traffic Simulation Modeling

As detailed previously, by developing the Town's travel demand model (based on the Valley Transportation Authority's [VTA] model) and our deep understanding of evacuation analysis, we propose a Town model that will serve dual purposes: a refined transportation model and a flexible evacuation model. As part of this effort, the GIS analysis tools developed will be designed to function either as a standalone model using Network Analyst or as an integrated add-on to the Town of Los Gatos model. This innovative modeling approach emphasizes reasonable and probable scenarios and leverages AI-supported GIS Network Analyst tools alongside Vissim microsimulation to evaluate the transportation network's capacity, safety, and emergency response under various wildfire conditions and background traffic scenarios (e.g., typical weekday, weekend, and beach traffic conditions).

Task 4.1 Los Gatos Travel Demand Model

Dudek will develop a localized Los Gatos Travel Demand Model that is consistent with VTA's Local Transportation Model Consistency Guidelines. For purposes of the evacuation modeling in Task 4.2 below, the City of Monte Sereno's streets and land uses will also be incorporated into the Town's model. The following are the tasks needed to complete the work.

Dudek will conduct traffic data collection for various scenarios: weekday, typical weekend, and beach traffic weekend to support the Los Gatos Travel Demand Modeling effort. Daily traffic counts for the various scenarios will be collected at a selection of up to five gateways around the Town and City boundaries to capture a snapshot of typical traffic entering and leaving the Town and City. The traffic counts collected will be used to validate the highway and street network in the model, along with making sure external trips going in and out of the Town and City are validated. If needed, Big Data (Bluetooth data from vehicles) will be used to update trip matrices in the model and to optimize travel patterns within the Town.

For the data processing step, Dudek will use current and proposed land use information from the VTA regional model and review employment and household data within Los Gatos and stratify them by types of employment and household income/size. In addition, Dudek will develop a refined roadway network within Los Gatos to include

additional local streets and roads that are not present in the regional VTA model. To validate the land use information, control totals from the Town and City's General Plans and the VTA model will be used to establish the existing conditions base year model. For future land use data, Dudek will gather input from local land use plans, the Town and City's General Plans, and the VTA regional model. If necessary, Dudek will expand the number of traffic analysis zones within the Town in the updated model for increased detail.

Regarding the software used for the Los Gatos Model, Dudek will utilize the CUBE software for its development to stay consistent with the VTA travel demand model. The Los Gatos Model will be validated using guidance from the Federal Highway Administration's (FHWA) Travel Model Validation and Reasonability Check Manual, 2nd Edition. Root mean squared error analysis (RMSE) of selected highway volumes in the model network will be compared to the traffic counts for validation purposes. Land use data will also be validated against general plans, VTA's land use data, and U.S. Census data.

During the development of the Los Gatos Model, technical memorandums on these steps, including traffic data collection, data processing, model software selection, and calibration/validation, will be created by Dudek and reviewed by Town staff before their implementation and deployment. Upon completion of the travel demand model, Dudek will submit it to VTA for review and for consistency approval.

Task 4.2 Evacuation Simulation Modeling

The Dudek–CRA team understands that the Town and City-Wide Evacuation Plan needs to result in the identification of deficiencies in the transportation network and effective strategies to increase resiliency to mitigate the wildfire hazard risk. Effective modeling of wildfire-related hazards requires a tailored approach, as different hazards demand distinct mitigation strategies. Our hybrid approach will build upon existing conditions and model real-world scenarios by integrating an AI-supported GIS Network Analyst with Vissim microsimulation to assess the transportation network's capacity, safety, and emergency response under various hazard conditions.

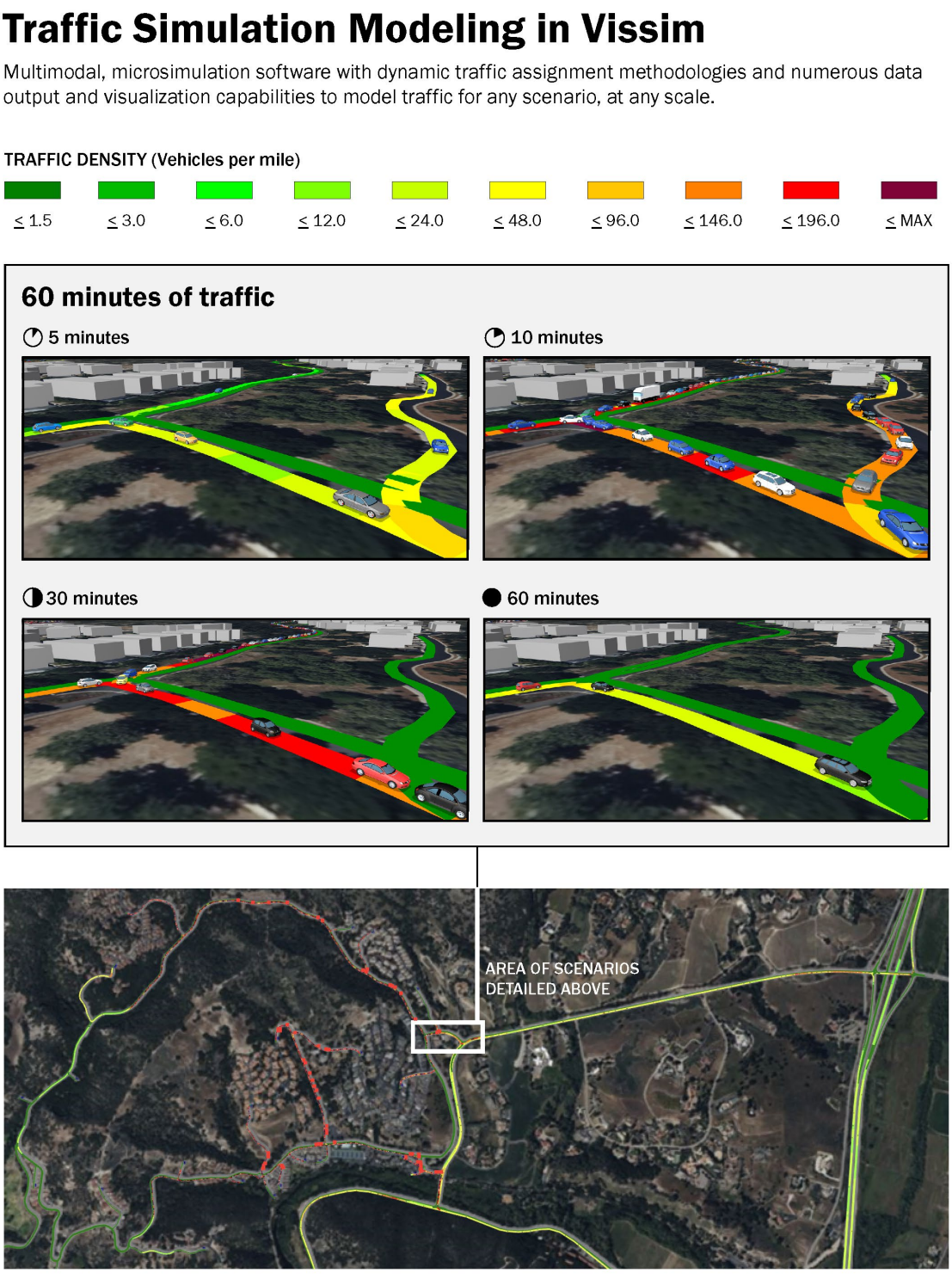
Rather than relying on worst-case scenarios, which often overwhelm local networks and lead to inaction, our approach prioritizes reasonable and probable scenarios. By comparing risk factors against historical fire data and catastrophe models, we ensure a more pragmatic analysis. The GIS component will map high-risk zones for wildfires; fire progression using FlamMap based on vegetation (fuels), slope, aspect, elevation, wind speed, wind direction, and fuel moisture; and road network data to identify evacuation bottlenecks and vulnerable infrastructure. Additional layers will include population density, vehicle ownership, and demographic data to estimate evacuee distribution and assess accessibility to community resilience hubs, emergency shelters, and alternative evacuation routes, incorporating real-world terrain and road grade factors.

Vissim microsimulation will complement GIS analysis by dynamically modeling traffic flow under different evacuation scenarios. The simulation will assess congestion, stop-and-go conditions, contraflow operations, and emergency-vehicle prioritization while testing traffic-control strategies, signal-timing adjustments, and phased evacuations based on hazard severity, warning time, and network capacity. The models will operate in a feedback loop — Vissim will identify congestion points, which will then be refined in the GIS analysis, enhancing the accuracy of evacuation planning. Evacuation destinations will be based on various factors, including availability of evacuating spaces, characteristics of the evacuee (i.e., ages, ability, income, as recent historical fires have shown that not all evacuees head toward an evacuation center; those with ability to do so would evacuate toward friends/family outside of the evacuation zones, hotel, temporary lodging, and other options) and identification of those most vulnerable to climate risks. Our team has extensively studied these factors and will factor them into our evacuation modeling.

To ensure compliance with Assembly Bill (AB) 747 and AB 1409, multiple hazard-based evacuation scenarios will be developed that are applicable to both the Town of Los Gatos and the City of Monte Sereno. The wildfire model will integrate the California Department of Forestry and Fire Protection (CAL FIRE) Fire Hazard Severity Zones and Dudek's extensive understanding of fire progression to determine evacuation pace/notification, among other factors.

The Dudek team will prepare a report that includes a series of GIS-based wildfire hazard and evacuation vulnerability maps, identification of critical corridors, at-risk road segments, hot spot areas, location for potential improvements, evacuation time, and next steps. Additionally, 3D visualizations of evacuation scenarios will support public outreach and stakeholder engagement, providing decision makers with a clear understanding of evacuation strategies. Figure 1 shows an example of 3D vehicle flow during a Vissim simulation from a regional network and individual intersection perspective. The Dudek team will ensure that the report's findings are aligned with and build upon the current planning process for the Local Hazard Mitigation Plan and Community Wildfire Protection Plan.

Figure 1. 3D Vehicle Flow



By integrating GIS for hazard identification and Vissim for real-time traffic modeling, this hybrid approach will result in meaningful, data-driven, adaptable evacuation strategies for recommendation in the Town and City-Wide Evacuation Plan. This methodology enhances preparedness and informs long-term infrastructure investments to improve

transportation resiliency, ensuring that emergency response plans align with the Town's resiliency goals and state-level mandates.

Task 4.3 Fire Progression Modeling

GIS-based fire behavior modeling is a cost-effective means for estimating potential fire behavior and appropriate evacuation trigger points. Modeling fire behavior in a GIS interface through the use of FlamMap fire behavior modeling systems requires various GIS and non-GIS input data files, including vegetation (fuels), slope, aspect, elevation, wind speed, wind direction, and fuel moisture. The following summarizes our approach to fire behavior modeling in the Town.

The initial task when conducting fire behavior modeling in a GIS-based environment, such as FlamMap, is the development of a landscape (.lcp) file that serves as the base for the modeling runs. The base files that ultimately are used to create the landscape file will be generated in the ArcGIS software package and include a minimum of five distinct data sets:

- **Elevation:** The elevation data set will be derived from the highest-resolution data set available for the Town or from one that will work appropriately given the extent of the analysis area. The resulting elevation grid file will represent units of feet above mean sea level.
- **Slope:** Using ArcGIS Spatial Analyst tools, a slope grid file will be generated from the elevation grid file. The resulting slope grid file will represent units of percent of inclination from horizontal.
- **Aspect:** Using ArcGIS Spatial Analyst tools, an aspect grid file will be generated from the elevation grid file. The resulting aspect grid file will represent azimuth degrees.
- **Fuel Type:** Dudek will evaluate the availability of public fuel model data sets. Should a public data set be determined to be unsuitable for inclusion in the modeling runs, Dudek would use vegetation coverage data in the form of a GIS shapefile to create a fuel model file. Vegetation types will be classified into fuel models. Fuel model classifications will be based on field observations and comparison with other available data sets. Once fuel model values are assigned to vegetation types, the vector-based vegetation data file will be converted to a grid file.
- **Canopy Cover:** Using ArcGIS Spatial Analyst tools, a canopy cover grid file will be generated from the fuel grid file. Canopy cover will be assigned based on fuel type and may vary depending on field observations. Canopy coverage units will range from 0 to 4 (representing 0%–25% canopy coverage, 25%–50% canopy coverage, and so on).

Following file conversions, the five necessary input grid files will be exported to ASCII format. The FlamMap software package will then be used to create the landscape file (.lcp) from these ASCII files. All files will be created in the following coordinate system: NAD 83, California State Plane, Zone 5, with units in feet.

The other necessary input files for performing fire behavior analysis in FlamMap are fuel moisture (.fms) and custom fuel (.fmd) files. Historic weather data will be derived from local Remote Automated Weather Stations (RAWS) and processed using the FireFamily Plus software package to determine 97th percentile weather values for fuel moisture, 20-foot wind speed, and wind direction. The resulting data will be used to create the necessary fuel moisture files for inclusion in fire behavior modeling efforts. The custom fuel file will be created based on standard fuel model variables. Finally, wind direction and speed data (derived from RAWS analysis) will be noted as these variables are entered directly at the time of modeling analysis.

Following completion of the landscape, weather, and fuel moisture files, Dudek will run up to three fire behavior scenarios near the Town and City.

Modeling results will be used to create project-related recommendations associated with evacuation procedures, trigger points, and firefighter safety zones and escape routes. All modeling results will be graphically presented in maps and exhibits and will be used to develop criteria for determining lead time needed for notification and evacuation of various areas based on historical fires, modeling results, and traffic modeling results.

Deliverables

- Results of the data analysis with maps and charts that identify high-risk zones and show vulnerable areas of the transportation network
- Evacuation route capacity, safety, and viability report and associated analytical tools
- All GIS data files (shapefiles, grids, images)
- The completed landscape file (.lcp) and associated weather and fuel moisture files (.fms, .fmd)
- Digital copies of all prepared graphics/maps (PDF)

Assumptions

- Asset data will be publicly available or made available by the Town.

Task 5. Evacuation Strategy and Operational Planning

Building upon the findings of Task 4, which identified vulnerabilities in evacuation routes, critical infrastructure, and network capacity under emergency conditions, Task 5 will develop a comprehensive, multi-pronged strategy to improve evacuation effectiveness and overall resilience. Recognizing that infrastructure upgrades alone are insufficient to address the complex challenges posed by climate-related disasters, such as wildfire, this task will integrate technology, emergency response enhancements, and policy-driven solutions to create practical and implementable strategies. Our recommendations will be rooted in real-world experience, drawing from after-action reports of past evacuations to ensure that they are feasible, prioritized, and adaptable based on funding availability and ease of implementation. Rather than relying on a single technological solution, we will propose a toolkit of prioritized strategies (i.e., planning, operational, hardening, and procedural) that can be progressively implemented so that critical improvements are in place before an emergency occurs.

A key focus of Task 5 is enhancing public warning and communication systems to address challenges associated with infrastructure failures during disasters. Traditional wireless-based alert systems are vulnerable to cellular network failures caused by fire damage or congestion from excessive public use. To mitigate this risk, we will explore satellite-integrated mobile alerts, leveraging emerging technologies, such as T-Mobile's partnership with Starlink, to ensure continued access to emergency notifications even in areas with poor reception. This analysis will include an assessment of the required level of integration, cost, cost-sharing agreements, and implementation feasibility. In addition, a multimodal communication strategy will be developed, incorporating geo-targeted SMS, social media alerts, digital highway signage, and automated calls to ensure broad and inclusive outreach, particularly for non-English speakers and individuals with access and functional needs.

Beyond communication, we will examine multiple strategies to assist the Town in managing evacuations effectively. These strategies will include AI-assisted traffic control, smart cameras for evacuation monitoring, redundant bandwidth to support emergency communications, and strategic road widening that can facilitate emergency traffic flow when needed. **Figure 2** provides an example of potential road widening strategies that would support multimodal use, while not inducing additional vehicle demand during day-to-day operations. Additionally, infrastructure for sheltering in place will be considered, with a focus on establishing community resilience hubs equipped with emergency power, electric vehicle charging stations, and essential supplies in high-risk areas. Some improvements can be simple yet highly effective—for example, well-maintained roadside pull-off areas in rural zones can serve as temporary vehicle holding zones during evacuations, allowing firefighters to

control and coordinate traffic flow more effectively. Pull-off areas, while not the only factor affecting evacuation, were shown to be helpful during the 2020 firestorms. These cost-effective solutions can play a crucial role in improving overall evacuation efficiency.

Figure 2. Road Widening Strategies



To further strengthen emergency response capabilities, in coordination with key Town departments, including and not limited to, law enforcement, fire, parks and public works and utilizing findings from the evacuation simulation and fire progression modeling from Task 4, Task 5 will identify evacuation trigger points and zone-specific phase evacuation strategies for a wildfire evacuation event, to improve overall evacuation safety. As part of this coordination, Dudek-CRA will define primary and secondary evacuation routes, traffic control points, Temporary Evacuation Points (TEPs), and staging areas.

The final deliverables for Task 5 will include a Multi-Pronged Evacuation Strategy Report, to include recommended infrastructure improvements, cutting-edge technology, a response tool-kit, and a robust public communication strategy with supporting graphics. Task 5 will provide a resilient, data-driven, and resource-efficient evacuation framework that ensures preparedness for a range of wildfire scenarios.

Deliverables

- Results and their interpretations that identify evacuation vulnerabilities and recommend physical and operational evacuation improvements (i.e., traffic flow improvements, traffic control points, infrastructure improvements, use of emergency signage, single egress communities, and)
- Recommended transportation improvements (Multi-Pronged Evacuation Strategy Report) with maps and decision-supporting tools to guide zone activation.

Assumptions

- Up to three Dudek staff members will attend up to two virtual meetings with key Town departments.

Task 6. Public and Stakeholder Engagement

Dudek–CRA will support the Town and City with public and stakeholder engagement, including coordinating a multi-agency workshop, presenting to the Town Council and Planning Commission, and attending key public outreach events to solicit feedback on evacuation strategies and zone coordination developed in the previous tasks.

Task 6.1 Town and Partner Agency Workshop

Dudek–CRA will coordinate and prepare a two-hour virtual workshop to solicit feedback from Town departments and partner agencies. The workshop will include a presentation on the findings from Task 3 to support final deliverables for Task 4 and Task 5.

Task 6.2 Town Council and Planning Commission Meetings

Dudek–CRA will prepare a presentation to solicit feedback from the Town Council and Planning Commission, with the aim of supporting the final deliverables for Tasks 4 and 5. As part of this task, Dudek–CRA will also present final deliverables to the Town Council.

Task 6.3 Public Outreach

Dudek–CRA will attend key public outreach and engagement activities planned by the Town to hear feedback from the public and support final deliverables for Task 4 and Task 5.

Deliverables

- 2-hour virtual multi-agency workshop, with PPT and guided discussions, and an interactive exercise
- 1 slide deck for each Town Council presentation

Assumptions

- Up to three Dudek staff in attendance at up to three in person presentations
- Up to three Dudek staff in attendance at up to three community outreach presentations

Task 7. Final Grant-Ready Deliverables and Formatting

Pulling from the previous tasks, Dudek will assemble all previous deliverables into a high-quality, easy-to-use, and accessible document. Dudek will prepare an Administrative Draft Town and City-Wide Evacuation Plan for one round of consolidated review and comment by the Town and City staff. As part of this effort, Dudek will assist the Town staff in preparing and presenting the revised Draft Town and City-Wide Evacuation Plan to the Town Council. Upon review and receipt of all public and elected official comments, Dudek will prepare the Final ETRP in an Americans

with Disabilities Act compliant format. Similar to that of the Draft Town-Wide Evacuation Plan, Dudek will assist the Town OES staff in preparation of the Final ETRP for approval to the Town Council.

Dudek will prepare grant-ready materials formatted to meet Federal Emergency Management Agency (FEMA) Hazard Mitigation Grant Program (HMGP) and CAL FIRE Wildfire Prevention grant requirements. This includes FEMA- and CAL FIRE-compatible narratives, GIS layers, and visual outputs suitable for integration into CalMapper and other grant portals. A summary action matrix will be provided, detailing prioritized actions, estimated costs, and designated responsible parties to support implementation and funding strategies. All outputs will be structured to facilitate seamless inclusion in future grant applications and Town planning initiatives.

Deliverables

- VTA accepted travel demand model
- Updated signal timing plans for key evacuation routes
- All project-related GIS shape files (e.g., zone boundaries, evacuation routes)
- Simulation model outputs and visualization files
- Administrative draft of the executive summary and maps for public distribution
- Administrative draft of the Town and City-Wide Evacuation Plan for the Town staff
- Revised draft of the Town and City-Wide Evacuation Plan for public officials
- Final Town and City-Wide Evacuation Plan
- Meeting agendas and minutes from the draft and final and City Town-Wide Evacuation Plan presentations
- Summary action matrix
- FEMA HMGP grant compatible project narrative
- CAL FIRE wildfire prevention grant compatible narrative
- GIS layers and visual outputs compatible with CalMapper and other grant portals

Assumptions

- Up to two Dudek staff members will attend the Draft Town and City-Wide Evacuation Plan presentation.
- Up to two Dudek staff members will attend the Final Town and City-Wide Evacuation Plan presentation.

Exhibit B

Exhibit B - Fee Schedule

DUDEK

Town of Los Gatos

202502547_Town Wide Evacuation Plan with Simulation Based Modeling

DUDEK FEE ESTIMATE

3/16/2026

			Dudek Labor Hours and Rates											Subconsultant Fees			
		Project Team Role:	Specialist V	Senior Specialist IV	Senior Project Director Environmental	Analyst IV	Specialist I	Project Director/Environmental	Specialist II	Senior Specialist I	Analyst III	GIS Analyst I	TOTAL DUDEK HOURS	DUDEK LABOR COSTS	CR Associates		OTHER DIRECT COSTS	TOTAL FEE
		Team Member:	Jeremy Cawn	Robert Ball	Michael Huff	Erin Figurelli	Matthew Crockett	Dennis Pascua	Specialist II	Arthur Chen	Tyler Mathews	GIS Analyst I			Hours	Fee		
		Billable Rate:	$185	$275	$350	$135	$155	$300	$175	$195	$135	$130						
Task 1	**Project Management**																	
1.1	Project Plan		4										4	$740				$740
1.2	Weekly Project Meetings		40	20									60	$12,900				$12,900
1.3	Monthly Reporting		18										18	$3,330				$3,330
1.4	Communication		18										18	$3,330				$3,330
1.5	Kick-off Meeting		2	2	1	1	1	1		1			9	$2,055				$2,055
	Subtotal Task 1		**82**	**22**	**1**	**1**	**1**	**1**		**1**			**109**	**$22,355**				**$22,355**
Task 2	**Existing Conditions Report**																	
2.1	Regulatory and Policy Review		8	8		24							40	$6,920				$6,920
2.2	Community Infrastructure Risk Assessment		12	12		60							84	$13,620				$13,620
2.3	Evacuation Zone Assessment		20	4		10							34	$6,150				$6,150
2.4	*Existing Conditions Report*																	
2.4.1	Draft Report		8	8		48						60	124	$17,960				$17,960
2.4.2	Evacuation Plan Goals and Objectives		10	16		16							42	$8,410				$8,410
	Subtotal Task 2		**58**	**48**		**158**						**60**	**324**	**$53,060**				**$53,060**
Task 3	**Signal Timing Plans**							**4**	**4**	**4**			**12**	**$2,680**	**200**	**$40,000**		**$42,680**
Task 4	**Traffic Simulation Modeling**																	
4.1	Los Gatos Travel Demand Model							20		350	40		410	$79,650				$79,650
4.2	Evacuation Simulation Modeling								12				12	$2,100	495	$110,000		$112,100
4.3	Fire Progression Modeling						32						32	$4,960				$4,960
	Subtotal Task 4						**32**	**20**	**12**	**350**	**40**		**454**	**$86,710**				**$196,710**
Task 5	**Evacuation Strategy and Operational Planning**																	
5.1	Multi-Pronged Evacuation Strategy Report		12	14		90							116	$18,220				$18,220
	Subtotal Task 5		**12**	**14**		**90**							**116**	**$18,220**				**$18,220**
Task 6	**Public and Stakeholder Engagement**																	
6.1	Town and Partner Agency Workshop		10	10		12	8			8			48	$9,020				$9,020
6.2	Town Council and Planning Commission Meetings		24	4						24			52	$10,220			$489	$10,709
6.3	Public Outreach		12						12	12			36	$6,660			$489	$7,149
	Subtotal Task 6		**46**	**14**		**12**	**8**		**12**	**44**			**136**	**$25,900**			**$979**	**$26,879**
Task 7	**LG Final Grant-Ready Deliverables and Formatting**		**16**	**12**		**50**							**78**	**$13,010**				**$13,010**
		Total Hours	**214**	**110**	**1**	**311**	**41**	**25**	**28**	**399**	**40**	**60**	**1229**		**695**			
		Total	**$39,590**	**$30,250**	**$350**	**$41,985**	**$6,355**	**$7,500**	**$4,900**	**$77,805**	**$5,400**	**$7,800**		**$221,935**		**$150,000**	**$979**	**$372,914**
																	Discounted Cost	**$346,930**
		Percent of Hours (Base)	*17%*	*9%*	*0%*	*25%*	*3%*	*2%*	*2%*	*32%*	*3%*	*5%*						

Project Budget Created 3/23/202612:21 PM

Evacuation Plan with Simulation-Based Modeling
Town of Los Gatos and City of Monte Sereno

PREAMBLE

THIS AGREEMENT is by and between the TOWN OF LOS GATOS, a California municipal corporation, ("Los Gatos"), and the CITY OF MONTE SERENO, a California municipal corporation, ("Monte Sereno"). Los Gatos and Monte Sereno are sometimes referred to in this Agreement individually as a "Party" and collectively as the "Parties."

I. RECITALS

A. Los Gatos intends to enter into a professional services agreement with Dudek for preparation of a joint evacuation plan with simulation-based modeling project for Los Gatos and Monte Sereno (the "Project").

B. The Dudek scope for the Project is a combined scope that will produce a joint report capturing shared data, analysis, and recommendations for both jurisdictions, with limited distinction between jurisdictions in the final report.

C. Los Gatos will serve as the lead contracting and administrative agency for the Dudek agreement, and Monte Sereno desires to participate in the Project and to reimburse Los Gatos for Monte Sereno's agreed share of Project costs.

D. The Parties desire to establish the reimbursement, coordination, review, and cost-control terms applicable to Monte Sereno's participation in the Project.

II. AGREEMENT

A. Purpose and Relationship of Agreements. The purpose of this Agreement is to define how Los Gatos and Monte Sereno will coordinate on the Project and how Monte Sereno will reimburse Los Gatos for Project costs attributable to Monte Sereno's participation. Los Gatos will contract directly with Dudek as the lead agency for the Project. Monte Sereno will not contract directly with Dudek under this Agreement, but will participate through Los Gatos' administration of the Dudek agreement.

B. Term. This Agreement shall become effective upon execution by both Parties and shall remain in effect until the later of (a) completion of the Project and (b) final payment and reconciliation of all amounts due under this Agreement, unless earlier terminated in accordance with this Agreement.

C. Los Gatos Responsibilities. Los Gatos shall administer the Dudek agreement, including contract execution, consultant coordination, review of consultant invoices and deliverables for consistency with the Dudek agreement, payment of Dudek invoices, coordination of project meetings, and consolidation of comments where appropriate before transmitting direction to Dudek. Los Gatos shall maintain reasonable records supporting reimbursement requests submitted to Monte Sereno.

D. Monte Sereno Responsibilities. Monte Sereno shall designate a primary project contact authorized to coordinate with Los Gatos on Monte Sereno project matters, provide timely review comments and decisions, provide available Monte Sereno data or information reasonably needed for the Project, participate in coordination meetings and review milestones as reasonably requested, and reimburse Los Gatos in accordance with this Agreement.

E. Compensation. Monte Sereno shall reimburse Los Gatos in the amounts and under the billing set forth in Exhibit A, attached hereto and incorporated herein by this reference. Monte Sereno's reimbursement obligation consists of (a) a fixed one-time Los Gatos project management and contract administration fee of Four Thousand Dollars ($4,000.00), and (b) quarterly reimbursement equal to fifteen percent (15%) of Dudek invoices billed to Los Gatos for the joint Project during the preceding quarter, subject to Monte Sereno's prior written approval of any increase in its reimbursement obligation beyond the current approved Dudek agreement amount.

F. Billing. Los Gatos shall issue Monte Sereno quarterly invoices for the applicable reimbursement amounts shown in Exhibit A, together with supporting Dudek invoice documentation for the quarterly Dudek cost share. The first quarterly invoice shall include the fixed one-time Los Gatos project management and contract administration fee of Four Thousand Dollars ($4,000.00). Each invoice shall be due within thirty (30) days after receipt. Payment shall be net thirty (30) days.

G. Availability of Records. Each Party shall maintain reasonable records relating to its performance under this Agreement and shall, upon reasonable request, make such records available to the other Party for purposes of verifying compliance with this Agreement.

H. No Unapproved Scope Increase. Los Gatos shall not authorize a change order, amendment, or other increase to the Dudek agreement that would increase Monte Sereno's reimbursement obligation without first obtaining Monte Sereno's written approval.

I. Reduction or Early Termination. If the Dudek agreement amount is reduced before full performance, or if the Project is terminated and Los Gatos receives a refund, credit, or other net reduction in Dudek contract cost attributable to services not performed, Los Gatos shall credit or refund to Monte Sereno an amount equal to fifteen percent (15%) of that net reduction, but only to the extent of amounts actually paid by Monte Sereno to Los Gatos for that reduced or unperformed work. Los Gatos shall have no obligation to credit or refund Monte Sereno for any portion of a Dudek reduction that has not yet been reimbursed by Monte Sereno. The Los Gatos project management and contract administration fee is fixed and shall not be adjusted unless the Parties amend this Agreement in writing.

III. GENERAL TERMS

A. Waiver. No failure on the part of either party to exercise any right or remedy hereunder shall operate as a waiver of any other right or remedy that party may have hereunder, nor does waiver of a breach or default under this Agreement constitute a continuing waiver of a subsequent breach of the same or any other provision of this Agreement.

B. Governing Law. This Agreement, regardless of where executed, shall be governed by and construed to the laws of the State of California. Venue for any action regarding this Agreement shall be in the Superior Court of the County of Santa Clara.

C. Termination of Agreement. Either Party may terminate this Agreement with or without cause less than fifteen (15) days' written notice to the other Party; provided, however, that Monte Sereno shall remain responsible for all approved reimbursement obligations accrued before the effective date of termination.

D. Amendment. No modification, waiver, mutual termination, or amendment of this Agreement is effective unless made in writing and signed by the Town and the City.

E. Notices. Any notice required to be given shall be deemed to be duly and properly given if mailed postage prepaid, and addressed to:
Town of Los Gatos
Attn: Town Clerk
110 E. Main Street, Los Gatos, CA 95030
Email: EmergencyManagement@LosGatosCA.gov
City of Monte Sereno
Attn: City Clerk
18041 Saratoga-Los Gatos Road, Monte Sereno, CA 95030

Email: Diana@cityofmontesereno.org

or personally delivered to the Parties to such address or such other address as the Parties designates in writing.

F. Order of Precedence. In the event of any conflict, contradiction, or ambiguity between the terms and conditions of this Agreement in respect of the Products or Services and any attachments to this Agreement, then the terms and conditions of this Agreement shall prevail over attachments or other writings.

G. Entire Agreement. This Agreement, including all Exhibits, constitutes the complete and exclusive statement of the Agreement between the Town and Monte Sereno. No terms, conditions, understandings or agreements purporting to modify or vary this Agreement, unless hereafter made in writing and signed by the party to be bound, shall be binding on either party.

Attachments:

A - Exhibit A MS Cost Recovery Schedule

B - Exhibit B - Contractor Scope of Services

TOWN OF LOS GATOS:

SIGNATURE

Chris Constantin

FULL NAME

Town Manager

TITLE

DATE SIGNED

Approved as to form:

SIGNATURE

Gabrielle Whelan

FULL NAME

Town Attorney

TITLE

DATE SIGNED

CITY OF MONTE SERENO

SIGNATURE

Diana Perkins

FULL NAME

City Manager

TITLE

DATE SIGNED

SIGNATURE

Kirsten Powell

FULL NAME

DATE SIGNED

City Attorneykis

TITLE

Exhibits List

A - Exhibit A MS Cost Recovery Schedule

B - Exhibit B - Contractor Scope of Services

Exhibit A

Exhibit A MS Cost Recovery Schedule

EXHIBIT A

PROJECT DESCRIPTION AND COST RECOVERY SCHEDULE

Joint Evacuation Plan with Simulation-Based Modeling

Project. Los Gatos will contract with Dudek for preparation of a joint Town-Wide Evacuation Plan with Simulation-Based Modeling for the Town of Los Gatos and the City of Monte Sereno. The combined Dudek scope will result in one joint report capturing shared data, analysis, and recommendations for both jurisdictions, with limited distinction between jurisdictions in the final report.

Cost Recovery Structure. Monte Sereno shall reimburse Los Gatos for (a) a fixed, one-time Los Gatos project management and contract administration fee of $4,000.00, which will be included in the first quarterly invoice, and (b) quarterly reimbursement equal to fifteen percent (15%) of Dudek invoices billed to Los Gatos for the joint Project during the preceding quarter. The amounts in the schedule below are estimates based on the current Dudek agreement amount; quarterly Dudek cost share reimbursements will reflect fifteen percent (15%) of actual Dudek invoices billed to Los Gatos, subject to written approval for any increase in Monte Sereno's reimbursement obligation.

Payment Timing and Adjustments

A. Los Gatos will issue quarterly invoices after commencement of the Dudek agreement. Each quarterly invoice will be due within thirty (30) days after receipt. The first quarterly invoice will include the fixed $4,000.00 Los Gatos project management and contract administration fee.
B. Each quarterly Dudek cost share invoice will equal fifteen percent (15%) of the Dudek invoices billed to Los Gatos for the joint Project during the preceding quarter, with supporting Dudek invoice documentation.
C. If Monte Sereno approves in writing an increase to the Dudek agreement amount, Los Gatos may invoice Monte Sereno a supplemental amount equal to fifteen percent (15%) of the approved increase.
D. If the Dudek agreement amount is reduced before full performance, or if Los Gatos receives a refund, credit, or other net reduction in Dudek contract cost attributable to services not performed, Los Gatos shall provide Monte Sereno a credit or refund equal to fifteen percent (15%) of the applicable net reduction, less any amounts already properly billed on actual Dudek invoices.

Cost Recovery Schedule

Line Item	Basis	Amount
Monte Sereno Dudek Cost Share	15% of current Dudek agreement amount (estimated total $346,930.00; actual billed quarterly)	$52,039.50
Los Gatos Project Management and Contract Administration Fee	Fixed, one-time fee billed with first quarterly invoice	$4,000.00
Estimated Total Reimbursement		$56,039.50

Exhibit B

Exhibit B - Contractor Scope of Services

Scope of Services

Task 1. Project Management and Coordination

This task includes necessary activities to manage the Town and City-Wide Evacuation Plan with Simulation-Based Modeling project, including correspondence, invoicing, oversight, and quality assurance/quality control tasks to be conducted by the Dudek project manager and/or designee over the project period. If requested, Dudek will provide the necessary documentation to the Town of Los Gatos (Town) to support grant reporting. Project invoices will be submitted monthly and will include the supporting documentation required by the Town. Dudek Project Manager Jeremy Cawn will oversee Dudek's successful completion of all tasks and deliverables for this contract. Jeremy will direct Dudek's efforts in accordance with the project schedule and budget. We believe that frequent, responsive communication is the best management practice to keep the project moving forward, and we will apply this approach to this project. As the project manager, Jeremy will do the following:

- Establish a regular reporting and communication process for project status, budget, and schedule updates, and problem/resolution identification
- Hold a kickoff meeting with the project team
- Hold regular project management meetings with key project staff to coordinate work efforts, check on task completion, and review budget conformance
- Update the project scope, schedule, progress reports, and inventories of available data, as necessary, so that all team members are aware of information that may affect their work products and schedules

Deliverables

- Project plan (digital Word or PDF)
- Kickoff meeting agenda and minutes (digital Word or PDF)
- Monthly progress report and invoice (digital Word or PDF)

Assumptions

- The kickoff meeting will be scheduled for 60 minutes
- Weekly meetings will be scheduled for 30 minutes, unless otherwise requested by the Town

Task 2. Existing Conditions Report

To support the work in Task 3, Traffic Simulation Modeling, Dudek–CRA will develop an existing conditions report that will provide background and foundational research upon which to build evacuation and resilience strategies. This report will begin with an introduction, purpose, regulatory review, and relationship to existing plans. This will be followed by a high-level overview of Town-wide information, including socioeconomic characteristics and the natural and built environment. Dudek will utilize census data, land use and parcel data, and the existing safety element to understand community characteristics. Dudek will describe major wildfire events from the last ten years and discuss the impacts of these events on the Town's transportation network.

Additionally, as part of the existing conditions report, Dudek–CRA will evaluate the Town and City's existing evacuation zones to identify opportunities to improve zone structures during phased evacuations, in particular considering zones with constrained roadways and parcels and populations with access and functional needs. After an audit of the evacuation zones, as described in Task 3 below, Dudek–CRA will coordinate updated signal timing plans for the Town along key evacuation corridors. The following describes the regulatory and policy review,

community infrastructure risk assessment, and evacuation zone assessment that will be incorporated into the existing conditions report.

Task 2.1 Regulatory and Policy Review

As part of the overall existing conditions report, Dudek will conduct a literature review of applicable federal, state, regional regulations, and local hazard mitigation and emergency plans and will summarize preparedness documents in the report. Dudek will meet with the Town and City to identify existing programs and initiatives that are successful, as well as gaps in mitigation and emergency management. An analysis of agency emergency functions, communication, and coordination networks will include governance structures, social media, neighborhood watch programs, and federal, state, regional, local, and transit agency roles and responsibilities.

Task 2.2 Community Infrastructure Risk Assessment

Dudek will develop a localized Los Gatos Travel Demand Model to evaluate transportation infrastructure capacity from an organizational and planning perspective. For purposes of the evacuation modeling in Task 4.2 below, the City of Monte Sereno's streets and land uses will be incorporated into the Town's model. We will conduct a transportation network identification exercise that includes a description of the roadway network, network capacity (including during contraflow conditions if applicable), bottleneck/pinch points due to roadway capacity, one-way in/out access, poor road conditions, bridges with known increased risk for scour, bridges that serve as the single access point in rural areas, difficult topography (steep grades), and potential points of catastrophic failure during a major evacuation event. To meet the criteria of Senate Bill 99, the existing conditions report will identify residential developments in hazard areas that do not have at least two emergency evacuation routes, as well as existing subdivisions in the state responsibility areas or very high fire hazard severity zones without secondary egress routes (Public Resource Code Section 4290.5).

Task 2.3 Evacuation Zone Assessment

Dudek–CRA project team will review and incorporate the Town and City's existing evacuation zones (e.g., Genasys Protect-compatible) into modeling and operational planning, while also evaluating whether alternative or supplemental zone structures may better support phased evacuation strategies and clearance time analysis. This assessment will also consider constrained areas and access and populations with access and functional needs, specifically to identify how to improve evacuation for special and at-risk populations.

Deliverables

- Existing conditions report
- Evacuation plan goals and objectives

Task 3. Signal Timing Plans

Dudek-CRA understands that the Town is currently moving forward with the implementation of the Los Gatos Smart Signal Adaptive Signal Control and Advanced Traffic Management Systems project. This initiative provides Town staff with the capability to operate traffic signals remotely and supports a system that can adapt to emergency conditions. Our team intends to fully utilize the capabilities of the Centracs system to support the development of an effective evacuation plan and corresponding evacuation signal timing strategies.

To begin, Dudek-CRA will coordinate with Town and City staff to gather the most current resources, including as-built plans, existing traffic signal timing sheets, equipment specifications, and the traffic interconnect plan. Following this information gathering, we will conduct a brief interview with key Town and City staff and, if needed,

representatives from law enforcement to better understand the procedures followed during an activation of the Emergency Operations Center.

Building upon this foundation and the results of preliminary evacuation analysis, the project team will prepare up to two evacuation signal timing plans for each intersection. These timing plans will be tested using the evacuation model to evaluate their effectiveness in improving clearance times. Based on the results, adjustments will be made to optimize the timing recommendations as needed. Because emergencies involve multiple unpredictable variables, we will also provide a summary sheet that outlines various signal timing strategies, including operating signals in free mode or implementing green waves along specific corridors. Each strategy will be paired with guidance on when it may be most applicable.

Our intent is not to provide an exhaustive catalog of solutions. Instead, we aim to equip the Town's Emergency Operations Center with a practical set of tools that support flexible and informed decision-making during emergency situations.

Deliverables

- Signal timing plans

Assumptions

- Up to 2 signal timing plans per signal (66 total)

Task 4. Traffic Simulation Modeling

As detailed previously, by developing the Town's travel demand model (based on the Valley Transportation Authority's [VTA] model) and our deep understanding of evacuation analysis, we propose a Town model that will serve dual purposes: a refined transportation model and a flexible evacuation model. As part of this effort, the GIS analysis tools developed will be designed to function either as a standalone model using Network Analyst or as an integrated add-on to the Town of Los Gatos model. This innovative modeling approach emphasizes reasonable and probable scenarios and leverages AI-supported GIS Network Analyst tools alongside Vissim microsimulation to evaluate the transportation network's capacity, safety, and emergency response under various wildfire conditions and background traffic scenarios (e.g., typical weekday, weekend, and beach traffic conditions).

Task 4.1 Los Gatos Travel Demand Model

Dudek will develop a localized Los Gatos Travel Demand Model that is consistent with VTA's Local Transportation Model Consistency Guidelines. For purposes of the evacuation modeling in Task 4.2 below, the City of Monte Sereno's streets and land uses will also be incorporated into the Town's model. The following are the tasks needed to complete the work.

Dudek will conduct traffic data collection for various scenarios: weekday, typical weekend, and beach traffic weekend to support the Los Gatos Travel Demand Modeling effort. Daily traffic counts for the various scenarios will be collected at a selection of up to five gateways around the Town and City boundaries to capture a snapshot of typical traffic entering and leaving the Town and City. The traffic counts collected will be used to validate the highway and street network in the model, along with making sure external trips going in and out of the Town and City are validated. If needed, Big Data (Bluetooth data from vehicles) will be used to update trip matrices in the model and to optimize travel patterns within the Town.

For the data processing step, Dudek will use current and proposed land use information from the VTA regional model and review employment and household data within Los Gatos and stratify them by types of employment and household income/size. In addition, Dudek will develop a refined roadway network within Los Gatos to include

additional local streets and roads that are not present in the regional VTA model. To validate the land use information, control totals from the Town and City's General Plans and the VTA model will be used to establish the existing conditions base year model. For future land use data, Dudek will gather input from local land use plans, the Town and City's General Plans, and the VTA regional model. If necessary, Dudek will expand the number of traffic analysis zones within the Town in the updated model for increased detail.

Regarding the software used for the Los Gatos Model, Dudek will utilize the CUBE software for its development to stay consistent with the VTA travel demand model. The Los Gatos Model will be validated using guidance from the Federal Highway Administration's (FHWA) Travel Model Validation and Reasonability Check Manual, 2nd Edition. Root mean squared error analysis (RMSE) of selected highway volumes in the model network will be compared to the traffic counts for validation purposes. Land use data will also be validated against general plans, VTA's land use data, and U.S. Census data.

During the development of the Los Gatos Model, technical memorandums on these steps, including traffic data collection, data processing, model software selection, and calibration/validation, will be created by Dudek and reviewed by Town staff before their implementation and deployment. Upon completion of the travel demand model, Dudek will submit it to VTA for review and for consistency approval.

Task 4.2 Evacuation Simulation Modeling

The Dudek–CRA team understands that the Town and City-Wide Evacuation Plan needs to result in the identification of deficiencies in the transportation network and effective strategies to increase resiliency to mitigate the wildfire hazard risk. Effective modeling of wildfire-related hazards requires a tailored approach, as different hazards demand distinct mitigation strategies. Our hybrid approach will build upon existing conditions and model real-world scenarios by integrating an AI-supported GIS Network Analyst with Vissim microsimulation to assess the transportation network's capacity, safety, and emergency response under various hazard conditions.

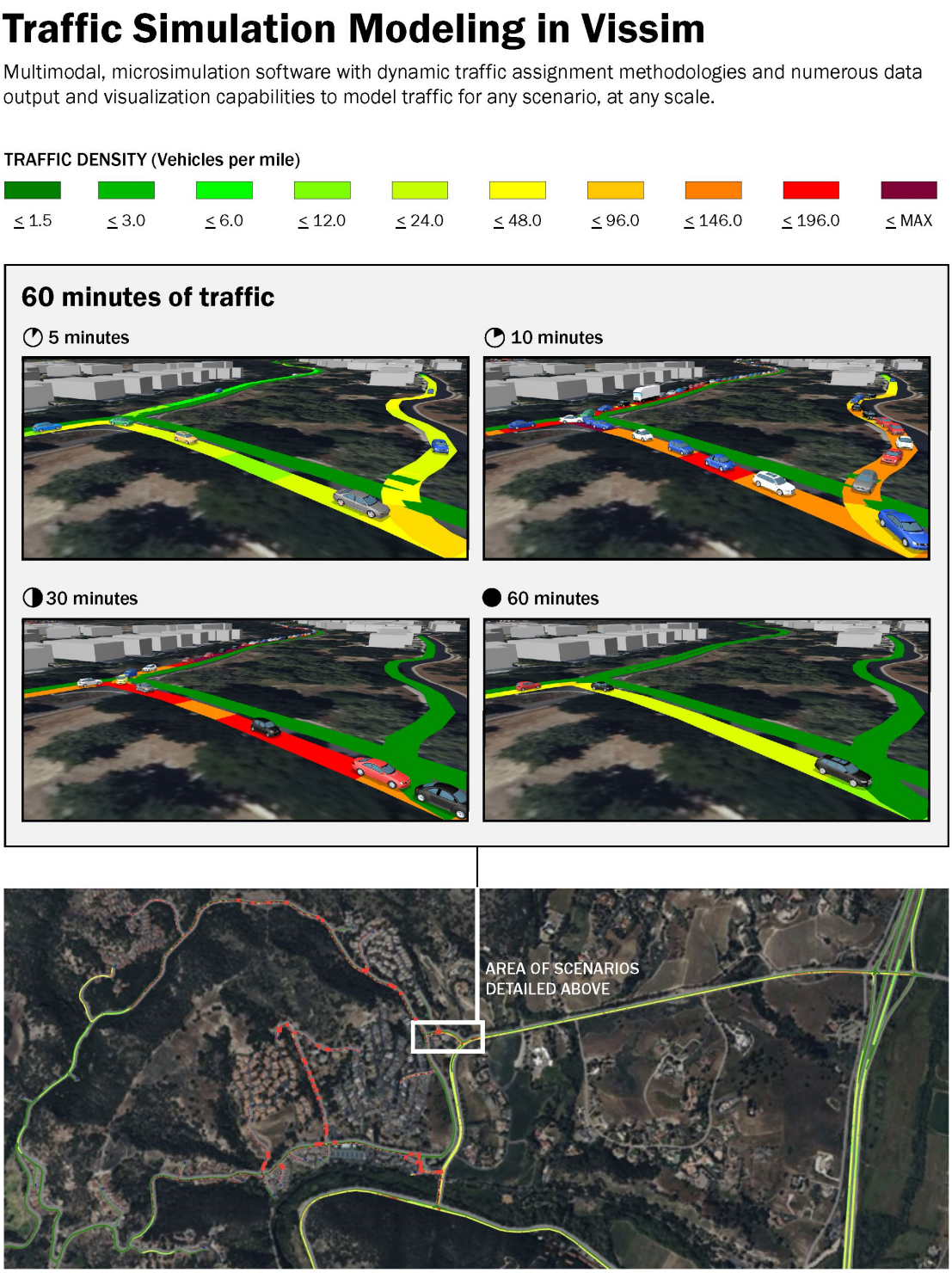
Rather than relying on worst-case scenarios, which often overwhelm local networks and lead to inaction, our approach prioritizes reasonable and probable scenarios. By comparing risk factors against historical fire data and catastrophe models, we ensure a more pragmatic analysis. The GIS component will map high-risk zones for wildfires; fire progression using FlamMap based on vegetation (fuels), slope, aspect, elevation, wind speed, wind direction, and fuel moisture; and road network data to identify evacuation bottlenecks and vulnerable infrastructure. Additional layers will include population density, vehicle ownership, and demographic data to estimate evacuee distribution and assess accessibility to community resilience hubs, emergency shelters, and alternative evacuation routes, incorporating real-world terrain and road grade factors.

Vissim microsimulation will complement GIS analysis by dynamically modeling traffic flow under different evacuation scenarios. The simulation will assess congestion, stop-and-go conditions, contraflow operations, and emergency-vehicle prioritization while testing traffic-control strategies, signal-timing adjustments, and phased evacuations based on hazard severity, warning time, and network capacity. The models will operate in a feedback loop — Vissim will identify congestion points, which will then be refined in the GIS analysis, enhancing the accuracy of evacuation planning. Evacuation destinations will be based on various factors, including availability of evacuating spaces, characteristics of the evacuee (i.e., ages, ability, income, as recent historical fires have shown that not all evacuees head toward an evacuation center; those with ability to do so would evacuate toward friends/family outside of the evacuation zones, hotel, temporary lodging, and other options) and identification of those most vulnerable to climate risks. Our team has extensively studied these factors and will factor them into our evacuation modeling.

To ensure compliance with Assembly Bill (AB) 747 and AB 1409, multiple hazard-based evacuation scenarios will be developed that are applicable to both the Town of Los Gatos and the City of Monte Sereno. The wildfire model will integrate the California Department of Forestry and Fire Protection (CAL FIRE) Fire Hazard Severity Zones and Dudek's extensive understanding of fire progression to determine evacuation pace/notification, among other factors.

The Dudek team will prepare a report that includes a series of GIS-based wildfire hazard and evacuation vulnerability maps, identification of critical corridors, at-risk road segments, hot spot areas, location for potential improvements, evacuation time, and next steps. Additionally, 3D visualizations of evacuation scenarios will support public outreach and stakeholder engagement, providing decision makers with a clear understanding of evacuation strategies. Figure 1 shows an example of 3D vehicle flow during a Vissim simulation from a regional network and individual intersection perspective. The Dudek team will ensure that the report's findings are aligned with and build upon the current planning process for the Local Hazard Mitigation Plan and Community Wildfire Protection Plan.

Figure 1. 3D Vehicle Flow



By integrating GIS for hazard identification and Vissim for real-time traffic modeling, this hybrid approach will result in meaningful, data-driven, adaptable evacuation strategies for recommendation in the Town and City-Wide Evacuation Plan. This methodology enhances preparedness and informs long-term infrastructure investments to improve

transportation resiliency, ensuring that emergency response plans align with the Town's resiliency goals and state-level mandates.

Task 4.3 Fire Progression Modeling

GIS-based fire behavior modeling is a cost-effective means for estimating potential fire behavior and appropriate evacuation trigger points. Modeling fire behavior in a GIS interface through the use of FlamMap fire behavior modeling systems requires various GIS and non-GIS input data files, including vegetation (fuels), slope, aspect, elevation, wind speed, wind direction, and fuel moisture. The following summarizes our approach to fire behavior modeling in the Town.

The initial task when conducting fire behavior modeling in a GIS-based environment, such as FlamMap, is the development of a landscape (.lcp) file that serves as the base for the modeling runs. The base files that ultimately are used to create the landscape file will be generated in the ArcGIS software package and include a minimum of five distinct data sets:

- **Elevation:** The elevation data set will be derived from the highest-resolution data set available for the Town or from one that will work appropriately given the extent of the analysis area. The resulting elevation grid file will represent units of feet above mean sea level.
- **Slope:** Using ArcGIS Spatial Analyst tools, a slope grid file will be generated from the elevation grid file. The resulting slope grid file will represent units of percent of inclination from horizontal.
- **Aspect:** Using ArcGIS Spatial Analyst tools, an aspect grid file will be generated from the elevation grid file. The resulting aspect grid file will represent azimuth degrees.
- **Fuel Type:** Dudek will evaluate the availability of public fuel model data sets. Should a public data set be determined to be unsuitable for inclusion in the modeling runs, Dudek would use vegetation coverage data in the form of a GIS shapefile to create a fuel model file. Vegetation types will be classified into fuel models. Fuel model classifications will be based on field observations and comparison with other available data sets. Once fuel model values are assigned to vegetation types, the vector-based vegetation data file will be converted to a grid file.
- **Canopy Cover:** Using ArcGIS Spatial Analyst tools, a canopy cover grid file will be generated from the fuel grid file. Canopy cover will be assigned based on fuel type and may vary depending on field observations. Canopy coverage units will range from 0 to 4 (representing 0%–25% canopy coverage, 25%–50% canopy coverage, and so on).

Following file conversions, the five necessary input grid files will be exported to ASCII format. The FlamMap software package will then be used to create the landscape file (.lcp) from these ASCII files. All files will be created in the following coordinate system: NAD 83, California State Plane, Zone 5, with units in feet.

The other necessary input files for performing fire behavior analysis in FlamMap are fuel moisture (.fms) and custom fuel (.fmd) files. Historic weather data will be derived from local Remote Automated Weather Stations (RAWS) and processed using the FireFamily Plus software package to determine 97th percentile weather values for fuel moisture, 20-foot wind speed, and wind direction. The resulting data will be used to create the necessary fuel moisture files for inclusion in fire behavior modeling efforts. The custom fuel file will be created based on standard fuel model variables. Finally, wind direction and speed data (derived from RAWS analysis) will be noted as these variables are entered directly at the time of modeling analysis.

Following completion of the landscape, weather, and fuel moisture files, Dudek will run up to three fire behavior scenarios near the Town and City.

Modeling results will be used to create project-related recommendations associated with evacuation procedures, trigger points, and firefighter safety zones and escape routes. All modeling results will be graphically presented in maps and exhibits and will be used to develop criteria for determining lead time needed for notification and evacuation of various areas based on historical fires, modeling results, and traffic modeling results.

Deliverables

- Results of the data analysis with maps and charts that identify high-risk zones and show vulnerable areas of the transportation network
- Evacuation route capacity, safety, and viability report and associated analytical tools
- All GIS data files (shapefiles, grids, images)
- The completed landscape file (.lcp) and associated weather and fuel moisture files (.fms, .fmd)
- Digital copies of all prepared graphics/maps (PDF)

Assumptions

- Asset data will be publicly available or made available by the Town.

Task 5. Evacuation Strategy and Operational Planning

Building upon the findings of Task 4, which identified vulnerabilities in evacuation routes, critical infrastructure, and network capacity under emergency conditions, Task 5 will develop a comprehensive, multi-pronged strategy to improve evacuation effectiveness and overall resilience. Recognizing that infrastructure upgrades alone are insufficient to address the complex challenges posed by climate-related disasters, such as wildfire, this task will integrate technology, emergency response enhancements, and policy-driven solutions to create practical and implementable strategies. Our recommendations will be rooted in real-world experience, drawing from after-action reports of past evacuations to ensure that they are feasible, prioritized, and adaptable based on funding availability and ease of implementation. Rather than relying on a single technological solution, we will propose a toolkit of prioritized strategies (i.e., planning, operational, hardening, and procedural) that can be progressively implemented so that critical improvements are in place before an emergency occurs.

A key focus of Task 5 is enhancing public warning and communication systems to address challenges associated with infrastructure failures during disasters. Traditional wireless-based alert systems are vulnerable to cellular network failures caused by fire damage or congestion from excessive public use. To mitigate this risk, we will explore satellite-integrated mobile alerts, leveraging emerging technologies, such as T-Mobile's partnership with Starlink, to ensure continued access to emergency notifications even in areas with poor reception. This analysis will include an assessment of the required level of integration, cost, cost-sharing agreements, and implementation feasibility. In addition, a multimodal communication strategy will be developed, incorporating geo-targeted SMS, social media alerts, digital highway signage, and automated calls to ensure broad and inclusive outreach, particularly for non-English speakers and individuals with access and functional needs.

Beyond communication, we will examine multiple strategies to assist the Town in managing evacuations effectively. These strategies will include AI-assisted traffic control, smart cameras for evacuation monitoring, redundant bandwidth to support emergency communications, and strategic road widening that can facilitate emergency traffic flow when needed. **Figure 2** provides an example of potential road widening strategies that would support multimodal use, while not inducing additional vehicle demand during day-to-day operations. Additionally, infrastructure for sheltering in place will be considered, with a focus on establishing community resilience hubs equipped with emergency power, electric vehicle charging stations, and essential supplies in high-risk areas. Some improvements can be simple yet highly effective—for example, well-maintained roadside pull-off areas in rural zones can serve as temporary vehicle holding zones during evacuations, allowing firefighters to

control and coordinate traffic flow more effectively. Pull-off areas, while not the only factor affecting evacuation, were shown to be helpful during the 2020 firestorms. These cost-effective solutions can play a crucial role in improving overall evacuation efficiency.

Figure 2. Road Widening Strategies



To further strengthen emergency response capabilities, in coordination with key Town departments, including and not limited to, law enforcement, fire, parks and public works and utilizing findings from the evacuation simulation and fire progression modeling from Task 4, Task 5 will identify evacuation trigger points and zone-specific phase evacuation strategies for a wildfire evacuation event, to improve overall evacuation safety. As part of this coordination, Dudek-CRA will define primary and secondary evacuation routes, traffic control points, Temporary Evacuation Points (TEPs), and staging areas.

The final deliverables for Task 5 will include a Multi-Pronged Evacuation Strategy Report, to include recommended infrastructure improvements, cutting-edge technology, a response tool-kit, and a robust public communication strategy with supporting graphics. Task 5 will provide a resilient, data-driven, and resource-efficient evacuation framework that ensures preparedness for a range of wildfire scenarios.

Deliverables

- Results and their interpretations that identify evacuation vulnerabilities and recommend physical and operational evacuation improvements (i.e., traffic flow improvements, traffic control points, infrastructure improvements, use of emergency signage, single egress communities, and)
- Recommended transportation improvements (Multi-Pronged Evacuation Strategy Report) with maps and decision-supporting tools to guide zone activation.

Assumptions

- Up to three Dudek staff members will attend up to two virtual meetings with key Town departments.

Task 6. Public and Stakeholder Engagement

Dudek–CRA will support the Town and City with public and stakeholder engagement, including coordinating a multi-agency workshop, presenting to the Town Council and Planning Commission, and attending key public outreach events to solicit feedback on evacuation strategies and zone coordination developed in the previous tasks.

Task 6.1 Town and Partner Agency Workshop

Dudek–CRA will coordinate and prepare a two-hour virtual workshop to solicit feedback from Town departments and partner agencies. The workshop will include a presentation on the findings from Task 3 to support final deliverables for Task 4 and Task 5.

Task 6.2 Town Council and Planning Commission Meetings

Dudek–CRA will prepare a presentation to solicit feedback from the Town Council and Planning Commission, with the aim of supporting the final deliverables for Tasks 4 and 5. As part of this task, Dudek–CRA will also present final deliverables to the Town Council.

Task 6.3 Public Outreach

Dudek–CRA will attend key public outreach and engagement activities planned by the Town to hear feedback from the public and support final deliverables for Task 4 and Task 5.

Deliverables

- 2-hour virtual multi-agency workshop, with PPT and guided discussions, and an interactive exercise
- 1 slide deck for each Town Council presentation

Assumptions

- Up to three Dudek staff in attendance at up to three in person presentations
- Up to three Dudek staff in attendance at up to three community outreach presentations

Task 7. Final Grant-Ready Deliverables and Formatting

Pulling from the previous tasks, Dudek will assemble all previous deliverables into a high-quality, easy-to-use, and accessible document. Dudek will prepare an Administrative Draft Town and City-Wide Evacuation Plan for one round of consolidated review and comment by the Town and City staff. As part of this effort, Dudek will assist the Town staff in preparing and presenting the revised Draft Town and City-Wide Evacuation Plan to the Town Council. Upon review and receipt of all public and elected official comments, Dudek will prepare the Final ETRP in an Americans

with Disabilities Act compliant format. Similar to that of the Draft Town-Wide Evacuation Plan, Dudek will assist the Town OES staff in preparation of the Final ETRP for approval to the Town Council.

Dudek will prepare grant-ready materials formatted to meet Federal Emergency Management Agency (FEMA) Hazard Mitigation Grant Program (HMGP) and CAL FIRE Wildfire Prevention grant requirements. This includes FEMA- and CAL FIRE-compatible narratives, GIS layers, and visual outputs suitable for integration into CalMapper and other grant portals. A summary action matrix will be provided, detailing prioritized actions, estimated costs, and designated responsible parties to support implementation and funding strategies. All outputs will be structured to facilitate seamless inclusion in future grant applications and Town planning initiatives.

Deliverables

- VTA accepted travel demand model
- Updated signal timing plans for key evacuation routes
- All project-related GIS shape files (e.g., zone boundaries, evacuation routes)
- Simulation model outputs and visualization files
- Administrative draft of the executive summary and maps for public distribution
- Administrative draft of the Town and City-Wide Evacuation Plan for the Town staff
- Revised draft of the Town and City-Wide Evacuation Plan for public officials
- Final Town and City-Wide Evacuation Plan
- Meeting agendas and minutes from the draft and final and City Town-Wide Evacuation Plan presentations
- Summary action matrix
- FEMA HMGP grant compatible project narrative
- CAL FIRE wildfire prevention grant compatible narrative
- GIS layers and visual outputs compatible with CalMapper and other grant portals

Assumptions

- Up to two Dudek staff members will attend the Draft Town and City-Wide Evacuation Plan presentation.
- Up to two Dudek staff members will attend the Final Town and City-Wide Evacuation Plan presentation.

TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 04/07/2026
ITEM NO: 11

DATE: April 7, 2026

TO: Mayor and Town Council

FROM: Chris Constantin, Town Manager

SUBJECT: **Authorize the Town Manager to Execute a First Amendment to an Agreement with NHA Advisors, LLC for Fiscal Condition Analysis, Fiscal Impact Analysis, and Asset Liability Management Studies to Extend the Contract to June 30, 2026**

RECOMMENDATION: Authorize the Town Manager to execute a first amendment to an agreement with NHA Advisors, LLC for fiscal condition analysis, fiscal impact analysis, and asset liability management studies to extend the contract to June 30, 2026.

FISCAL IMPACT:

There is no fiscal impact associated with executing this first amendment, as it solely extends the contract term to June 30, 2026. The amendment does not change the original contract amount, and sufficient funds for the remaining services are included in the existing FY 2025-26 adopted budget.

STRATEGIC PRIORITY:

The proposed project aligns with the adopted Core Goal of Fiscal Stability and the Strategic Priority to ensure prudent financial management to result in structurally balanced five-year forecasts and fully funded five-year Capital Improvement Plans, managing liabilities such as pension costs and leveraging the Town's assets, efficiencies, partnerships, and revenue streams. Define and implement a cohesive deferred capital improvement program for Town facilities and lifecycle assets.

BACKGROUND:

On October 21, 2025, the Town Council authorized the Town Manager to execute an agreement

PREPARED BY: Kristina Alfaro
Administrative Services Director

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Administrative Services Director

with NHA Advisors, LLC for fiscal condition analysis, fiscal impact analysis, and asset liability management studies. NHA Advisors was selected as the highest-ranked proposer through a competitive RFP process.

DISCUSSION:

Staff is requesting that we extend NHA's current contract to June 30, 2026, to ensure there is an active agreement on file through the completion of all services.

CONCLUSION:

Staff recommends that the Town Council authorize the Town Manager to execute a first amendment to an agreement with NHA Advisors, LLC for fiscal condition analysis, fiscal impact analysis, and asset liability management studies.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:
1. NHA Advisors LLC Agreement
2. Draft NHA Advisors LLC First Amendment to Agreement

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AGREEMENT FOR CONSULTANT SERVICES

THIS AGREEMENT is made and entered into on 10/28/2025 by and between TOWN OF LOS GATOS, a California municipal corporation, ("Town") and NHA Advisors, LLC, ("Consultant"), whose address is 4040 Civic Cener Drive, Suite 200, San Rafael CA 94903. This Agreement is made with reference to the following facts.

I. RECITALS

1.1 The Town desire to engage Consultant to provide fiscal condition analysis, fiscal impact analysis, and asset liability management studies.

1.2 The Consultant represents and affirms that it is willing to perform the desired work pursuant to this Agreement.

1.3 Consultant warrants it possesses the distinct professional skills, qualifications, experience, and resources necessary to timely perform the services described in this Agreement. Consultant acknowledges Town has relied upon these warranties to retain Consultant.

II. AGREEMENTS

2.1 Scope of Services. Consultant shall provide services as described in that certain proposal sent to the Town on 09/22/2025 and as required under the Town of Los Gatos Request for Proposal issued (08/20/2025), which are both hereby incorporated by reference and attached as Exhibit A.

2.2 Term and Time of Performance. This contract will remain in effect for six months after execution date.

2.3 Compliance with Laws. The Consultant shall comply with all applicable laws, codes, ordinances, and regulations. Consultant represents and warrants to Town that it has all licenses, permits, qualifications and approvals of whatsoever nature which are legally required for Consultant to practice its profession. Consultant shall maintain a Town of Los Gatos business license pursuant to Chapter 14 of the Code of the Town of Los Gatos.

2.4 Sole Responsibility. Consultant shall be responsible for employing or engaging all persons necessary to perform the services under this Agreement.

2.5 Information/Report Handling. All documents furnished to Consultant by the Town and all reports and supportive data prepared by the Consultant under this Agreement are the Town's property and shall be delivered to the Town upon the completion of Consultant's services or at the Town's written request. All reports, information, data, and exhibits prepared or assembled by Consultant in connection with the performance of its services pursuant to this Agreement are confidential until released by the Town to the public, and

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the Consultant shall not make any of these documents or information available to any individual or organization not employed by the Consultant or the Town without the written consent of the Town before such release. The Town acknowledges that the reports to be prepared by the Consultant pursuant to this Agreement are for the purpose of evaluating a defined project, and Town's use of the information contained in the reports prepared by the Consultant in connection with other projects shall be solely at Town's risk, unless Consultant expressly consents to such use in writing. Town further agrees that it will not appropriate any methodology or technique of Consultant which is and has been confirmed in writing by Consultant to be a trade secret of Consultant.

2.6 Compensation. Compensation for Consultant's professional services **shall not exceed $191,000**, inclusive of all costs. Payment shall be based upon Town approval of each task. See breakdown below. Any change of scope to include optional items not currently approved by this agreement will require a written amendment.

Study/Task	**Cost**
Study 1: Fiscal Conditional Analysis	$105,500
Study 2: Fiscal Impact Analysis	$18,000
Study 3: Asset Liability Management	$50,000
Team Management for Studies 1 & 2	$17,500
Total Cost:	$191,000

2.7 Billing. Billing shall be monthly by invoice within forty-five (45) days of the rendering of the service and shall be accompanied by a detailed explanation of the work performed by whom at what rate and on what date. Also, plans, specifications, documents or other pertinent materials shall be submitted for Town review, even if only in partial or draft form.

Payment shall be net thirty (30) days. All invoices and statements to the Town shall be addressed as follows:

Invoices:
Town of Los Gatos
Attn: Accounts Payable
P.O. Box 655
Los Gatos, CA 95031-0655
Email preferred: ap@losgatosca.gov

2.8 Availability of Records. Consultant shall maintain the records supporting this billing for not less than three years following completion of the work under this Agreement. Consultant shall make these records available to authorized personnel of the Town at the Consultant's offices during business hours upon written request of the Town.

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2.9 Assignability and Subcontracting. The services to be performed under this Agreement are unique and personal to the Consultant. No portion of these services shall be assigned or subcontracted without the written consent of the Town.

2.10 Independent Contractor. It is understood that the Consultant, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and not an agent or employee of the Town. As an independent contractor, he/she shall not obtain any rights to retirement benefits or other benefits which accrue to Town employee(s). With prior written consent, the Consultant may perform some obligations under this Agreement by subcontracting, but may not delegate ultimate responsibility for performance or assign or transfer interests under this Agreement. Consultant agrees to testify in any litigation brought regarding the subject of the work to be performed under this Agreement. Consultant shall be compensated for its costs and expenses in preparing for, traveling to, and testifying in such matters at its then current hourly rates of compensation, unless such litigation is brought by Consultant or is based on allegations of Consultant's negligent performance or wrongdoing.

2.11 Conflict of Interest. Consultant understands that its professional responsibilities are solely to the Town. The Consultant has and shall not obtain any holding or interest within the Town of Los Gatos. Consultant has no business holdings or agreements with any individual member of the Staff or management of the Town or its representatives nor shall it enter into any such holdings or agreements. In addition, Consultant warrants that it does not presently and shall not acquire any direct or indirect interest adverse to those of the Town in the subject of this Agreement, and it shall immediately disassociate itself from such an interest, should it discover it has done so and shall, at the Town's sole discretion, divest itself of such interest. Consultant shall not knowingly and shall take reasonable steps to ensure that it does not employ a person having such an interest in this performance of this Agreement. If after employment of a person, Consultant discovers it has employed a person with a direct or indirect interest that would conflict with its performance of this Agreement, Consultant shall promptly notify Town of this employment relationship, and shall, at the Town's sole discretion, sever any such employment relationship.

2.12 Equal Employment Opportunity. Consultant warrants that it is an equal opportunity employer and shall comply with applicable regulations governing equal employment opportunity. Neither Consultant nor its subcontractors do and neither shall discriminate against persons employed or seeking employment with them on the basis of age, sex, color, race, marital status, sexual orientation, ancestry, physical or mental disability, national origin, religion, or medical condition, unless based upon a bona fide occupational qualification pursuant to the California Fair Employment & Housing Act.

III. INSURANCE AND INDEMNIFICATION

3.1 Minimum Scope of Insurance:

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i. Consultant agrees to have and maintain, for the duration of the contract, General Liability insurance policies insuring him/her and his/her firm to an amount not less than: two million dollars ($2,000,000) combined single limit per occurrence for bodily injury, personal injury and property damage.

ii. Consultant agrees to have and maintain for the duration of the contract, an Automobile Liability insurance policy ensuring him/her and his/her staff to an amount not less than one million dollars ($1,000,000) combined single limit per accident for bodily injury and property damage.

iii. Consultant shall provide to the Town all certificates of insurance, with original endorsements affecting coverage. Consultant agrees that all certificates and endorsements are to be received and approved by the Town before work commences.

iv. Consultant agrees to have and maintain, for the duration of the contract, professional liability insurance in amounts not less than $1,000,000 which is sufficient to insure Consultant for professional errors or omissions in the performance of the particular scope of work under this agreement.

General Liability:

i. The Town, its officers, officials, employees and volunteers are to be covered as insured as respects: liability arising out of activities performed by or on behalf of the Consultant; products and completed operations of Consultant, premises owned or used by the Consultant. This requirement does not apply to the professional liability insurance required for professional errors and omissions.

ii. The Consultant's insurance coverage shall be primary insurance as respects the Town, its officers, officials, employees and volunteers. Any insurance or self-insurances maintained by the Town, its officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

iii. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Town, its officers, officials, employees or volunteers.

iv. The Consultant's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.

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3.2 All Coverages. Each insurance policy required in this item shall be endorsed to state that coverage shall not be suspended, voided, cancelled, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Town. Current certification of such insurance shall be kept on file at all times during the term of this agreement with the Town Clerk.

3.3 Workers' Compensation. In addition to these policies, Consultant shall have and maintain Workers' Compensation insurance as required by California law and shall provide evidence of such policy to the Town before beginning services under this Agreement. Further, Consultant shall ensure that all subcontractors employed by Consultant provide the required Workers' Compensation insurance for their respective employees.

3.4 Indemnification. The Consultant indemnify the Town its elected and appointed officials, employees and volunteers from all damages, liabilities, penalties, costs, or expenses in law or equity that may at any time arise or be set up because of damages to property or personal injury received by reason of, or in the course of performing work which may be occasioned by any act or omissions of the Consultant, or any of the Consultant's officers, employees, or agents or any subconsultant. Consultant shall defend the Town against any such claims.

IV. GENERAL TERMS

4.1 Waiver. No failure on the part of either party to exercise any right or remedy hereunder shall operate as a waiver of any other right or remedy that party may have hereunder, nor does waiver of a breach or default under this Agreement constitute a continuing waiver of a subsequent breach of the same or any other provision of this Agreement.

4.2 Governing Law. This Agreement, regardless of where executed, shall be governed by and construed to the laws of the State of California. Venue for any action regarding this Agreement shall be in the Superior Court of the County of Santa Clara.

4.3 Termination of Agreement. The Town and the Consultant shall have the right to terminate this agreement with or without cause by giving not less than fifteen days (15) written notice of termination. In the event of termination, the Consultant shall deliver to the Town all plans, files, documents, reports, performed to date by the Consultant. In the event of such termination, Town shall pay Consultant an amount that bears the same ratio to the maximum contract price as the work delivered to the Town bears to completed services contemplated under this Agreement, unless such termination is made for cause, in which event, compensation, if any, shall be adjusted in light of the particular facts and circumstances involved in such termination.

4.4 Amendment. No modification, waiver, mutual termination, or amendment of this Agreement is effective unless made in writing and signed by the Town and the Consultant.

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4.5 Disputes. In any dispute over any aspect of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, including costs of appeal.

4.6 Notices. Any notice required to be given shall be deemed to be duly and properly given if mailed postage prepaid, and addressed to:

Town of Los Gatos
Attn: Town Clerk
110 E. Main Street
Los Gatos, CA 95030

NHA Advisors, LLC
4040 Civic Center Drive Suite 200
San Rafael, CA 94903

or personally delivered to Consultant to such address or such other address as Consultant designates in writing to Town.

4.7 Order of Precedence. In the event of any conflict, contradiction, or ambiguity between the terms and conditions of this Agreement with respect to the Products or Services and any attachments to this Agreement, then the terms and conditions of this Agreement shall prevail over attachments or other writings.

4.8 Entire Agreement. This Agreement, including all Exhibits, constitutes the complete and exclusive statement of the Agreement between the Town and Consultant. No terms, conditions, understandings or agreements purporting to modify or vary this Agreement, unless hereafter made in writing and signed by the party to be bound, shall be binding on either party.

IN WITNESS WHEREOF, the Town and Consultant have executed this Agreement.

Town of Los Gatos by:

Signed by:
Chris Constantin 11/10/2025
3EF03F232F1B428...
Chris Constantin, Town Manager

Consultant, by:

DocuSigned by:
11/5/2025
7142F3127D05468...
Mark Northcross, Principal, NHA Advisors LLC

Recommended by:

Signed by:
Gitta Ungvari 2 11/5/2025
0007F92FD1084FF...
Gitta Ungvari, Finance Director

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Approved as to Form:

Signed by:
Gabrielle Whelan 11/10/2025
EFD6738A5534428...
Gabrielle Whelan, Town Attorney

Attest:

Signed by:
Wendy Wood 11/10/2025
26A726C4AE6A4D9...
Wendy Wood, CMC, Town Clerk

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SEPTEMBER 22, 2025

TOWN OF LOS GATOS

PROPOSAL FOR STUDIES 1 AND 2: FISCAL CONDITION ANALYSIS WITH FIVE-YEAR AND LONG-TERM FORECAST AND FISCAL IMPACT ANALYSIS

PROVIDED IN RESPONSE TO:

REQUEST FOR PROPOSALS DATED AUGUST 20, 2025:

FISCAL CONDITION ANALYSIS WITH FIVE-YEAR AND LONG-TERM FORECAST, FISCAL IMPACT ANALYSIS, AND ASSET LIABILITY MANAGEMENT STUDY

SUBMITTED BY

NHA | ADVISORS
Financial & Policy Strategies. Delivered.

RAFTELIS

WILLDAN

EXHIBIT A

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1. COVER LETTER

September 22, 2025

Attn: Gitta Ungvari, Finance Director
Finance@losgatosca.gov
Town of Los Gatos
110 E. Main Street
Los Gatos, CA 95030

RE: Proposal to Provide Study 1 (Fiscal Condition Analysis) and Study 2 (Fiscal Impact Analysis)

Dear Ms. Ungvari,

NHA Advisors, LLC ("NHA") is very pleased to submit this proposal to deliver Study 1 Fiscal Condition Analysis and Study 2 Fiscal Impact Analysis to the Town of Los Gatos (the "Town"). Our proposal represents a collaborative effort among three very well-qualified firms:

Proposing Firm	Proposed Role
NHA Advisors LLC	Lead Advisor: Overall Project Management for Studies 1 and 2 *Independent Proposal for Study 3 Submitted Separately*
Raftelis Financial Consultants Inc	Subconsultant: Study 1
Willdan	Subconsultant: Study 2

NHA Advisors has worked with both Raftelis and Willdan Finance before in other California cities and special districts. As a municipal advisor, the NHA team has coordinated many complex teams of both consultants and multiple stakeholders to deliver funding for major projects. Raftelis is a management consulting firm for local and regional governments with a national practice. Willdan is a civil engineering firm whose practice includes the delivery of key financial information, including fiscal impact analysis, for both local governments and land developers. Their practice is also national.

Collaboration is key to our approach: The fiscal condition analysis and forecast model will both inform and be informed by the fiscal impact analysis and the asset liability management work. A truly responsive multi-year forecasting model needs to address variables such as recessions, changes in the real estate market, major new real estate developments, and the ups and downs of CalPERS. "Black swan" events are also key to a good forecast model. For example, how does the Town respond to a black swan such as a major wildfire?

A Practical Sustainable Tool: We recognize that a financial model only has lasting value if it becomes part of the Town's management tool kit. Our team commits to delivering a model that is both detailed and user-friendly, enabling Town staff to update and apply it independently - without the need for consultants.

Real World Scenario Design: The partnership of all three firms enables us to design scenarios reflecting real-world assumptions about development patterns, service demands, long-term liabilities and "Black Swan" events. This ensures the Town can evaluate the fiscal and service-level implications of multiple scenarios, as well as understand the trade-offs between different policies and investment choices.

Communication Skills: Our team members have extensive and long-term experience in the public sector. We know how to translate technical analysis into decision support packages that are clear, actionable and

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accessible to governing bodies and the public. Just as important, we have extensive experience facilitating the tough conversations that local governments face when aligning resources with community priorities.

The stand-alone NHA proposal for Study 3 also includes an optional module for a "Task 4" – a long-term funding plan for wildfire risk reduction for the Los Gatos community.

As requested in the RFP, NHA provides the following statements as part of this cover letter:

- Mark Northcross is the primary contact authorized to bind the firm.
- NHA Advisors confirms acceptance of the Town's Sample Consultant Services Agreement

While we emphasize our team commitment to collaboration, we also will accommodate the Town individually selecting one of our team members for a particular task but not selecting other team members for their assigned tasks.

We are again very pleased to deliver this proposal for the kind of integrated financial management work that we see as integral and pivotal for the future of Los Gatos, as well as so many other local governments in our team's collective client base.

Please feel free to contact us directly with any questions regarding this proposal.

Thank you for your consideration,

Mark Northcross
Principal
NHA Advisors LLC
Mark@NHAadvisors.com
(415) 785-2025 x2002

Jonathan Ingram
Vice President
Raftelis
jingram@raftelis.com
(513) 221-0500

Mike Medve
Principal Consultant
Willdan
mmedve@willdan.com
(949) 392-0678

NHA | ADVISORS Financial & Policy Strategies. Delivered.

RAFTELIS

WILLDAN

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2. COMPLETED CERTIFICATION FORMS

Conflict of Interest Statement (NHA Advisors)

ATTACHMENT 1 - CONFLICT OF INTEREST STATEMENT

THIS FORM MUST BE PRINTED OUT, COMPLETED AND SUBMITTED WITH THE PROPOSAL

FISCAL CONDITION ANALYSIS WITH FIVE-YEAR AND LONG-TERM FORECAST, FISCAL IMPACT ANALYSIS, AND ASSET LIABILITY MANAGEMENT STUDY

The undersigned declares:

I/We NHA Advisors LLC (Insert Name) have the following financial, business, or other relationship with Town of Los Gatos that may have an impact upon the outcome of the contract. If none, please specify that no other relationships may have an impact on this contract or Project.

No other relationships may have an impact on this contract or Project.

I/We NHA Advisors LLC (Insert Name) have the following current clients who may have a financial interest in the outcome of this contract. If none, please specify that no other clients may have a financial interest with an impact on this contract or Project.

To our knowledge, no other clients have a financial interest with an impact on this contract or Project.

Pursuant to Government Code section 1090 and any other laws, rules and regulations that may apply, the Proposer covenants that neither it, its subcontractors nor employees presently have an interest, and shall not acquire any interest, direct or indirect, financial or otherwise that would conflict in any manner or degree with contract awarded from this RFP. Proposer certifies that to the best of its knowledge, no one who has or will have any financial interest in the contract awarded from this RFP is an officer or employee of the Town. Through its submittal of a proposal, Proposer acknowledges that it is familiar with Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California and will immediately notify the Town if it becomes aware of any facts concerning the contract to be awarded that constitute a violation of said provisions.

Furthermore, if there is reason to believe that collusion exists among the Proposers, the Town may refuse to consider proposals from participants in such collusion. No person, firm, or corporation under the same or different name, shall make, file, or be interested in more than one proposal for the same work unless alternate proposals are called for. A person, firm, or corporation who has submitted a sub-proposal to a Proposer, or who has quoted prices on materials to a Proposer, is not thereby disqualified from submitting a sub-proposal or quoting prices to other Proposers. Reasonable ground for believing that any Proposer is

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interested in more than one proposal for the same work will cause the rejection of all proposals for the work in which a Proposer is interested. If there is reason to believe that collusion exists among the Proposers, the Town may refuse to consider proposals from participants in such collusion. Proposers shall submit as part of their proposals documents the completed Non-Collusion Declaration provided herein.

I, on behalf of the Proposer, declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on September 22, 2025 [date], at San Rafael [city], California [state].

NHA Advisors LLC	Principal
Proposer Name (Person, Firm, Corp.)	Title of Authorized Representative
4040 Civic Center Drive, Suite 200	Mark Northcross
Address	Name of Authorized Representative
San Rafael, CA 94903	
City, State, Zip	
9/22/2025	
(Date)	(Signed)

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Conflict of Interest Statement (Raftelis)

ATTACHMENT 1 - CONFLICT OF INTEREST STATEMENT

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FISCAL CONDITION ANALYSIS WITH FIVE-YEAR AND LONG-TERM FORECAST, FISCAL IMPACT ANALYSIS, AND ASSET LIABILITY MANAGEMENT STUDY

The undersigned declares:

I/We Raftelis Financial Consultants, Inc. (Insert Name) have the following financial, business, or other relationship with Town of Los Gatos that may have an impact upon the outcome of the contract. If none, please specify that no other relationships may have an impact on this contract or Project.

No other relationships have an impact on the contract or Project.

I/We Raftelis Financial Consultants, Inc. (Insert Name) have the following current clients who may have a financial interest in the outcome of this contract. If none, please specify that no other clients may have a financial interest with an impact on this contract or Project.

No other clients have a financial interest with an impact on this contract or Project.

Pursuant to Government Code section 1090 and any other laws, rules and regulations that may apply, the Proposer covenants that neither it, its subcontractors nor employees presently have an interest, and shall not acquire any interest, direct or indirect, financial or otherwise that would conflict in any manner or degree with contract awarded from this RFP. Proposer certifies that to the best of its knowledge, no one who has or will have any financial interest in the contract awarded from this RFP is an officer or employee of the Town. Through its submittal of a proposal, Proposer acknowledges that it is familiar with Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California and will immediately notify the Town if it becomes aware of any facts concerning the contract to be awarded that constitute a violation of said provisions.

Furthermore, if there is reason to believe that collusion exists among the Proposers, the Town may refuse to consider proposals from participants in such collusion. No person, firm, or corporation under the same or different name, shall make, file, or be interested in more than one proposal for the same work unless alternate proposals are called for. A person, firm, or corporation who has submitted a sub-proposal to a Proposer, or who has quoted prices on materials to a Proposer, is not thereby disqualified from submitting a sub-proposal or quoting prices to other Proposers. Reasonable ground for believing that any Proposer is

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interested in more than one proposal for the same work will cause the rejection of all proposals for the work in which a Proposer is interested. If there is reason to believe that collusion exists among the Proposers, the Town may refuse to consider proposals from participants in such collusion. Proposers shall submit as part of their proposals documents the completed Non-Collusion Declaration provided herein.

I, on behalf of the Proposer, declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on September 22, 2025 [date], at Cincinnati [city], Ohio [state].

Raftelis Financial Consultants, Inc.	Vice President
Proposer Name (Person, Firm, Corp.)	Title of Authorized Representative
19 Garfield Place, Suite 500	Jonathan Ingram
Address	Name of Authorized Representative
Cincinnati, OH 45202	
City, State, Zip	
09/22/2025	
(Date)	(Signed)

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Conflict of Interest Statement (Willdan)

ATTACHMENT 1 - CONFLICT OF INTEREST STATEMENT

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FISCAL CONDITION ANALYSIS WITH FIVE-YEAR AND LONG-TERM FORECAST, FISCAL IMPACT ANALYSIS, AND ASSET LIABILITY MANAGEMENT STUDY

The undersigned declares:

I/We Willdan Financial Services (Insert Name) have the following financial, business, or other relationship with Town of Los Gatos that may have an impact upon the outcome of the contract. If none, please specify that no other relationships may have an impact on this contract or Project.

Willdan Financial Services has no financial, business, or other relationships with the Town of Los Gatos that may have an impact on the outcome of this contract or project.

I/We Willdan Financial Services (Insert Name) have the following current clients who may have a financial interest in the outcome of this contract. If none, please specify that no other clients may have a financial interest with an impact on this contract or Project.

Willdan Financial Services has no current clients with a financial interest that may impact or influence the outcome of this contract or project.

Pursuant to Government Code section 1090 and any other laws, rules and regulations that may apply, the Proposer covenants that neither it, its subcontractors nor employees presently have an interest, and shall not acquire any interest, direct or indirect, financial or otherwise that would conflict in any manner or degree with contract awarded from this RFP. Proposer certifies that to the best of its knowledge, no one who has or will have any financial interest in the contract awarded from this RFP is an officer or employee of the Town. Through its submittal of a proposal, Proposer acknowledges that it is familiar with Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California and will immediately notify the Town if it becomes aware of any facts concerning the contract to be awarded that constitute a violation of said provisions.

Furthermore, if there is reason to believe that collusion exists among the Proposers, the Town may refuse to consider proposals from participants in such collusion. No person, firm, or corporation under the same or different name, shall make, file, or be interested in more than one proposal for the same work unless alternate proposals are called for. A person, firm, or corporation who has submitted a sub-proposal to a Proposer, or who has quoted prices on materials to a Proposer, is not thereby disqualified from submitting a sub-proposal or quoting prices to other Proposers. Reasonable ground for believing that any Proposer is

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interested in more than one proposal for the same work will cause the rejection of all proposals for the work in which a Proposer is interested. If there is reason to believe that collusion exists among the Proposers, the Town may refuse to consider proposals from participants in such collusion. Proposers shall submit as part of their proposals documents the completed Non-Collusion Declaration provided herein.

I, on behalf of the Proposer, declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on 09-22-2025 [date], at Temecula [city], CA [state].

Willdan Financial Services Proposer Name (Person, Firm, Corp.)	Vice President/Director Title of Authorized Representative
27368 Via Industria, Suite 200 Address	Chris Fisher Name of Authorized Representative
Temecula, CA 92590 City, State, Zip	
09/22/2025 (Date)	(Signed)

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Non-Collusion Declaration (NHA Advisors)

ATTACHMENT 2 – NON-COLLUSION DECLARATION

THIS FORM MUST BE PRINTED OUT, COMPLETED AND SUBMITTED WITH THE PROPOSAL

FISCAL CONDITION ANALYSIS WITH FIVE-YEAR AND LONG-TERM FORECAST, FISCAL IMPACT ANALYSIS, AND ASSET LIABILITY MANAGEMENT STUDY

The undersigned declares:

I am the Principal [Insert Title] of NHA Advisors LLC ,[Insert name of company, corporation, LLC, partnership or joint venture] the party making the foregoing proposal.

The proposal is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The proposal is genuine and not collusive or sham. The Respondent has not directly or indirectly induced or solicited any other respondent to put in a false or sham proposal. The Respondent has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham proposal, or to refrain from responding. All statements contained in the proposal are true.

Any person executing this declaration on behalf of a respondent that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the respondent.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on 9/22/2025[date], at San Rafael [city], CA[state].

By: _____

Name: Mark Northcros

Title: Principal

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Non-Collusion Declaration (Raftelis)

ATTACHMENT 2 – NON-COLLUSION DECLARATION

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FISCAL CONDITION ANALYSIS WITH FIVE-YEAR AND LONG-TERM FORECAST, FISCAL IMPACT ANALYSIS, AND ASSET LIABILITY MANAGEMENT STUDY

The undersigned declares:

I am the Vice-President [Insert Title] of RAFTELIS [Insert name of company, corporation, LLC, partnership or joint venture] the party making the foregoing proposal.

The proposal is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The proposal is genuine and not collusive or sham. The Respondent has not directly or indirectly induced or solicited any other respondent to put in a false or sham proposal. The Respondent has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham proposal, or to refrain from responding. All statements contained in the proposal are true.

Any person executing this declaration on behalf of a respondent that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the respondent.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on 9/22/25 [date], at CINCINNATI [city], OH [state].

By: _____

Name: JONATHAN INGRAM

Title: VICE-PRESIDENT

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Non-Collusion Declaration (Willdan)

ATTACHMENT 2 – NON-COLLUSION DECLARATION

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FISCAL CONDITION ANALYSIS WITH FIVE-YEAR AND LONG-TERM FORECAST, FISCAL IMPACT ANALYSIS, AND ASSET LIABILITY MANAGEMENT STUDY

The undersigned declares:

I am the Vice President/Director [Insert Title] of Willdan Financial Services ,[Insert name of company, corporation, LLC, partnership or joint venture] the party making the foregoing proposal.

The proposal is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The proposal is genuine and not collusive or sham. The Respondent has not directly or indirectly induced or solicited any other respondent to put in a false or sham proposal. The Respondent has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham proposal, or to refrain from responding. All statements contained in the proposal are true.

Any person executing this declaration on behalf of a respondent that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the respondent.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on 09-22-2025 [date], at Temecula [city], CA [state].

By: 

Name: Chris Fisher

Title: Vice President/Director

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References

Please refer to Section 9 of this Proposal for more detail; the following contains an excerpt for each proposing firm.

ATTACHMENT 3 - REFERENCES

THIS FORM MUST BE PRINTED OUT, COMPLETED AND SUBMITTED WITH THE PROPOSAL

FISCAL CONDITION ANALYSIS WITH FIVE-YEAR AND LONG-TERM FORECAST, FISCAL IMPACT ANALYSIS, AND ASSET LIABILITY MANAGEMENT STUDY

List three (3) references for work of a similar nature to the Services performed within the last five (5) years. Use additional sheets as necessary.

1. Tahoe Douglas Visitors Authority — 4114 Lake Tahoe Blvd. South Lake Tahoe, CA 96150
Name of Agency — Agency Address

Carol Chaplin — President & CEO
Contact Name — Contact Title

(775) 589 - 2055 — carol@visitlaketahoe.com
Contact Telephone — Contact Email Address

2017 - Present (most work was completed in 2020) — $309,788 (2+ year engagement)
Contract Period — Contract Amount

NHA Advisors Reference: Coordination between multiple consulting teams, legal counsel, and public agency staff to finance a $100 million events center in Stateline Nevada.

Description of services performed including costs.

2. Commerce City — 7887 E. 60th Ave. Commerce City, CO 80022
Name of Agency — Agency Address

Theresa Wilson — CFO
Contact Name — Contact Title

(303) 289 - 3627 — twilson@c3gov.com
Contact Telephone — Contact Email Address

— $153,610
Contract Period — Contract Amount

Raftelis Reference: a thorough assessment of the City's financial condition, analysis of historical and projected revenues and expenditures, evaluation of debt capacity and reserve policies, and review of the City's CIP.

Description of services performed including costs.

3. City of Alameda
Name of Agency — Agency Address

Jennifer Ott — City Manager
Contact Name — Contact Title

(510) 747 - 4700 — manager@alamedaca.gov
Contact Telephone — Contact Email Address

— $75,800
Contract Period — Contract Amount

Willdan Reference: preparing a fiscal impact analysis of the planned development, a facilities financing plan, and a feasibility analysis to evaluate whether projected development could sustain the infrastructure needed to rehabilitate the base.

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Please see the previous page; See also Section 9 of our Proposal for more detail

Description of services performed including costs.

I hereby certify that the Proposers performed the work listed above.

Signature of Proposer	Name	Date
	Mark Northcross, Principal, NHA Advisors	9/22/2025

Statement Regarding Insurance Coverage and Worker's Compensation Insurance Acknowledgement Certificate (NHA Advisors)

ATTACHMENT 4 - STATEMENT REGARDING INSURANCE COVERAGE AND WORKER'S COMPENSATION INSURANCE ACKNOWLEDGMENT CERTIFICATE

THIS FORM MUST BE PRINTED OUT, COMPLETED AND SUBMITTED WITH THE PROPOSAL

FISCAL CONDITION ANALYSIS WITH FIVE-YEAR AND LONG-TERM FORECAST, FISCAL IMPACT ANALYSIS, AND ASSET LIABILITY MANAGEMENT STUDY

PROPOSER HEREBY CERTIFIES that the Proposer has reviewed and understands the insurance coverage requirements specified in the RFP. Should the Proposer be awarded a contract for Services, Proposer further certifies that the Proposer can meet the specified requirements for insurance, including insurance coverage of any subcontractors, and agrees to name the Town as additional insured for the Services specified.

By certifying this form, the Proposer also understands the Worker's Compensation insurance requirement per the California Labor Code, Sections 1860 and 1861:

> I am aware of the provisions of Section 3700 of the Labor Code, which require every employer to be insured against liability for worker's compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

Mark Northcross, NHA Advisors LLC
Name of Proposer (Person, Firm, or Corporation)

Signature of Proposer's Authorized Representative

Mark Northcross, Principal
Name & Title of Authorized Representative

September 22, 2025
Date of Signing

Docusign Envelope ID: 8463BA3F-D38D-4CDC-A1D6-2ABE915A0C1C

Statement Regarding Insurance Coverage and Worker's Compensation Insurance Acknowledgement Certificate (Raftelis)

ATTACHMENT 4 - STATEMENT REGARDING INSURANCE COVERAGE AND WORKER'S COMPENSATION INSURANCE ACKNOWLEDGMENT CERTIFICATE

THIS FORM MUST BE PRINTED OUT, COMPLETED AND SUBMITTED WITH THE PROPOSAL

FISCAL CONDITION ANALYSIS WITH FIVE-YEAR AND LONG-TERM FORECAST, FISCAL IMPACT ANALYSIS, AND ASSET LIABILITY MANAGEMENT STUDY

PROPOSER HEREBY CERTIFIES that the Proposer has reviewed and understands the insurance coverage requirements specified in the RFP. Should the Proposer be awarded a contract for Services, Proposer further certifies that the Proposer can meet the specified requirements for insurance, including insurance coverage of any subcontractors, and agrees to name the Town as additional insured for the Services specified.

By certifying this form, the Proposer also understands the Worker's Compensation insurance requirement per the California Labor Code, Sections 1860 and 1861:

> I am aware of the provisions of Section 3700 of the Labor Code, which require every employer to be insured against liability for worker's compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

Raftelis Financial Consultants, Inc.
Name of Proposer (Person, Firm, or Corporation)

Signature of Proposer's Authorized Representative

Jonathan Ingram, Vice President
Name & Title of Authorized Representative

09/22/2025
Date of Signing

Docusign Envelope ID: 8463BA3F-D38D-4CDC-A1D6-2ABE915A0C1C

Statement Regarding Insurance Coverage and Worker's Compensation Insurance Acknowledgement Certificate (Willdan)

ATTACHMENT 4 - STATEMENT REGARDING INSURANCE COVERAGE AND WORKER'S COMPENSATION INSURANCE ACKNOWLEDGMENT CERTIFICATE

THIS FORM MUST BE PRINTED OUT, COMPLETED AND SUBMITTED WITH THE PROPOSAL

FISCAL CONDITION ANALYSIS WITH FIVE-YEAR AND LONG-TERM FORECAST, FISCAL IMPACT ANALYSIS, AND ASSET LIABILITY MANAGEMENT STUDY

PROPOSER HEREBY CERTIFIES that the Proposer has reviewed and understands the insurance coverage requirements specified in the RFP. Should the Proposer be awarded a contract for Services, Proposer further certifies that the Proposer can meet the specified requirements for insurance, including insurance coverage of any subcontractors, and agrees to name the Town as additional insured for the Services specified.

By certifying this form, the Proposer also understands the Worker's Compensation insurance requirement per the California Labor Code, Sections 1860 and 1861:

> I am aware of the provisions of Section 3700 of the Labor Code, which require every employer to be insured against liability for worker's compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

Willdan Financial Services
Name of Proposer (Person, Firm, or Corporation)

Signature of Proposer's Authorized Representative

Chris Fisher, Vice President/Director
Name & Title of Authorized Representative

09-22-2025
Date of Signing

Docusign Envelope ID: 8463BA3F-D38D-4CDC-A1D6-2ABE915A0C1C

3. SCOPE COMMENTS AND METHODOLOGY

Introduction: How This Proposal is Organized

This proposal, in response to the requirements of the Town's RFP, is organized as two separate proposal documents. The first proposal document (this document) contains the material required by the RFP for Study 1 and Study 2. The second proposal document (submitted separately from this document) contains the material for Study 3, and our proposed optional Study 4 for Wildfire Risk Mitigation.

Raftelis, a public sector management consulting firm with a national practice, is responsible for Study 1. Willdan, a public sector focused civil engineering and financial consulting firm, also with a national practice, is responsible for Task 2. NHA Advisors, a municipal advisor with a statewide practice, is responsible for Study 3. We believe that all three (and potentially four) studies are integrated and inform each other. The outputs from both Study 2 and the Study 3 will inform Study 1. Furthermore, we see the best way of delivering Study 3, Task 3 ("Reserves Guidance") is through careful scenario design for outputs of the Study 1 fiscal condition analysis model.

Consequently, we have added to this Study 1 and Study 2 proposal document an additional task, "Task 0: Team Management." We see this as key to delivering the outcomes that the Town wants from this work. This also means that the bulk of the background information and certifications required for NHA Advisors is in the second proposal document for Study 3, not in this Study 1 and Study 2 proposal document.

We acknowledge that our team's combined cost for all three studies is large. The Town is asking for a lot. We believe our team is capable of delivering everything the Town is requesting. With respect to cost, please consider this: public agencies pay amounts greater than our combined proposal cost for engineering/design for major public works projects. The Town's RFP is analogous to the Town retaining a team to engineer and design a major project. In this case, the major project is a financial management structure designed to work for years into the future. That is the ultimate deliverable for our combined proposals for Studies 1, 2 and 3. We commit to delivering this financial management tool and structure within the proposed costs for both the Study 1 and Study 2 proposal, and the Study 3 proposal.

Task 0: NHA's Role as Team Manager

We see team management as crucial to delivering the outcomes that the Town wants from this effort. As explained in "Scope and Methodology", we see two key elements for team management:

- Communication amongst all team members, Town staff and other stakeholders
- Careful scenario design for the outputs of the Study 1 Fiscal Condition Analysis

NHA's qualifications to take the role of Team Manager for this assignment are robust:

- As a municipal advisor to multiple public agencies bringing large projects out of the ground we have learned how to coordinate and collaborate with multiple consultants and stakeholders to deliver funding for these projects. We know how to manage complex and disparate teams to deliver money. We believe this experience is very analogous to what the Town needs through their RFP.

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- NHA staff has comparable experience to what both Raftelis and Willdan are responsible for. NHA does a much lighter version of the Study 1 fiscal condition analysis for our client base. While we do not typically do the granular, comprehensive modeling that Raftelis will deliver, we understand how such models work. With respect to Willdan's analysis for Study 2, Mark Northcross, our proposed team manager, spent 5 years at the beginning of his career preparing fiscal impact analysis for Environmental Impact Reports on new development. He has a fundamental understanding of Willdan's deliverable for Study 2.

- NHA's core expertise is in delivering funding for public projects, including operational needs. We understand the constraints and opportunities available to local government in California for raising new funding - whether grants, taxes through ballot measures, impact fees or public/private partnerships. We believe that Mark Northcross' expertise is important in outlining potential long-term financial management practices and strategies for the Town.

Scope and Methodology: We see two core functions for NHA's role in Team Management, as described below:

1. **Facilitating Good Communication.** Based on long experience, we believe that the best way of facilitating good communication for the team is to have pre-scheduled standing Teams/Zoom calls on a regular basis. It does not matter whether the call is very short, or goes on for an hour. Regular calls ensure that we keep momentum going and keep everyone fully informed on what other team members are doing. In that spirit, we suggest the following protocol for standing calls:
    - Town staff and NHA Advisors - once per week
    - Town staff, NHA Advisors, Raftelis and Willdan - biweekly
    - Town staff, NHA Advisors, Raftelis, Willdan and other potential stakeholders - once per month.

2. **Scenario Design.** Once both Raftelis and Willdan have completed their work, we see Scenario Design as the key next step in delivering what the Town wants. Scenario Design is a key component for Activity 3 in the Raftelis Study 1 proposal. We also see the Task 3 deliverables of both Funding Needs & Risk Reduction and Reserve Guidance as being integral to Scenario Design. As Team Manager, NHA will facilitate the dialogue between Town staff, team members and other stakeholders to develop multiple scenarios for the fiscal condition model.

Cost: NHA's incremental cost for serving as Team Manager is not-to-exceed $17,500, whether or not NHA is selected for the Task 3 work. This will be billed on a time and materials basis, providing the Town control over this expense.

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Study 1: Fiscal Condition Analysis – Raftelis

The following material is provided by Raftelis for Study 1. As required by the RFP, this material can be considered as a stand-along proposal for Raftelis to prepare Study 1, should the Town choose to retain Raftelis, but not Willdan and/or NHA.

Fiscal Condition Assessment Methodology

The Town of Los Gatos is seeking a consultant to conduct a Fiscal Condition Analysis with Five-Year and Long-Term Forecast. This effort will provide a transparent assessment of the Town's current fiscal health, develop projections of future revenues and expenditures, and identify risks and opportunities that could impact long-term financial sustainability. The resulting forecast will serve as a living tool for Town staff, elected officials, and the Finance Commission to evaluate fiscal strategies, plan for uncertainty, and communicate clearly with the public.



Our team brings extensive experience working with local governments in California and across the country to develop long-term financial forecasts and plans. We understand that the most effective solutions are those that are practical, implementable, and aligned with the culture and capacity of the organization. Innovative recommendations only add value if they can be put into practice and embraced by both staff and the community.

We pride ourselves on our ability to listen, analyze, and collaborate with our clients to develop actionable solutions. Our prior engagements have resulted in the adoption of recommendations that were not only technically sound but also politically and operationally feasible. We do not bring a pre-packaged approach; instead, we tailor our methodology to the specific needs and priorities of each client.

Los Gatos, like many California communities, faces a challenging fiscal outlook. Rising costs of public services, increasing pension and OPEB obligations, and infrastructure demands place ongoing pressure on limited resources. At the same time, State housing mandates and the broader economic environment introduce uncertainty in both revenues and expenditures. The Town has long demonstrated sound fiscal management, but to maintain that strength in the years ahead requires careful planning, transparent forecasting, and proactive risk assessment.

Our approach builds on the Town's existing capacity, while providing the tools, analysis, and training necessary for staff to sustain the forecasting model into the future. By combining rigorous financial analysis with stakeholder engagement and scenario testing, we will deliver a forecast that is not only technically robust but also aligned with the Town's decision-making needs.

We are excited about the opportunity to assist Los Gatos in strengthening its fiscal planning capacity. Our intentional approach — grounded in respect for the staff who serve the community and focused on collaboration — ensures that the results of this project will be meaningful, actionable, and sustainable.

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Activity 1: Project Initiation

We will begin this engagement by facilitating a virtual kick-off meeting with the Town's project team to review the details and expectations of this effort and to finalize the project schedule. During this session, we will confirm deliverables, establish communication protocols, and identify milestones for internal staff review, Finance Commission briefings, and Town Council presentations. We will also discuss the Town's objectives for the long-term financial planning process, the anticipated uses of the model, and any initial concerns or issues that may shape the work.

We will conduct one-on-one meetings with the Town Manager and Finance Director to understand their perspectives on fiscal priorities, risks, and the intended role of the forecasting model in the Town's planning and policy discussions. To ensure elected leadership perspectives are fully incorporated, we will also meet individually with the Mayor and Town Council members. These conversations will provide valuable insights into fiscal priorities, service expectations, and community needs, helping to shape assumptions and test scenarios later in the process.

We will request and review all relevant background information, such as budgets, audited financial statements, financial policies, actuarial reports, capital improvement plans, previous studies, and other supporting documentation. Early review of these materials will provide a foundation for the Fiscal Condition Assessment and help ensure the forecasting model is built on accurate and comprehensive information.

Throughout the project, we will provide the Town with regular status reports designed to maintain project progress and budget, identify and resolve emerging issues, and review interim work products. In addition to formal reporting, we anticipate numerous informal opportunities for Town staff to raise questions, share updates, or clarify assumptions with our project team. We welcome this open communication, as it will contribute to a more effective and successful project.

Meetings:	**Deliverables:**
Kick-off meeting with Town's project team	Kick-off meeting agenda Draft and final project schedule Data/document request

Activity 2: Assess Fiscal Condition

Following the kick-off, we will conduct a comprehensive assessment of the Town's current fiscal condition to establish the baseline for the long-term financial forecast. This activity begins with a detailed review of financial data to identify historical trends and current pressures, followed by structured engagement with Town staff and external partners to validate assumptions and incorporate operational and capital planning needs. The result will be a complete and transparent understanding of Los Gatos' fiscal health that can serve as the foundation for modeling and scenario analysis.

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- **Financial Data Review** – Examine audited financial statements, budgets, interim financial reports, reserve policies, actuarial valuations, and cash flow records to identify revenue and expenditure trends, assess structural balance, and capture major fiscal pressures.
- **Finance & Budget Staff Sessions** – Conduct **two full days of virtual meetings** with Finance and Budget staff to validate our interpretation of trends, confirm assumptions, and understand the Town's forecasting methodologies and internal budget processes.
- **Department Director Discussions** – Facilitate **two full days of virtual meetings** with department directors to gather insights on operational pressures, long-term service delivery needs, capital planning requirements, and other anticipated budget drivers.
- **External Agency Interviews** – Meet with agencies such as the Fire District and Sewer District to incorporate intergovernmental obligations and cost-sharing arrangements into the fiscal assessment.
- **Capital Improvement Program Review** – Analyze the Town's CIP to evaluate funded and anticipated projects, align infrastructure investment needs with available resources, and identify future fiscal pressures.
- **Debt and Reserve Assessment** – Evaluate the Town's debt structure, repayment schedules, debt ratios, and reserve adequacy to determine capacity and resilience.
- **Unfunded Liability Analysis** – Identify long-term obligations such as pensions, OPEB, and labor costs, along with structural cost drivers that could impact sustainability.
- **Environmental Scan** – Review regional economic conditions, demographic trends, and State mandates (e.g., housing requirements, revenue shifts) that may influence future fiscal outlook.
- **Benchmarking Against Peers** – Compare Los Gatos' fiscal condition to comparable California municipalities using State Controller and GFOA data to highlight areas of strength and vulnerability.

We will prepare a draft Fiscal Condition Assessment memorandum that synthesizes these analyses into a clear picture of the Town's current fiscal position. This draft will be reviewed virtually with the Town's project team, allowing staff to validate assumptions, suggest refinements, and ensure accuracy. Following these discussions, we will make necessary adjustments and finalize the memorandum. This finalized assessment will serve as the **baseline understanding** of Los Gatos' fiscal position — the foundation for the long-term financial forecasting model and a reference point for evaluating future policy scenarios.

Meetings:	**Deliverables:**
Two days of virtual meetings with Finance and Budget staff Two days of virtual meetings with department directors Interviews with external partners (e.g., Fire District, Sewer District) Virtual review session with the Town's project team on draft Fiscal Condition Assessment	Draft and Final Financial Condition Assessment memoranda

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Activity 3: Develop Forecasting Model

In this Activity, the project team will develop a robust but user-friendly financial model that projects revenues and expenditures across a ten-year horizon for the Town's General Fund, while also accounting for interrelationships with other funds and external obligations. The model will build directly on the Fiscal Condition Assessment and will serve as both a technical forecasting tool and a decision-support resource for Town leadership. It will be detailed enough to capture the complexity of Los Gatos' fiscal structure, yet designed to be intuitive and easy to use for staff and policymakers.

The baseline projections will assume continuation of existing policies, programs, and obligations, and will then test how the projections may change under alternative conditions. As appropriate, the analyses will integrate socio-economic and demographic factors that shape revenue capacity and service demands. The model will be dynamic, allowing for flexible consideration of changing conditions and providing the Town with a range of projection scenarios.



This activity will accomplish the following goals:

- **Financial Model Goal 1 – Baseline Projections:** Identify reasonable baseline assumptions based on historical revenue and expenditure trends, validated with Finance and Budget staff. This ensures the model accurately forecasts the Town's fiscal trajectory and provides a reliable foundation for comparison.
- **Financial Model Goal 2 – Projection Scenarios:** Develop alternative scenarios that reflect a range of revenue growth and expenditure pressures. These will allow the Town to compare impacts across varying conditions and evaluate the implications of policy and investment choices. Initial scenarios will include:
    - *Probable Scenario:* Reflecting historical trends adjusted for known economic and demographic factors.
    - *Policy Scenario:* Based on assumptions in the Town's existing Financial Plan and adopted budgets.
    - *Constrained Scenario:* Illustrating conservative revenue conditions to stress-test sustainability.
- **Financial Model Goal 3 – Sensitivity Analysis:** Create a functional and dynamic tool that can be used to test the fiscal impact of policy alternatives and external conditions in real time. The model will visually illustrate the impact of service, capital, or revenue decisions, enabling informed choices by Town leadership and the governing body.
- **Financial Model Goal 4 – Integration with Related Studies:** Work closely with Wildan and NHA Advisors, our proposed partners on Studies 2 and 3, to incorporate their concurrent findings into

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the model. This collaboration ensures that long-term forecasts reflect both fiscal impact analyses and asset/liability considerations.

- **Financial Model Goal 5 – Usability and Staff Training:** Ensure the model produces clear, usable dashboards and outputs that support Finance Commission discussions, Town Council deliberations, and public communication. We will train Finance staff on the model, tailor its functionality to staff preferences, and provide documentation so that the tool can be maintained as a living resource into the future.

Our team will prepare a draft model and review its structure, presentation, and functionality with Finance staff and the Town's project team. We will then develop and vet recommended assumptions under each scenario with staff before incorporating them into the model. Once validated, we will project the Town's fiscal condition and review results with staff.

The finalized model will be shared in a presentation that highlights the key dashboards, findings, and implications for long-term fiscal sustainability. This will not only meet internal forecasting needs but also provide elected officials and the public with a clear, transparent tool for understanding the Town's fiscal future.

Meetings:	**Deliverables:**
Workshops with Finance and Budget staff to review draft model and assumptions	Draft 10-year financial forecasting model
Coordination meetings with Wildan and NHA Advisors	Final 10-year financial forecasting model with scenario dashboards
Review sessions with the Town's project team	Validated scenario assumptions and outputs
	Training sessions and documentation for Finance staff

Activity 4: Final Reporting and Knowledge Transfer

As the culmination of the Fiscal Condition Assessment and financial modeling process, the project team will prepare a comprehensive Long-Term Financial Plan (LTFP) Report. This report will synthesize the findings of the condition assessment, incorporate the validated assumptions and scenarios from the forecasting model, and present a clear roadmap for sustaining the Town's financial health over the next decade.

The report will not only document the technical analyses completed during the project, but also translate them into actionable strategies that Town staff, elected officials, and community stakeholders can use to guide decision-making. The document will emphasize clarity, accessibility, and alignment with Los Gatos' fiscal priorities and policy objectives.

This activity will accomplish the following goals:

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- **Report Integration:** Summarize the findings of the Fiscal Condition Assessment, baseline projections, and scenario analysis into a single, cohesive document that provides context and direction for the Town's financial future.
- **Policy Implications:** Highlight the long-term implications of current fiscal trends and alternative scenarios, clearly identifying where risks may emerge and where opportunities exist to strengthen sustainability.
- **Strategies and Recommendations:** Present recommended fiscal strategies, including reserve policies, debt management approaches, and expenditure prioritization, that support sustainable long-term planning.
- **Alignment with Related Studies:** Integrate findings from Wildan's Fiscal Impact Analysis and NHA Advisors' Asset Liability Study to ensure consistency across all three efforts and provide Town leadership with a unified financial planning framework.
- **Accessibility and Communication:** Develop a report that includes clear charts, tables, and dashboards drawn from the model, designed for use by both internal staff and external audiences such as the Finance Commission, Town Council, and the public.
- **Leadership Work Session:** Facilitate a dedicated work session with the Town Council to review long-term fiscal trends, discuss key decision points identified in the model, and explore the policy trade-offs that will shape the Town's financial future. This session will provide elected leaders with the opportunity to engage directly with the analysis and consider how best to align fiscal strategies with community priorities.

The draft Long-Term Financial Plan will be reviewed with Town staff to confirm accuracy and relevance. Following revisions based on staff feedback, the final report will be produced and presented to Town leadership. A summary presentation will also be provided for the Town Council to ensure findings are communicated effectively and transparently.

Meetings:	**Deliverables:**
Virtual review session of the draft Long-Term Financial Plan with Town staff Work session with the Town Council on trends and decision points Presentation and discussion with the Town Council on the final report	Draft Long-Term Financial Plan Report Final Long-Term Financial Plan Report Presentation materials summarizing findings, trends, and strategies

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Optional Activity 5: Develop Gap Closure Strategies

This optional activity is designed to connect long-term financial planning directly to the operating and capital realities of each department. Its core value is enabling department directors to develop long-term budget adjustment strategies that are explicitly tied to **service levels, workload growth, and capital needs** emerging from the development patterns identified in **Study 2**.

Department-Level Strategy Sessions

Before convening the broader workshop, Raftelis will conduct **individual strategy sessions with each department director and their key staff**. These sessions will:

- **Identify Development-Driven Impacts:** Discuss how the land use and growth assumptions in Study 2 will translate into service demand increases and operational pressures.
- **Preliminary Costing:** Work with each department to outline anticipated operating and staffing needs, as well as capital investment requirements, that may emerge over the 10-year planning horizon.
- **Service-Level Implications:** Pair anticipated investments and budget needs with expected impacts on service levels, customer outcomes, and workload capacity.
- **Scenario Development:** Begin to frame potential strategies (cost containment, service delivery adjustments, or new revenue sources) that can be tested in the financial model.

Cross-Department Gap Closure Workshop

Following these department-level sessions, Raftelis will facilitate a **one-day in-person workshop** with Town leadership, division managers, and program managers to:

- **Synthesize Department Input:** Integrate operating and capital estimates across departments into a shared view of Townwide financial needs.
- **Develop Coordinated Strategies:** Refine cost and revenue strategies to address identified structural gaps, ensuring they reflect service-level tradeoffs and cross-department interdependencies.

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- **Link to Financial Model:** Incorporate these strategies into the Town's financial model, testing feasibility under multiple projection scenarios.
- **Assign Ownership:** Confirm departmental ownership of strategies for continued refinement and validation, supported by Raftelis' technical expertise.

Value for Leadership and Council

The outcome of this activity is not just a set of abstract fiscal strategies, but a **grounded, department-driven understanding** of how to align operating and capital budgets with development-driven service demands. These strategies will be presented to the Town Council in a structured format during the financial model review, enabling Councilmembers to make informed decisions about fiscal sustainability in the context of community growth and service expectations.

Meetings:	**Deliverables:**
Department strategy sessions (virtual, with each director)	Department-level service impact and cost estimate memos
One-day Gap Closure Strategies Workshop	Workshop facilitation and support materials
Presentation of refined strategies to the Town Council	Gap closure strategies linked to service levels and workload expansions
	Refined scenarios integrated into the financial model

Optional Activity 6: Facilitated Decision-support for Town Council

The Town may also find it prudent to engage with a broader group than Town staff and the governing body by forming a stakeholder review committee. A critical step in ensuring the long-term usefulness of the financial plan is helping the Town Council directly connect technical analysis with actionable policy decisions. This optional activity is designed to guide the governing body through a structured decision-making process that translates financial trends, gap-closure strategies, and cross-study findings into clear and publicly digestible choices.

Facilitated Council Workshop

Raftelis will facilitate a **dedicated decision-making workshop with the Town Council** that will:

- **Integrate Cross-Study Findings:** Bring together the results of the financial model (Study 1), fiscal impact analysis (Study 2), and asset/liability review (Study 3) to ensure Councilmembers are considering the full picture of the Town's long-term fiscal outlook.
- **Present Gap-Closure Strategies:** Summarize the department-driven strategies developed in Optional Activity 5, highlighting associated service-level tradeoffs, capital requirements, and fiscal outcomes.

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- **Decision Support Tools:** Provide structured "decision packages" that synthesize technical analysis into accessible formats, ensuring elected officials and the public understand the trade-offs, risks, and opportunities associated with each option.
- **Prioritization Process:** Facilitate discussions that allow the Council to evaluate and prioritize options, ensuring clear alignment between fiscal capacity, policy goals, and community expectations.
- **Direction Setting:** Capture Council decisions and provide Town staff with clear, documented guidance to support long-term planning, budgeting, and implementation efforts.

Value for Leadership and the Community

This workshop represents an opportunity to bridge detailed technical analysis with strategic decision-making. By translating the results of Studies 1, 2, and 3 into actionable choices and providing facilitation expertise, Raftelis will ensure that the Town Council is empowered to set a clear direction for staff and communicate trade-offs effectively to the community.

Meetings:	**Deliverables:**
Governing Body Decision-Making Workshop	Council workshop agenda and facilitation materials Decision-support packages synthesizing financial, service level, and workload trade-offs Summary of Council decisions and direction for staff Budget Task Force recommendations

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Study 2: Fiscal Impact Analysis - Willdan

The following material is provided by Willdan for Study 2. As required by the RFP, this material can be considered as a stand-along proposal for Willdan to prepare Study 2, should the Town choose to retain Willdan, but not Raftelis and/or NHA.

Project Understanding

The Town of Los Gatos ("Town") is seeking a Fiscal Impact Analysis (FIA) to evaluate the potential fiscal effects of multiple large development proposals on the Town's General Fund. The analysis will estimate recurring revenues and costs under best-case, baseline and worst-case scenarios through 2040.

The team members assembled for this engagement have extensive experience with financial modeling in Excel for a broad range of financial analyses. Stemming from the team's experience managing long-term financial models of all types for cities, counties, school districts, toll road agencies, port authorities and other public entities, Willdan uses a modified version of the F1F9 financial modeling style to allow for the analysis of just about any type of cost or revenue, from the simplest to the most complex. Using the principles of structured design, transparency, robust annotation and adherence to sound financial modeling principles, our models are built to be flexible, auditable and easy to maintain and adjust to match the needs of the client.

Quality Control/Quality Assurance (QA/QC) is integrated into our team's process. However, when dealing with large, complex financial models, the importance of adhering to time-tested financial modeling principles cannot be underestimated. This makes the initial modeling process less likely to result in errors and also makes errors easier to identify and fix during the QA/QC process.

The core of the financial model is a "back-end" simply formatted horizontal cash flow worksheet that contains all necessary calculations, assumptions and formulas. The formula-based back-end model can be easily audited and reviewed for assumptions and consistency. From there, we transpose the data into a more readable vertical format so that it can be presented in the report and/or the presentation. These tables will be robustly annotated and formatted for visual appeal and readability.

The draft report will be provided to the City in MS Word format. For each round of comments/edits, clean and redline versions will be distributed. When the report is finalized, a final Word file and PDF will be provided so that text and tables can be added to staff reports and/or other City documents, as needed.

Willdan uses Enterprise Artificial Intelligence (AI) occasionally and sparingly when developing work products. Examples may include the following:

- To accelerate the process of finding a specific law or industry best practice.
- To receive suggestions for word choice, formatting and/or visual presentation of results.
- Discovering lesser-used functions in Excel or save time developing regular expressions, conditional formatting formulas or similarly complex tasks.

Willdan does not use AI output directly in reports or use any suggestion provided by AI without first verifying, validating and/or auditing the results. Furthermore, the Enterprise AI software that we use does not share, store, or train on our data, ensuring complete confidentiality and compliance with client privacy requirements.

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Work Plan

If selected, Willdan will provide fiscal impact analysis consulting services for the Town of Los Gatos. This scope of services is designed to directly respond to the Town's request and will remain flexible in collaboration with Town staff as the project evolves.

Willdan's scope of services and project approach incorporates the following:

- Regular meetings, email communication, and telephone conversations with Town staff as needed during the course of the engagement.
- Review and synthesis of all available financial, entitlement, and planning documentation.
- Development of fiscal impact scenarios, including baseline, optimistic, and conservative cases, projecting through 2040.
- Inclusion of both recurring and specified one-time revenues, operating and capital costs, and net fiscal results.
- Preparation of a clear, accessible final report and presentation materials for Town staff, elected officials, and the community.

Task 1: Data Collection and Review

Description: Obtain the following data associated with the proposed fiscal impact analysis, as well as review the documentation.

- Town budget, CAFRs, and other relevant financial data.
- Current and planned land uses, zoning, and development schedules.
- Demographic and employment data related to residential and commercial growth.
- Assessor parcel data and tax rate area information.
- Service level data, departmental cost information, and historical capital investment records.
- Selected project plans, entitlement documents, and construction timelines.
- Anticipated construction schedules and occupancy timelines related to the selected projects.

Meeting: Kick-off meeting with Town staff to confirm assumptions, communication protocols, and project deliverables.

Deliverables: Initial data request and meeting summary.

Task 2: Develop Fiscal Revenue and Cost Inputs

Description: Develop fiscal model inputs using a per capita and/or case study approach based on the Town's revenue and service structure.

- Calculate recurring revenue assumptions (property tax, sales tax, TOT, utility users tax, franchise fees, licenses, permits, fines, and other sources). Revenue modeling will generally be calculated using project-specific assumptions in a case study format.
- Estimate service costs for major departments, including police, fire, parks, public works, and general government. Cost models will generally be growth-based.
- Incorporate service population assumptions, using weighted employment equivalents where appropriate.

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- Incorporate other locally controlled revenues (e.g. from third-party partners) at City's request.

Deliverables: Revenue and cost input, formatted in summary tables.

Task 3: Fiscal Modeling and 20-Year Impact Analysis

Description: Produce a fiscal impact model using the assumptions and revenue/cost inputs. The model will analyze the fiscal impacts of growth through 2040 using three scenarios.

- Best-case, baseline, and conservative scenarios will be produced.
- Capital cost estimates based on discussions with Public Works staff and review of historical investments. Willdan will discuss assumptions incorporated into capital cost estimates and confirm with City staff to arrive at preferred methodology.
- Sensitivity testing will consider range of possibilities for service-population growth, property values, cost escalation and revenue volatility to highlight fiscal risks and ranges of potential outcomes.

Deliverables: Tables and visualizations showing net fiscal impacts, breakdowns of revenue and cost categories, and scenario results through 2040.

Task 4: Report Preparation and Presentation

Description: Prepare administrative draft report that updates and explains the results, description of approach and assumptions. Based on discussions with project team and City staff, a final report and presentation will be produced. The report will contain the following elements:

- Annual fiscal impact model that estimates revenues, costs and net impacts for each year through 2040 for each scenario.
- Charts and tables that present the data and assumptions clearly and in a visually appealing manner.
- Qualitative analysis of the fiscal impacts of each type of development and level of density.

Meeting: Presentation of results to Town staff, Council, or designated commissions, as needed.

Deliverables: Fiscal Impact Analysis Report and presentation materials (PowerPoint or similar).

Willdan will rely on the validity and accuracy of Town and developer data and documentation to complete the analysis. The capital cost analysis will be based on discussions with staff and past investment levels, not an engineering or infrastructure capacity analysis.

Willdan will not independently verify the accuracy of data provided by the Town or third parties and will not be responsible for errors that result from inaccurate data.

Client Responsibilities

To complete our tasks on schedule, we will need the cooperation of Town staff. We suggest that the Town assign a key individual as project manager. We will expect the Town's project manager to:

- Help resolve policy issues;
- Coordinate responses to requests for information; and

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- Coordinate review of work products.

Project Disclaimer

Willdan is a registered municipal advisory firm with the U.S. Securities and Exchange Commission ("SEC"), as such the Town of Los Gatos represents, acknowledges, and agrees that Willdan is not acting as a "municipal advisor" (as defined by the SEC), to the Town, in any capacity as it relates to the project proposed in this Fiscal Analysis proposal.

(i) The Town uses, or may use, the services of one or more municipal advisors registered with the SEC to advise it in connection with municipal financial products and the issuance of municipal securities;

(ii) The Town is not looking to Willdan to provide, and the Town shall not otherwise request or require Willdan to provide any advice or recommendations with respect to municipal financial products or the issuance of municipal securities (including any advice or recommendations with respect to the structure, timing, terms, and other similar matters concerning such financial products or issues);

(iii) The provisions of this proposal and the services to be provided hereunder as outlined in the scope of services are not intended (and shall not be construed) to constitute or include any municipal advisory services within the meaning of Section 15B of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations adopted thereunder;

(iv) For the avoidance of doubt and without limiting the foregoing, in connection with any revenue projections, cash-flow analyses, feasibility studies and/or other analyses Willdan may provide the Town with respect to financial, economic or other matters relating to a prospective, new or existing issuance of municipal securities of the Town , (A) any such projections, studies and analyses shall be based upon assumptions, opinions or views (including, without limitation, any assumptions related to revenue growth) established by the Town , in conjunction with such of its municipal, financial, legal and other advisers as it deems appropriate; and (B) under no circumstances shall Willdan be asked to provide, nor shall it provide, any advice or recommendations or subjective assumptions, opinions or views with respect to the actual or proposed structure, terms, timing, pricing or other similar matters with respect to any municipal financial products or municipal securities issuances, including any revisions or amendments thereto; and

(v) Notwithstanding all of the foregoing, the Town recognizes that interpretive guidance regarding municipal advisory activities is currently quite limited and is likely to evolve and develop during the term of the potential engagement and, to that end, the Town will work with Willdan throughout the term of the potential Agreement to ensure that the Agreement and the services to be provided by Willdan hereunder, is interpreted by the parties, and if necessary amended, in a manner intended to ensure that the Town is not asking Willdan to provide, and Willdan is not in fact providing or required to provide, any municipal advisory services.

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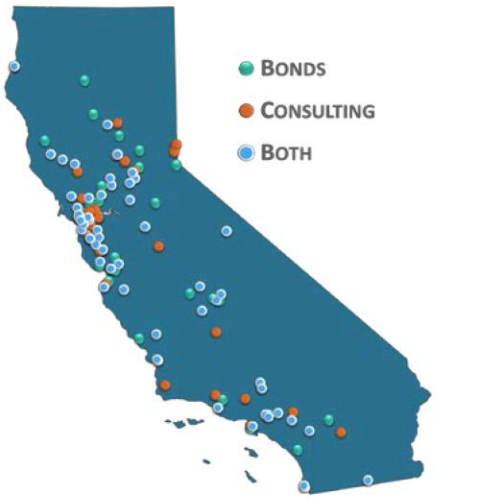
4. EXPERIENCE AND EXPERTISE

Firm Qualifications – NHA Advisors

https://nhaadvisors.com/

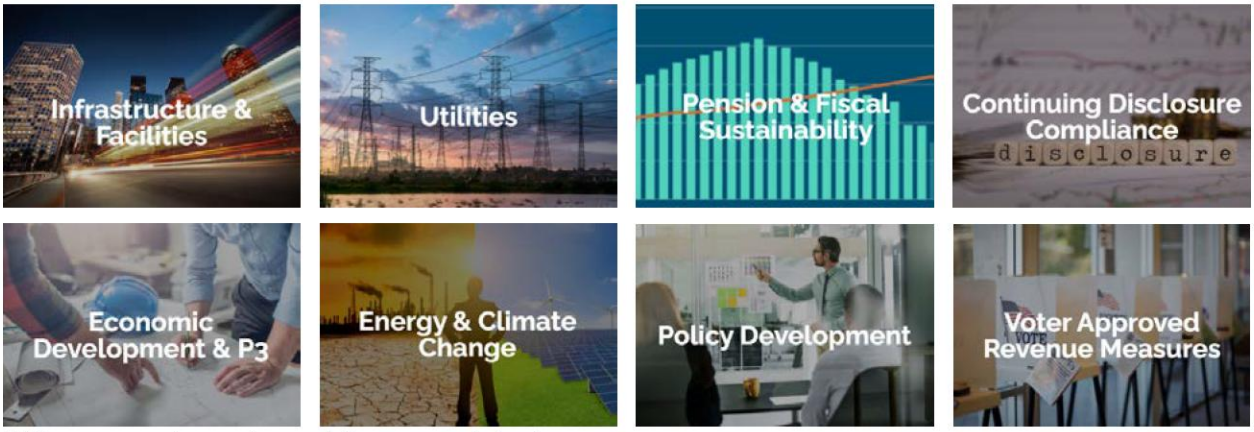
NHA Advisors, LLC is an Independent Registered Municipal Advisor registered with the SEC and MSRB and headquartered in San Rafael, California. NHA has been providing municipal advisory services (like the size and scope requested by the Town's RFP) to California cities, special districts, and other public agencies since 2000 (formerly known as Northcross Hill & Ach, Inc. from 2000-2011). NHA has provided comprehensive financial and consulting services to over 170 public agencies throughout California, with a primary focus on California cities and special districts.

NHA Clients Served*



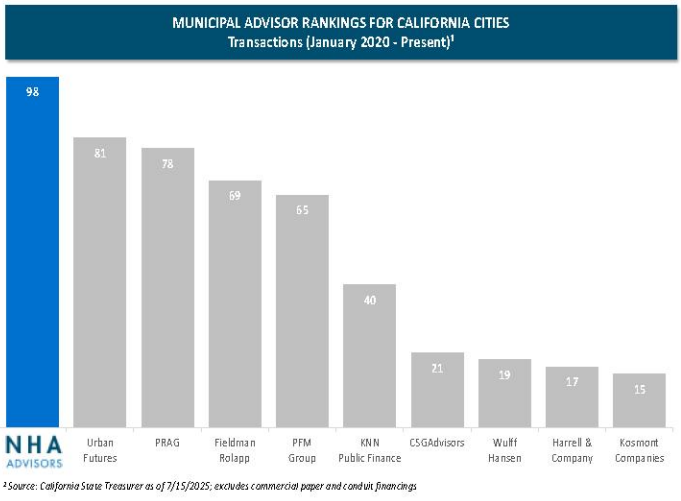
*Dots represent client engagements from 2012 - Present

NHA's experience with California cities spans from rural, small cities to major metropolitan agencies, which informs NHA of the problems facing public agencies across the State and *allows NHA to bring creative examples and solutions to our clients.* We understand the time and staff resource constraints required to develop funding strategies and financing plans and believe our holistic approach allows us to be an "extension of staff" that will integrate with Town staff to provide the best solution and process for projects.



With an eye toward providing un-matched service levels, NHA has developed eight specialized practice groups that focus on key areas within municipal finance. These groups enable us to provide guidance on a wide range of municipal finance issues.

Since 2020, NHA has been the top municipal advisor, by number of bond transactions for **California cities** *(Source: California State Treasurer as of July 15, 2025; excludes commercial paper and conduit financings; January 2020-present).*



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Firm Qualifications – Raftelis

https://www.raftelis.com/

Since our founding in 1993, local government and utility leaders have partnered with Raftelis to transform their organizations by enhancing performance, planning for the future, identifying top talent, improving their financial condition, and telling their story. At Raftelis, we know that the people who lead local governments and utilities are constantly seeking ways to provide better service to the communities that rely on them. That's why we provide the best insights and expertise, exceptional talent, and trusted advice and experience—so your organization and your community can thrive. Local government leaders partner with Raftelis to transform their organizations by improving their financial condition, enhancing performance, planning for the future, identifying top talent, and telling their story. With more than 190 consultants, we've worked with more than 1,700 local governments and utilities across the country.

Raftelis: HELPING LOCAL GOVERNMENTS AND UTILITIES THRIVE.

Raftelis is a subchapter S-Corporation incorporated in the state of North Carolina on April 23, 2004. The predecessor to Raftelis, Raftelis Environmental Consulting Group, Inc., was established by George A. Raftelis to provide financial and management consulting services of the highest quality to public-sector clients. In 1999, the firm's name was changed to Raftelis Financial Consulting, PA. Following the sale of a portion of the firm to a group of employees on April 22, 2004, the firm's name changed to Raftelis Financial Consultants, Inc., which remains the firm's legal name. We currently do business as Raftelis and are headquartered in Charlotte, NC, with 15 offices nationwide. This project will be managed from our Los Angeles office.

We believe that Raftelis is the *right fit* for this project. We provide several key factors that will benefit Town and help to make this project a success.

RESOURCES AND EXPERTISE: This project will require the resources necessary to effectively staff the project and the skillsets to complete all required components. With more than 190 consultants, Raftelis has one of the largest local government management and financial consulting practices in the nation. Our depth of resources will allow us to provide the Town with the technical expertise necessary to meet your objectives. In addition to having many of the industry's leading management and financial consultants, we also have experts in key related areas, like stakeholder engagement and data analytics, to provide additional insights as needed.

DECADES OF COLLECTIVE EXPERIENCE: Our associates and subject matter experts have decades of experience strengthening local municipalities and nonprofit organizations. They've served in a wide range of positions, from city manager to budget manager to fire chief.

PERSONAL SERVICE FROM SENIOR-LEVEL CONSULTANTS: You appreciate it when deadlines are met, phone calls are returned, and your challenges are given in-depth, out-of-the-box thinking. While other firms may assign your business to junior-level people, our approach provides exceptional service from senior-level consultants.

NICHE EXPERTISE: Our expertise lies in strengthening public-sector organizations. We're consulting specialists rather than generalists, focusing our strengths to do a highly effective job for a specific group of clients.

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RAFTELIS FIRM CAPABILITIES

FINANCE: Promote financial integrity and the equitable recovery of costs to achieve your objectives

- Rate, charge, and fee studies
- Financial and capital planning
- Cost of service and cost allocation
- Customer assistance programs
- Affordability analysis
- Utility valuation
- Budget development
- Financial condition assessments
- Debt issuance support
- Economic feasibility and analysis
- Regulated utility support

COMMUNICATION: Inform and engage with your stakeholders to build understanding and support

- Strategic communication planning
- Public involvement and community outreach
- Public meeting facilitation
- Graphic design and marketing materials
- Media and spokesperson training
- Risk and crisis communication
- Social media strategy
- Visual facilitation
- Virtual engagement
- Technical writing and content development

STRATEGIC PLANNING/FACILITATION: Plan for the future to guide your organization to success

- Organization, department, and community-based strategic planning
- Climate action planning
- Effective Board / Commission / Council governance
- Retreat planning and facilitation

STORMWATER UTILITY SERVICES: Implement sustainable financial practices to equitably fund your stormwater program

- Stormwater utility development and implementation support

ORGANIZATIONAL ASSESSMENT: Identify needs, plan for the future, and implement positive changes

- Organizational and operational assessments
- Performance measurement
- Staffing analysis
- Sustainability
- Organizational climate and culture
- Asset management and operations
- Regional collaboration and service sharing

TECHNOLOGY: Gain insights from your data and develop tools to increase effectiveness and engagement

- Cybersecurity services
- Strategic technology planning services
- Financial management technology services
- Customer management technology services
- Maintenance and asset management technology services
- Data management, analytics, and visualization
- Custom software solutions

EXECUTIVE SERVICES: Identify and develop top talent to lead local governments and utilities

- Executive recruitment
- Executive coaching
- Executive performance evaluations

SOLID WASTE SERVICES: Deliver effective solid waste services while ensuring financial sustainability and customer engagement

- Solid waste plans & sustainable materials management planning & implementation
- Grant application assistance
- Billing technology planning and implementation
- Collection/routing and disposal/processing planning, procurement, and implementation
- Rates and financial modeling
- Benchmarking and best practices
- Regulation and compliance
- Communications and public engagement

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Firm Qualifications – Willdan

https://www.willdan.com/index

Fiscal Impact Analysis Project Experience

Willdan has completed fiscal and economic impact analyses for a variety of projects and public agencies across California. The team proposed for this engagement has prepared dozens of such studies to support planning efforts, development reviews, incorporations, and annexations. A representative selection of project examples is provided below.

- ***Gilead, Chess-Hatch, Mirabella, and Pilgrim-Triton Fiscal Impact Studies, City of Foster City –*** evaluated the fiscal impact of three specific plans in the City, analyzing the effect of these plans on services, anticipated new revenues and expenditures, and the necessity for new public facilities to serve each proposed project.
- **Hayward Highway 238 Sites Analysis, City of Hayward –** analyzed parcels available to the City for purchase from CalTrans under a number of development assumptions (such as housing or a commercial center) to determine residual land values and the possible use of public finance mechanisms for infrastructure.
- **Monterey Downs Fiscal and Economic Impact Analysis, County of Monterey –** prepared an analysis of the fiscal and economic impacts of the Monterey Downs project on the City of Seaside and the County of Monterey. Project included residential, retail, hotel and an equestrian facility that includes an event arena.
- **Imperial Valley Solar Economic Impact Analyses, County of Imperial –** evaluated the fiscal and economic impacts of a series of proposed solar voltaic facilities (or "solar farms") on land near the City of Calipatria. Calculated the tax revenues and service expenditures accruing to the County from development of the project, and estimated the economic impacts, including the impact of the construction and ongoing operation of the solar farm, along with the negative impact of the removal of the project site from agricultural production.
- **Alameda Point Conceptual Plan Fiscal Impact Analysis, City of Alameda –** prepared an estimate of the fiscal impact of the development to provide guidance specific to the range of negotiation of incentives for development. Examined expected project revenues and expenditures required to provide municipal services.
- **Napa Pipe Specific Plan Analysis, County of Napa –** analyzed the fiscal and economic impact of the project on Napa County, as well the City of Napa, and prepared an urban decay analysis.
- **Loma Rica Specific Plan, City of Grass Valley –** prepared a market study, fiscal impact study, and implementation plan for the Loma Rica Specific Plan.
- **Newark Dumbarton Station Area Plan, City of Newark (CA) –** prepared a market study, economic impact analysis, fiscal impact analysis, and infrastructure implementation plan.
- **Revenue Enhancement Options Study, City of Duarte –** examined options to seek additional revenue as well as realize savings on City services. Analyzed the feasibility and approximate revenue from several sources, including parcel taxes, special taxes, utility user fees, sales tax measures, and others.
- **Downtown Revitalization Plan, City of Salinas –** prepared a market study for the downtown area to identify opportunities for development. Provided advice on fiscal impact issues and financing tools available to assist with construction and rehabilitation of infrastructure in the downtown area.

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5. KEY PERSONNEL AND RESUMES

NHA Advisors (Team Manager)

NHA's Mark Northcross will serve as Team Manager to coordinate the efforts on Studies 1 and 2, facilitate good communication among the teams, and provide oversight on scenario design for the studies. A summary of Mark's bio is provided below and full **resume is provided in Appendix A**.

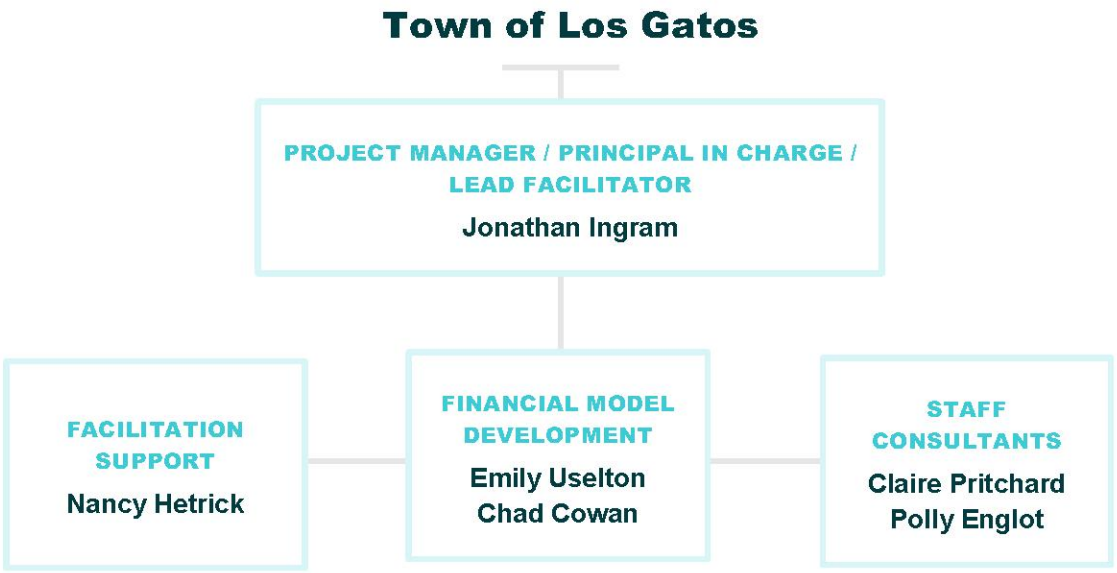


Mark Northcross, Principal. *Role: Team Manager*

Mr. Northcross has more than 40 years of public finance experience in California. He is a leading advisor on climate change infrastructure and leads NHA's alternative financing practice that focuses on "holistic" funding solutions, with special emphasis on SRF, WIFIA, Federal and State grants. Mr. Northcross has also managed the formation of CFDs for P3's throughout the State since 1987 and is a leader in California in negotiating both public-private partnerships for both land-secured debt and redevelopment. He holds a B.A. in Social Sciences from the University of California, Irvine. He maintains his MSRB Series 50 License.

Raftelis (Study 1)

A summary of the Raftelis Team assigned to perform the scope of work for study 1 is provided in the organizational chart below. **Full resumes for the assigned Raftelis team are provided in Appendix B.**



Willdan (Study 2)

In order to perform the scope of services for Study 2 (Fiscal Impact Study), Willdan proposes to assign the following team to the Town:

Name	Title
James Edison	Managing Principal
Mike Medve	Principal Consultant
Jasper Andrade	Lead Analyst

Complete resumes for the Willdan team assigned to the Study 2 project are included in Appendix C.

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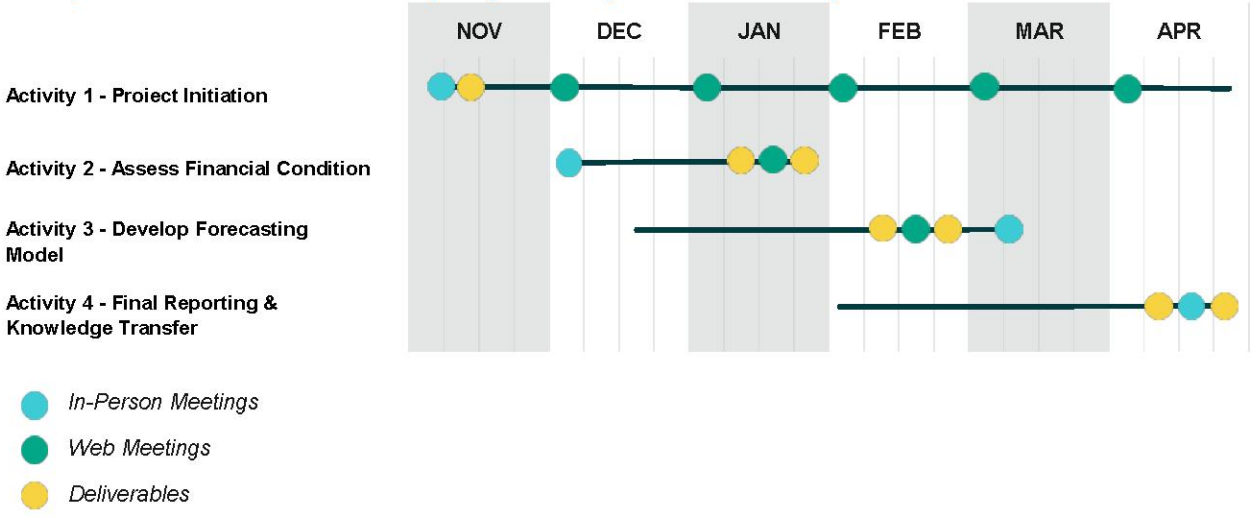
6. TIMELINE AND WORK PLAN

Based on the scope of services discussed under Section 3 of this combined Study 1 and Study 2 proposal, our team proposes the timeline in the table below. Based on the schedule in the RFP, we understand that the Town intends to begin the contracting process with its selected consultants the week of September 2029.

Months After Contract Execution	Study 1: Fiscal Condition Analysis and Five-Year Forecast	Study 2: Fiscal Impact Analysis	Study 3: Asset Liability Management *(NHA Proposal Provided Under A Separate Cover)*
1	Project Initiation	Project Initiation	Project Initiation
2		Data Collection and Review	Inventory and Evaluate Liabilities
3	Assess Financial Condition		
4	Develop Forecasting Model	Develop fiscal revenue and cost inputs	Funding Needs and Risk Reduction Analysis
5		Complete 20-Year Fiscal Impact Analysis	ALM Modeling
6	Final Reporting and Knowledge Transfer	Finalize Fiscal Impact Model	Reserves Guidance
7			

Study 1: Fiscal Condition Analysis (Raftelis) Additional Project Schedule Details



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7. SAMPLES OF COMPARABLE PROJECTS

Study 1: Fiscal Condition Analysis (Raftelis)

Waukesha County Wisconsin

Waukesha County (County) contracted with Raftelis in early 2024 to conduct analyses related to County budget forecasting, gap identification and closure, and facilitation of a Budget Task Force comprised of community leaders to advise on gap closure recommendations. The goal of this engagement was to develop the information and understanding necessary to identify opportunities for improved efficiency and effectiveness of operations, staffing, structure, technology, processes, and policies necessary to provide desired services while operating within the County's financial constraints. Raftelis completed detailed financial modeling and analysis and facilitated four budget task force meetings comprised of over 30 community members, stakeholders, and municipal and public safety leaders. The Budget Task Force Report for Waukesha County is included in Appendix D to this proposal.

Study 2: Fiscal Impact Study (Willdan)

Richards Ranch Fiscal Impact Study

The City of Santa Maria and the County of Santa Barbara engaged Willdan in 2025 to perform a fiscal impact study for a mixed-use Richards Ranch Project on the border of the City of Santa Maria in the unincorporated community of Orcutt. The analysis reviewed potential impacts of the Richards Ranch project on the city of Santa Maria General Fund and the County of Santa Barbara general fund. The fiscal impact analysis report is included in Appendix E to this proposal.

8. DISCLOSURE OF ABSENCE OF LITIGATION OR DISCIPLINE OVER LAST FIVE YEARS

NHA Advisors (Team Manager)

There have been no instances in the last five years where NHA Advisors has been terminated in providing advisory services. There are no pending legal actions alleging violations of law against the firm, any partner of the firm, or any employee of the firm by any Federal or State regulatory agency.

Additionally, NHA does not have any legal events and disciplinary history on its Form MA and Form MA-I, which includes information about any criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation. The Town may electronically access NHA' most recent Form MA and each most recent Form MA-I filed with the Commission at the following website:

www.sec.gov/edgar/searchedgar/companysearch.html

There have been no material changes to a legal or disciplinary event disclosure on any Form MA or Form MA-I filed with the SEC.

Raftelis (Study 1)

Description: Raftelis has been joined as a third-party defendant in a lawsuit filed by local developers against the Town of Fuquay-Varina, North Carolina. The subject of this currently pending litigation is development impact fees assessed by the town and developed by Raftelis. This is the only legal case in which Raftelis has been joined as a party in the history of our firm. Raftelis intends to vigorously defend the allegations and claim.

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Willdan (Study 2)

Willdan Financial Services has not been involved in any litigation, arbitration, regulatory proceeding, or disciplinary action within the past five (5) years that would affect its ability to perform the services described in this proposal. Willdan is not subject to any conditions (e.g., bankruptcy, pending litigation, planned office closures, impending merger) that would impede completion of this engagement.

9. REFERENCES

NHA Advisors References (Team Manager)

Reference For Team Manager Services: Tahoe Douglas Visitors Authority	
Contact:	Carol Chaplin, President & CEO
Contact Address:	4114 Lake Tahoe Blvd. South Lake Tahoe, CA 96150
Contact Phone & Email Address:	(775) 589 - 2055 | carol@visitlaketahoe.com
Start & End Date of Services:	2017 - Present
Description of Services:	Coordination between multiple consulting teams, legal counsel, and public agency staff to finance a $100 million events center in Stateline Nevada. NHA's role in this project was Municipal Advisor to the Tahoe Douglas Visitors Authority. However, that role included a project/team manager component to coordinate efforts from consultants (preparation of multiple studies to support the financing), legal counsel (efforts among TDVA's general counsel, bond counsel, and disclosure counsel firms), construction contractors and engineers, and public agency staff at multiple public agencies. **Fee Charged:** $309,788 (total fee charged over 2+ year engagement)

Raftelis References (Study 1)

Commerce City CO
Reference: Theresa Wilson, CFO
P: 303.289.3627 / E: twilson@c3gov.com
Cost: $153,610

Raftelis was engaged by the City of Commerce City, Colorado, to develop a comprehensive 10-year Long-Term Financial Plan. Our work included a thorough assessment of the City's financial condition, analysis

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of historical and projected revenues and expenditures, evaluation of debt capacity and reserve policies, and review of the City's Capital Improvement Program. We developed a robust yet user-friendly financial model that enabled staff to test multiple projection scenarios and evaluate the fiscal impact of different policy and investment choices. The model was designed not only to serve as a forecasting tool but also as a decision-support resource for City leadership and the governing body.

Through a collaborative process that included staff interviews, department-level engagement, and workshops with the City Council and the public, we ensured that the plan reflected both operational realities and community priorities. The final Long-Term Financial Plan provided a clear roadmap for fiscal sustainability, equipping the City with the tools and strategies needed to balance service delivery expectations with underlying revenue growth. The project demonstrated our ability to integrate technical analysis with facilitation and decision-making support—helping Commerce City leadership make informed, transparent, and actionable fiscal choices.

Waukesha County WI

Reference: Shawn Lundie, Chief of Staff
P: 262.548.7902 / E: Slundie@waukeshacounty.gov
Cost: $124,550

Waukesha County (County) contracted with Raftelis in early 2024 to conduct analyses related to County budget forecasting, gap identification and closure, and facilitation of a Budget Task Force comprised of community leaders to advise on gap closure recommendations. The goal of this engagement was to develop the information and understanding necessary to identify opportunities for improved efficiency and effectiveness of operations, staffing, structure, technology, processes, and policies necessary to provide desired services while operating within the County's financial constraints. Raftelis completed detailed financial modeling and analysis and facilitated four budget task force meetings comprised of over 30 community members, stakeholders, and municipal and public safety leaders.

City of Irvine CA

Reference: Dahle Bulosan, Director of Administrative Services
P: 949.724.6263 / E: dbulosan@cityofirvine.org
Cost: $65,000

In 2025 the City of Irvine engaged Raftelis to perform an assessment of its funding for fire services from the Orange County Fire Authority (OCFA). The City believed that its special district tax dollars were in excess of services received and sought an independent review and determination. Project work included meeting with City and OCFA leadership, and an extensive and detailed review of OCFA expenditures and revenues, including capital improvement expenditures in particular.

Raftelis concurred with the City that its contributions to OCFA exceeded services received and outlined the pros and cons of various models and alternatives for fire service provision, including estimates for standing up a City-run department and creating a City-specific fire district, among others. The City is undergoing internal discussions as to which method or methods to pursue going forward.

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City of Centennial CO

Reference: Jeff Cadiz, Finance Director
P: 303.754.3440 / E: jcadiz@centennialco.gov
Cost: $38,800

The City of Centennial (City) engaged Raftelis to develop an interactive, dynamic, and sustainable model to support a better understanding of past resource availability and resource use, as well as provide mechanisms to forecast future requirements over a 10-year period. The model supports the use of both historical and current information as a basis for projecting revenues, expenditures, and fund balances in the major operating funds. The model is based on budgeted and actual revenue, expenditure, and fund balance data provided by the City of Centennial. Projections are based on a variety of factors, including historical data, the projected future cost of living increases, and other operating information provided by the City. The model is intended to serve as a living document and support updates by the City over time.

City of Loveland CO

Reference: Tim Sendelbach, Fire Chief
P: 970.962.2827 / E: Tim.Sendelbach@lfra.org
Cost: $59,800

The Loveland Fire and Rescue Authority (LFRA) engaged Raftelis to assist the organization and its supporting partners, the City of Loveland and the Loveland Rural Fire Protection District, with the development of a comprehensive financial plan in the form of an interactive, eight-year financial sustainability model. The model will be used to evaluate the financial environment for the LFRA under current service levels, as well as testing assumptions regarding future impacts from growing service demands and initiatives.

In addition to the comprehensive model, the effort includes an assessment of financial impacts on the baseline and forecasting operating levels, including the following: developing a recommended property tax mill levy for the Loveland Rural Fire Protection District, investigating a proposed Fire Safety Tax, and reviewing the LFRA fee schedule for recommended changes and additions. The result is a comprehensive understanding of LFRA operations and services supported by a sustainable financial approach in order to support executive and Board decisions, as well as incorporation into the intergovernmental agreement for fire and rescue services.

The Woodlands Township TX

Reference: Monique Sharp, President and CEO
P: 281.210.3831 / E: msharp@thewoodlandstownship-tx.gov
Cost: $333,300

The firm has enjoyed a 20-year history of engagements in The Woodlands (Township), with the former Woodlands Community Service Corporation and The Woodlands Township. Our previous experience with The Woodlands includes strategic planning, Board retreat facilitation, development of customer service standards, and the establishment of a performance evaluation system.

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The Novak Consulting Group, now Raftelis, conducted a detailed financial analysis of incorporation alternatives for the Township. The Township selected us as the sole consulting firm to facilitate its incorporation process. Service sharing—contracting with local municipal utility districts and Montgomery Count —was a critical part of the incorporation assumptions. In 2020, we completed a report on governance planning in anticipation of an upcoming ballot measure on incorporation. This included extensive work on development review and land use plans and forecasts as the community moves forward.

City of Boulder CO

Reference: Jane Brautigam, Former City Manager (retired)
P: 720.425.9757 / E: jcbrautigam@gmail.com
Cost: $114,500

The City of Boulder (City) has engaged the firm for a variety of services since 2010. Part of that effort included the development of a dynamic, user-friendly 10-year financial model to anticipate revenue and expenses and prioritize investments within the context of their long-term financial impact. This effort was later followed by the development of detailed financial and cost-allocation analysis of technology and facilities.

Willdan References (Study 2)

City of Lancaster, CA

Special Tax Consultant and Community Facilities District Formation Services

Willdan assisted the City of Lancaster with a cost of service and fiscal study, and subsequent CFD formation, to fund maintenance services associated with new development projects in the City. The City requested that the special tax rates be lower in the City center to account for the existing availability of resources and lower demand for services within that region. Areas external to the City center generally would require the construction of new public facilities (community centers, corporation yards, parks, trails, etc.) and would incur greater maintenance demand. Only limited guaranteed revenues were considered in the fiscal analysis. The CFD was formed in early 2021.

Willdan completed special tax analysis and cash flow pro forma analysis for the project, developed a taxing methodology that suited anticipated development, and which apportioned the tax burden among the types of development expected in the areas proposed for inclusion in the CFD, and we prepared the Rate and Method of Apportionment and CFD Report. The first annexation to the CFD took place in Summer 2022.

Fees Charged: $45,000

Client Contact: George N. Harris II, MPA, Director of Finance
Tel #: (661) 723-5988 | Email: gharris@cityoflancasterca.org

City of Alameda, CA

Fiscal & Economic Impact Analysis

Docusign Envelope ID: 8463BA3F-D38D-4CDC-A1D6-2ABE915A0C1C

The City of Alameda engaged Willdan to support the redevelopment of Alameda Point, a former naval air station comprising roughly 1,400 acres. Willdan's work included preparing a fiscal impact analysis of the planned development, a facilities financing plan, and a feasibility analysis to evaluate whether projected development could sustain the infrastructure needed to rehabilitate the base. The team also assisted the City in negotiations with developers of the first two parcels and presented findings at several public meetings.

Willdan's fiscal analysis modeled anticipated General Fund revenues (property tax, sales tax, and other sources) and expenditures (public safety, maintenance, and park services) at full buildout and for an initial phase. The infrastructure financing plan assessed potential funding sources—including developer equity, assessments, and special taxes—and phased infrastructure costs. The feasibility analysis then evaluated the tax and assessment burden relative to projected land values to determine whether development could reasonably support the City's long-term financing strategy.

Fees Charged: $75,800

Client Contact:	Jennifer Ott, Alameda City Manager Tel #: (510) 747-4700 | Email: manager@alamedaca.gov

City of Hayward, CA

Fiscal Impact Analysis

The City of Hayward had an option to acquire several parcels from CalTrans that had been purchased as right of way for the expansion of Highway 238, connecting Interstate 580 and Interstate 880 through the City. The plan was stopped and CalTrans began the process of selling the land. Hayward reserved an option on certain parcels and needed assistance with the understanding the development potential of the parcels, including fiscal impacts, public finance, land uses, and residual value. This project is ongoing as Willdan assists the City and its elected officials in understanding each parcel and its potential, along with the tradeoffs inherent in City policy goals such as the provision of affordable housing or fostering a vital downtown.

To date Willdan has analyzed five of the parcels under a number of development assumptions to determine residual land value and the possible use of public finance mechanisms for infrastructure. As part of this effort Willdan has provided a sensitivity analysis showing the tradeoffs of various development and policy scenarios (primarily the effect on residual land value and project feasibility).

Fees Charged: $118,230

Client Contact:	Nicole Gonzales, Finance Director, City of San Leandro (Formerly City of Hayward Finance Director) Tel #: (510) 577-3376 | Email: ngonzales@sanleandro.org

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10. PRELIMINARY FEE SCHEDULES

NHA Advisors (Team Manager)

For work as Team Manager facilitating Studies 1 and 2 described in this proposal, NHA proposes to be compensated based on time and materials required at the hourly rate schedule shown below. We propose a not-to-exceed budget for these services of $17,500. This budget equates to approximately 50 hours of time serving in this capacity.

Fixed Fee	Fee
Engagement/Administrative Setup (Contract, Insurance, etc.)	$500

Professional Services (Hourly)	2025 Rates[1][2]
Principal	$360
Director / Senior Vice President	$335
Vice President	$310
Assist. Vice President / Sr. Associate	$285
Associate	$260
Senior Analyst	$230
Analyst	$205
Administrative	$130

1) Hourly rates will escalate by 3% annually each January 1st (rounded to the nearest five dollars based on the prior year's rounded amount).
2) Effective hourly rates shown in invoices may be reduced to incorporate non-billable time.

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Raftelis Proposed Fees for Study 1

A breakdown of costs for Study 1 by project activity is provided in the table below.

Activity	Description	Consultant Labor	Expenses	Total Cost
1	Project Initiation	$9,100	$1,250	$10,350
2	Assess Financial Condition	$24,250	$4,900	$29,150
3	Develop Forecasting Model	$39,250	$3,200	$42,450
4	Final Reporting & Knowledge Transfer	$20,750	$2,800	$23,550
	BASE SUBTOTAL	**$93,350**	**$12,150**	**$105,500**
5	OPTIONAL – Develop Gap Closure Strategies	$26,450	$3,600	$29,750
6	OPTIONAL – Decision-Support for Town Council	$24,750	$5,280	$29,750
	TOTAL WITH BOTH OPTIONS	**$144,550**	**$21,030**	**$165,000**

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Willdan Proposed Fees for Study 2

Based on the Scope of Services presented herein, we propose a ***fixed fee of $18,000.*** This fee includes attendance at a total of two meetings with Town staff and/or a Town Council meeting. Attendance at more than two meetings will require additional billing at the applicable hourly rate identified in the table below. Additionally, comprehensive written responses to resolve conflicts, and preparation of more than one set of major revisions to the report, will be classified as additional services, and may require additional billing at the stated hourly rates. These additional fees shall only take effect once the fixed fee stated above has been exceeded.

Town of Los Gatos
Fiscal Impact Analysis
WFS Fee Proposal

	J. Edison Principal-in-Charge	M. Medve Project Manager	J. Andrade Lead Analyst	Total	
	$ 310	$ 270	$ 120	Hours	Cost
Scope of Services					
Task 1: Data Collection and Review	4.0	8.0	12.0	24.0	$ 4,840
Task 2: Develop Fiscal Revenue and Cost Inputs	2.0	8.0	14.0	24.0	4,460
Task 3: Fiscal Modeling and 20-Year Impact Analysis	4.0	10.0	12.0	26.0	5,380
Task 4: Report Preparation and Presentation	2.0	6.0	9.0	17.0	3,320
Total – Fiscal Impact Analysis	12.0	32.0	47.0	91.0	$ 18,000

Hourly Rates/Additional Services

Willdan's hourly rates are listed below.

Willdan Financial Services
Hourly Rate Schedule

Position	Team Member	Hourly Rate
Vice President / Director		$310
Managing Principal	James Edison	$300
Principal Consultant	Mike Medve	$270
Senior Project Manager		$250
Project Manager		$210
Senior Project Analyst		$150
Senior Analyst		$135
Analyst II	Jasper Andrade	$120
Analyst I		$110

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11. STATEMENT OF INSURANCE COVERAGE

The tables below summarize each member of our team's insurance coverage compared to the Town's Sample Consultant Services Agreement. Each team member will maintain the required coverage for the term of the contract if selected by the Town for this engagement.

NHA's Insurance Coverage

Coverage Type	Town's Requirements in Sample CSA	NHA's Coverage
Carriers	N/A	• Valley Forge Insurance Company • Hartford Casualty Insurance Company • Underwriters at Lloyd's, London
General Liability (per occurrence)	$2M	$2M
General Liability (aggregate)	Not specified	$4M
Auto Liability	$1M (per accident)	$1M (per accident)
Worker's Comp (per occurrence)	$1M	$1M
Professional Liability	$1M per occurrence	$1M per occurrence / $2M aggregate

Raftelis' Insurance Coverage

Coverage Type	Town's Requirements in Sample CSA	Raftelis' Coverage
Carriers	N/A	• Federal Insurance Company • Chubb National Insurance Company • ACE American Insurance Company • Hanover Insurance Company
General Liability (per occurrence)	$2M	$1M
General Liability (aggregate)	Not specified	$2M
Auto Liability	$1M (per accident)	$1M (per accident)
Worker's Comp (per occurrence)	$1M	$1M
Professional Liability	$1M per occurrence	$5M
Additional Coverage		$5M Excess Liability (Umbrella Coverage)

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Willdan's Insurance Coverage

Coverage Type	Town's Requirements in Sample CSA	Willdan's Coverage
Carriers	N/A	• Travelers Property Casualty Company of America • Allied World Surplus Lines Insurance Company
General Liability (per occurrence)	$2M	$1M
General Liability (aggregate)	Not specified	$2M
Auto Liability	$1M (per accident)	$1M (per accident)
Worker's Comp (per occurrence)	$1M	$1M
Professional Liability	$1M per occurrence	$1M per claim

12. TOOLS, DATA SOURCES, AND USE OF AI

Raftelis' Response for Study 1 (Fiscal Condition Analysis)

The fiscal condition assessment and financial projections will be developed using a flexible Excel-based model, which will be transmitted to the City. The model will be built on the City's existing revenue and expenditure data, both current and historical. Artificial intelligence will not be used in the development of this model.

Willdan's Response for Study 2 (Fiscal Impact Analysis)

The team members assembled for this engagement have extensive experience with financial modeling in Excel for a broad range of financial analyses. Stemming from the team's experience managing long-term financial models of all types for cities, counties, school districts, toll road agencies, port authorities and other public entities, Willdan uses a modified version of the F1F9 financial modeling style to allow for the analysis of just about any type of cost or revenue, from the simplest to the most complex. Using the principles of structured design, transparency, robust annotation and adherence to sound financial modeling principles, our models are built to be flexible, auditable and easy to maintain and adjust to match the needs of the client.

Quality Control/Quality Assurance (QA/QC) is integrated into our team's process. However, when dealing with large, complex financial models, the importance of adhering to time-tested financial modeling principles cannot be underestimated. This makes the initial modeling process less likely to result in errors and also makes errors easier to identify and fix during the QA/QC process.

The core of the financial model is a "back-end" simply formatted horizontal cash flow worksheet that contains all necessary calculations, assumptions and formulas. The formula-based back-end model can be

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easily audited and reviewed for assumptions and consistency. From there, we transpose the data into a more readable vertical format so that it can be presented in the report and/or the presentation. These tables will be robustly annotated and formatted for visual appeal and readability.
The draft report will be provided to the City in MS Word format. For each round of comments/edits, clean and redline versions will be distributed. When the report is finalized, a final Word file and PDF will be provided so that text and tables can be added to staff reports and/or other City documents, as needed.

Willdan uses Enterprise Artificial Intelligence (AI) occasionally and sparingly when developing work products. Examples may include the following:

- To accelerate the process of finding a specific law or industry best practice.
- To receive suggestions for word choice, formatting and/or visual presentation of results.
- Discovering lesser-used functions in Excel or save time developing regular expressions, conditional formatting formulas or similarly complex tasks.

Willdan does not use AI output directly in reports or use any suggestion provided by AI without first verifying, validating and/or auditing the results. Furthermore, the Enterprise AI software that we use does not share, store, or train on our data, ensuring complete confidentiality and compliance with client privacy requirements.

The following is a list of resources commonly used in fiscal impact studies:

- Microsoft Excel
- County Auditor data related to AB8 apportionment factors for each Tax Rate Area
- ParcelQuest for Assessed Values and other property information
- Bureau of Labor Statistics data related to the number of jobs within the City
- Census and/or American Community Survey data
- California Department of Finance population and persons per household data
- Other data points originating from government, NGO and qualified private sources as needed.

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APPENDIX A: NHA RESUMES

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Public Finance Professional Since:
1981

Expertise

- Public Policy
- Utility Financing
- Climate Change Infrastructure
- Development/Land-Secured Financing
- Economic Development
- Developer Negotiations
- Pension Financing

Education

- B.A. Social Sciences

Licenses & Registrations

- Registered with the SEC and MSRB
- Series 50 License

Mark Northcross, *Principal*

During a California public finance career that spans back to 1981, Mark Northcross has structured debt for nearly every kind of issuer and nearly every kind of revenue source legally available in the State.

Mr. Northcross is a leader in statewide work on climate change adaptation. He managed the delivery of a comprehensive funding guide for Resilience by Design, a Rockefeller Foundation funded program for the Bay Area. He works with the Bay Conservation and Development Commission, Bay Area Regional Collaborative, the Southern California Association of Governments and the Resources Legacy Fund on climate change adaptation issues. Mr. Northcross also serves on special climate change committees under the aegis of the City of Sacramento, the West County Wastewater District and the Coastal Hazards Adaptation Resiliency Group. With expertise in wildfire risk mitigation and funding, Mr. Northcross was invited by the Federal Reserve Bank of San Francisco to prepare an article on that subject for their Community Development Innovation Review publication, which was published in October 2019. A link to that article is available here: https://www.frbsf.org/community-development/publications/community-development-investment-review/2019/october/rebuild-to-fail-or-rebuild-to-adapt-how-cra-lending-can-guide-climate-change-disaster-response/

Mr. Northcross was an integral team member for the California Resilience Challenge project in the Town of Paradise. That project was completed in April 2023 and featured groundbreaking work quantifying potential reductions in fire related losses and in insurance premiums in the wildland-urban Interface through fire mitigation methods. More detail about that project can be found here: https://www.bayareacouncil.org/press-releases/new-study-shows-how-communities-in-the-wildland-urban-interface-can-drastically-reduce-fire-risk-and-reduce-insurance-premiums/

Mr. Northcross is also leader in negotiating both public-private partnerships and the workout of defaulted debt. He has negotiated public-private partnerships for the successful development of major mixed-use projects, including such diverse communities as Davis, Fort Ord Reuse Authority, Hemet, Mammoth Lakes, Palmdale, Rocklin, South Lake Tahoe, and West Covina. He is also a leader in negotiating joint ventures between different public agencies – with notable success in putting together bond funded risk sharing programs for cities, counties, and school districts in California.

With a practice in water and sewer financing dating back to 1983, Mr. Northcross is very active in water and sanitation policy issues in California. He presently serves on the California Association of Sanitation Agencies SRF committee.

Mr. Northcross also has hands-on experience as a CFO, serving since 2001 as treasurer for the West Point Inn Association, which runs a 117-year-old hike-in hotel in the parklands of Marin County.

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APPENDIX B: RAFTELIS RESUMES

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Jonathan Ingram

PROJECT MANAGER / PRINCIPAL IN CHARGE / LEAD FACILITATOR

Vice President



ROLE

Jonathan will manage the day-to-day aspects of the project ensuring it is within budget, on schedule, and effectively meets the City's objectives. He will also lead the consulting staff in conducting analyses and preparing deliverables for the project. Jonathan will serve as the City's main point of contact for the project.

PROFILE

Jonathan has 20 years of experience in management consulting and local government management, most recently as budget manager in the City of Cincinnati, Ohio, budget office. Before that, Jonathan served as a management consultant and worked in the city manager's office for the City of Highland Park, Illinois.

Jonathan is a skilled financial analyst in the areas of budget and revenue analysis and has led our work with fiscally distressed communities, supporting their efforts to restore operational and financial sustainability. Additionally, he has extensive experience as a management and operations consultant to local governments in the United States and abroad.

As a consultant, Jonathan has completed operations reviews for over 200 local governments and has helped to improve service delivery for a broad range of departments – from police to public works. He has developed staffing and deployment plans for city operating departments, analyzed and facilitated intergovernmental consolidations, helped local governments develop custom performance management systems, and facilitated the development of long-term strategic plans and financial models.

Professional History

- Raftelis: Vice President (2024-present); Senior Manager (2021-2023); Manager (2020-2021); Senior Associate, The Novak Consulting Group (2012-2020)
- City of Cincinnati, Ohio: Budget Manager (2010-2012)
- Management Partners: Senior Management Advisor (2005-2010)

Education

- Master of Public Administration - Northern Illinois University (2005)
- Bachelor of Arts in Political Science - Aurora University (2003)

Professional Memberships

- International City/County Management Association (ICMA)
- Ohio City/County Management Association (OCMA)

Jonathan's areas of expertise are in local government budgeting and finance, operations analysis, project management, public safety staffing analysis, process improvement, and performance measurement. He is adept at quickly assessing strengths and opportunities within a municipality, analyzing and developing actionable recommendations for improvement, and communicating findings and next steps to a wide variety of audiences, including staff, elected officials, and the public. During his tenure with the City of Cincinnati, Jonathan managed the development and administration of a $1 billion operating budget. He also conducted special analysis projects, served on the City's collective bargaining team, and co-managed the implementation of an enterprise budget system.

Jonathan earned a bachelor's degree in political science from Aurora University and a master's degree in public administration from Northern Illinois University. He is a member of the International City/County Management Association and the Ohio City/County Management Association.

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Nancy Hetrick

FACILITATION SUPPORT

Vice President



ROLE

Nancy will work at the direction of Jonathan in assisting with facilitation of meetings and workshops.

PROFILE

Nancy has nearly 30 years of experience as a local government management consultant and practitioner. Her lifelong commitment to the value and importance of public service underscores her work with local government clients. She invests time to understand both the human dynamic and the systems and culture within an organization to ensure project outcomes that will best service the unique needs of the organization.

Nancy has extensive experience as a facilitator and trainer. She has worked with both elected and appointed officials from jurisdictions throughout the western United States to conduct goal-setting, develop strategic plans, and prioritize service delivery. She has led engaging strategic planning processes that sharpen focus while strengthening teamwork. The strategic plans that are developed offer a meaningful and implementable road map for the organizations she serves. In addition, Nancy has worked with leadership teams in all local government service areas to improve team effectiveness.

In addition to her work in organizational development and strategic planning, Nancy has led hundreds of local government consulting engagements spanning all areas of general management consulting support, including executive recruitment, organization assessment, workforce and succession planning, performance management system design, and financial sustainability planning.

Nancy is active in professional associations that support the advancement of local government professionals. She served as the President of the Municipal Management Association of Northern California (MMANC), founded the Women's Leadership Summit, and sits on the board of Cal-ICMA, where she chairs the Cal-ICMA Talent Initiative.

Nancy studied political science with a concentration in public administration as an undergraduate and continued her studies in a Master of Public Administration program. She has participated in an executive leadership program and received certifications in leadership and style assessment tools such as the Myers-Briggs Type Indicator (MBTI), DiSC, and the CPI 260 Psychological Inventory.

Professional History

- Raftelis: Vice President (2023-present)
- Baker Tilly LLC: Managing Director (through acquisition) 2022-2023
- Management Partners: Vice President, Partner, Senior Manager, Senior Management Advisor (2006-2022)
- County of San Mateo, County Manager's Office: Principal Management Analyst, Management Analyst III (2001-2006)
- Management Partners: Management Advisor (1996-2001)
- Norman Roberts and Associates (Executive Recruiters): Research Associate (1995-1996)

Education

- Coursework complete toward Master of Public Administration, California State University, San Francisco (1996-1997)
- Bachelor of Arts, Political Science with concentration in Public Administration, California State University, Chico (1994)

Certifications

- Myers-Briggs Type Indicator
- DiSC
- CPI 260 California Psychological Inventory

Professional Memberships

- ICMA
- Cal-ICMA
- Women Leading Government
- Municipal Management Association of Northern California, Past President, founder, Women's Leadership Summit

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Emily Uselton

FINANCIAL MODEL DEVELOPMENT

Senior Manager



ROLE

Emily will work at the direction of Jonathan in developing the financial model for the City.

PROFILE

Emily joined Raftelis in 2023 after more than seven years of direct service to the City of Norfolk, Virginia. Emily has over 15 years of finance experience in both the private and public sectors. As Norfolk's Budget Director and Assistant Director, Emily was responsible for overseeing the City's strategic financial and policy planning, including managing the development and administration of a $1 billion operating budget. Her leadership helped provide effective resource recommendations, leading to better performance outcomes and the ability to solve challenging policy issues. Emily led several citywide initiatives, including public workforce recruiting and retention strategies, the development of a program budget, as well as budget development public engagement efforts. Emily's direct service experience and breadth of exposure to relevant local government and utility policy issues make her skillful at asking thought-provoking questions, inspiring innovation and creativity in the problem-solving process, and yielding results that are as pragmatic as they are valuable. During her time in local government, she presented to a variety of stakeholders, including the City Council, executive leadership teams, community groups, and a cross-section of department-level staff.

Since joining Raftelis, Emily has continued to assist utility and local government clients across an array of focus areas, encompassing strategic planning, facilitation, and organizational assessments. Emily's areas of expertise are in budgeting and finance, workforce planning, operations analysis, internal service functions, project management, and performance measurement. She is a quick study of organizational context, providing relevant and achievable recommendations that appreciate the unique considerations of each organization.

Previously, Emily worked in private-sector finance and accounting. She began her career as an auditor for mid-size financial institutions before transitioning to a commercial healthcare real estate company, where she built a team of accountants responsible for overseeing multiple mergers and acquisitions between the company and seniors housing operators across the U.S. and abroad.

Emily earned a master's degree in Public Policy from the College of William and Mary, and a Bachelor of Science with concentrations in Accounting and Finance from Xavier University – Cincinnati. Since 2009, she has held a certified public accountant, CPA certification (inactive).

Professional History

- Raftelis: Senior Manager (2025-present); Manager (2023-2024)
- City of Norfolk, Virginia; Interim Budget Director (2022); Assistant Budget Director (2021-2022); Budget and Policy Manager (2019-2021); Budget Analyst / Senior Analyst (2015-2019)
- Welltower (formerly Healthcare REIT): Director Relationship Accounting (2010-2013)
- Crowe Horwath LLP: External Auditor, Financial Institutions Group (2008-2010)

Education

- Master of Public Policy – College of William and Mary (2015)
- Bachelor of Science in Accounting and Finance – Xavier University (2008)

Certifications

- Certified Public Accountant, CPA (inactive – 2009)

Professional Memberships

- Government Finance Officers Association (GFOA)
- International City/County Management Association (ICMA)
- Engaging Local Government Leaders (ELGL)

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Chad Cowan

FINANCIAL MODEL DEVELOPMENT

Senior Manager



ROLE

Chad will work at the direction of Jonathan in developing the financial model for the City.

PROFILE

Chad joined Raftelis in August of 2023. Chad has over 24 years of experience working with local governments, utilities, non-profits and Higher Education clients. He spent the majority of his career working as a municipal advisor, investment banker and local government official and has executed over $5 billion in financing. During this time, he has assisted clients in evaluating their long-term financial needs and the impact that current decisions have on their long-term financial health.

Through his work and education, Chad has developed a broad knowledge of long-term financial planning for his clients, including building unique models for his clients to help facilitate the decision-making process. As a Consultant with Raftelis, Chad is responsible for delivering client services across a range of activities, including long-term financial planning, feasibility studies, and other studies.

Chad earned a Master of Public Administration from the University of Southern California. He also earned a Bachelor of Science in Planning, Public Policy and Management.

Professional History

- Raftelis: Senior Manager (2023-Present)
- DebtBook: Director (2022-2023)
- HilltopSecurities, Inc.: Managing Director (2022-2023); Director 2016-2022
- City of Durham, NC: Treasurer (2013-2016); Treasury Manager (2011-2013)
- D.A. Davidson: Vice President (2008-2011)

Education

- Master of Public Administration - University of Southern California (1999)
- Bachelor of Science in Planning, Public Policy & Management - University of Oregon (1996)

Certifications

- Series 50 Municipal Advisor Representative

KEY PROJECT EXPERIENCE

North Carolina DEQ (NC): Regional Water and Wastewater Infrastructure Concept Plan

Chad served on the team that developed a methodology to evaluate the overall financial strength of the entities identified for approximately 40 individual utilities within the Study Area. The team developed a Utility Health Scorecard which provides a high-level overview of the health of each entity, considering various system characteristics and both financial and affordability metrics. Specifically, the Scorecard developed for this study leveraged the Environmental Protection Agency's (EPA) Financial Capability Assessment (FCA) Guidance as well as commonly used financial metrics and metrics related to the overall strength of the subject utilities.

Piedmont Triad Regional Water Authority (NC): Long-term Financial Planning Model

Chad served as the project manager for the development of a new long-term financial planning model for PTRWA in 2023 and 2024 to assist in the evaluation of significant expansion of the water treatment plant and implementation of new capital projects to deal with the treatment PFAs. Through the evaluation of the model in 2023 and 2023, the Authority worked with partners to evaluate the issuance of a significant increase in the Authority's debt and adjustments to rates that support the Authority.

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City of Bartow (FL): General Fund Development Study

Chad served as the project manager for the development of the General Fund Sustainability model for the City of Bartow in 2023 and 2024. The long-term financial plan leveraged Raftelis' Decision Panel Model, which allowed the City to evaluate multiple millage rates, capital funding plans, and staffing options. Through the evaluation of the model in 2023, the City Council voted to increase its millage rate to fund long-overdue capital projects throughout the City. In 2024, the City hired Raftelis to update the analysis. The update confirmed the course set forth in the prior year's review and allowed the City to move forward with the implementation of its plan.

Village of Palm Springs (FL): Utility Rate Studies, General Fund Sustainability Model, CRA Sustainability Model

Chad served on the team that developed multiple models for the Village of Palm Springs. Throughout the summer and fall of 2024, Raftelis partnered with the Village to complete four separate long-term models, including General Fund Sustainability, a CRA Fund Sustainability Model, a Stormwater Rate Study, and a Water and Sewer Rate Study. The team leveraged Raftelis' Decision Panel Model for each of the models, which allowed the Village to evaluate multiple solutions for each fund. The project is ongoing and expected to be completed in the next several weeks.

City of Valdosta (GA): Water and Sewer Rate Studies

Chad led the Raftelis effort on the creation of a new Water and Sewer Rate Study and Bond Feasibility analysis for the City of Valdosta (City) in 2023 and 2024. He conducted a 10-year revenue sufficiency analysis update for the water and sewer system including evaluating the City's upcoming capital plans and drafted the bond feasibility report related to the City's 2024 Bond issuance.

Mecklenburg County (NC): Development of Long-term Financial Models for Solid Waste and Storm Water Departments

In a prior position, Chad served as the municipal advisor for the County and was tasked with developing long-term financial plans for the County's Department of Solid Waste & Recycling and the Department of Stormwater Services. Each department had historically funded its capital plans with a Pay-Go model. With significant capital plans for each department, the proposed rate increases for each department were unacceptable to senior management. In conjunction with the finance team, Chad developed a long-term financial model for each department. The models provided the ability for each department to quickly adjust projected capital projects, fees and financing options. The models provided the ability for each department to partner with finance to develop proposed fee structures acceptable to senior management and adopted by the Board of County Commissioners.

City of Durham (NC): Served as City Treasurer – Responsibilities including Debt Structuring and Analysis, Management of the City's Investment Portfolio, Traditional Banking Relationships, and Management of the Risk Management Team

Chad served as the Treasurer for the City of Durham, NC, from 2011 through 2016. During his tenure, he managed the issuance of over $400 million in debt, including general obligation bonds, limited obligation bonds, water revenue bonds (including interim financing solutions), and finalizing a Section 109 HUD Loan. During this time, he also managed the City's investment portfolio and banking relationships – including the roll-out of a new online payment platform. Over the last two years of his tenure, he led the restructuring of the City's Risk Management Team, including the implementation of a new Risk Management Information System, replacing the City's Third-Party Administrators for workers' compensation and general liability and making significant improvements to the Department's internal reporting process. Additionally, he assisted in the development of a long-term financial model for the City's general fund and the evaluation of economic development proposals.

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Claire Pritchard

STAFF CONSULTANT

Senior Consultant



ROLE

Claire will work at the direction of Jonathan in conducting interviews, directing research and analysis, preparing recommendations, and drafting deliverables.

PROFILE

Claire has more than 10 years of experience in management consulting and local government management. She began her consulting career following five years of service with Dakota County, Minnesota, where, most recently, she held the position of assistant to the county manager. While with Dakota County, Claire coordinated the County's legislative agenda, assisted in the development of the annual budget, and conducted financial impact analyses and process improvement efforts for a variety of County functions. Claire also coordinated the County's transition to a new form of government in 2013.

As a consultant, Claire has worked on organizational and staffing analyses for communities around the country, such as the Town of Nantucket, Massachusetts, the City of Allentown, Pennsylvania, and the City of Bloomington, Indiana, as well as several utilities, including Fairfax Water, Virginia, Pinellas County Utilities, Florida, the San Diego Public Utilities Department, California, and Tampa Bay Water, Florida.

Claire has assisted in developing financial models to analyze revenue and expenditure trends, as well as conducting detailed staffing and workload analyses to determine optimal organizational structures. She has developed and analyzed an array of employee and community-based surveys. Claire has conducted several of the best practice and benchmarking research projects and has assisted in creating strategic planning and implementation deliverables.

Professional History

- Raftelis: Senior Consultant (2023-present); Consultant (2021-2022); Associate Consultant (2020-2021); Associate Consultant, The Novak Consulting Group (2018-2020)
- Dakota County, Minnesota: Assistant to the County Manager (2013-2017)
- National Association of Regional Councils: Policy Intern (2012)
- Congressional Research Service (2010-2011)

Education

- Master of Public Policy - University of Chicago (2013)
- Bachelor of Arts in Political Science - University of Chicago (2009)

Professional Memberships

- International City/County Management Association (ICMA)
- Engaging Local Government Leaders (ELGL)
- International Facility Management Association (IMFA)

As a student at the University of Chicago, Claire served as a policy intern with the National Association of Regional Councils, where she developed an educational program on the work of regional councils. She was also the associate editor for international development for the Chicago Policy Review.

Claire earned a bachelor's degree in political science from the University of Chicago and a master's in public policy from the University of Chicago Harris School of Public Policy. She is a member of the International City/County Management Association and is a former ICMA Local Government Management Fellow.

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Polly Englot

STAFF CONSULTANT

Associate Consultant



ROLE

Polly will work at the direction of Jonathan in conducting interviews, directing research and analysis, preparing recommendations, and drafting deliverables.

PROFILE

Polly has robust analytical experience throughout the public sector, having worked in local government, nonprofit, and international development settings. She is proficient in the areas of budget planning and analysis, process improvement, and project management. Polly is a detail-oriented problem solver who leverages data and organizational analysis to identify trends and actionable solutions.

Prior to joining Raftelis, Polly worked in Broward County's Office of Management and Budget in southern Florida. She supported the monitoring and development of over 100-million-dollar annual operating budgets for judicial offices and the county's extensive environmental agency. This work included forecasting for a dozen special revenue funds, monitoring state and federal grants, assessing payroll and benefit costs for over 500 employees, and evaluating new staffing and capital project requests.

Professional History

- Raftelis: Associate Consultant (2024-present)
- Broward County: Budget and Management Analyst (2022-2023)
- Food Bank for New York City: Marketing and Events Coordinator (2018-2020)
- Population Services International: Program Coordinator (2016-2018)

Education

- Master of Public Policy - Duke University, Sanford School of Public Policy (2022)
- Bachelor of Arts in Geography, minors in Arabic and French - Bucknell University (2016)

Throughout her academic studies, Polly developed highly functional skills in GIS analysis, data visualization and communication, evaluation design, and public budgeting. She strengthened these skills in the classroom by learning from her prior tenure at Food Bank for New York City, where she supported planning and content development for over 90 marketing campaigns and events annually. In addition, she collaborated with stakeholders and donors at all levels to raise awareness, fundraise, and support the Food Bank's clients.

Polly began her career in program operations supporting international public health programs based in West Africa, funded by major public and private grantors. Programs ranged from women's health information campaigns to sanitation service delivery research, and she completed technical assistance trips to Ghana and Liberia.

Polly earned a master's degree in public policy from Duke University's Sanford School of Public Policy and a bachelor's degree in geography, with minors in Arabic and French, from Bucknell University in Pennsylvania.

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APPENDIX C: WILLDAN RESUMES

James Edison

Managing Principal

Education

Juris Doctorate, University of California, Berkeley, School of Law

Master of Public Policy, Goldman School of Public Policy, University of California, Berkeley

Bachelor of Arts, magna cum laude, Harvard University

Professional Registrations

Member of California State Bar (inactive)

Affiliations

Council of Development Finance Agencies

CFA Society of San Francisco

Congress for the New Urbanism

Urban Land Institute

Seaside Institute

International Economic Development Council

25 Years' Experience

Mr. James Edison specializes in the nexus between public and private, with expertise in public-private partnerships, and the benefits of economic development to municipalities and state, provincial, regional and national governments. He possesses deep expertise in land use economics, with a specialty in finance and implementation, including fiscal impact and the public and private financing of infrastructure and development projects, both in the U.S. and internationally. Mr. Edison's public-sector experience includes local and regional economic impact studies; fiscal impact evaluations; new government formation strategies; and the creation of impact fees, assessments, and special taxes to fund infrastructure and public facilities. He has conducted numerous evaluations of the economic and fiscal impact of specific plans and consulted on a wide variety of land use planning topics related to community revitalization and the economic and fiscal impacts of development.

As a former bond attorney, Mr. Edison understands the legal underpinnings and technical requirements of public financing instruments and has advised both public and private clients on the use of individual instruments, and the interaction between those instruments and the needs of developers and project finance.

Relevant Project Experience

City of Foster City, CA – Gilead, Chess-Hatch, Mirabella and Pilgrim-Triton Fiscal Impact Studies: The City of Foster City hired Mr. Edison, while at Economics Research Associates ("ERA"), to provide an evaluation of the fiscal impact of three specific plans. He evaluated the impact on services of each plan, the anticipated new revenues and expenditures, and the necessity for new public facilities to serve the projects.

Alameda Point Development Corporation, CA – Alameda Point Conceptual Financing Plan: Mr. Edison is assisted the Alameda Point Development Corporation on a number of assignments related to the financing of infrastructure at Alameda Point, the feasibility of development, the financing of services, fiscal impacts and mitigation, and selection of developers. Alameda Point is a former naval air station that was closed in 1997 and the City took title to the land on June 4, 2013.

County of Monterey, CA – East Garrison Specific Plan Financing and Implementation: East Garrison, located on the easternmost portion of the former Fort Ord in Monterey County, consisted of approximately 1,400 residential units, including single-family detached, town homes, apartments, and affordable housing, a town commercial center, and arts facilities. Mr. Edison assisted the developer and the County with a wide range of financing issues, including the availability and structuring of public finance, fiscal mitigation measures, economic impacts, the implementation of affordable housing, and the negotiation of business terms between the developer and the County. He also assisted the developer in negotiations with the Fort Ord Reuse Authority regarding the base wide capital improvement program and the structuring of the payment of impact fees generated by the development.

County of Napa, CA – Napa Pipe Specific Plan Analysis: Mr. Edison evaluated infrastructure finance requirements for the Napa Pipe project in southern Napa County, consisting of approximately 500,000 square feet of commercial development, 3,000 residential units, and a hotel. An infrastructure financing strategy was provided that drew upon the resources of the project itself and other financing mechanisms such as special assessments.

J. Edison
Resume Continued

The fiscal and economic impact of the project on the County was analyzed, also prepared an urban decay analysis evaluating the impact on retail businesses in the City of Napa. Mr. Edison presented the findings to the County Board of Supervisors and Napa's City Council.

County of Imperial, CA – Solar Farm Fiscal and Economic Analysis: Mr. Edison was engaged by the County of Imperial to evaluate the fiscal and economic impacts of a series of proposed solarvoltaic facilities (or "solar farms") on land near the Town of Calipatria in Imperial County. For each, Mr. Edison calculated the tax revenues and service expenditures accruing to the County from development of the project, and also estimated the economic impacts of the project using IMPLAN, including the impact of the construction and ongoing operation of the solar farm, along with the negative impact of the removal of the project site from agricultural production.

City of Redding, CA – Oasis Towne Center Financing and Fiscal Analysis: Hired by the Levenson Development Company (LDC) to assist with an economic/fiscal impact study and a financing plan for the Oasis Towne Center, a retail development of approximately one million square feet in Redding, California. Mr. Edison advised LDC on how to structure the financing of the development in order to provide public benefits from the project and minimize the need for public resources. He prepared an economic and fiscal analysis and negotiated a series of service plans and fiscal mitigation measures with the City of Redding. Mr. Edison also prepared a financing plan for infrastructure needed not only for the immediate project but also for development within the entire Oasis Road Specific Plan area.

City of Fort Lauderdale, FL – Citywide Economic Development Strategic Plan: Mr. Edison served in the role of Senior Public Incentives Advisor for the City's economic development strategic plan. This citywide Economic Development Strategic Action Plan includes an Economic Development Profile Report; as well as identification and recommendation of potential citywide economic development incentive programs for business retention and recruitment that are applicable to six geographic sub-areas and citywide; an entrepreneurial development and empowerment strategy, a targeted industry growth strategy, and a retail recruitment strategy; an implementation program and "economic dashboard" benchmarking metrics to measure the success of strategies and initiatives; and sources and uses of funding to support plan implementation (grants and other alternative funding opportunities allocated to each of the plan's five-year implementation horizon).

City of Vallejo, CA – Costco Expansion Urban Decay, Economic and Fiscal Impact Analysis: In response to the City's request, Mr. Edison examined the economic impact of a proposed expansion of an existing Costco. The analysis included projections of the impact on sales tax, employment, property tax and the net impact to the City's budget. Based on the analysis, the City Planning Commission approved the Costco expansion.

County of Placer, CA – Bohemia Lumber Site, Fiscal Impact and Urban Decay Analysis: The County of Placer engaged Mr. Edison to examine the fiscal impact and potential urban decay effects from the development of the former Bohemia Lumber site into a retail center. He prepared the analysis and presented the results to the County Board of Supervisors.

City of Salinas, CA – Salinas Downtown Revitalization Plan: Prepared a market study for the downtown area to identify opportunities for development. Advised the City of Salinas on fiscal impact issues and financing tools available to assist with construction and rehabilitation of infrastructure in the downtown

Mike Medve

Principal Consultant

Education

Bachelor of Science Information and Computer Science,

Management and Mathematics Minors,

Cum Laude

University of California Irvine

Areas of Expertise

Public Finance

Public Facility Financing

Special District Formation and Administration

Proposition 218

New Markets Tax Credits

Grant Writing

20 Years' Experience

Mr. Mike Medve is a principal consultant, with 18 years of experience, in the Financial Consulting Services group, with expertise in public finance, including special district formation and administration, fiscal impact analysis, public facilities financing plans, integrated financing districts, Proposition 218, tax credit financing, state and federal grant and loan programs, sales tax revenue bonds, and infrastructure financing districts. He has developed financial pro formas and cash flow analyses for numerous types of public and private project financing programs. Prior to joining Willdan, Mr. Medve was a consultant in the field of public finance for Parsons Brinckerhoff and David Taussig & Associates. Over the years, he has been a financing team member for over $150 million in limited obligation bonds and over $50 million in grant funds. He has served as the lead consultant for over two dozen clients, both public and private, throughout the country.

Relevant Project Experience

City of Oceanside, CA – Tax Increment/Special Tax Consulting: Mr. Medve provided consulting services related to the formation of one of the State's first Enhanced Infrastructure Financing Districts (EIFD). The EIFD's tax-sharing plan has been approved by both the City of Oceanside and the County of Monterey, bringing millions in funding to an area that will be annexed to the City and developed into a high-tech office park and research center. He also assisted the City with its Cost Allocation Plan and Comprehensive User Fee update.

City of Rancho Mirage, CA – Special Tax Consulting: In 2018 and 2019 Mr. Medve assisted the City with the formation of CFD 4A and CFD 4B, both of which were formed in association with the development of a Del Webb residential project in the City. He is also working on the current formation of CFD 4C. The CFDs were formed to provide for funding of backbone infrastructure required for the development, and for payment of certain development fees required by the City. Willdan's work included preparation of the special tax and pro forma analyses, development of the tax methodology and preparation of the Rate and Method of Apportionment of Special Tax document, preparation of the CFD Report and other associated documents, and coordination of the formation process.

City of Upland, CA – Special Tax Consulting: In 2015 through 2019 Mr. Medve assisted the City of Upland with the initial formation of a CFD, the change proceedings that were subsequently conducted to amend the CFD to accommodate a change in the plan of development, and finally with the issuance of bonds associated with the CFD. He worked closely with the City and its financial advisor to ensure the CFD was formed in a manner that met the City's requirements and financing objectives. The CFD was created to equitably spread the cost of the infrastructure being financed through a methodology that was equitably applied to various types of residential development in the project.

County of San Diego, CA – Special Tax Consulting: Mr. Medve is currently assisting the County with special tax consulting projects, specifically CFDs in unincorporated areas. He helped form the Horse Creek Ridge and Hillside Meadows CFDs and is now involved with the review and early steps of forming three additional CFDs to fund flood control, fire protection, and capital improvements. He is also assisting with replacing an existing Permanent Road Division special assessment with a special tax to fund street rehabilitation and maintenance.

Jasper Andrade

Lead Analyst

Education
Accounting, Mt. San Jacinto College

Areas of Expertise
Community Facilities Districts

Landscaping and Lighting Districts

Standby Charges

Assessment Districts

Geographic Information System

6 Years' Experience

Mr. Jasper Andrade is an Analyst II and will serve as the lead analyst for this fiscal analysis project. His role includes data gathering and research, report preparation, peer reviews, and fiscal analysis to support the evaluation of revenues, expenditures, and long-term funding strategies.

Mr. Andrade possesses experience with various special tax financing mechanisms, including Community Facilities Districts (CFDs), fire taxes, parcel taxes, landscape and lighting districts, and standby charges. His responsibilities have included updating Engineer's Reports, preparing resolutions for hearings, maintaining and analyzing parcel data, researching parcel changes, reviewing exemptions, and developing applied reports. These assignments have provided him with direct experience evaluating fiscal conditions, modeling tax and assessment impacts, and supporting decision-making through accurate financial reporting.

Mr. Andrade regularly coordinates with title companies, real estate agencies, appraisal firms, and public agencies. Leveraging Willdan's proprietary MuniMagic+ system, he efficiently accesses ownership records, assessed values, and parcel tax data, which enhances his ability to perform accurate fiscal analysis and deliver timely project support.

Relevant Project Experience

Mr. Andrade currently works with the following agencies encompassing various annual administration services including 1972 Act Districts, Community Facilities Districts, Assessment Districts and Standby Charges.

- City of Coachella, CA
- Desert Recreation District, CA *(Indio, CA)*
- Valley Sanitary District, CA *(Indio, CA)*
- City of Arcadia, CA
- City of Artesia, CA
- City of Brea, CA
- City of California City, CA
- City of Indian Wells, CA
- City of Irwindale, CA
- City of La Puente, CA
- City of Lafayette, CA
- City of Lancaster, CA
- City of McFarland, CA
- City of Reedley, CA
- City of Rialto, CA
- City of San Fernando, CA
- City of Santa Fe Springs, CA
- West Contra Costa Healthcare District, CA

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APPENDIX D: WAUKESHA COUNTY WI BUDGET TASK FORCE REPORT

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Waukesha County, WI

Budget Task Force Analysis and Facilitation

Report / August 2024

RAFTELIS

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RAFTELIS

August 27, 2024

Paul Farrow
Waukesha County Executive
Waukesha County Administrative Center
515 W. Moreland Blvd.
Room 320
Waukesha, WI 53188

Subject: 2024 County Budget Task Force

Dear Paul Farrow:

We are pleased to present this final report summarizing the County fiscal health assessment results and the 2024 Budget Task Force. This report includes a detailed review of the County's current financial condition and financial management practices, future financial projections for the County's operating budget, and a summary of the key themes and topics discussed during the Task Force facilitation sessions.

The fiscal health assessment included in this report provides both historical and future financial trend analysis designed to provide an objective review and context for the work of the Task Force. The assessment included development of an independent financial model projecting anticipated budget needs and gap closure scenarios for the County to consider. Applicable industry standards and best practices were used with input and information provided by County staff to inform the financial trend analysis. Key themes from the four Task Force sessions, including values and policy priorities, are also provided to help guide and inform the County Executive and the Board of Supervisors in future policy decisions.

We are confident that this report can serve as a framework for informing policy recommendations to you and the County Board. The Task Force provided invaluable insight regarding community priorities and strategies for the County to consider when making future budgetary decisions.

Thank you for the opportunity to work with Waukesha County. We enjoyed engaging with County staff and Task Force members throughout this project.

Sincerely,



Jonathan Ingram
Vice President - Organizational Assessment

19 Garfield Place, Suite 500 Cincinnati, OH 45202
www.raftelis.com

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Executive Summary

Property tax levy is the largest local revenue source to fund services provided by Waukesha County. Like other counties in the state of Wisconsin, the annual growth for this revenue is capped based on the growth in net new construction. Over the past several years, net new construction has grown at a rate of less than 2% each year. Meanwhile, and especially after the Global Pandemic, the cost to continue providing services to County residents has increased, on average, between 3-4%. In order to meet balanced budget requirements, the County has had to identify efficiency gains, maximize other revenue sources where possible, and trim staffing levels. Recent economic trends, including above-average inflation, rising wages, and supply chain disruptions, have placed significant financial constraints on County operations.

The County engaged Raftelis to provide an independent fiscal health assessment and facilitate multiple sessions for a Budget Task Force comprised of community leaders. The Task Force was asked to advise the County Executive and County Board of Supervisors on policy actions in the near term that will help shape the County's financial future by ensuring resources are allocated in a manner that best serves the community.

The fiscal health assessment included a financial condition assessment comprised of a historical review of past revenue and expenditure trends, interviews with County staff across each major department to understand core service functions and budgetary challenges, as well as peer benchmarking analysis for similar demographic counties in the state to assess revenue sources and budgetary practices. The financial condition assessment provided relevant context to inform the financial trend analysis. This analysis included developing a six-year financial forecast for the County's operating budget that reflected an annual gap (e.g., budget gap) between projected revenues and estimated expenditures required to maintain services provided today. The forecast model relied upon key assumptions for revenue growth and cost of service inputs. Raftelis' financial model yielded similar results to the County's long-term forecast disclosed in the annual budget document. This financial backdrop was then used to develop and understand potential solutions to address future budget gaps, considering both service level reductions and revenue-generating options.

Raftelis facilitated four in-person Budget Task Force sessions from May to July 2024. The County's Budget Task Force comprised of more than 30 community leaders charged with quickly understanding the County's fiscal health and engaging in discussions and exercises that aimed to provide direction and guidance to the County Executive and County Board of Supervisors regarding the County's financial future. A summary of the Task Force timeline and session topics is provided below.

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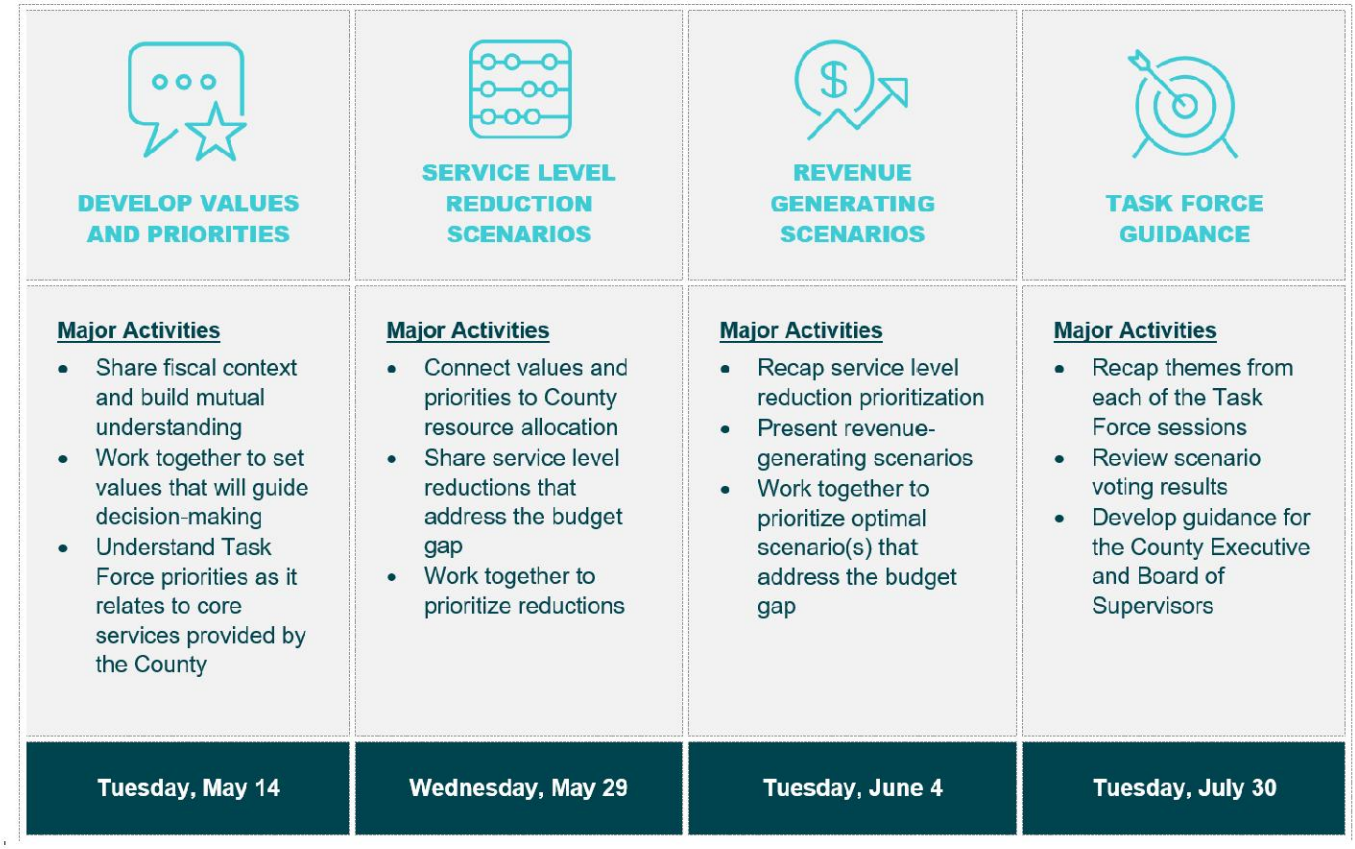

Figure 1: Waukesha County, WI 2024 Budget Task Force Timeline

Details of the Task Force discussions and individual and group exercises are captured in this report. The density of financial information to review and understand during this short time horizon was challenging; nevertheless, the Task Force did a remarkable job of absorbing all the details, engaging in productive conversation, and ultimately crafting meaningful guidance for the County's elected officials. This process also provided the County an opportunity to assess and confirm that current resource allocation aligns with community values and priorities. Engaging the public regularly regarding policy priorities as part of the budget development process is both a best practice and a vehicle for maintaining trust among local governments and the residents they serve. Task Force members learned how well the County staff have navigated these fiscal challenges in the past and their ongoing dedication to prudent financial management of taxpayer resources.

Given the complexity and competing interests of individual Task Force members, reaching a consensus about addressing future budgetary challenges was unrealistic. Instead, the group reached a shared agreement regarding the values, priorities, and areas of focus over the next few years to provide sound guidance for elected officials as they navigate difficult policy decisions. The key themes that emerged from the work of the Budget Task Force are reflected below. The report provides more details regarding each of these themes.

- Importance of fiscal responsibility
- Targeted budgetary service level reductions and enhancements
- Desire to explore revenue options
- Support for infrastructure and economic development
- Evaluate shared services and shared revenue

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Introduction

Background and Methodology

In March 2024, Waukesha County engaged Raftelis to conduct a fiscal health assessment and facilitate the work of a Budget Task Force charged with providing guidance and policy priorities to the Board of Supervisors to inform how the County can navigate short and long-term financial challenges.

To accomplish this, the project team held a kickoff meeting with key members of the County's leadership and finance team to discuss the engagement. The project team then conducted individual and small group interviews with each of the major departments in the County to understand service level expectations, resourcing requirements, fiscal challenges, workload drivers, and opportunities to adjust resource allocation.

The project team reviewed and analyzed a variety of financial data and information provided by the County to understand organizational structure, authorized staffing levels, the budget development process, and core services provided by the County. As part of the financial condition assessment, historical financial data was analyzed to inform trends and key assumptions used to develop an independent financial model projecting estimated revenues and expenditure requirements to continue providing the same level of service today over the next several years. Benchmarking analysis of peer counties selected based on geographic or demographic similarity was also conducted to provide important context during the Task Force sessions.

Members of the project team then developed and led four in-person Task Force sessions from May to July 2024 to discuss the results of the fiscal health assessment, viable gap closure scenarios, and guidance for how County elected officials should navigate the financial challenges to achieve fiscal sustainability over the next decade.

About Waukesha County, WI

Waukesha County is Wisconsin's third- largest county, located directly west of Milwaukee and 70 miles east of Madison, the state capital. The County population is 411,538, according to the Wisconsin Demographic Services Center's 2023 population estimates, which represents a 5.6% increase from the 2010 Census. Relative to the state at large, Waukesha County has higher median income, median home values, and educational attainment levels.

Table 1: Waukesha County Demographic Characteristics, 2022[1]

Demographic Category	Waukesha County	State of Wisconsin
Median age	43.8	40.4
Median household income	$98,849	$70,996
Median home value	$379,700	$252,800
Below federal poverty level	5.2%	10.7%
Homes owner-occupied	76.9%	68.1%
High school graduate equivalent or higher	97.8%	93.5%
Bachelor's degree or higher	48.7%	33.2%
Graduate or professional degree (25+)	17.8%	11.6%

[1] 2022 American Community Survey, U.S. Census Bureau.

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Waukesha has a County Executive form of government, and the legislative body consists of a 25-member Board of Supervisors (Board). The County Board is elected for two-year terms to represent separate geographic districts with populations of around 16,500 each. The Board of Supervisors sets policy by adopting ordinances and resolutions, including reviewing and adopting the annual budget. The County Executive, who is elected to a four-year term, oversees the day-to-day operations of the County and appoints the heads of all County departments except those led by elected officials or state statutory boards and commissions. Elected positions in the County beyond legislative and executive roles include the Circuit Court Judges, Clerk of Courts, County Clerk, District Attorney, Register of Deeds, Sheriff, and Treasurer.

STRUCTURE

Waukesha County's operations are organized by six functional areas depicted in the chart below. Departments led by an elected position are shown in grey. Attorneys in the District Attorney's Office and judges within the Circuit Court are state employees, while support staff within these departments are funded by the County. The other departments are led by members of the County Executive's cabinet. Law enforcement services are provided by the Sheriff's Office for unincorporated areas of the County and by contract for select municipalities. The County operates a regional 911 dispatch center providing Police, Fire, and Emergency Medical (EMS) dispatch service to 34 of the 37 municipalities in the County. The Extension – Waukesha County is administered through county and state shared governance, and the Bridges Library System—a state-funded, combined two-county system with neighboring Jefferson County—is governed by a Board of Trustees composed of each county's residents.[2]

[2] As part of library system funding required under state statute, the County administers a separate library property tax levy applied on non-library municipalities that is used to reimburse library communities for non-resident use.

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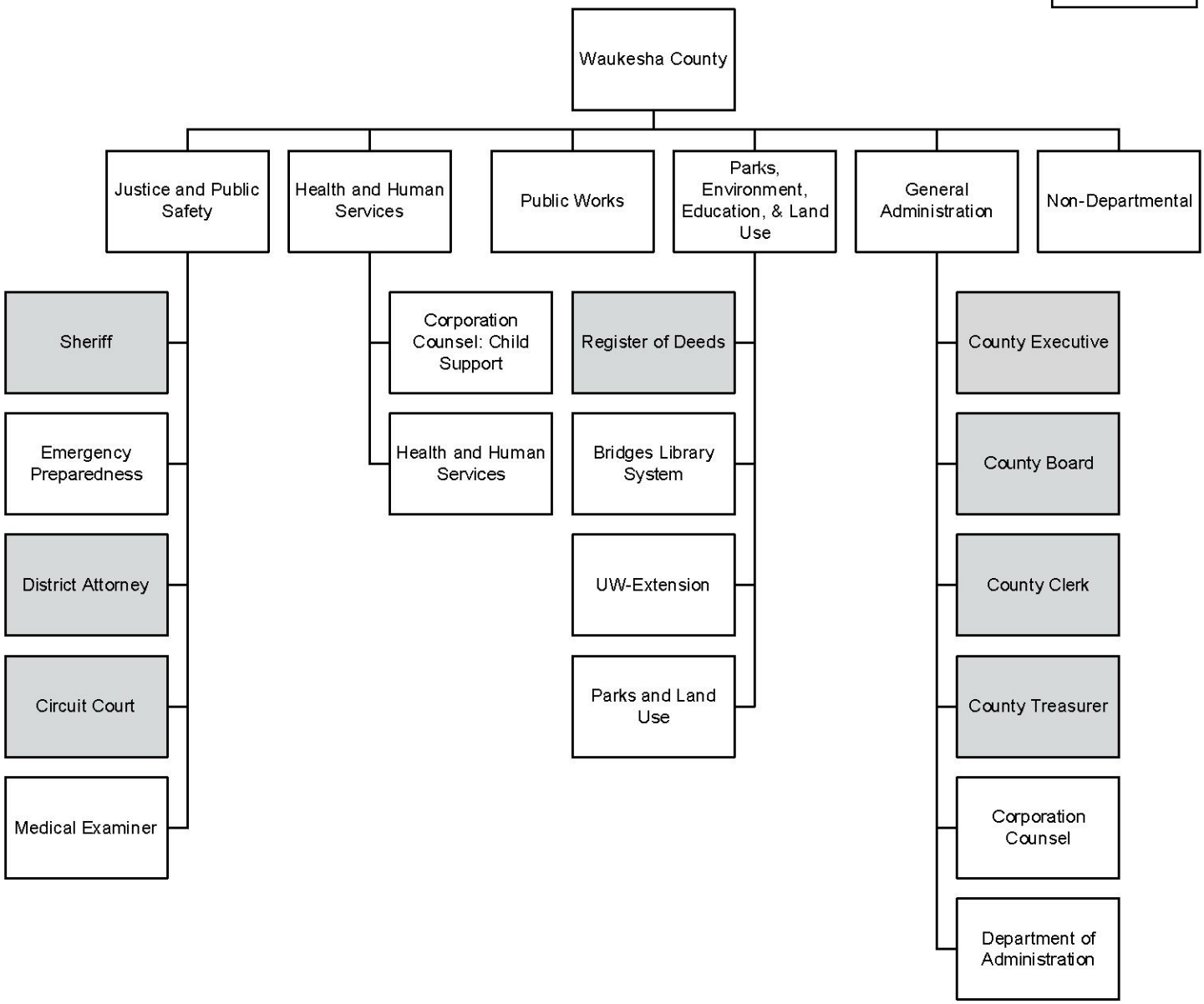

Figure 2: Waukesha County, WI Organizational Chart, FY2024

BUDGET

Each year, at the beginning of budget development, the Budget division estimates tax levy revenue and makes recommendations to the County Executive for allocating new levy among departments. The allocation is based on the County's Strategic Plan and service priorities, with Public Safety typically receiving the largest allocation of tax levy dollars. The Budget division also factors in anticipated spending growth and the ability of departments to generate non-tax levy revenues (e.g., user fees) to offset programmatic costs. From there, departments prioritize their estimated revenue and tax dollars to support core operations.

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The County's budget philosophy is to "balance spending with people's ability to pay," and County management indicates that it has traditionally strived to keep taxes low, resulting in Waukesha County consistently maintaining one of the lowest property tax rates among the 72 Wisconsin counties. At the beginning of this assessment, Waukesha County was one of four counties that had not enacted a 0.5% sales tax. Recently, Manitowoc County adopted the 0.5% sales tax to take effect on January 1, 2025. Waukesha has the lowest property tax rate among counties without a sales tax.

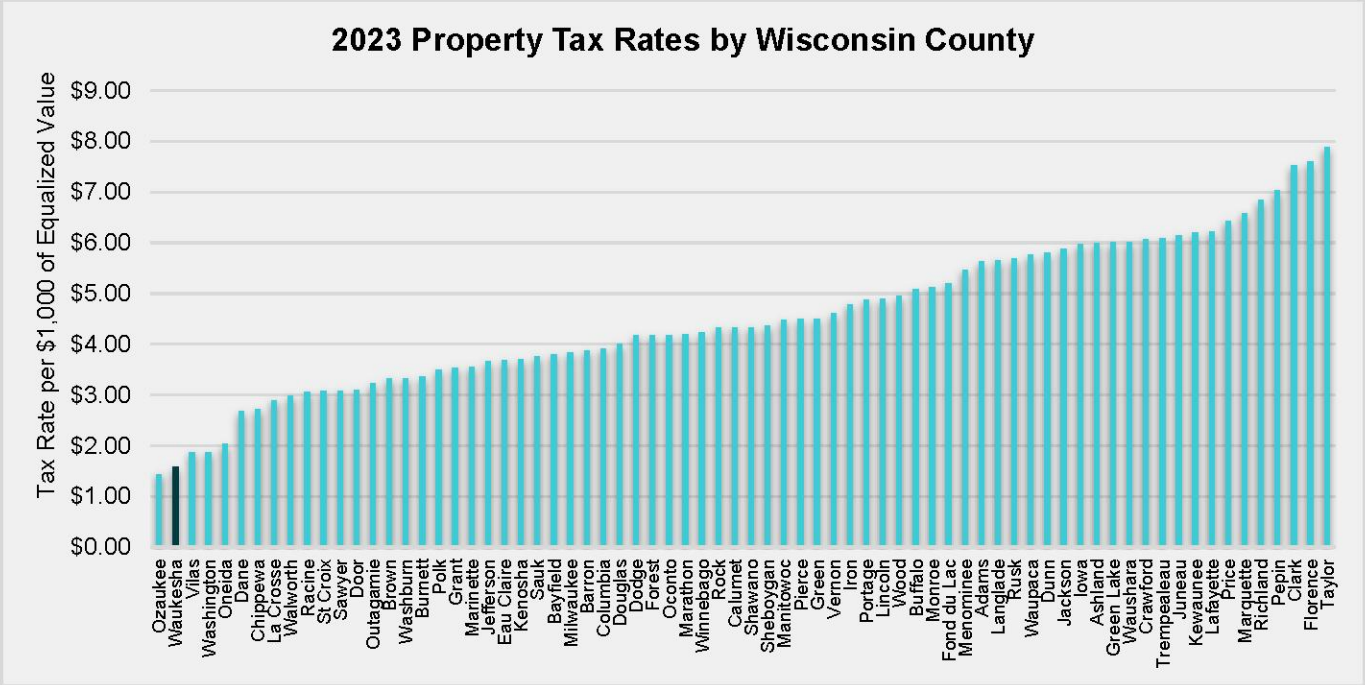

Figure 3: 2023 Property Tax Rates by County[3]

The County's conservative budget approach was further affected by state-imposed property tax levy limits. Wisconsin State law caps counties' annual property tax levy increase at the percent increase in equalized property value due to new construction, with the exception of levy used to fund debt service.[4] The 2005 Wisconsin Act 25 limited the ability of localities to increase property tax, the single largest local revenue source. The initial legislation included minimum growth of at least 2%; however, the legislation was modified in 2011 (after the Great Recession) to lower the minimum growth to 0%. Additional details and analysis regarding this state policy are included in the financial condition assessment; nevertheless, it is worth noting the impact of the revenue cap for annual budget development purposes.

[3] Property tax rates shown include library system and other special taxing authorities.
[4] Wisconsin Statutes § 66.0602(3).

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Budgeted expenditures by functional area are illustrated in the table below. Data is presented based on financial information disclosed in the County's Budget Document. It is important to highlight that the figures include all funds, including funds supplemented through user fees and other non-tax revenue sources. For example, included in the amounts below is the County's special purpose grant fund, which was set up to accept and budget for the $78.5 million of one-time funding received from the American Rescue Plan Act (ARPA). As a result, expenditure trends reflect the temporary boost in budget levels from these one-time sources provided following the onset of the pandemic. Additional details regarding the allocation of ARPA funds by functional area are provided below.

Table 2: Budgeted Expenditures by Functional Area, All Funds, FY2020 – FY2024

Functional Area	FY2020 Adopted Budget	FY2021 Adopted Budget	FY2022 Adopted Budget	FY2023 Adopted Budget	FY2024 Adopted Budget	Average Annual Change
Justice and Public Safety	$66,932,509	$68,341,029	$71,650,398	$76,479,249	$78,062,531	4%
Health and Human Services	$88,837,237	$89,612,129	$92,065,962	$101,654,563	$105,559,022	4%
Parks, Environment, Education, and Land Use	$35,063,785	$33,498,114	$38,723,077	$44,724,903	$43,620,188	6%
Public Works	$33,905,037	$34,413,700	$34,827,094	$36,510,406	$37,733,516	3%
General Administration	$23,270,556	$23,362,925	$25,294,740	$26,125,174	$27,302,374	4%
Non-Departmental	$29,531,600	$30,749,479	$31,245,776	$29,715,040	$29,329,791	0%
Debt Service (General)	$14,944,779	$14,873,594	$15,081,796	$16,135,115	$16,839,088	3%
Total Operating Budget	$292,485,503	$294,850,970	$308,888,843	$331,344,450	$338,446,510	4%

ARPA Allocation

Waukesha County, like other local governments around the country, received one-time federal ARPA funds to help offset impacts of the COVID-19 pandemic. The County's allocation of ARPA funds totaled $78.5 million, to be spent or obligated by December 31, 2024, and completed by December 31, 2026. The County generally manages ARPA funds in the Special Purpose Grant fund. ARPA projects were chosen by prioritizing a number of long-term County objectives, addressing both near-term pandemic impacts and investments in infrastructure. The budgeting of ARPA funds by functional area is captured in the table below.

Table 3: ARPA Allocation by Functional Area

Functional Area	Total
Justice and Public Safety	$44,371,355
Health and Human Services	$8,045,870
Parks, Environment, Education, and Land Use	$10,235,000
Public Works	$1,327,164
General Administration[5]	$14,531,334
Grand Total	$78,510,723

[5] Includes multiple allocations that fund countywide initiatives but are recognized in "General Administration" for simplified reporting.

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In general, following best practices, the County used one-time ARPA funds for one-time expenses. At times though, and because it was authorized by the federal government, ARPA funds were strategically used to support ongoing costs in order to avoid major service impact on residents. Short-term use of one-time funds for ongoing expenses has its place; however, prolonged reliance on such funds increases financial risk. The County appropriately developed a phased-in approach where ARPA funds would be replaced by ongoing levy revenue over a multi-year window to avoid structural imbalance. Structural imbalance refers to ongoing operational costs that are not supported by ongoing revenues. Some examples of ARPA funding used to avoid major operational disruption (e.g., ongoing operating costs) in the short run include:

- $1.3 million to support recommendations outlined in the compensation study
- $2.5 million to phase in Sheriff Department sworn officer pay increases
    - Funding spans three years, with a budget of $720,000 in 2024
- $1.6 million to phase in higher fuel, utility, and vehicle parts
    - Funding spans three years with a budget of $327,000 in 2024

The Justice and Public Safety functional area received the largest total share of ARPA funds: more than $44 million. Most of this, $36 million, supported the Courthouse renovation project with an additional $2.5 million for renovations to the Medical Examiner's Office. Additionally, a civil court was converted to a sixth criminal court to help address the pandemic-driven backlog, with nearly $2.5 million of ARPA funds supporting Circuit Court and District Attorney costs. Finally, $2.5 million supported increases in Public Safety personnel costs to maintain competitive wages and avoid service disruptions.

An additional $14.5 million supported countywide initiatives and is categorized as "General Administration" for simplicity purposes because of its effect on multiple county departments. This category includes about $4.8 million for implementation of an Enterprise Resource Planning (ERP) system, $4.3 million for recovery of administrative costs carrying out the grant initiatives, $3.0 million for salary and benefit adjustments to improve worker retention (e.g., phasing in the compensation study, mentioned previously), and $1.6 million in higher fuel, utility, and vehicle parts (mentioned previously).

Parks, Environment, Education, and Land Use share of funding was $10.2 million, including $7.5 million used to expand the County's revolving loan GROW fund to promote economic development by retaining, expanding, and attracting businesses, as well as to increase workforce housing stock to meet projected employment growth in Waukesha County. Health and Human Services received more than $8 million for programs and infrastructure investments that supported response to emerging public health services. ARPA-funded initiatives in both areas were generally one-time, rather than ongoing, with the exception of a Crisis Services in Law Enforcement project that added positions to a grant-funded pilot of embedded mental health clinicians in public safety agencies. Finally, ARPA funded $1.3 million of one-time costs related to projects in Public Works.

CORE SERVICES MATRIX

The following table provides an overview of the County's core services by functional area. It is meant to provide a high-level summary and is not inclusive of all County services. The programs outlined below provide a basis for understanding potential service level reductions or enhancements, including estimated fiscal and constituent impact.

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Table 4: County Core Services

Functional Area	Department	Programs
Justice and Public Safety	Emergency Preparedness	• Radio Services • Communication Center • Emergency Planning
	District Attorney	• Prosecution/Administrative Services • Victim/Witness Program • VOCA Grant Program
	Circuit Court	• Clerk of Circuit Court Office • Juvenile/Probate Division • Court Commissioners and Family Court Services
	Medical Examiner	• Medical Examiner Services
	Sheriff	• Administrative Services • General Patrol • Investigation • Inmate Security and Services • Court Security • Process Service
Health and Human Services	Corporation Counsel: Child Support	• Child Support
	Health and Human Services	• Administrative/Information Services • Children and Family Services • Adolescent and Family Services • Clinical Services • Public Health • Aging and Disability Resource Division • Criminal Justice Collaborating Council • Veterans' Services
Parks, Environment, Education, and Land Use	Register of Deeds	• Administrative Services • Land Records • Recording • Vital Records
	Extension – Waukesha County	• Strengthening County Citizens, Families, and Communities
	Bridges Library System	• Administrative Services • Resource Sharing • Education and outreach • Automation Technology • Payments to Member Libraries/Systems • CAFÉ Shared Automation Fund
	Parks and Land Use	• Parks • Administrative Services • Golf Courses • Ice Arenas • Workforce Innovation and Opportunity • Planning and Zoning • Land Resource • Environmental Health • Community Development
Public Works	Public Works	• Airport Operations • Engineering Services • Highway Operations • Transit Services • Central Fleet • Facility Operations • Administration

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Functional Area	Department	Programs
General Administration	County Executive	• Advisory Boards • County Administration • Customer and Community Services
	County Board	• County Board and Committee Operations • Legislative Support
	County Clerk	• Licensing • Legislative Support and Administrative Services • Elections
	County Treasurer	• Tax Collections • Investments • Administrative Services
	Department of Administration	• Human Resources • Budget Management • Purchasing and Risk Management • Information Technology/Communications • Accounting Services • Administrative and Business Services • American Job Center
	Corporation Counsel	• General Legal Services
Non-Departmental	Non-Departmental	• General • Health and Dental Insurance • Contingency

STAFFING

Personnel-related costs are a key expenditure driver for the County's budget. Salaries and benefits represent nearly half of the County's annual spending. The table below provides a historical overview of funded positions before the state-imposed levy limits and funded positions in 2024. The data reflects staffing resources, where ongoing revenue is needed to support the position cost. Sunset positions, such as grant-funded or project-based, are excluded from the summary. Four of the County's five Functional Areas with authorized positions experienced a decrease in staffing from FY2010 to FY2024. Health and Human Services, which is the only functional area that experienced a staffing increase, is shown separately because it receives more than 70% of its funding from non-tax levy sources, such as user fees and state pass-through revenue. Position growth in this area is correlated with higher revenue reimbursement.

Table 5: Authorized Staffing Level by Functional Area, FY2010 and FY2024

Functional Area	FY2010 Budget	FY2024 Budget	Total Change (Positions)	Total Change (%)
Justice and Public Safety	539	527	(12)	-2%
Parks, Environment, Education, and Land Use	214	171	(43)	-20%
Public Works	161	142	(19)	-12%
General Administration	139	128	(11)	-8%
Subtotal	***1,053***	***968***	***(85)***	***-8%***
Health and Human Services	399	426	27	7%
Total Regular Positions	**1,452**	**1,394**	**(58)**	**-4%**

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Fiscal Health Assessment

As part of the annual budget development process, County staff conduct a comprehensive long-term forecast to inform future policy decisions based on anticipated revenue and spending levels. As part of the project scope, Raftelis conducted an independent, objective review of the County's forecast model to determine future budget needs.

The Financial Condition Assessment reviewed five-year historical financial data (2019 – 2023) for all County funds to establish a financial baseline. It is important to note that the analysis excluded enterprise funds that are funded entirely through user fees or other non-tax sources as well as the capital budget except as it relates to debt service expenditures and financial policies dictating the percentage of cash contribution for bond-financed capital projects. Raftelis also conducted a benchmarking analysis by identifying peer counties in Wisconsin based on similar demographic indicators. The analysis reviewed revenue sources and budgetary practices to help inform the County's financial context.

The Financial Trend Analysis draws upon the findings of the Financial Condition Assessment, as well as other factors explained later in this section, to project future revenue and expenditure trends for the next five fiscal years. The following sections summarize key historical findings and the financial trends anticipated to impact future budget needs for the County.

Financial Condition Assessment

The examination of Waukesha County's financial condition spanned budgeted and actual staffing, spending, and revenues from fiscal years 2019 through 2023, as well as the 2024 adopted budget. The data considered included published budgets, internal and audited financial reports, and interviews with County leadership. Part of the five-year analysis reflects the economic and service impacts of the COVID-19 Global Pandemic, which began in March 2020 and ended in May 2023. This period was characterized by suspending or altering many private and public services and stimulus funding from the federal government to avoid economic recession. As a result, the actual financial data during this period experienced greater variation than previous historical averages.

Summary of County Funds

More than 55% of the County's budget is organized within the General Fund. The three largest revenue sources comprising the General Fund are, in order, the property tax levy, intergovernmental contracts/grants, and charges for services. The County also maintains Debt Service and Capital Projects funds, distinct from the General Fund. Debt Service is the third-largest recipient of tax levy, and capital projects are funded through a combination of available operating revenues (cash) and bond issuances (debt).

County operations include five Enterprise Funds where operating and capital costs are entirely or mostly recovered through user charges. As of 2024, these include a fund for two golf courses, a fund for two indoor ice arenas, a fund for a materials recycling facility managed by the Department of Parks and Land Use, a fund for the airport managed by the Department of Public Works, and a Radio Services Fund managed by the Department of Emergency Preparedness. Two relevant changes occurred in 2020 when the airport became self-sustaining without property tax levy support, and the County sold a third golf course.

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Finally, the County manages financing for interdepartmental goods and services through Internal Service Funds. The Vehicle/Equipment Replacement, Central Fleet Maintenance, and Collections Management funds manage respective services for all County departments, who are then charged a usage-equivalent fee for service. The Risk Management, Health and Dental Insurance, and End User Technology Funds allocate most costs to departments or users, with certain centralized subsidies.

Major Revenue Sources and Recent Trends

The following table summarizes County revenues by category for the past five fiscal years.

Table 6: County Operating Revenues by Category, FY2019 – FY2023[6]

Revenue Category	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Actual[7]	Average Annual Change
Tax Levy- General Operations[8]	$89,338,540	$90,609,579	$92,062,880	$93,696,377	$95,635,790	2%
Tax Levy- Library	$3,523,524	$3,538,749	$3,659,778	$3,706,706	$3,999,607	3%
Intergovernmental[9]	$61,730,518	$75,515,929	$82,069,763	$84,115,231	$92,208,134	11%
Fines, Licenses, and Charges for Services	$36,427,997	$35,484,735	$40,605,130	$37,985,293	$38,001,986	1%
Interdepartmental Charges	$37,284,088	$38,086,965	$40,828,287	$41,708,475	$42,163,746	3%
Other[10]	$17,296,583	$23,185,832	$17,989,986	$21,109,417	$23,957,337	11%
Total	$245,601,251	$266,421,789	$277,215,823	$282,321,499	$295,966,600	5%

The County currently levies tax through property values. As mentioned previously, state statute limits annual property tax levy increases to the prior year's change in value owing to net new construction, which incorporates both new and demolished buildings. There is some flexibility beyond the limit, primarily for unused tax levy from the prior year and to support debt service obligations. The County apportions the levy across taxable properties based on their equalized values. With the state-imposed cap on levy growth, the effective tax rate has decreased in recent years. The County's total equalized property value has consistently increased, often at a much higher rate than the rate of tax levy growth. From 2019 to 2024, equalized property value rose from $55 billion to nearly $83 billion, while the effective tax rate per $1,000 of equalized value fell 26%, from $1.89 to $1.39.

The following figure illustrates trends in property value and property tax rates over the past 10 years.

[6] Excludes enterprise funds, debt, and capital.
[7] Preliminary unaudited figures
[8] Does not include levy dedicated to capital or debt service.
[9] FY 2021 – FY 2023 included ARPA funding for operations.
[10] Market value adjustment on investment income is excluded.

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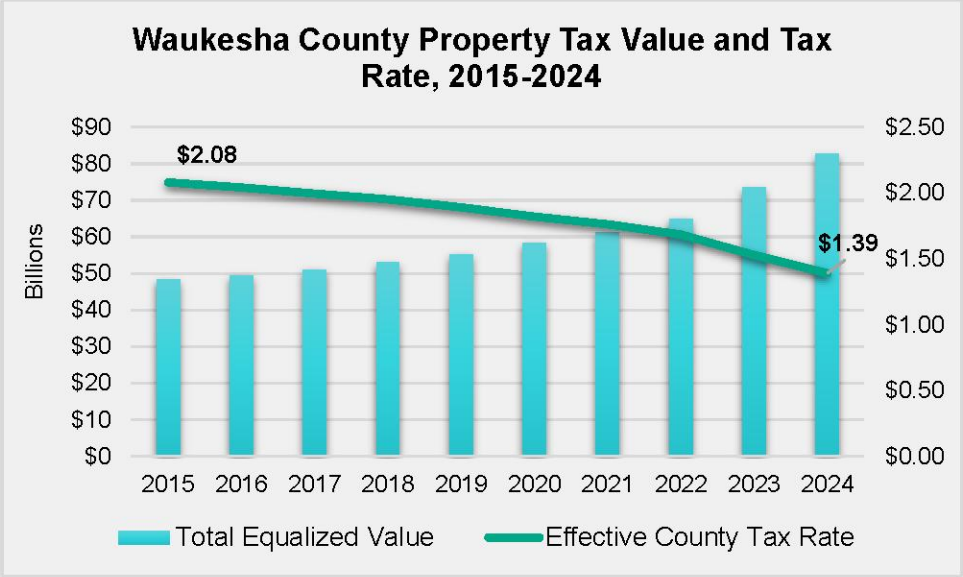

Figure 4: Waukesha County Property Tax Rates and Property Value, 2015-2024

Justice and Public Safety receive the greatest share of tax levy (41.3% in 2024). The Sheriff's Office receives nearly two-thirds of the levy allocated to this area, with the remaining allocated to the District Attorney, Emergency Preparedness, Circuit Court Services, and Medical Examiner. Tax levy supports the majority of service delivery costs for each of these five departments. Public Works is equally reliant on intergovernmental funds (most of which is funding for maintenance of state highways) as it is tax levy, followed by interdepartmental funding for vehicles and equipment. Tax levy is only the third largest revenue source for Parks, Environment, Education, and Land Use, as nearly two-thirds of services are funded by intergovernmental and service charge revenues. Lastly, less than 10% of the General Administration budget is funded through tax levy, with the balance supported by interdepartmental and other sources. Total tax levy allocation by functional area, as a share of one dollar, is reflected in the figure below.

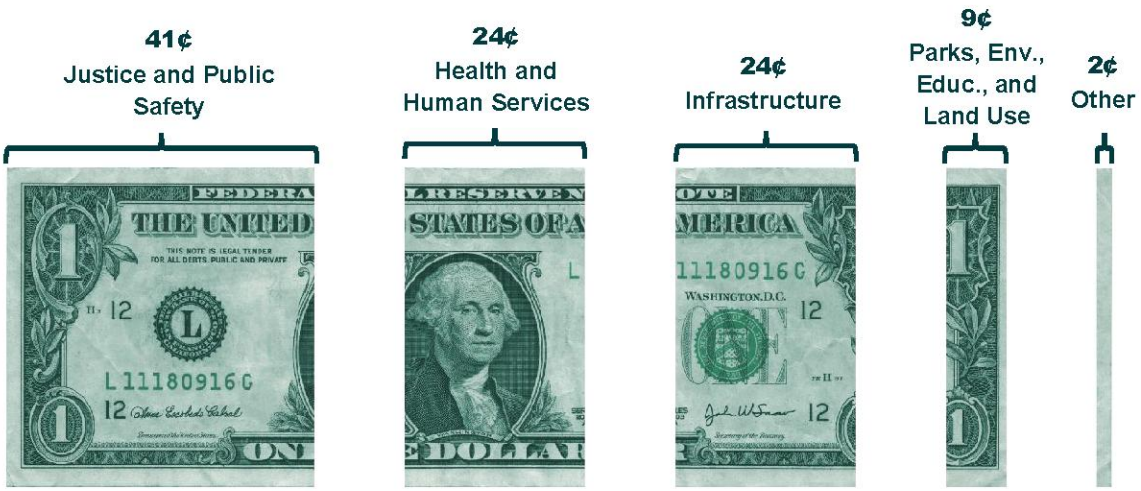

Figure 5: 2024 Tax Levy Allocation by Function, as $1

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Intergovernmental revenue increased by 10.6%, on average, over the past five years, the largest among each of the revenue categories. Much of this growth is driven by pandemic-era federal funding that cannot be relied upon in future budgets. County departments try to maximize state and federal funding resources to meet County priorities. However, nearly all the funding—whether from grants, contracts, or aid—is restricted to specific purposes. Shared revenue from the state is the only major unrestricted intergovernmental funding available, and it generally comprises less than two percent of funding countywide (and even a portion of this is restricted to transportation and certain public safety functions). The state appropriation comes through a combination of programs and is derived from state taxes. Other intergovernmental funding includes federal entitlement programs like the Community Development Block Grant from the Department of Housing and Urban Development, state support for mandated services like the Courts, and grants that County staff pursue. State funding for mandated services is often flat or grows minimally, not keeping up with the cost of providing services. As a result, approximately 40% of local tax levy in the 2024 budget was used to meet state-mandated service obligations.

Interdepartmental revenues are primarily associated with the internal service funds described earlier for End User Technology, Vehicle/Equipment Replacement, Central Fleet Maintenance, Risk Management, Collection Management, and Health and Dental Insurance. Other interdepartmental revenues are also for internally provided goods and services, such as Court Security supplied by the Sheriff and paid from the Circuit Court budget. Recognizing the fiscal constraints that many user departments are facing, most of these charges have been limited to 2-3% increases each year, despite the growing costs of providing these services. This has required significant subsidies to artificially lower interdepartmental charges through the use of internal service and general fund balance, including $613,000 in the End User Technology Fund and $268,000 in the Risk Management Fund in the 2024 budget. The use of one-time funds to bridge the gap between the cost of services and charges to departments will not be sustainable in the long term. From 2019 to 2023, these interdepartmental revenues increased by 3.1% on average, which still exceeds the average growth in the allowable property tax levy to support them.

Fines, licenses, and charges for services capture user-based revenue, whether they are imposed for compliance, authorization to operate, or in exchange for accessing a program or activity. Excluding Enterprise Funds, this revenue source has grown 4% from 2019 to 2023. Certain user fees are set by the state or an external agency with limited ability to change as operating costs evolve. Other fees that the County exerts greater control over—like golf course fees—are carefully balanced between cost recovery needs and remaining competitive in the regional market. Where possible, the County has prioritized increasing user fee revenues to keep pace with the cost of providing the service. For example, Parks and Land Use, where a majority of programs are discretionary, achieves 77% cost recovery across all of its funds. This minimizes the reliance on tax levy support. Additionally, the outpatient clinic from Health and Human Services, which receives governmental reimbursement for eligible Medicaid patients, is able to charge patients who can pay higher commercial insurance reimbursement rates, increasing revenue to support other programs where cost-recovery is more challenging.

Expenditure Trends

The following table shows County expenditures by category for the past five fiscal years.

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Table 7: County Expenditures by Category FY2019 – FY2023

Expenditure Category	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Actual[11]	Average Annual Change
Salaries	$94,861,283	$99,997,477	$101,143,489	$101,500,262	$107,139,325	3%
Benefits	$32,385,290	$33,956,966	$35,705,532	$34,486,102	$36,234,191	3%
Operating Expenses	$75,653,016	$76,998,367	$85,984,344	$78,553,630	$87,890,381	4%
Contracted Services	$31,550,677	$32,136,358	$32,748,678	$34,850,104	$37,929,098	5%
Debt Service	$13,904,500	$14,254,500	$14,312,719	$14,520,921	$15,842,737	3%
Utilities	$2,943,744	$2,837,667	$3,226,256	$3,523,124	$3,535,724	5%
Interdept.	$21,032,319	$21,115,483	$22,375,468	$24,290,762	$24,265,908	4%
Total	$272,330,829	$281,296,818	$295,496,486	$291,724,905	$312,837,364	4%

The modest average annual increase in expenditure primarily reflects the increasing cost of providing existing services and increased temporary federal funding. The County has had limited-service expansion over the past five years. High-quality service delivery relies on talented staff, and the County has worked diligently to remain a competitive employer. As previously discussed, salary and benefit costs have risen nationwide, and municipal employers are facing competitive pressure from not only private sector jobs but also neighboring localities. The County strives for cost-effective and competitive employee benefits by self-insuring health and dental insurance coverage and participating in the Wisconsin Municipal Mutual Insurance Company for eligible liability coverage. For an organization with more than 1,000 employees, this is a best practice[12]; however, managing healthcare costs within a constrained revenue generating capacity is a challenge. Nationwide medical inflation was 7% in 2023, and the County has effectively managed to stay at or below this threshold.[13]

Non-personnel operation costs increased between 15% to 20% over the past five years, well above the 7% growth in property tax levy revenue over the same period. Historically, the County has relied on a contract-based service model to increase efficiency and effectively manage resources. As large contracts have come due for renewal, the underlying labor and supply costs impacting contract pricing have resulted in significant renewal increases. For example, the jail medical services budgeted contract costs increased 25% between 2019 and 2024. The County's utility costs jumped up 20% from FY2019 to FY2023, largely driven by a 14% increase in 2021 and a 9% increase in 2022. Finally, interdepartmental spending increased by approximately 4% per year on average, reflecting growing costs for essentials like software licenses, risk management charges, and bailiff services. One key contributor to rising costs is inflation.

GENERAL FUND HISTORICAL OVERVIEW

Budgeted and actual General Fund expenditures both increased, on average, between 3-4% each year over the past five years. A summary of actual revenue and expenditures by fiscal year is illustrated in the table below. The relatively small variance between these amounts is indicative of the County's ability to both accurately forecast and adjust as needed based on revenue collections throughout the year.

[11] Preliminary unaudited.
[12] Sammer, Joane. Is Self-Insurance for you? Society for Human Resources Manager (SHRM). May 2011. https://www.shrm.org/topics-tools/news/hr-magazine/self-insurance
[13] Kaiser Family Foundation (KFF). Employer Health Benefits; 2023 Summary of Findings. https://files.kff.org/attachment/Employer-Health-Benefits-Survey-2023-Annual-Survey-Summary-of-Findings.pdf

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Table 8: General Fund Budget to Actual Expenditures, FY2019 – FY2023

Year	Actual Revenues	Actual Expenditures	Favorable/ Unfavorable Variance ($)	Variance to Modified Budget (%)
2019	$174,375,559	$174,943,194	$567,635	0.3%
2020	$183,677,936	$189,168,729	$5,490,793	2.7%
2021	$189,565,729	$195,778,871	$6,213,142	3.2%
2022	$187,959,054	$195,545,024	$7,585,970	3.8%
2023	$199,356,512	$206,591,220	$7,234,708	3.4%
Average			$5,418,450	2.7%

PEER BENCHMARKING

The project team compared Waukesha County's financial profile to that of other Wisconsin counties to help provide context to the County's financial position. Given the unique nature of local governments within each state, the benchmarking analysis focused on other counties in Wisconsin. Benchmarking can be a useful tool to identify shared challenges and opportunities. However, it is important to note that any municipal entity can vary significantly from its neighbors or similarly sized counties due to a variety of social and economic factors, and benchmarking should be considered as one data point in a more holistic analysis.

For this analysis, counties in Wisconsin were first reviewed based on population size. Waukesha is the third largest County in the state, within the top tier range of population size from around 170,000 in Kenosha County to more than 930,000 in Milwaukee. Population is a useful comparative metric because a County's size typically impacts the resources available from the tax base, as well as the service level demands. Other comparative factors that were analyzed included whether the County had adopted the 0.5% sales tax; median income and house value; percent of the population below the federal poverty level; and crime rates. These factors were important given Waukesha's strong property tax base, conservative financial policies, and prioritization of public safety services by residents. The analysis also considered geographic proximity to Waukesha, as Wisconsin's population tends to be concentrated in its southern region where the County is located.

As captured in the table below, Waukesha's population size is closest to Brown County, which is located in northern Wisconsin near Green Bay. Although further north, Green Bay has both a major professional sports team and Lake Michigan waterfront, attributing similar socioeconomic characteristics to Waukesha. Waukesha's median income and home values aligned closest to Dane County, where the state capital of Madison is located. When examining the prevalence of poverty and crime, Waukesha ranks closer to Racine, which also happens to be the only other benchmark peer without a county sales tax.

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Table 9: Peer Counties Demographic Comparison[14]

County	2023 Population[15]	Adopted Sales Tax	Median Income	Median House Value	% Below Federal Poverty Level	Violent Crimes per 1,000 Residents[16]	Property Crimes per 1,000 Residents[17]
Brown	273,333	1986	$71,127	$251,900	9.9%	8	12
Dane	590,056	1991	$84,831	$373,500	10.4%	7	16
Kenosha	170,243	1991	$74,534	$253,200	9.0%	9	10
Milwaukee	937,259	1991	$58,214	$216,900	17.1%	20	29
Racine	197,422	None	$71,788	$238,200	8.0%	7	10
Waukesha	411,538	None	$98,849	$379,700	5.2%	3	7

To gauge the overall resource allocation and spending of taxpayer dollars, the table below compares the budget, property tax levy, and state-shared revenue per capita for each of the peer counties. Among peer counties, Waukesha has the lowest per capita amounts across all three categories (although Dane County receives similar shared revenue per capita). To meet resident service level expectations with fewer resources year after year requires persistent operational efficiency.

Table 10: Peer Counties Spending Per Capita

County	Total 2024 Budget Per Capita	2024 Tax Levy Per Capita	2024 Shared Revenue Per Capita
Brown	$1,702	$347	$17
Dane	$1,641	$431	$10
Kenosha	$1,657	$457	$16
Milwaukee	$1,464	$311	$58
Racine	$1,233	$327	$19
Waukesha	$916	$279	$10

Comparison of Revenue Sources

The primary revenue source for all Wisconsin counties is tax revenue. All counties collect property taxes, and they also have the option to collect vehicle registration fees (also known as a wheel tax) and/or a 0.5% sales tax. Four of the five benchmark counties collect sales tax, as illustrated in Table 9. Milwaukee County also received special approval from the state legislature to increase its county sales tax and add a city sales tax beginning in January 2024.[18]

[14] Unless otherwise specified, all data is from 2022 (most recent available) and the 2022 U.S. Census American Community Survey.
[15] "Demographic Services Center's 2023 Population Estimates." *Wisconsin Department of Administration*, https://doa.wi.gov/DIR/Final_Ests_Summary_2023.pdf.
[16] "UCR Offense Data." *Wisconsin Department of Justice*, https://www.doj.state.wi.us/dles/bjia/ucr-offense-data.
[17] Ibid.
[18] "Tax Rates." *Wisconsin Department of Revenue*, https://www.revenue.wi.gov/Pages/FAQS/pcs-taxrates.aspx#txrate11.

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Waukesha, at the beginning of this assessment, was one of only four counties, out of 72 total, without the county sales tax. Recently, Manitowoc County adopted the sales tax with an effective collection date of January 1, 2025. Among the remaining three counties without sales tax, Waukesha is certainly not alone in experiencing growing fiscal pressure. In the previous three other counties without the sales tax—Manitowoc, Racine, and Winnebago—the FY2024 budget development processes identified an average shortfall of $8.3 million. Further, in the 2024 budget messages for both Winnebago and Racine counties, the respective County Executive took the opportunity to highlight their mounting constraints and foreshadow seeking additional revenues.[19] Waukesha has maintained its Aaa/AAA bond ratings despite fiscal constraints. The bond rating agencies acknowledge the availability of the additional revenue source (sales tax) and spending growth that has outpaced restricted revenue growth, noting they "expect spending to grow in line with, to slightly above, revenue growth in the absence of policy action."[20]

The chart below illustrates the distribution of major revenue sources among each of the peer counties.[21] Of the four counties with comparable data,[22] not surprisingly, Waukesha relies the most on a property tax levy and other revenues (including user fees). The addition of sales tax in the other three counties contributes to less reliance on the property tax levy. Intergovernmental revenue is a significant source of revenue for all counties in the state, with similar proportions among the four counties shown below. As mentioned previously, much of this revenue is restricted in use to support specific, often mandated, services provided by the County.

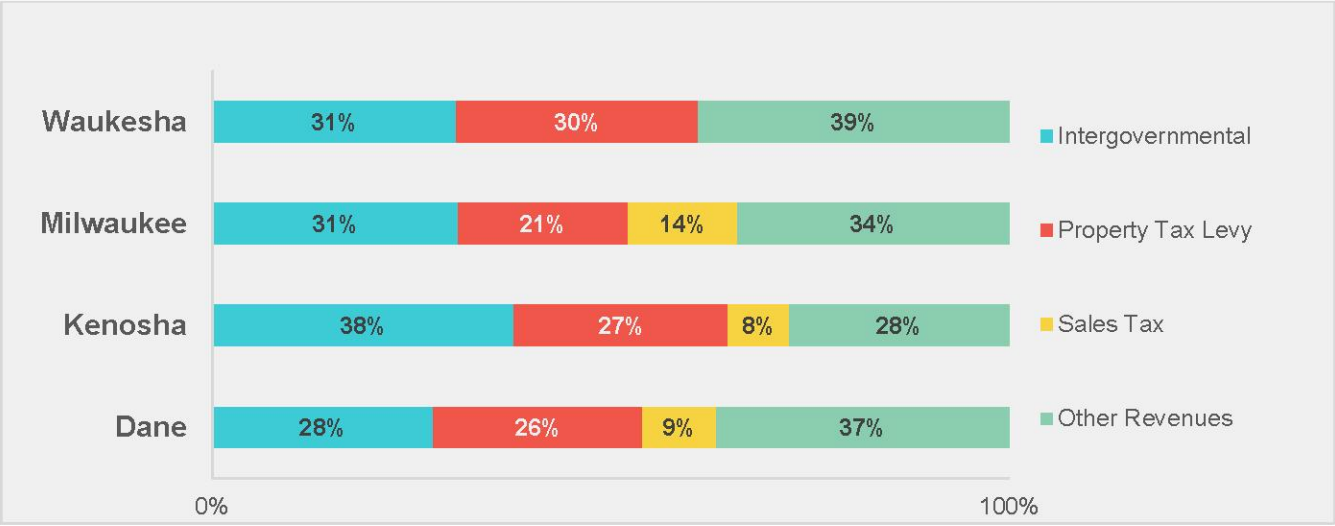

Figure 6: 2024 Revenue Sources for Counties That Budget with Comparable Categories

[19] "Racine County 2024 Budget." *Racine County*, racinecounty.com/home/showpublisheddocument/46848/638428279760830000; "2024 Approved Budget Book." *Manitowoc County*, https://manitowoccountywi.gov/wp-content/uploads/2024/05/2024-Approved-Budget-Book.pdf; "Adopted Budget 2024." *Winnebago County*, https://www.co.winnebago.wi.us/sites/default/files/uploaded-files/2024%20ADOPTED%20Budget.pdf.

[20] "Fitch Rates Waukesha County, WI's Series 2023A GO Notes 'AAA'; Outlook Stable." *Fitch Ratings*, https://www.fitchratings.com/research/us-public-finance/fitch-rates-waukesha-county-wi-series-2023a-go-notes-aaa-outlook-stable-12-04-2023.

[21] "2024 Adopted Operating Budget." *Milwaukee County*, https://county.milwaukee.gov/files/county/administrative-services/PSB/BudgetsCopy-1/2024-Budget/2024-Adopted-Budget/2024-Operating-Budget2025.pdf; "2024 Budget." *Kenosha County*, https://www.kenoshacounty.org/DocumentCenter/View/17819/2024-County-Budget; "2024 Adopted Budget." *Dane County*, https://admin.danecounty.gov/documents/pdf/Budget/2024/Adopted-Budget-Report.pdf.

[22] Counties are only shown if their revenue categories align with Waukesha closely enough for comparison.

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Financial Trend Analysis

After reviewing historical financial results for revenue and expenditures, the project team created a financial model incorporating the historical trends along with anticipated future trends to forecast budget needs over the next six years, FY2025 – FY 2030. This independent analysis provided an objective review of the County's annual forecasting process, and it began to identify some of the key challenges associated with achieving a balanced budget in future years.

KEY ASSUMPTIONS

The adopted FY2024 budget was used as the base year of data for the financial model. The financial model excluded Enterprise Funds and the Capital Improvement Fund, focusing on operating budget requirements for all other funds, including Special Revenue and Internal Service Funds. Key assumptions used in the model are detailed below.

Fund Balance

The starting fund balance for FY2024 is assumed to be $60.9 million, based on the adopted FY2024 County budget, and the starting fund balance for FY2025 is assumed to be $57.4 million, based on County staff projections. These figures represent the unassigned fund balance for General and Special Revenue Funds only.

The annual target fund balance is assumed to be 15% of annual General and Special Revenue Fund expenditures, and the minimum is assumed to be 11% of annual expenditures, based on adopted County financial policies.[23]

Operating Expenditures

The model identifies assumptions for annual changes in base operating expenditures based on expenditure category. These assumptions were developed based on historical trends and input from County staff. The list of assumptions by category is shown in the table below.

Table 11: Base Annual Change Assumptions for Operating Expenditures by Category

Category	Assumed Annual Percent Change
Salaries[24]	5%
Benefits	5%
Operating Expenses	4%
Capital Assets	5%
Contracted Services	8%
Utilities	10%
Interdepartmental Charges	4%

A total of 98% of budgeted operating expenditures are projected to be spent per year. Historically, the number has been closer to 97%, but this is largely due to high vacancy rates, and the model assumes a lower vacancy rate going forward.

[23] "Financial Management Policies." *Waukesha County*.
[24] Includes across-the-board salary range adjustments, progression through step ranges, and performance pay, similar to recent years.

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Capital Expenditures

Assumptions for annual capital expenditures, as well as revenue offsetting the cost of these expenditures, are based on the County's adopted capital plan. Based on past County practice, the model assumes that the County will pay for at least 20% of all capital costs directly (as down payment) and that the rest of the cost, aside from any offsetting revenue, will be financed through 10-year bonds. The annual interest rate for the bonds is assumed to be 4%, based on standard County assumptions.

Non-Tax Revenues

The model identifies assumptions for annual changes in base non-tax operating revenues based on revenue category. These assumptions were developed based on historical trends and input from County staff. The list of assumptions by category is shown in the table below.

Table 12: Base Annual Change Assumptions for Non-Tax Operating Revenues by Category

Category	Assumed Annual Percent Change
Intergovernmental	2%
Fines, Licenses, and Charges for Services	3%
Interdepartmental Revenues	4%
Other Revenues	3%

Tax Revenues

The model assumes that all debt service will be paid for via property tax levy, and that the remaining portion of the tax levy, which is subject to state restrictions on the annual increase, will increase by 1.4% per year. The 1.4% figure is based on County projections of future development and is supported by historical trends. Property appreciation has increased significantly, while net new construction is limited by the availability of developable properties and is affected by the economic cycles.

FUTURE PROJECTIONS

Based on the assumptions detailed in the previous section, projected operating revenues and expenditures are shown in the tables below. Numbers are rounded to the nearest million.

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Table 13: Projected Operating Expenditures by Category, FY2024 – FY2030 ($M)[25]

Category	FY24	FY25	FY26	FY27	FY28	FY29	FY30	Average Annual Change
Salaries	$111.7	$116.9	$122.7	$128.8	$135.3	$142.0	$149.1	5%
Benefits	$40.2	$42.0	$44.1	$46.3	$48.6	$51.0	$53.6	5%
Operating Expenses	$92.1	$90.9	$94.6	$98.4	$102.3	$106.4	$110.6	3%
Capital Assets	$1.8	$1.9	$2.0	$2.0	$2.2	$2.3	$2.4	5%
Contracted Services	$37.8	$40.8	$44.1	$47.6	$51.4	$55.5	$60.0	8%
Utilities	$3.3	$3.7	$4.0	$4.4	$4.9	$5.4	$5.9	10%
Interdept. Charges	$24.2	$25.0	$25.9	$26.8	$27.8	$28.7	$29.8	4%
Transfers to Other Funds[26]	$1.0	$0.9	$1.0	$1.1	$1.2	$1.3	$1.4	6%
Debt Service	$16.8	$17.3	$19.8	$21.4	$22.0	$22.4	$21.8	5%
Total	$328.9	$339.4	$358.1	$376.9	$395.6	$415.0	$434.6	5%

Table 14: Projected Operating Revenues by Category, FY2024 – FY2030 ($M)[27]

Category	FY24	FY25	FY26	FY27	FY28	FY29	FY30	Average Annual Change
Tax Levy	$119.0	$122.4	$126.3	$129.5	$131.5	$133.5	$134.4	2%
Intergovernmental	$85.9	$88.2	$90.0	$91.8	$93.6	$95.5	$97.4	2%
Fines, Licenses, and Charges for Services	$41.6	$42.8	$44.1	$45.4	$46.8	$48.2	$49.6	3%
Interdept. Revenues	$46.3	$47.9	$49.6	$51.3	$53.1	$55.0	$56.9	3%
Dedicated Fund Balance	$8.9	$7.1	$7.3	$7.5	$7.7	$7.9	$8.1	-1%
ARPA	$8.8	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	N/A
Other Revenues	$18.5	$19.0	$19.6	$20.2	$20.8	$21.4	$22.0	3%
Carryforward[28]	$0.0	$6.8	$7.2	$7.5	$7.9	$8.3	$8.7	N/A
Total	$328.9	$334.2	$344.0	$353.2	$361.4	$369.7	$377.1	2%

Operating expenditures are projected to outpace earnings each year, based on the base model assumptions. The gap is also expected to grow over time, as illustrated in the figure below.

[25] Figures may not sum due to rounding.
[26] Levy transferred to capital projects as part of down payment.
[27] Figures may not sum due to rounding.
[28] The model assumes that 2% of budgeted operating expenditures in 2025 onward are not expended, based on past trends, and these funds are carried forward.

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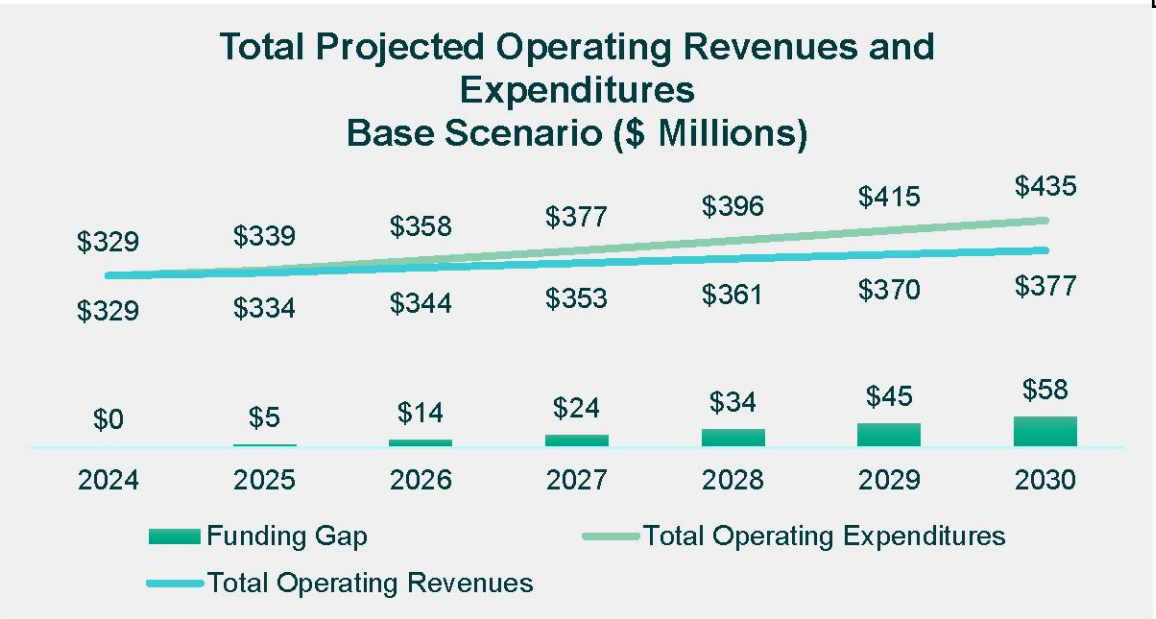

Figure 7: Projected Operating Expenditures and Revenues Under Base Scenario, FY2024 – FY2030

The baseline forecast provided above aligns with the County's financial forecast provided in the budget document as part of budget development each year. The results indicate a structural deficit, where primary ongoing revenue sources are growing at a rate that is below the cost to continue providing the same level of service residents receive now over the next six years. Structural deficits can lead to decreased reserve balances, limit capacity for future capital investment, and require significant service level reductions to meet balanced budget requirements.

Gap Closure Scenarios

The difference between estimated revenue and cost to continue providing services (baseline) is referred to as the budget gap. As part of the financial analysis, Raftelis worked with County staff to identify gap closure options that either reduce services (expenditure savings) or increase revenue (revenue-generating options). Collectively these options will be needed to address the projected budget gap over the next several years. It is important to note that the structural imbalance experienced by the County is not new. Since 2019, the County has faced preliminary base budget gaps ranging from $3 to $8 million annually.

EXPENDITURE REDUCTIONS

Under the state-imposed levy limits, the "new" revenue provided through tax levy growth is usually insufficient to cover the increasing cost of providing core services, often resulting in staff reductions and other expenditure cuts. As such, departments have identified cost savings by reducing non-mandated services and trimming support for mandated services. The anticipated budget gap starts at approximately $5 million in 2025. It grows to approximately $58 million in six years as inflationary pressure for operational costs increases an average of 3 – 5%, higher than historical averages of 2 – 3%. The financial model included a targeted analysis of needed expenditure reductions or revenue enhancements to solve for the next six years. The estimated savings target is approximately $30 million, which would help mitigate the inflationary impact that results in the $58 million gap.

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To assist with identifying potential expenditure reduction scenarios, the project team leveraged the County's program-based budget. This data allowed for easier translation of estimated savings amounts and service level impact. This relationship is critical for policymakers to have a clear understanding of the trade-offs associated with no longer providing a service or reducing the current service level. Given a much shorter time horizon for the financial analysis and Task Force facilitation (three months) compared to traditional budget development (nine or more months), the savings estimates required simplified assumptions and instead focused on understanding what programs might be feasible to reduce (e.g., are not mandated) and the net tax levy support that could be realized as potential savings. This information was then used to help guide the Task Force discussion around service level priorities and willingness to reduce certain services.

The figure below provides the scope of service level reductions following the logic described above, beginning with the adopted FY2024 Budget to the approximately $38 million of discretionary services where tax levy savings could be achieved. Nearly all of these services would need to be reduced/eliminated to achieve the $30 million of targeted expenditure reductions that solve the County's projected budget gap over the next six years. Discretionary is a subjective term. Many of the programs included in this amount still include core services that may have mandated components. For example, law enforcement is mandated for unincorporated areas of the County and, based on resident priorities, would likely not be classified as "discretionary;" however, tax levy support is highest among this functional area, and as such, resource allocation could be reduced by adjusting staffing levels, which may in turn increase response time or limit availability to respond to non-violent calls for service. What constitutes a core service is unique to each locality. Core services are the essential functions and services provided to ensure the well-being, safety, and effective functioning of the community.

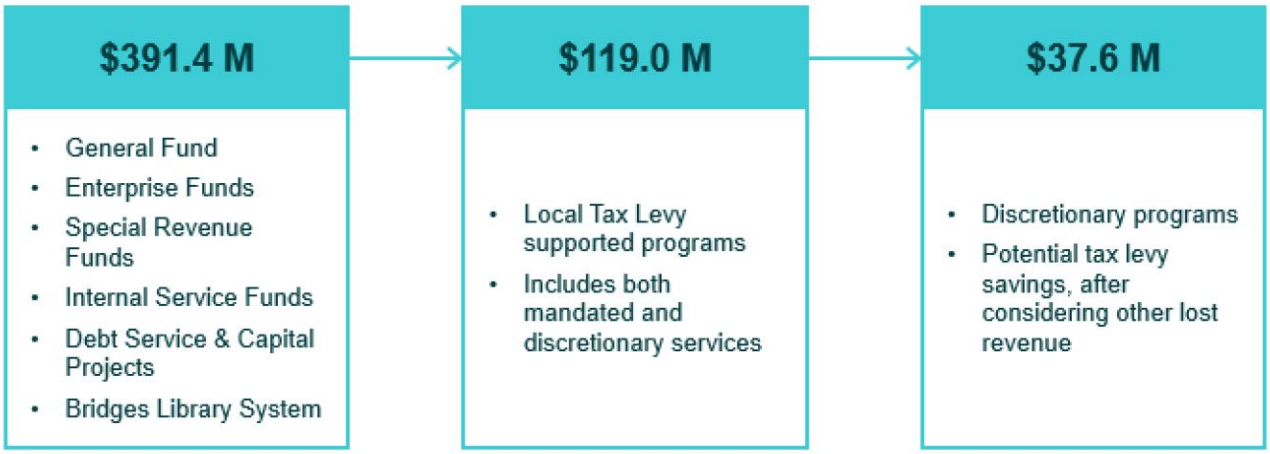

Figure 8: Scope of Expenditure Reductions

The nearly $38 million of potential service reductions was also broken down by functional area, as shown below. This was based on underlying program budget data. The proportion of savings is correlated with how the County spends tax levy revenue by functional area.

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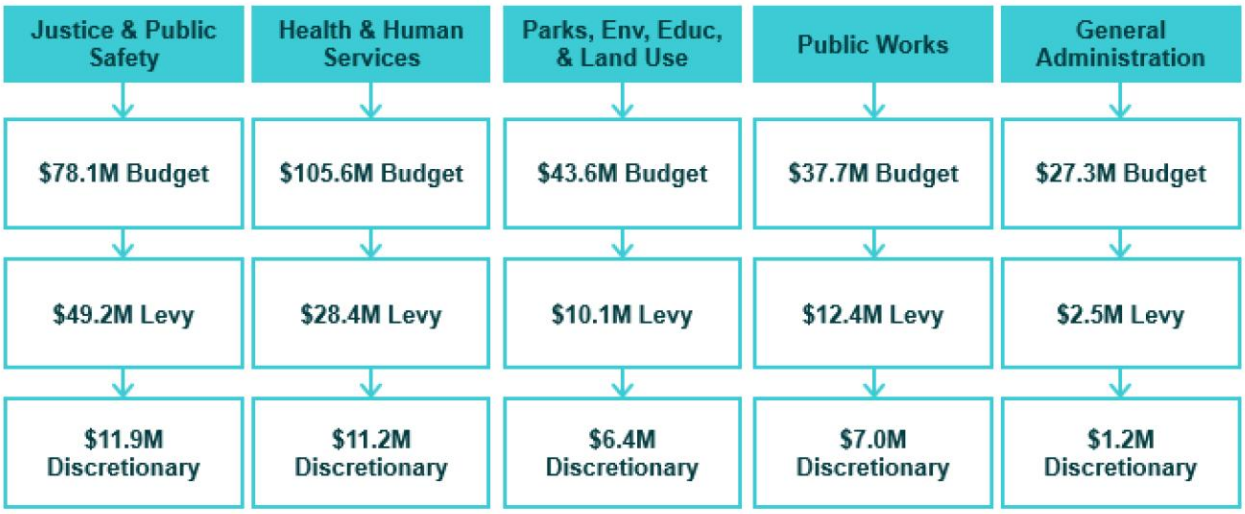

Figure 9: Scope of Expenditure Reductions by Functional Area

REVENUE ENHANCEMENTS

The County has three tax-related revenue enhancements it could consider to address the budget gap. There are also non-tax revenue enhancements, though many are less impactful on the $30 million target based on the scale of fees or charges that the County has the authority to adjust. Each available revenue option is described in greater detail below.

Exceed Allowable Levy Increase

Waukesha County staff estimate that the value of new construction will increase by approximately 1.4% annually between 2024 and 2030, which means that the County's levy increase is estimated to be capped at 1.4% per year per State law. However, counties do have the option of increasing their levy limit if a resolution is approved by the County Supervisors, and then voters approve the increase in a referendum. Referendums must specify the amount of the increase, whether the increase is one-time or ongoing, and the purpose for the increase.[29]

Other counties in the state have requested levy increases in public referendums, with mixed responses from voters. The following table lists examples of four recent referendums, along with the results of the votes.

Table 15: Results of Levy Increase Referendums in 2024

County	Requested Funding Increase	Duration	Purpose	Adopted?
Forest	$2 million (32% of levy)	Ongoing	Fund ongoing operations	**NO**; failed 70/30
Green	$800,000 (5%)	Through 2030	Fund County-owned nursing home	**YES**; passed 65/35
St. Croix	$900,000 (2%)	Ongoing	Fund public safety positions	**YES**; passed 54/46
Washington	$4 million (10%)	Ongoing	Fund Anti-Crime Plan	**NO**; failed 56/44

[29] Wisconsin Statutes § 66.0602(4).

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Estimated Revenue

The basic rule of thumb for new levy growth in the County is a 1% increase which equals approximately $1 million in new revenue. Based on the expenditure and revenue trends discussed in the Financial Trend Analysis section, the County would need to increase total tax levy by approximately $30 million above allowable levy growth under state levy limits to close the budget gap between 2025 and 2030. Even with the infusion of additional levy dollars through a referendum, the underlying limits on levy growth would likely yield future budget gaps.

With a noteworthy history of managing budgets and minimizing taxpayer impact, the County would likely request a levy increase between 2% and 10%. The structure of the requested increase would be ongoing and cite a specific policy purpose. It is worth noting that the calculated amount of increase for the referendum would remain the same each year until ended by the Board of Supervisors or until a new amount was approved by voters in a referendum. The base levy, inclusive of the additional ongoing referendum amount, would be subject to the net new construction growth factor each year. The following table illustrates what the estimated revenue would be with an increase of $3 million per year in 2025 (3% increase over the 2024 levy) or $6 million per year (6% increase).

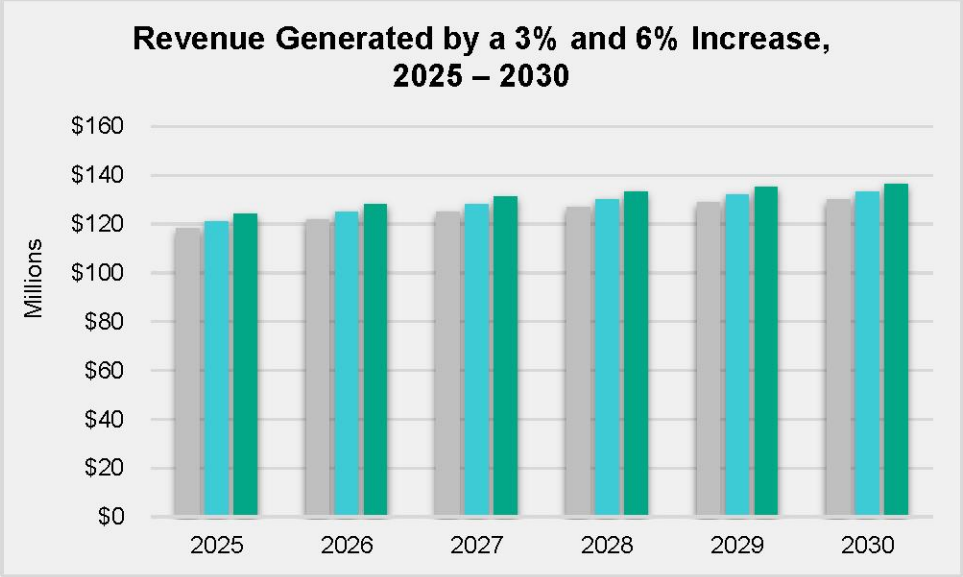

Figure 10: Estimated Levy Increase Revenue, FY2025 – FY2030

Impact on Taxpayers

The median home value in Waukesha County is estimated to be approximately $417,000 in 2025, based on past trends. If the levy is increased by $3 million (3%) in 2025, the median homeowner is projected to pay $566 in County property taxes, which is $14 more than they would pay without the levy increase. If the levy is increased by $6 million, the median homeowner's taxes are projected to increase by $28 per year.

Vehicle Registration Fee (Wheel Tax)

Another revenue generation option afforded to counties by the legislature is a vehicle registration fee, known colloquially as a wheel tax. The state allows counties and municipalities to enact an annual flat fee via ordinance affecting most vehicles weighing 8,000 pounds or less.[30] There is no limit to the fee charged, but funds may only be used for transportation-related purposes.

[30] Wisconsin Statutes § 341.35.

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As of June 2024, 13 Wisconsin counties along with 41 municipalities have adopted wheel taxes. The counties with wheel tax are listed below, along with their annual fee. Fees range from $15 to $30, with an average fee of $23. None of the municipalities that have enacted wheel tax are in Waukesha County.

Table 16: County Wheel Tax Rates in 2024

County	Wheel Tax Amount
Langlade	$15
Crawford	$20
Dunn	$20
Green	$20
Iowa	$20
Richland	$20
St. Croix	$20
Marathon	$25
Vernon	$25
Dane	$28
Eau Claire	$30
Milwaukee	$30
Portage	$30

Estimated Revenue

According to the Wisconsin Department of Transportation, Waukesha County had approximately 341,000 registered vehicles eligible for a wheel tax, as of 2023, and the number of vehicles increased by an average of 0.7% per year between 2013 and 2023.[31] Based on these factors, a $30 wheel tax would generate the County approximately $10.5 million per year, as illustrated in the following figure.

[31] "Vehicle Registrations." *Wisconsin DOT*, https://wisconsindot.gov/Documents/dmv/shared/rpt-12-cal-23.pdf.

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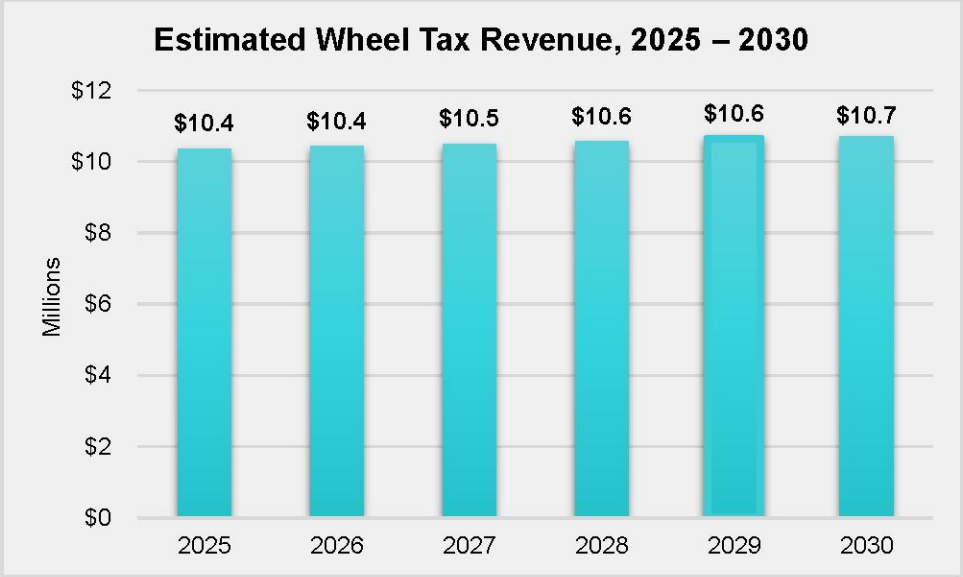

Figure 11: Estimated Wheel Tax Revenue, FY2025 – FY2030

It is important to note that this figure assumes that the County would have at least $10.5 million in transportation expenditures per year that could be funded by the wheel tax. The County's FY2024 Transportation Fund budget is $18.1 million, but only $3.6 million is funded through levy. However, this figure does not consider capital spending on transportation projects or any deferred maintenance needs that could be funded with the new revenue.

Impact on Taxpayers

Waukesha County vehicle owners already pay $85 per year in state fees. If the County imposed a wheel tax of $30, the total cost would rise to $115 per vehicle. There is also the potential for costs to further increase if any Waukesha County municipalities opt to enact a wheel tax.

Sales Tax

Another option for generating additional revenue is for the County to adopt a sales tax. Wisconsin state law allows counties to adopt a 0.5% sales tax via an ordinance passed by the County Board of Supervisors. Per state law, the tax may only be used "for the purpose of directly reducing the property tax levy,"[32] which can be implemented in multiple ways, including replacing property tax levy in the operating budget; reducing borrowing for capital projects, which lowers levy-funded debt principal and interest payments in the future; or defraying the cost of budgetary items that otherwise would be funded with property tax levy. However, state law also allows for counties to "distribute all or a portion of the amount it receives to the towns, villages, cities, and school districts in the county."[33] The county sales tax rate is fixed at 0.5% and would require state legislation to enact a different amount. Recently the state allowed Milwaukee County to increase its tax to 0.9% and the City of Milwaukee to enact a sales tax of 2%.[34] As of August 2024, 69 of the 72 Wisconsin counties have adopted the sales tax, including Manitowoc County's recent adoption. The three counties that have not adopted the tax are Racine, Winnebago, and Waukesha.

[32] Wisconsin Statutes § 77.70(1).
[33] Wisconsin Statutes § 77.76(3).
[34] "Tax Rates." *State of Wisconsin Department of Revenue*, https://www.revenue.wi.gov/Pages/FAQS/pcs-taxrates.aspx.

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The sales tax has been a significant source of revenue for the counties that have adopted it. The following table illustrates revenue for some benchmark counties, chosen because they have adopted the 0.5% sales tax and because they have a population of at least 150,000 and/or are in the Milwaukee metropolitan area. Benchmark counties' sales tax revenue increased by between 6.9% and 7.7% per year between 2019 and 2023

Table 17: Sales Tax Revenue in Benchmark Counties

County	2023 Sales Tax Revenue ($M)	Average Annual Change, 2019 – 2023
Brown	$38.0	7.5%
Dane	$83.3	7.5%
Kenosha	$20.4	6.9%
Outagamie[35]	$25.8	7.6%
Ozaukee	$11.6	7.0%
Rock	$19.4	6.9%
Washington	$16.8	7.7%

Estimated Revenue

If Waukesha County adopted a 0.5% sales tax and revenue trends were similar to its peers, Raftelis analysis indicates the tax could be expected to generate approximately $50 to $60 million in revenue in 2025, enough to close the projected budget gap. Alternatively, the County could petition the legislature to adopt a lower sales tax rate. This action may result in the state transitioning to a range of allowable sales tax, given the recent legislative adjustment for Milwaukee County and the City of Milwaukee.

Impact on Taxpayers

The average Waukesha County household is estimated to spend approximately $32,000[36] on taxable purchases in 2025, based on Bureau of Labor Statistics (BLS) data on purchasing patterns in the Midwest. The following table illustrates taxable expenditures by category for the median household in 2022, per the BLS.

[35] Outagamie County did not adopt a sales tax until 2020.

[36] Total expenditures were $32,178 for the median household in 2022; the model increases the figure to $35,000 to account for inflation.

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Table 18: Average Taxable Expenditures by Category per Midwest Household, 2022[37]

Category	Expenditures	Percent of Taxable Expenditures	Percent of Total Expenditures
Alcohol	$667	2%	1%
Apparel and services	$1,757	5%	3%
Entertainment	$3,688	11%	5%
Food away from home	$3,128	10%	5%
Household furnishings and equipment	$2,754	9%	4%
Household operations	$1,592	5%	2%
Housekeeping	$773	2%	1%
Personal care	$813	3%	1%
Reading	$111	0%	0%
Tobacco/smoking	$435	1%	1%
Transportation	$11,059	34%	16%
Utilities, fuels, and public services	$1,021	3%	2%
Miscellaneous other taxable spending	$4,380	14%	7%
Total Taxable Spending[38]	$32,178	100%	48%
Other non-taxable expenditures (e.g., housing, healthcare, groceries)	$35,149	N/A	52%

If a household makes 85% of its purchases in the County, this would translate to approximately $142 in additional sales tax cost per year for a 0.5% sales tax. However, this figure does not account for the cost savings associated with property tax relief. It is also important to note that this is a general estimate based on expenditure data for the Midwest overall, not specifically Waukesha County or the Milwaukee metropolitan area.

Economic Analysis

A portion of the sales tax generated would come from non-residents spending money in the County. The exact portion contributed by non-residents is difficult to quantify, but the United States Census reports that as of 2021, 151,673 individuals, the equivalent of approximately 37% of the County population, live outside of Waukesha County but come into the County to work. Additionally, the Wisconsin Department of Tourism estimates $852.2 million in direct tourism spending in Waukesha County in 2022.[39] If the sales tax had been in place, this would have translated to approximately $4.3 million in sales tax revenue, or 7% of the estimated total sales tax revenue.

[37] "Consumer Expenditure Surveys." *Bureau of Labor Statistics*, www.bls.gov/cex/tables/geographic/mean.htm.
[38] Figures may not sum due to rounding.
[39] "Economic Impact." *Wisconsin Department of Tourism*, www.industry.travelwisconsin.com/research/economic-impact/.

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Other Potential Revenue Generating Options

There may be other potential non-tax options to generate revenue. One consideration is opportunities to raise or implement fees to offset service costs. The County provides police and/or fire/EMS dispatch services for 34 communities and the Sheriff's Department, with a budgeted operating cost of $7.6 million in FY2024. The vast majority of support for this service comes from a tax levy of $6.6 million. One option for generating revenue would be to apply cost-sharing obligations for participating municipalities. While this would shift some operating costs onto municipalities, the municipalities would still be benefiting from the cost savings of having a shared regional 911 center rather than having to establish and operate a standalone service. However, several municipalities entered into County dispatch understanding that it would be more efficient for taxpayers to consolidate and that no fees would be charged. Implementing a fee at this stage would be complicated.

There may also be one-time revenue opportunities available, such as selling land, facilities, or equipment. Some Wisconsin governments also generate funding by selling naming rights to County facilities. For example, in 2020, Dane County sold 10-year naming rights to its exposition center for $4.8 million[40] and Brown County sold 20-year naming rights to its exposition center for $10.0 million.[41] However, these facilities are much larger than anything in Waukesha County, so the revenue generated from Waukesha County naming rights would likely not be as significant.

[40] "Approving Renewal of Alliant Energy Center Naming Rights Agreement." *Dane County*, Dec. 18, 2019, https://dane.legistar.com/View.ashx?M=F&ID=7975410&GUID=F43DB352-9972-487D-8067-9F6D4D2E32D1.

[41] "Resch Secures Naming Rights for New Brown County Expo Center." *WBAY*, Feb. 12, 2020, www.wbay.com/content/news/Sponsor-buys-naming-rights-to-Brown-County-Expo-Center-567816221.html.

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Budget Task Force

The Fiscal Health Assessment section of this report speaks to a strong history of prudent financial management by the County as well as the current and future budgetary challenges as the cost to continue operations outpace annual revenue growth. The County's budget is rooted in resident priorities gathered as part of the Strategic Planning process. However, the budget shortfalls projected in the coming years point to a clear need to make revenue and expenditure policy decisions to help secure the County's financial future. The County convened a Budget Task Force to advise the Board of Supervisors on how to proceed.

The Budget Task Force was comprised of a representative group of County and municipal elected officials, business leaders, and engaged residents convened to provide valuable input and direction for the future of County resourcing and service delivery expectations. The 34 members met four times in the spring and summer of 2024 to gain a better understanding of the County's financial position, engage in meaningful conversation with fellow Task Force members that offered unique perspectives, and ultimately provide strategic direction and prioritization for the next five to 10 years for the County. A summary of the Task Force composition, topics and discussions from each session, and member recommendations for the County's future is captured below.

COMPOSITION

The Budget Task Force was appointed by the County Executive with the goal of achieving broad representation from backgrounds, experiences, perspectives, and geographic balance across the County. Public members and business leaders brought expertise in public safety, construction and development, non-profit community organizations, and many other relevant industries. Mayors from four municipalities within the County as well as six County Supervisors, were also part of the Task Force and brought expertise in governance and municipal and County financial decision-making. A complete list of Task Force members is provided below.

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Table 19: County Budget Task Force Members

Role	Members	
County Supervisors	• Supervisor Larry Bangs • Supervisor Wayne Euclide • Supervisor Brian Meier • Supervisor Chris Mommaerts • Supervisor Gary J. Szpara • Supervisor Jeremy Walz	
Municipal Elected Officials	• Mayor Bob Magnus – Oconomowoc • Mayor Rick Petfalski – Muskego • Mayor Steve Ponto – Brookfield • Mayor Shawn Reilly – Waukesha	
Public Members/Business Leaders	• Pete Bacon • Lisa Bruce • Mary Dietz • Matt Fennig • Dean Frederick • Jeff Hoffmann • Buck Jurken • Laura Krohn • Bonnie Lee • Angela Mancuso • Germaine McKenna • Danny Merkt • Matt Moroney	• Mark Nelson • Amanda Payne • Heather Pfalz • Renne Ramirez • Joe Reider • Jeffery Searle • Jeremy Smith • Stan Sugden • Tom Schreibel • John Siepmann • Susan Van Aartsen

SESSION 1: SETTING THE STAGE – DEVELOPING VALUES AND SERVICE PRIORITIES

The first Task Force session focused on setting the stage for the group's work to inform and make recommendations about the County's future, given the budgetary challenges. Before providing relevant financial and economic context, Task Force members introduced themselves and shared one word that captured their sentiment about participating in the Task Force. Member one-word responses are captured below, with bolded words shared by multiple members.

- **Open**
- **Interested**
- **Excited**
- **Humbled**
- **Curious**
- Optimistic
- Future
- Expectant
- Ready
- Intrigued
- Eager
- Unbreakable
- Lead
- Confident
- Hopeful
- Learning

After introductions, Raftelis provided an overview of the Task Force timeline and budgetary challenges facing the County. As described in greater detail in the Fiscal Health Assessment section, the Task Force was brought together to understand the County's financial outlook over the next five to 10 years. The County's budget outlook projects a budget gap, where anticipated revenue collections are not expected to cover the anticipated cost to continue providing the same level of services provided by the County today. The theme of the discussion was "the solution is not complicated, but the decisions are hard."

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As part of the project scope, Raftelis developed an independent financial model using the County's financial data. We evaluated the County's financial management policies against industry best practices and the firm's experience providing financial services for local governments and public-sector utilities across the Country. Task Force Members were provided relevant context that emphasized how well managed the County's finances are and the underlying economic conditions that have created the fiscal challenges that lie ahead.

Property taxes are the single largest local tax source to fund service delivery, and the largest driver of the County's financial challenges is state restrictions on property tax levy growth. While the revenue tax base is among the strongest in Wisconsin, state policy ties the amount of property tax revenue growth that can occur annually to the growth in net new construction. Since the Great Recession, historically, this growth has averaged less than two percent per year. In comparison, the BLS reports that inflation grew by an average of 3% per year between 2010 and 2024.[42] Further, many of the County's cost drivers exceed the Consumer Price Index reported by the BLS, including health insurance and the cost of software contracts.

Based on recent trend analysis, the financial model assumes growth of 1.4% annually. This growth curve is far less than the underlying property value growth over the same period. Capped revenue growth requires prudent expenditure control; however, recent inflationary and wage pressure has resulted in a growing divide between revenue generation and cost to continue. As a result, the County has faced budget gaps annually as part of the budget development process that has required service-level reductions or strategic use of one-time funds to meet balanced budget requirements.

After level setting the County's financial condition, the primary objective of the first session was to understand the Task Force member values and service area priorities. This important framework would then be used in subsequent sessions to help guide discussion and inform recommendations.

Values

Members were given a handout of 11 common values from Raftelis with space to add new values. The discussion began with determining whether any values were missing. The group agreed the 11 values largely captured what they would expect and discussed the sequencing of values versus desired outcomes like quality of life and customer satisfaction. In small groups members discussed the criteria they used to select values and which values best align with the County's future. After the discussion, each member was given three dot stickers to indicate their values. The top four values, all earning more double-digit votes, are reflected below.

[42] "Consumer Price Index Inflation Calculator." *BLS*, https://data.bls.gov/cgi-bin/cpicalc.pl?cost1=1.00&year1=201001&year2=202401.

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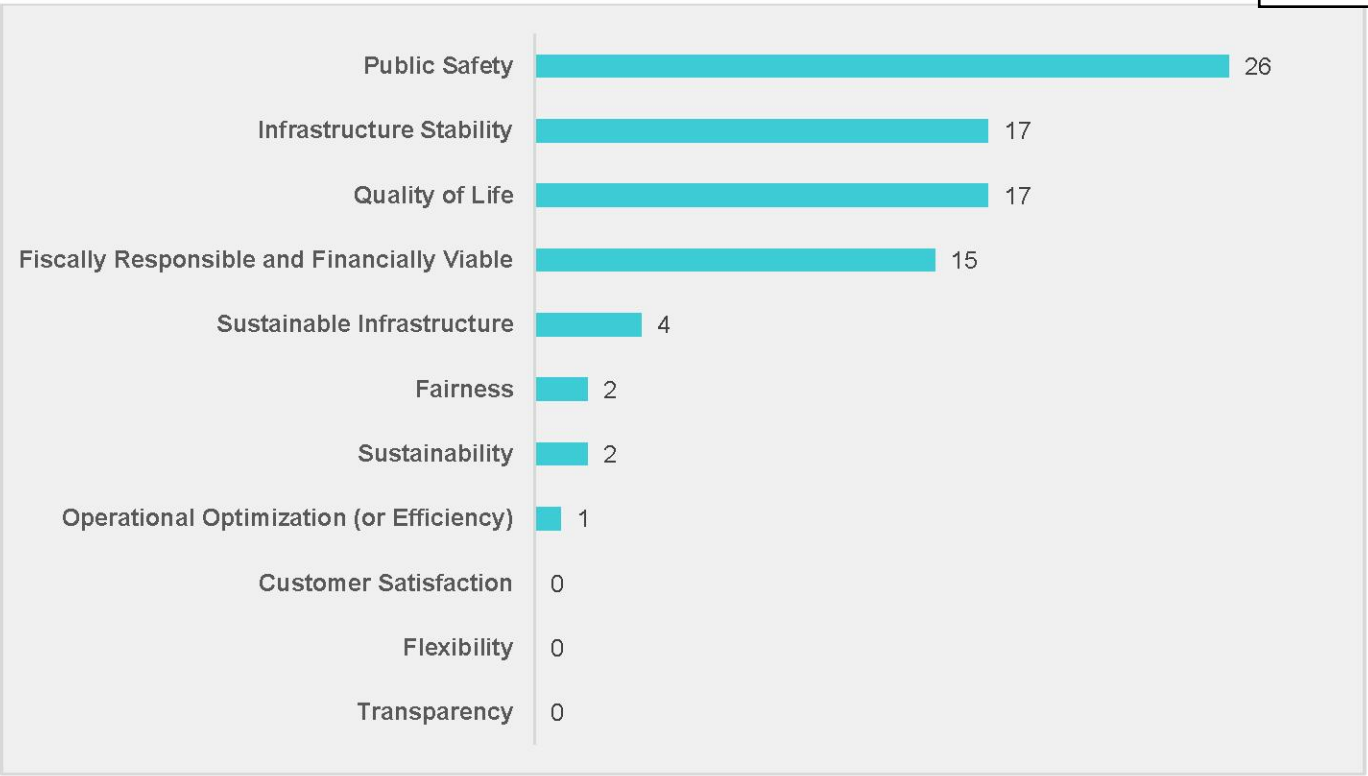

Figure 12: Task Force Value Voting Results

Service Area Priorities

After discussing and voting on values, the Task Force evaluated potential service level reductions to help mitigate the funding shortfall. Raftelis discussed at a high level how the $391 million budget breaks down into service areas that the County can impact or effect change to meet balanced budget requirements. The largest source of revenue—intergovernmental revenue from the state—is almost entirely designated for specific mandated services. Tax levy revenue of $115 million is where the County has greater control; however, more than one-third supports mandated services. This leads to approximately $38 million in service level costs that could be reduced in order to address the projected budget gap.

Ahead of Session 2, members were given a list of common service areas for the County and asked to discuss in small groups how they might prioritize some of these services for reduction, along with any services they would like to see additional resources allocated. Each group provided a summary of their conversation. Then individual members were asked to vote on their service priorities, using six red stickers for services to reduce and six green stickers for services to enhance. Members were required to use all of their service level reduction votes but did not have to use all of the service level enhancement votes. The results of the voting are captured in the table below, sorted by "net" votes. A negative () net vote indicates greater prioritization for service level reduction compared to a positive net vote indicating prioritization for service level enhancement.

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Table 20: Task Force Service Priority Voting Results

Service Area	Votes to Reduce	Votes to Enhance	"Net" Votes
County-wide Communication	(21)	0	(21)
Land Use	(18)	0	(18)
Grounds Maintenance	(17)	0	(17)
Substance Abuse Treatment	(16)	0	(16)
Talent Acquisition (Recruiting)	(13)	1	(12)
Public Health	(12)	1	(11)
Drug Prevention	(13)	2	(11)
Emergency Preparedness	(11)	2	(9)
Debt Borrowing	(4)	0	(4)
Parks and Open Space	(6)	2	(4)
911 Communications	(5)	2	(3)
Employee Benefits	(3)	1	(2)
Law Enforcement (Patrol Operations)	(6)	4	(2)
Traffic Safety	(4)	3	(1)
Crime Investigations	(6)	5	(1)
Maintaining County Facilities	(2)	2	0
Corrections (Jail)	(1)	6	5
Mental Health Support	(3)	8	5
Well-maintained Roads (Including in the Winter)	(2)	8	6
Court Operations	(1)	8	7
Support for Vulnerable Populations (Elderly, Disabled)	0	9	9
Infrastructure Development	(3)	12	9
Economic Development	(1)	14	13

SESSION 2: SERVICE LEVEL REDUCTIONS

The second Task Force session focused on expenditure reductions as a strategy to close the projected budget gap. The values and service reduction priorities developed during the first session were used to help guide discussion for service level reductions. The Task Force was presented with their target goal of achieving approximately $30 million in expenditure savings to close the projected budget gap through 2030. The consulting team worked with County staff to identify $12.7 of potential expenditure reductions to initiate the exercise and get feedback on the prioritization of cuts.

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Service Level Adjustments

Before diving into the details of potential service reductions, the facilitators provided context about the various layers of service level reductions. The process of identifying expenditure reductions can be nuanced and time-consuming. For this reason, annual budget development takes at least nine months of the year. When assessing service reductions there are multiple layers, with most organizations opting to choose reductions that result in the least amount of impact on residents or constituents. Most of the 200+ programs/subprograms and services provided by the County contain value-added, core, and mandated components. Often service-level reductions focus on community prioritization of value-added services and avoid core service reductions. Mandated services are legally required and cannot be eliminated, though they may be trimmed to levels that make carrying out the services increasingly difficult. The pyramid of service level adjustments is used to identify and consider required versus desired service levels for County residents within the finite pool of resources available. The figure below provides definitions for each of the service-level components.

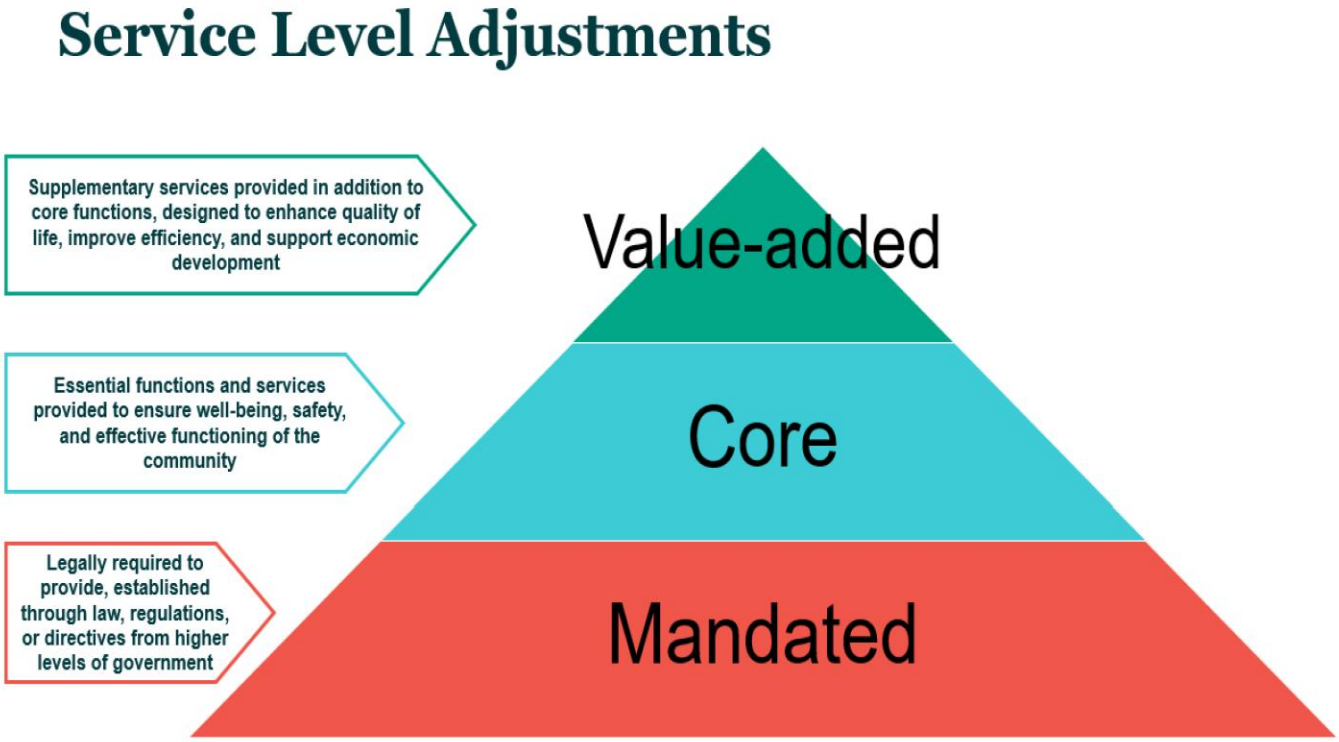

Figure 13: Service Level Adjustment Pyramid

Value-Added Service Level Reductions

To begin evaluation of service level reductions, the Task Force was provided a handout that summarized their prioritization of the service areas presented in Session 1 with potential service level impact for further reductions and estimated *value-added* cost savings. The table below summarizes each of the service areas considered for reduction, sorted by net score, where a negative value indicates greater prioritization for reduction and a positive value indicates prioritization for additional resource allocation to enhance existing service levels. The estimated cost savings for all *value-added* service reductions was approximately $12.7 million, or 42% of the budget savings target of $30 million.

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Table 21: Value-added Service Level Reductions

Service Reduction	Net Score	Service Level Impact	Estimated Savings
County-wide Communication	(21)	Messaging, lack of coordination, reactive communication, minimal community engagement, emergency comms	$270,000
Land Use	(18)	Delayed development permitting and customer satisfaction and increased cost to applicants	$415,000
Grounds Maintenance	(17)	Aesthetic decline, health hazards, decreased property values	$370,000
Drug Prevention/Substance Abuse Treatment[43]	(14)	Higher healthcare costs, overcrowded treatment facilities, public safety impacts	$220,000
Talent Acquisition	(12)	Longer vacancies, poor candidate quality, broad decline in public service delivery	$100,000
Public Health	(11)	Health disparities for vulnerable populations, inadequate health surveillance and emergency response	$1,000,000
Emergency Preparedness	(9)	Delayed crisis management response, prolonged recovery	$160,000
Parks and Open Space	(4)	Limited access, lower quality of life, reduced air quality, removes community meeting space, Muskego Park closure	$110,000
911 Communications	(3)	Higher overall cost to taxpayers due to loss of economies of scale and duplication at the municipal level	$4,800,000
Public Safety Staffing[44]	(1)	Fewer sworn staff resulting in less traffic enforcement and investigation, decreased quality of life, reduced deterrent, increased OT, and deputy quality of life decline	$2,000,000
Infrastructure Maintenance and Development[45]	5	Higher taxes due to interest expense on higher debt levels and significant increases in asset life cycle cost	$3,000,000
Economic Development	13	Business growth stagnates, fewer job creation and business retention initiatives	$250,000

Task Force members spent time individually reviewing the value-added service level reductions and then joined small groups to discuss and evaluate which reductions they would like to propose toward the budget gap target of $30 million. To guide the conversation, members were provided a scorecard with three of the four Task Force values: **public safety**, **infrastructure stability**, and **quality of life**. The fourth value, **fiscally responsible/financially viable**, was omitted since any cost savings would contribute to this value. For the remaining three values, members were asked to evaluate each reduction using that value lens and assign a ranking of one to three. One indicated low impact, two indicated neutral impact, and three indicated high impact. The scale of ranking for a given reduction could range from three (scoring one on all three values) to nine (scoring three on all three values), with a higher total value score reflecting less desire to pursue the reduction. A high-level summary of the service level reduction exercise is provided below:

[44] Services were combined from Session 1 with an average net score reflected. Public safety staffing includes law enforcement, traffic safety, and crime investigation services.

[45] Infrastructure maintenance and development includes maintaining County facilities, well-maintained roads, and infrastructure development.

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- There are low-priority service areas that could be reduced, such as County-wide communications, land use, grounds maintenance, drug prevention and substance abuse, and talent acquisition.
- Some reductions like 911 dispatch services may help the County's budget but merely shift (and likely increase) costs to municipalities.
- The County should evaluate where duplicative services with municipalities happen to assess opportunities for consolidation or reimagining service delivery.

The service level prioritization exercises in Session 1 and Session 2 provided an opportunity to compare how the County spends tax levy revenue with the Task Force priorities. The figure below depicts how one dollar of tax levy is spent across each of the functional areas in the County and includes the prioritization (net score total) for services that fall within that functional area. Overall, the Task Force routinely prioritized service areas where the County allocates most of its tax levy dollars, showing strong alignment between County operations and community priorities.

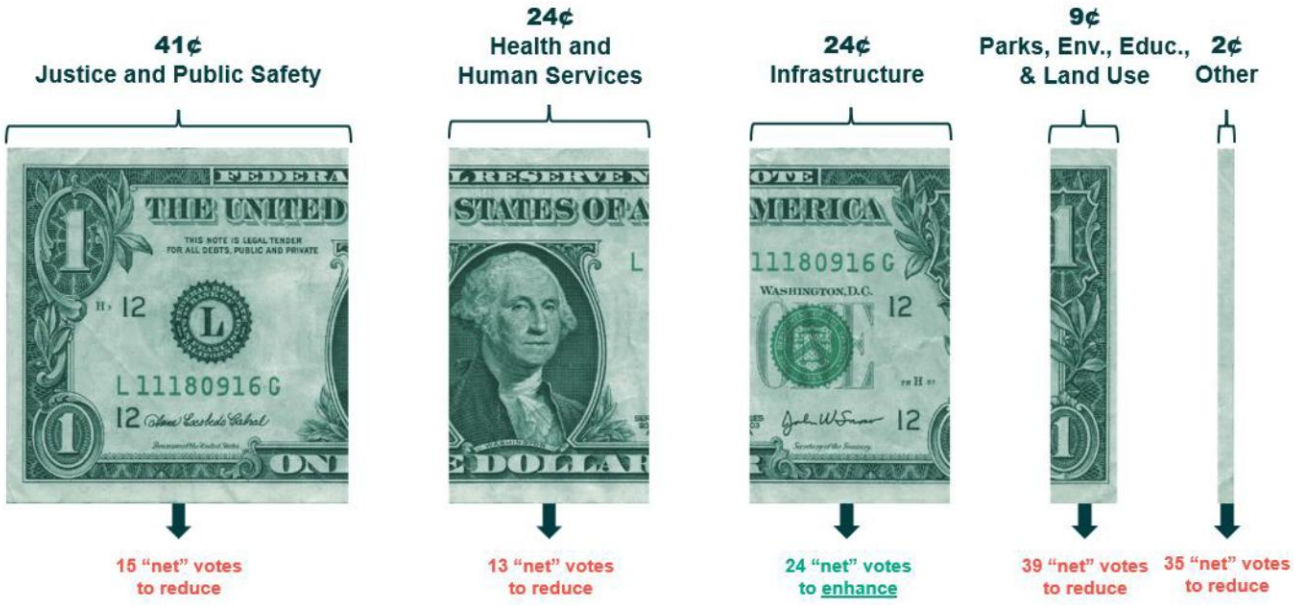

Figure 14: Task Force Service Prioritization and County Tax Levy Spending

It is important to note that participants used all their reduction votes but not all of their enhanced votes, so the sum of net votes is negative. Justice and Public Safety and Health and Human Services had lower net reductions than other categories, indicating prioritization.

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Core Service Level Reductions

After the value-added service level reduction exercise, the conversation moved to Core services, the next layer of the pyramid. The County has faced preliminary budget gaps since at least the Great Recession and state-imposed revenue caps on levy growth. The exercise the Task Force went through to identify service level reductions or opportunities to achieve greater efficiencies mirrored the work of the County over the past decade. The underlying structural imbalance between revenue and expenditure growth patterns means that opportunities for value-added expenditure reduction options continue to diminish, leading to core service area reductions to meet balanced budget requirements. While economic conditions will continue to shift over time, the current environment has placed significant cost pressures on service delivery. To mitigate otherwise immediate and adverse impacts for highly prioritized services like public safety and infrastructure maintenance and development, the County has relied on one-time revenue sources in the short run to balance the budget with plans to phase in future ongoing revenue support after one-time sources are no longer available. However, the ability to phase in costs is getting more difficult as scarce levy growth is needed to meet other budget gaps.

Session 2 wrapped up with a discussion about the difficulty of having adequate context and details to inform service level reductions in a short period of time. This is especially true for core services that have mandated requirements. The session ended with a preview of the revenue-generating options to be considered in Session 3.

SESSION 3: REVENUE GENERATING OPTIONS

The third Task Force session focused on revenue-generating options to close the projected budget gap. The project team, along with County staff, assessed available options for new revenue allowed under state law and presented the Task Force with important context and analysis for each option. This included requirements to enact new revenue sources, benchmarking analysis of various counties or municipalities in Wisconsin that have enacted such sources, and fiscal impact to the County and taxpayers. Details of each revenue-generating option are included in the Gap Closure Scenario section above.

Revenue Generating Options – Advantages and Disadvantages

After presenting each of the revenue-generating options to the Task Force, members engaged in a discussion regarding the advantages and disadvantages of each option, with a particular focus on exceeding the levy limit and wheel tax options. While the group exercise for sales tax focused on structure, key themes from Task Member group discussions and individual voting related to this tax option are also captured in the table below.

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Table 22: Advantages and Disadvantages of New Tax Revenue Options

Revenue Option	Estimated Revenue Generated, 2025	Advantages	Disadvantages
Referendum for Levy Increase	$3 to $6 million *(ongoing lump sum levy increase)*	• Taxpayers have a say in whether to increase revenue • Raises awareness of County budget issues • Use of funds can be specifically targeted • More stable source of revenue, once approved would remain in place • No restriction on the amount of increase (pending voter approval) or on how the funding is used • Low per-household impact	• Would not be likely to fully address the budget gap • Referendum would be required for any changes – unlikely to achieve broad support, high risk of failure • Frequency of school referendums might detract voter support • All funding would be contributed by property owners, with limited contribution from non-residents who use County services • Would require significant information campaign ahead of the vote about a topic that can be hard to message
Wheel Tax	$10.5 million *($30 per vehicle)*	• Could be enacted by the County Board • No restriction on fee amount, though typical annual amounts are relatively small (i.e., affordable) • Raises revenue from more people than property owners (e.g., user tax) • Creates higher funding potential for road/infrastructure maintenance, a high priority of the Task Force • Easy for public to understand	• Can only be used for transportation purposes • Would not fully address the budget gap (minimal impact) • Revenue does not grow with inflation (tied to population and number of vehicles) • Unpopular "tax" among residents, mandated by the government • No out-of-County taxpayers • No voter say
Sales Tax	$50 to $60 million *(0.5% sales tax)*	• Allows non-residents who take advantage of County services to contribute to the cost of those services • Would generate enough revenue to fully address the budget shortfall • Would allow for some property tax relief • Could be enacted by the County Board	• Sales taxes are regressive-larger impact on lower-income individuals • The amount of the sales tax is fixed and cannot be increased or decreased (without a legislative change) • Adverse impact to the business community • Brings in more revenue than is needed • May lose sight of other revenues or operational efficiencies over time

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Before breaking into small groups to discuss the sales tax structure, Raftelis shared additional context related to enacting a sales and/or wheel tax among other counties in the state. The chart below shows the historical timeline of when counties throughout the state chose to enact a sales and/or wheel tax. Many counties moved forward with a sales tax as soon as the option was made available to them by the state (1986 – 1995). During the economic boom of the early 2000s, little activity occurred, followed by more counties exercising a wheel tax after the 2011 state legislation limiting property tax levy growth and the fiscal challenges associated with the Great Recession and Global Pandemic. The ability of Waukesha County to have weathered the recent economic challenges without either of these new revenue-generating options, when nearly all counties elected one if not both, speaks to their level of operational efficiency.

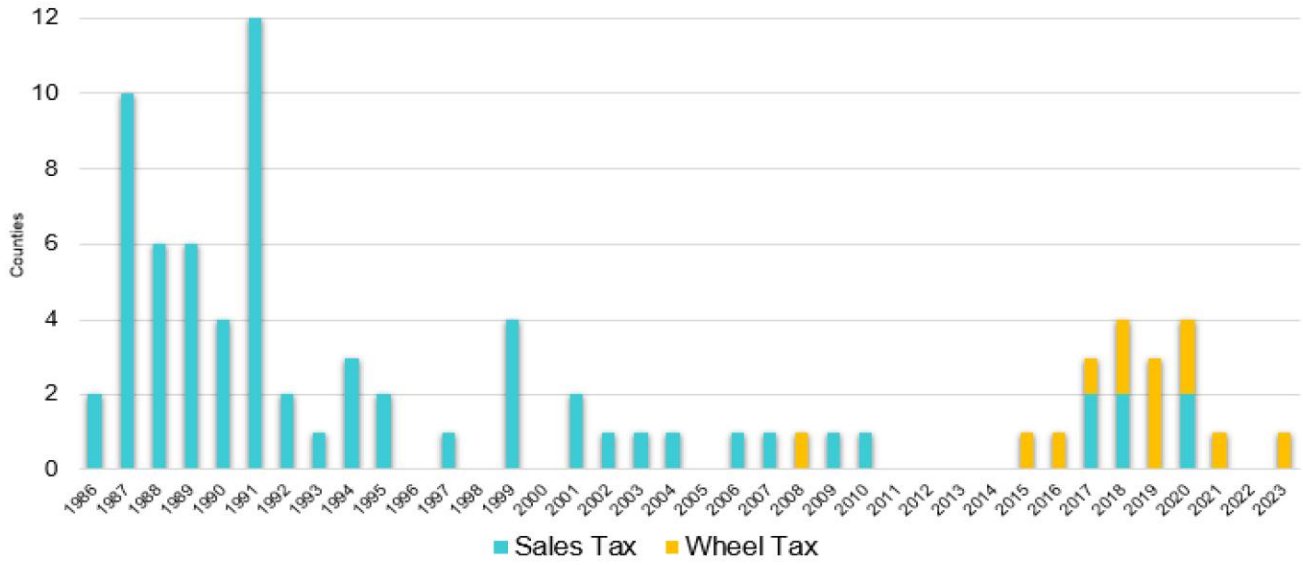

Figure 15: Sales and Wheel Tax Timeline – Adoption by Year

Sales Tax Structure

The Task Force then spent time in small groups discussing how they might structure a 0.5% sales tax, knowing that it would generate revenue for the County beyond what is needed to close the budget gap over the next few years. As required by the state and prioritized among County officials, some of the revenue would be used to directly reduce the property tax levy for residents. Beyond that, Task Force members were asked to brainstorm and discuss other opportunities that aligned with the values and service level priorities developed in Session 1.

Two somewhat competing themes emerged from this activity:

- **While there is general understanding and support for new revenue, there is a preference not to collect more than the County's estimated budget gap.** Throughout the project team's review of County financial practices and then during conversations with County staff and Task Force members, there is great pride in the County's ability to efficiently deliver services with the lowest impact possible to taxpayers. Low per-capita spending rates and continuing to "sharpen the pencil" are valued characteristics of the County's financial management policies. Many Task Force members did not like that the sales tax amount is currently fixed at 0.5% by state law. They understood it would require lobbying the state for greater autonomy over how much sales tax to enact but acknowledged such a preference.

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- **Municipalities in the County face similar budgetary challenges and would support the County's desire to enact a sales tax.** The funding mechanisms for municipalities in Wisconsin follow a similar pattern to County revenue sources. As such, municipalities continue to face significant fiscal constraints with limited ability to increase the property tax levy. This is especially true for municipalities that are largely built out and focused on redevelopment because of the net new construction limitations. Municipal and County leaders on the Task Force informed members of the inherent challenges of lobbying the state for higher Shared Revenue when they had not yet enacted other revenue options available to them. They also added that a new revenue source might actually encourage greater economic development and improvements to the housing stock.

A summary of each group's discussion regarding a sales tax structure is provided below.

Table 23: Summary of Sales Tax Structure Considerations

Group	How to Use or Structure Additional Revenue Generated from 0.5% Sales Tax
Group 1	• Economic Development – small business grants, façade improvements, municipal downtown revitalization • Waukesha County Technical College Public Safety Academy to assist with recruiting pipeline and public safety operations
Group 2	• Seems like too easy of a fix • Lose sight of other revenues and efficiencies – ability to sharpen the pencil • A nice structure might be 60% to County, 40% to municipalities • Within the County's 60%, does as needed but includes direct property tax relief
Group 3	• Acknowledged the group had different perspectives • Municipal leaders in the group like 60% to the County and 40% to the municipalities • Other emphasized the importance of a direct property tax offset and not inventing new things to spend money on
Group 4	• Many in the group were not favorable of raising more dollars than needed • Additional revenue could pay down debt, which also lowers property tax levy • Investment in public safety, infrastructure, and amenities like bike and walking paths
Group 5	• Shouldn't tax for more than is needed, would prefer a process that looks at expenditure reductions, user fees, surplus carryover, reforms, excess property sales, and then revenue enhancements • If revenue enhancement is required, they agreed sales tax was the preferred method but would like to ask for only what is needed • Acknowledged the business community would not like the impact of a sales tax
Group 6	• Preferred requesting something less, realizing the odds of achieving this with the state legislature and other counties would be difficult • A shared revenue with municipalities tied to public safety, expansion of the jail knowing it is reaching capacity, and infrastructure investments • Opportunities for assisting municipalities with transitioning to full-time fire-rescue services.

SESSION 4: GUIDANCE FOR COUNTY EXECUTIVE AND BOARD OF SUPERVISORS

The goal of the last Task Force session was to provide the County Executive and County Board of Supervisors guidance on how to navigate the County's fiscal challenges over the next decade. Raftelis led a review of the key themes that emerged from the first three sessions and shared with the Task Force the scenario voting results from Session 3.

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Scenario Prioritization Voting Results

Task Force members who were not present at the third meeting were also able to offer feedback on the same questions via an online survey. A total of 29 individuals provided comment, including 27 who were present at the meeting and two who were not present. The following sections summarize the results of these polls. More detailed responses by statement are included as Appendix A.

Feedback on the County's Overall Strategy Moving Forward

Participants were given several statements about Waukesha County's overall strategy to address the budget shortfall moving forward. They were asked to rate their level of agreement on a scale from one (least agreement) to 10 (most agreement). The statements were as follows:

- Service Reductions: The County should focus on service reductions and expenditure cuts to address the budget shortfall.
- New Revenue: All revenue options available to the County should be explored.
- Service Reductions and New Revenue: The County should explore new revenue options and continue to reduce ongoing expenditures.

All three strategies had strong support from participants, with an average agreement rating of more than seven out of 10. The service reduction strategy had the lowest average approval, and the balanced strategy had the highest, as illustrated in the figure below.

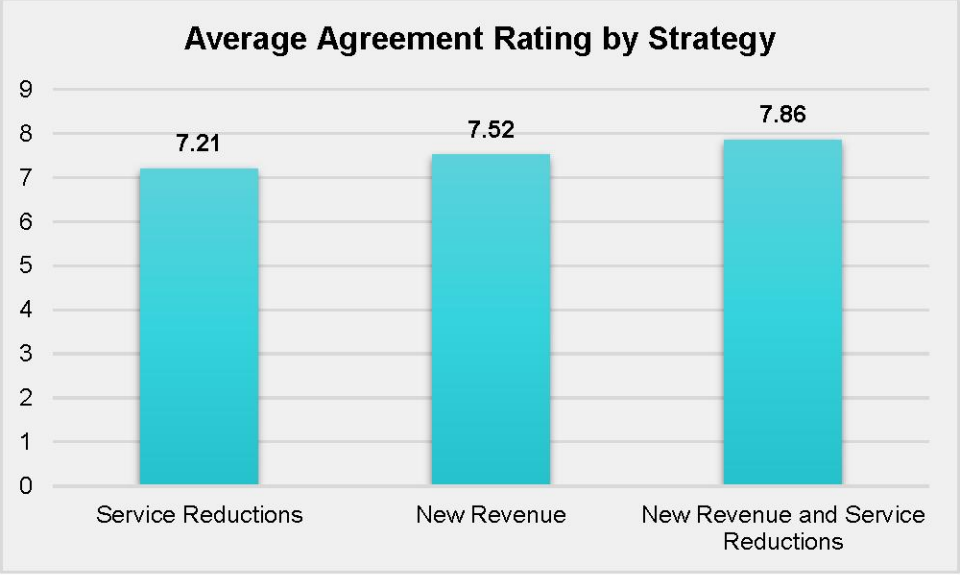

Figure 16: Average Task Force Agreement Rating by Strategy to Address Budget Gap

Participants were also asked about their agreement with the statement, "The County's current budget is aligned with my funding priorities." The average rating was 6.69, with only two participants (7%) rating their agreement as less than a five out of 10.

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Feedback on Revenue Generation Options

Participants were asked to rate their agreement with the following options for generating additional revenue:

- Implementing a 9-1-1 fee
- Putting forth a referendum to raise the levy limit
- Implementing a sales tax
- Implementing a wheel tax

Of the four options, only the sales tax had an average agreement rating of more than five out of 10, as illustrated in the figure below. The sales tax agreement represents the maximum level of agreement- specific sales tax options are discussed in the subsection below.

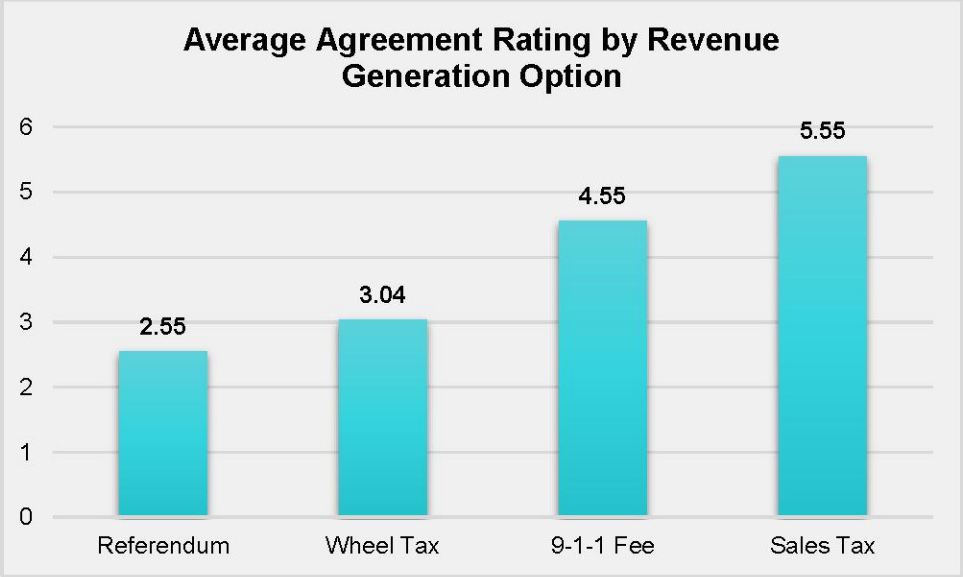

Figure 17: Average Task Force Agreement Rating by Revenue Option

Sales Tax Strategy Options

Participants were asked to react to a series of statements with options for a sales tax if implemented. Options included:

- Petitioning the State Legislature to allow the County to enact a sales tax of less than 0.5%
- Using the sales tax for property tax relief
- Using the sales tax for property tax relief and economic development in the County
- Using the sales tax for property tax relief and aid to municipalities for economic development
- Using the sales tax for property tax relief and aid to municipalities for infrastructure
- Using the sales tax for property tax relief and aid to municipalities for public safety
- Using the sales tax for property tax relief and general aid to municipalities

Two options, offering general aid to municipalities and petitioning the Legislature to allow a lower sales tax, had average levels of agreement of more than 6.5, as illustrated in the figure below. The lowest average levels of agreement were with options that would provide funding for economic development efforts.

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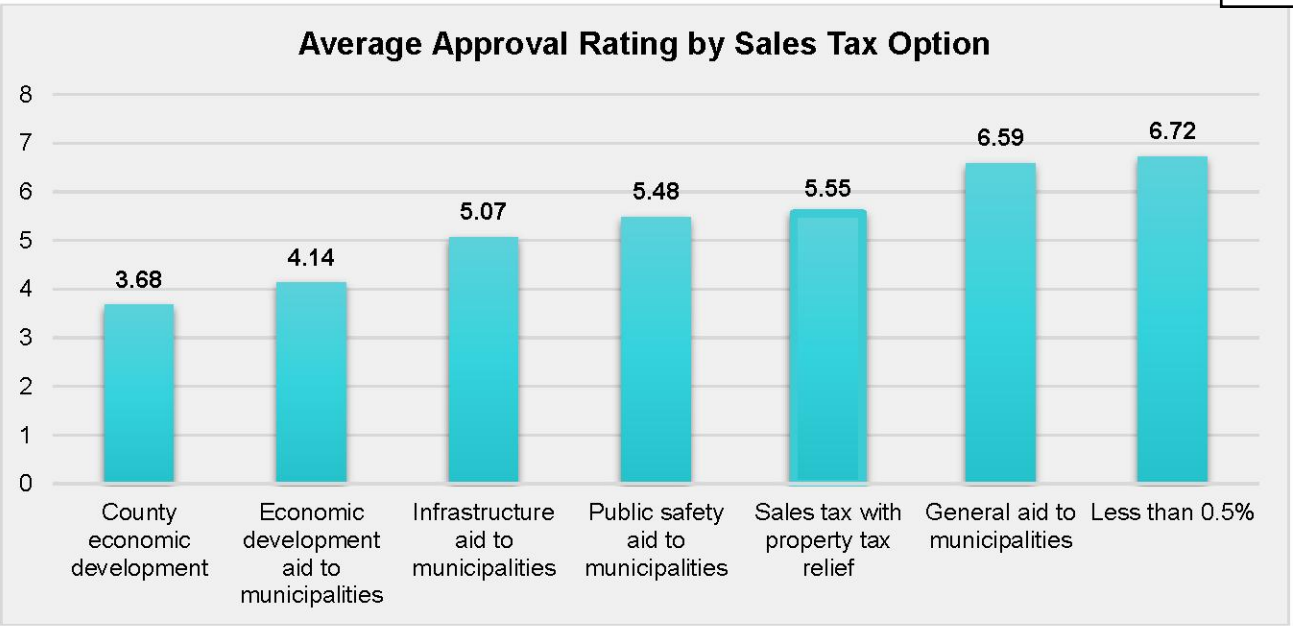

Figure 18: Average Task Force Agreement Rating by Revenue Option

It is important to note that there were significant levels of disagreement among participants on many of these options. For example, while 45% of respondents generally agreed (rating of six or higher) with the statement, "The County should consider implementing a 0.5% sales tax that funds local property tax relief and provides aid to local municipalities for infrastructure," another 41% generally disagreed (rating of four or lower). Additionally, 48% agreed with the statement, "The County should consider implementing a 0.5% sales tax that funds local property tax relief.," while 38% disagreed. The specific agreement by statement is illustrated in Appendix A.

Task Force Key Themes

After reviewing the takeaways from the first three sessions, Raftelis identified the key themes that emerged from the facilitated sessions and asked members of the Task Force to review and identify if anything was missing or should be changed. Members in attendance agreed that the five themes presented below largely captured the group's work.

After reaching a consensus on each key theme, Task Force members were asked to write down on a sticky note the most important message they would like to convey to the County Executive and Board for each theme. Individual thoughts were then collected and grouped by theme. After that, members broke into groups, with one group per theme, tasked with reviewing the individual notes from fellow Task Force members and then drafting a statement that reflected the message for that theme. Individual notes are reflected in Appendix B, and the group statements for each key theme are provided below.

Importance of fiscal responsibility

- Continue to focus on measurable cost-cutting, and efficiency improvements and publicize wins.
- Push the state for equitable funding and release of some portion of surplus funds to counties and municipalities.
- Continue actions to maintain Aaa/AAA bond rating and other fiscal processes and checks and balances.

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Targeted budgetary service level reductions and enhancements

- Allocate funds to preserve the services most valued by the community:
  - Public safety
  - Infrastructure
  - Potential shared services
- Eliminate the expansion of services for the sake of spending projected surplus from sales tax, etc.

Desire to explore revenue options

- There is an appetite for a sales tax of 0.5% to a minimum of what is needed to balance the budget.
- The "Waukesha Way" needs to be honored by utilizing grants, collaboration, and all other revenue options and savings that are currently being used during tight budget times.
- There is recognition that extra sales tax revenue can be shared with local municipalities to address similar budgetary issues.

Support for infrastructure and economic development

- All commenters but 2 indicated it is an essential priority. 1 indicated infrastructure development should favor commercial development. 1 indicated that if the sales tax went to debt reduction, then the future of infrastructure development would be more economical.
- Overall, the answers were that infrastructure development is something that should not be reduced but that it needs to be maintained or increased.

Evaluate shared services and shared revenue

- There is support for the concept of shared services among similarly sized communities, recognizing that larger communities like Brookfield have higher service expectations due to their advanced infrastructure. This difference in service levels can present challenges in partnerships with smaller communities. As an example, the City of Brookfield can respond to an accident within five minutes of notice at any location within the city.
- Shared revenues are also essential to address the universal structural funding challenges faced by local municipalities. While a sales tax is a short-term solution, it is the most viable alternative to raise revenue in the current environment. It is imperative that the state legislature develops a sustainable funding model that provides local governments with more flexibility.

At the conclusion of the Task Force session, the County Executive thanked each of the members for their commitment and dedication to this important work. Members were notified that Raftelis would present the results of the fiscal health assessment and Task Force work to the County Board of Supervisors at the end of August at which time the final report would be shared with the Board and Task Force.

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Conclusion

Waukesha County has a longstanding history of prudent financial management and efficient use of taxpayer resources to provide valued services to residents. County staff are to be commended for their ability to accurately forecast service needs alongside available resources. State-imposed growth restrictions on the largest local revenue source – property tax levy – have led to increased fiscal constraint, especially in the past five years as the County has grappled with an increasing cost to continue providing services that exceed annual revenue growth. Despite these challenges, the County has effectively managed to meet service level expectations with the lowest per capita spending levels in the state.[46]

Future financial projections indicate the need for more extensive policy actions to balance resident service priorities with fewer available resources. The Budget Task Force was created to provide guidance and direction for the County's financial future over the next decade. The work they conducted over the course of four in-person sessions reflects their dedication and commitment to the County's future success. The key themes that emerged from the Task Force helped to both build awareness within the community about the fiscal realities the County faces and provide invaluable policy guidance for the County Executive and County Board of Supervisors as they weigh critical policy decisions in the near term that will chart a path to financial sustainability in the long-term.

[46] Forward Analytics, The Green Book, A Book of County Facts, 6th Edition. 2023. https://www.forward-analytics.net/wp-content/uploads/2023/09/Waukesha-County-Insert.pdf.

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APPENDIX A:

Scenario Prioritization Voting Results

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The following figures illustrate the distribution of responses for statements about options for addressing the budget gap. A total of 29 individuals provided feedback. All statements are rated on a scale from one (least agreement) to 10 (most agreement).

Feedback on the County's Overall Strategy Moving Forward

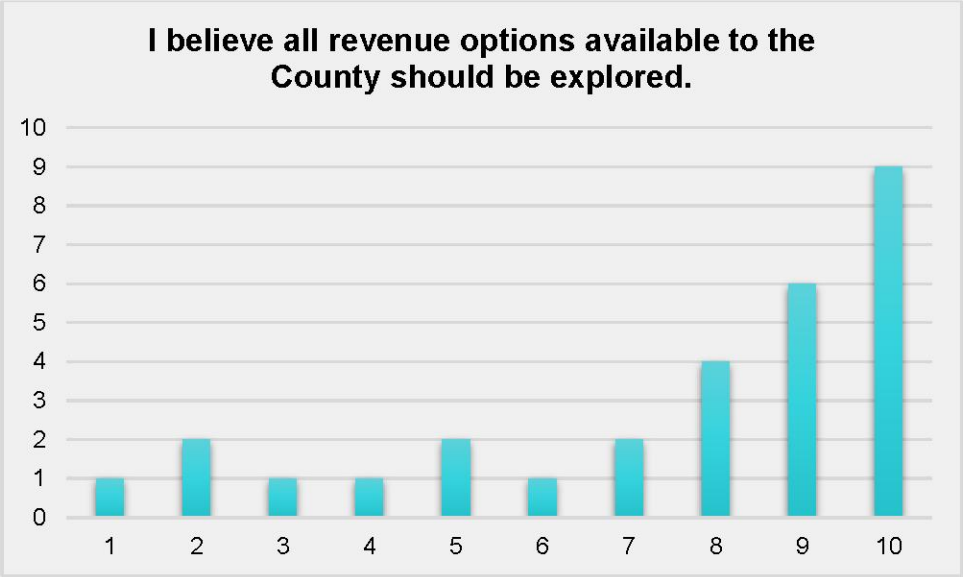

Figure 19: Task Force Agreement Rating on New Revenue

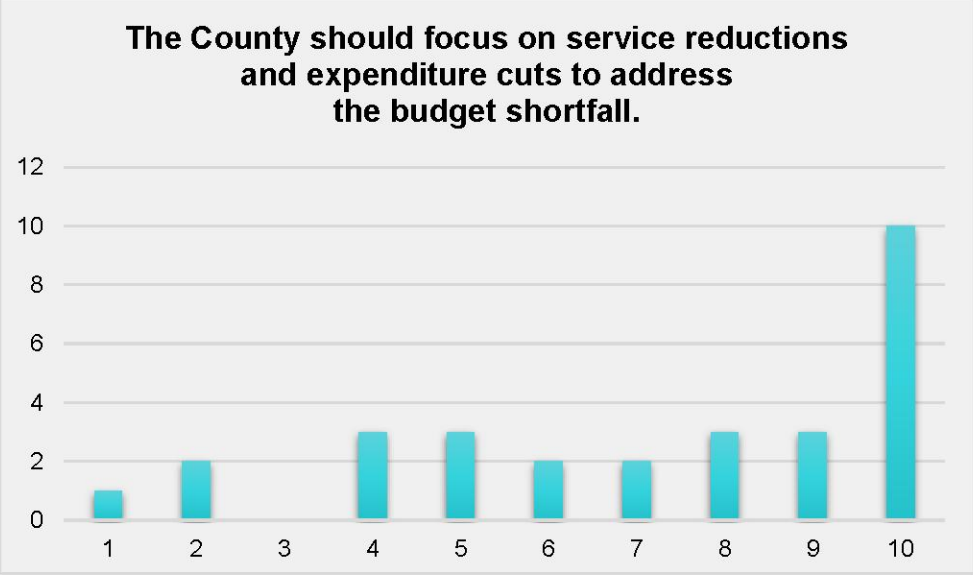

Figure 20: Task Force Agreement Rating on Service Reductions

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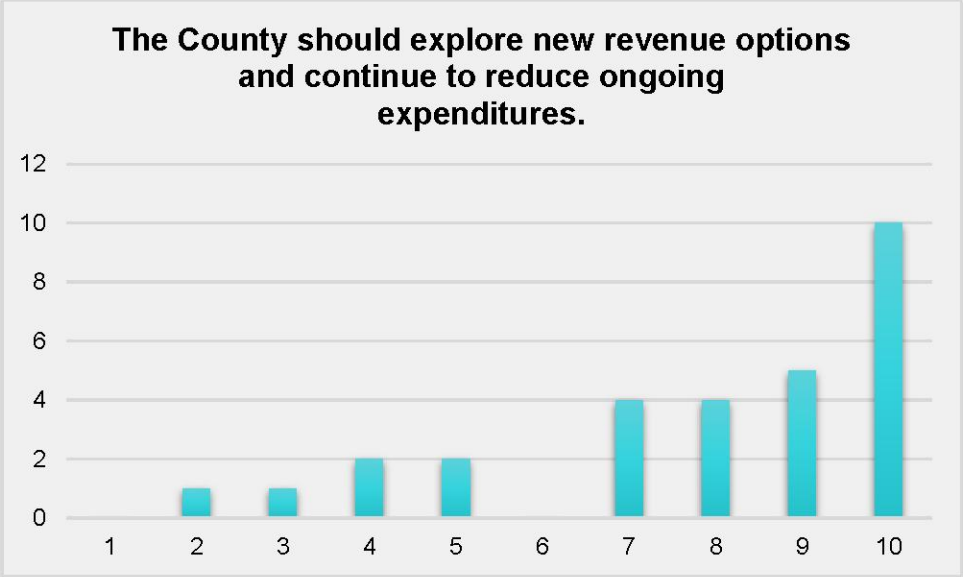

Figure 21: Task Force Agreement Rating on New Revenue and Service Reductions

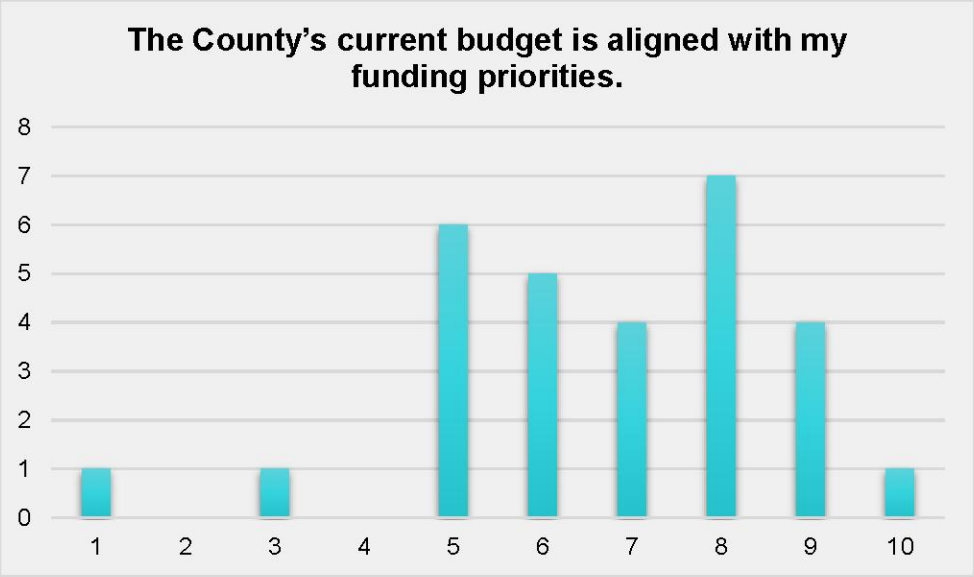

Figure 22: Task Force Agreement Rating on the Current Budget

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Feedback on Revenue Generation Options

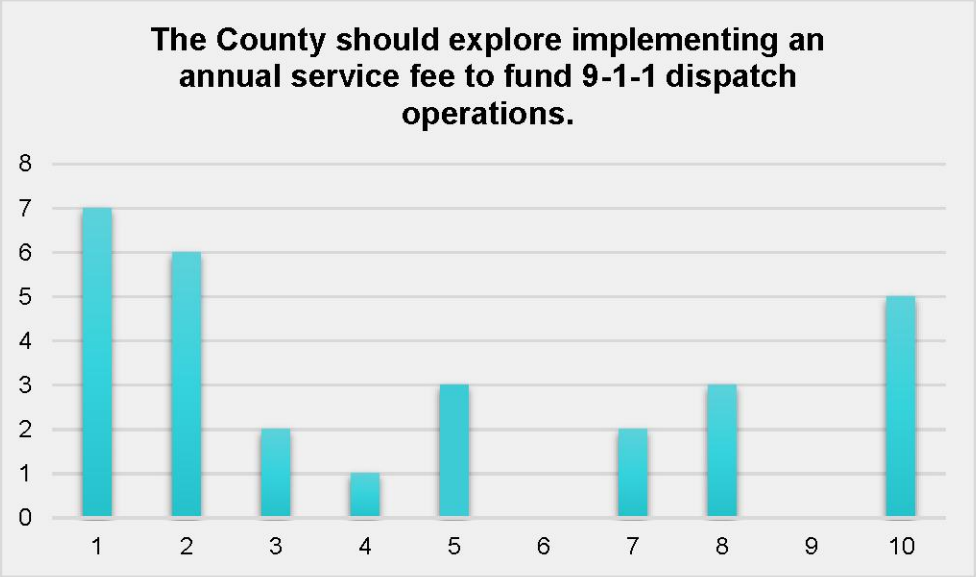

Figure 23: Task Force Agreement Rating on a 9-1-1 Fee

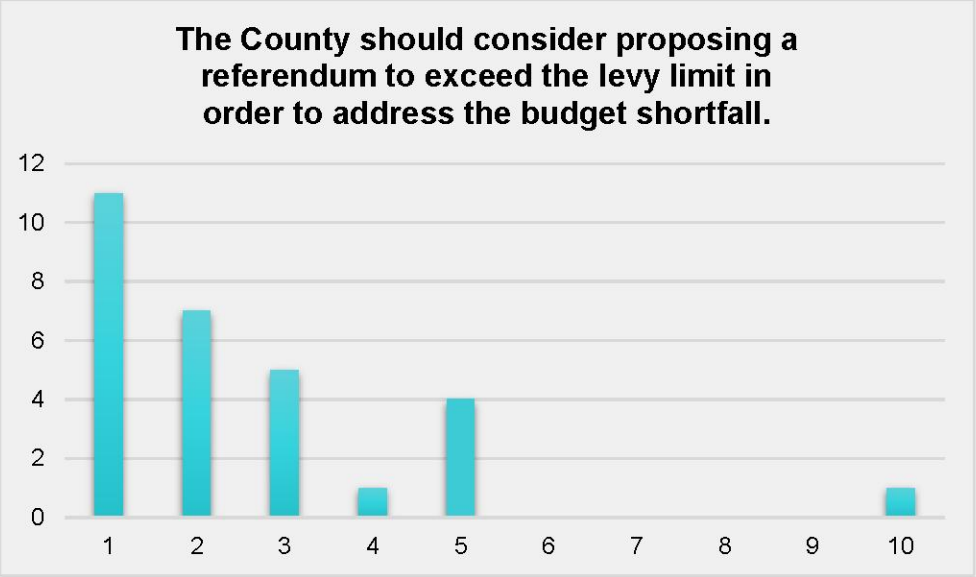

Figure 24: Task Force Agreement Rating on a Levy Increase Referendum

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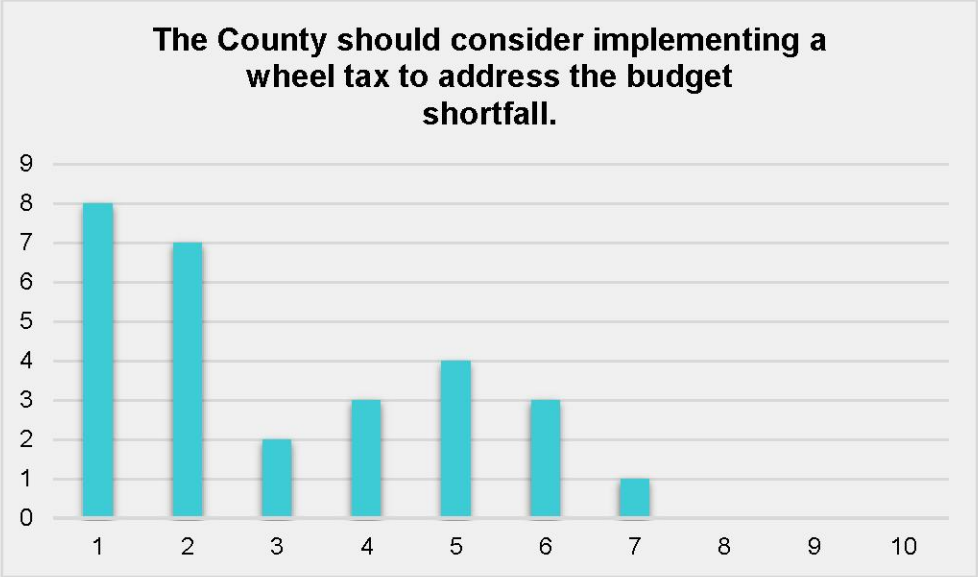

Figure 25: Task Force Agreement Rating on a Wheel Tax

Feedback on Sales Tax Strategy Options

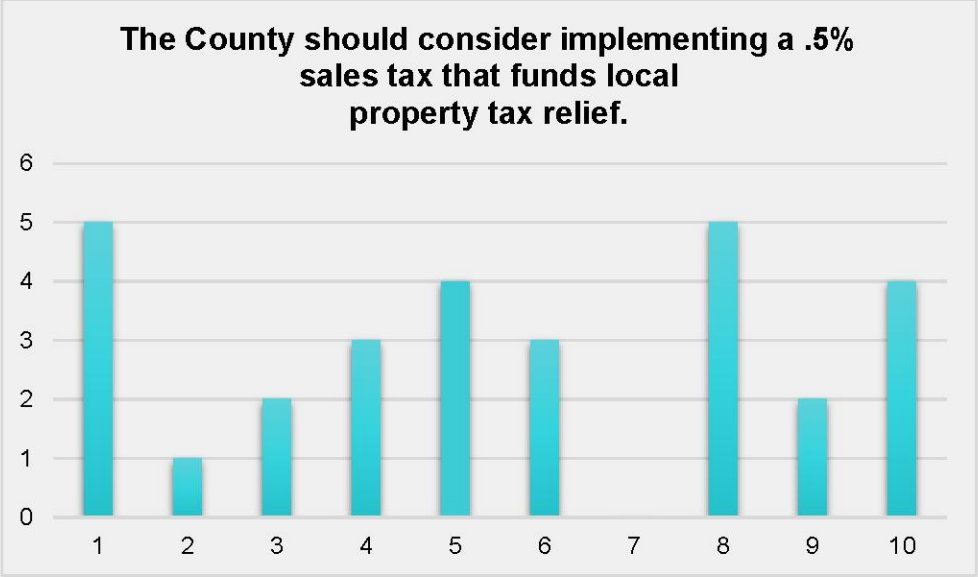

Figure 26: Task Force Agreement Rating on a Sales Tax that Funds Property Tax Relief

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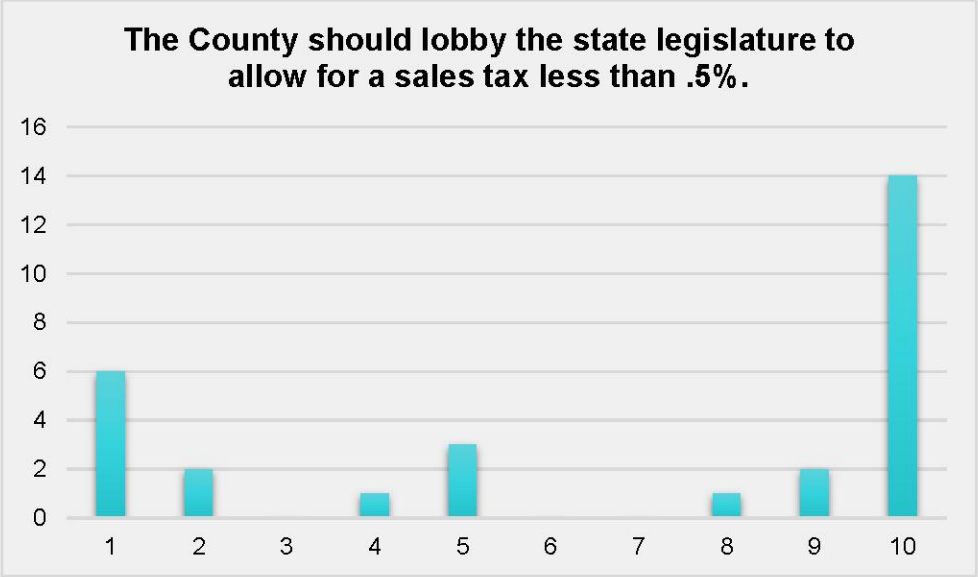

Figure 27: Task Force Agreement Rating on a Sales Tax of Less Than 0.5%

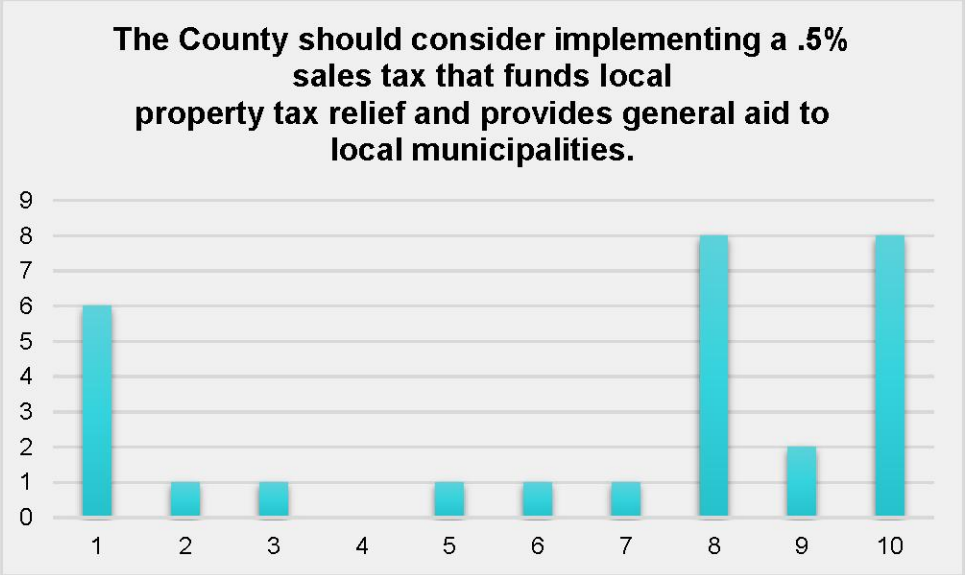

Figure 28: Task Force Agreement Rating on a Sales Tax that Funds Property Tax Relief and General Municipal Aid

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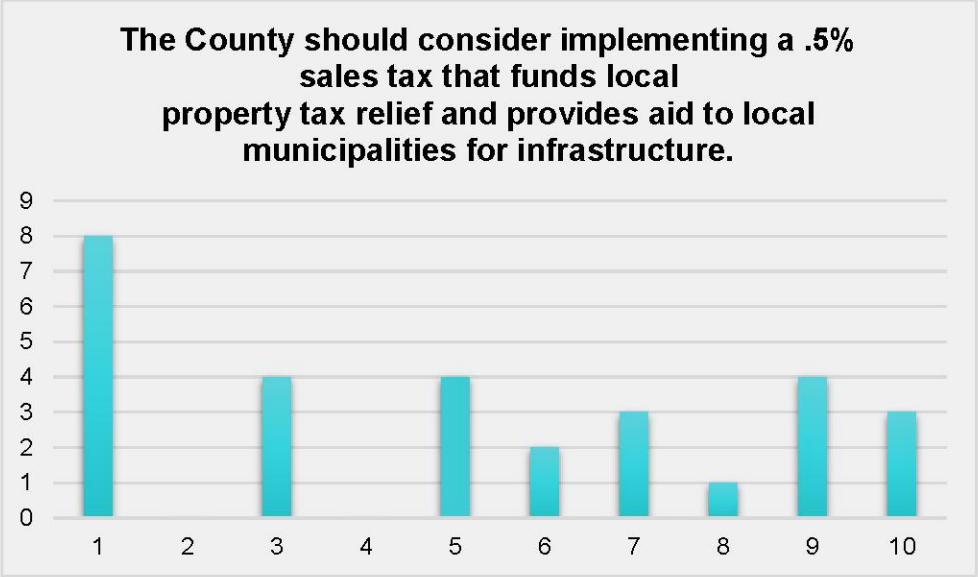

Figure 29: Task Force Agreement Rating on a Sales Tax that Funds Property Tax Relief and Municipal Aid for Infrastructure

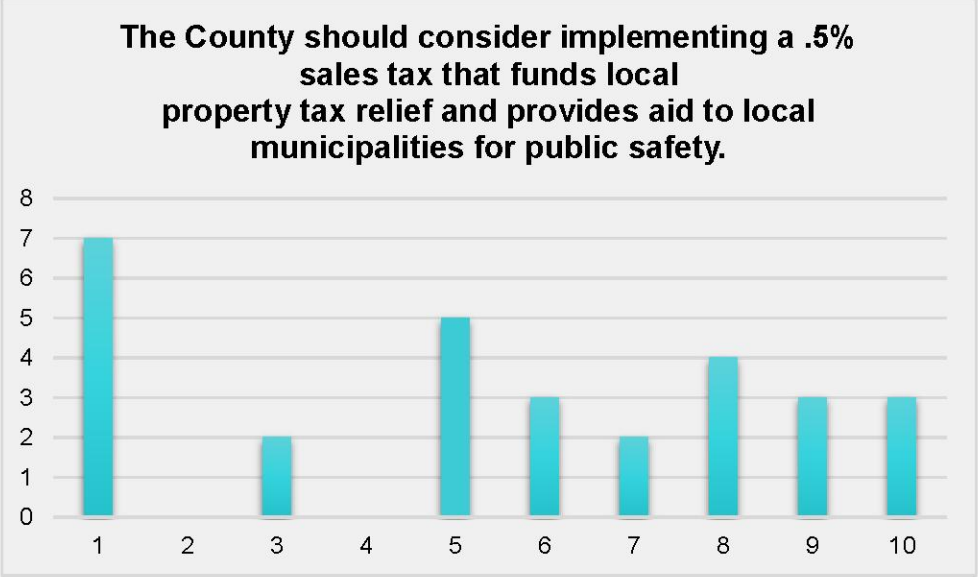

Figure 30: Task Force Agreement Rating on a Sales Tax that Funds Property Tax Relief and Municipal Aid for Public Safety

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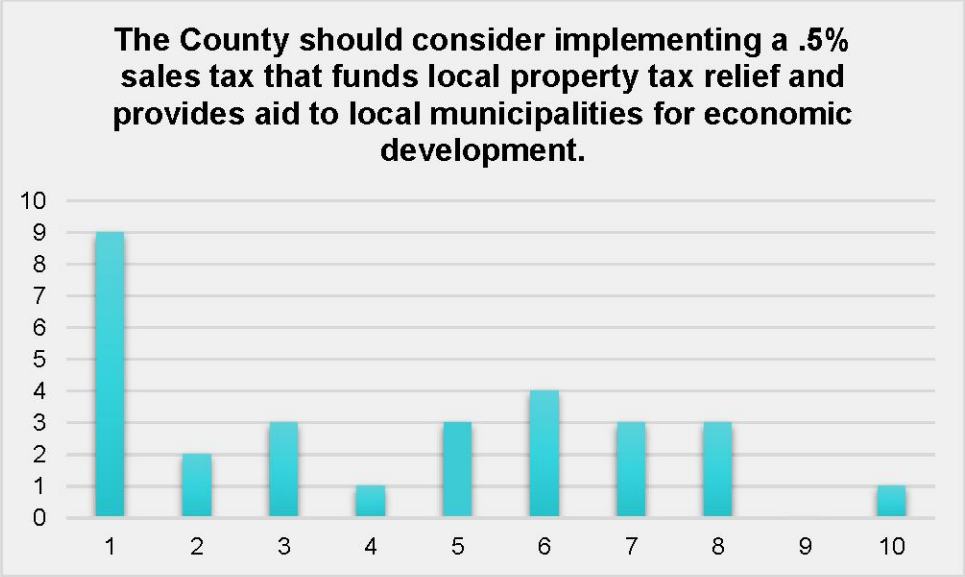

Figure 31: Task Force Agreement Rating on a Sales Tax that Funds Property Tax Relief and Municipal Aid for Economic Development

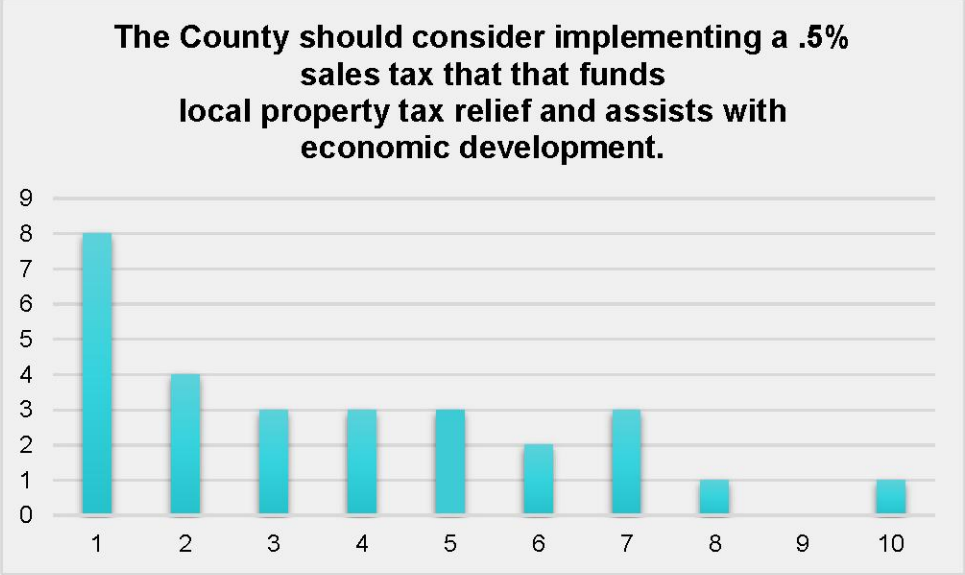

Figure 32: Task Force Agreement Rating on a Sales Tax that Funds Property Tax Relief and Economic Development

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Feedback on the Process

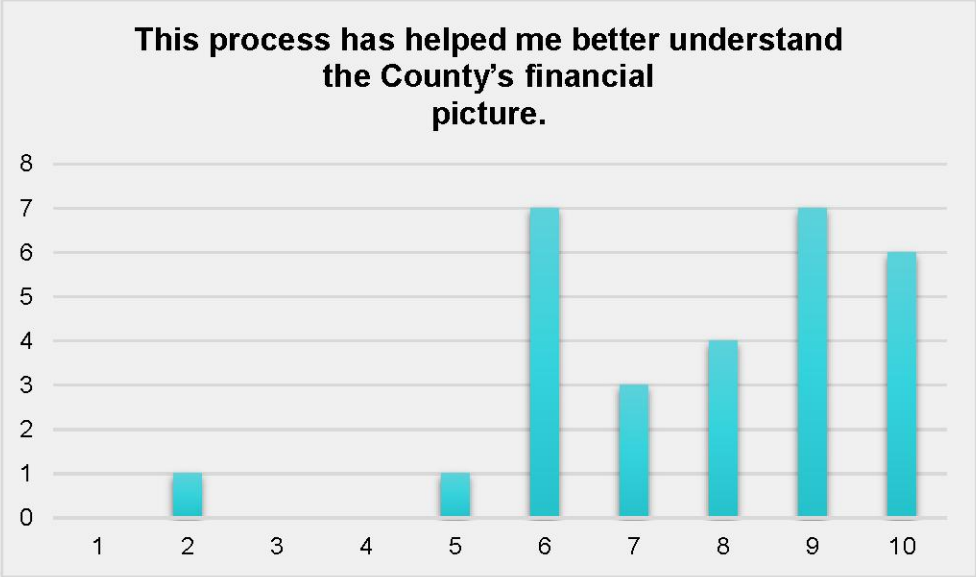

Figure 33: Task Force Agreement Rating on the Effectiveness of the Task Force Process

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APPENDIX B:

Task Force Member Comments by Key Theme

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The following table captures the individual Task Force member comments for each of the five key themes identified. The comments are transcribed verbatim from the last session.

Task Force Member Comments by Theme

Importance of Fiscal Responsibility
• Use shared revenue to pay down debt and reduce County property tax. Leads to County budget that will not grow as fast due to inflation and increased costs as debt payment will significantly decrease. • First and foremost [value] in running the County and formulating budgets. • County should not collect more than needed to close critical services gap. Need to continue to lobby state to fix shared revenue and modernize property [tax] caps. • I believe the County is already fiscally responsible. • Push Madison for more funding. • How best to address budget excesses – Why do they occur, can budgets be more precise, how best to use excess dollars at end of year. • Maintain existing standard of fiscal responsibility, which allows us to provide/maintain a high level of services. • The County should "sharpen the pencil" as required. • Elected messaging; inherent by past decisions; current State communication; our County versus other similar county. • Caution – The relief created by Sales Tax option could take focus off of need to constantly look for reduction options. • Do not grow government. • I believe County and municipal service levels are generally appropriate and would try to avoid major cuts. • What does the future look like when we experience another budget shortfall in spite of a sales tax? • [The] Waukesha Way is to emphasize fiscal restraint and only introduce a new tax as a last resort and only to the extent needed. Tools to use first: 1) use previous surplus; 2) sell surplus property; 3) increase user fees; 4) cut in shortage; 5) look for efficiencies (shared services). • Maintain the AAA bond rating. Continue to be prudent with taxpayer resources. • The Waukesha Way is to solve our fiscal problems through responsible spending. Sharpen the pencil. • Should always be a priority under every revenue generation scenario. • Focus on fiscal responsibility doesn't include generating more revenue than needed. • How do we control size of government with so much money available? • Maintain.
Targeted Budgetary Service Level Reductions and Enhancements
• Have municipalities pay the cost of shared dispatch. • Big on collaboration of shared services. Is it the County's job to provide revenue to municipalities? • Would like to see each department head['s] ideas on cost reductions. Also need administrative infrastructure across County organization. For example: telephones; does every department need marketing, communications, administrators, etc. • Deep dive on service statistics, # and $ impact related to cost. • The services that can be reduced currently; one year fix? [or] more than [that]. • Do not reduce services that enhance quality of life – Keep Waukesha County as a desirable place to live, etc. • This is the first tool to use to balance the budget after use of the surplus. • We must continue to provide a safe and secure place to live. • Invest in maximum impact – safety, infrastructure, government functions. • With 37 municipalities each responsible for their own public safety, why do we need to expand County Sheriff's department? • Continue the important work of adjusting service levels and finding efficiencies – despite any revenue options. • Explore reduction of Health & Human Services spending. • I favor sharing services where feasible and more efficient. I believe the ½% sales tax revenue should be: 40% County, 20% Real estate tax reduction, 40% local governments. • Think creatively about spending. There is room in all budgets to reduce spending. We should use a holistic approach taking all opportunities into account. • Increase funding for services supporting families, veterans, and victims of domestic violence/abuse or trafficking. • Some departments are fully funded by the services they offer, leave these alone. Some departments are fully tax level funding; if core service, leave alone. If partially funded by tax levy, focus some reduce. • Clean up public safety budgeting issues.

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Desire to Explore Revenue Options

- Approve sales tax at 0.5%. 40% to municipalities, 20% to property tax relief, 20% to County budget, 20% to paying down debt.
- Consider increasing taxes for all who use County services (e.g., include non-residents).
- I would suggest a referendum first – if voted down, propose sales tax 5.3%. Sales tax is regressive hitting low income hardest and businesses. Would be head wind to economic development.
- Increased sales tax seems to be the only option that "solves" the problem.
- 1) Sales tax 0.5%. 2) Legislature work on shared revenues.
- Sales tax is the only responsible revenue increase option – collects revenue from other county's residents which we pay to them when we shop there.
- Implement a ¼% sales tax, increase so we do not collect more than we need.
- Explore grants in all areas. Donations and sponsorships to Parks & Health and Human Services. Last option sales tax at less than ½%.
- New revenue source as the last resort and then only take what is necessary to solve the budget issue. Taking more than needed is not responsible or the Waukesha Way. Plus eats at future needs. Partial sales tax is better.
- The conservative approach in this County necessitates communicating impact to educate residents, regardless of which option is selected.
- Explore state change to allow for less than 0.5%.
- Fees, naming rights, sponsorships, property tax, grow economy. Infrastructure and development best-in-class.
- Sustainability prediction, time implications.
- Each revenue option should be taken seriously. The wheel tax will provide some revenue although it is obviously not enough to offset the entire deficit.
- I believe the best revenue option is the ½% sales tax and I would not attempt to reduce that.
- Tough decision equals long-term solutions.
- If a sales tax is necessary and the state is essentially forcing the County's hand, think big. This is about a lot more than just a sales tax.
- Explore sale of County lands to resolve short-term deficits and allow expansion of tax increment.
- Exceed [property tax] levy: No. Vehicle registration fee: No. Sales tax: Yes, if… 1) reduce property taxes, 2) county ordinance has flexibility to adjust property tax levy, general fund, build a buffer into the plan.

Support for Infrastructure and Economic Development

- Paying down debt with sales tax $'s allows for future where infrastructure can become paid for with incoming dollars. Big win for all property owners.
- Most important responsibility for County and Government. We are behind in this area.
- Though not rated as high as Public Safety, extremely important to value to keep this County growing, attractive.
- Continue (or increase) focus on Economic Development to increase tax revenue on commercial (versus residential).
- Focus more on innovation. Waukesha Version 2.0.
- This area should be a strong priority.
- Infrastructure, Public Safety, and Health Services should be protected to the greatest extent possible.
- Think creatively about where we are able to reduce funding to Infrastructure and Development by identifying risk and proportionally addressing reductions.
- Maintaining existing infrastructure and focusing on new development will translate to economic growth, as strong infrastructure attracts business.
- I believe County and municipal expenditures on infrastructure and development are currently appropriate and would avoid major changes.
- Necessities now. 5 years from now.
- Roads are very important to residents and commerce. Investment here is usually appreciated and often noticed by taxpayers.
- Visibility to residents and visitors speaks volumes about our County.
- Continue economic development but maintain the character of the county—preserve the reason people moved here!
- High priority to continue to maintain and expand infrastructure allowing for housing/building development to expand. Creates an avenue for revenue growth under current state statutes.
- Roads are critical. Shared revenue if implemented needs to account for differences in infrastructure from cities, villages, and rural towns. For example, no public pools in the Town of Oconomowoc or Town of Eagle.
- Boost business and housing market growth. Draw businesses and homeowners from surrounding communities.

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Evaluate Shared Services and Shared Revenue

- All municipalities in County are not cities. Most towns in County do not want shared revenue but are very interested in shared services.
- Continue working on sharing services. Sales tax (40%) shared with municipalities based upon population.
- Look for strategies and cuts with the least reduction in core service to citizens.
- Explore all options to realize efficiencies by sharing services.
- Advantages and impacts, time implications.
- Encourage and explore opportunities to consolidate services among the County and municipalities.
- Shared services and revenues will help the cities with their own budget issues.
- I believe the County and municipal governments are currently fiscally responsible, and I would try to avoid major cuts.
- Share revenue to encourage municipalities to cooperate. Municipalities using 911 Dispatch should pay for service. Use shared revenue to encourage Fire & Rescue consolidation.
- Think creatively to combine services and reform to identify savings possibilities.
- Shared Revenue [from] 0.5% [sales tax], 50% County, 35% Municipalities, 15% Tax Relief.
- Budget issues impact local municipalities same as County—great opportunity to get property tax relief for County and local tax bills.
- Brainstorm more options for shared services—e.g., public road plowing and maintenance, mowing near roads, charging for 911.
- Remain committed to intentional, creative eye to consolidate services whenever possible.
- Focus on shared services, collaboration, and consolidated services.
- Shared Services and Revenue → Slippery slope, what happens if County needs to grow?
- Benefits to municipalities, directly benefits residents, making tough revenue decisions more palatable
- Believe there is limited (small amount) revenue to be shared. Likely some communities will be uncooperative (recall 9-1-1 consolidation). Overall a great idea.
- Yes, to splitting excess revenue to communities with simple ordinance, but vigorous accounting calculations.

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APPENDIX E: RICHARDS RANCH FISCAL IMPACT REPORT

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CITY OF SANTA MARIA AND COUNTY OF SANTA BARBARA

RICHARDS RANCH FISCAL IMPACT STUDY

ADMINISTRATIVE REVIEW DRAFT

JULY 24, 2025



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Executive Summary

This report identifies the estimated fiscal and economic impacts of the Richards Ranch Project on the City of Santa Maria and the County of Santa Barbara.

Background and Study Objectives

The project proponent, MD3 Investments, proposes to construct a mixed-use project on the border of the City of Santa Maria in the unincorporated community of Orcutt. The project proponent and the County have proposed annexing the project into the City of Santa Maria. The Santa Barbara County Local Agency Formation Commission requires that a proposed annexation consider the fiscal impacts of an annexation to ensure that municipal services can be provided to the project. A fiscal impact study considers the costs and revenues to the City and County associated with the project, especially tax revenues and services such as public protection.

The project proponent had a prior fiscal impact study prepared by the Natelson Dale Group, Inc. This analysis relies heavily upon data from that study, but Willdan has made its own judgments regarding methodology and assumptions and has modified the analysis accordingly. The analysis assumes that the project will be annexed into the City of Santa Maria, which has implications (most notably, services are provided by the City of Santa Maris, tax and fee revenues accrue to the City, and the municipal property tax allocation is shared between the City and the County). As part of the evaluation process, the City and the County have engaged Willdan Financial Services to evaluate the Natelson report and prepare an independent fiscal impact analysis.

Summary of Results

Following is a summary of the analysis, also included below in Table 1, explained in further detail in the body of the report.

- The projected impact to the City of Santa Maria general fund is a fiscal surplus of $93,000 annually.
- The projected impact to the County of Santa Barbara general fund is a fiscal surplus of $276,000 annually.
- Additionally, the report calculates the rate of property tax sharing at which the City and County would have an estimated fiscal impact of approximately zero. For the City this figure is 30 percent, and for the County 33 percent.[1]

[1] Consistent with the Natelson report, the Willdan analysis assumes that the City receives fifty percent of the fire district revenue and twenty-five percent of general fund property tax revenue generated by the project, for an overall share of approximately thirty-eight (38.4) percent. This calculation is explained in further detail in Table 19.

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Table 1
Summary of Results
Richards Ranch Fiscal Impact Analysis

Item	Amount
City Net Fiscal Surplus (at 25/50% share, 38% overall)	$ 92,989
City "breakeven" property tax share	30%
County Net Fiscal Impact (at 75/50% share, 62% overall)	$ 275,823
County "breakeven" propety tax share	33%

Willdan Financial Services, 2025

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1. Introduction

MD3 Investments has proposed construction of a mixed residential and commercial project in Orcutt, an unincorporated community adjacent to the City of Santa Maria. The City and County are considering annexation of the project into the City. The City and County have engaged Willdan to prepare a report that estimates the fiscal impacts of the project after annexation, building on a prior report prepared by the Natelson Dale Group, Inc., for the project proponent. The proposed project will consist of 484 multi-family rental and single-family for-sale residential units and 195,000 square feet of commercial development, including a retail center and mini storage. Tables 2 and 3, on the following pages, detail the residential and commercial elements of the project, and estimate the assessed value (based on sales price) and expected residents and employees for the project.

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In Table 2, Willdan has increased the estimated residents in each development type to more closely match the average household size of 3.7 in Santa Maria. Willdan has also reduced the estimated monthly rent and townhome sales price based on its evaluation of the Santa Maria market.

Table 2
Residential Project Description
Richards Ranch Fiscal Impact Analysis

Type	Units	Value/DU	Total Value	HH Size	Tot Residents
Apartments					
1-BR	120	410,032	49,203,819	1.5	180
2-BR	176	503,221	88,566,875	2.5	440
3-BR	88	615,048	54,124,201	3.5	308
Total/Mean	384	499,726	191,894,895	2.42	928
Townhomes	100	600,000	60,000,000	3.75	375
Grand Total/Mean	484	520,444	251,894,895	2.69	1303

Sources: Willdan Financial Services, Inc.; The Natelson Dale Group, Inc.

Willdan Financial Services, 2025

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Table 3 provides detail regarding the commercial component of the project, including 94,000 square feet of commercial strip center and a 101,000 square foot mini storage facility.

Table 3
Commercial Project Description
Richards Ranch Fiscal Impact Analysis

Type	Sq. Feet	Employees/ 1K sf	Employees	AV/sf	Assessed Value
Commercial Strip Center	93,863	2	188	410	38,483,830
Mini Storage	101,265	N/A	3	150	15,189,750
Total/Mean	195,128		191		53,673,580

Source: The Natelson Dale Group, Inc.

Willdan Financial Services, 2025

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2. Methodology

Willdan has prepared a model based in broad terms on the analysis prepared by Natelson. In broad terms, the fiscal analysis uses two basis methods of estimating revenues and expenditures. For most categories the model assumes that revenues and expenditures will increase in proportion to the project, by using the existing per capita figures for the City and County and applying the expected new residents and employees in the project to estimate the impact on each item. For certain items Willdan uses a “case study” approach, in which the details of the project are used to estimate certain items. For example, Willdan uses estimated taxable sales to project sales tax revenue and expected assessed value to estimate property tax revenue.

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3. Fiscal Impacts

Revenues

Table 4 provides a more detailed summary of the expected revenues and expenditures expected from the project for the City of Santa Maria. As shown in Table 4, the major revenue sources are taxes, including Measure U, and the major expenditure categories are public safety. Willdan has adjusted these from the Natelson methodology. The most notable change in Table 4 is the exclusion from the analysis of the County Measure A revenue, which is administered separately used primarily for capital projects (and therefore not a general fund revenue to the City and not generally available to fund services). As shown in Table 4, Willdan projects a surplus of $93,000 annually for the City.

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Table 4
City Net Fiscal Impacts (annual recurring)
Richards Ranch Fiscal Impact Analysis

Fund	Amount
General Fund	
Property Tax	$ 368,217
Property Tax In Lieu of VLF	288,926
Sales and Use Tax	186,435
Public Safety Tax	641
Franchises	41,380
Business Licenses	2,602
Property Transfer Tax	11,467
Licenses, Permits & Fees	1,310
Revenue from Other Agencies	2,326
Recreation Programs	1,850
Recreation Income	2,964
Aquatics	2,697
Other Misc.	713
Measure U Transaction and Use Tax	$ 164,260
Total General Fund Revenue	$ 1,075,787
Other Revenues	
County Measure A	N/A
State Gas Tax	51,503
Total Other Revenues	**$ 51,503**
Total Revenues	**$ 1,127,290**
Expenditures	
Police	$ 552,015
Fire	243,617
Public Works	31,980
Recreation and Parks	141,087
Community Development	16,108
General Government	$ 49,493
Total Expenditures	$ 1,034,301
Net	**$ 92,989**

Sources: The Natelson Dale Group, Inc.; Willdan Financial Services

Willdan Financial Services, 2025

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Table 5 details the estimated revenues and expenditures from the project for the County of Santa Barbara. Although the analysis assumes annexation (and therefor provision of primary services by the City of Santa Maria), there are still County expenditures that reflect County services provided to all residents within the County (as opposed to certain County services, such as public protection, that are provided primarily to residents of unincorporated areas). As shown in Table 5, Willdan projects a surplus to the County of $276,000 annually, primarily from the retention of significant property tax revenues and the public safety sales tax.

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Table 5
County Net Fiscal Impacts (annual recurring)
Richards Ranch Fiscal Impact Analysis

Fund	Amount
General Fund	
Property Tax	$ 588,439
Property Tax In Lieu of VLF	205,683
Property Transfer Tax	11,467
Fines, Forfeitures & Penalties	11,265
Use of Money and Property	7,619
Intergovernmental Revenue State	704
Intergovernmental Revenue Federal	-
Public Safety Sales Tax	$ 80,077
Total General Fund Revenue	**$ 905,253**
Expenditures	
Policy and Executive	$ 32,434
Public Safety	324,151
Health and Human Services	109,469
Community Resources and Public Facilties	84,259
General Government and Support Services	75,636
General County Programs	$ 3,481
Total Expenditures	**$ 629,430**
Net	**$ 275,823**

Sources: The Natelson Dale Group, Inc.; Willdan Financial Services

Willdan Financial Services, 2025

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Project Demographics

Table 6 details the estimated residents and employees for the project. The model uses two different measures of population for the purposes or estimating fiscal impacts. The first, residents, is simply the number of residents living in the new units. This figure is used to estimate revenues that are allocated by population, such as gas tax, and for services that are primarily for residents, such as parks and recreation (for the City) or health and human services (for the County). As second measure, "service population," is the sum of residents and 50 percent of the estimated new employees. This measure is used for proportional estimates for revenues and expenditures that are expected to be impacted by both new residents and new businesses, such as police and fire protection. Willdan has increased the resident estimate from the Natelson report but the employee estimate remains unchanged.

Table 6
Project Population
Richards Ranch Fiscal Impact Analysis

Item	Amount
Residents	1,303
Empoyees	191
Employee Weighting Factor	50%
Total Service Population	1,398

Sources: The Natelson Dale Group, Inc.; Willdan Financial Services

Willdan Financial Services, 2025

Santa Maria Revenue Projections

Table 7 below details the revenue calculations for the City of Santa Maria. The table summarizes the City budget and provides an estimation methodology where appropriate. In many cases the model assumes proportional growth in revenue, using the current ratio of revenue to population in the City to estimate the additional revenue from new development. In some case the methodology is "case study" in which case the calculation is provided on a subsequent table.

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Table 7
City of Santa Maria Revenue Calculation
Richards Ranch Fiscal Impact Analysis

Item	Revenue	Non-Recurring	Not Projected	Recurring Projected	Methodology/Units of Measure	Unit Amount	Revenue Factor	Projected Units	Percent Variable	Amount
Taxes										
Property Secured	$ 14,304,503	$ -	$ -	$ 14,304,503	Case Study	N/A	N/A	N/A	N/A	368,217
Property Unescured	506,424	-	506,424	-	Not Projected	N/A	N/A	N/A	N/A	N/A
In Lieu of VLF	10,884,750	-	-	10,884,750	Case Study	N/A	N/A	N/A	N/A	288,926
Sales & Use	31,793,709	-	-	31,793,709	Case Study	N/A	N/A	N/A	N/A	186,435
Sales & Use - Safety	394,157	-	-	394,157	Case Study	N/A	N/A	N/A	N/A	641
Franchises	4,979,094	-	-	4,979,094	Per Service Population	134,608	36.99	1,398	80%	41,380
Transient Occupancy	4,273,426	-	4,273,426	-	Not Projected	N/A	N/A	N/A	N/A	N/A
Businccss License	818,500	-	-	818,500	Per Employee	48,000	17.05	191	80%	2,602
Property Transfer	310,896	-	-	310,896	Case Study	N/A	N/A	N/A	N/A	11,467
Subtotal Taxes	**$ 68,265,459**	**$ -**	**$ 4,779,850**	**$ 63,485,609**						**$ 899,668**
Licenses, Permits & Fees										
Construction Permits	$ 3,070,974	$ -	$ 3,070,974	$ -	Not Projected	N/A	N/A	N/A	N/A	N/A
Taxi & Mobile Home Fees	24,700	-	-	24,700	Not Projected	N/A	N/A	N/A	N/A	N/A
Criminal Fines & Penalties	157,660	-	-	157,660	Per Service Population	134,608	1.17	1,398	80%	$ 1,310
Subtotal	**$ 3,253,334**	**$ -**	**$ 3,070,974**	**$ 182,360**						**1,310**
Revenue from Use of Money and Property										
Interest Earned	$ 2,285,796	$ -	$ 2,285,796	$ -	Not Projected	N/A	N/A	N/A	N/A	N/A
Rental Income	673,717	-	673,717	-	Not Projected	N/A	N/A	N/A	N/A	N/A
Subtotal	**$ 2,959,513**	**$ -**	**$ 2,959,513**	**$ -**						**$ -**
Revenue from Other Agencies										
Motor Vehicle License Fees	$ 112,660	$ -	$ -	$ 112,660	Per Capita	110,608	1.02	1,303	1	1,062
Homeowners' Tax Relief	50,416	-	-	50,416	Per Capita	110,608	0.46	1,303	1	475
Property Tax In Lieu	94,900	-	-	94,900	Per Service Population	134,608	0.71	1,398	1	789
Mandated Costs	43,401	-	43,401	-	Not Projected	N/A	N/A	N/A	N/A	N/A
P.O.S.T.	43,773	-	43,773	-	Not Projected	N/A	N/A	N/A	N/A	N/A
Other Subventions	141,336	-	-	141,336	Not Projected	N/A	N/A	N/A	N/A	N/A
Subtotal	**$ 486,486**		**$ 87,174**	**$ 399,312**						**$ 2,326**
Charges for Service										
Recreation Programs	$ 196,260	$ -		$ 196,260	Per Capita	110,608	1.77	1,303	1	1,850
Recreation Income	314,478	-		314,478	Per Capita	110,608	2.84	1,303	1	2,964
Aquatics	286,200	-		286,200	Per Capita	110,608	2.59	1,303	1	2,697
Zoning & Subdivision Fees	690,950	690,950		-	Not Projected	N/A	N/A	N/A	N/A	N/A
Law Enforcement	979,921	-	979,921	-	Not Projected	N/A	N/A	N/A	N/A	N/A
Fire Services	1,686,005	-	1,686,005	-	Not Projected	N/A	N/A	N/A	N/A	N/A
Engineering Reimbursements	677,699	-	677,699	-	Not Projected	N/A	N/A	N/A	N/A	N/A
Comm. Dev. Reimbursements	312,400	-	312,400	-	Not Projected	N/A	N/A	N/A	N/A	N/A
Weed Abatement	-	-	-	-	Not Projected	N/A	N/A	N/A	N/A	N/A
Services Rendered Other Agencies	1,085	-	1,085	-	Not Projected	N/A	N/A	N/A	N/A	N/A
Eng. Plan Check & Inspections	853,981	853,981	-	-	Not Projected	N/A	N/A	N/A	N/A	N/A
Impacted Soils	100,000	-	100,000	-	Not Projected	N/A	N/A	N/A	N/A	N/A
Subtotal	**$ 6,098,979**	**$1,544,931**	**$ 3,757,110**	**$ 796,938**						**$ 7,511**
Other Revenue										
Prior Year & Damage Recovery	$ 3,000	$ -	$ 3,000	-	Not Projected	N/A	N/A	N/A	N/A	N/A
Sale of Real Property	4,250	-	4,250	-	Not Projected	N/A	N/A	N/A	N/A	N/A
Sale of Maps, Plans and & Other	134,660	-	134,660	-	Not Projected	N/A	N/A	N/A	N/A	N/A
Other Misc. Revenue	85,746	-	-	85,746	Per Service Population	134,608	0.64	1,398	1	713
Operating Transfers In	4,627,624	-	4,627,624	-	Not Projected	N/A	N/A	N/A	N/A	N/A
Cost Allocation Transfers	4,917,037	-	4,917,037	-	Not Projected	N/A	N/A	N/A	N/A	N/A
Subtotal	**$ 9,772,317**	**$ -**	**$ 9,686,571**	**$ 85,746**						**$ 713**
Measure U										
Measure U Tax	$ 26,715,000	$ -	$ -	26,715,000	Case Study	N/A	N/A	N/A	N/A	164,260
Interest Income	171,354	-	171,354	-	Not Projected	N/A	N/A	N/A	N/A	N/A
Subtotal	**$ 26,886,354**	**$ -**	**$ 171,354**	**$ 26,715,000**						**164,260**
Total General Fund	**$ 117,722,442**	**$1,544,931**	**$ 24,512,546**	**$ 91,664,965**						**$ 1,075,787**
Other Fund Revenues										
County Measure A Sales Tax	7,456,129	-	7,456,129	-	Not Estimated	N/A	N/A	N/A	N/A	N/A
State Gas Tax	5,464,920	-	-	5,464,920	Per Capita	110,608	49.41	1,303	80%	51,503
Total Other Fund Revenues										**$ 51,503**
Grand Total Revenues										**$ 1,127,290**

Source: The Natelson Dale Group, Inc.; Willdan Financial Services

Willdan Financial Services, 2025

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Santa Maria Expenditures

Table 8 estimates the expenditures by the City of Santa Maria. For each expenditure item the model calculates the future expenditures from the current ratio of costs on a per capita or per service population basis.

Table 8
City of Santa Maria Expenditure Calulation
Richards Ranch Fiscal Impact Analysis

Item	Expenditures	Methodology/Units of Measure	Unit Amount	Revenue Factor	Projected Units	Percent Variable	Amount
Public Safety							
Police	$ 53,137,621	Per Service Population	134,608	395	1,398	100%	552,015
Fire	23,450,833	Per Service Population	134,608	174	1,398	100%	243,617
Subtotal Public Safety	**$ 76,588,454**						**$ 795,632**
Public Works	$ 3,848,022	Per Service Population	134,608	29	1,398	80%	31,980
Recreation & Parks	14,970,631	Per Capita	110,608	135	1,303	80%	141,087
Community Development	1,938,203	Per Service Population	134,608	14.40	1,398	80%	$ 16,108
Subtotal	**20,756,856**						**$ 189,175**
General Government							
Mayor & Council	$ 210,816	Per Service Population	134,608	1.57	1,398	25%	548
City Attorney	1,816,868	Per Service Population	134,608	13.50	1,398	25%	4,719
City Manager	13,045,242	Per Service Population	134,608	96.91	1,398	25%	33,880
Finance	3,984,369	Per Service Population	134,608	29.60	1,398	25%	10,348
Subtotal General Government	**$ 19,057,295**						**$ 49,494**
Grand Total Expenditures	**$ 116,402,605**						**$ 1,034,301**

Source: The Natelson Dale Group, Inc.; Willdan Financial Services

Willdan Financial Services, 2025

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County of Santa Barbara Revenues

Table 9 below details the revenue calculations for the County of Santa Barbara. The table summarizes the County budget and provides an estimation methodology where appropriate. In many cases the model assumes proportional growth in revenue, using the current ratio of revenue to population in the County to estimate the additional revenue from new development. In some case the methodology is "case study" in which case the calculation is provided on a subsequent table.

Table 9
County of Santa Barbara Revenue Calculation
Richards Ranch Fiscal Impact Analysis

Item	Revenue	Methodology/Units of Measure	Unit Amount	Revenue Factor	Projected Units	Percent Variable	Amount
Property Tax	$ 333,963,000	Case Study	N/A	N/A	N/A	N/A	805,589
Licenses, Permits and Franchises	3,597,600	N/A (unincorporated only)	N/A	N/A	N/A	N/A	N/A
Fines, Forfeitures & Penalties	$ 5,554,000	Per Service Population	551,543	10.07	1,398	80.00%	11,265
Use of Money and Property	3,756,500	Per Service Population	551,543	6.81	1,398	80.00%	7,619
Intergovernmental Revenue-State							
Motor Vehicle In Liue In Excess	$ 300,000	Per Capita	444,500	0.67	1,303	80%	704
Homeowners' Tax Relief	685,000	Not Estimated	N/A	N/A	N/A	N/A	N/A
Stat Off Hwy Mtr. Veh LF	1,000	Not Estimated	N/A	N/A	N/A	N/A	N/A
Subtotal	*$ 986,000*						*$ 704*
Intergovernmental Revenue-Federal	2,159,300	Not Estimated	N/A	N/A	N/A	N/A	N/A
Charges for Services	21,972,700	Not Projected	N/A	N/A	N/A	N/A	N/A
Misc Revenue	95,000	Not Estimated	N/A	N/A	N/A	N/A	N/A
Total General Fund Revenue	**372,084,100**						**825,176**
Prop 172 - Public Safety Sales Tax	48,831,700	Case Study	N/A	N/A	N/A	N/A	80,077
Total Revenues	**420,915,800**						**905,253**

Source: The Natelson Dale Group, Inc.; Willdan Financial Services

Willdan Financial Services, 2025

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County of Santa Barbara Expenditures

Table 10 estimates the expenditures for the County of Santa Barbara. For each expenditure item the model calculates the future expenditures from the current ratio of costs on a per capita or per service population basis.

Table 10
County of Santa Barbara Expenditure Calculation
Richards Ranch Fiscal Impact Analysis

Item	Expenditures	Operating Revenues	Recurring Revenue	Methodology/Units of Measure	Unit Amount	Revenue Factor	Projected Units	Percent Variable	Amount
Policy & Executive									
Board of Supervisors	$ 4,142,600	$ -	$ 4,142,600	Per Service Population	551,543	7.51	1,398	50%	5,252
County Executive Office	62,815,700	53,620,700	9,195,000	Per Service Population	551,543	16.67	1,398	50%	11,656
County Counsel	12,614,200	366,600	12,247,600	Per Service Population	551,543	22.21	1,398	50%	15,526
Subtotal General Government	**$ 79,572,500**	**$ 53,987,300**	**$ 25,585,200**						**$ 32,434**
Public Safety									
District Attorney	$ 34,344,300	$ 13,224,100	$ 21,120,200	Per Capita	444,500	47.51	1,303	50%	30,956
Probation	70,195,300	44,969,700	25,225,600	Per Capita	444,500	56.75	1,303	50%	36,973
Public Defender	20,289,300	557,200	19,732,100	Per Capita	444,500	44.39	1,303	25%	14,461
Court Special Services	12,916,000	5,289,300	7,626,700	Per Capita	444,500	17.16	1,303	25%	5,589
Fire	120,928,100	44,103,500	76,824,600	Per Service Population	551,543	139.29	1,398	50%	97,389
Sheriff (non custody ops)	109,045,400	49,665,600	59,379,800	Not Estimated	N/A	N/A	N/A	N/A	N/A
Sheriff (custody ops)	90,894,900	22,471,000	68,423,900	Per Service Population	551,543	124.06	1,398	80%	138,784
Subtotal Public Safety	**$ 458,613,300**	**$ 180,280,400**	**$ 278,332,900**						**$ 324,151**
Health & Human Services									
Public Health	$ 102,583,200	$ 87,758,600	$ 14,824,600	Per Capita	444,500	33.35	1,303	100%	43,457
Behavioral Wellness	175,660,900	171,167,600	4,493,300	Per Capita	444,500	10.11	1,303	100%	13,172
Social Services	222,738,400	205,562,700	17,175,700	Per Capita	444,500	38.64	1,303	100%	50,349
Child Support Services	11,272,000	11,272,000	-	Per Capita	444,500	-	1,303	100%	-
First 5, Children & Families	3,723,900	2,873,600	850,300	Per Capita	444,500	1.91	1,303	100%	2,493
Subtotal Health & Human Services	**$ 515,978,400**	**$ 478,634,500**	**$ 37,343,900**						**$ 109,469**
Community Resources & Public Facilities									
Agricultural Commissioner/W&M	$ 7,912,800	$ 5,804,400	$ 2,108,400	Not Estimated	N/A	N/A	N/A	N/A	N/A
Community Services	74,837,200	41,925,000	32,912,200	Per Service Population	551,543	59.67	1,398	50%	41,722
Planning & Development	29,853,200	22,524,600	7,328,600	Per Service Population	551,543	13.29	1,398	50%	9,290
Public Works	173,327,200	147,100,900	26,226,300	Per Service Population	551,543	47.55	1,398	50%	33,247
Subtotal Community Resources & P	**$ 285,930,400**	**$ 217,354,900**	**$ 68,575,500**						**$ 84,259**
General Government & Spport Services									
Auditor-Controller	$ 10,674,500	$ 1,407,000	$ 9,267,500	Per Service Population	551,543	16.80	1,398	50%	11,748
Clerk-Recorder-Assessor	21,695,100	7,042,600	14,652,500	Per Service Population	551,543	26.57	1,398	50%	18,575
Debt Service	1,246,900	1,384,900	-	Not Estimated	N/A	N/A	N/A	N/A	N/A
General Services	49,964,100	29,303,300	20,660,800	Per Service Population	551,543	37.46	1,398	50%	26,191
Human Resources	10,572,600	2,598,300	7,974,300	Per Service Population	551,543	14.46	1,398	50%	10,109
Information Technology	28,240,200	27,232,100	1,008,100	Per Service Population	551,543	1.83	1,398	50%	1,278
Treasurer-Tax Collector	9,579,200	3,477,800	6,101,400	Per Service Population	551,543	11.06	1,398	50%	7,735
Subtotal General Government	**$ 131,972,600**	**$ 72,446,000**	**$ 59,664,600**						**$ 75,636**
General County Programs									
General County Programs	11,090,700	8,345,100	2,745,600	Per Service Population	551,543	4.98	1,398	50%	3,481
Subtotal General Government	**$ 11,090,700**	**$ 8,345,100**	**$ 2,745,600**						**$ 3,481**
Total Expenditures	**$ 1,483,157,900**	**$1,011,048,200**	**$ 472,247,700**						**$ 629,430**

Source: The Natelson Dale Group, Inc.; Willdan Financial Services

Willdan Financial Services, 2025

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Sales Tax Revenues

Willdan has estimated the sales tax revenue that could be generated by the project, detailed in Table 11. For this analysis Willdan has calculated only the revenue from the commercial center. The Natelson analysis estimated both this revenue and the new taxable sales generated by new residents. Willdan believes this approach is too aggressive, as new stores do not themselves necessarily generate new sales and to any new sales to the City would come in significant part from the new residents. As a result, Willdan's approach to sales tax in mixed-use projects is to calculate both the on-site sales and the resident-generated sales and use the higher figure in its analysis, but not both.

Table 11
Onsite Taxable Sales
Richards Ranch Fiscal Impact Analysis

Land Use	Square Feet	Sales/SF	Total Sales	% Taxable (1)	Taxable Sales
Commercial Center	93,863	250	23,465,750	70.00%	16,426,025
Mini Storage	101,265	0	0	0	0
Total	195,128		23,465,750		16,426,025

(1) Not all establishments will sell goods, and not all goods sold will be taxable.

Source: The Natelson Dale Group, Inc.; Willdan Financial Services

Willdan Financial Services, 2025

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Table 12 calculates the revenue resulting from the onsite sales, both directly from the City's one percent share of sales tax collections and an allocation of countywide pools.

Table 12
Estimated Sales Tax Revenue
Richards Ranch Fiscal Impact Analysis

Item		Total
Total Taxable Sales	$	16,426,025
Local Sales Tax Rate		1.0%
Sales Tax Revenue	$	164,260
On-Site Sales Tax Revenue as a Shareo of Total Sales & Use Tax (1)		86.5%
Estimated Sales Tax Revenue Allocation Generated by Base Sales Tax	$	22,175
Total Revenue	**$**	**186,435**

(1) According to HdL and Natelson, 12-15% of a local jurisdiciton's total sales and use tax revenue are derived from their share of countywide pools.

Source: The Natelson Dale Group, Inc.; Willdan Financial Services

Willdan Financial Services, 2025

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The City of Santa Maria also has a local tax measure, Measure U, that collects an additional one percent of local taxable sales. Table 13 calculates the Measure U revenue generated by the project.

Table 13
Estimated Measure U Sales Tax Revenue
Richards Ranch Fiscal Impact Analysis

Item		Total
Total On-Site Taxable Sales	$	16,426,025
Total Resident Santa Maria Taxable Expenditures		-
Total Taxable Sales	$	16,426,025
Measure U Sales Tax Rate		1.0%
Total Measure U Sales Tax Revenue	**$**	**164,260**

Source: The Natelson Dale Group, Inc.; Willdan Financial Services

Willdan Financial Services, 2025

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Table 14 calculates the 0.5% public safety tax collected and the allocation between the County and the City.

Table 14
Estimated Public Safety Sales Tax Revenue
Richards Ranch Fiscal Impact Analysis

Item		Total
Total On-Site Taxable Sales	$	16,426,025
Total Resident Santa Maria Taxable Expenditures		-
Total Taxable Sales	$	16,426,025
Public Safety Sales Tax Rate		0.5%
Total Public Safety Sales Tax Revenue	$	82,130
County Revenue		
County Share of Public Safety Tax		97.5%
County Public Safety Tax Revenue	**$**	**80,077**
City Revenue		
City Share of Public Safety Tax		0.8%
City Public Safety Tax Revenue	**$**	**641**

Source: The Natelson Dale Group, Inc.; Willdan Financial Services

Willdan Financial Services, 2025

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Property Tax Revenues

The most significant source of revenue from the development of the project is property tax revenue, which is calculated in the following tables. Table 15 details the allocation of the basis ad valorem tax of one percent of assessed value for the proposed project parcel, tax rate area 080-041. The two allocations relevant to the analysis are the Santa Barbara County General Fund, 0001, and the SB County Fire Protection District, 2280. As shown in Table 15, the analysis assumes that twenty-five percent of the general fund tax and fifty percent of the fire district tax will be allocated to the City, with the remainder retained by the County.

Table 15
Propety Tax Allocation Factors
Richards Ranch Fiscal Impact Analysis

District	Name	TRA 080-041 (1)	Post Annexation City Allocation (2)	County Share Post Annexation
0001	Santa Barbara County General Fund	0.144139	25%	0.10810425
2140	CSA 5	0.006563		
2280	SB County Fire Protecton District	0.168935	50%	0.08446750
2400	SB County Flood Cntrl/Wtr Cnsrv	0.002668		
2510	Orcutt Flood Zn 3	0.005465		
2670	North County Lighting District	0.008701		
3050	Santa Barbara County Wtr Agency	0.003431		
3210	Santa Maria Public Airport Dist	0.011144		
3320	Santa Maria Cemetary Dist	0.005800		
4160	SB Mosquito/Vector Dist	0.000186		
4500	Cachuma Resource Cnsrv Dist	0.000479		
7401	Orcutt Union Elem Dist General	0.235767		
8301	Santa Maria Jt HS Dist General	0.195338		
9401	Allen Hancock CC Dist General	0.051965		
9801	County School Srvc Fund	0.035912		
9802	ERAF	0.123508		
Total (3)		1.000001		0.19257175

(1) Tax Rate Area
(2) Analysis assumes that 25 percent of GF revenue and 50 percent of fire revenue go to City.
(3) Figures from Natelson and should add up to exactly 1. Willdan has not had the opportunity to reconcile this number given the compressed time frame of the analysis. The difference is *de minimus* .

Source: The Natelson Group, Inc.; Santa Barbara County Auditor-Controller's Office

Willdan Financial Services, 2025

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Table 16 calculates the property tax revenues for the project for the City and County based on the assessed value from Tables 2 and 3 and the allocation factors in Table 15.

Table 16
Estimated Property Tax Revenue
Richards Ranch Fiscal Impact Analysis

Item		Amount
Estimated Project Assessed Value	$	305,568,475
Base Ad Valorem Tax		1.00%
Base Ad Valorem Revenue	$	3,055,685
City General Fund Revenue, Post Annexation		
City General Fund Post ERAF Share of AV Tax		3.6%
Total City Property Tax Post Annexation	$	110,111
City Fire District Revenue, Post Annexation		
City Fire District Post ERAF Share		8.45%
City Fire District Property Tax Post Annexation	$	258,106
County General Fund Revenue, Post Annexation		
County General Fund Post ERAF Share of AV Tax		10.8%
Total County Property Tax Post Annexation	$	330,333
County Fire District Revenue, Post Annexation		
County Fire District Post ERAF Share of AV Tax		8.45%
County Fire District Property Tax Post Annexation	$	258,106

Source: The Natelson Dale Group, Inc.; Willdan Financial Services

Willdan Financial Services, 2025

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In addition to the property tax factors, each jurisdiction receives additional revenue in lieu of vehicle license fee (VLF) revenue. This amount is calculated as a proportion of incremental additional assessed value applied to the previous year's VLF revenue. Table 17 calculates the incremental additional VLF swap revenue resulting from the development of the project for the City and the County.

Table 17
Estimated Vehicle License Fee (VLF)/Property Tax Revenue
Richards Ranch Fiscal Impact Analysis

Item		Amount
Santa Barbara County		
County VLF Swap Revenue (2024)	$	74,128,000
County AV, FY 2023-24	$	110,126,900,000
Project Value	$	305,568,475
Percentage Increase over Base AV		0.28%
Incremental Additional VLF Swap Revenue	$	205,683
City of Santa Maria		
City VLF Swap Revenue (2024)	$	10,884,750
City AV, FY 2023-24	$	11,511,734,000
Project Value	$	305,568,475
Percentage Increase over Base AV		2.65%
Incremental Additional VLF Swap Revenue	$	288,926

Source: The Natelson Dale Group, Inc.; Willdan Financial Services

Willdan Financial Services, 2025

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The City and County collect transfer tax upon the sale of real estate, $1.10 per $1,000 of valuation, divided equally. The fiscal model assumes that for sale residential units will be sold every seven years, and the commercial properties (including rental apartments) every twenty years. Table 18 calculates the average annual revenue that would be received from these transactions.

Table 18
Estimated Property Transfer Tax Revenue
Richards Ranch Fiscal Impact Analysis

Item	Residential (TH)	Residential (APT)	Commercial	Total
Estimated Property Value	$ 60,000,000	$ 191,894,895	$ 53,673,580	$ 305,568,475
Mean holding period (years)	7	20	20	
Tax Rate (1)	0.055%	0.055%	0.055%	
Annual Revenue	$ 4,714	$ 5,277	$ 1,476	$ 11,467

(1) The City and County Share a transfer tax of $1.10 per $1,000 of valuation.

Source: The Natelson Dale Group, Inc.; Willdan Financial Services

Willdan Financial Services, 2025

Integral to the projection of the fiscal impacts of the project to the City and County is an assumption regarding the allocation of the property tax generated by the project. Consistent with the Natelson study, this analysis assumes a split between the City and County of 25%/75% for the general fund revenue and 50% each for the fire district revenue, for an overall allocation of 38%/62%. These calculations are included in Table 16, above. Additionally, Willdan has estimated the minimum property tax revenue needed for each municipality to be fiscally neutral (a net impact of approximately $0, or “breakeven”). Table 19 calculates the minimum property tax allocation for the City and County to achieve breakeven. As shown in Table 19, City must receive at least 30 percent of the property tax revenue to remain fiscally neutral, and the County must receive at least 33 percent of the property tax revenue to remain fiscally neutral.

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Table 19
Property Tax "Breakeven" Analysis
Richards Ranch Fiscal Impact Analysis

Item		Amount
Estimated Project Assessed Value	$	305,568,475
Base Ad Valorem Tax		1.00%
Base Ad Valorem Revenue	$	3,055,685
GF Allocation TRA 080-041		14.41%
Revenue	$	440,443
Fire District Allocation TRA 080-041		16.89%
Revenue	$	516,212
Total Combined GF and FD Allocation TRA 080-041		31.31%
Revenue	$	956,655
City Breakeven Estimate		
City General Fund Revenue, Post Annexation		
City General Fund Post ERAF Share of AV Tax		4.32%
Total City Property Tax Post Annexation	$	132,133
City Fire District Revenue, Post Annexation		
City Fire District Post ERAF Share		5.07%
City Fire District Property Tax Post Annexation	$	154,864
Resulting City Fiscal Impact	**$**	**11,769**
Percentage Allocation of Project Property Tax Revenue		**30%**
County Breakeven Estimate		
County General Fund Revenue, Post Annexation		
County General Fund Post ERAF Share of AV Tax		4.76%
Total County Property Tax Post Annexation	$	145,346
County Fire District Revenue, Post Annexation		
County Fire District Post ERAF Share of AV Tax		5.57%
County Fire District Property Tax Post Annexation	$	170,350
Resulting County Fiscal Impact	**$**	**3,081**
Percentage Allocation of Project Property Tax Revenue		**33%**

Source: The Natelson Dale Group, Inc.; Willdan Financial Services

Willdan Financial Services, 2025

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APPENDIX F: NHA'S REQUIRED MUNICIPAL ADVISOR DISCLOSURES

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Fiduciary Duty

NHA Advisors, LLC ("NHA") is registered as a Municipal Advisor with the U. S. Securities and Exchange Commission ("SEC") and Municipal Securities Rulemaking Board ("MSRB"). As such, NHA has a fiduciary duty to the Town and must provide both a Duty of Care and a Duty of Loyalty that entail the following.

Duty of Care:

a) exercise due care in performing its municipal advisory activities;
b) possess the degree of knowledge and expertise needed to provide the Town with informed advice;
c) make a reasonable inquiry as to the facts that are relevant to the Town's determination as to whether to proceed with a course of action or that form the basis for any advice provided to the Town; and
d) undertake a reasonable investigation to determine that NHA is not forming any recommendation on materially inaccurate or incomplete information; NHA must have a reasonable basis for:
    i. any advice provided to or on behalf of the Town;
    ii. any representations made in a certificate that it signs that will be reasonably foreseeably relied upon by the Town, any other party involved in the municipal securities transaction or municipal financial product, or investors in the Town securities; and
    iii. any information provided to the Town or other parties involved in the municipal securities transaction in connection with the preparation of an official statement.

Duty of Loyalty:

NHA must deal honestly and with the utmost good faith with the Town and act in the Town's best interests without regard to the financial or other interests of NHA. NHA will eliminate or provide full and fair disclosure (included herein) to the Town about each material conflict of interest (as applicable). NHA will not engage in municipal advisory activities with the Town as a municipal entity, if it cannot manage or mitigate its conflicts in a manner that will permit it to act in the Town's best interest.

Conflicts of Interest and Other Matters Requiring Disclosures

As of the commencement date of the Project, there are no actual or potential material conflicts of interest, other than those potential conflicts noted below, that NHA is aware of that might impair its ability to render unbiased and competent advice or to fulfill its fiduciary duty. If NHA becomes aware of any material potential conflict of interest that arises after this disclosure, NHA will disclose the detailed information in writing to the Town in a timely manner.

Pursuant to MSRB Rule G-42, on Duties of Non-Solicitor Municipal Advisors, Municipal Advisors are required to make certain written disclosures to clients which include, amongst other things, Conflicts of Interest and any Legal or Disciplinary events of NHA and its associated persons.

The following are potential conflicts of interest to be considered.

- NHA represents that in connection with the issuance of municipal securities, NHA may receive compensation from the Town for services rendered, which compensation is contingent upon the successful closing of a transaction and/or is based on the size of a transaction. Consistent with the

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requirements of MSRB Rule G-42, NHA hereby discloses that such contingent and/or transactional compensation may present a potential conflict of interest regarding NHA' ability to provide unbiased advice to enter into such transaction. The contingent fee arrangement creates an incentive for NHA to recommend unnecessary financings or financings that are disadvantageous to the Town, or to advise the Town to increase the size of the issue. This potential conflict of interest will not impair NHA' ability to render unbiased and competent advice or to fulfill its fiduciary duty to the Town.

- NHA' fees under this potential agreement may be based on hourly fees of NHA' personnel, with the aggregate amount equaling the number of hours worked by such personnel times an agreed-upon hourly billing rate. This form of compensation presents a potential conflict of interest because it could create an incentive for NHA to recommend alternatives that would result in more hours worked. This conflict of interest will not impair NHA' ability to render unbiased and competent advice or to fulfill its fiduciary duty to the Town.
- NHA' fees under this potential agreement may be a fixed amount established at the outset of this potential agreement. The amount is usually based upon an analysis by the Town and NHA of, among other things, the expected duration and complexity of the transaction and the scope of services to be performed by NHA. This form of compensation presents a potential conflict of interest because, if the transaction requires more work than originally contemplated, NHA may suffer a loss. Thus, NHA may recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives. This conflict of interest will not impair NHA' ability to render unbiased and competent advice or to fulfill its fiduciary duty to the Town.
- The fee paid to NHA increases the cost of investment to the Town. The increased cost occurs from compensating NHA for municipal advisory services provided.
- NHA serves a wide variety of other clients that may, from time to time, have interests that could have a direct or indirect impact on the interests of another NHA client. For example, NHA serves as municipal advisor to other municipal advisory clients and, in such cases, owes a regulatory duty to such other clients just as it does to the Town. These other clients may, from time to time and depending on the specific circumstances, have competing interests. In acting in the interests of its various clients, NHA could potentially face a conflict of interest arising from these competing client interests. NHA fulfills its regulatory duty and mitigates such conflicts through dealing honestly and with the utmost good faith with the Town.
- Gerald Craig Hill, the Managing Principal of NHA is currently serving as an outside director for the HdL Companies based in Diamond Bar, CA. HdL Companies is a software and professional services consulting company providing revenue data and collections information to local governments, potentially including NHA's clients. HdL Companies have affiliates including, but not limited to, HdL Coren & Cone. From time to time, NHA utilizes the services of HdL Coren & Cone for its clients. NHA is mindful of this conflict of interest and fulfills its regulatory duty and mitigates such conflicts through dealing honestly and with the utmost good faith when this situation arises.
- NHA does not have any affiliate that provides any advice, service, or product to or on behalf of the Town that is directly or indirectly related to the municipal advisory activities to be performed by NHA.
- NHA has not made any payments directly or indirectly to obtain or retain NHA' municipal advisory business.
- NHA has not received any payments from third parties to enlist NHA' recommendation to the Town of its services, any municipal securities transaction, or any municipal finance product.
- NHA has not engaged in any fee-splitting arrangements involving NHA and any provider of investments or services to the Town.

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- NHA does not have any legal or disciplinary event that is material to the Town's evaluation of the municipal advisory or the integrity of its management or advisory personnel.
- NHA does not act as principal in any of the transaction(s) related to this potential agreement.

Legal Events and Disciplinary History

NHA does not have any legal events and disciplinary history on its Form MA and Form MA-I, which includes information about any criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation. The Town may electronically access NHA' most recent Form MA and each most recent Form MA-I filed with the Commission at the following website:

www.sec.gov/edgar/searchedgar/companysearch.html

There have been no material changes to a legal or disciplinary event disclosure on any Form MA or Form MA-I filed with the SEC.

Recommendations

If NHA makes a recommendation of a municipal securities transaction or municipal financial product or if the review of a recommendation of another party is requested in writing by the Town and is within the scope of the engagement, NHA will determine, based on the information obtained through reasonable diligence of NHA whether a municipal securities transaction or municipal financial product is suitable for the Town. In addition, NHA will inform the Town of:

- the evaluation of the material risks, potential benefits, structure, and other characteristics of the recommendation;
- the basis upon which NHA reasonably believes that the recommended municipal securities transaction or municipal financial product is, or is not, suitable for the Town; and
- whether NHA has investigated or considered other reasonably feasible alternatives to the recommendation that might also or alternatively serve the Town objectives.

If the Town elects a course of action that is independent of or contrary to the advice provided by NHA, NHA is not required on that basis to disengage from the Town.

Municipal Securities Rulemaking Board Rule G-10 Disclosure

Pursuant to MSRB Rule G-10, on Investor and Municipal Advisory Client Education and Protection, Municipal Advisors are required to provide certain written information to their municipal entity and obligated person clients which include the following:

- NHA is currently registered as a Municipal Advisor with the SEC and MSRB.
- Within the MSRB website at www.msrb.org, the Town may obtain the Municipal Advisory client brochure that is posted on the MSRB website. The brochure describes the protections that may be provided by the MSRB Rules along with how to file a complaint with financial regulatory authorities.

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Record Retention

Effective July 1, 2014, pursuant to the SEC record retention regulations, NHA is required to maintain, in writing, all communication and created documents between NHA and the Town for five (5) years.

If there are any questions regarding the above, please do not hesitate to contact NHA.

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SEPTEMBER 22, 2025

TOWN OF LOS GATOS

PROPOSAL FOR STUDY 3: ASSET LIABILITY MANAGEMENT STUDY

PROVIDED IN RESPONSE TO

REQUEST FOR PROPOSALS DATED AUGUST 20, 2025:

FISCAL CONDITION ANALYSIS WITH FIVE-YEAR AND LONG-TERM FORECAST, FISCAL IMPACT ANALYSIS, AND ASSET LIABILITY MANAGEMENT STUDY

SUBMITTED BY

NHA | ADVISORS
Financial & Policy Strategies.
Delivered.

Docusign Envelope ID: 8463BA3F-D38D-4CDC-A1D6-2ABE915A0C1C

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1. COVER LETTER

September 22, 2025

Attn: Gitta Ungvari, Finance Director
Finance@losgatosca.gov
Town of Los Gatos
110 E. Main Street
Los Gatos, CA 95030

RE: Request for Proposals for Study 3: Asset Liability Management

Dear Ms. Ungvari,

NHA Advisors, LLC ("NHA") is pleased to submit this proposal to provide municipal advisory services to the Town of Los Gatos (the "Town") in relation to its Asset Liability Management ("ALM") Study requested as Task 3/Study 3 in your August 20th RFP. Please note that NHA Advisors has also submitted as part of a team including Raftelis and Willdan for Task 1/Study 1 and Task 2/Study 2. Our role in that proposal is a Team Manager. For Task 3/Study 3, NHA is the sole service provider. In addition to the scope requested in the Town's RFP, we are also submitting an unsolicited proposal in this document for what we call Task 4 - a funding plan for long-term wildfire risk mitigation for the Town.

NHA, as a registered municipal advisor and has an extensive practice in advising public agencies in California on asset/liability issues for CalPERS, and for the long-term management of debt. We are also familiar with OPEB management issues for our client base.

With respect to our proposed Task 4/Study 4, NHA is a leader statewide in the development of funding plans for climate change adaptation, including wildfire risk. Detailed background on our experience in CalPERS and debt management, as well as wildfire risk reduction funding, is contained in this proposal.

Collaboration is key to our approach: As with our proposal for Study 1 and Study 2, collaboration is key to our approach for Study 3. We see a key output of Study 3 as framing key scenarios to be analyzed by the completed Study 1 fiscal condition model. The future performance of CalPERS can have a major impact, good or bad, on the fiscal condition of the Town. Major new development, including its infrastructure needs can have an equivalent impact. Finally, we see the use of the Study 1 model as a key tool in determining whether the Town's current and future projected cash reserves are sufficient to handle "Black Swan" events.

As noted in our cover letter for the combined Study 1 and Study 2 Proposal, NHA team staff have extensive and long-term experience in translating complex CalPERS and debt burden analysis into decision support packages that are clear, actionable and accessible to governing bodies and the public. We have deep experience in multi-lateral negotiations between multiple stakeholders over both debt funding and financial management issues.

As requested in the RFP, we accept the provisions of the sample contract contained in the RFP. While we emphasize our team commitment to collaboration, we also will accommodate the Town individually selecting one of our team members for a particular task but not selecting other team members for their assigned tasks.

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We are very pleased to deliver this proposal for the kind of integrated financial management work that we see as integral and pivotal for the future of Los Gatos, as well as so many other local governments in our team's collective client base.

We are proud of the reputation we have earned as a trusted municipal advisor and are excited about the potential to work with the Town.

As requested in the RFP, NHA provides the following statements as part of this cover letter:

- Mark Northcross is the primary contact authorized to bind the firm.
- NHA Advisors confirms acceptance of the Town's Sample Consultant Services Agreement

Please feel free to contact us directly with any questions regarding this proposal.

Thank you for your consideration.

Mark Northcross
Principal
Mark@NHAadvisors.com
(415) 785-2025 x2002

Mike Meyer
Vice President
Mike@NHAadvisors.com
(415) 785-2025 x2004

NHA Advisors, LLC
4040 Civic Center Drive, Suite 200, San Rafael, CA 94903

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2. COMPLETED CERTIFICATION FORMS

Conflict of Interest Statement

ATTACHMENT 1 - CONFLICT OF INTEREST STATEMENT

THIS FORM MUST BE PRINTED OUT, COMPLETED AND SUBMITTED WITH THE PROPOSAL

FISCAL CONDITION ANALYSIS WITH FIVE-YEAR AND LONG-TERM FORECAST, FISCAL IMPACT ANALYSIS, AND ASSET LIABILITY MANAGEMENT STUDY

The undersigned declares:

I/We NHA Advisors LLC (Insert Name) have the following financial, business, or other relationship with Town of Los Gatos that may have an impact upon the outcome of the contract. If none, please specify that no other relationships may have an impact on this contract or Project.

No other relationships may have an impact on this contract or Project.

I/We NHA Advisors LLC (Insert Name) have the following current clients who may have a financial interest in the outcome of this contract. If none, please specify that no other clients may have a financial interest with an impact on this contract or Project.

To our knowledge, no other clients have a financial interest with an impact on this contract or Project.

Pursuant to Government Code section 1090 and any other laws, rules and regulations that may apply, the Proposer covenants that neither it, its subcontractors nor employees presently have an interest, and shall not acquire any interest, direct or indirect, financial or otherwise that would conflict in any manner or degree with contract awarded from this RFP. Proposer certifies that to the best of its knowledge, no one who has or will have any financial interest in the contract awarded from this RFP is an officer or employee of the Town. Through its submittal of a proposal, Proposer acknowledges that it is familiar with Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California and will immediately notify the Town if it becomes aware of any facts concerning the contract to be awarded that constitute a violation of said provisions.

Furthermore, if there is reason to believe that collusion exists among the Proposers, the Town may refuse to consider proposals from participants in such collusion. No person, firm, or corporation under the same or different name, shall make, file, or be interested in more than one proposal for the same work unless alternate proposals are called for. A person, firm, or corporation who has submitted a sub-proposal to a Proposer, or who has quoted prices on materials to a Proposer, is not thereby disqualified from submitting a sub-proposal or quoting prices to other Proposers. Reasonable ground for believing that any Proposer is

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interested in more than one proposal for the same work will cause the rejection of all proposals for the work in which a Proposer is interested. If there is reason to believe that collusion exists among the Proposers, the Town may refuse to consider proposals from participants in such collusion. Proposers shall submit as part of their proposals documents the completed Non-Collusion Declaration provided herein.

I, on behalf of the Proposer, declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on September 22, 2025 [date], at San Rafael [city], California [state].

NHA Advisors LLC Proposer Name (Person, Firm, Corp.)	Principal Title of Authorized Representative
4040 Civic Center Drive, Suite 200 Address	Mark Northcross Name of Authorized Representative
San Rafael, CA 94903 City, State, Zip	
9/22/2025 (Date)	(Signed)

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Non-Collusion Declaration

ATTACHMENT 2 – NON-COLLUSION DECLARATION

THIS FORM MUST BE PRINTED OUT, COMPLETED AND SUBMITTED WITH THE PROPOSAL

FISCAL CONDITION ANALYSIS WITH FIVE-YEAR AND LONG-TERM FORECAST, FISCAL IMPACT ANALYSIS, AND ASSET LIABILITY MANAGEMENT STUDY

The undersigned declares:

I am the Principal [Insert Title] of NHA Advisors LLC ,[Insert name of company, corporation, LLC, partnership or joint venture] the party making the foregoing proposal.

The proposal is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The proposal is genuine and not collusive or sham. The Respondent has not directly or indirectly induced or solicited any other respondent to put in a false or sham proposal. The Respondent has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham proposal, or to refrain from responding. All statements contained in the proposal are true.

Any person executing this declaration on behalf of a respondent that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the respondent.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on 9/22/2025[date], at San Rafael [city], CA[state].

By: _____

Name: Mark Northcros

Title: Principal

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References

ATTACHMENT 3 - REFERENCES

THIS FORM MUST BE PRINTED OUT, COMPLETED AND SUBMITTED WITH THE PROPOSAL

FISCAL CONDITION ANALYSIS WITH FIVE-YEAR AND LONG-TERM FORECAST, FISCAL IMPACT ANALYSIS, AND ASSET LIABILITY MANAGEMENT STUDY

List three (3) references for work of a similar nature to the Services performed within the last five (5) years. Use additional sheets as necessary.

1.

City of Ukiah	300 Seminary Avenue, Ukiah CA 95482
Name of Agency	Agency Address
Dan Buffalo	Finance Director
Contact Name	Contact Title
(707) 463 - 6220	dbuffalo@cityofukiah.com
Contact Telephone	Contact Email Address
July 2016 - Present	One Time Bond Financing: $112,500; Annual Updates $7,500
Contract Period	Contract Amount

CalPERS Pension Stakeholder Education, Cost Management Strategy Evaluation, UAL Restructuring (Lease Revenue Bond), Internal Pension Reserve Policy Analysis, ADP/Fresh Start Analysis, Ongoing Stakeholder Updates/Workshops

Description of services performed including costs.

2.

City of Walnut Creek	1666 North Main Street, Walnut Creek CA 94596
Name of Agency	Agency Address
Kirsten LaCasse	Administrative Services Director
Contact Name	Contact Title
(925) 943 - 5810	lacasse@walnut-creek.org
Contact Telephone	Contact Email Address
October 2024 – March 2025	$15,000
Contract Period	Contract Amount

CalPERS Pension Stakeholder Education, Cost Management Strategy Evaluation, Customized Section 115 Trust Model, 115 Trust Deposit/Withdrawal Analysis, Policy Recommendations

Description of services performed including costs.

3.

City of Riverside	3900 Main Street, Riverside, CA 92522
Name of Agency	Agency Address
Edward Enriquez	Assistant City Manager/CFO and Treasurer
Contact Name	Contact Title
(951) 826 - 5553	eenriquez@riversideca.gov
Contact Telephone	Contact Email Address
2018 to Present	Pre-Financing Consulting: $25,000; One Time Financing $125,00; Annual ongoing: $7,500 - $15,000
Contract Period	Contract Amount

CalPERS Pension Stakeholder Education, Cost Management Strategy Evaluation, $430 Million POB, Pension Policy Development, Customized Section 115 Trust Model, 115 Trust Deposit/Withdrawal Analysis, Annual Stakeholder Updates, POB Performance Comparison, "CalPERS Challenge" Assistance (CalPERS Challenge | City Manager's Office)

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See previous page

Description of services performed including costs.

I hereby certify that the Proposer performed the work listed above.

Signature of Proposer	Name	Date
	Mark Northcross, Principal	9/22/2025

Statement Regarding Insurance Coverage and Worker's Compensation Insurance Acknowledgement Certificate

ATTACHMENT 4 - STATEMENT REGARDING INSURANCE COVERAGE AND WORKER'S COMPENSATION INSURANCE ACKNOWLEDGMENT CERTIFICATE

THIS FORM MUST BE PRINTED OUT, COMPLETED AND SUBMITTED WITH THE PROPOSAL

FISCAL CONDITION ANALYSIS WITH FIVE-YEAR AND LONG-TERM FORECAST, FISCAL IMPACT ANALYSIS, AND ASSET LIABILITY MANAGEMENT STUDY

PROPOSER HEREBY CERTIFIES that the Proposer has reviewed and understands the insurance coverage requirements specified in the RFP. Should the Proposer be awarded a contract for Services, Proposer further certifies that the Proposer can meet the specified requirements for insurance, including insurance coverage of any subcontractors, and agrees to name the Town as additional insured for the Services specified.

By certifying this form, the Proposer also understands the Worker's Compensation insurance requirement per the California Labor Code, Sections 1860 and 1861:

> I am aware of the provisions of Section 3700 of the Labor Code, which require every employer to be insured against liability for worker's compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

Mark Northcross, NHA Advisors LLC
Name of Proposer (Person, Firm, or Corporation)

Signature of Proposer's Authorized Representative

Mark Northcross, Principal
Name & Title of Authorized Representative

September 22, 2025
Date of Signing

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3. SCOPE COMMENTS AND METHODOLOGY

As noted in our cover letter, we believe that the collaborative partnership of NHA Advisors, Raftelis and Willdan will ensure a truly comprehensive approach to executing all three requested studies in an integrated manner for the Town of Los Gatos. While NHA has similar experience to Raftelis in developing the type of long-range forecasting model that will be a core component for Study 1, the experience required for Study 3 is most in line with the qualifications of NHA, specifically related to debt management (bonds, pension, OPEB) and capital funding strategies. As the #1 ranked municipal advisor to California cities for bond funded capital projects, while also having served over 100 CalPERS members on pension cost management strategy and policy, NHA is well suited to carrying out Study 3, while seamlessly weaving in the various scenario impacts to the work being completed in Studies 1 and 2.

Study 3: ALM Study Scope Comments and Methodology

For our engagement related to the scope of services identified under Section E of the RFP, specifically under the "Study 3 – Asset Liability Management (ALM) Study" heading, NHA proposes the approach and timeline described below. As required by the RFP, this material can be considered as a stand-along proposal for NHA to prepare Study 3, should the Town choose to retain NHA, but not Raftelis and/or Willdan.

Task 3.1: Inventory & Evaluate Liabilities

- **Data Collection and Review** – Review last 10 years of CalPERS actuarial reports, Section 115 Trust statements, and other internal documentation related to the Town's recent track record of Additional Discretonary Payments and policy driven set asides (as discussed here: Town Pension and OPEB Plans Information (updated 10-18-2022) | The Los Gatos CA Official Site!)

- **Model Development** – Using data taken directly from CalPERS actuarial reports and the CalPERS Pension Outlook Tool, NHA will develop a customized model for the Town that includes detailed amortization base analysis as well as a customized Section 115 Trust smoothing model. These models will assist in quickly analyzing the impacts of various ADP and/or Section 115 trust strategies, with simple excel outputs that can be easily incorporated into the Long-Range Financial Modeling occuring in Study 1.

- **CalPERS ALM Study Update** – The Town's proposed schedule for this project dovetails perfectly with the CalPERS ALM study that will be completed this November. New actuarial assumptions (discount rate, inflation, mortality, etc.) will be announced and by Deceember, should be able to be modeled out which will proviee the most accurate long term picture of the Town's future pension liabilities.

Task 3.2: Funding Needs and Risk Reduction Analysis:

- **Cost Management Strategy Analysis** – once the "baseline" has been established using the fresh results of the CalPERS ALM study, a variety of cost management strategies will be analyzed, including ADPs, Section 115 Smoothing and Fresh Start accelerated payment options. These scenarios will necessarily be informed by the results of the long-range forecasting model to better understand financial resources and constraints.

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- **Funding Needs and Risk Reduction Analysis** – as part of the cost management strategy evaluation, multiple scenarios related to future "downside risk" will be incorporated to see how these strategies might play out in the future if various assumptions aren't met. NHA will frame scenarios for analysis using the Task 1/Study 1 fiscal conditions model. These include potential recessionary scenarios, poor investment returns by CalPERS, and significant changes to future actuarial assumptions, like the discount rate. The ability of new development to support infrastructure needs, as forecast by Willdan and the Task 1/Study 1 model, will be evaluated. Where appropriate, NHA will recommend potential revenue enhancements to address projected shortfalls. NHA is flexible as to what these scenarios look like and beyond our own recommendations, will be collaborating with Town Staff, Raftelis and Willdan to ensure cohesion between the 3 studies.

- **Stakeholder Engagement and Feedback (Optional)** – NHA will be available to meet with staff and stakeholders as much as needed during the process. It may be helpful to have multiple meetings, with the initial ones focused on educating stakeholders about how the pension liability works, how the Town has been tackling it in the past, and what things might be impacting these costs moving forward. After "setting the table" with this basic education, subsequent meetings can be focused on the pros/cons of various cost management strategies and the impact they might have on other key variables being assessed in these studies: namely, capital funding opportunities and reserve levels.

Task 3.3: ALM Modeling:

- **ALM modeling for Fund Balance sustainabcility and Risk Exposure**: NHA will work with Raftelis and Willdan to frame scenarios for "Black Swan" events to test fund balance sustainability and risk exposure. NHA will recommend mitigation measures, including revenue enhancements, for scenarios where the Town's cash reserves are projected to be inadequate. For the start of a discussion about "Black Swan" scenarios, we offer the following suggestions:
    - Sustained national economic downturn
    - Major natural disaster, such as an earthquake or wildfire. Consider modeling fiscal impact with minimal FEMA support, based on current proposals from the Trump administration.
    - Sustained weak financial performance from CalPERS
    - A reduction in the CalPERS actuarial discount rate

- We see two key elements for ALM modeling, both of which need to inform the Task 1 fiscal condition model:

    - Potential long term cash flow impacts from the Town's CalPERS obligations. Our task here, as we see it, is to develop a range of scenarios for such variable as CalPERS financial performance an a potential lowering of the CalPERS actuarial discount rate for scenario analysis through the Task 1 fiscal condition model. As part of this analysis, NHA will offer options for revenue enhancements/tax increases legally available for cities in California.

    - Capacity of the General Fund to fund or finance major future infrastructure needs. For this deliverable we will (1) discuss with Town staff their existing CIP and (2) and discuss with Town

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staff the potential infrastructure needs for new development. Note that Activity 2 under the Task 1 Raftelis proposal includes analysis of the Town's CIP. Based on the Task 2 Willdan fiscal impact model, we will determine how much of the infrastructure needs for new development can reasonably be expected to be funded through (1) impact fees or (2) directly by developers or (3) any long term fiscal surplus arising from new development. Where there are gaps, we will design scenarios, in conjunction with the Town's current CIP, to run under the Task 1 fiscal condition model. We will look at both pay-go and long-term lease revenue bond financing options. As part of this analysis, NHA will offer options for revenue enhancements/tax increases legally available for cities in California.

Task 3.4 Reserve Guidance:

- **Reserve guidance, recommendations and policy refinements:** Based on the results of the prior work, and feedback from staff and the Town's stakeholders, NHA will provide strategy and policy recommendations that aim to secure long term sustainablity and risk mititgation, using future cash reserves as projected by the Task 1/Study 1 model as a key metric.

- We will use the outcomes from the Study 1 Fiscal Condition Analysis with Five-Year Forecast to determine the adequacy of the Town's current cash reserves to meet the defined "Black Swan" events, and offer suggestions for increased reserved levels, if so indicated.

Task 3.5 Execution (As Needed)

- To the extent that the Town needs assistance from NHA to help execute on a preffered strategy, NHA can spearhead those efforts on the Town's behalf working directly with CalPERS, the Town's Section 115 Trust provider and investment advisor, actuaries, and others.

Optional Study 4: Wildfire Risk Mitigation Consulting Scope Comments and Methodology

The following material is provided by NHA for an optional Study 4 as an unsolicited proposal. We believe that NHA can deliver a major value to the Town through developing a realistic funding plan for wildfire risk mitigation, primarily through the long-term reduction of what are called "ladder fuels" along the Town's wildland urban interface ("WUI") with the Santa Cruz Mountains. As required by the RFP, this material can be considered as a stand-along proposal for NHA to prepare Study 4, should the Town choose to retain NHA, but not Raftelis and/or Willdan.

Specific NHA Qualifications for Study 4 - NHA is the leading municipal advisor in the State of California on funding for climate change adaptation. Since 2017 we have prepared funding plans for the following adaptation projects:

- **Resilient by Design**, a nine Bay Area county-wide collaboration to develop sea level rise adaptation and funding plans, funded by the Rockefeller Foundation.
- **Funding Pathways for Adaptation to Climate Change in California**. Describes public finance funding options for wildfire risk reduction, sea level rise adaptation, drought and extreme heat in California. Prepared under a grant from the Resources Legacy Fund.

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- **Municipal Advisor to the Town of Paradise.** Assist the Town in funding recovery through funding wildfire risk mitigation at the parcel, community and regional levels. Developing a funding strategy for the recovery of downtown Paradise.
- **Oakland Alameda Adaptation Committee.** Prepared a funding and governance plan for long term funding for sea level rise for the section of San Francisco Bay stretching from the Bay Bridge to the Oakland Airport.
- **Illustrative Statewide Budget for Wildfire Risk Mitigation.** Prepared an illustrative budget for combined state, regional and local government intervention to reduce wildfire risk statewide, including cost estimates and potential public finance funding mechanisms. Prepared under a grant from the Resources Legacy Fund.
- **Paradise Recreation and Parks District.** Preparing a funding plan for full implementation of a 30,000-acre wildfire buffer zone around the greater Paradise community. The plan includes funding for acquisition of easements and/or fee title for high priority parcels, as well as treatment costs. Polling for a parcel tax is part of the program, as well as grant applications to both FEMA and CalFire. The work is funded under a grant from the Governor's Office of Planning & Research.

Framing Our Approach - The key element in our approach is to address the major disconnect between good wildfire risk reduction practices by both public agencies and property owners in California and the insurance industry. The bottom line and increasingly intense, political issue is tax payers and property owners losing coverage or receiving huge premium increases despite doing good risk mitigation work. From our experience both in Paradise, and statewide, we see two major reasons for this:

a. There is a difference of opinion between the important "local knowledge" of community level fire safety professionals and the catastrophe modelers ("cat modelers") used by the insurance industry to determine risk from a windstorm-driven wildfire. The primary risk driving non-renewals and premium increases in California is that of a windstorm driven wildfire. To deliver not only more public safety to the Los Gatos community, but better insurance availability as well, the local knowledge is ideally supplemented by data from a cat model of a windstorm driven wildfire igniting in the Santa Cruz Mountains.

b. The information on wildfire risk mitigation work needs to be made available to cat modelers in a fully "curated" way. That means it is regularly updated and verified as being accurate. It also means, ideally, that the data is available through a GIS on a parcel specific level. This needs implies two other major needs: regular inspections of parcels and a curated "data commons" for wildfire risk mitigation information. The biggest challenge for the data commons is maintaining confidentiality for homeowners.

Based on our extensive experience in Paradise in particular, we offer the following scope of services:

- **Task 4.1 Identify Treatment Areas of Highest Priority**: Work with local fire safety professional to identify the areas in the Santa Cruz Mountains south of the Town that have the highest priority for treatment for wildfire fuel reduction on a long term basis. Support any ongoing work regarding "Zone Zero", or a 5' defensible space zone around structures. Retrofit home hardening work for structures in the Town we believe to beyond the scope of this analysis. Both the scale and the

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level of funding needed, in our opinion, are beyond what is plausible for a public funding intervention.

  - **Task 4.1a** (optional): Retain a "cat modeler" (catastrophe modeler used by insurance companies) to model windstorm driven wildfire pathways from an ignition point south of Town into the Town. This work identifies priority parcels for treatment that might differ from local fire safety professionals.

- **Task 4.2 Develop Annual Treatment Budget for Wildfire Risk Mitigation**: Work with local fire safety professional to develop an annual budget for treatment for priority parcels. Local fire safety professionals will provide guidance on likely costs per acre for different types of treatment in the greater Santa Clara County area, types of treatment recommended and the appropriate recurrence interval for such treatment. In addition, based on work being done in other jurisdictions, such as the Marin Wildfire Prevention Authority and the Town of Paradise, prepare a budget for funding annual inspections of parcels within the proposed buffer zone, as well as parcels within the Town.

- **Task 4.3 Present Preliminary Results:** Present the preliminary results of Task 2 to senior management at the Town, and with approval from the Town, present the preliminary results to senior management at neighboring cities, such as the Cities of Monte Sereno, Saratoga, Los Altos Hills and San Jose. Based on NHA's work on climate change adaptation in both the wildfire and sea level rise space, we believe regional collaboration between vulnerable public entities is the best pathway to success. Our goal would be to use the preliminary results of Task 2 as an illustration of what could be accomplished through regional collaboration for a wildfire buffer zone for Santa Clara County's WUI along the Santa Cruz Mountains.

  - **Task 4.3a** (optional): If Task 3 results in strong interest from other neighboring cities, we will work with staff at all stakeholders to develop a non binding MOU on collaboration to develop a funded regional entity to deliver long term wildfire fuel reduction in the cities collective WUI with the Santa Cruz Mountains

- **Task 4.4 Funding Plan Development:** Develop a funding plan to deliver the Task 2 budget. We will look at Prop 3 grants, FEMA Hazard Mitigation Grants, any potential General Fund support, and then solve for the level of a parcel tax required to fully fund the budget.

  - **Task 4.4a:** (optional). Develop both the cost analysis, similar to Task 2, and the funding analysis, as in Task 4.4, for other cities party to the potential non-binding MOU.

- **Task 4.5 Present Refined Cost & Funding Plan:** Present the combined cost and revenue budget to the Town and any parties to a potential non-binding MOU.

- **Task 4.6** (optional): Work with the Town and other stakeholders to determine how a "data commons" for wildfire risk mitigation work by the Town and/or parties to the MOU could be established.

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- Task 4.7 (optional): Retain a polling consultant to gauge the feasibility of any parcel tax required to deliver full funding for the wildfire buffer zone.

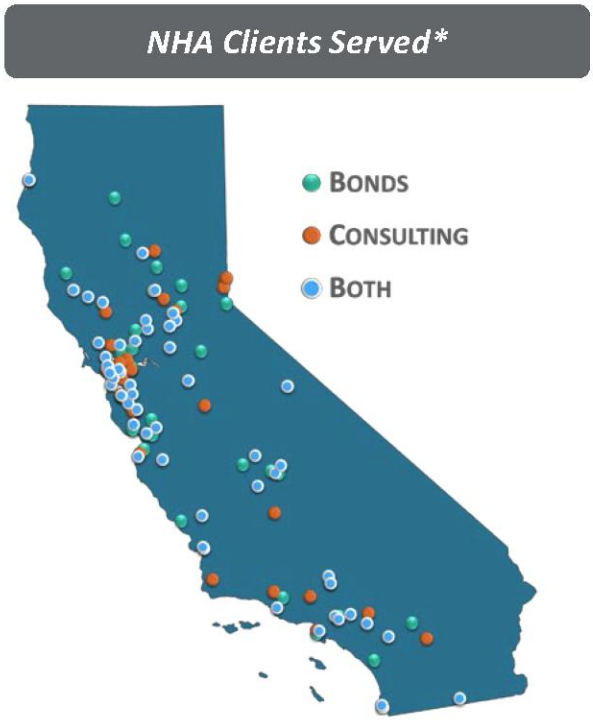
4. EXPERIENCE AND EXPERTISE

Firm Qualifications

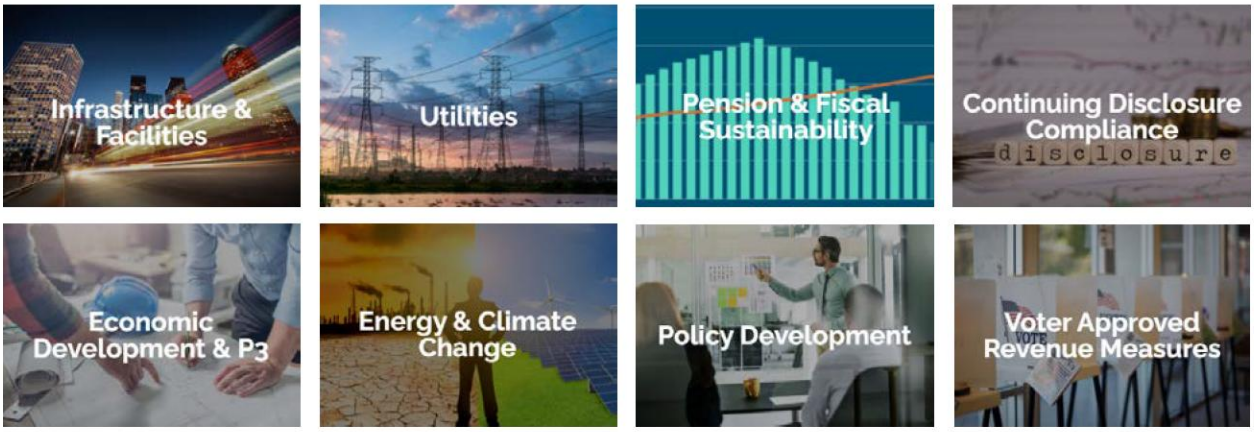
NHA Advisors, LLC is an Independent Registered Municipal Advisor registered with the SEC and MSRB and headquartered in San Rafael, California. NHA has been providing municipal advisory services (like the size and scope requested by the Town's RFP) to California cities, special districts, and other public agencies since 2000 (formerly known as Northcross Hill & Ach, Inc. from 2000-2011). NHA has provided comprehensive financial and consulting services to over 175 public agencies throughout California, with a primary focus on California cities. NHA's bond and consulting groups are currently working with public agencies to develop project funding solutions, financial policies, pension liability, fiscal sustainability and climate adaptation strategies.

NHA's experience with California cities spans from rural, small cities to major metropolitan agencies, which informs NHA of the problems facing public agencies across the State and *allows NHA to bring creative examples and solutions to our clients.* We understand the time and staff resource constraints required to develop funding strategies and financing plans and believe our holistic approach allows us to be an "extension of staff" that will integrate with Town staff to provide the best solution and process for projects. Combined, the NHA team has over 190 years of individual experience of providing these services.

Regarding special consulting projects, NHA has developed eight specialized practice groups that focus on key areas within municipal finance. These groups enable us to provide guidance on a wide range of



*Dots represent client engagements from 2012 - Present



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municipal finance issues. Of particular note is our Pension and Fiscal Sustainability Practice Group, which has been actively engaged with agencies across California. A summary of this work is also included below.

Beyond bond financings, many clients rely on NHA for strategic financial planning, policy advice, and cross-collaboration with other engineers and consultants to support Town staff on a wide range of issues. NHA's eight practice groups address critical financial expertise like revenue measures (ad valorem, special tax, assessment and parcel taxes), voter-approval processes, budgetary projection work, as well as climate change impacts (e.g., wildfire risks), pensions, P3/economic development negotiations, and post-issuance compliance (continuing disclosure and arbitrage rebate) to provide meaningful ideas and advice to our clients when those issues arise. Since 2018, NHA staff has completed over 400 advisory projects, many of which did not result in a financing. *Our "extension of staff" style has become a core component of our services and a critical benefit to many of our public agency clients*

NHA has eight registered municipal advisors dedicated to California cities and special districts. NHA is led by Principals Craig Hill, Mark Northcross, and Eric Scriven, each of whom have 30+ years of public finance experience. The Principals are supported by three Vice Presidents, an Associate, and three Analysts (two of whom are in process of passing their Series 50 Licensing examination to become licensed Municipal Advisors). NHA professionals maintain their Series 50 License in good standing. NHA's services to the Town will be provided through NHA's sole office in San Rafael, California.

Pension Consulting and Community Engagement

Over the past 10 years, NHA's Pension Group, led by Mike Meyer, has worked with more than 100 California public agencies, to help develop strategies and policy to better manage CalPERS liabilities. The table below highlights some of the agencies we have recently worked with, and the type of services requested. Our expertise and services include technical quantitative analysis on historical trends and projected costs, sensitivity/risk analysis and scenario modeling, translating options to address rising costs (i.e., Section 115 Trust, UAL pay-downs (ADPs), Hard and Soft Fresh Starts, pension bonds, etc.), and presenting findings and alternatives to elected officials, staff, and union representatives at public and informal meetings. NHA's ability to translate complex information and be agile in meeting our clients' needs is one of our strongest attributes (based on comments from existing clients). We expect that our skill in translating information will be helpful in properly engaging with the Los Gatos community during the duration of this project.

Mike Meyer has been a frequent speaker (recently for CDIAC, CSMFO, Govinvest) on the subject of pension liability management and our Pension Group consistently publishes newsletters, called "NHAlerts" when there is pertinent information that we feel our local agency clients and their stakeholders should be aware of. You can find our most recent NHAlert here: CalPERS Beats Expectations Again | NHA Advisors.

Recent Work Product (Appendix A): NHA worked with the City of Walnut Creek in early 2025 to (1) educate stakeholders about their CalPERS pension liability, (2) provide stress testing scenario modeling to account for potential changes to the discount rate in the future, (3) develop a customized model that helped optimize the timing and amounts of Section 115 Trust deposits and withdrawals, and (4) review and support potential changes to the City's pension funding policy. The presentation in Appendix A showcases our ability to translate the complex world of CalPERS and develop dynamic tools that allow for prudent, long term decision making by stakeholders.

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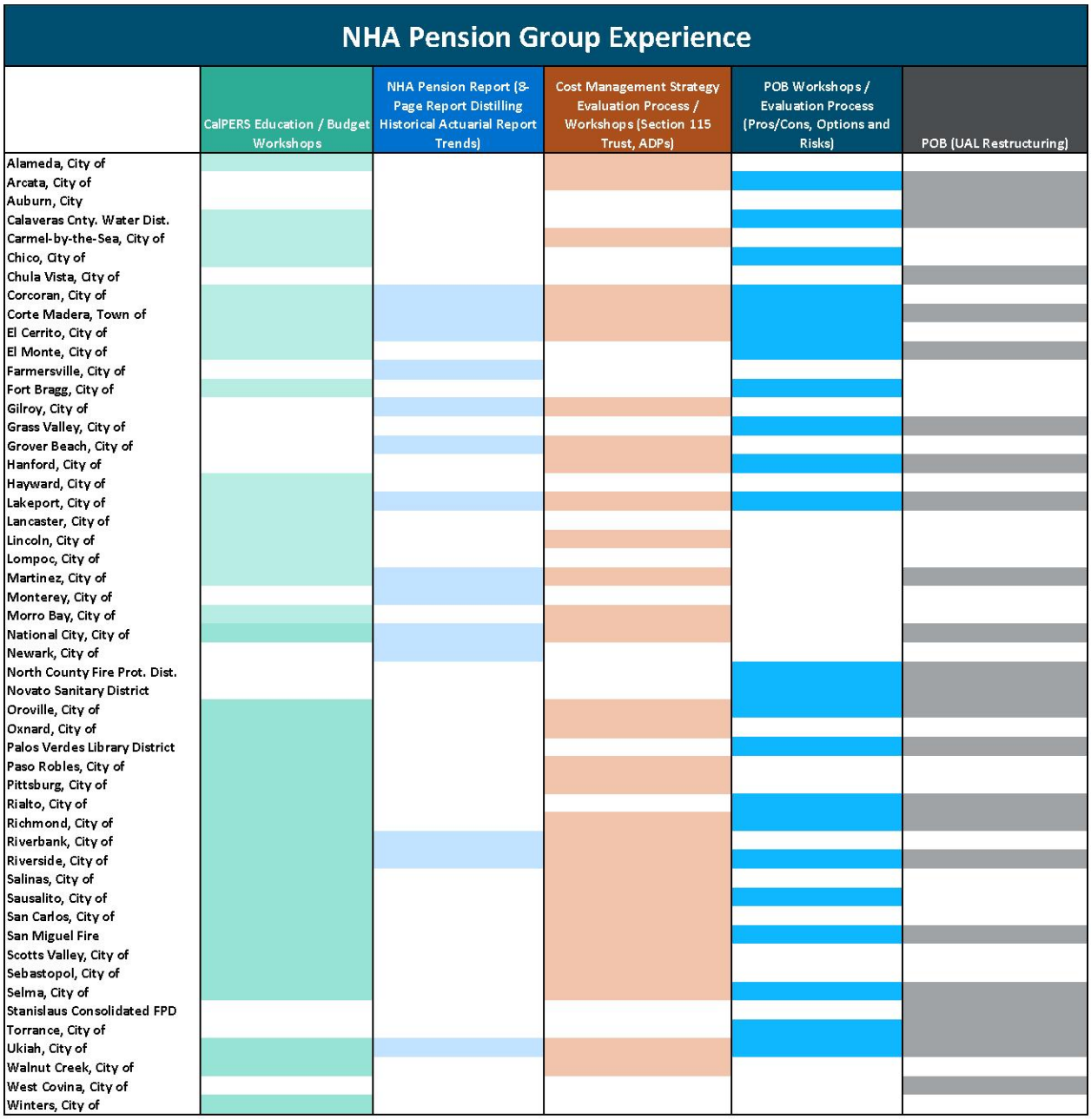

Top-Ranked Municipal Advisor to Cities

Over the past five years (since 2020), NHA has been the #1 municipal advisor, by number of bond transactions for **California cities** *(Source: California State Treasurer as of July 15, 2025; excludes commercial paper and conduit financings; January 2020-present)*. Financing amounts have ranged from below $1,000,000 to over $400,000,000 and have included all methods of sale (competitive sale, negotiated sale, and private placement). *Our work in developing holistic funding plans to meet the infrastructure needs of our local agency clients will be extremely useful with helping the Town of Los Gatos evaluate the pros and cons or various capital funding tools available.*

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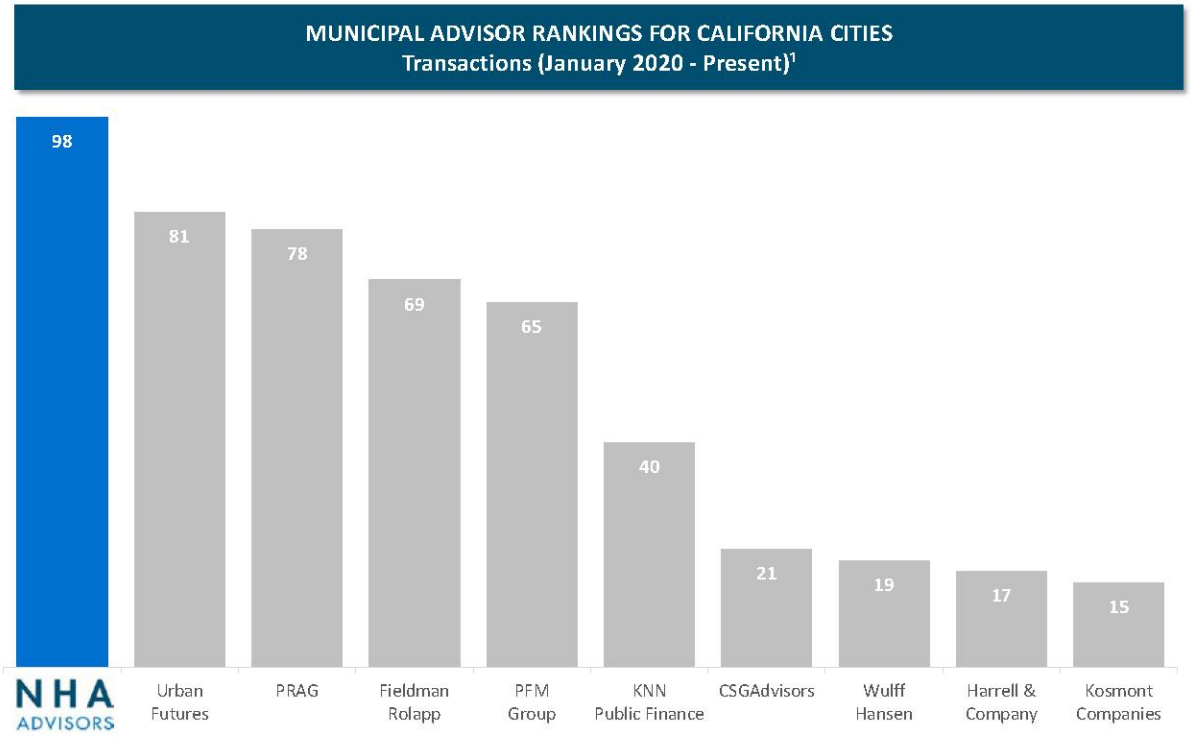
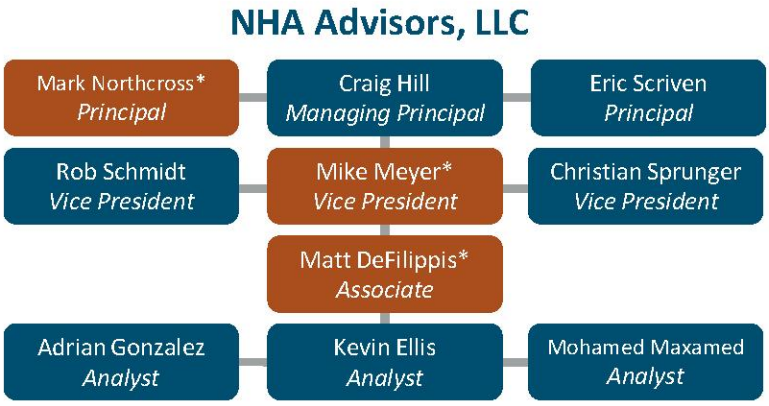


[1] *Source: California State Treasurer as of 7/15/2025; excludes commercial paper and conduit financings*

5. KEY PERSONNEL AND RESUMES

NHA Team Assigned to the Town

NHA's proposed project team will consist of the following advisors: Mark Northcross (Principal), Mike Meyer (Vice President), and Matt DeFilippis (Senior Analyst). Mark Northcross will serve as the day-to-day relationship manager for the Town. An organization chart of the NHA team identifying the staff assigned to the Town is shown to the right. Additional members of NHA can be made available as expert resources to the Town as needed.



Assigned to Support The Town for this Engagement

All advisors providing financial advisory services to the Town will be managed out of the San Rafael, CA office. All advisors providing financial advisory services to the Town will be available for the full duration of the contract. Information regarding each team member's experience and qualifications is described below. Full resumes are included as **Appendix C**.

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Mark Northcross, Principal. *Role: Lead Advisor*

Mr. Northcross has more than 40 years of public finance experience in California. He is a leading advisor on climate change infrastructure and leads NHA's alternative financing practice that focuses on "holistic" funding solutions, with special emphasis on SRF, WIFIA, Federal and State grants. Mr. Northcross has also managed the formation of CFDs for P3's throughout the State since 1987 and is a leader in California in negotiating both public-private partnerships for both land-secured debt and redevelopment. He holds a B.A. in Social Sciences from the University of California, Irvine. He maintains his MSRB Series 50 License.



Mike Meyer, Vice President. *Role: Project Manager*

Mr. Meyer has worked in public finance for 21 years, with over half of his time spent as an underwriter. Mr. Meyer manages NHA's Pension and Fiscal Sustainability Group and has analyzed pensions and POB structuring solutions since 2006. He has worked on each of the firm's pension consulting and POB engagements over the last five years, totaling $1.7 billion in par. Mike is also an experienced generalist, having completed over 200 bond financings using all types of structures, including utility revenue, lease revenue, sales tax and transportation revenue, TABs, and land secured. Mr. Meyer holds a B.S. in Management Science, from the University of California, San Diego. He maintains his MSRB Series 50 License.



Matt DeFilippis, Senior Analyst. *Role: Quantitative Support & Project Support*

Mr. DeFilippis will provide credit, quantitative, and research support to the assigned NHA team. Mr. DeFilippis has worked in public finance since 2021. Since then, he has provided project management and deal support on a variety of California financings totaling over $450 million in par. Mr. DeFilippis' recent projects have included educational workshops on pension cost management, general fund forecasting, and credit rating analysis. Mr. DeFilippis holds a B.A. in Applied Mathematics, from the University of California, Berkeley. He maintains his MSRB Series 50 License.

Subcontractors for Study 3 (ALM Study)

None.

Subcontractors for Optional Study 4 (Wildfire Risk Mitigation)

Other than the potential of retaining a Geographic Information System ("GIS") mapping consultant for managing the parcel database as part of the wildfire buffer zone analysis and consulting, NHA does not plan to use any subcontractors for this engagement. NHA does not have a pre-selected GIS mapping consultant for this engagement and would coordinate with the Town for engaging any future consultant to ensure we comply with the Town's bidding practices.

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6. TIMELINE AND WORK PLAN

Study 3 (ALM Study) Timeline

Based on the scope of services identified in the Town's RFP for Study 3 (ALM Study), NHA proposes the following realistic schedule. This schedule assumes that the Town enters into contract negotiation and execution the week of September 29, 2025, as outlined in the RFP.

Task	Estimated Completion Date
3.1: Inventory & Evaluate Liabilities	December 2025
3.2: Funding Needs & Risk Reduction Analysis	March 2026
3.3: ALM Modeling	March 2026
3.4: Reserve Guidance	April 2026
3.5: Execution (As Needed)	TBD based on Desired Strategy

Optional Study 4 (Wildfire Risk Mitigation) Timeline

Based on the proposed Scope of Services identified in Section 3 of this Proposal for the Optional Study 4, we propose the following schedule for delivery of NHA's services. This schedule assumes that the Town enters into contract negotiation and execution the week of September 29, 2025, as outlined in the RFP.

Task	Estimated Completion Date
4.1: Identify Areas of Highest Priority	November 2025
4.2: Develop Annual Treatment Budget for Wildfire Risk Mitigation	December 2025
4.3: Present Preliminary Results	February 2026
4.4: Funding Plan Development	March 2026
4.5: Present Refined Cost & Funding Plan	April 2026

Consequently, we estimate that completion of the non-optional tasks will take about 6 months from the date of engagement. Below is a summary of the estimated timeline for the additional optional services identified under Study 4:

- Optional Task 4.1a (Retain Cat Modeler) will take about 8 weeks, not counting going out to RFP.
- Optional Task 4.3a (Develop MOU for Collaboration Across Cities) will take approximately 8 weeks from start to finish.
- Optional Task 4.4a (Funding Plan for Other Cities pursuant to MOU) can proceed concurrently with Task 4.4.
- Optional Task 4.6 (Data Commons Work) will take an additional 16 weeks, in our experience.
- Optional Task 4.7 (Polling Consultant Engagement) will take an additional 12 weeks

7. SAMPLES OF COMPARABLE PROJECTS

Sample 1: Pension Expense Modeling for the City of Walnut Creek

As mentioned above under Section 4, NHA worked with the City of Walnut Creek in early 2025 to (1) educate stakeholders about their CalPERS pension liability, (2) provide stress testing scenario modeling to account for potential changes to the discount rate in the future, (3) develop a customized model that helped optimize the timing and amounts of Section 115 Trust deposits and withdrawals, and (4) review and support potential changes to the City's pension funding policy. The presentation in Appendix A

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showcases our ability to translate the complex world of CalPERS and develop dynamic tools that allow for prudent, long-term decision making by stakeholders.

Sample 2: Wildfire Buffer Zone Budget Modeling for the Greater Paradise Area

NHA prepared a detailed budget for annualized treatment costs and other expenses for a 30,000-acre community wildfire buffer zone for the greater Paradise area. Appendix B includes a slide deck prepared by NHA on funding the proposed Paradise Community Wildfire Buffer Zone.

8. DISCLOSURE OF ABSENCE OF LITIGATION OR DISCIPLINE OVER LAST FIVE YEARS

There have been no instances in the last five years where a client terminated NHA Advisors midway through a contract for providing advisory/consulting services.

There are no pending legal actions alleging violations of law against the firm, any partner of the firm, or any employee of the firm by any Federal or State regulatory agency.

No Conflicts of Interest and other Disclosures

NHA **has not engaged in any** finder's fees, fee splitting, payments to consultants, or other contractual arrangements which would constitute a real or perceived conflict of interest.

NHA **does not have** an affiliation or relationship with any broker-dealer, **nor has any** NHA personnel who would provide advice to the Town been has associated with a broker-dealer firm within the two years preceding this RFP.

NHA has **no** known conflicts of interest in serving as the municipal advisor to the Town. NHA has **no** financial, business or other relationship with the Town. NHA has **no** current clients who may have a financial interest in the outcome of this contract. NHA is **not** suspended from practice in the State of California. Further, NHA, focused upon cities as our core mission / business, does not serve any other public entities and so are free from those potential direct conflicts of interest that some of our competitors have from serving two different public agencies with differing goals or direct conflicts.

NHA, under its fiduciary duty as a SEC-Registered Municipal Advisor, must deal honestly and with the utmost good faith with the Town and act in the Town's best interests without regard to the financial or other interests of NHA. NHA will eliminate or provide full and fair disclosure to the Town about each material conflict of interest (as applicable). NHA will not engage in municipal advisory activities with the Town if it cannot manage or mitigate its conflicts in a manner that will permit it to act in the Town's best interests.

As a general statement, NHA represents that in connection with the issuance of municipal securities, NHA may receive compensation from the Town for services rendered. If this compensation is contingent upon the successful closing of a transaction and/or is based on the size of a transaction then, consistent with the requirements of MSRB Rule G-42, NHA hereby discloses that such contingent and/or bond size-determined transactional compensation may present a potential conflict of interest regarding NHA's ability to provide unbiased advice to Town to enter into such transaction. This conflict of interest will not impair NHA's ability to give unbiased and competent advice or to fulfill its fiduciary duty to the Town. If NHA becomes aware of any additional potential or actual conflict of interest after this disclosure, NHA will disclose the detailed information in writing to the Town in a timely manner. NHA will never be

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compensated based upon the size of a transaction. NHA has a duty to reasonably establish its fees in relation to metrics that are fair and understandable to our clients such as amount of firm resources deployed, complexity of the deal, breadth of services rendered, risks associated with completion, among many other considerations.

9. REFERENCES

NHA's references will provide the Town with a frank, detailed evaluation of our approach and processes. We encourage you to reach out for more information about how NHA approaches projects with a goal of providing an unparalleled level of municipal advisory and consulting services.

References for Study 3 (ALM)

Reference: City of Ukiah	
Contact:	Dan Buffalo, Finance Director
Contact Address:	300 Seminary Avenue, Ukiah, CA 95482
Contact Phone & Email Address:	(707) 463-6220 | dbuffalo@cityofukiah.com
Start & End Date of Services:	July 2016 - Present
Description of Services:	CalPERS Pension Stakeholder Education, Cost Management Strategy Evaluation, UAL Restructuring (Lease Revenue Bond), Internal Pension Reserve Policy Analysis, ADP/Fresh Start Analysis, Ongoing Stakeholder Updates/Workshops **Fees Charged**: Pension Education, Stress Testing + Lease Revenue UAL Restructuring Bond: $112,500 Ongoing Annual Pension Update/Cost Management Strategy Analysis: $5,750 - $7,500

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Reference: Walnut Creek	
Contact:	Kirsten LaCasse, Administrative Services Director
Contact Address:	1666 North Main Street, Walnut Creek, CA 94596
Contact Phone & Email Address:	(925) 943-5810 | lacasse@walnut-creek.org
Start & End Date of Services:	October 2024 – March 2025
Description of Services:	CalPERS Pension Stakeholder Education, Cost Management Strategy Evaluation, Customized Section 115 Trust Model, 115 Trust Deposit/Withdrawal Analysis, Policy Recommendations **Fees Charged:** $15,000

Reference: Riverside	
Contact:	Edward Enriquez, Assistant City Manager/CFO and Treasurer
Contact Address:	3900 Main Street, Riverside, CA 92522
Contact Phone & Email Address:	(951) 826-5553| eenriquez@riversideca.gov
Start & End Date of Services:	2018 to Present
Description of Services:	CalPERS Pension Stakeholder Education, Cost Management Strategy Evaluation, $430 Million POB, Pension Policy Development, Customized Section 115 Trust Model, 115 Trust Deposit/Withdrawal Analysis, Annual Stakeholder Updates, POB Performance Comparison, "CalPERS Challenge" Assistance (CalPERS Challenge | City Manager's Office) **Fees Charged:** Pension Obligation Bond (POB): $125,000 Pre-POB Consulting: $25,000 Annual Pension Update/Cost Management Strategy Recalibration: $7,500 to $15,000

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Reference for Study 4 (Wildfire Risk Mitigation)

Reference: Paradise Recreation and Park District	
Contact:	Dan Efseaff, District Manager
Contact Address:	6626 Skyway, Paradise CA 95969
Contact Phone & Email Address:	(530) 872-6393 | defseaff@paradiseprpd.com
Start & End Date of Services:	2023 to Present
Description of Services:	Community Wildfire Buffer Zone Funding Plan for the Greater Paradise Region **Fees Charged:** $85,000 (funded in part through OPR Grant)

10. PRELIMINARY FEE SCHEDULES

Fee Schedule for Study 3 (ALM Study):

For work described in this proposal's Section 3 (Scope Comments and Methodology) for Study 3 (ALM Study), NHA proposes to a compensation structure based on time and materials required at the hourly rate schedule shown below. **We propose a not-to-exceed budget for these services of $50,000.** The table below provides the itemized fee proposal as requested in the RFP and provides a "low-end" estimate and a "high-end" estimate based on our experience on other projects.

Study 3 (ALM Study) - Budget Worksheet

Task	Blended Hourly Rate*	Estimated Hours (Low End)	Estimated Budget (Low End)	Estimated Hours (High End)	Estimated Budget (High End)
3.1: Inventory & Evaluate Liabilities	285	35.0	$9,975	45.0	$12,825
3.2: Funding Needs & Risk Reduction Analysis	285	35.0	$9,975	60.0	$17,100
3.3: ALM Modeling	285	35.0	$9,975	45.0	$12,825
3.4: Reserve Guidance	285	18.0	$5,130	25.0	$7,125
3.5: Execution (As Needed)	TBD	TBD	TBD	TBD	TBD
		Total Low-End Estimate	**$35,055**	**Total High-End Estimate**	**$49,875**

**Blended hourly rate assumes the following approximate allocations of work among NHA staff: principal 20%, vice president 30%, support staff 50%*

In-Person Meetings (Upon Request) – NHA will be available to attend virtual meetings and conference calls at the hourly rates shown above and the budget shown above factors in the time for virtual meetings and conference calls in order to deliver the study to the Town. In the event that the Town requests in-person meetings, NHA proposes a travel fee of $1,500 (per attendee) for each in-person meeting.

Fixed Fee	Fee
Engagement/Administrative Setup (Contract, Insurance, etc.)	$500

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Professional Services (Hourly)	2025 Rates[1][2]
Principal	$360
Director / Senior Vice President	$335
Vice President	$310
Assist. Vice President / Sr. Associate	$285
Associate	$260
Senior Analyst	$230
Analyst	$205
Administrative	$130

1) *Hourly rates will escalate by 3% annually each January 1st (rounded to the nearest five dollars based on the prior year's rounded amount).*
2) *Effective hourly rates shown in invoices may be reduced to incorporate non-billable time.*

Fee Schedule for Optional Study 4 (Wildfire Risk Mitigation):

For work described in this proposal's Section 3 (Scope Comments and Methodology) for Optional Study 4 (Wildfire Risk Mitigation Consulting), NHA proposes to be compensated based on time and materials required at the hourly rates shown in the section directly above. We propose a not-to-exceed budget for these services of $45,000. This budget is specific the Tasks 4.1, 4.2, 4.3, 4.4 and 4.5 discussed in that section and excludes the optional tasks in that scope. Should the Town desire the optional tasks, below is a summary of the budget for those tasks:

- Optional Task 4.1a (Retain Cat Modeler): The cost to retain a cat modeler would be a separate budget, based on the proposals received from cat modeling firms.
- Optional Task 4.3a (Develop MOU for Collaboration Across Cities): Time and Materials, subject to a fee cap of $15,000
- Optional Task 4.4a (Funding Plan for Other Cities Pursuant to MOU): Time and Materials, subject to a fee cap of $10,000

Expenses for Optional Study 4

Our $45,000 fee cap for the non-optional tasks already **includes** $6,000 potential expenses for retaining a consultant to prepare GIS layers for parcels within the proposed wildfire buffer zone, including priority treatment parcels.

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11. STATEMENT OF INSURANCE COVERAGE

As summarized in the table below, NHA meets the insurance requirements in the Town's Sample Consultant Services Agreement. NHA will maintain this coverage for the term of the contract if selected by the Town for this engagement.

Coverage Type	Town's Requirements in Sample CSA	NHA's Coverage
Carriers	N/A	• Valley Forge Insurance Company • Hartford Casualty Insurance Company • Underwriters at Lloyd's, London
General Liability (per occurrence)	$2M	$2M
General Liability (aggregate)	Not specified	$4M
Auto Liability	**$1M (per accident)**	**$1M (per accident)**
Worker's Comp (per occurrence)	$1M	$1M
Professional Liability	$1M per occurrence	$1M per occurrence / $2M aggregate

12. TOOLS, DATA SOURCES, AND USE OF AI

Our pension advisory practice utilizes multiple data sources, including data taken directly from CalPERS actuarial reports and the CalPERS Pension Outlook Tool. This data provides inputs into our proprietary models that we have developed over years of pension consulting and advisory experience. Validation of the accuracy of these tools is extremely important to us and we review the output of these models regularly as part of each engagement.

As noted above, we will retain a consultant to prepare GIS layers for priority treatment parcels. Here is a link to the GIS layers website our consultant prepared for Paradise: https://experience.arcgis.com/experience/767e8d6173de49efb4978e142b00c523

NHA uses an Enterprise Artificial Intelligence ("AI") in a **limited** capacity. We use an enterprise subscription (vs Open Web AI) to maintain privacy of our documents and control on the outputs. To date, we have not used AI as a tool to generate or develop any of our models, since most of our models were developed years before the advent of AI. Generally speaking, we approach the use of AI in any consulting or financing engagements with healthy dose skepticism while also seeking strategic ways we can benefit our clients through improving our efficiency on projects. We recognize that there is a concerted marketing effort underway across the globe to promote widespread AI adoption, but we also recognize that AI is a tool, **not** a replacement for an experienced advisory staff. Any outputs of AI must be thoroughly vetted and reviewed before being incorporated into any body of work to minimize the impact from any "hallucinations" in AI outputs producing a flawed product.

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APPENDIX A: SAMPLE OF PENSION EXPENSE MODELING FOR THE CITY OF WALNUT CREEK

PENSION TRUST & RESERVE ANALYSIS AND USE POLICY

CITY COUNCIL
MARCH 18, 2025

1

TODAY'S DISCUSSION

- **Pension Trust & Reserve Use Strategy**
  - Considerations
- **Pension Program Review**
  - Historical and Projected CalPERS Costs
- **Cost Management Strategy Overview**
  - Section 115 Trust Analysis
  - Scenarios
- **Takeaways and Recommendation**
  - Proposed Policy Language

2

REQUESTED ACTION



Provide Feedback



Accept the report and adopt a Resolution establishing the Pension Trust and Reserve Use Policy

3

THINGS TO CONSIDER….

- When do we use?
- How much do we use?
- What latitude should the policy provide?
- How can we be mindful of using one-time dollars for ongoing costs?
- How do we balance use with other reserves?

4

THE NHA ADVISORS TEAM

Michael Meyer
Vice President
Pension Group Manager

Craig Hill
Managing Principal

Matt DeFilippis
Senior Analyst

Adrian Gonzalez
Analyst

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CITY OF WALNUT CREEK

CALPERS PENSION PROGRAM REVIEW AND COST MANAGEMENT STRATEGY ASSESSMENT

CITY OF WALNUT CREEK

NHA | ADVISORS
Financial & Policy Strategies. Delivered.

MARCH 18, 2025

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Today's Discussion

I. Background on CalPERS Costs
II. Historical and Projected CalPERS Costs
III. Cost Management Strategy Overview
IV. City's Section 115 Trust
    I. Overview
    II. Objectives
    III. Analysis

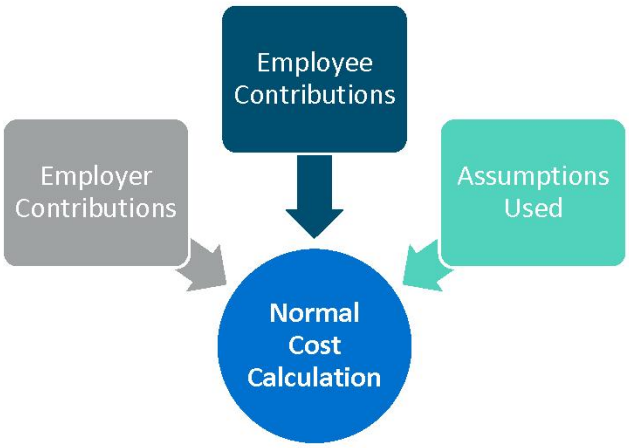
I. Background on CalPERS Costs

City of Walnut Creek CalPERS Summary

- The City has a $155M CalPERS Unfunded Accrued Liability (UAL), as of 6/30/2024, per the CalPERS Pension Outlook Tool projections
  - Miscellaneous Plan: $82M | Safety Plan: $73M
- City has been proactive in addressing rising pension costs
  - $28.7M in the Section 115 Trust as of 9/30/2024
  - $1.9M in the General Fund Pension Reserve
  - Effective funded ratio increases when including these assets
- The City makes two types of payments to CalPERS: Normal Cost & UAL

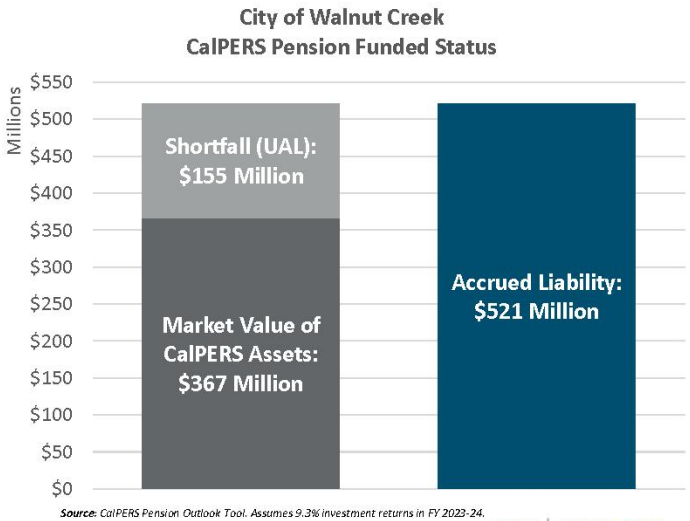
Normal Cost = Annual Cost for Current Employees

- Amount needed to fund future retirement benefits based on actuarial calculations (life expectancy, payroll increases, etc.)
- Benefits are funded as they are earned
- Maintains the long-term stability of the pension system



Unfunded Accrued Liability (UAL)

- Shortfall between the promised pension benefits and the funds currently available in the CalPERS system to pay for those benefits
- Increases or decreases based on CalPERS investment returns
  - Impacts amortized over 20 years
    - Irregular payment shape as UAL comprised of over 30 layers; each with its own term/shape
- **Funded Ratio**
  - $\frac{Market\ Value\ of\ Assets}{Accrued\ Liability} = 70.3\%$



Source: CalPERS Pension Outlook Tool. Assumes 9.3% investment returns in FY 2023-24.

CITY OF WALNUT CREEK

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Discount Rate & Asset Liability Management ("ALM")

Discount Rate

- An assumed rate of return; a way to assess the risk of CalPERS' investment portfolio
- The interest rate charged on the City's UAL debt

Asset Liability Management

- Occurs every four years to balance the expected cost of pension payments with the expected investment returns
- Review of CalPERS' investment portfolios and retirement plan liabilities (based on demographic & economic factors, including membership, payroll growth, retirement ages, inflation, and life expectancy)

2025 ALM Study in progress

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Why CalPERS Costs Have Trended Higher

Historical PERS Returns
5-Year: 6.6%
10-Year: 6.2%
20-Year: 6.7%
30-Year: 7.7%

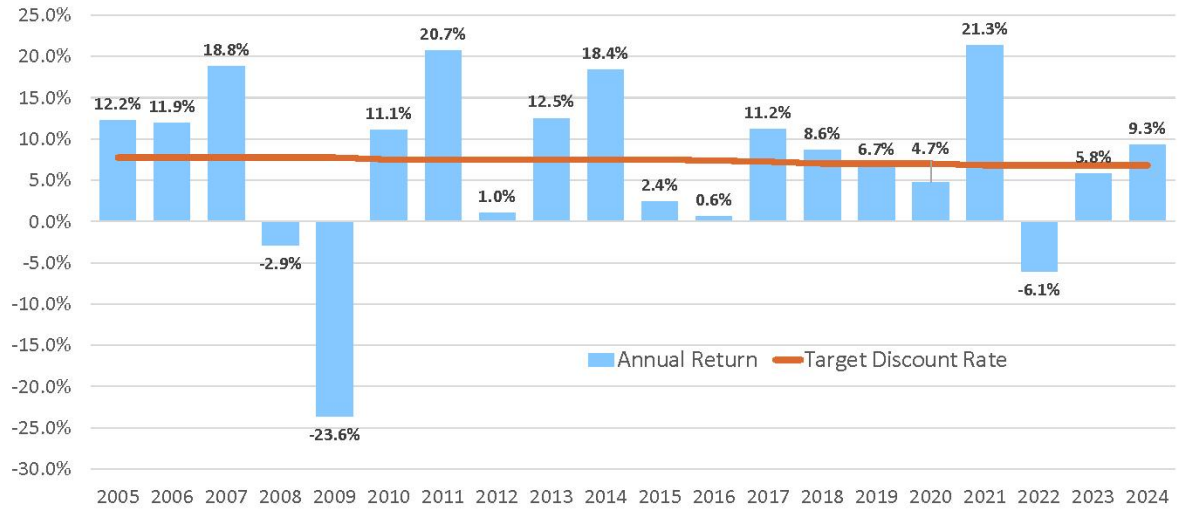
Then (late 1990s)...

- Robust investment returns (10%+)
  - Retirement plans were "Super-Funded" through the late 1990s
  - Earnings on funds were more than adequate to cover retirement costs
- Super-funded status induced widespread retirement benefits enhancements....
- Past funding policies led to contribution holidays and "free" benefit improvements

Now ...

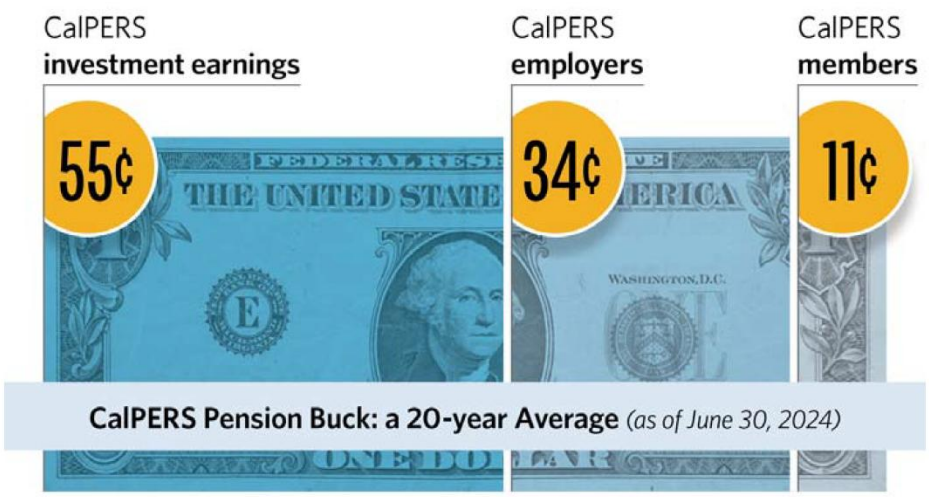
- Sluggish investment returns (not meeting assumptions)
- Assumptions have changed/grown more conservative
  - Discount Rate: 8.25% → 7.00% → 6.80%
  - Inflation rate (prices going up)
  - Mortality rates (people living longer)
  - Shorter, more conservative amortizations

CalPERS Historical Preliminary Investment Returns (Time-Weighted)



How CalPERS Benefits Get Funded

- Pre-2008 Investment earnings used to make up a higher percentage of total contributions
- As investments underperform assumptions, employers must make up the difference, unless the additional costs are negotiated with employees



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City's CalPERS Retirement Plans

- 2 Main CalPERS plans; Miscellaneous & Safety
  - **Miscellaneous:** 1,352 covered members; $82M UAL
  - **Safety:** 285 covered members; $73M UAL
- PEPRA (effective 2013) helpful to manage long term pension costs for new employees
  - Enacted revised benefit levels for new plan members
  - Higher employee contribution rates mean more normal cost is being paid by the employee
- **However, 98% of current UAL comes from Classic plans and is not impacted by PEPRA**

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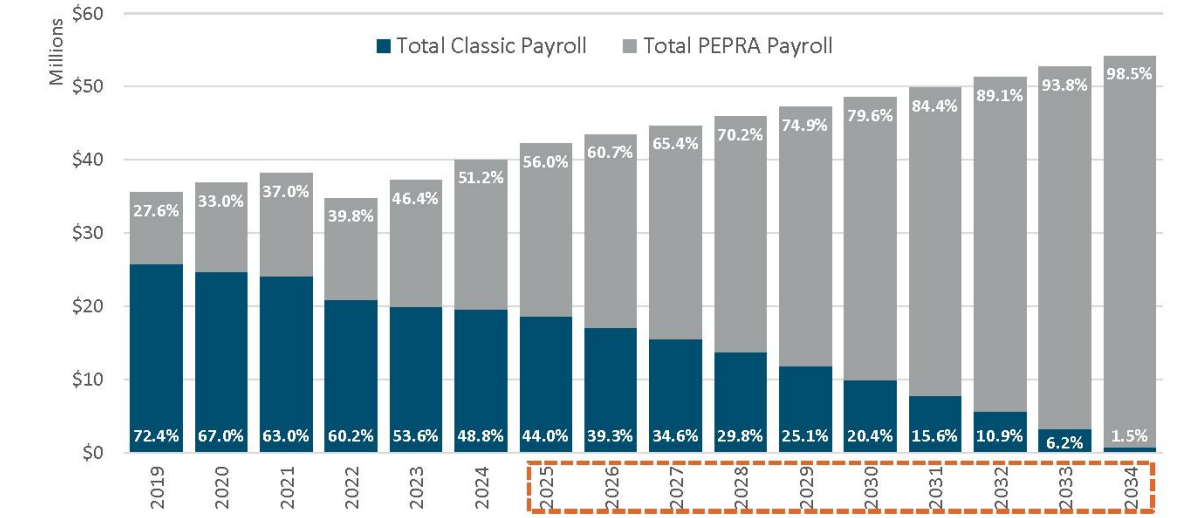
Historical & Projected PEPRA Transition

Classic vs. PEPRA % of Payroll



CITY OF WALNUT CREEK

Source: 2019-2024 payroll data is sourced from the City's CalPERS Actuarial Valuation Reports. 2025-2034 payroll data is sourced from the CalPERS Pension Outlook Tool. 2025-2034 projections assume the PEPRA % continues to grow at a historical average (2020-2024) of approximately 4.7 percentage points per year.

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II. Historical and Projected CalPERS Costs

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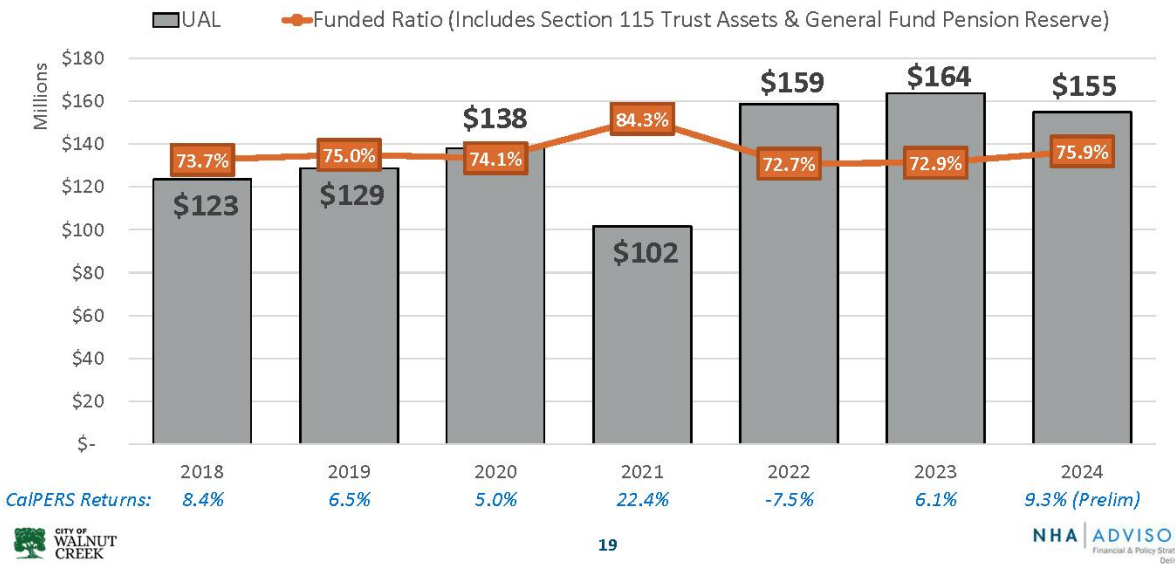
History of the City's UAL Balance & Funded Ratio

Funded Ratio includes Section 115 Trust Assets & General Fund Pension Reserve



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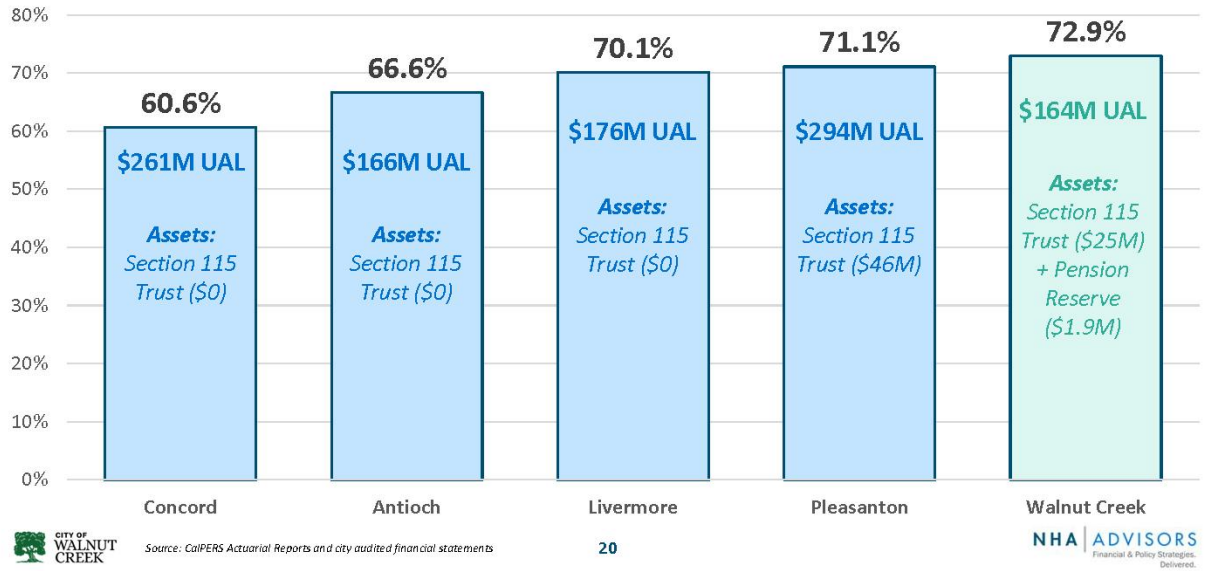
CalPERS Funded Ratio Comparison (As of June 30, 2023)

Funded Ratio Includes Trust Assets & Pension Reserves



CITY OF WALNUT CREEK

Source: CalPERS Actuarial Reports and city audited financial statements

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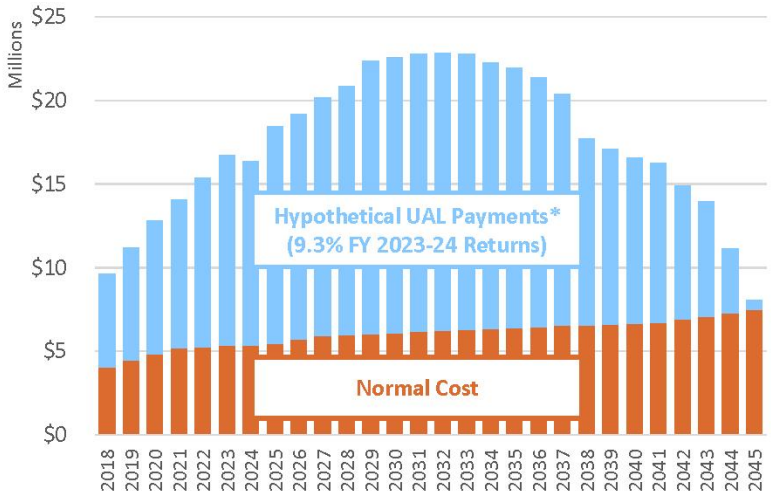
Historical & Projected CalPERS Payments (UAL + Normal Cost)

- UAL + Normal Cost payments projected to increase from $18M to $23M (+24%) by FY 2032
  - City's UAL payments rising to $16.6M by FY 2032
    - 28% higher than FY 2025 UAL payment ($13M)
  - Annual Normal Cost contributions going forward projected to range between $5.4M and $7.5M through FY 2045



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Source: CalPERS Actuarial Valuation Reports & CalPERS Pension Outlook Tool
**Assumes FY 2023-24 investment returns of 9.3% and 6.8% investment returns thereafter.*

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III. Cost Management Strategy Overview

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Pension Cost-Management Strategies – Not Mutually Exclusive

Prepay UAL early in Fiscal Year (≈ 3.3% discount) → *City Does This*

Negotiate Cost Sharing With Employees

- New employees already governed by lower cost/benefit PEPRA plans
- Negotiate cost sharing of the City's share

Use Cash Reserves to Pay Extra

- Section 115 Pension Trust – Separate trust solely dedicated to pension
  - City's annual UAL cost and Normal Cost can be supplemented with the Section 115 Trust
- Additional Discretionary Payments ("ADPs") – direct payments to CalPERS to reduce UAL
  - Can be funded with Section 115 or annual surplus (*not recommended at this time given City's projected budget deficits*)

IV. City's Section 115 Trust

Overview, Objectives & Analysis

Section 115 Pension Trust - Overview

- **What is it?** Restricted Account for pension
- **Advantages:**
  - Potential Higher Investment Returns in Managed Account
  - Longer-Term Benefit: Trust funds can grow over time and pay off a large % of UAL in the future
  - Shorter-Term Benefit: Apply funds to ***"smooth"*** payment spikes in UAL and/or Normal Cost
  - Flexibility – more investment options than CalPERS and the City can decide when and how to use
  - Potential shock absorber for volatility from CalPERS investment performance & assumption changes
- **Disadvantages:**
  - Doesn't directly reduce UAL until funds are transferred to CalPERS
  - Requires reserves/surplus contributions to build account balance
  - Investment risk (dependent on type of investment portfolio)

Section 115 Trust – City's Objectives

VOLATILITY MITIGATION: Mitigate budgeting impacts of increasing/fluctuating pension costs

LEVEL/LOWER ANNUAL PAYMENT: Use Trust judiciously to flatten the pension curve ("mountain peak")

LIQUIDITY: Maintain (don't fully deplete) minimum trust balance to protect against future unknowns

Section 115 Pension Trust & Pension Reserve

- City's Section 115 Pension Trust has $28.7 million of assets as of 9/30/2024
  - Balanced investment objective: 50% Equity / 50% Fixed Income
    - 10.89% investment return for FY 2024; 5.87% investment return since inception (FY 2019)
- Historical Contributions: Total = $19,876,600
  - August 2018: $13,895,400
  - April 2019: $2,989,000
  - July 2019: $2,992,200
- General Fund Pension Reserve has $1.9M
- **Key Considerations for City**
  - **Is it time to stop growing trust?**
  - **Timing and size of optimal withdrawals**
  - **How would a discount rate change or recession change the strategy?**

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Section 115 Trust – Customized Modeling & Analysis

- Using a customized model that can be updated periodically
  - Model out various scenarios using CalPERS Pension Outlook Tool
  - Estimating withdrawals from the Trust to create different payment smoothing strategies
- **Scenarios**
  - **#1 – STATUS QUO;** 9.3% FY 2023-24 Returns, 6.8% Returns After, No Assumption Changes
  - **#2 – DISCOUNT RATE REDUCTION;** CalPERS lowers discount rate from 6.8% to 6.5%
  - **#3 – DEFICIT MITIGATION;** Withdrawals from Trust to mitigate City's forecasted deficits

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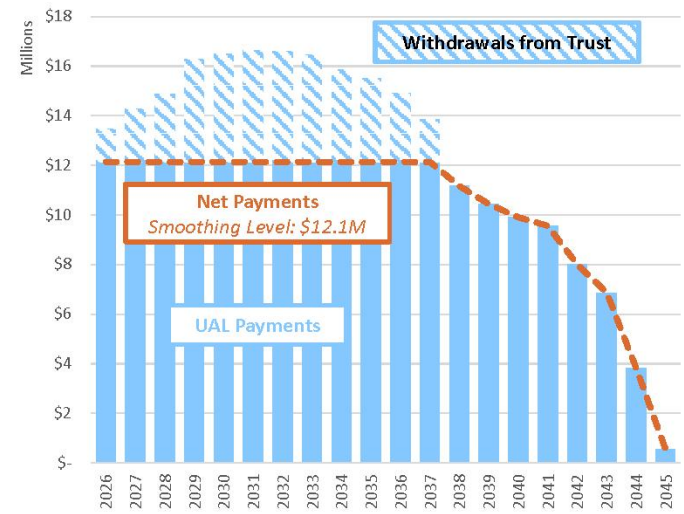
Scenario #1 – STATUS QUO



Assumptions:

- **CalPERS Discount Rate:** 6.8% (no change)
- **CalPERS Investment Returns:** 9.3% in FY 2023-24; 6.8% thereafter
- **Beginning Trust Balance:** $28.7M (as of 9/30/2024)
- **Additional Trust Contributions:** $0
- **Trust Annual Investment Earnings:** 5.28%
- **Ending Trust Balance:** $0

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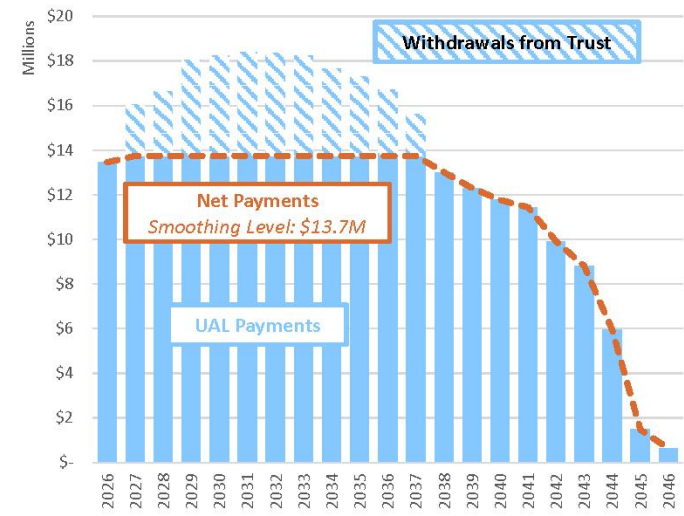
Scenario #2 – DISCOUNT RATE REDUCTION

6.5% CalPERS Discount Rate – UAL Increase from $155M to $175M



Assumptions:

- **CalPERS Discount Rate:** 6.5%
- **CalPERS Investment Returns:** 9.3% in FY 2023-24; 6.5% thereafter
- **Trust Balance:** $28.7M (as of 9/30/2024)
- **Additional Trust Contributions:** $0
- **Trust Annual Investment Earnings:** 5.28%
- **Ending Trust Balance:** $0

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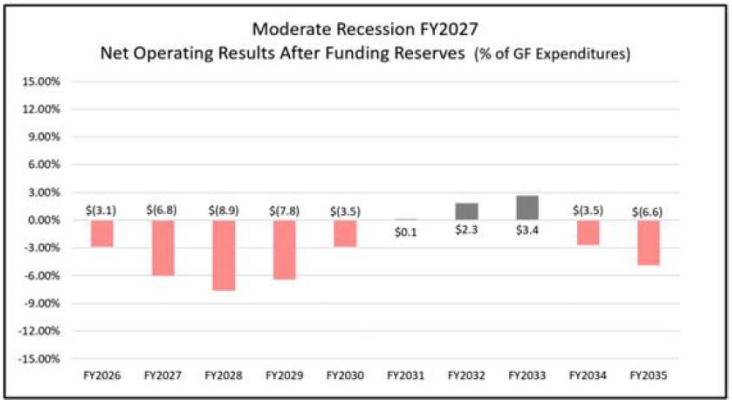
Scenario #3 – DEFICIT MITIGATION

Withdrawals from Trust to Mitigate City's Forecasted Deficits (Moderate Recession)



Assumptions:

- Assumes net operating results from City's Moderate Recession financial forecast
  - FY 2026-27 Recession: 18-month downturn; 3-year recovery
  - -2% Property Tax; -6.25% Sales Tax & TOT; -5% Other Revenues
- Assumes Trust offsets 100% of deficits through FY 2034 and a portion of the deficit in FY 2035, before exhausted

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Comparison of Trust Deposits and Withdrawals

	Scenario #1 (Status Quo)		Scenario #2 (Discount Rate Reduction)		Scenario #3 (Deficit Mitigation)	
Fiscal Year	Deposits to Trust	Withdrawals from Trust	Deposits to Trust	Withdrawals from Trust	Deposits to Trust	Withdrawals from Trust
2026	$0	$1,317,707	$0	$0	$0	$3,100,000
2027	$0	$2,124,510	$0	$2,306,566	$0	$6,800,000
2028	$0	$2,724,510	$0	$2,896,566	$0	$8,900,000
2029	$0	$4,164,510	$0	$4,306,566	$0	$7,800,000
2030	$0	$4,344,510	$0	$4,496,566	$0	$3,500,000
2031	$0	$4,484,510	$0	$4,636,566	$0	$0
2032	$0	$4,454,510	$0	$4,606,566	$0	$0
2033	$0	$4,334,510	$0	$4,486,566	$0	$0
2034	$0	$3,734,510	$0	$3,886,566	$0	$3,500,000
2035	$0	$3,384,510	$0	$3,546,566	$0	$723,598
2036	$0	$2,784,510	$0	$2,956,566	$0	$0
2037	$0	$1,704,510	$0	$1,886,566	$0	$0
2038	$0	$0	$0	$0	$0	$0
2039	$0	$0	$0	$0	$0	$0
2040	$0	$0	$0	$0	$0	$0
2041	$0	$0	$0	$0	$0	$0
2042	$0	$0	$0	$0	$0	$0
2043	$0	$0	$0	$0	$0	$0
2044	$0	$0	$0	$0	$0	$0
Total	**$0**	**$39,557,314**	**$0**	**$40,012,229**	**$0**	**$34,323,598**

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QUESTIONS



KEY TAKEAWAYS

- The trust is intended to be used.
- Pension costs are projected to increase through 2033; decrease beginning in 2034.
- City's healthy Section 115 Trust balance and reserve can be leveraged over the next 10-12 years.
- Staff recommends adopting a policy for the use of pension resources.

PROPOSED POLICY KEY PROVISIONS

- Only using the Pension Resources during deficit years to maintain service levels
- Balance use of the Pension Resources with other reserves
- Avoid relying on one-time funds for ongoing expenses
- General Fund surpluses may be deposited into the trust
- Continue pre-paying pension liabilities when feasible to achieve cost savings
- Take steps to ensure that the Pension Resources last until at least FY 2034

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RECOMMENDED ACTION

- Provide Feedback
- Accept the report and adopt a Resolution establishing the Pension Trust and Reserve Use Policy

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BACK-UP SLIDES BEYOND THIS POINT

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OBJECTIVES, POLICIES AND PRINCIPALS

Objectives:

- Mitigate budget impacts of increasing and fluctuating pension costs in a sustainable manner.
- Use the pension resources judiciously to flatten the curve of rising pension costs.
- Ensure the trust lasts at least until pension costs are projected to begin decreasing (estimated by CalPERS to be 2034 per Attachment 1)
- Be mindful of using one-time funds for ongoing costs; minimize withdrawals with a long-term plan for the use of the trust.
- Balance the use of the trust with other reserves during challenging economic conditions, when appropriate.

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OBJECTIVES, POLICIES AND PRINCIPALS *(CONTINUED)*

Policies and Guiding Principles:

- The Pension Resources may be utilized during fiscal years in which a structural deficit is present to ensure the continuation of existing service levels, and not to enhance or increase services.
- The trust would not be used to offset pension costs in years in which there is a structural surplus.
- Pension Resources will be used in a fiscally responsible manner. While the pension resources would be budgeted as a funding source, the amount withdrawn from the trust will be determined at year-end based on actual revenues compared to actual expenditures in the General Fund. To maximize investment earnings and ensure judicious use of the funding, only the amount budgeted, or actual amount needed to close the gap, whichever is less, would be withdrawn from the trust.
- In any fiscal year in which there is a year-end surplus in the General Fund, Council may choose to deposit some or all of the year-end surplus in the trust.

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OBJECTIVES, POLICIES AND PRINCIPALS *(CONTINUED)*

Policies and Guiding Principles:

- The Pension Resources are intended to be used under this policy through FY2034, when pension costs are projected to begin to decrease. At that time, all remaining funds, if any, would remain in the trust to offset future pension costs or until the City Council provides further direction.
- The City will continue to pre-pay the Unfunded Actuarial Liability (UAL) payment annually, when feasible, to achieve budgetary savings from the discount offered by CalPERS (half of the discount rate percentage).
- In any fiscal year in which there is a year-end surplus in the General Fund, Council may choose to deposit some or all of the year-end surplus in the trust.
- The Pension Resources are intended to be used under this policy through FY2034, when pension costs are projected to begin to decrease. At that time, all remaining funds, if any, would remain in the trust to offset future pension costs or until the City Council provides further direction.
- The City will continue to pre-pay the Unfunded Actuarial Liability (UAL) payment annually, when feasible, to achieve budgetary savings from the discount offered by CalPERS (half of the discount rate percentage).

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APPENDIX – ADDITIONAL RESOURCES

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Classic vs. PEPRA Pension Example Comparison

- Employee #1 is a Classic member and Employee #2 is a PEPRA member – both have served for 25 years and have a final average compensation of $125K
- Employee #2 will have a lower pension than Employee #1 due to a lower benefit factor, and will also retire at 57 years old instead of 50 years old like the Classic member
- The City will save money from PEPRA's lower pension amount and because PEPRA's pension may be paid out for a shorter amount of time due to retirement occurring 7 years later compared to Classic
- The difference in pension between Classic and PEPRA is even more apparent at higher compensation levels, as there is a pensionable compensation limit of approximately $175K for PEPRA and $330K for Classic

Service Credit		Benefit Factor		Final Compensation		Annual Pension
Employee #1 (Classic)						
25 Years	x	3.0% @ 50	x	$125,000	=	**$93,750**
Employee #2 (PEPRA)						
25 Years	x	2.7% @ 57	x	$125,000	=	**$84,375**

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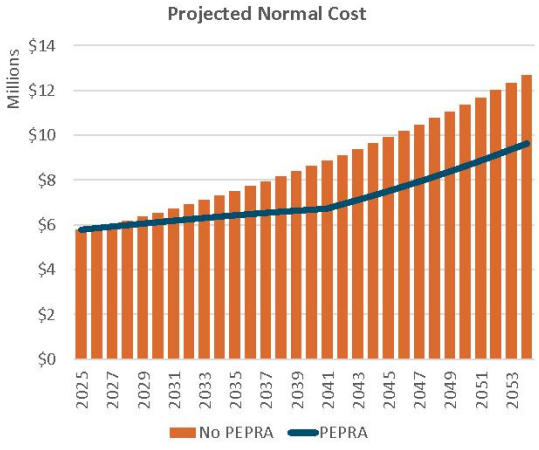
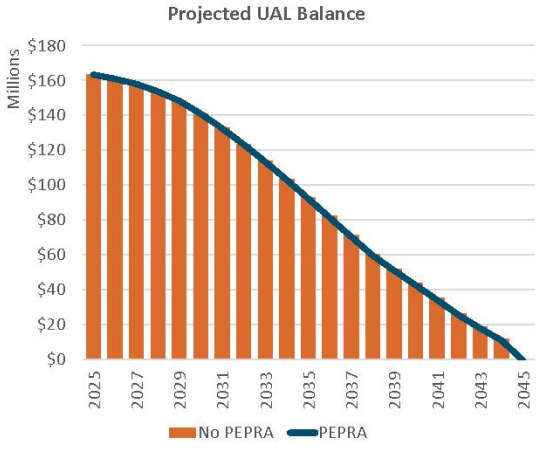
Cost of PEPRA vs. No PEPRA

- PEPRA is projected to lower Normal Cost and UAL costs for the City





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Source: *CalPERS Pension Outlook Tool. Assumes no PEPRA implementation in orange bar projections.*

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Additional Discretionary Payment ("ADP")

- **What is it?** City makes ADP directly to CalPERS and CalPERS eliminates payments associated with the portion of the UAL paid off, essentially giving the City credit at the discount/interest rate (currently 6.8%)
  - **Advantages:**
    - Reduced UAL / higher CalPERS funding ratio
    - Reduced future payments
    - Broader, less restrictive CalPERS investment portfolio has potential for higher returns
  - **Disadvantages:**
    - Requires reserves / surplus to fund
    - Re-investment and market timing risk with ADP funds
    - Less budgetary flexibility and investment control (vs. Section 115 Trust option)

Section 115 Trust vs. CalPERS ADP Comparison

OPTION	Section 115 Trust	CalPERS ADP
Reduced UAL & UAL Payments with CalPERS	No	Yes
Reduced Pension Liability in Financial Report (ACFR)	No (Show up as an asset on the City's financial statements)	Yes
Control of Investment Strategy	Yes	No
Funds Managed By	Trust Administrator	CalPERS
Flexibility in Uses	Yes	No
Enhanced Budgetary Flexibility	Yes	No
Savings	Varies; Depends on when City utilizes funds to pay liabilities	Immediate; Length of time varies based on which amortization component is paid off

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APPENDIX B: SAMPLE OF WILDFIRE BUFFER ZONE BUDGET MODELING FOR THE GREATER PARADISE AREA

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Draft Budget and Potential Parcel Tax Analysis for Wildfire Buffer Zone for the Greater Paradise Area

Preliminary Estimates on How to Fund Both Acquisition of a Wildfire Buffer Zone and Long-term Treatment

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July 30, 2025

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Our Goals for this Analysis

- Define sustainable, long-term wildfire fuel reduction funding
- Identify major cost drivers
- Recommend tax structure to meet funding needs
- Outline governance for funding + operations
- Set timeline for governance setup and tax measure

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Constraints on the Analysis

- Wide variation in treatment costs per acre
- No consensus on best treatment by region/vegetation/topography
- No proven link between mitigation spending and insurance benefits
- No regional governance entity ready to implement large-scale buffer zone

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A Draft Budget for Wildfire Risk Reduction for the Greater Paradise Area: Background

- PRPD has worked with both the Butte Fire Safe Council and Xyloplan to develop a list of priority parcels for wildfire fuel reduction
  - Targeted parcels protect structures in the Paradise, Concow and Magalia areas
  - The Xyloplan parcels are the result of a comprehensive fire spread model based on wind-storm patterns
  - The Butte Fire Safe Council parcels are based on local knowledge of local fire safety professionals
  - The PRPD team merged both parcel lists to come up with an approximately 900 parcel combined list comprising nearly 3,000 acres.
- Nevertheless, the original study in 2023 funded by The Nature Conservancy identified about 30,000 acres of area on the periphery of Paradise, Concow and Magalia that may require treatment
  - The prioritization process enables a more cost-efficient budget to be developed for long term wildfire risk mitigation

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Determining Treatment Costs for Target Parcels

- Multiple sources on treatment costs per acre for different treatments, landscape, and topography:
  - CalFire
  - Butte Fire Safe Council
  - County of Plumas
  - Sierra Nevada Conservancy
  - California Air Resources Board.....and many others
- There is no consensus regionally or statewide on treatment types, recurrence intervals or treatment costs for different climate zones and types of terrain
- **Approach:** use relatively **high treatment costs per acre,** and **lower (more frequent) recurrence intervals** for a conservative budget

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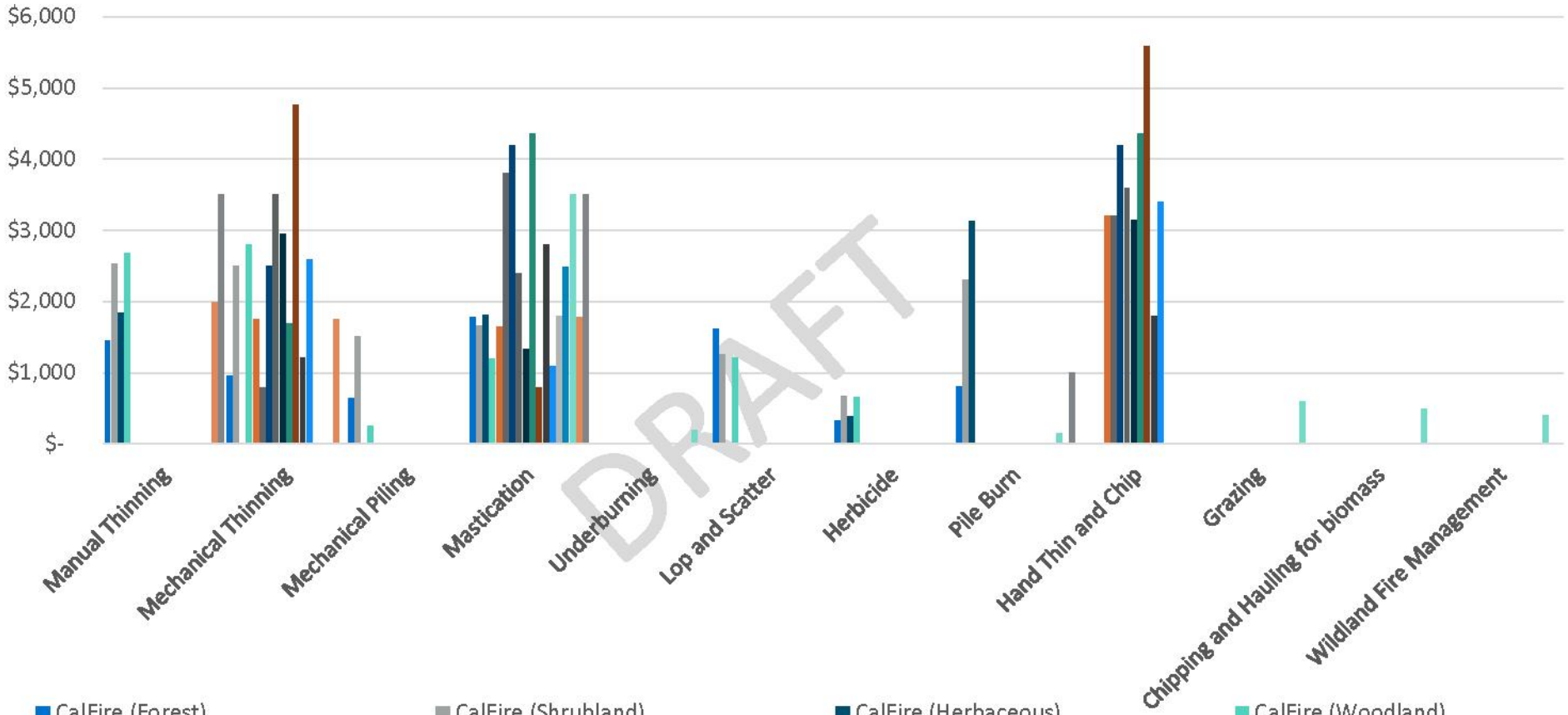
A Wide Rang of Treatment Cost Estimates



- CalFire (Forest)
- CalFire (Shrubland)
- CalFire (Herbaceous)
- CalFire (Woodland)
- 2C Land
- ECO
- Firestorm
- Paul Roen
- Atlas
- Bella
- GE Forestry
- Mountain View Reforestation
- Professional Slahbusting
- BK&Son
- Red Mtn.
- Butte County
- Plumas County
- SNC (High)

For more detailed cost estimates, see Appendix.

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Prevailing wage, Prescribed Burn and Grazing, First Treatment

- Prevailing wage likely to add 20% to costs for state/local wildfire treatments
- First-time treatment costs ~2.5x higher than long-term
- CalFire provides a liability insurance policy of $2 million for each prescribed burn
  - In the very unlikely event of an "escape", for a prescribed burn on private land, this limit is inadequate
  - While prescribed burns, notwithstanding the shortage of experienced staff, are scalable on public property, such burns are not scalable on private property
- Grazing, where appropriate, is a very effective low-cost treatment but scalability is uncertain
- **For purposes of a draft budget, we assume no prescribed burns and minimal grazing**

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Treatment Costs and Recurrence Interval Assumptions Used in this Analysis

	Evergreen Forest	Developed Open Space	Developed Low Intensity	Developed Medium Intensity	Developed High Intensity	Shrubland	Grassland/ Pasture	Mixed Forest	Deciduous Forest	Emergent Herbaceous Wetlands/Woody Wetlands	Fallow Cropland
Treatment Acres	1,238.66	143.28	33.01	5.41	0.99	1,190.43	295.54	2.13	27.11	11.86	1.15
Cost per acre	3,000	1,000	1,000	1,000	1,000	2,500	800	3,000	3,000		800
Treatment cost for land use category	3,715,981	143,279	33,010	5,408	988	2,976,063	236,434	6,397	81,331	-	921
Recurrence Interval	5	5	3	3	3	5	3	5	5	5	3
Annualized treatment costs	743,196	28,656	11,003	1,803	329	595,213	78,811	1,279	16,266	-	307

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Treatment Cost Overview

- Treatment costs are on the high side of the range
- Recurrence intervals are on the low side of the range
- **Annualized costs are about $1.5 million/year**
- These annual costs do not include administration – we estimate this at $500,000/year
- Consequently, we estimate that annual operating cost budget to be $4.5 million/year for the first 5 years, and then about $2 million per year thereafter
- These figures do not include any inflation assumptions

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Administrative Costs

- Fully scaled treatment for 600+ acres per year (3,000 acres on a 5-year recurrence interval) requires administrative organization
- The treatment crews need management, prescribed burns need liability insurance
- Acquisition of easements or fee title for nearly 3,000 acres will require experienced property negotiators, similar to those used for ROW acquisition
- There will be legal expenses for acquisitions of easements or fee title
  - If eminent domain needs to be used, this can be an expensive process

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Operational Cost Assumptions

Annualized Treatmenmt Costs (long term)	1,477,168
First time treatment costs multiplier	2.5
Annualized first time treatment costs	3,692,921
Annual Administrative Costs	500,000
Combined long term treatment and administrative costs	1,977,168
Combined treatment and administrative costs for first 5 years	4,192,921

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Target Parcel Acquisition Cost Assumptions

- PRPD retained Integra Realty to do a high-level appraisal of the costs of acquiring access to the circa 900 target parcels for treatment
  - While PRPD and Butte Fire Safe Council have had good experience using "good will" to gain access for treatment, we do not believe that a long term fully scaled budget should rely on 100% good will to provide access to key parcels on a regular basis
- There are three options for securing access
  - Purchase of fee title
  - Purchase of an easement
  - Long-term access to a parcel through the good will of the parcel owner
- Integra valued both fee title and easement acquisition costs, establishing a range from low to high for such costs

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Parcel Access Acquisition Cost Assumptions

	Integra Cost Estimates	
	Fee Title	Easement
Low	20,187,713	8,075,085
High	39,906,818	15,962,727

	Total Access Acquisition Cost Budget, Including Goodwill		
	Per cent	Cost (low)	Cost (high)
Acquisition	25%	5,046,928	9,976,705
Easement	65%	5,248,805	10,375,773
Good will	10%	-	-
Total	100%	10,295,734	20,352,477
Annualized over 5 years		2,059,147	4,070,495

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Why Debt Financing for Access Acquisition and First Treatment Costs?

- Costs for both access acquisition and first-time treatment costs make annual funding need much higher in the first 5 years
  - Assumes all 3,000 acres are "acquired" for access purposes in the first 5 years
  - Assumes all 3,000 acres receive a treatment, likely their first treatment, in the first 5 years.
- Expenses funded on "pay-go" basis means the annual tax requirements are much higher over the first 5 years
- Ballot approval will require disclosure of the highest potential tax, not an "average" tax over the life of the exaction
  - The higher tax for the first 5 years will result in more "no" votes on a ballot measure
- Debt Financing
  - Spreads costs evenly over time
  - Steadier tax rate
  - More electable measure
- **Bottom line: debt financing makes a tax measure more electable**

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Debt Financing Assumptions

	No Grant Funding		50% Grant Funding	
	Low Cost Scenario	High Cost Scenario	Low Cost Scenario	High Cost Scenario
Extra first time treatment costs	18,001,812	18,001,812	18,001,812	18,001,812
Access acquisition cost	10,295,734	20,352,477	10,295,734	20,352,477
Grant Funding Amount	-	-	14,148,773	19,177,145
Total to be financed	28,297,546	38,354,289	14,148,773	19,177,145
Annual Interest Rate	6.5%	6.5%	6.5%	6.5%
Annual debt service for first 5 years	3,460,000	4,340,000	2,210,000	2,320,000
Annual debt service for next 15 years	1,980,000	2,870,000	730,000	840,000

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Assumes all bonds are issued with a taxable interest rate., Debt service is higher in the first 5 years because the higher initial treatment costs are being funded by the bond issue. This means no treatment costs are funded on a "pay-go" basis over the first 5 years.

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Use of Grants

- FEMA and Prop 4 grants could significantly reduce access acquisition and first-time treatment costs, further reducing both the debt required and the annual budget
- There is uncertainty over the future of the FEMA BRIC program
  - Cal OES recommends that we consider applying for FEMA grants for access acquisition in a phased or "batched" process
- Several Prop 4 authorizations can potentially be used to fund either access acquisition or first-time treatment costs

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Tax Levy Options

- Local jurisdictions may raise funds, with voter approval, through the following mechanisms:

Tax Levy Option	Voter approval requirement	Key legal constraints	Tax levy sensitivity to land use, parcel size, vulnerability, etc	Scalability to meet annual funding requirements	Governance Requirement
Mello-Roos/parcel tax by Board/Council vote	2/3 vote of voters in area to be taxed	Needs to be structured to allow both capital funding through bonds and annual maintenance	Maximum sensitivity of all potential tax measures. Any objectively measurable metric can be used except for assessed valuation	Fully scalable	Any jurisdiction can create and administer a Mello Roos district
Mello-Roos/parcel tax by citizen circulated petition	Simple majority of voters in area to be taxed	Needs to be structured to allow both capital funding through bonds and annual maintenance	Maximum sensitivity of all potential tax measures. Any objectively measurable metric can be used except for assessed valuation	Fully scalable	Any jurisdiction can create and administer a Mello Roos district
Ad valorem tax for general obligation bonds	2/3 vote of voters in area to be taxed	Tax levy is based solely on assessed value. No other factors can be used	Assessed valuation is the only parameter	Can only be used for access acquisition, not for annual maintenance	Can be authorized by any local government entity
Assessment District	Majority protest of parcel owners within district	Must be solely for "special benefit". Community scale iork is not considered "special benefit".	Assessment levy must be directly pro rata to level of special benefit received by each parcel. Defining this for wildfire fuel reduction in the community would be very difficult.	Not scalable	Can be authorized by any local government entity
Sales tax dedicated to wildfire risk reduction	If dedicated solely to wildfire risk reduction, 2/3 vote is required	Tax levy is based solely on taxable sales within retail outlets within the taxing jurisdiction. Only County of Butte has the authority within the area of the prioritized parcels	Gross taxable sales is the only parameter	Tax base may be too small - gross taxable sale are about $150 million/year	Only the County or the Town of Paradise have this power
Sales tax for general purposes	Simple majority	Tax levy is based solely on taxable sales within retail outlets within the taxing jurisdiction. Only County of Butte has the authority within the area of the prioritized parcels	Gross taxable sales is the only parameter	Tax base may be too small - gross taxable sale are about $150 million/year	Only the County or the Town of Paradise have this power
Transient occupancy tax dedicated to wildfire risk reduction	If dedicated solely to wildfire risk reduction, 2/3 vote is required	Tax levy is based solely on gross room revenues on hotel/motel/VHR's within the taxing jurisdiction. Only County of Butte has the authority within the area of the prioritized parcels]	Gross room revenues is the only parameter	Tax base may be too small - gross room revenue is about $3 million/year	Only the County or the Town of Paradise have this power

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A Parcel Tax is Better than a Sales Tax or TOT increase

- The tax base for both sales tax and TOT in the Town of Paradise (where nearly all the outlets producing sales and TOT are located) is too small to support the projected annual budget requirement
- Only a parcel tax (otherwise known as a Mello Roos tax) allows for great flexibility in how the tax is levied on a given parcel (land use, parcel size, vegetation, vulnerability, etc.

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Sales Tax

Annual budget required with debt but no grants:	4,000,000
Approximate annual gross taxable sales in Town of Paradise	150,000,000
Sales tax rate required to fully fund budget	2.7%
Current combined sales tax rate in Town	8.75%
New combined tax rate	11.4%

Trensient Occupancy Tax

Annual budget required with debt but no grants:	4,000,000
Approximate annual gross room revenue in Tiown of Paradise	3,000,000
TOT tax rate required to fully fund budget	133.3%
Current TOT tax rate in Town	6.00%
New combined tax rate	139.3%

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What is the potential tax base for a parcel tax?

- Four public entities overlap the general area where the prioritized parcels for treatment are located:
  - Paradise Recreation and Parks District – 21,869 parcels
  - Paradise Unified School District – 20,639 parcels
  - Town of Paradise – 11,978 parcels
  - Paradise Irrigation District – 11,788
- While we believe that the actual boundaries for any tax to fund treatment for the prioritized parcels will need to be carefully considered, for purposes of this analysis, we will use the parcel count for PRPD
  - We included unsecured parcels as well as secured parcels because the unsecured parcels oftentimes represent leasehold estates

All parcel count figures are from the County of Butte for FY 2023-2024

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Scenario Design

- The key determinants of long-term annual costs are shown below:
  - Level of grant support
  - Whether or not debt is issued
  - Whether access acquisition costs are on the "low" or "high" side of the range determined by Integra
  - If bonds are issued, whether the bonds can be issued on a tax exempt or taxable basis
    - Since we determined that the overall difference in annual budget requirements resulting from the use of tax-exempt interest rates vs. taxable interest rates was less than 5%, we are just showing the taxable interest rate scenarios

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Scenarios Modeled for a Draft Budget

Low Access Acquisition		High Access Acquisition	
Grants	Debt	Grants	Debt
None	None	None	None
50%	None	50%	None
None	First 5 Years	None	First 5 Years
50%	First 5 Years	50%	First 5 Years

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Scenario 1 Estimated Cash Flows: Low Acquisition Costs, No Grant Funding, No Debt

Year	1	2	3	4	5	6	7	8	9	10
Acquisition/easement cost	2,059,147	2,059,147	2,059,147	2,059,147	2,059,147	-	-	-	-	-
Operational	3,692,921	3,692,921	3,692,921	3,692,921	3,692,921	1,477,168	1,477,168	1,477,168	1,477,168	1,477,168
Administration	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Total	**6,252,067**	**6,252,067**	**6,252,067**	**6,252,067**	**6,252,067**	**1,977,168**	**1,977,168**	**1,977,168**	**1,977,168**	**1,977,168**
Number of taxable parcels	21,869	21,869	21,869	21,869	21,869	21,869	21,869	21,869	21,869	21,869
Average annual tax/parcel	**286**	**286**	**286**	**286**	**286**	**90**	**90**	**90**	**90**	**90**

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Annual budget requirement ranges from about $2 million/year to $6.25 million/year

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Scenario 2 Estimated Cash Flows: Low Acquisition Costs, 50% Grant Funding, No Debt

Year	1	2	3	4	5	6	7	8	9	10
Acquisition/easement cost	2,059,147	2,059,147	2,059,147	2,059,147	2,059,147	-	-	-	-	-
Operational	3,692,921	3,692,921	3,692,921	3,692,921	3,692,921	1,477,168	1,477,168	1,477,168	1,477,168	1,477,168
Overhead/Admin	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Less grant funding	(2,876,034)	(2,876,034)	(2,876,034)	(2,876,034)	(2,876,034)					
Total	**3,376,034**	**3,376,034**	**3,376,034**	**3,376,034**	**3,376,034**	**1,977,168**	**1,977,168**	**1,977,168**	**1,977,168**	**1,977,168**
Number of taxable parcels	21,869	21,869	21,869	21,869	21,869	21,869	21,869	21,869	21,869	21,869
Average annual tax/parcel	**154**	**154**	**154**	**154**	**154**	**90**	**90**	**90**	**90**	**90**

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Annual budget requirement ranges from about $2 million/year to $3.4 million/year

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Scenario 3 Estimated Cash Flows: Low Acquisition Costs, No Grant Funding, Debt for First 5 Years Costs

Year	1	2	3	4	5	6	7	8	9
Annual Debt Service	3,457,075	3,455,475	3,457,050	3,456,150	3,457,450	1,980,300	1,980,250	1,981,950	1,980,075
Acquisition/easement cost	-	-	-	-	-	-	-	-	-
Operational	-	-	-	-	-	1,477,168	1,477,168	1,477,168	1,477,168
Overhead/Admin	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Total	**3,960,000**	**3,955,475**	**3,957,050**	**3,956,150**	**3,957,450**	**3,960,000**	**3,957,418**	**3,959,118**	**3,957,243**
Number of taxable parcels	21,869	21,869	21,869	21,869	21,869	21,869	21,869	21,869	21,869
Average annual tax/parcel	**181**	**181**	**181**	**181**	**181**	**181**	**181**	**181**	**181**

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Annual budget requirement is about $4 million/year

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Scenario 4 Estimated Cash Flows: Low Acquisition Costs, 50% Grant Funding, Debt Financing for First 5 Year's Costs

Year	1	2	3	4	5	6	7	8	9	Years 10 through 20
Annual Debt Service	2,210,600.00	2,212,075.00	2,213,025.00	2,213,125.00	2,212,050.00	734,475.00	735,950.00	736,125.00	735,000.00	735,475
Acquisition/easement cost	-	-	-	-	-		-	-	-	-
Operational	-	-	-	-	-	1,477,168	1,477,168	1,477,168	1,477,168	1,477,168
Overhead/Admin	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Total	**2,710,600**	**2,712,075**	**2,713,025**	**2,713,125**	**2,712,050**	**2,711,643**	**2,713,118**	**2,713,293**	**2,712,168**	**2,712,643**
Number of taxable parcels	21,869	21,869	21,869	21,869	21,869	21,869	21,869	21,869	21,869	21,869
Average annual tax/parcel	**124**	**124**	**124**	**124**	**124**	**124**	**124**	**124**	**124**	**124**

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Annual budget requirement is about $2.7 million/year

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Scenario 5 Estimated Cash Flows: High Acquisition Costs, No Grant Funding, No Debt

Year	1	2	3	4	5	6	7	8	9	10
Acquisition/easement cost	4,070,495	4,070,495	4,070,495	4,070,495	4,070,495	-	-	-	-	-
Operational	3,692,921	3,692,921	3,692,921	3,692,921	3,692,921	1,477,168	1,477,168	1,477,168	1,477,168	1,477,168
Overhead/Admin	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Total	**8,263,416**	**8,263,416**	**8,263,416**	**8,263,416**	**8,263,416**	**1,977,168**	**1,977,168**	**1,977,168**	**1,977,168**	**1,977,168**
Number of taxable parcels	21,869	21,869	21,869	21,869	21,869	21,869	21,869	21,869	21,869	21,869
Average annual tax/parcel	**378**	**378**	**378**	**378**	**378**	**90**	**90**	**90**	**90**	**90**

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Annual budget requirement ranges from about $2 million/year to $8.25 million/year

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Scenario 6 Estimated Cash Flows: High Acquisition Costs, 50% Grant Funding, No Debt

Year	1	2	3	4	5	6	7	8	9	10
Acquisition/easement cost	4,070,495	4,070,495	4,070,495	4,070,495	4,070,495	-	-	-	-	-
Operational	3,692,921	3,692,921	3,692,921	3,692,921	3,692,921	1,477,168	1,477,168	1,477,168	1,477,168	1,477,168
Overhead/Admin	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Less grant funding	(3,881,708)	(3,881,708)	(3,881,708)	(3,881,708)	(3,881,708)	-	-	-	-	-
Total	**4,381,708**	**4,381,708**	**4,381,708**	**4,381,708**	**4,381,708**	**1,977,168**	**1,977,168**	**1,977,168**	**1,977,168**	**1,977,168**
Number of taxable parcels	21,869	21,869	21,869	21,869	21,869	21,869	21,869	21,869	21,869	21,869
Average annual tax/parcel	**200**	**200**	**200**	**200**	**200**	**90**	**90**	**90**	**90**	**90**

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Annual budget requirement ranges from about $2 million/year to $4.4 million/year

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Scenario 7 Estimated Cash Flows: High Acquisition Costs, No Grants, Includes Debt

Year	1	2	3	4	5	6	7	8	9	10
Annual Debt Service	4,340,825.00	4,342,975.00	4,342,000.00	4,342,575.00	4,344,050.00	2,865,775.00	2,863,300.00	2,866,275.00	2,864,050.00	2,864,380
Acquisition/easement cost	-	-	-	-	-		-	-	-	-
Operational	-	-	-	-	-	1,477,168	1,477,168	1,477,168	1,477,168	1,477,168
Overhead/Admin	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Total	**4,845,000**	**4,842,975**	**4,842,000**	**4,842,575**	**4,844,050**	**4,845,000**	**4,840,468**	**4,843,443**	**4,841,218**	**4,841,548**
Number of taxable parcels	21,869	21,869	21,869	21,869	21,869	21,869	21,869	21,869	21,869	21,869
Average annual tax/parcel	**222**	**221**	**221**	**221**	**222**	**222**	**221**	**221**	**221**	**221**

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Annual budget requirement is about $4.85 million/year

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Scenario 8 Estimated Cash Flows: High Acquisition Costs, 50% Grant Funding, Includes Debt

Year	1	2	3	4	5	6	7	8	9	Yearss 10 through 20
Annual Debt Service	2,315,675.00	2,315,200.00	2,319,200.00	2,317,025.00	2,318,675.00	838,500.00	842,375.00	839,625.00	840,575.00	840,270
Acquisition/easement cost		-	-	-	-		-	-	-	-
Operational	-	-	-	-	-	1,477,168	1,477,168	1,477,168	1,477,168	1,477,168
Overhead/Admin	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Total	**2,820,000**	**2,815,200**	**2,819,200**	**2,817,025**	**2,818,675**	**2,820,000**	**2,819,543**	**2,816,793**	**2,817,743**	**2,817,438**
Number of taxable parcels	21,869	21,869	21,869	21,869	21,869	21,869	21,869	21,869	21,869	21,869
Average annual tax/parcel	**129**	**129**	**129**	**129**	**129**	**129**	**129**	**129**	**129**	**129**

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Annual budget requirement is about $2.8 million/year

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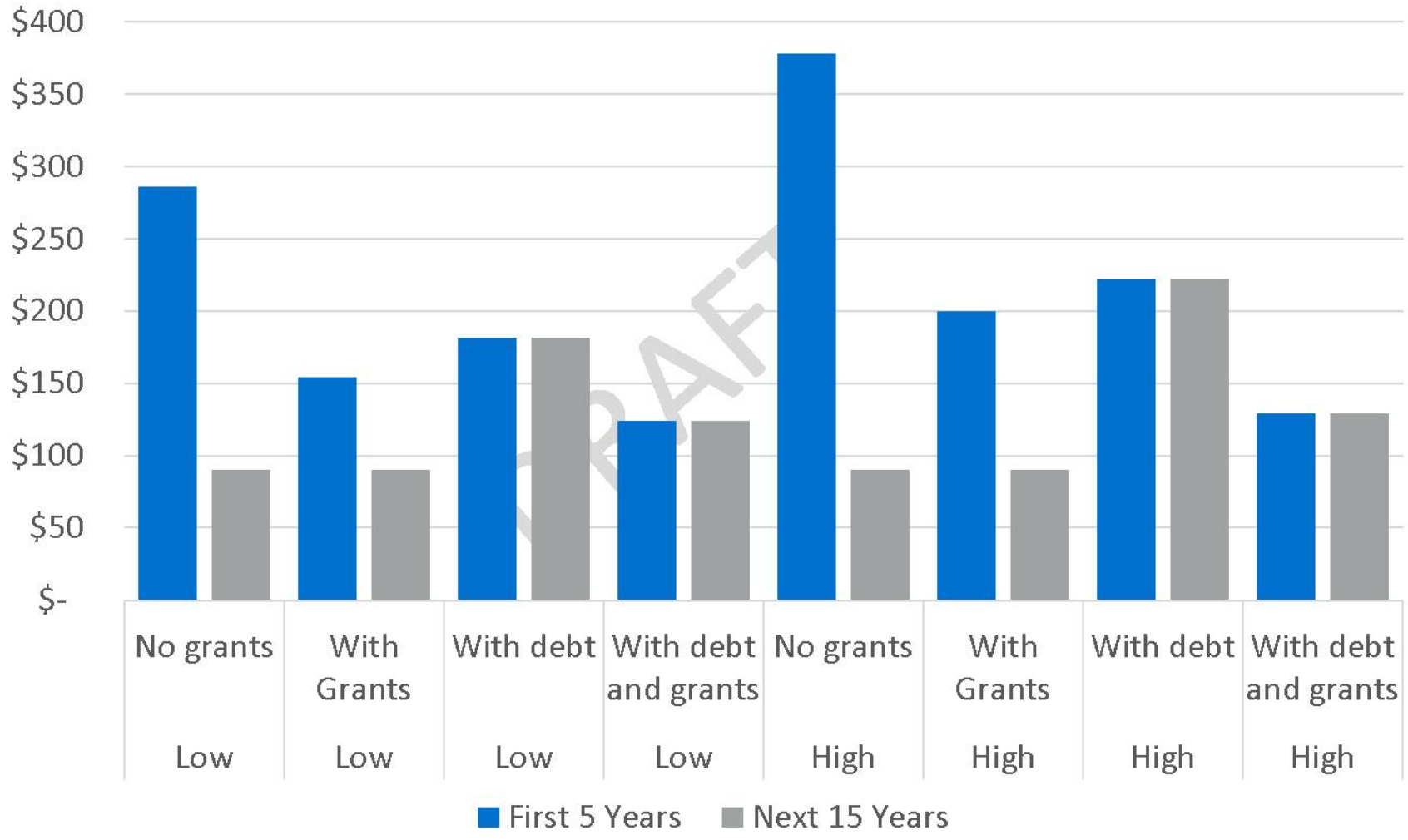
Summary of Estimated Average Annual Tax Per Parcel



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Major Cost Drivers

- 50% grant funding for access acquisition costs and first-time treatment costs reduce the annual budget requirements long-term by about 1/3
  - Assumes debt is used to fund access acquisition costs and first-time treatment costs
- Use of debt reduces the required budget over the first 5 years by about 40%
- Assuming the use of debt, the combined annual budget required for the "low" access acquisition costs is about 20% lower than the combined annual budget for the "high" access acquisition costs
- The annual budget for high acquisition costs, with both grants and debt, is 65% lower than the annual budget for high acquisition costs without grant and debts over the first 5 years
- Taxable interest rates on debt lower the annual budget by 5% compared with tax exempt interest rates

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Governance Requirements for the Wildfire Buffer Zone

- Governance entity needs the following powers:
  - Levy and administer a parcel tax
  - Hire staff and/or subcontractors to do wildfire risk reduction work
  - Acquire and own fee title or access easements for parcels in the buffer zone
  - Power of eminent domain to acquire and own fee title or access easements where required for wildfire risk reduction
  - Power to legislate and mandate wildfire risk reduction standards on private property owners
- The governance entity jurisdiction should include the following:
  - All parcels prioritized for treatment
  - All parcels benefitting from such treatment

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Governance Options

- The following stakeholders should be considered for collaboration under a new governance entity
  - Paradise Recreation and Park District
  - Town of Paradise
  - County of Butte
  - Butte Fire Safe Council
  - Camp Fire Collaborative
  - Rebuild Paradise
- California's Joint Powers Authority law allows NGO's to be voting members of a JPA
  - The NGO members cannot vote on amending the JPA, but can vote on budget and staffing issues
- We recommend that these stakeholders begin a dialogue on forming a governance entity to implement the wildfire buffer zone

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A Joint Powers Authority – Some Details

- JPA powers are limited to the powers share in common by all members of the JPA
  - This means its powers are the same as its least powerful member (excluding NGO's)
- There is often a concern amongst member public entities of a "loss of power" by turning over a key function to a JPA
- Cost sharing amongst the parties can become an issue
- These concerns can be resolved by seeking special State legislation to address loss of power concerns. Examples:
  - Requiring a super majority to approve certain actions
  - Specifying which types of projects can be undertaken by the JPA, and which can only be done by a member, but with JPA funding
  - "Locking in" the role of NGOs in the JPA

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A Ballot Measure in November, 2026?

- There is more than sufficient time to prepare a November 2026 regional ballot measure and governance entity for a wildfire buffer zone in the greater Paradise area
- If there is sufficient community support to get the measure on the ballot through a petition, approval would only require a simple majority
- There is also discussions in Sacramento about a statewide ballot measure for wildfire risk reduction on the November 2026 ballot
  - What if the statewide ballot measure matched local ballot measures with revenues?
  - What if CDI mandated a dollar or dollar reduction in insurance premium for parcel owners paying a parcel tax dedicated solely to wildfire risk reduction?
- **Key question: is there enough community support to not only do a successful citizen initiative for a ballot measure, but to get a 50%+1 successful vote?**

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Next Steps

- We begin the polling process
  - Survey question design
  - Polling system: phone calls, focus groups or both
- Determine the potential tax base
  - Identify zone of benefit for prioritized parcels
- Get detailed parcel data on all parcels within potential tax base
- Using polling data, develop an "electable" tax structure and levy maximum
- Present findings to all public, private and NGO stakeholders
- Start dialogue on implementation, including potential governance entity and ballot measure

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APPENDIX

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A Wide Range of Treatment Cost Estimates: CalFire Treatment Cost Assumptions

	Costs per acre			
CalFire Treatments	Forest	Shrubland	Herbaceous	Woodland
Manual Thinning	1,461	2,534	1,851	2,683
Mechanical Thinning	957	2,500	N/A	2,807
Mechanical Piling	640	1,521	N/A	251
Mastication	1,788	1,669	1,813	1,198
Lop and Scatter	1,616	1,263	N/A	1,217
Herbicide	325	675	396	667
Pile Burn	810	2,303	3,125	N/A

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A Wide Range of Treatment Cost Estimates: Butte Fire Safe Council Treatment Cost Bid Results

	Bid Range for Treatment Costs Per Acre		
	Hand thin and chip	Mastication	Mechanical
2C Land	2,800-3,200	1,650	1,650-1,750
ECO	800-3,200	950-3,800	800-2,500
Firestorm	2,100-4,200	1,470-4,200	1,800-3,500
Paul Roen	3,600	2,400	2,950
Atlas	3,141	1,331	1,689
Bella	4365-5592	4,365	4,770
GE Forestry	1,800	800	1,220
Mountain View Reforestation	1,800-3,400	2,800	2,600
Professional Slashbusting	none	725-1,100	none
BK&Son	none	1,800	none
Red Mtn.	4,489	2,489	3,989
Average low	2,766	1,889	2,385
Average high	3,625	2,396	2,774

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A Wide Range of Treatment Cost Estimates: Butte Fire Safe Council Treatment Cost Assumptions

Butte County Treatments	Cost per acre
Mastication	3,500
Underburning	200
Grazing	600
Chipping and hauling for biomass	500
Pile burning in place	150
Wildland fire management	403

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A Wide Range of Treatment Cost Estimates: Plumas County Treatment Cost Assumptions

Plumas County	Evergreen Forest cost per acre
Manual Thinning	2,000
Mechanical Thinning	1,750
Mastication	1,788

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A Wide Range of Treatment Cost Estimates: Sierra Nevada Conservancy

	Costs ($)		
SNC Treatments	Low	Average	High
Mastication	600	1,500	3,500
Hand Thinning	600	1,800	3,500
Pile Burning	50	N/A	1,000

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APPENDIX C: RESUMES FOR ASSIGNED NHA TEAM

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Public Finance Professional Since:
1981

Expertise

- Public Policy
- Utility Financing
- Climate Change Infrastructure
- Development/Land-Secured Financing
- Economic Development
- Developer Negotiations
- Pension Financing

Education

- B.A. Social Sciences

Licenses & Registrations

- Registered with the SEC and MSRB
- Series 50 License

Mark Northcross, *Principal*

During a California public finance career that spans back to 1981, Mark Northcross has structured debt for nearly every kind of issuer and nearly every kind of revenue source legally available in the State.

Mr. Northcross is a leader in statewide work on climate change adaptation. He managed the delivery of a comprehensive funding guide for Resilience by Design, a Rockefeller Foundation funded program for the Bay Area. He works with the Bay Conservation and Development Commission, Bay Area Regional Collaborative, the Southern California Association of Governments and the Resources Legacy Fund on climate change adaptation issues. Mr. Northcross also serves on special climate change committees under the aegis of the City of Sacramento, the West County Wastewater District and the Coastal Hazards Adaptation Resiliency Group. With expertise in wildfire risk mitigation and funding, Mr. Northcross was invited by the Federal Reserve Bank of San Francisco to prepare an article on that subject for their Community Development Innovation Review publication, which was published in October 2019. A link to that article is available here: https://www.frbsf.org/community-development/publications/community-development-investment-review/2019/october/rebuild-to-fail-or-rebuild-to-adapt-how-cra-lending-can-guide-climate-change-disaster-response/

Mr. Northcross was an integral team member for the California Resilience Challenge project in the Town of Paradise. That project was completed in April 2023 and featured groundbreaking work quantifying potential reductions in fire related losses and in insurance premiums in the wildland-urban Interface through fire mitigation methods. More detail about that project can be found here: https://www.bayareacouncil.org/press-releases/new-study-shows-how-communities-in-the-wildland-urban-interface-can-drastically-reduce-fire-risk-and-reduce-insurance-premiums/

Mr. Northcross is also leader in negotiating both public-private partnerships and the workout of defaulted debt. He has negotiated public-private partnerships for the successful development of major mixed-use projects, including such diverse communities as Davis, Fort Ord Reuse Authority, Hemet, Mammoth Lakes, Palmdale, Rocklin, South Lake Tahoe, and West Covina. He is also a leader in negotiating joint ventures between different public agencies – with notable success in putting together bond funded risk sharing programs for cities, counties, and school districts in California.

With a practice in water and sewer financing dating back to 1983, Mr. Northcross is very active in water and sanitation policy issues in California. He presently serves on the California Association of Sanitation Agencies SRF committee.

Mr. Northcross also has hands-on experience as a CFO, serving since 2001 as treasurer for the West Point Inn Association, which runs a 117-year-old hike-in hotel in the parklands of Marin County.

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Public Finance Professional Since:
2003

Expertise

- Fiscal Sustainability
- General Fund Financing
- Pension Obligations
- Project Management
- Financial Modeling
- Credit Analysis and Presentations

Education

UC San Diego

- B.S. Management Science

Licenses & Registrations

- Registered with the SEC and MSRB
- Series 50 License

Mike Meyer, *Vice President*

Since 2003, Mr. Meyer has been providing a high level of support to California municipalities as an advisor, consultant, and an investment banker. He manages NHA's Pension and Fiscal Sustainability Group.

Mr. Meyer has executed all types of financings available to California municipalities, including pension obligation bonds, utility revenue (water/wastewater/storm drain), general fund backed leases, tax increment, general obligation, transportation, land secured, housing and sales tax transactions.

As the firm's resident pension expert, Mr. Meyer also manages NHA's Pension and Fiscal Sustainability Group, which has advised over 80 California local agencies on topics ranging from basic CalPERS education, to UAL cost management strategies (Section 115 Trusts, Additional Discretionary Payments, etc.), to UAL restructuring projects. In 2015, he led the firm's efforts to pioneer some of the first UAL "smoothing" transactions, which were executed as privately placed lease revenue bonds given that POBs were not feasible at that time. During the re-emergence of the POB market, Mr. Meyer worked on over $2.0 billion of pension bond transactions for cities, utilities districts and fire districts. This experience includes all types of UAL financing structures: both privately placed debt as well as publicly offered, validated and non-validated POBs, as well as alternative structured like lease revenue bonds and utility revenue bonds.

Mr. Meyer has worked on several unique financing programs in his career including the 2004 Vehicle License Fee (VLF) pooled financing (>100 different city participants), 2009 Beverly Hills OPEB Buyout, 2016 Berkeley Parking Revenue Bonds for a new downtown garage, transportation revenue secured financings (gas tax and local sales tax return) for Oxnard and Lancaster, and lease bonds to fund CalPERS UAL in the cities of Torrance, Ukiah, West Covina, Lakeport and Arcata.

Prior to NHA Advisors, Mr. Meyer served as a Principal with Eric Scriven (NHA partner) at p2 Capital Advisors (2012 to 2014), providing independent consulting and advisory work to numerous California public agencies. Prior to that, he served as a Vice President at De La Rosa Investment Bankers.

From 2013 to 2017, Mr. Meyer also helped coach the Division I UC Davis Men's Tennis team and obtain the program's first national ranking and NCAA tournament berth. Mr. Meyer enjoys being active and in nature, spending his free time backpacking, hiking, surfing, playing sports and is a dedicated practitioner of yoga and meditation.

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Matt DeFilippis, *Senior Analyst*



Public Finance Professional Since:
2021

Expertise

- General Fund Financing
- Pension Obligations
- Utility Financing
- Financial Modeling
- Credit Research and Presentations

Education

- B.A. Applied Mathematics

Licenses & Registrations

- Registered with the SEC and MSRB
- Series 50 License

Since joining NHA in 2021, Mr. DeFilippis has provided quantitative, research, and management support to his colleagues so that NHA can best serve California special districts and cities. His work has covered a variety of assignments, including CalPERS pension liability analysis and modeling, coverage analysis for utility financings, refinancing discovery and analysis, and more. Mr. DeFilippis has assisted on multiple financings for California agencies, totaling over $450 million in par.

Most recently, Mr. DeFilippis provided municipal advisory services on two California utility bond transactions that closed in late 2024 for the City of Gonzales and Laguna Beach County Water District. Mr. DeFilippis also assisted the city of Fort Bragg and Rincon del Diablo Municipal Water District in financing solar panels through an equipment lease/purchase agreement.

Mr. DeFilippis has provided advisory services to multiple California fire districts, including Sonoma County Fire District (2022 Pension Liability Refunding), San Miguel Consolidated Fire Protection District (2022 Pension Liability Refunding), and North County Fire Protection District in San Diego County (CalPERS pension analysis and financial forecast modeling).

When not working on bond financings, Mr. DeFilippis provides support for a variety of NHA's other projects, including financial forecast modeling and CalPERS pension liability analysis and education for public agencies.

Mr. DeFilippis received his B.A. in Applied Mathematics from the University of California, Berkeley.

In his spare time, Mr. DeFilippis enjoys exploring the outdoors, both on foot and on bike. Some of his favorite trips include backpacking Southern Oregon/Northern California, climbing Mount Shasta, and watching the sunrise from Half Dome.

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APPENDIX D: NHA'S REQUIRED MUNICIPAL ADVISOR DISCLOSURES

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Fiduciary Duty

NHA Advisors, LLC ("NHA") is registered as a Municipal Advisor with the U. S. Securities and Exchange Commission ("SEC") and Municipal Securities Rulemaking Board ("MSRB"). As such, NHA has a fiduciary duty to the Town and must provide both a Duty of Care and a Duty of Loyalty that entail the following.

Duty of Care:

a) exercise due care in performing its municipal advisory activities;
b) possess the degree of knowledge and expertise needed to provide the Town with informed advice;
c) make a reasonable inquiry as to the facts that are relevant to the Town's determination as to whether to proceed with a course of action or that form the basis for any advice provided to the Town; and
d) undertake a reasonable investigation to determine that NHA is not forming any recommendation on materially inaccurate or incomplete information; NHA must have a reasonable basis for:
    i. any advice provided to or on behalf of the Town;
    ii. any representations made in a certificate that it signs that will be reasonably foreseeably relied upon by the Town, any other party involved in the municipal securities transaction or municipal financial product, or investors in the Town securities; and
    iii. any information provided to the Town or other parties involved in the municipal securities transaction in connection with the preparation of an official statement.

Duty of Loyalty:

NHA must deal honestly and with the utmost good faith with the Town and act in the Town's best interests without regard to the financial or other interests of NHA. NHA will eliminate or provide full and fair disclosure (included herein) to the Town about each material conflict of interest (as applicable). NHA will not engage in municipal advisory activities with the Town as a municipal entity, if it cannot manage or mitigate its conflicts in a manner that will permit it to act in the Town's best interest.

Conflicts of Interest and Other Matters Requiring Disclosures

As of the commencement date of the Project, there are no actual or potential material conflicts of interest, other than those potential conflicts noted below, that NHA is aware of that might impair its ability to render unbiased and competent advice or to fulfill its fiduciary duty. If NHA becomes aware of any material potential conflict of interest that arises after this disclosure, NHA will disclose the detailed information in writing to the Town in a timely manner.

Pursuant to MSRB Rule G-42, on Duties of Non-Solicitor Municipal Advisors, Municipal Advisors are required to make certain written disclosures to clients which include, amongst other things, Conflicts of Interest and any Legal or Disciplinary events of NHA and its associated persons.

The following are potential conflicts of interest to be considered.

- NHA represents that in connection with the issuance of municipal securities, NHA may receive compensation from the Town for services rendered, which compensation is contingent upon the successful closing of a transaction and/or is based on the size of a transaction. Consistent with the

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requirements of MSRB Rule G-42, NHA hereby discloses that such contingent and/or transactional compensation may present a potential conflict of interest regarding NHA' ability to provide unbiased advice to enter into such transaction. The contingent fee arrangement creates an incentive for NHA to recommend unnecessary financings or financings that are disadvantageous to the Town, or to advise the Town to increase the size of the issue. This potential conflict of interest will not impair NHA' ability to render unbiased and competent advice or to fulfill its fiduciary duty to the Town.

- NHA' fees under this potential agreement may be based on hourly fees of NHA' personnel, with the aggregate amount equaling the number of hours worked by such personnel times an agreed-upon hourly billing rate. This form of compensation presents a potential conflict of interest because it could create an incentive for NHA to recommend alternatives that would result in more hours worked. This conflict of interest will not impair NHA' ability to render unbiased and competent advice or to fulfill its fiduciary duty to the Town.
- NHA' fees under this potential agreement may be a fixed amount established at the outset of this potential agreement. The amount is usually based upon an analysis by the Town and NHA of, among other things, the expected duration and complexity of the transaction and the scope of services to be performed by NHA. This form of compensation presents a potential conflict of interest because, if the transaction requires more work than originally contemplated, NHA may suffer a loss. Thus, NHA may recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives. This conflict of interest will not impair NHA' ability to render unbiased and competent advice or to fulfill its fiduciary duty to the Town.
- The fee paid to NHA increases the cost of investment to the Town. The increased cost occurs from compensating NHA for municipal advisory services provided.
- NHA serves a wide variety of other clients that may, from time to time, have interests that could have a direct or indirect impact on the interests of another NHA client. For example, NHA serves as municipal advisor to other municipal advisory clients and, in such cases, owes a regulatory duty to such other clients just as it does to the Town. These other clients may, from time to time and depending on the specific circumstances, have competing interests. In acting in the interests of its various clients, NHA could potentially face a conflict of interest arising from these competing client interests. NHA fulfills its regulatory duty and mitigates such conflicts through dealing honestly and with the utmost good faith with the Town.
- Gerald Craig Hill, the Managing Principal of NHA is currently serving as an outside director for the HdL Companies based in Diamond Bar, CA. HdL Companies is a software and professional services consulting company providing revenue data and collections information to local governments, potentially including NHA's clients. HdL Companies have affiliates including, but not limited to, HdL Coren & Cone. From time to time, NHA utilizes the services of HdL Coren & Cone for its clients. NHA is mindful of this conflict of interest and fulfills its regulatory duty and mitigates such conflicts through dealing honestly and with the utmost good faith when this situation arises.
- NHA does not have any affiliate that provides any advice, service, or product to or on behalf of the Town that is directly or indirectly related to the municipal advisory activities to be performed by NHA.
- NHA has not made any payments directly or indirectly to obtain or retain NHA' municipal advisory business.
- NHA has not received any payments from third parties to enlist NHA' recommendation to the Town of its services, any municipal securities transaction, or any municipal finance product.
- NHA has not engaged in any fee-splitting arrangements involving NHA and any provider of investments or services to the Town.

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- NHA does not have any legal or disciplinary event that is material to the Town's evaluation of the municipal advisory or the integrity of its management or advisory personnel.
- NHA does not act as principal in any of the transaction(s) related to this potential agreement.

Legal Events and Disciplinary History

NHA does not have any legal events and disciplinary history on its Form MA and Form MA-I, which includes information about any criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation. The Town may electronically access NHA' most recent Form MA and each most recent Form MA-I filed with the Commission at the following website:

www.sec.gov/edgar/searchedgar/companysearch.html

There have been no material changes to a legal or disciplinary event disclosure on any Form MA or Form MA-I filed with the SEC.

Recommendations

If NHA makes a recommendation of a municipal securities transaction or municipal financial product or if the review of a recommendation of another party is requested in writing by the Town and is within the scope of the engagement, NHA will determine, based on the information obtained through reasonable diligence of NHA whether a municipal securities transaction or municipal financial product is suitable for the Town. In addition, NHA will inform the Town of:

- the evaluation of the material risks, potential benefits, structure, and other characteristics of the recommendation;
- the basis upon which NHA reasonably believes that the recommended municipal securities transaction or municipal financial product is, or is not, suitable for the Town; and
- whether NHA has investigated or considered other reasonably feasible alternatives to the recommendation that might also or alternatively serve the Town objectives.

If the Town elects a course of action that is independent of or contrary to the advice provided by NHA, NHA is not required on that basis to disengage from the Town.

Municipal Securities Rulemaking Board Rule G-10 Disclosure

Pursuant to MSRB Rule G-10, on Investor and Municipal Advisory Client Education and Protection, Municipal Advisors are required to provide certain written information to their municipal entity and obligated person clients which include the following:

- NHA is currently registered as a Municipal Advisor with the SEC and MSRB.
- Within the MSRB website at www.msrb.org, the Town may obtain the Municipal Advisory client brochure that is posted on the MSRB website. The brochure describes the protections that may be provided by the MSRB Rules along with how to file a complaint with financial regulatory authorities.

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Record Retention

Effective July 1, 2014, pursuant to the SEC record retention regulations, NHA is required to maintain, in writing, all communication and created documents between NHA and the Town for five (5) years.

If there are any questions regarding the above, please do not hesitate to contact NHA.

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Town of Los Gatos

REQUEST FOR PROPOSALS

FISCAL CONDITION ANALYSIS WITH FIVE-YEAR AND LONG-TERM FORECAST, FISCAL IMPACT ANALYSIS, AND ASSET LIABILITY MANAGEMENT STUDY

Date Issued: 8/20/2025

Proposal Submittal Deadline: 9/22/2025, by 4:00 p.m. Pacific Standard Time

Issued By:

Issued By:
Town of Los Gatos – Finance Department
110 E Main Street, Los Gatos, CA 95030
www.losgatosca.gov
Finance@losgatosca.gov

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Schedule of Activities (Tentative):

Activity	Anticipated Date
RFP Release	8/20/2025
Deadline for Questions	9/15/2025
Last Day to Issue Addenda	9/17/2025
Proposal Submission Deadline (4:00 p.m.)	9/22/2025
Proposal Evaluation	Week of September 22, 2025
Consultant Interviews (if necessary)	Week of September 29, 2025
Contract Negotiation and Execution	Week of September 29, 2025

Town Contacts:

Gitta Ungvari, Finance Director
Email: Finance@losgatosca.gov

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A. PURPOSE

The Town of Los Gatos is seeking proposals from qualified firms to perform one or combined studies including:

1. A Fiscal Condition Analysis with Five-Year and Long-Term Financial Projections, and or
2. A Fiscal Impact Analysis for proposed and planned growth.

And to provide a separate proposal not to be combined for the following

3. An Asset Liability Management (ALM) Study.

Proposers may submit responses for each of the first two studies individually and as a combined packaged. For the third study, the Town is looking for a proposal that is not combined with the first two studies.

The three studies are listed in priority order with the most time sensitive being the fiscal condition analysis with five-year and long-term financial projections. Based on the proposals, the Town will determine which of the proposals to accept with emphasis on the most time sensitive analysis.

The Town reserves the right, at its sole discretion, to cancel, withdraw, postpone, or modify this RFP at any time, including after receipt of proposals, without incurring any obligation or liability to any proposer. The Town also reserves the right, after contract execution, to terminate the agreement for convenience, without cause, upon thirty (30) days written notice, with no liability beyond payment for work satisfactorily performed to the date of termination.

Issuance of this RFP does not commit the Town to award a contract, to pay any costs incurred in the preparation of a proposal, or to procure or contract for any services.

B. OVERVIEW

The Town is undertaking this analysis to obtain an independent, data-driven assessment of its fiscal condition and near-term outlook. Current internal five-year projections indicate structural operating deficits, and the Town seeks third-party validation of assumptions, methodologies, and results to inform decision-making by staff, the Finance Commission, and the Town Council. The selected Consultant will evaluate historical trends and structural drivers, develop a transparent five-year multi-scenario forecast, and quantify risks, sensitivities, and reserve implications, while clearly distinguishing one-time from ongoing resources. The objective is to provide a public-facing foundation for budget strategy, service level planning, and proactive risk management.

Concurrently, the Town faces multiple large development proposals, including affordable housing projects associated with the General Plan and Housing Element. The Town requires a clear understanding of the net fiscal effects of this growth—revenues and costs, operating and capital, timing and step-cost triggers (e.g., staffing, equipment, facilities)—under best-case, baseline, and worst-case scenarios through 2040. In addition, the Town seeks to inventory and evaluate key asset-liability exposures (pension, OPEB, bonded debt, and unfunded infrastructure needs) to guide prudent funding strategies, reserve calibration, and long-term sustainability. Together, these efforts will produce integrated tools and findings that support transparent policymaking and durable fiscal health.

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At the April 14, 2025 Finance Commission meeting, the Commission recommended consolidating prior scope efforts for these studies into a single Request for Proposal process. The Commission approved eight key recommendations:

1. **Consolidate scopes** into a single RFP with three separate line items:
    - Fiscal Analysis and Five-Year Forecast
    - Long-Term Outlook (to 2040, aligned with the General Plan and Housing Element)
    - Optional standalone ALM Study
2. **Require scenario planning** using defined sets of assumptions for:
    - Best, worst, and most likely cases
    - National and macroeconomic conditions (e.g., recession, tariffs, labor costs)
    - Risk and opportunity matrix
    - Consultant's own recommended scenario modifications or additions
3. **Stakeholder engagement** including interviews with internal staff and external partners (e.g., Sewer District, Fire Department).
4. **Define accounting basis and format** (e.g., government-wide vs. fund-based reporting) to ensure clarity, usability, and reconciliation across documents.
5. **Include cost** as a decision matrix criterion to evaluate overall value of proposals.
6. **Require explanation of tools and methodologies**, including the use of AI, data sources, forecasting models, and technical platforms.
7. **Request work samples** similar to proposed scopes to assess consultant capability.
8. **Articulate specific questions** to be answered:
    - What is the Town's fiscal condition over the next five years? (Study 1)
    - What is the long-term financial outlook? (Study 1 and/or Study 2)
    - What is the fiscal impact of projected development under the 2040 Plan and Housing Element? (Study 2)

C. MINIMUM QUALIFICATIONS

To the satisfaction of the Town of Los Gatos, each proposer shall ensure their proposal, as applicable, includes sufficient information to facilitate the following

- Demonstrated experience conducting fiscal analyses and long-range financial forecasting for California municipalities.
- Familiarity with local government budgeting, finance, infrastructure liabilities, pensions, economic development analysis, and General Plan documents.
- Experience engaging with a wide variety of constituencies including but not limited to internal departments, elected officials, and other non-Town constituencies.
- Strong presentation, communication, and public reporting skills.
- Ability to deliver user-friendly financial models and documentation.

D. GENERAL PROVISIONS AND REQUIREMENTS

The Town may establish general provisions and requirements related to the work being performed including but not limited to:

1. Possession of all licenses required to perform services in California, if applicable.
2. Town approval required for any key personnel changes.
3. All deliverables must be provided in PDF and native editable formats.

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4. All materials prepared or supporting prepared deliverables become the property of the Town.

E. SCOPE OF SERVICES

Study 1 — Fiscal Condition Analysis with Five-Year Forecast

Objective. Provide a rigorous, view of the Town's current fiscal condition; produce a five-year multi-scenario operating forecast; quantify risks and opportunities; and deliver a transparent, staff-maintainable model aligned with GAAP, GFOA, and State Controller conventions. The work product will tie, where applicable, to other authoritative documentation such as the ACFR/CAFR, adopted budget, State Controller's Report, or other relevant document.

1) Project Initiation & Workplan

- **Kickoff meeting:** Confirm goals, deliverables, scope boundaries, schedule, and communication cadence; finalize the assumptions governance process (how assumptions are proposed, reviewed, approved, and versioned).
- **Detailed workplan:** Activities, dates, responsibilities, dependencies, and review milestones; identify critical path items.
- **Stakeholder map:** Identify internal staff, department contacts, and external partners (e.g., special districts) for interviews and data validation.

2) Data Intake, Validation & Controls

- **Minimum data (at least 10 years):** ACFR/CAFRs; California State Controller's reports; adopted budgets and mid-year updates; trial balances; revenue detail (property, sales, TOT, fees/permits/fines, franchise, business license, transfers); labor MOUs; position and pay schedules; CalPERS actuarial reports (normal cost, UAL, amortization bases, projected employer rates); OPEB actuarial valuations; debt schedules and official statements; CIP, deferred maintenance reports, and life-cycle/asset management reports; grants and one-time funds; reserve policies.
- **Data Quality Assurance/Quality Control:** Reconcile to audited financial statements or other applicable document; identify reclassifications and one-time items; maintain a Data Sources Register with date, owner, and quality notes. Implement process to ensure the accuracy, consistency, and completeness of the information presented in deliverables.
- **Accounting basis:** Specify fund-based vs. government-wide views used in analysis; provide crosswalks/reconciliations.

3) Methodology & Assumptions Framework

- **Method statement:** Document forecasting structure, drivers, and equations utilized; define how scenario variants are applied.
- **Assumptions log:** Centralized register for economic (AV growth, inflation/CPI, wage growth, medical trend), operational (vacancy, hiring, service levels), policy (fees, taxes), financial (interest rates, investment earnings), and actuarial (CalPERS/OPEB) assumptions. Include source, rationale, date, owner.
- **Standards compliance:** Where applicable, align with guidance from, but limited to, GAAP, GFOA best practices, and State Controller reporting.

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4) Fiscal Condition Assessment (Current State)

- **Liquidity & reserves:** Trends vs. policy targets; one-time vs. ongoing resource use; working capital indicators.
- **Revenues:** Composition, concentration, and volatility of General Fund revenues (property, sales, TOT, utility/franchise, fees/permits, transfers). Analyze seasonality, elasticity, collection risk, and extraordinary items.
- **Expenditures:** Personnel (base pay, steps, COLA, vacancy/backfill, overtime), benefits (health, workers' comp), pension and OPEB contributions, non-personnel (contracts, utilities, insurance, fleet, fuel), and internal service charges; identify structural cost pressures and unfunded mandates.
- **Liabilities & commitments:** Pensions (UAL by amortization base, rate trajectories), OPEB (pay-go vs. prefunding status), bonded debt (coverage, covenants), leases, and deferred capital/maintenance backlogs.
- **Structural balance:** Historical ongoing revenues vs. ongoing expenditures; reliance on one-time resources; identification of structural gaps.
- **Practices Modeling:** Provide data showing the historical and current condition based on recognized models, such as the ICMA Fiscal Trend Monitoring System, the League of California Cities Municipal Financial Health Diagnostic, or other tools appropriate to provide collective insight to fiscal condition.
- **Benchmarking (if applicable):** Contextualize key ratios versus peer agencies and/or recommended practice ranges.

5) Five-Year Operating Forecast (Baseline, Best-Case, Worst-Case)

- **Baseline ("most likely"):** Reflect adopted policies, existing MOUs, known program changes, and consensus macro assumptions.
- **Best-case:** Favorable macro trajectory (higher taxable sales, steady AV growth, stable TOT), improved investment returns, successful cost containment and vacancy savings.
- **Worst-case:** Recessionary path(s), slower or negative AV growth, elevated wage/medical inflation, lower TOT/consumer spending, state takeaways/mandates, and higher CalPERS rates or revised amortization schedules.
- **Revenue modeling:** Property tax (AV growth components, Prop 13 reassessment dynamics); sales tax (category mix, elasticity to income/price indices); TOT recovery curve; fees/permits (activity volumes/fee policy); other taxes and intergovernmental sources.
- **Expenditure modeling:** Wage steps/COLA per MOU; staffing plan and vacancy factors; health trend; CalPERS employer rates and UAL amortization payments; OPEB contributions; operations & maintenance inflation; known contracts and step-cost triggers.
- **Sensitivity analysis:** Run targeted shocks (e.g., ±1–2% AV growth, ±0.5–1.0 pts sales growth/elasticity, ±2–3% medical trend, ±50–100 bps investment earnings, pension discount-rate changes) and show fiscal effects. Determine reasonable and appropriate ranges for use in the analysis.
- **Reserves tracking:** Model policy floors, replenishment rules, and draw triggers under each scenario.

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6) Risk, Opportunity & Stress Testing

- **Risk/Opportunity Matrix:** Probability × impact scoring for high-leverage drivers (economy, tax base, tourism/TOT, labor/benefits, state policy, disasters, grant volatility); quantify fiscal exposure ranges.
- **Macro stresses:** Multi-year recession and recovery paths; interest rate shocks; investment earnings variance; inflation spikes.
- **Operational stresses:** Hiring lag or higher vacancy; higher overtime; insurance/premium shocks; major contract repricing; supply chain spikes.
- **Event stresses:** Disaster scenarios (i.e. wildfire/earthquake/flood) with plausible cost and revenue effects; state action (takeaways, deferrals).
- **Mitigation levers:** Revenue measures (policy options), expenditure pacing, capital deferral windows, position management, reserve deployment/replenishment strategies, each with indicative fiscal effect, lead time, and dependencies where reasonable.

7) Reserves & Policy Analysis

- **Adequacy tests:** Compare forecast reserves to policy targets under all scenarios and stresses; estimate time to restore reserves if drawn.
- **Policy review:** Evaluate reserve policy structure (levels, triggers, replenishment) and recommend enhancements consistent with GFOA guidance.

8) Model Specifications (Editable & Maintainable)

- **Workbook architecture:** Separate Inputs/Assumptions, Drivers, Revenue Modules, Expenditure Modules, Pensions/OPEB, Results by Fund, Reserves, Stress/Sensitivity, Charts & Tables, Reconciliation.
- **Controls:** Version control; cell protections where appropriate; color-coded inputs vs. formulas; scenario toggles; sensitivity sliders; documentation panel/tooltips.
- **Reconciliation:** Crosswalks to audited financials and to adopted budget for Year 1; one-time vs. ongoing segmentation; fund-to-government-wide alignment notes.
- **User guide:** Embedded data dictionary, instructions for updating, and a checklist for annual refresh.

9) Engagement & Validation

- **Department interviews:** Validate workload/demand drivers, pipeline initiatives, service level commitments, step-cost triggers, and risks.
- **Finance collaboration:** Agree on key inputs (e.g., macro path, labor/benefit assumptions, revenue elasticities); coordinate with actuaries/auditors as needed.
- **External partners (as relevant):** Validate assumptions with external partners (i.e. sewer, stormwater, etc.) on joint cost drivers or pass-throughs.

10) Deliverables

- **Kickoff packet:** Final workplan, data request, and engagement calendar.
- **Interim Findings Memo:** Early condition read-out; emerging risks/opportunities; preliminary assumptions for staff review.

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- **Five-Year Forecast Model (editable):** With scenarios, sensitivities, reconciliation tabs, and print-ready exhibits.
- **Risk & Opportunity Matrix + Stress-Test Pack.**
- **Final Report (PDF + native):** Executive summary; current condition; five-year forecast (all scenarios); long-term outlook; risk/stress results; reserve analysis; recommended actions (timing, indicative fiscal effect); appendices (assumptions log, data sources, reconciliation tables, benchmarking).
- **Presentations:** At least two public meetings (Finance Commission and Town Council) and staff work sessions.
- **Training & Handover:** Live walkthrough, update playbook, and placement of all files per Town direction.

12) Schedule (Illustrative)

- Weeks 1–2: Kickoff; data intake; interview scheduling; method statement.
- Weeks 3–6: Condition diagnostics; interim findings memo.
- Weeks 7–10: Five-year forecasting; scenario build; sensitivities.
- Weeks 11–12: Reserves/policy analysis; risk matrix; stress tests.
- Weeks 13–14: Draft report/model; staff review and revisions.
- Weeks 15–16: Final report/model; presentations; training and handover.

13) Town Support (Anticipated)

- Timely access to financials, audit and actuarial reports, MOUs/position data, CIP/backlog, development and fee pipelines, debt/grants, and reserve policies; scheduling of interviews; facilitation of external partner conversations as needed.

Study 2 — Fiscal Impact Analysis

The Consultant will complete a robust Fiscal Impact Analysis mirroring the analytical structure and depth of the 2020 Comprehensive Plan Fiscal Impact Analysis for Annapolis, Maryland or equivalent (Attachment 6). The analysis shall include:

1) Growth-Based Cost Modeling

- Distinguish fixed vs. variable General Fund operating costs.
- Project variable operating and staffing costs by department (e.g., General Government, Police, Parks and Public Works, Library) using appropriate demand bases (residential population, service population, or employment).
- Disaggregate costs into staffing vs. non-staffing components and identify per-unit cost escalators.

2) Revenue Modeling

- Property tax and related in-lieu components based on development assumptions (e.g., housing units, commercial sq. ft.).
- Sales and use tax, transient occupancy tax (TOT), franchise fees, business license tax, and fees/permits/fines using Town-specific volumes and policy assumptions.
- Other locally controlled revenues (i.e. third party partners).

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3) Scenario-Based Forecasts

- Develop best-case, baseline, and worst-case scenarios over a 20-year horizon.
- Conduct sensitivity testing on service-population growth, property values, cost escalation, and revenue volatility (including recession simulations).

4) Capital Cost Estimation

- Provide rough-order-of-magnitude (ROM) capital cost estimates tied to infrastructure demands generated by new growth.
- Recommend methodologies the Town can reuse for site-specific capital forecasting.

5) Results & Communication

- Estimate net fiscal impact (revenues vs. costs) at buildout and annually through 2040.
- Present findings with clear charts/tables comparing revenue/cost deltas and stress-tested variance bands.
- Highlight fiscal implications by development type (e.g., residential vs. commercial) and intensity/density.

6) Methodological Transparency

- Clearly define data sources, modeling assumptions, and calibration approach.
- Collaborate with staff to validate variables and use Town-specific historical financials, land use policies, and demographic projections.

Study 3 — Asset Liability Management (ALM) Study

The Consultant shall:

- **Inventory & Evaluate Liabilities**: Provide an inventory and evaluation of key liabilities including but not limited to pension, OPEB, bonded debt, and unfunded infrastructure needs.
- **Funding Needs & Risk Reduction**: Offer a standalone analysis of long-term funding needs and identify strategies to reduce risk.
- **ALM Modeling**: Present model outputs showing fund balance sustainability and risk exposure across scenarios.
- **Reserve Guidance**: Provide guidance on optimal reserves and potential reserve policy enhancements.

Combined Studies —Study 1 and 2

The Consultant shall deliver a unified analysis that:

- Integrates the Fiscal Condition & Forecast (Study 1) with the Fiscal Impact Analysis (Study 2) to provide a coherent picture of short and long-term fiscal sustainability.
- Ensure consistency in assumptions across the impact and forecast models, using development assumptions and infrastructure costs as key inputs.
- Packages results into a single report with distinct sections, shared assumptions, and harmonized formats.

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All Studies — Required Elements

All proposals for all Studies must include:

- Scenario analysis with well-documented assumptions, covering macroeconomic and local risks.
- A risk & opportunity matrix that quantifies high-impact variables and their fiscal effects.
- Interviews with all Town departments and relevant external agencies (e.g., Sewer District, Fire Department) to inform assumptions.
- Accounting/Reporting transparency, specifying whether analyses are government-wide or fund-based, source of the information, and how they reconcile.
- Editable deliverables (e.g., Excel models, PowerPoint decks) with a documented methodology and user guide.
- Public presentations: at least two meetings (Finance Commission and Town Council), plus staff work sessions as needed.
- Work samples of comparable scope and complexity.
- Disclosure of AI/data tools: clarify if/how AI or specialized analytics are used in modeling.
- Standards compliance: GAAP, GFOA, and California State Controller standards.
- Usability & training: a clear plan for long-term usability, including staff training where needed.

F. PROPOSAL FORMAT AND SUBMITTAL REQUIREMENTS

1 Proposal Format and Organization

Proposals shall be clear, concise, and organized in the order below. Provide one (1) searchable PDF and any native files specifically requested (e.g., Excel models), using the section headers shown to facilitate review.

1. **Cover Letter (maximum 2 pages)**
   Briefly summarize qualifications and project understanding; identify the primary contact authorized to bind the firm. Confirm acceptance of the Town's Sample Consultant Services Agreement **(Attachment 5)** or list any specific exceptions/edits requested.
2. **Completed Certification Forms (Attachments 1–4)**
   - Attachment 1 – Conflict of Interest Statement
   - Attachment 2 – Non-Collusion Declaration
   - Attachment 3 – References
   - Attachment 4 – Statement Regarding Insurance Coverage and Worker's Compensation Insurance Acknowledgment Certificate
3. **Scope Comments and Methodology**
   Comment on the Scope of Services and describe the proposed approach, specialized methods/tools, milestones, QA/QC, and how deliverables will be provided to the Town (including assumptions governance and documentation practices).
4. **Experience and Expertise**
   Demonstrate experience performing similar studies for California municipalities, including fiscal condition analysis, forecasting, fiscal impact analysis, and ALM. Include relevance to local government budgeting, finance, infrastructure liabilities, pensions/OPEB, and General Plan/Housing Element contexts.
5. **Key Personnel and Resumes**
   Identify the Project Manager and key staff; provide brief role descriptions and relevant qualifications. Commit to maintaining the proposed team; note any planned subcontractors.

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6. **Timeline and Work Plan**
   Provide a realistic schedule with major tasks, interim deliverables, review points, and public meetings (Finance Commission and Town Council). Indicate opportunities for phasing.
7. **Samples of Comparable Projects (1–3)**
   Provide recent examples demonstrating similar scope, scale, and complexity (links or PDFs).
8. **Disclosure of Litigation/Discipline (last 5 years)**
   Disclose and explain any relevant matters; indicate status/outcome.
9. **References (Attachment 3)**
   Provide a minimum of three (3) current references from comparable engagements within the past five (5) years, including contact information.
10. **Preliminary Fee Schedule (itemized by Study)**
    Provide an itemized fee proposal for **Study 1, Study 2**, **Study 3**, and/or **Combined Study 1 and 2** (as applicable), inclusive of travel and incidental expenses. Identify personnel classifications, hourly rates, estimated hours by task, and optional services.
11. **Statement of Insurance Coverage (Attachment 4)**
    Identify carriers, types, and limits; confirm ability to meet Town requirements if selected.
12. **Tools, Data Sources, and Use of AI**
    Summarize data sources, technical platforms, and any AI/advanced analytics used in modeling; describe transparency, validation, and human-in-the-loop review.

2 Submittal Instructions

- **Due Date/Time:** Proposals must be received **electronically** by **9/22/2025, 4:00 p.m. Pacific Time**. Late submittals will be deemed non-responsive.
- **Delivery Method:** Email the proposal PDF (and any required native files) to **Finance@losgatosca.gov**. If using a file-sharing link, include access permissions that do not expire before award. The Proposer is responsible for confirming receipt due to potential email size limits.
- **Email Subject Line:** "Town of Los Gatos – Fiscal Analysis Proposal (Studies 1, 2, 3, or Combined 1 and 2)".
- **Single Proposal:** Each Proposer may submit **only one** proposal; alternate proposals are not permitted unless requested by the Town. Providing separate complete documents for each study option will collectively be considered only one proposal.
- **Format:** One (1) searchable PDF is preferred. Provide **Excel** versions for any financial models included in the submittal. Bookmark major sections and use consistent tab labels in workbooks.

3 Questions and Addenda

- **Questions:** Direct all questions in writing to the Town's Contact at **Finance@losgatosca.gov** by **9/15/2025** (see Schedule of Activities). Do not contact other Town officials or evaluators. Responses will be issued only by **Addendum**.
- **Addenda:** The Town will issue addenda on its website. Proposers are responsible for checking for updates and must acknowledge all addenda in the proposal. The **last day to issue addenda** is **9/17/2025** (see Schedule of Activities).

4 Proposal Conditions

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- **Responsibility for Delivery:** Proposers assume full responsibility for timely delivery. The Town is not responsible for email transmission issues or access restrictions on shared links. Proposals received after the deadline will not be considered.
- **RFP Schedule:** See Schedule of Activities. The Town reserves the right to amend the schedule as necessary.
- **Use of Town Forms/Attachments:** Proposers shall submit Town forms (Attachments 1–4) as provided in this RFP.
- **Contract Template:** The Town's Sample Consultant Services Agreement (Attachment 5) is provided for reference; proposers shall accept or propose specific exceptions in the Cover Letter.
- **Acceptance or Rejection:** The Town reserves the right to accept or reject any and all proposals for any reason, including but not limited to, lack of budget for studies, etc.
- **Public Records:** All materials may become public records per the California Public Records Act.

5 Acknowledgment of Minimum Qualifications

By submitting, the Proposer affirms it meets the Minimum Qualifications and agrees to the General Provisions and Requirements as stated in Sections C and D of this RFP.

G. EVALUATION PROCESS

Proposals will be evaluated based on:

1. Conflict of Interest/Non-Collusion Declarations (Pass/Fail)
2. Proposal Completeness and Organization (15 points)
3. Understanding of Scope and Methodology (20 points)
4. Qualifications and Experience (20 points)
5. Accessibility and Communication (15 points)
6. References and Work Samples (10 points)
7. Pricing and Cost-Effectiveness (20 points)

The Town reserves the right to conduct interviews. Evaluation is at the sole discretion of the Town. Selection will be based on best fit as determined by the Town and will not be solely determined on points or price. The point values and evaluation criteria described herein are guidelines only; the Town reserves the right to weigh, interpret, or disregard criteria at its sole discretion. Any changes to the Town's standard contract for service will also be considered in the evaluation.

The Town may, at its sole discretion, terminate evaluation of any or all proposals at any time and may reopen, cancel, or postpone the procurement process without award. Proposals shall remain valid for a period of one hundred twenty (120) days from the proposal due date unless otherwise agreed in writing by the Town. Proposers may not withdraw their proposal within this period without the written consent of the Town. Proposers shall have no claim whatsoever for compensation or reimbursement in such event.

H. ADDITIONAL INFORMATION

- All costs incurred in the preparation, submission, or presentation of a proposal in response to this RFP, including but not limited to, travel, interviews, presentations, and negotiation activities,

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shall be borne solely by the proposer. The Town shall have no obligation for any such costs, regardless of whether a contract is awarded.

- All materials may become public under the California Public Records Act (PRA). The Town will not be liable for the disclosure of any materials submitted in response to this RFP that are required to be disclosed under the PRA or other applicable law. The Town reserves the right to reject any or all proposals.
- Equal opportunity requirements apply.
- All work must comply with local, state, and federal law.
- Selection of a proposer and commencement of negotiations does not obligate the Town to execute a contract. The Town may terminate negotiations and select another proposer, issue a new RFP, or take no further action.
- Any communication, verbal or written, made by the Town or its representatives during this solicitation process shall be considered non-binding unless incorporated into a formal, written agreement executed by the Town.
- Any dispute arising under or related to this RFP shall be governed by the laws of the State of California, and the venue for any legal action shall be the Superior Court of California in and for the County of Santa Clara. The Town's total liability in connection with this RFP shall be limited to the amount, if any, payable under a duly executed contract.

I. ATTACHMENTS

1. Conflict of Interest Statement
2. Non-Collusion Declaration
3. References Form
4. Insurance Certification
5. Sample Consultant Services Agreement
6. 2020 Comprehensive Plan Fiscal Impact Analysis for Annapolis, Maryland

The Town of Los Gatos thanks you for your interest in this important initiative.

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ATTACHMENT 1 - CONFLICT OF INTEREST STATEMENT

THIS FORM MUST BE PRINTED OUT, COMPLETED AND SUBMITTED WITH THE PROPOSAL

FISCAL CONDITION ANALYSIS WITH FIVE-YEAR AND LONG-TERM FORECAST, FISCAL IMPACT ANALYSIS, AND ASSET LIABILITY MANAGEMENT STUDY

The undersigned declares:

I/We _____ (Insert Name) have the following financial, business, or other relationship with Town of Los Gatos that may have an impact upon the outcome of the contract. If none, please specify that no other relationships may have an impact on this contract or Project.

I/We _____ (Insert Name) have the following current clients who may have a financial interest in the outcome of this contract. If none, please specify that no other clients may have a financial interest with an impact on this contract or Project.

Pursuant to Government Code section 1090 and any other laws, rules and regulations that may apply, the Proposer covenants that neither it, its subcontractors nor employees presently have an interest, and shall not acquire any interest, direct or indirect, financial or otherwise that would conflict in any manner or degree with contract awarded from this RFP. Proposer certifies that to the best of its knowledge, no one who has or will have any financial interest in the contract awarded from this RFP is an officer or employee of the Town. Through its submittal of a proposal, Proposer acknowledges that it is familiar with Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California and will immediately notify the Town if it becomes aware of any facts concerning the contract to be awarded that constitute a violation of said provisions.

Furthermore, if there is reason to believe that collusion exists among the Proposers, the Town may refuse to consider proposals from participants in such collusion. No person, firm, or corporation under the same or different name, shall make, file, or be interested in more than one proposal for the same work unless alternate proposals are called for. A person, firm, or corporation who has submitted a sub-proposal to a Proposer, or who has quoted prices on materials to a Proposer, is not thereby disqualified from submitting a sub-proposal or quoting prices to other Proposers. Reasonable ground for believing that any Proposer is

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interested in more than one proposal for the same work will cause the rejection of all proposals for the work in which a Proposer is interested. If there is reason to believe that collusion exists among the Proposers, the Town may refuse to consider proposals from participants in such collusion. Proposers shall submit as part of their proposals documents the completed Non-Collusion Declaration provided herein.

I, on behalf of the Proposer, declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on _____ [date], at _____[city], _____[state].

_____ _____

Proposer Name (Person, Firm, Corp.) Title of Authorized Representative

_____ _____ _____

Address Name of Authorized Representative

_____

City, State, Zip

_____ _____

(Date) (Signed)

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ATTACHMENT 2 – NON-COLLUSION DECLARATION

THIS FORM MUST BE PRINTED OUT, COMPLETED AND SUBMITTED WITH THE PROPOSAL

FISCAL CONDITION ANALYSIS WITH FIVE-YEAR AND LONG-TERM FORECAST, FISCAL IMPACT ANALYSIS, AND ASSET LIABILITY MANAGEMENT STUDY

The undersigned declares:

I am the _____ [Insert Title] of _____,[Insert name of company, corporation, LLC, partnership or joint venture] the party making the foregoing proposal.

The proposal is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The proposal is genuine and not collusive or sham. The Respondent has not directly or indirectly induced or solicited any other respondent to put in a false or sham proposal. The Respondent has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham proposal, or to refrain from responding. All statements contained in the proposal are true.

Any person executing this declaration on behalf of a respondent that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the respondent.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on _____[date], at _____[city], ___[state].

By: _____

Name: _____

Title: _____

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ATTACHMENT 3 - REFERENCES

THIS FORM MUST BE PRINTED OUT, COMPLETED AND SUBMITTED WITH THE PROPOSAL

FISCAL CONDITION ANALYSIS WITH FIVE-YEAR AND LONG-TERM FORECAST, FISCAL IMPACT ANALYSIS, AND ASSET LIABILITY MANAGEMENT STUDY

List three (3) references for work of a similar nature to the Services performed within the last five (5) years. Use additional sheets as necessary.

1. _____

Name of Agency _____ Agency Address _____

Contact Name _____ Contact Title _____

Contact Telephone _____ Contact Email Address _____

Contract Period _____ Contract Amount _____

Description of services performed including costs.

2. _____

Name of Agency _____ Agency Address _____

Contact Name _____ Contact Title _____

Contact Telephone _____ Contact Email Address _____

Contract Period _____ Contract Amount _____

Description of services performed including costs.

3. _____

Name of Agency _____ Agency Address _____

Contact Name _____ Contact Title _____

Contact Telephone _____ Contact Email Address _____

Contract Period _____ Contract Amount _____

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Description of services performed including costs.

I hereby certify that the Proposer performed the work listed above.

Signature of Proposer	Name	Date

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ATTACHMENT 4 - STATEMENT REGARDING INSURANCE COVERAGE AND WORKER'S COMPENSATION INSURANCE ACKNOWLEDGMENT CERTIFICATE

THIS FORM MUST BE PRINTED OUT, COMPLETED AND SUBMITTED WITH THE PROPOSAL

FISCAL CONDITION ANALYSIS WITH FIVE-YEAR AND LONG-TERM FORECAST, FISCAL IMPACT ANALYSIS, AND ASSET LIABILITY MANAGEMENT STUDY

PROPOSER HEREBY CERTIFIES that the Proposer has reviewed and understands the insurance coverage requirements specified in the RFP. Should the Proposer be awarded a contract for Services, Proposer further certifies that the Proposer can meet the specified requirements for insurance, including insurance coverage of any subcontractors, and agrees to name the Town as additional insured for the Services specified.

By certifying this form, the Proposer also understands the Worker's Compensation insurance requirement per the California Labor Code, Sections 1860 and 1861:

> I am aware of the provisions of Section 3700 of the Labor Code, which require every employer to be insured against liability for worker's compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

_____
Name of Proposer (Person, Firm, or Corporation)

_____
Signature of Proposer's Authorized Representative

_____
Name & Title of Authorized Representative

_____
Date of Signing

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ATTACHMENT 5 – SAMPLE CONSULTANT SERVICES AGREEMENT

[ATTACHED BEHIND THIS PAGE]

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AGREEMENT FOR CONSULTANT SERVICES

THIS AGREEMENT is made and entered into on _____(DATE) by and between TOWN OF LOS GATOS, a California municipal corporation, ("Town") and _____ NAME OF COMPANY, ("Consultant"), whose address is _____ ADDRESS OF COMPANY. This Agreement is made with reference to the following facts.

I. RECITALS

1.1 The Town desire to engage Consultant to provide **XXXXXXXXX**.

1.2 The Consultant represents and affirms that it is willing to perform the desired work pursuant to this Agreement.

1.3 Consultant warrants it possesses the distinct professional skills, qualifications, experience, and resources necessary to timely perform the services described in this Agreement. Consultant acknowledges Town has relied upon these warranties to retain Consultant.

II. AGREEMENTS

2.1 Scope of Services. Consultant shall provide services as described in that certain proposal sent to the Town on (DATE), which is hereby incorporated by reference and attached as Exhibit A.

2.2 Term and Time of Performance. This contract will remain in effect from _____ to _____. Consultant shall perform the services described in this agreement as follows: XXXXXXXX.

2.3 Compliance with Laws. The Consultant shall comply with all applicable laws, codes, ordinances, and regulations of governing federal, state and local laws. Consultant represents and warrants to Town that it has all licenses, permits, qualifications and approvals of whatsoever nature which are legally required for Consultant to practice its profession. Consultant shall maintain a Town of Los Gatos business license pursuant to Chapter 14 of the Code of the Town of Los Gatos.

2.4 Sole Responsibility. Consultant shall be responsible for employing or engaging all persons necessary to perform the services under this Agreement.

2.5 Information/Report Handling. All documents furnished to Consultant by the Town and all reports and supportive data prepared by the Consultant under this Agreement are the Town's property and shall be delivered to the Town upon the completion of Consultant's services or at the Town's written request. All reports, information, data, and exhibits prepared or assembled by Consultant in connection with the performance of its services pursuant to this Agreement are confidential until released by the Town to the public, and the Consultant shall not make any of the these documents or information available to any

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individual or organization not employed by the Consultant or the Town without the written consent of the Town before such release. The Town acknowledges that the reports to be prepared by the Consultant pursuant to this Agreement are for the purpose of evaluating a defined project, and Town's use of the information contained in the reports prepared by the Consultant in connection with other projects shall be solely at Town's risk, unless Consultant expressly consents to such use in writing. Town further agrees that it will not appropriate any methodology or technique of Consultant which is and has been confirmed in writing by Consultant to be a trade secret of Consultant.

2.6 Compensation. Compensation for Consultant's professional services **shall not exceed $XXXX**, inclusive of all costs. Payment shall be based upon Town approval of each task.

2.7 Billing. Billing shall be monthly by invoice within thirty (30) days of the rendering of the service and shall be accompanied by a detailed explanation of the work performed by whom at what rate and on what date. Also, plans, specifications, documents or other pertinent materials shall be submitted for Town review, even if only in partial or draft form.

Payment shall be net thirty (30) days. All invoices and statements to the Town shall be addressed as follows:

Invoices:
Town of Los Gatos
Attn: Accounts Payable
P.O. Box 655
Los Gatos, CA 95031-0655
Email preferred: ap@losgatosca.gov

2.8 Availability of Records. Consultant shall maintain the records supporting this billing for not less than three years following completion of the work under this Agreement. Consultant shall make these records available to authorized personnel of the Town at the Consultant's offices during business hours upon written request of the Town.

2.9 Assignability and Subcontracting. The services to be performed under this Agreement are unique and personal to the Consultant. No portion of these services shall be assigned or subcontracted without the written consent of the Town.

2.10 Independent Contractor. It is understood that the Consultant, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and not an agent or employee of the Town. As an independent contractor he/she shall not obtain any rights to retirement benefits or other benefits which accrue to Town employee(s). With prior written consent, the Consultant may perform some obligations under this Agreement by subcontracting, but may not delegate ultimate responsibility for performance or assign or transfer interests under this Agreement. Consultant agrees to testify in any litigation brought regarding the subject of the work to be performed under this Agreement. Consultant shall be compensated for its costs and expenses in preparing for, traveling to, and testifying in such matters at its then current hourly rates of compensation, unless such litigation is brought by Consultant or is based on allegations of Consultant's negligent performance or wrongdoing.

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2.11 Conflict of Interest. Consultant understands that its professional responsibilities are solely to the Town. The Consultant has and shall not obtain any holding or interest within the Town of Los Gatos. Consultant has no business holdings or agreements with any individual member of the Staff or management of the Town or its representatives nor shall it enter into any such holdings or agreements. In addition, Consultant warrants that it does not presently and shall not acquire any direct or indirect interest adverse to those of the Town in the subject of this Agreement, and it shall immediately disassociate itself from such an interest, should it discover it has done so and shall, at the Town's sole discretion, divest itself of such interest. Consultant shall not knowingly and shall take reasonable steps to ensure that it does not employ a person having such an interest in this performance of this Agreement. If after employment of a person, Consultant discovers it has employed a person with a direct or indirect interest that would conflict with its performance of this Agreement, Consultant shall promptly notify Town of this employment relationship, and shall, at the Town's sole discretion, sever any such employment relationship.

2.12 Equal Employment Opportunity. Consultant warrants that it is an equal opportunity employer and shall comply with applicable regulations governing equal employment opportunity. Neither Consultant nor its subcontractors do and neither shall discriminate against persons employed or seeking employment with them on the basis of age, sex, color, race, marital status, sexual orientation, ancestry, physical or mental disability, national origin, religion, or medical condition, unless based upon a bona fide occupational qualification pursuant to the California Fair Employment & Housing Act.

III. INSURANCE AND INDEMNIFICATION

3.1 Minimum Scope of Insurance:

i. Consultant agrees to have and maintain, for the duration of the contract, General Liability insurance policies insuring him/her and his/her firm to an amount not less than: two million dollars ($2,000,000) combined single limit per occurrence for bodily injury, personal injury and property damage.

ii. Consultant agrees to have and maintain for the duration of the contract, an Automobile Liability insurance policy ensuring him/her and his/her staff to an amount not less than one million dollars ($1,000,000) combined single limit per accident for bodily injury and property damage.

iii. Consultant shall provide to the Town all certificates of insurance, with original endorsements effecting coverage. Consultant agrees that all certificates and endorsements are to be received and approved by the Town before work commences.

iv. Consultant agrees to have and maintain, for the duration of the contract, professional liability insurance in amounts not less than $1,000,000 which is

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sufficient to insure Consultant for professional errors or omissions in the performance of the particular scope of work under this agreement.

General Liability:

i. The Town, its elected and appointed officials, employees, and agents, are to be covered as insured as respects: liability arising out of activities performed by or on behalf of the Consultant; products and completed operations of Consultant, premises owned or used by the Consultant. This requirement does not apply to the automobile or professional liability insurance required for professional errors and omissions.

ii. The Consultant's insurance coverage shall be primary insurance as respects the Town, its elected and appointed officials, employees, and agents. Any insurance or self-insurances maintained by the Town, its elected and appointed officials, employees, and agents, shall be excess of the Consultant's insurance and shall not contribute with it.

iii. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Town, its elected and appointed officials, employees, and agents.

iv. The Consultant's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.

3.2 All Coverages. Each insurance policy required in this item shall be endorsed to state that coverage shall not be suspended, voided, cancelled, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Town. Current certification of such insurance shall be kept on file at all times during the term of this agreement with the Town Clerk.

3.3 Workers' Compensation. In addition to these policies, Consultant shall have and maintain Workers' Compensation insurance as required by California law and shall provide evidence of such policy to the Town before beginning services under this Agreement. Further, Consultant shall ensure that all subcontractors employed by Consultant provide the required Workers' Compensation insurance for their respective employees.

3.4 Indemnification. The Consultant shall save, keep, hold harmless and indemnify and defend the Town, its elected and appointed officials, employees, and agents, from all damages, liabilities, penalties, costs, or expenses in law or equity that may at any time arise or be set up because of damages to property or personal injury received by reason of, or in the course of performing the work described in this contract.

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IV. GENERAL TERMS

4.1 Waiver. No failure on the part of either party to exercise any right or remedy hereunder shall operate as a waiver of any other right or remedy that party may have hereunder, nor does waiver of a breach or default under this Agreement constitute a continuing waiver of a subsequent breach of the same or any other provision of this Agreement.

4.2 Governing Law and Venue. This Agreement, regardless of where executed, shall be governed by and construed to the laws of the State of California. Venue for any action regarding this Agreement shall be in the Superior Court of the County of Santa Clara.

4.3 Termination of Agreement. The Town and the Consultant shall have the right to terminate this agreement with or without cause by giving not less than fifteen days (15) written notice of termination. In the event of termination, the Consultant shall deliver to the Town all plans, files, documents, reports, performed to date by the Consultant. In the event of such termination, Town shall pay Consultant an amount that bears the same ratio to the maximum contract price as the work delivered to the Town bears to completed services contemplated under this Agreement, unless such termination is made for cause, in which event, compensation, if any, shall be adjusted in light of the particular facts and circumstances involved in such termination.

4.4 Amendment. No modification, waiver, mutual termination, or amendment of this Agreement is effective unless made in writing and signed by the Town and the Consultant.

4.5 Disputes. In any dispute over any aspect of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, including costs of appeal.

4.6 Notices. Any notice required to be given shall be deemed to be duly and properly given if mailed postage prepaid, and addressed to:

Town of Los Gatos
Attn: Town Clerk
110 E. Main Street
Los Gatos, CA 95030

CONSULTANT NAME
Attn:
ADDRESS

or personally delivered to Consultant to such address or such other address as Consultant designates in writing to Town.

4.7 Order of Precedence. In the event of any conflict, contradiction, or ambiguity between the terms and conditions of this Agreement in respect of the Products or Services and any attachments to this Agreement, then the terms and conditions of this Agreement shall prevail over attachments or other writings.

4.8 Entire Agreement. This Agreement, including all Exhibits, constitutes the complete and exclusive statement of the Agreement between the Town and Consultant. No terms, conditions, understandings or agreements purporting to modify or vary this Agreement,

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unless hereafter made in writing and signed by the party to be bound, shall be binding on either party.

IN WITNESS WHEREOF, the Town and Consultant have executed this Agreement.

Town of Los Gatos by:

_____
Chris Constantin, Town Manager

Recommended by:

_____

Consultant, by:

_____

_____
Gitta Ungvari, Finance Director

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Approved as to Form:

Gabrielle Whelan, Town Attorney

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bae urban economics

DRAFT 2020 Comprehensive Plan Fiscal Impact Analysis

For the City of Annapolis, Maryland

August 8, 2020



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EXECUTIVE SUMMARY

As part of the Annapolis Comprehensive Plan update, BAE Urban Economics has prepared a fiscal impact analysis of new growth in Annapolis between 2020 and 2040. Among the key features of the Comprehensive Plan are the development and growth projections that serve as the basis for the policies and strategies set forth in it. A fiscal impact analysis is a powerful tool to assess whether the new growth assumed in the plan will strain government services or generate net revenues that allow the government to improve and expand services and invest in economic growth. By 2040, Annapolis is projected to grow by 583 new households and 4,347 new residents. The service population is projected to grow by 4,388. Growth projections are based on population, jobs, and household projections from the Baltimore Metropolitan Council (BMC), Round 9 projections, published in 2016.

Methodology Overview

This fiscal impact analysis evaluates operating costs and revenues in the General Fund. The analysis uses the Fiscal Year 2020 (FY20) Adopted Budget as a baseline to estimate the current level of service provided by the city government in terms of operating costs. Operating cost projections are based on the growth in either the residential population demand base or the service population demand base, which is the residential population plus 50 percent of jobs. Revenues other than real property tax and income tax revenue were projected similarly, based on an average revenue per chosen demand base. Real property tax and income tax revenue were calculated based on the development assumptions in the Comprehensive Plan. The Annapolis property tax rate is applied to the assumed assessed values of new development. Income tax revenue is based on the property values of new residential development and calculating a minimum income required to purchase or rent a given unit.

An estimate of capital costs is provided, but it is not incorporated into the fiscal impact analysis, as the assumptions behind the calculations are more tenuous and less reliable than the evaluation of operating costs and revenues. However, to the extent that growth will generate capital costs, these are expected to be minimal as Annapolis will not require new, additional major capital infrastructure.

Given the recent COVID-19 outbreak and its potential effects on the economy, various property tax revenue scenarios are tested for impact on the overall growth-related revenue estimate. Although the crisis may impact the fiscal resiliency of the City, it is important to note the fiscal impact is calculated for the next 20 years.

Summary of Findings

This analysis finds that the growth projected in the Comprehensive Plan update will have an estimated net fiscal impact totaling $776,000 to the City of Annapolis General Fund by 2040, which is calculated by adding approximately $3.3 million in new revenues and subtracting

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$2.5 million in new operating costs. Capital costs are estimated to be $553,600. This is a marginally positive fiscal impact and a sensitivity analysis suggests the fiscal impact could reasonably turn out negative, although this would also be marginal relative to the size of the FY20 adopted budget. This result is explained by the heavily residential development program assumed in the model, which serves as the basis for the fiscal impact.

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INTRODUCTION

This report presents an analysis of the projected net fiscal impact that the population and employment growth envisioned in the City of Annapolis Comprehensive Plan update will have on the City of Annapolis General Fund between 2020 and 2040. Fiscal impact analysis is a powerful tool to assess the revenues and costs associated with new development within a jurisdiction. New homeowners and businesses generate revenues to local governments by paying taxes, fees, and fines. They also bring about new costs for a jurisdiction in the form of new or improved roads, more schools and parks, and increased investment in public safety. These costs are comprised of both operating and capital components; growth can require both new infrastructure and an increase in operating capacity to maintain a given level of service. Fiscal impact analysis allows a jurisdiction to compare the revenues and costs from new growth, which can inform decisions ranging from assessing the feasibility of a new development to updating tax rates and reevaluating existing services.

Fiscal impacts are calculated in terms of impact on the annual budget. In general, the formula for calculating the fiscal impact per land use (i.e. low-density residential, mixed use, etc.) or development type (single-family detached, multi-family, office, etc.) is:

Annual Fiscal Impact (of new growth)	=	Revenues (of new growth)	-	Operating Costs (of new growth)	-	Capital Costs (of new growth)

A fiscal impact analysis of a comprehensive plan allows jurisdictions to assess the feasibility of the new growth projected in the plan. In coordination with the city and the comprehensive planning team, BAE Urban Economics conducted a thorough fiscal impact analysis for the City of Annapolis to estimate the revenues and costs associated with new growth based on the FY20 adopted budget, the Capital Improvement Program (CIP), and detailed discussions with city department heads and staff. Discussions with city staff focused on how department operations would change in response to new growth, as measured in the revenues and expenditures of each department. These discussions were the basis of deciding how to model revenues and costs with respect to the growth in the Comprehensive Plan.

Critically, a fiscal impact analysis does not account for the economic impacts of the Comprehensive Plan. Most components of the plan are intended to improve the Annapolis economy, whether directly or indirectly. Whether it is through improved environmental and social outcomes or directly through economic development policies, the Comprehensive Plan seeks to make Annapolis a desirably place to live. The economic impacts of the Comprehensive Plan will ultimately be based on more specific notions of, for example, the kinds of new jobs and incomes that come to Annapolis as a result of the plan, and the impact the plan has on resident's incomes, property values and overall standing. The plan details

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how the city plans to become more efficient and sustainable, which will also deliver economic benefits. Indeed, there are analyses that model these impacts and are useful to conduct as they would give an indication of future fiscal standing. However, a fiscal impact analysis specifically avoids considering the dynamic impact of the Plan on the economy. Instead, it seeks to determine whether the City is projected to accommodate the plan's assumed level of new growth at the level of service the government currently extends through its operations, staff, and capital infrastructure without raising taxes or other sources of revenue.

Therefore, the dollar value of the fiscal impact is less important than whether the impact is positive or negative, and what the magnitude of the impact is. The fiscal impact is not a prediction of the annual budget levels in FY2040 but rather, an indication of risks or opportunities presented by the deficit or surplus generated by new growth.

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METHODOLOGY

A variety of methodologies were used to project growth-related impacts to different sources of revenue and for the different departments within the City. In general, through meetings and consultations with city staff, components of the FY20 adopted budget were designated as 'fixed' or 'variable'; that is, determinations were made regarding which revenues and costs would be impacted by growth. Ultimately, only revenues and expenditures from the General Fund were analyzed as Enterprise Funds[1] are not impacted by growth, and Internal Service Funds[2] are accounted for in the operating costs of departmental budgets in the General Fund.

Operating cost projections are based on the growth in either the residential population demand base or the service population demand base, which is the residential population plus 50 percent of jobs. Revenues other than real property tax and income tax revenue were projected similarly, based on an average revenue per chosen demand base. Real property tax and income tax revenue were calculated based on the development assumptions in the Comprehensive Plan. The Annapolis property tax rate is applied to the assumed assessed values of new development. Income tax revenue is based on the property values of new residential development and calculating a minimum income required to purchase or rent a given unit.

An estimate of growth-related capital costs and school costs is also provided, but these costs are not incorporated into the fiscal impact analysis itself. The city of Annapolis does not bear any schools costs, as schools are provided by Anne Arundel County. Moreover, as the city is built out, there will be limited new capital costs in terms of major infrastructure, which include roads classified as arterials or higher, and new sewer and water line (not including connections). Sidewalks, road connections to entrances and other site related infrastructure are not typically included in the fiscal impact analysis of a comprehensive plan, where the goal is to establish an order of magnitude for the fiscal impact, and the cost of smaller infrastructure can vary considerably.

The costs of smaller infrastructure, to the extent there are any, depend largely on assumptions about development types and potential sites, which is more information than established currently in the Comprehensive Planning process. It is certainly useful to conduct a fiscal impact analysis with more specific assumptions that are informed by proposed development

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[1] "The Enterprise Funds are used to account for those activities of the City that are financed and operated in a manner similar to private business enterprises where costs and expenses, including depreciation, are recovered principally through user charges. Individual operations that the City has designated as enterprise funds include Water, Sewer, Parking, Transportation, Watershed Restoration, and Refuse funds."

[2] Internal Services Funds, including Health Insurance, Self-Insurance, Fleet Operations, and Fleet Replacement activities, provide service to the City government, and are paid for primarily through departmental budgets. As a result, increases in operating costs to departmental budgets will account for transfers from those departments to the Internal Service Funds.

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types on a given site or in a given area, but it can only be done when there are proposed or finalized land use changes. In fact, fiscal impact analyses are often used to evaluate individual development projects. For the purposes of the current Comprehensive Plan, a fiscal analysis will be ultimately conducted for specific potential development sites to study the impact of potential zoning changes. Nonetheless, a rough estimate of capital costs is provided in this report based on the average spending in the Capital Improvement Plan for FY20 through FY25. As the estimate is less rigorously conceived than the estimates of revenues and operating costs, it is not included in the fiscal impact result.

As shown in the fiscal impact analysis presented in this report, 87.2 percent of the $80.8 million in City FY20 General Fund revenues are held variable, meaning that these revenues will generally increase in relation to the City's population and employment growth through 2040. Notably, projecting growth-related real property tax revenues accounts for over 64 percent of potential General Fund revenues based on FY20 levels.

Table 1: FY20 General Fund Revenues Held Variable

Source of Revenue	FY20 Revenue Held Variable	FY20 Adopted Budget	% Variable
Taxes (a)	$ 54,834,000	$ 54,983,800	99.7%
Licenses & Permits	$ 3,256,300	$ 3,256,300	100.0%
Fines & Forfeitures	$ 435,000	$ 435,000	100.0%
Interest, Rent, Other	$ -	$ 1,549,000	0.0%
Intergovernmental (b)	$ 6,343,000	$ 11,565,000	54.8%
Charges for Service	$ 5,626,500	$ 5,626,500	100.0%
Other	$ -	$ 3,423,500	0.0%
Total	**$ 70,494,800**	**$ 80,839,100**	**87.2%**

Notes:
(a) Taxes include real and personal property taxes, and penalties and interest.
(b) Of intergovernmental sources of revenue, only the income tax is projected.

The fiscal impact analysis presented in this report estimates that 53.4 percent of the approximately $83.0 million in General Fund operating expenses in the FY20 adopted budget are variable, while the remaining expenditures were determined to be unaffected by new growth. Non-staff operating expenditures and staffing costs were analyzed separately. Operating expenditure line items were held fixed or variable depending on if they were determined to be affected by growth.

Similarly, operating costs related to staff salaries, wages, and benefits were projected based on the need for new staff, which was based on the level of employed staff per department in FY20. Certain positions in each department, such as chiefs and directors, where held fixed

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while lower level staff were held variable. The percentages of FY20 General Fund expenditures held variable are summarized in Table 2.

Table 2: FY20 General Fund Expenditures Held Variable

Department	Variable Expenditures	Variable Staff Costs	FY20 Adopted Budget	% Variable
General Government (a)	$ 1,363,650	$ 5,359,113	$ 30,581,430	22.0%
Police	$ 2,458,830	$ 13,336,939	$ 19,620,830	80.5%
Fire	$ 1,380,370	$ 11,894,367	$ 19,286,270	68.8%
Emergency Management (b)	$ -	$ -	$ 417,520	0.0%
Public Works	$ 2,386,250	$ 3,337,587	$ 7,885,250	72.6%
Parks	$ 1,597,850	$ 1,155,655	$ 5,176,700	53.2%
Total	**$ 9,186,950**	**$ 35,083,661**	**$ 82,968,000**	**53.4%**

Notes:
(a) General government includes: City Council and the Office of the Mayor, Human Resources, Management Information Technology, Finance, Planning & Zoning, and the Office of Environmental Policy.
(b) Emergency management expenditures were determined to be fixed as they all growth-related needs over the next 20 years will come from non-local allocations.

Operating costs were projected linearly; for each variable line item and staffer within each department, projections of the increased costs generated by new growth were based on the rates of growth in either service population or residential population. The service population, which is defined as the residential population plus 50 percent of jobs, is projected to grow faster over the next 20 years than the growth in the residential population and is a useful proxy to measure the growth-related costs of services provided to residents and workers. For example, public works costs are likely to increase alongside the growth in the service population, as both workers and residents demand public works services. Parks costs, on the other hand, would not be impacted by an increase in workers, and are more appropriately projected by population growth.

A level of service was determined for the non-staff operating expenditures by dividing the amount budgeted for a given variable line item in FY20 by the size of the base year service or residential population. For example, based on the $320,050 appropriated for supplies[3] in the Planning & Zoning Department, an average $3.18 is spent per member of the service population (55,763 in 2020). The level of service is multiplied by the growth in the given demand base. Growth projections used in this fiscal impact analysis are discussed in the next section.

Similarly, a level of service for staffing is based on dividing the number of employed staff by the appropriate base year population. For example, based on the 14 'Equipment Operator' positions in the Department of Public Works, there are 0.00025 of them per member of the service population in 2020. This is multiplied by the change in service population to

[3] This budget refers to the line item for "Supplies and Other" within the Department budget for Planning & Zoning. Expenditures within this line item include office supplies, training for staff and memberships.

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determine how many new Equipment Operators are needed, which is then multiplied by the total salary and benefits received by each Equipment Operator to determine a cost. Based on an analysis of salaries, it was found that, on average, city staff across all departments receive benefits (i.e. health insurance) valued at 35 percent of their salary. This cost increase is incorporated into salary levels of staff when calculating the costs of growth-related staff needs.

Capital costs are also estimated, although not incorporated into the fiscal impact as the assumptions about growth-related capital needs are is less rigorously evaluated than the analysis of operating costs and revenues. While it is very unlikely that the city will require new, additional major capital infrastructure to service growth, there may be increased costs due to additional wear and tear on existing infrastructure. Using the average spending in the CIP between FY20 and FY25 per service population, we estimate how much additional spending in the CIP would be required by the growth in the service population by 2040. It is important to note that more detailed analysis of specific capital costs that are sensitive to development type and land use can be conducted once there are reliable assumptions that can be made. There is no reason, however, to expect that more detailed fiscal impact analyses that are land use- and site-specific will lead to an increase in the estimate of capital costs provided in this report, as it is simply unknown what, if anything, the city would be responsible for in a given development project.

In terms of revenues, real property taxes are calculated directly based on the number of new residential units and nonresidential square footage contained within the comprehensive plan, and their respective market values, which are used as proxies for estimating assessed values. Furthermore, income tax revenue is based on calculating the household incomes needed to purchase or rent the new residential units, and then applying Annapolis' share of Anne Arundel County's income tax rate. All other costs and revenues, such fines and fees, are projected based on the existing average levels of revenues per service population today.

All calculations presented for costs, revenues and impacts are rounded to the nearest $1,000.

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PROJECTIONS

Projections of the residential population, jobs, and households are based on growth rates developed by the Baltimore Metropolitan Council (BMC). As shown in Table 3, the residential population of Annapolis is expected to grow by 4,347 between 2020 and 2040, while jobs are projected to grow by 82 in total. Therefore, the service population, which is defined as the residential population plus 50 percent of jobs, is anticipated to grow by 4,388. It is important to note that household growth is projected to increase at a lower rate than population growth, meaning that existing Annapolis households in 2020 will become larger. Using the average household sizes, new households can account for up to 1,478 of the 4,347 new residents, or only one-third of new growth. Therefore, the estimate of income tax revenues in this fiscal impact analysis is conservative as only the incomes of residents in new households are calculated. All projections used in this fiscal impact analysis are based directly on projections within the 2020 Comprehensive Plan.

Table 3: Summary of Demographic Projections

Annapolis	Base 2020	2025	2030	2035	2040	Overall Change 2020-2040	% Change 2020-2040
Population (a) (b)	40,262	40,765	40,918	43,852	44,609	4,347	10.8%
Households (a) (c)	16,426	16,527	16,868	16,929	16,989	563	3.4%
Avg. Household Size	2.45	2.47	2.43	2.59	2.63	0.17	7.1%
Jobs (d)	31,001	31,026	31,041	31,060	31,083	82	0.3%
Service Population (e)	55,763	56,278	56,438	59,382	60,151	4,388	7.9%

Notes:

(a) Projections for population and households follow trends published in Round 9 of the BMC forecasts.

(b) Base year data reflects 2018 estimates from Esri, scaled by the BMC Round 9 annual growth rate from 2015-2020 (0.06%)

(c) Household projections account for 132 residential units currently in the construction pipeline as of April 1, 2020. Projections based on the BMC trend and Esri base year estimate include an additional 6.65 units (132/20) each year.

(d) Base year estimate and trends are based on BMC Round 9 estimates, with no adjustments.

(e) Service population is defined as the residential population plus 50% of jobs.

Source: Baltimore Metropolitan Council, Round 9; Department of Planning & Zoning; Esri; BAE, 2020.

OPERATING COSTS IMPACT

The impact of new growth on operating costs from 2020 to 2040 is based on expenditures in the General Fund. Expenditures were analyzed by department and summarized in categories including General Government, Police, Fire, Public Works, and Recreation and Parks.

Among General Government expenditures, budget items for Management Information Technology (MIT), Finance, and Planning and Zoning were held variable as the needs for these departments are likely to increase as the city grows, based on discussions with city staff. Projected increases in expenditures in the General Government category were based on the projected growth in service population, as these departments are affected by both residential growth and the presence of jobs and businesses. Providing the same level of service over the

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next 20 years to new growth, as represented by the variable non-staff operating expenditures in these departments, will generate approximately an additional $107,000 in operating costs at plan buildout in 2040. Staffing is also only projected to increase in these departments. Based on the growth in the service population, General Government will need to hire four or five new staffers to maintain the ratio of these staffers to the service population in 2020. The weighted average salary of these positions is $64,000, for a total cost of approximately $396,000, including accounting for an additional 35 percent in benefits.

Police operating expenditures are projected based on the growth in households, and no operating expenditures were held fixed. Household growth is chosen as the demand base because public safety costs can reasonably be expected to increase alongside development, as indicated by the Chief of Police. However, the growth-related impact on police costs realistically lies between the development growth and population growth. As a result, growth-related impacts of public safety costs are adjusted in a sensitivity analysis of overall findings later in this report.

Staff needs were projected for all administrative positions, while only the Police Chief, Major, and Captain positions were held fixed in terms of uniformed officers. From 2020 to 2040, police operating expenditures will cost approximately $84,000. Administrative staff will need to increase by one staffer to maintain the existing level of service, while the number of uniformed officers will need to increase by four or five. In total, including 35 percent for benefits, staffing costs between 2020 and 2040 will be $457,000.

Growth-related operating costs for the Fire Department by 2040 are slightly below the growth-related operating costs for police. Based on the growth in the service population, Annapolis will need to spend $81,000 for operations and $408,000 in staff costs. This includes adding four or five firefighters below the rank of Fire Captain.

The FY20 Department of Public Works budget is subdivided into six categories including Administration, Engineering and Construction, Streets, Traffic Control and Maintenance, Snow, and Facilities. All operating expenditures were projected based on the increase in service population between 2020 and 2040 and maintaining the existing level of service. The projected cumulative operating expenditures over the next twenty years would cost approximately $188,000. Leadership and management positions within the various departments within Public Works were held fixed, while the rest were projected based on the growth in service population as well. Between 2020 and 2040, this analysis estimates that growth-related Public Works staff costs will be approximately $444,000, including benefits. This represents hiring approximately five new staff.

Recreation and Parks costs round out the General Fund expenditures. Of the 11 subcategories within the Recreation and Parks budget, only costs for Arts in Public Places are held fixed. Recreation and Parks costs are projected based on the growth in the residential

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population as growth in nonresident workers will not generate an additional need. Operating expenditures between 2020 and 2040 are estimated to be $212,000. Non-management level employees at the Pip Moyer Recreation Center are projected to increase, as well as custodial and administrative parks workers and harbormaster staff costs. In total, including 35 percent benefits, staff costs for Recreation and Parks will cost in total $125,000 by 2040, representing one to two additional staff. Notably, there are several contractual workers identified in the Recreation and Parks budget, although these staff are accounted for in the projection of contractual services within the operating expenditures, not staff costs.

In total, the cumulative growth-related impact to the General Fund expenditures between 2020 and 2040 is approximately $2.5 million, as shown in Table 4. This includes $672,000 in new operating expenditures and $1.8 million in staff costs. Total projected operating and staffing costs represent a 3.0 percent increase over the FY20 adopted budget levels. The Police and Fire departments represent 59.7 percent of the growth-related operating costs, followed by Public Works (16.5 percent), General Government (15 percent), and Recreation and Parks (8.8 percent).

Table 4: Growth-Related Operating Costs, 2020-2040

Department	2020 Adopted Budget	Operating Expenditure Impact, by 2040	Staff Costs Impact, by 2040	Total Impact, by 2040	% Total Impact, by 2040	% Increase since 2020
General Government (a)	$ 30,581,000	$ 107,000	$ 396,000	$ 503,000	20.1%	1.6%
Police	$ 19,621,000	$ 84,000	$ 457,000	$ 541,000	21.6%	2.8%
Fire	$ 19,286,000	$ 81,000	$ 408,000	$ 489,000	19.5%	2.5%
Public Works	$ 7,885,000	$ 188,000	$ 444,000	$ 632,000	25.3%	8.0%
Recreation and Parks	$ 5,217,000	$ 212,000	$ 125,000	$ 337,000	13.5%	6.5%
Total	**$ 82,590,000**	**$ 672,000**	**$ 1,830,000**	**$ 2,502,000**	**100.0%**	**3.0%**

Notes:
(a) General Government includes: City Council and the Office of the Mayor, Human Resources, Management Information Technology, Finance, Planning & Zoning, and the Office of Environmental Policy.

Sources: City of Annapolis, FY 2020 Adopted Budget; BAE, 2020.

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REVENUE IMPACT

The impact of growth on Annapolis General Fund revenues will come primarily from real property taxes, which account for 64 percent of FY20 revenues. The other major source of revenue is intergovernmental transfers, which account for 14.3 percent of FY20 revenues. While some intergovernmental transfers, such as the utility tax or highway tax, are likely to increase over the next 20 years, these are State-based transfers for which analysis is beyond this report. However, income tax revenue is projected, which accounts for nearly 55 percent of intergovernmental transfers.

Real property tax revenue is calculated directly based on an assumption of the future development in Annapolis by 2040 and associated property values. Importantly, proposed land use changes and development types have not yet been finalized in the Comprehensive Plan at the time of the writing of this report, and the assumptions here are subject to change. Iterations of the fiscal impact model can be performed as the planning process advances, of after it is complete.

Income tax is based on the incomes of the households that occupy the new projected development. As a result, income tax revenue projections in this fiscal impact analysis are potentially underestimated as new households do not account for all the population growth Annapolis is projected to experience between 2020 and 2040. The BMC Round 9 projections of population for Annapolis assume an increase in the household size of existing households, which will likely result in an increase in income tax revenue from additional residents in existing households. However, this analysis does not estimate this additional income tax revenue associated with additional residents in existing households due to a lack of information in the projections related to the age, employment, and income of these residents. The income tax revenue calculations shown in this analysis therefore represent a somewhat conservative estimate of income tax revenues attributable to the projected growth. All other revenues to the General Fund are either held fixed or projected by either growth in the service population, residential population, or jobs.

Property Tax Revenue Impact of New Growth, 2020-2040

Property tax revenues are calculated directly based on a preliminary assumption of the development projections in the Annapolis Comprehensive Plan. The Annapolis property tax is applied to the estimated market value of the new development in 2040, which is calculated based on assumptions of rents, sale prices, and vacancy rates. The property tax revenue at buildout in 2040 is shown in order to compare the impact of growth-related operating costs. However, the assessed property values assumed throughout the development period are the market values assumed, which are based on market conditions in FY19 and do not include

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inflation. A sensitivity analysis accounting for potential recession-level effects of the Covid-19 crisis on property values is also provided later in this report.

Assumptions for determining the market value of new residential development are shown in Table 5. There will be a total of 600 new homes built. The market value of the for-sale units is based on the market values for new construction from FY19, as reported in the market study for the Annapolis Comprehensive Plan. The market rate values for new construction are higher than the median sale price. The total market value of for-sale units, which is simply the number of units multiplied by the respective sale price by unit type, is $317.6 million.

The market value of for-rent multifamily units is also based on the rents reported in the market study, and in addition, assumes a five percent vacancy rate and average annual expenses based on the National Apartment Association's '2019 NAA Survey of Operating Income & Expenses in Rental Apartment Communities.' Using a cap rate of 4.75 percent, the estimated

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market value of the for-rent multifamily properties is determined. The market value of the all for-rent units, including affordable units, is $22.0 million.

Table 5: Assessed Value Assumption for New Residential Units, 2020-2040

Total New Residential Units *		**600**
Market-Rate Residential		
For Rent		
Number of New Units		109
Average Monthly Rent (a)		$1,600
Vacancy Rate		5%
Average Annual Expense per Unit (b)	$	8,661
NOI (per unit)	$	9,579
For Sale		
New Single Family Homes		69
Sale Price (c)	$	700,000
New For-Sale Tow nhomes		322
Sale Price	$	650,000
New Condos		100
Sale Price	$	600,000
Summary		
For-Rent Residential NOI	$	1,044,111
Residential Capitalization Rate		4.75%
Estimated Market Value	$	21,981,000
For-Sale Total Value	$	317,599,000

Notes:
(a) Based on the Q3 2019 Asking rents from the 'Demographic and Economic Profile and Real Estate Market Analysis.'
(b) Based on the estimated operating costs for mid & hi-rise rental properties from the National Apartment Association's '2019 NAA Survey of Operating Income & Expenses in Rental Apartment Communities.'
(c) Based on new construction sale price from the 'Demographic and Economic Profile and Real Estate Market Analysis.'

Sources: City of Annapolis; National Apartment Association; BAE, 2020.

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The estimated market value of new nonresidential development is based on assumptions of NNN rent (per square foot) from the market study and a 5.0 percent vacancy rate that are used to determine a net operating income (NOI) per square foot. A 6.25 cap rate is applied to the NOI multiplied by the projected increase in nonresidential development. The only nonresidential development projected in the Comprehensive Plan is a net 20,000 square feet increase in the retail inventory and a net 20,000 square feet increase in the office inventory. As shown in Table 6, the estimated market value of new retail development by 2040 is $8.5 million, and the estimated market value of new office development is $8.2 million.

Table 6: Assessed Value Assumptions for New Nonresidential Units, 2020-2040

Nonresidential		
Retail		
NNN Rent (per sq. ft. per year)	$	28.00
Vacancy Rate		5%
NOI (per sq. ft.)	$	26.60
Net New Retail (SF)		20,000
Office		
NNN Rent (per sq. ft. per year)	$	27.00
Vacancy Rate		5%
NOI (per sq. ft.)	$	25.65
Net New Retail (SF)		20,000
Summary		
Retail NOI (a)	$	532,000
Nonresidential Capitalization Rate		6.25%
Estimated Market Value	$	8,512,000
Office NOI (b)	$	513,000
Nonresidential Capitalization Rate		6.25%
Estimated Market Value	$	8,208,000

In total, at plan buildout in 2040, the market value of new development, which represents the assessed value for real property tax revenue purposes, is approximately $356.3 million.

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Applying the Annapolis real property tax rate of 0.7380 per $100 of assessed value generates annual revenue at buildout of $2.6 million. This is summarized in Table 7.

Table 7: Annual Real Property Tax Revenue at Plan Buildout, 2040

	City of Annapolis
Assessed Value of New Res. Development, 2020-2040	$ 339,580,000
Assessed Value of New Non-Res. Development, 2020-2040	$ 16,720,000
Assessed Value of Total New Development, 2020-2040	**$ 356,300,000**
Property Tax (per $100 of assessed value)	0.7380
Annual Property Tax Revenue at Plan Buildout	**$ 2,629,000**

Income Tax Revenue Impact of New Growth, 2020-2040

This analysis uses the home sale price and rent assumptions shown in Table 5 above to estimate household incomes among new households in Annapolis and applies Annapolis' share of Anne Arundel County's income tax rate, which is an effective tax rate of 0.7025 percent, to estimate income tax revenues from these households. Income assumptions for the new for-rent units are calculated by assuming a vacancy rate of 5.0 percent and a rent-to-income ratio of 25 percent, which would imply these renters are not cost-burdened. For the new for-sale units, the revenue calculations assume a 20 percent down payment on the median sale price, a fixed 30-year mortgage rate of 4.50 percent, and a monthly mortgage payment to gross monthly income ratio of 28 percent. The effective Annapolis income rate is applied to the incomes calculated using this method and multiplied by the number of new units. Applying this method to new single-family units with an assumed sale price, for example, of $700,000 would require a household income of $121,604, which is above the

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2019 household median income in Annapolis ($80,010). Assumptions for growth-related income tax revenue are shown in Table 8.

Table 8: Growth-related Income Tax Revenue Calculation Assumptions

Market-Rate Residential		
For Rent		
New For-Rent Units		109
Average Monthly Rent (a)	$	1,600
Vacancy Rate		5%
Annual Household Income (b)	$	76,800
New Income Tax Revenue (c)	**$**	**38,000**
For Sale		
New Single Family Homes		69
Sale Price (d)	$	700,000
Loan Amount (e)	$	560,000
Mortgage Rate (f)		4.50%
Loan Term (months)		360
Monthly Payment	$	2,837
Annual Income (f)	$	121,604
New Income Tax Revenue (g)	**$**	**40,000**
New Townhomes		322
Sale Price (d)	$	650,000
Loan Amount (e)	$	520,000
Mortgage Rate (f)		4.50%
Loan Term (months)		360
Monthly Payment	$	2,635
Annual Income (f)	$	112,918
New Income Tax Revenue	**$**	**174,000**
New Condos		100
Sale Price (d)	$	600,000
Loan Amount (e)	$	480,000
Mortgage Rate (f)		4.50%
Loan Term (months)		360
Monthly Payment	$	2,432
Annual Income (f)	$	104,232
New Income Tax Revenue	**$**	**50,000**

Notes:
(a) Based on the Q3 2019 Asking rents from the 'Demographic and Economic Profile and Real Estate Market Analysis.'
(b) Assumption of Rent-to-Income ratio: 25.00%
(c) The Anne Arundel County income tax rate in FY20: 2.81%
Annapolis' percentage of Anne Arundel County Income Tax: 17.00%
(d) Based on median sale price from the 'Demographic and Economic Profile and Real Estate Market Analysis.'
(e) Loan amount assumes 20% down payment.
(f) Assumes Fixed-rate mortgage.
(f) Assumption of monthly mortgage payment as percentage of gross monthly income: 28%
(gross monthly income multiplied by 12 for annual income)

Source: BAE, 2020

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As shown in Table 9, Combining the estimated new income tax revenue from new renter-occupied households ($38,000) and the new income tax revenue from new owner-occupied households ($264,000) generates a total new incomes tax revenue of $302,000 between 2020 and 2040.

Table 9: Growth-related Income Tax Revenue, 2020-2040

	City of Annapolis
Income Tax Revenue from For-Rent Units	$ 65,000
Income Tax Revenue from For-Sale Units	$ 212,000
New Income Tax Revenue	**$ 277,000**

Source: BAE, 2020

Overall Growth-related Impact to General Fund Revenues, 2020-2040

Other revenues in the General Fund were also accounted for in the fiscal impact analysis based on dividing FY20 revenues by a given population and multiplying by the growth in that population. Personal property tax revenue between 2020 and 2040 were projected in terms of jobs growth, as personal property is assessed on businesses. Licenses and Permits and Charges for Services revenue were projected by the growth in residential population, while fines and forfeiture revenues were projected by the growth in service population. All other revenues were held fixed. The impact of growth on other revenues between 2020 and 2040 is approximately $347,000.

Table 10 summarizes the growth-related impact to General Fund revenues. By 2040, new growth will generate an estimated $3.3 million in revenue. Real property tax revenue

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generates 80.2 percent of the total impact, which suggests that the fiscal impact relies heavily on the market value assumptions of new development.

Table 10: Growth-related Impact to General Fund Revenues, 2020-2040

Source of Revenue	2020 Adopted Budget (a)	Revenue Impact, by 2040	% Total Impact, by 2040
Real Property Tax (b)	$ 51,884,000	$ 2,629,000	80.2%
Personal Property Tax (c)	$ 2,950,000	$ 8,000	0.2%
Income Tax (d)	$ 6,343,000	$ 302,000	9.2%
License & Permits (e)	$ 3,256,300	$ 112,000	3.4%
Fines & Forfeitures (f)	$ 435,000	$ 34,000	1.0%
Charges for Service (g)	$ 5,626,500	$ 193,000	5.9%
Total	**$ 70,494,800**	**$ 3,278,000**	**100%**

Notes:
(a) Revenues shown are only for those revenue sources held variable, so total of FY20 adopted budget levels do not match FY20 General Fund revenues.
(b) Property taxes are calculated based on the projections of new residential development for the Comprehensive Plan. The assumed projected 'development program' in place currently is a placeholder.
(c) Projected based on base year personal property tax revenue per job.
(d) Revenue tax is based on the household revenues of new residential development. As a result, this is a low estimate as new residential development does not account for the entirety of the projected population growth by 2040.
(e) Projected based on base year licenses and permits revenue per resident.
(f) Projected based on base year fines and forfeitures revenue 'service person.'
(g) Projected based on base year charges for service revenue per resident.

FISCAL IMPACT ANALYSIS OF NEW GROWTH

Combining the growth-related impacts to operating costs, capital costs, and revenues determines the overall fiscal impact by 2040. As shown in Figure 1, the fiscal impact of new growth will be $776,000 by 2040. If new growth generates this fiscal impact by 2040, the impact at plan buildout in 2040 would be a 0.94 percent increase to the FY20 adopted budget of $82.6 million. While this represents a positive fiscal impact, the impact is marginally above

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zero. As the sensitivity analysis will demonstrate, reasonable fluctuations in the operating costs impact and revenue impact can generate a negative fiscal impact.

Figure 1: Fiscal Impact of New Growth, 2020-2040



Source: BAE, 2020

This relatively marginal impact is owed to the largely residential development program assumed in the comprehensive plan. Job growth over the over the next 20 years is projected to be 82 in total, which is a small overall percentage of the increase in the service population, meaning that growth in residents is driving demand for services. Not only this, but also despite the relatively small increase in nonresidential development projected, this development accounts for 16 percent of the increase in property tax revenues. Therefore, residential development is about fiscally neutral, or potentially an overall cost to the City by 2040 based on the level of service provided in 2020, and new nonresidential development is critical to ensuring fiscal sustainability.

Given this finding about the importance of nonresidential development, it would be wise for the city to consider flexibility in zoning as well as assessing the fiscal impact of growth of significant new developments.

Sensitivity Analysis of Fiscal Impacts

The analysis in this report suggests that Annapolis can expect to generate a fiscal impact of $776,000 over the next 20 years. Given the assumptions in the methodology, there is some error inherent it. However, we can test realistic limits for vulnerable assumptions to evaluate a range of potential fiscal impacts. As public safety costs may be underestimated, a range of growth rates is applied to operating costs held variable for Police and Fire to assess the impact on growth-related operating costs by 2040. Furthermore, given the recent COVID-19 outbreak

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and its potential effects on the economy, various property tax revenue scenarios are tested for impact on the overall growth-related revenue estimate.

Public safety costs are unlikely to grow in relation to the growth in the service population and is more likely to be related to development. However, some of the population growth in Annapolis will come from existing development, so projecting public safety costs by household growth alone may be an underestimate if the public safety departments continues to provide the level of service assumed in this analysis. Thus, the current estimate of the percentage increase to Public Safety costs, which at 2.65 percent is lower than household growth rate, is almost certainly an underestimate. As a result, the sensitivity analysis shows the impact by scaling public safety costs from the current estimated increase of 2.65 percent to an increase of 10.8 percent, which is the population growth rate projected over the next 20 years. Realistically, public safety costs should increase from somewhere between the household growth rate (3.43 percent) and the service population growth rate (7.87 percent). If public safety costs increase by 4.64 percent, the fiscal impact will be exactly $0. Table 11 shows the fiscal impact of new growth if the revenue estimate is fixed and costs are adjusted to account for variability in public safety costs.

Table 11: Fiscal Impact Analysis with Public Safety Costs Adjustments

Fiscal Impact	Non-Public Safety Growth-related Impact by 2040	Current Estimate - 2.65% Public Safety Costs Projected by HH Growth with Fixed Costs	Low Estimate - 3.43% Public Safety Costs Increase by HH Growth Rate	$0 Estimate - 4.64% Public Safety Costs Increase by 4.64% ($0 Fiscal Impact)	High Estimate - 10.8% Public Safety Costs Increase by Pop. Growth Rate
Revenue	$ 3,278,000	$ 3,278,000	$ 3,278,000	$ 3,278,000	$ 3,278,000
Operating Costs	$ (1,472,000)	$ (2,502,000)	$ (2,805,543)	$ (3,278,000)	$ (5,672,666)
Total Fiscal Impact	**$ 1,806,000**	**$ 776,000**	**$ 472,457**	**$ -**	**$ (2,394,666)**

Source: BAE, 2020.

Alternatively, the fiscal impacts assuming the operating costs estimate is fixed accounts for adjustments to revenue estimate Table 12. The current COVID-19 public health emergency represents a significant threat to the economy. If the effects of COVID-19 on home values were to have the same effect that the 2008 recession had on home values and the operating costs estimate in this study is held fixed, the fiscal impact of new growth would range between $107,000 and $266,887. In Annapolis, based on data obtained from Zillow, the peak of home values was in June 2007, and reached its nadir in June 2012. During this period, home values fell by 25.4 percent. Between June 2007 and June 2009, home values fell by 19.4 percent in Annapolis before levelling off for a few months and declining again overall until June 2012. The revenue estimate in this fiscal impact analysis is adjusted by applying these

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respective declines in home values to the real property tax revenue estimate of $2.5 million by 2040.

Table 12: Fiscal Impact Analysis with Revenue Adjustments

Fiscal Impact	Total Projected Growth-related Impact by 2040	Scenario: Market Value of New Growth Declines by 25.4% (a)	Scenario: Market Value of New Growth Declines by 19.4% (b)
Revenue	$ 3,278,000	$ 2,609,353	$ 2,768,887
Operating Costs	$ (2,502,000)	$ (2,502,000)	$ (2,502,000)
Total Fiscal Impact	**$ 776,000**	**$ 107,353**	**$ 266,887**
% Increase over FY20 Adopted Budget - $ 82,590,000	0.9%	0.1%	0.3%

Notes:
(a) In this scenario, the market value of new growth is adjusted by the decline in market value in Annapolis from the peak sale price in June 2007 to the lowest sale price in June 2012 (-25.43%). This reflects the decline in residential sale prices only, but will be applied to the overall market value of new development that includes new retail and office development.
(b) In this scenario, the market value of new growth is adjusted by the decline in market value in Annapolis from the peak sale price in June 2007 to the sale prince in June 2009, when prices stabilized briefly before falling again. This decline was - 19.37%. This reflects the decline in residential sale prices only but will be applied to the overall market value of new development that includes new retail and office development.

Source: Zillow; BAE, 2020.

In Figure 2, the sensitivity analysis of operating costs and revenues are combined to show the range of potential impacts. By showing the change in operating costs resulting from increasing growth-related public safety costs from the household growth as well as the three revenue estimates, the ranges of error that generate a fiscally neutral or fiscally positive impact are revealed. The lowest estimate (2.65 percent) of the increase in public safety costs and the low estimate of revenues that assumes peak recession declines in home values would generate essentially a fiscally neutral result. If new growth generates the revenues estimated in this analysis with no recession-related impacts, public safety costs can increase by up to 4.64 percent in order to generate a fiscally neutral result, which would be higher than the

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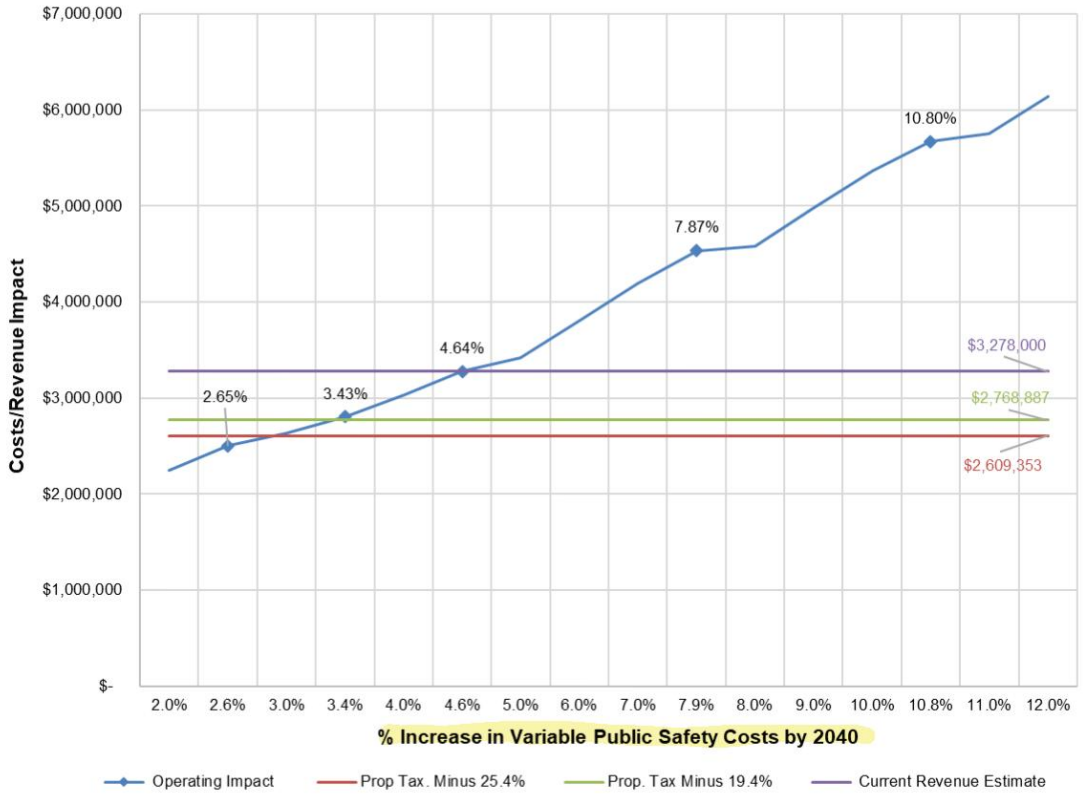
growth in public safety costs currently assumed, but still below the rate of growth in both the service (7.9 percent) and residential population (10.8 percent).

Figure 2: Sensitivity Analysis



Source: BAE, 2020

Therefore, it is reasonable to expect that public safety could increase by enough to generate fiscally neutral, or potentially negative results as public safety costs are likely to be increase somewhere between the rates of growth in households and the residential population, and any increase in public safety costs over 4.64 percent would generate negative fiscal result. Indeed, if COVID-19 negatively affects property values, the margin by which public safety costs can increase relative to the household growth rates becomes slimmer. Based on the analysis of the effect the Great Recession had on Annapolis property values, public safety costs increasing at a rate greater than 3.4 percent would yield a negative fiscal result. Notably, the margins of fiscally negative results are still relatively small, and they do not vastly exceed to the magnitude of the marginally positive results that seem likely.

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OTHER COST CONSIDERATIONS

While excluded from the fiscal impact analysis, it was determined that identifying an order of magnitude for growth-related capital costs would be a useful metric for the city to consider, based on discussion with staff. There is no capital outlay in the General Fund, and growth is not expected to generate a need for new major capital infrastructure, such as new water and sewer systems of roads classified as arterial or above. Additionally, while public schools are provided by Anne Arundel County, a high-level cost estimate of students from new growth in Annapolis is provided.

Capital Costs Impact

In a fiscal impact analysis of a comprehensive plan, capital costs considered are limited to major infrastructure. This includes new, additional roads classified as arterials or higher, as well as new water and sewer lines, pump stations, schools, and vehicles. The reason arterials are the smallest road-type to be considered is that these are the roads for which regular maintenance occurs and can trigger the need for additional staff. Smaller roads and road connections as required by any given development project may or may not accrue as one-time construction costs to the city, and these can be evaluated in more detail with specific assumptions about proposed development projects and their location within the city. Furthermore, the additional inventory of these kinds of transportation improvements do not trigger the need for new staff on their own. That is, projecting staffing costs based on the number of staff employed today is enough to keep up with additional maintenance costs generated by roads smaller than arterials.

In addition, based on discussion with the Department of Public Works, it was determined that the water and sewer systems have adequate capacity to manage the growth projected in this analysis. While new development requires connection to the system, the utilities charge connections fees and ultimately operate as enterprise funds that generated a net profit in FY20. Vehicles are managed through an internal revenue fund and thus growth-related vehicle needs are captured in the analysis of operating costs. As discussed in the next subsection, school-related capital costs are borne by Anne Arundel County Public Schools.

Nonetheless, there may be growth-related capital costs generated by the additional demand for existing infrastructure. Indeed, roads smaller than arterials can require some capital costs based on wear and tear, even if not as regularly as arterials. The FY20 Five-Year Capital Improvement Plan (CIP) provides a useful estimate of the capital costs associated with the existing service population. As shown in Table 13, the average size of the CIP between FY20 and FY25 is $6.3 million. The average size of the service population served between 2020 and 2025 is 56,020. Dividing the average annual CIP by the average size of the population of the 5-year CIP yields an average capital cost per service population of $113, which multiplied by the projected growth in the service population between 2020 and 2040 equals a growth-

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related increase to the CIP of $553,600. This is notably less than the net revenues estimated in this fiscal impact analysis ($776,000), which implies that if the cost and revenue estimates in this analysis are considered accurate, including this estimate of capital costs would still yield a marginal, fiscally positive result.

Table 13: Estimate of Growth-Related Capital Costs

Five-Year Capital Improvement Program					
FY20	FY21	FY22	FY23	FY24	FY25
$4,856,220	$5,675,700	$7,397,500	$11,993,800	$4,050,000	$4,050,000

Average CIP, FY20-FY25		Average Service Population, FY20-FY40	
$	6,337,200		56,020

CIP Spending per Service Pop.		Growth in Service Pop., 2020-2040	
$	113		4,894

Growth-related Increase to CIP	
$	**553,600**

School Costs Impact

Anne Arundel County Public Schools (AACPS), which serves Annapolis residents, determines a yield rate for elementary, middle, and high school students based on development type. On average, for the Annapolis High School feeder system, each new household is assumed to generate 0.142 elementary school students, 0.054 middle school students and 0.063 high school students. Applying these rates to the projected 582 new households yields 151 new students. The AACPS budget is based on developing a cost-per-pupil and in FY20, the cost-per-pupil was $14,473, based on guidelines recommended by the Maryland State Department of Education. The number in new students in Annapolis over the next 20 years will not generate the need for an additional school at any level, so there are no capital costs associated with new growth-related students in Annapolis, although the system overall may

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add more schools. As shown in Table 14, multiplying the cost per pupil by the estimated yield from new growth generates an estimated cost of $2.2 million.

Table 14: Growth-Related Public School Costs

New Households, by 2040		**582**
ES Student Yield (a)		83
MS Student Yield (b)		31
HS Student Yield (c)		37
Total		**151**
Cost per Pupil (d)	**$**	**14,473**
Growth-Related Cost, by 2040	**$**	**2,181,390**

Notes:
(a) Average Elementary School Student Yield Rate for the Annapolis HS Feeder System: 0.142
(b) Average Middle School Student Yield Rate for the Annapolis HS Feeder System: 0.054
(c) Average High School Student Yield Rate for the Annapolis HS Feeder System: 0.063
(d) The cost per pupil is obtained from the FY20 Anne Arundel Public Schools Operating & Capital Budgets. It is calculated following the guidelines recommended by the Maryland State Department of Education

Source: Student Yield Study for Anne Arundel County Public Schools, November 2019; FY2020 Anne Arundel County Public Schools Approved Operating & Capital Budgets; BAE, 2020

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CONCLUSION

Based on the methodology and assumptions in this fiscal impact analysis, Annapolis is projected to generate a marginally net positive fiscal impact based on the taxes received by new development and the costs it incurs. While the real property tax is large enough to generate most of the revenues needed to accommodate new growth, new growth incurs enough costs that the City will be unable to increase the level of service it provides. However, if there is more nonresidential development than currently projected, even more revenue will be generated without the incurring the same level of costs, as nonresidential development demands fewer services from the City. Therefore, the City may be more fiscally resilient if it increases the amount of nonresidential development projected over the next 20 years, although the current residential program yields more or less fiscally neutral results. Critically, over 80.2 percent of the revenues estimated in the fiscal impact come from property taxes paid by new development, even though most of the growth in Annapolis over the next 20 years is explained by the increase to the size of the average Annapolis household.

Nonetheless, the overall marginal findings suggest that, as currently projected, new growth itself is neither a huge winner nor a huge loser for the City based on the current levels of service the City provides. With the skew towards residential development, development itself is not an opportunity for the City, although new growth will help to generate economic activity that will promote economic growth, which is ultimately unaccounted for in a fiscal analysis. Fiscal impact analysis does not consider the impact of growth on income levels, the number of jobs and other measures that reflect the state of the private sector economy, which if positively impacted by growth, would in turn have some effect on the fiscal impact. This dynamic relationship is difficult to model and as a result, fiscal impacts and economic impacts are typically evaluated independently.

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bae urban economics

DRAFT 2020 Comprehensive Plan Fiscal Impact Analysis

For the City of Annapolis, Maryland

August 8, 2020



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EXECUTIVE SUMMARY

As part of the Annapolis Comprehensive Plan update, BAE Urban Economics has prepared a fiscal impact analysis of new growth in Annapolis between 2020 and 2040. Among the key features of the Comprehensive Plan are the development and growth projections that serve as the basis for the policies and strategies set forth in it. A fiscal impact analysis is a powerful tool to assess whether the new growth assumed in the plan will strain government services or generate net revenues that allow the government to improve and expand services and invest in economic growth. By 2040, Annapolis is projected to grow by 583 new households and 4,347 new residents. The service population is projected to grow by 4,388. Growth projections are based on population, jobs, and household projections from the Baltimore Metropolitan Council (BMC), Round 9 projections, published in 2016.

Methodology Overview

This fiscal impact analysis evaluates operating costs and revenues in the General Fund. The analysis uses the Fiscal Year 2020 (FY20) Adopted Budget as a baseline to estimate the current level of service provided by the city government in terms of operating costs. Operating cost projections are based on the growth in either the residential population demand base or the service population demand base, which is the residential population plus 50 percent of jobs. Revenues other than real property tax and income tax revenue were projected similarly, based on an average revenue per chosen demand base. Real property tax and income tax revenue were calculated based on the development assumptions in the Comprehensive Plan. The Annapolis property tax rate is applied to the assumed assessed values of new development. Income tax revenue is based on the property values of new residential development and calculating a minimum income required to purchase or rent a given unit.

An estimate of capital costs is provided, but it is not incorporated into the fiscal impact analysis, as the assumptions behind the calculations are more tenuous and less reliable than the evaluation of operating costs and revenues. However, to the extent that growth will generate capital costs, these are expected to be minimal as Annapolis will not require new, additional major capital infrastructure.

Given the recent COVID-19 outbreak and its potential effects on the economy, various property tax revenue scenarios are tested for impact on the overall growth-related revenue estimate. Although the crisis may impact the fiscal resiliency of the City, it is important to note the fiscal impact is calculated for the next 20 years.

Summary of Findings

This analysis finds that the growth projected in the Comprehensive Plan update will have an estimated net fiscal impact totaling $776,000 to the City of Annapolis General Fund by 2040, which is calculated by adding approximately $3.3 million in new revenues and subtracting

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$2.5 million in new operating costs. Capital costs are estimated to be $553,600. This is a marginally positive fiscal impact and a sensitivity analysis suggests the fiscal impact could reasonably turn out negative, although this would also be marginal relative to the size of the FY20 adopted budget. This result is explained by the heavily residential development program assumed in the model, which serves as the basis for the fiscal impact.

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INTRODUCTION

This report presents an analysis of the projected net fiscal impact that the population and employment growth envisioned in the City of Annapolis Comprehensive Plan update will have on the City of Annapolis General Fund between 2020 and 2040. Fiscal impact analysis is a powerful tool to assess the revenues and costs associated with new development within a jurisdiction. New homeowners and businesses generate revenues to local governments by paying taxes, fees, and fines. They also bring about new costs for a jurisdiction in the form of new or improved roads, more schools and parks, and increased investment in public safety. These costs are comprised of both operating and capital components; growth can require both new infrastructure and an increase in operating capacity to maintain a given level of service. Fiscal impact analysis allows a jurisdiction to compare the revenues and costs from new growth, which can inform decisions ranging from assessing the feasibility of a new development to updating tax rates and reevaluating existing services.

Fiscal impacts are calculated in terms of impact on the annual budget. In general, the formula for calculating the fiscal impact per land use (i.e. low-density residential, mixed use, etc.) or development type (single-family detached, multi-family, office, etc.) is:

Annual Fiscal Impact (of new growth)	=	Revenues (of new growth)	-	Operating Costs (of new growth)	-	Capital Costs (of new growth)

A fiscal impact analysis of a comprehensive plan allows jurisdictions to assess the feasibility of the new growth projected in the plan. In coordination with the city and the comprehensive planning team, BAE Urban Economics conducted a thorough fiscal impact analysis for the City of Annapolis to estimate the revenues and costs associated with new growth based on the FY20 adopted budget, the Capital Improvement Program (CIP), and detailed discussions with city department heads and staff. Discussions with city staff focused on how department operations would change in response to new growth, as measured in the revenues and expenditures of each department. These discussions were the basis of deciding how to model revenues and costs with respect to the growth in the Comprehensive Plan.

Critically, a fiscal impact analysis does not account for the economic impacts of the Comprehensive Plan. Most components of the plan are intended to improve the Annapolis economy, whether directly or indirectly. Whether it is through improved environmental and social outcomes or directly through economic development policies, the Comprehensive Plan seeks to make Annapolis a desirably place to live. The economic impacts of the Comprehensive Plan will ultimately be based on more specific notions of, for example, the kinds of new jobs and incomes that come to Annapolis as a result of the plan, and the impact the plan has on resident's incomes, property values and overall standing. The plan details

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how the city plans to become more efficient and sustainable, which will also deliver economic benefits. Indeed, there are analyses that model these impacts and are useful to conduct as they would give an indication of future fiscal standing. However, a fiscal impact analysis specifically avoids considering the dynamic impact of the Plan on the economy. Instead, it seeks to determine whether the City is projected to accommodate the plan's assumed level of new growth at the level of service the government currently extends through its operations, staff, and capital infrastructure without raising taxes or other sources of revenue.

Therefore, the dollar value of the fiscal impact is less important than whether the impact is positive or negative, and what the magnitude of the impact is. The fiscal impact is not a prediction of the annual budget levels in FY2040 but rather, an indication of risks or opportunities presented by the deficit or surplus generated by new growth.

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METHODOLOGY

A variety of methodologies were used to project growth-related impacts to different sources of revenue and for the different departments within the City. In general, through meetings and consultations with city staff, components of the FY20 adopted budget were designated as 'fixed' or 'variable'; that is, determinations were made regarding which revenues and costs would be impacted by growth. Ultimately, only revenues and expenditures from the General Fund were analyzed as Enterprise Funds[1] are not impacted by growth, and Internal Service Funds[2] are accounted for in the operating costs of departmental budgets in the General Fund.

Operating cost projections are based on the growth in either the residential population demand base or the service population demand base, which is the residential population plus 50 percent of jobs. Revenues other than real property tax and income tax revenue were projected similarly, based on an average revenue per chosen demand base. Real property tax and income tax revenue were calculated based on the development assumptions in the Comprehensive Plan. The Annapolis property tax rate is applied to the assumed assessed values of new development. Income tax revenue is based on the property values of new residential development and calculating a minimum income required to purchase or rent a given unit.

An estimate of growth-related capital costs and school costs is also provided, but these costs are not incorporated into the fiscal impact analysis itself. The city of Annapolis does not bear any schools costs, as schools are provided by Anne Arundel County. Moreover, as the city is built out, there will be limited new capital costs in terms of major infrastructure, which include roads classified as arterials or higher, and new sewer and water line (not including connections). Sidewalks, road connections to entrances and other site related infrastructure are not typically included in the fiscal impact analysis of a comprehensive plan, where the goal is to establish an order of magnitude for the fiscal impact, and the cost of smaller infrastructure can vary considerably.

The costs of smaller infrastructure, to the extent there are any, depend largely on assumptions about development types and potential sites, which is more information than established currently in the Comprehensive Planning process. It is certainly useful to conduct a fiscal impact analysis with more specific assumptions that are informed by proposed development

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[1] "The Enterprise Funds are used to account for those activities of the City that are financed and operated in a manner similar to private business enterprises where costs and expenses, including depreciation, are recovered principally through user charges. Individual operations that the City has designated as enterprise funds include Water, Sewer, Parking, Transportation, Watershed Restoration, and Refuse funds."

[2] Internal Services Funds, including Health Insurance, Self-Insurance, Fleet Operations, and Fleet Replacement activities, provide service to the City government, and are paid for primarily through departmental budgets. As a result, increases in operating costs to departmental budgets will account for transfers from those departments to the Internal Service Funds.

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types on a given site or in a given area, but it can only be done when there are proposed or finalized land use changes. In fact, fiscal impact analyses are often used to evaluate individual development projects. For the purposes of the current Comprehensive Plan, a fiscal analysis will be ultimately conducted for specific potential development sites to study the impact of potential zoning changes. Nonetheless, a rough estimate of capital costs is provided in this report based on the average spending in the Capital Improvement Plan for FY20 through FY25. As the estimate is less rigorously conceived than the estimates of revenues and operating costs, it is not included in the fiscal impact result.

As shown in the fiscal impact analysis presented in this report, 87.2 percent of the $80.8 million in City FY20 General Fund revenues are held variable, meaning that these revenues will generally increase in relation to the City's population and employment growth through 2040. Notably, projecting growth-related real property tax revenues accounts for over 64 percent of potential General Fund revenues based on FY20 levels.

Table 1: FY20 General Fund Revenues Held Variable

Source of Revenue	FY20 Revenue Held Variable	FY20 Adopted Budget	% Variable
Taxes (a)	$ 54,834,000	$ 54,983,800	99.7%
Licenses & Permits	$ 3,256,300	$ 3,256,300	100.0%
Fines & Forfeitures	$ 435,000	$ 435,000	100.0%
Interest, Rent, Other	$ -	$ 1,549,000	0.0%
Intergovernmental (b)	$ 6,343,000	$ 11,565,000	54.8%
Charges for Service	$ 5,626,500	$ 5,626,500	100.0%
Other	$ -	$ 3,423,500	0.0%
Total	**$ 70,494,800**	**$ 80,839,100**	**87.2%**

Notes:
(a) Taxes include real and personal property taxes, and penalties and interest.
(b) Of intergovernmental sources of revenue, only the income tax is projected.

The fiscal impact analysis presented in this report estimates that 53.4 percent of the approximately $83.0 million in General Fund operating expenses in the FY20 adopted budget are variable, while the remaining expenditures were determined to be unaffected by new growth. Non-staff operating expenditures and staffing costs were analyzed separately. Operating expenditure line items were held fixed or variable depending on if they were determined to be affected by growth.

Similarly, operating costs related to staff salaries, wages, and benefits were projected based on the need for new staff, which was based on the level of employed staff per department in FY20. Certain positions in each department, such as chiefs and directors, where held fixed

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while lower level staff were held variable. The percentages of FY20 General Fund expenditures held variable are summarized in Table 2.

Table 2: FY20 General Fund Expenditures Held Variable

Department	Variable Expenditures	Variable Staff Costs	FY20 Adopted Budget	% Variable
General Government (a)	$ 1,363,650	$ 5,359,113	$ 30,581,430	22.0%
Police	$ 2,458,830	$ 13,336,939	$ 19,620,830	80.5%
Fire	$ 1,380,370	$ 11,894,367	$ 19,286,270	68.8%
Emergency Management (b)	$ -	$ -	$ 417,520	0.0%
Public Works	$ 2,386,250	$ 3,337,587	$ 7,885,250	72.6%
Parks	$ 1,597,850	$ 1,155,655	$ 5,176,700	53.2%
Total	**$ 9,186,950**	**$ 35,083,661**	**$ 82,968,000**	**53.4%**

Notes:
(a) General government includes: City Council and the Office of the Mayor, Human Resources, Management Information Technology, Finance, Planning & Zoning, and the Office of Environmental Policy.
(b) Emergency management expenditures were determined to be fixed as they all growth-related needs over the next 20 years will come from non-local allocations.

Operating costs were projected linearly; for each variable line item and staffer within each department, projections of the increased costs generated by new growth were based on the rates of growth in either service population or residential population. The service population, which is defined as the residential population plus 50 percent of jobs, is projected to grow faster over the next 20 years than the growth in the residential population and is a useful proxy to measure the growth-related costs of services provided to residents and workers. For example, public works costs are likely to increase alongside the growth in the service population, as both workers and residents demand public works services. Parks costs, on the other hand, would not be impacted by an increase in workers, and are more appropriately projected by population growth.

A level of service was determined for the non-staff operating expenditures by dividing the amount budgeted for a given variable line item in FY20 by the size of the base year service or residential population. For example, based on the $320,050 appropriated for supplies[3] in the Planning & Zoning Department, an average $3.18 is spent per member of the service population (55,763 in 2020). The level of service is multiplied by the growth in the given demand base. Growth projections used in this fiscal impact analysis are discussed in the next section.

Similarly, a level of service for staffing is based on dividing the number of employed staff by the appropriate base year population. For example, based on the 14 'Equipment Operator' positions in the Department of Public Works, there are 0.00025 of them per member of the service population in 2020. This is multiplied by the change in service population to

[3] This budget refers to the line item for "Supplies and Other" within the Department budget for Planning & Zoning. Expenditures within this line item include office supplies, training for staff and memberships.

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determine how many new Equipment Operators are needed, which is then multiplied by the total salary and benefits received by each Equipment Operator to determine a cost. Based on an analysis of salaries, it was found that, on average, city staff across all departments receive benefits (i.e. health insurance) valued at 35 percent of their salary. This cost increase is incorporated into salary levels of staff when calculating the costs of growth-related staff needs.

Capital costs are also estimated, although not incorporated into the fiscal impact as the assumptions about growth-related capital needs are is less rigorously evaluated than the analysis of operating costs and revenues. While it is very unlikely that the city will require new, additional major capital infrastructure to service growth, there may be increased costs due to additional wear and tear on existing infrastructure. Using the average spending in the CIP between FY20 and FY25 per service population, we estimate how much additional spending in the CIP would be required by the growth in the service population by 2040. It is important to note that more detailed analysis of specific capital costs that are sensitive to development type and land use can be conducted once there are reliable assumptions that can be made. There is no reason, however, to expect that more detailed fiscal impact analyses that are land use- and site-specific will lead to an increase in the estimate of capital costs provided in this report, as it is simply unknown what, if anything, the city would be responsible for in a given development project.

In terms of revenues, real property taxes are calculated directly based on the number of new residential units and nonresidential square footage contained within the comprehensive plan, and their respective market values, which are used as proxies for estimating assessed values. Furthermore, income tax revenue is based on calculating the household incomes needed to purchase or rent the new residential units, and then applying Annapolis' share of Anne Arundel County's income tax rate. All other costs and revenues, such fines and fees, are projected based on the existing average levels of revenues per service population today.

All calculations presented for costs, revenues and impacts are rounded to the nearest $1,000.

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PROJECTIONS

Projections of the residential population, jobs, and households are based on growth rates developed by the Baltimore Metropolitan Council (BMC). As shown in Table 3, the residential population of Annapolis is expected to grow by 4,347 between 2020 and 2040, while jobs are projected to grow by 82 in total. Therefore, the service population, which is defined as the residential population plus 50 percent of jobs, is anticipated to grow by 4,388. It is important to note that household growth is projected to increase at a lower rate than population growth, meaning that existing Annapolis households in 2020 will become larger. Using the average household sizes, new households can account for up to 1,478 of the 4,347 new residents, or only one-third of new growth. Therefore, the estimate of income tax revenues in this fiscal impact analysis is conservative as only the incomes of residents in new households are calculated. All projections used in this fiscal impact analysis are based directly on projections within the 2020 Comprehensive Plan.

Table 3: Summary of Demographic Projections

Annapolis	Base 2020	2025	2030	2035	2040	Overall Change 2020-2040	% Change 2020-2040
Population (a) (b)	40,262	40,765	40,918	43,852	44,609	4,347	10.8%
Households (a) (c)	16,426	16,527	16,868	16,929	16,989	563	3.4%
Avg. Household Size	2.45	2.47	2.43	2.59	2.63	0.17	7.1%
Jobs (d)	31,001	31,026	31,041	31,060	31,083	82	0.3%
Service Population (e)	55,763	56,278	56,438	59,382	60,151	4,388	7.9%

Notes:

(a) Projections for population and households follow trends published in Round 9 of the BMC forecasts.

(b) Base year data reflects 2018 estimates from Esri, scaled by the BMC Round 9 annual growth rate from 2015-2020 (0.06%)

(c) Household projections account for 132 residential units currently in the construction pipeline as of April 1, 2020. Projections based on the BMC trend and Esri base year estimate include an additional 6.65 units (132/20) each year.

(d) Base year estimate and trends are based on BMC Round 9 estimates, with no adjustments.

(e) Service population is defined as the residential population plus 50% of jobs.

Source: Baltimore Metropolitan Council, Round 9; Department of Planning & Zoning; Esri; BAE, 2020.

OPERATING COSTS IMPACT

The impact of new growth on operating costs from 2020 to 2040 is based on expenditures in the General Fund. Expenditures were analyzed by department and summarized in categories including General Government, Police, Fire, Public Works, and Recreation and Parks.

Among General Government expenditures, budget items for Management Information Technology (MIT), Finance, and Planning and Zoning were held variable as the needs for these departments are likely to increase as the city grows, based on discussions with city staff. Projected increases in expenditures in the General Government category were based on the projected growth in service population, as these departments are affected by both residential growth and the presence of jobs and businesses. Providing the same level of service over the

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next 20 years to new growth, as represented by the variable non-staff operating expenditures in these departments, will generate approximately an additional $107,000 in operating costs at plan buildout in 2040. Staffing is also only projected to increase in these departments. Based on the growth in the service population, General Government will need to hire four or five new staffers to maintain the ratio of these staffers to the service population in 2020. The weighted average salary of these positions is $64,000, for a total cost of approximately $396,000, including accounting for an additional 35 percent in benefits.

Police operating expenditures are projected based on the growth in households, and no operating expenditures were held fixed. Household growth is chosen as the demand base because public safety costs can reasonably be expected to increase alongside development, as indicated by the Chief of Police. However, the growth-related impact on police costs realistically lies between the development growth and population growth. As a result, growth-related impacts of public safety costs are adjusted in a sensitivity analysis of overall findings later in this report.

Staff needs were projected for all administrative positions, while only the Police Chief, Major, and Captain positions were held fixed in terms of uniformed officers. From 2020 to 2040, police operating expenditures will cost approximately $84,000. Administrative staff will need to increase by one staffer to maintain the existing level of service, while the number of uniformed officers will need to increase by four or five. In total, including 35 percent for benefits, staffing costs between 2020 and 2040 will be $457,000.

Growth-related operating costs for the Fire Department by 2040 are slightly below the growth-related operating costs for police. Based on the growth in the service population, Annapolis will need to spend $81,000 for operations and $408,000 in staff costs. This includes adding four or five firefighters below the rank of Fire Captain.

The FY20 Department of Public Works budget is subdivided into six categories including Administration, Engineering and Construction, Streets, Traffic Control and Maintenance, Snow, and Facilities. All operating expenditures were projected based on the increase in service population between 2020 and 2040 and maintaining the existing level of service. The projected cumulative operating expenditures over the next twenty years would cost approximately $188,000. Leadership and management positions within the various departments within Public Works were held fixed, while the rest were projected based on the growth in service population as well. Between 2020 and 2040, this analysis estimates that growth-related Public Works staff costs will be approximately $444,000, including benefits. This represents hiring approximately five new staff.

Recreation and Parks costs round out the General Fund expenditures. Of the 11 subcategories within the Recreation and Parks budget, only costs for Arts in Public Places are held fixed. Recreation and Parks costs are projected based on the growth in the residential

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population as growth in nonresident workers will not generate an additional need. Operating expenditures between 2020 and 2040 are estimated to be $212,000. Non-management level employees at the Pip Moyer Recreation Center are projected to increase, as well as custodial and administrative parks workers and harbormaster staff costs. In total, including 35 percent benefits, staff costs for Recreation and Parks will cost in total $125,000 by 2040, representing one to two additional staff. Notably, there are several contractual workers identified in the Recreation and Parks budget, although these staff are accounted for in the projection of contractual services within the operating expenditures, not staff costs.

In total, the cumulative growth-related impact to the General Fund expenditures between 2020 and 2040 is approximately $2.5 million, as shown in Table 4. This includes $672,000 in new operating expenditures and $1.8 million in staff costs. Total projected operating and staffing costs represent a 3.0 percent increase over the FY20 adopted budget levels. The Police and Fire departments represent 59.7 percent of the growth-related operating costs, followed by Public Works (16.5 percent), General Government (15 percent), and Recreation and Parks (8.8 percent).

Table 4: Growth-Related Operating Costs, 2020-2040

Department	2020 Adopted Budget	Operating Expenditure Impact, by 2040	Staff Costs Impact, by 2040	Total Impact, by 2040	% Total Impact, by 2040	% Increase since 2020
General Government (a)	$ 30,581,000	$ 107,000	$ 396,000	$ 503,000	20.1%	1.6%
Police	$ 19,621,000	$ 84,000	$ 457,000	$ 541,000	21.6%	2.8%
Fire	$ 19,286,000	$ 81,000	$ 408,000	$ 489,000	19.5%	2.5%
Public Works	$ 7,885,000	$ 188,000	$ 444,000	$ 632,000	25.3%	8.0%
Recreation and Parks	$ 5,217,000	$ 212,000	$ 125,000	$ 337,000	13.5%	6.5%
Total	**$ 82,590,000**	**$ 672,000**	**$ 1,830,000**	**$ 2,502,000**	**100.0%**	**3.0%**

Notes:
(a) General Government includes: City Council and the Office of the Mayor, Human Resources, Management Information Technology, Finance, Planning & Zoning, and the Office of Environmental Policy.

Sources: City of Annapolis, FY 2020 Adopted Budget; BAE, 2020.

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REVENUE IMPACT

The impact of growth on Annapolis General Fund revenues will come primarily from real property taxes, which account for 64 percent of FY20 revenues. The other major source of revenue is intergovernmental transfers, which account for 14.3 percent of FY20 revenues. While some intergovernmental transfers, such as the utility tax or highway tax, are likely to increase over the next 20 years, these are State-based transfers for which analysis is beyond this report. However, income tax revenue is projected, which accounts for nearly 55 percent of intergovernmental transfers.

Real property tax revenue is calculated directly based on an assumption of the future development in Annapolis by 2040 and associated property values. Importantly, proposed land use changes and development types have not yet been finalized in the Comprehensive Plan at the time of the writing of this report, and the assumptions here are subject to change. Iterations of the fiscal impact model can be performed as the planning process advances, of after it is complete.

Income tax is based on the incomes of the households that occupy the new projected development. As a result, income tax revenue projections in this fiscal impact analysis are potentially underestimated as new households do not account for all the population growth Annapolis is projected to experience between 2020 and 2040. The BMC Round 9 projections of population for Annapolis assume an increase in the household size of existing households, which will likely result in an increase in income tax revenue from additional residents in existing households. However, this analysis does not estimate this additional income tax revenue associated with additional residents in existing households due to a lack of information in the projections related to the age, employment, and income of these residents. The income tax revenue calculations shown in this analysis therefore represent a somewhat conservative estimate of income tax revenues attributable to the projected growth. All other revenues to the General Fund are either held fixed or projected by either growth in the service population, residential population, or jobs.

Property Tax Revenue Impact of New Growth, 2020-2040

Property tax revenues are calculated directly based on a preliminary assumption of the development projections in the Annapolis Comprehensive Plan. The Annapolis property tax is applied to the estimated market value of the new development in 2040, which is calculated based on assumptions of rents, sale prices, and vacancy rates. The property tax revenue at buildout in 2040 is shown in order to compare the impact of growth-related operating costs. However, the assessed property values assumed throughout the development period are the market values assumed, which are based on market conditions in FY19 and do not include

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inflation. A sensitivity analysis accounting for potential recession-level effects of the Covid-19 crisis on property values is also provided later in this report.

Assumptions for determining the market value of new residential development are shown in Table 5. There will be a total of 600 new homes built. The market value of the for-sale units is based on the market values for new construction from FY19, as reported in the market study for the Annapolis Comprehensive Plan. The market rate values for new construction are higher than the median sale price. The total market value of for-sale units, which is simply the number of units multiplied by the respective sale price by unit type, is $317.6 million.

The market value of for-rent multifamily units is also based on the rents reported in the market study, and in addition, assumes a five percent vacancy rate and average annual expenses based on the National Apartment Association's '2019 NAA Survey of Operating Income & Expenses in Rental Apartment Communities.' Using a cap rate of 4.75 percent, the estimated

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market value of the for-rent multifamily properties is determined. The market value of the all for-rent units, including affordable units, is $22.0 million.

Table 5: Assessed Value Assumption for New Residential Units, 2020-2040

Total New Residential Units *		**600**
Market-Rate Residential		
For Rent		
Number of New Units		109
Average Monthly Rent (a)		$1,600
Vacancy Rate		5%
Average Annual Expense per Unit (b)	$	8,661
NOI (per unit)	$	9,579
For Sale		
New Single Family Homes		69
Sale Price (c)	$	700,000
New For-Sale Townhomes		322
Sale Price	$	650,000
New Condos		100
Sale Price	$	600,000
Summary		
For-Rent Residential NOI	$	1,044,111
Residential Capitalization Rate		4.75%
Estimated Market Value	$	21,981,000
For-Sale Total Value	$	317,599,000

Notes:
(a) Based on the Q3 2019 Asking rents from the 'Demographic and Economic Profile and Real Estate Market Analysis.'
(b) Based on the estimated operating costs for mid & hi-rise rental properties from the National Apartment Association's '2019 NAA Survey of Operating Income & Expenses in Rental Apartment Communities.'
(c) Based on new construction sale price from the 'Demographic and Economic Profile and Real Estate Market Analysis.'

Sources: City of Annapolis; National Apartment Association; BAE, 2020.

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The estimated market value of new nonresidential development is based on assumptions of NNN rent (per square foot) from the market study and a 5.0 percent vacancy rate that are used to determine a net operating income (NOI) per square foot. A 6.25 cap rate is applied to the NOI multiplied by the projected increase in nonresidential development. The only nonresidential development projected in the Comprehensive Plan is a net 20,000 square feet increase in the retail inventory and a net 20,000 square feet increase in the office inventory. As shown in Table 6, the estimated market value of new retail development by 2040 is $8.5 million, and the estimated market value of new office development is $8.2 million.

Table 6: Assessed Value Assumptions for New Nonresidential Units, 2020-2040

Nonresidential		
Retail		
NNN Rent (per sq. ft. per year)	$	28.00
Vacancy Rate		5%
NOI (per sq. ft.)	$	26.60
Net New Retail (SF)		20,000
Office		
NNN Rent (per sq. ft. per year)	$	27.00
Vacancy Rate		5%
NOI (per sq. ft.)	$	25.65
Net New Retail (SF)		20,000
Summary		
Retail NOI (a)	$	532,000
Nonresidential Capitalization Rate		6.25%
Estimated Market Value	$	8,512,000
Office NOI (b)	$	513,000
Nonresidential Capitalization Rate		6.25%
Estimated Market Value	$	8,208,000

In total, at plan buildout in 2040, the market value of new development, which represents the assessed value for real property tax revenue purposes, is approximately $356.3 million.

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Applying the Annapolis real property tax rate of 0.7380 per $100 of assessed value generates annual revenue at buildout of $2.6 million. This is summarized in Table 7.

Table 7: Annual Real Property Tax Revenue at Plan Buildout, 2040

	City of Annapolis
Assessed Value of New Res. Development, 2020-2040	$ 339,580,000
Assessed Value of New Non-Res. Development, 2020-2040	$ 16,720,000
Assessed Value of Total New Development, 2020-2040	**$ 356,300,000**
Property Tax (per $100 of assessed value)	0.7380
Annual Property Tax Revenue at Plan Buildout	**$ 2,629,000**

Income Tax Revenue Impact of New Growth, 2020-2040

This analysis uses the home sale price and rent assumptions shown in Table 5 above to estimate household incomes among new households in Annapolis and applies Annapolis' share of Anne Arundel County's income tax rate, which is an effective tax rate of 0.7025 percent, to estimate income tax revenues from these households. Income assumptions for the new for-rent units are calculated by assuming a vacancy rate of 5.0 percent and a rent-to-income ratio of 25 percent, which would imply these renters are not cost-burdened. For the new for-sale units, the revenue calculations assume a 20 percent down payment on the median sale price, a fixed 30-year mortgage rate of 4.50 percent, and a monthly mortgage payment to gross monthly income ratio of 28 percent. The effective Annapolis income rate is applied to the incomes calculated using this method and multiplied by the number of new units. Applying this method to new single-family units with an assumed sale price, for example, of $700,000 would require a household income of $121,604, which is above the

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2019 household median income in Annapolis ($80,010). Assumptions for growth-related income tax revenue are shown in Table 8.

Table 8: Growth-related Income Tax Revenue Calculation Assumptions

Market-Rate Residential		
For Rent		
New For-Rent Units		109
Average Monthly Rent (a)	$	1,600
Vacancy Rate		5%
Annual Household Income (b)	$	76,800
New Income Tax Revenue (c)	**$**	**38,000**
For Sale		
New Single Family Homes		69
Sale Price (d)	$	700,000
Loan Amount (e)	$	560,000
Mortgage Rate (f)		4.50%
Loan Term (months)		360
Monthly Payment	$	2,837
Annual Income (f)	$	121,604
New Income Tax Revenue (g)	**$**	**40,000**
New Townhomes		322
Sale Price (d)	$	650,000
Loan Amount (e)	$	520,000
Mortgage Rate (f)		4.50%
Loan Term (months)		360
Monthly Payment	$	2,635
Annual Income (f)	$	112,918
New Income Tax Revenue	**$**	**174,000**
New Condos		100
Sale Price (d)	$	600,000
Loan Amount (e)	$	480,000
Mortgage Rate (f)		4.50%
Loan Term (months)		360
Monthly Payment	$	2,432
Annual Income (f)	$	104,232
New Income Tax Revenue	**$**	**50,000**

Notes:
(a) Based on the Q3 2019 Asking rents from the 'Demographic and Economic Profile and Real Estate Market Analysis.'
(b) Assumption of Rent-to-Income ratio: 25.00%
(c) The Anne Arundel County income tax rate in FY20: 2.81%
Annapolis' percentage of Anne Arundel County Income Tax: 17.00%
(d) Based on median sale price from the 'Demographic and Economic Profile and Real Estate Market Analysis.'
(e) Loan amount assumes 20% down payment.
(f) Assumes Fixed-rate mortgage.
(f) Assumption of monthly mortgage payment as percentage of gross monthly income: 28%
(gross monthly income multiplied by 12 for annual income)

Source: BAE, 2020

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As shown in Table 9, Combining the estimated new income tax revenue from new renter-occupied households ($38,000) and the new income tax revenue from new owner-occupied households ($264,000) generates a total new incomes tax revenue of $302,000 between 2020 and 2040.

Table 9: Growth-related Income Tax Revenue, 2020-2040

	City of Annapolis
Income Tax Revenue from For-Rent Units	$ 65,000
Income Tax Revenue from For-Sale Units	$ 212,000
New Income Tax Revenue	**$ 277,000**

Source: BAE, 2020

Overall Growth-related Impact to General Fund Revenues, 2020-2040

Other revenues in the General Fund were also accounted for in the fiscal impact analysis based on dividing FY20 revenues by a given population and multiplying by the growth in that population. Personal property tax revenue between 2020 and 2040 were projected in terms of jobs growth, as personal property is assessed on businesses. Licenses and Permits and Charges for Services revenue were projected by the growth in residential population, while fines and forfeiture revenues were projected by the growth in service population. All other revenues were held fixed. The impact of growth on other revenues between 2020 and 2040 is approximately $347,000.

Table 10 summarizes the growth-related impact to General Fund revenues. By 2040, new growth will generate an estimated $3.3 million in revenue. Real property tax revenue

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generates 80.2 percent of the total impact, which suggests that the fiscal impact relies heavily on the market value assumptions of new development.

Table 10: Growth-related Impact to General Fund Revenues, 2020-2040

Source of Revenue	2020 Adopted Budget (a)	Revenue Impact, by 2040	% Total Impact, by 2040
Real Property Tax (b)	$ 51,884,000	$ 2,629,000	80.2%
Personal Property Tax (c)	$ 2,950,000	$ 8,000	0.2%
Income Tax (d)	$ 6,343,000	$ 302,000	9.2%
License & Permits (e)	$ 3,256,300	$ 112,000	3.4%
Fines & Forfeitures (f)	$ 435,000	$ 34,000	1.0%
Charges for Service (g)	$ 5,626,500	$ 193,000	5.9%
Total	**$ 70,494,800**	**$ 3,278,000**	**100%**

Notes:
(a) Revenues shown are only for those revenue sources held variable, so total of FY20 adopted budget levels do not match FY20 General Fund revenues.
(b) Property taxes are calculated based on the projections of new residential development for the Comprehensive Plan. The assumed projected 'development program' in place currently is a placeholder.
(c) Projected based on base year personal property tax revenue per job.
(d) Revenue tax is based on the household revenues of new residential development. As a result, this is a low estimate as new residential development does not account for the entirety of the projected population growth by 2040.
(e) Projected based on base year licenses and permits revenue per resident.
(f) Projected based on base year fines and forfeitures revenue 'service person.'
(g) Projected based on base year charges for service revenue per resident.

FISCAL IMPACT ANALYSIS OF NEW GROWTH

Combining the growth-related impacts to operating costs, capital costs, and revenues determines the overall fiscal impact by 2040. As shown in Figure 1, the fiscal impact of new growth will be $776,000 by 2040. If new growth generates this fiscal impact by 2040, the impact at plan buildout in 2040 would be a 0.94 percent increase to the FY20 adopted budget of $82.6 million. While this represents a positive fiscal impact, the impact is marginally above

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zero. As the sensitivity analysis will demonstrate, reasonable fluctuations in the operating costs impact and revenue impact can generate a negative fiscal impact.

Figure 1: Fiscal Impact of New Growth, 2020-2040



Source: BAE, 2020

This relatively marginal impact is owed to the largely residential development program assumed in the comprehensive plan. Job growth over the over the next 20 years is projected to be 82 in total, which is a small overall percentage of the increase in the service population, meaning that growth in residents is driving demand for services. Not only this, but also despite the relatively small increase in nonresidential development projected, this development accounts for 16 percent of the increase in property tax revenues. Therefore, residential development is about fiscally neutral, or potentially an overall cost to the City by 2040 based on the level of service provided in 2020, and new nonresidential development is critical to ensuring fiscal sustainability.

Given this finding about the importance of nonresidential development, it would be wise for the city to consider flexibility in zoning as well as assessing the fiscal impact of growth of significant new developments.

Sensitivity Analysis of Fiscal Impacts

The analysis in this report suggests that Annapolis can expect to generate a fiscal impact of $776,000 over the next 20 years. Given the assumptions in the methodology, there is some error inherent it. However, we can test realistic limits for vulnerable assumptions to evaluate a range of potential fiscal impacts. As public safety costs may be underestimated, a range of growth rates is applied to operating costs held variable for Police and Fire to assess the impact on growth-related operating costs by 2040. Furthermore, given the recent COVID-19 outbreak

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and its potential effects on the economy, various property tax revenue scenarios are tested for impact on the overall growth-related revenue estimate.

Public safety costs are unlikely to grow in relation to the growth in the service population and is more likely to be related to development. However, some of the population growth in Annapolis will come from existing development, so projecting public safety costs by household growth alone may be an underestimate if the public safety departments continues to provide the level of service assumed in this analysis. Thus, the current estimate of the percentage increase to Public Safety costs, which at 2.65 percent is lower than household growth rate, is almost certainly an underestimate. As a result, the sensitivity analysis shows the impact by scaling public safety costs from the current estimated increase of 2.65 percent to an increase of 10.8 percent, which is the population growth rate projected over the next 20 years. Realistically, public safety costs should increase from somewhere between the household growth rate (3.43 percent) and the service population growth rate (7.87 percent). If public safety costs increase by 4.64 percent, the fiscal impact will be exactly $0. Table 11 shows the fiscal impact of new growth if the revenue estimate is fixed and costs are adjusted to account for variability in public safety costs.

Table 11: Fiscal Impact Analysis with Public Safety Costs Adjustments

Fiscal Impact	Non-Public Safety Growth-related Impact by 2040	Current Estimate - 2.65% Public Safety Costs Projected by HH Growth with Fixed Costs	Low Estimate - 3.43% Public Safety Costs Increase by HH Growth Rate	$0 Estimate - 4.64% Public Safety Costs Increase by 4.64% ($0 Fiscal Impact)	High Estimate - 10.8% Public Safety Costs Increase by Pop. Growth Rate
Revenue	$ 3,278,000	$ 3,278,000	$ 3,278,000	$ 3,278,000	$ 3,278,000
Operating Costs	$ (1,472,000)	$ (2,502,000)	$ (2,805,543)	$ (3,278,000)	$ (5,672,666)
Total Fiscal Impact	**$ 1,806,000**	**$ 776,000**	**$ 472,457**	**$ -**	**$ (2,394,666)**

Source: BAE, 2020.

Alternatively, the fiscal impacts assuming the operating costs estimate is fixed accounts for adjustments to revenue estimate Table 12. The current COVID-19 public health emergency represents a significant threat to the economy. If the effects of COVID-19 on home values were to have the same effect that the 2008 recession had on home values and the operating costs estimate in this study is held fixed, the fiscal impact of new growth would range between $107,000 and $266,887. In Annapolis, based on data obtained from Zillow, the peak of home values was in June 2007, and reached its nadir in June 2012. During this period, home values fell by 25.4 percent. Between June 2007 and June 2009, home values fell by 19.4 percent in Annapolis before levelling off for a few months and declining again overall until June 2012. The revenue estimate in this fiscal impact analysis is adjusted by applying these

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respective declines in home values to the real property tax revenue estimate of $2.5 million by 2040.

Table 12: Fiscal Impact Analysis with Revenue Adjustments

Fiscal Impact	Total Projected Growth-related Impact by 2040	Scenario: Market Value of New Growth Declines by 25.4% (a)	Scenario: Market Value of New Growth Declines by 19.4% (b)
Revenue	$ 3,278,000	$ 2,609,353	$ 2,768,887
Operating Costs	$ (2,502,000)	$ (2,502,000)	$ (2,502,000)
Total Fiscal Impact	**$ 776,000**	**$ 107,353**	**$ 266,887**
% Increase over FY20 Adopted Budget - $ 82,590,000	0.9%	0.1%	0.3%

Notes:
(a) In this scenario, the market value of new growth is adjusted by the decline in market value in Annapolis from the peak sale price in June 2007 to the lowest sale price in June 2012 (-25.43%). This reflects the decline in residential sale prices only, but will be applied to the overall market value of new development that includes new retail and office development.
(b) In this scenario, the market value of new growth is adjusted by the decline in market value in Annapolis from the peak sale price in June 2007 to the sale prince in June 2009, when prices stabilized briefly before falling again. This decline was - 19.37%. This reflects the decline in residential sale prices only but will be applied to the overall market value of new development that includes new retail and office development.

Source: Zillow; BAE, 2020.

In Figure 2, the sensitivity analysis of operating costs and revenues are combined to show the range of potential impacts. By showing the change in operating costs resulting from increasing growth-related public safety costs from the household growth as well as the three revenue estimates, the ranges of error that generate a fiscally neutral or fiscally positive impact are revealed. The lowest estimate (2.65 percent) of the increase in public safety costs and the low estimate of revenues that assumes peak recession declines in home values would generate essentially a fiscally neutral result. If new growth generates the revenues estimated in this analysis with no recession-related impacts, public safety costs can increase by up to 4.64 percent in order to generate a fiscally neutral result, which would be higher than the

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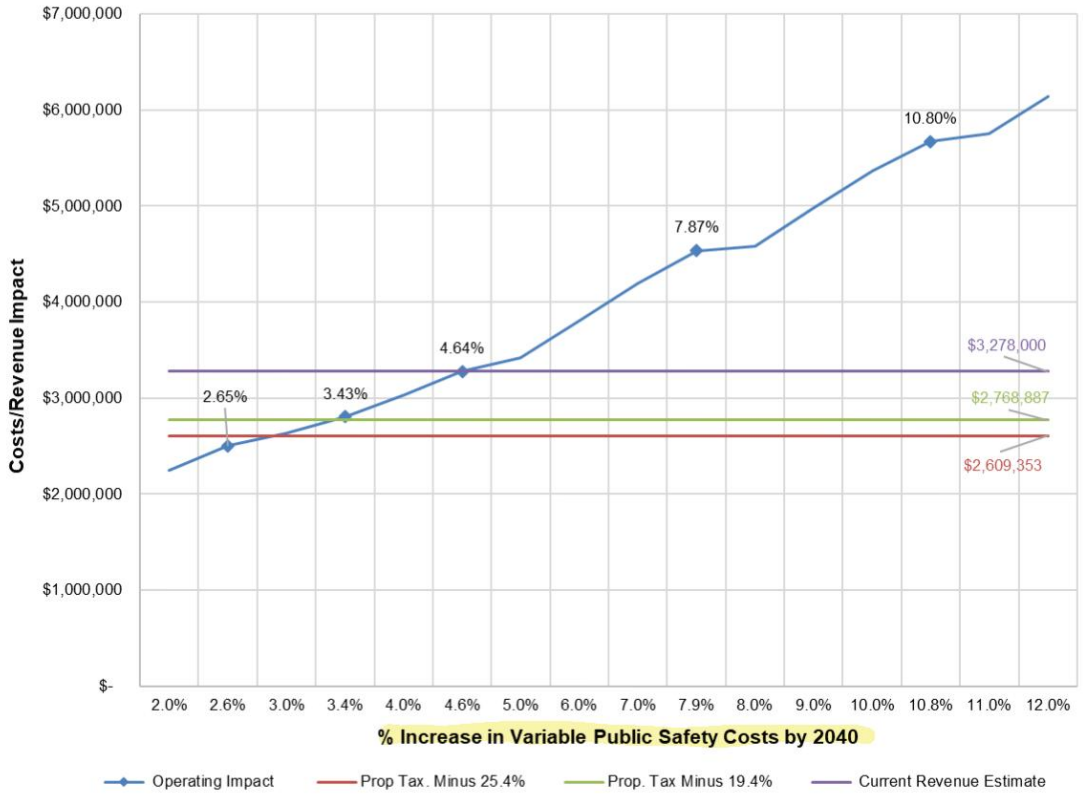
growth in public safety costs currently assumed, but still below the rate of growth in both the service (7.9 percent) and residential population (10.8 percent).

Figure 2: Sensitivity Analysis



Source: BAE, 2020

Therefore, it is reasonable to expect that public safety could increase by enough to generate fiscally neutral, or potentially negative results as public safety costs are likely to be increase somewhere between the rates of growth in households and the residential population, and any increase in public safety costs over 4.64 percent would generate negative fiscal result. Indeed, if COVID-19 negatively affects property values, the margin by which public safety costs can increase relative to the household growth rates becomes slimmer. Based on the analysis of the effect the Great Recession had on Annapolis property values, public safety costs increasing at a rate greater than 3.4 percent would yield a negative fiscal result. Notably, the margins of fiscally negative results are still relatively small, and they do not vastly exceed to the magnitude of the marginally positive results that seem likely.

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OTHER COST CONSIDERATIONS

While excluded from the fiscal impact analysis, it was determined that identifying an order of magnitude for growth-related capital costs would be a useful metric for the city to consider, based on discussion with staff. There is no capital outlay in the General Fund, and growth is not expected to generate a need for new major capital infrastructure, such as new water and sewer systems of roads classified as arterial or above. Additionally, while public schools are provided by Anne Arundel County, a high-level cost estimate of students from new growth in Annapolis is provided.

Capital Costs Impact

In a fiscal impact analysis of a comprehensive plan, capital costs considered are limited to major infrastructure. This includes new, additional roads classified as arterials or higher, as well as new water and sewer lines, pump stations, schools, and vehicles. The reason arterials are the smallest road-type to be considered is that these are the roads for which regular maintenance occurs and can trigger the need for additional staff. Smaller roads and road connections as required by any given development project may or may not accrue as one-time construction costs to the city, and these can be evaluated in more detail with specific assumptions about proposed development projects and their location within the city. Furthermore, the additional inventory of these kinds of transportation improvements do not trigger the need for new staff on their own. That is, projecting staffing costs based on the number of staff employed today is enough to keep up with additional maintenance costs generated by roads smaller than arterials.

In addition, based on discussion with the Department of Public Works, it was determined that the water and sewer systems have adequate capacity to manage the growth projected in this analysis. While new development requires connection to the system, the utilities charge connections fees and ultimately operate as enterprise funds that generated a net profit in FY20. Vehicles are managed through an internal revenue fund and thus growth-related vehicle needs are captured in the analysis of operating costs. As discussed in the next subsection, school-related capital costs are borne by Anne Arundel County Public Schools.

Nonetheless, there may be growth-related capital costs generated by the additional demand for existing infrastructure. Indeed, roads smaller than arterials can require some capital costs based on wear and tear, even if not as regularly as arterials. The FY20 Five-Year Capital Improvement Plan (CIP) provides a useful estimate of the capital costs associated with the existing service population. As shown in Table 13, the average size of the CIP between FY20 and FY25 is $6.3 million. The average size of the service population served between 2020 and 2025 is 56,020. Dividing the average annual CIP by the average size of the population of the 5-year CIP yields an average capital cost per service population of $113, which multiplied by the projected growth in the service population between 2020 and 2040 equals a growth-

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related increase to the CIP of $553,600. This is notably less than the net revenues estimated in this fiscal impact analysis ($776,000), which implies that if the cost and revenue estimates in this analysis are considered accurate, including this estimate of capital costs would still yield a marginal, fiscally positive result.

Table 13: Estimate of Growth-Related Capital Costs

Five-Year Capital Improvement Program					
FY20	FY21	FY22	FY23	FY24	FY25
$ 4,856,220	$ 5,675,700	$ 7,397,500	$ 11,993,800	$ 4,050,000	$ 4,050,000

Average CIP, FY20-FY25		Average Service Population, FY20-FY40	
$	6,337,200		56,020

CIP Spending per Service Pop.		Growth in Service Pop., 2020-2040	
$	113		4,894

Growth-related Increase to CIP	
$	**553,600**

School Costs Impact

Anne Arundel County Public Schools (AACPS), which serves Annapolis residents, determines a yield rate for elementary, middle, and high school students based on development type. On average, for the Annapolis High School feeder system, each new household is assumed to generate 0.142 elementary school students, 0.054 middle school students and 0.063 high school students. Applying these rates to the projected 582 new households yields 151 new students. The AACPS budget is based on developing a cost-per-pupil and in FY20, the cost-per-pupil was $14,473, based on guidelines recommended by the Maryland State Department of Education. The number in new students in Annapolis over the next 20 years will not generate the need for an additional school at any level, so there are no capital costs associated with new growth-related students in Annapolis, although the system overall may

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add more schools. As shown in Table 14, multiplying the cost per pupil by the estimated yield from new growth generates an estimated cost of $2.2 million.

Table 14: Growth-Related Public School Costs

New Households, by 2040		**582**
ES Student Yield (a)		83
MS Student Yield (b)		31
HS Student Yield (c)		37
Total		**151**
Cost per Pupil (d)	**$**	**14,473**
Growth-Related Cost, by 2040	**$**	**2,181,390**

Notes:
(a) Average Elementary School Student Yield Rate for the Annapolis HS Feeder System: 0.142
(b) Average Middle School Student Yield Rate for the Annapolis HS Feeder System: 0.054
(c) Average High School Student Yield Rate for the Annapolis HS Feeder System: 0.063
(d) The cost per pupil is obtained from the FY20 Anne Arundel Public Schools Operating & Capital Budgets. It is calculated following the guidelines recommended by the Maryland State Department of Education

Source: Student Yield Study for Anne Arundel County Public Schools, November 2019; FY2020 Anne Arundel County Public Schools Approved Operating & Capital Budgets; BAE, 2020

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CONCLUSION

Based on the methodology and assumptions in this fiscal impact analysis, Annapolis is projected to generate a marginally net positive fiscal impact based on the taxes received by new development and the costs it incurs. While the real property tax is large enough to generate most of the revenues needed to accommodate new growth, new growth incurs enough costs that the City will be unable to increase the level of service it provides. However, if there is more nonresidential development than currently projected, even more revenue will be generated without the incurring the same level of costs, as nonresidential development demands fewer services from the City. Therefore, the City may be more fiscally resilient if it increases the amount of nonresidential development projected over the next 20 years, although the current residential program yields more or less fiscally neutral results. Critically, over 80.2 percent of the revenues estimated in the fiscal impact come from property taxes paid by new development, even though most of the growth in Annapolis over the next 20 years is explained by the increase to the size of the average Annapolis household.

Nonetheless, the overall marginal findings suggest that, as currently projected, new growth itself is neither a huge winner nor a huge loser for the City based on the current levels of service the City provides. With the skew towards residential development, development itself is not an opportunity for the City, although new growth will help to generate economic activity that will promote economic growth, which is ultimately unaccounted for in a fiscal analysis. Fiscal impact analysis does not consider the impact of growth on income levels, the number of jobs and other measures that reflect the state of the private sector economy, which if positively impacted by growth, would in turn have some effect on the fiscal impact. This dynamic relationship is difficult to model and as a result, fiscal impacts and economic impacts are typically evaluated independently.

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TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 10/21/2025
ITEM NO: 7

DATE: October 16, 2025

TO: Mayor and Town Council

FROM: Chris Constantin, Town Manager

SUBJECT: **Authorize the Town Manager to Negotiate and Execute an Agreement with NHA Advisors, LLC (NHA) to deliver Fiscal Condition Analysis, Fiscal Impact Analysis, Asset Liability Management, and Wildfire Risk Mitigation Studies, including any optional services as directed by the Town Council, in the Amount Not to Exceed Amount of $250,500 and Authorize an Expenditure Budget Adjustment up to $250,500 from the Available Unassigned fund Balance**

RECOMMENDATION: Authorize the Town Manager to enter into an Agreement with NHA Advisors, LLC (NHA) to deliver Fiscal Condition Analysis, Fiscal Impact Analysis, Asset Liability Management, and Wildfire Risk Mitigation Studies including any optional services as directed by the Town Council, in the not to exceed amount of $250,500; and authorize an Expenditure Budget Adjustment of $250,500 from the available Unassigned fund Balance.

FISCAL IMPACT:

The requested budget adjustment in the amount of $250,500 will reduce the Town's Unassigned Fund Balance. This amount reflects the full cost of all proposed services, including optional components. The final agreement amount may be lower, depending on the specific services selected by the Town Council.

STRATEGIC PRIORITY:

This initiative supports the Town's strategic priority of ensuring prudent financial management to result in structurally balanced five-year forecasts and fully funded five-year Capital Improvement Plans, managing liabilities such as pension costs and leveraging the Town's assets, efficiencies, partnerships, and revenue streams. The study is a material component in identifying the path to support this priority.

PREPARED BY: Gitta Ungvari
Finance Director

Reviewed by: Town Manager and Town Attorney

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This initiative supports the Town's core goals of:

- **Fiscal Stability:** Providing independent, data-driven forecasts and risk assessments to ensure sustainable financial planning.
- **Community Character:** Evaluating fiscal impacts of growth to balance economic vitality with quality-of-life considerations.
- **Good Governance:** Developing clear, auditable tools for decision-making and aligning long-term fiscal strategies with policy objectives.

BACKGROUND:

At its meeting on April 14, 2025, the Finance Commission discussed draft scopes of work for a Fiscal Impact Analysis and a Fiscal Condition Analysis with a Five-Year Projection. After reviewing the objectives and overlaps between the two scopes, the Commission recommended consolidating them into a single RFP process with three separate line items: (1) Fiscal Condition Analysis and Five-Year Forecast, (2) Long-Term Outlook to 2040 aligned with the General Plan and Housing Element, and (3) a standalone Asset Liability Management Study.

The Commission emphasized scenario planning, stakeholder engagement, transparency in methodology, and clear articulation of questions to be addressed regarding the Town's short- and long-term fiscal condition and the fiscal impacts of projected development under the 2040 General Plan and Housing Element. Based on the Commission's feedback, staff prepared a draft RFP (Attachment 2), which was approved on August 11, 2025. The RFP was issued on August 20, 2025, and closed on September 22, 2025. Responses to questions were posted publicly (Attachment 3).

DISCUSSION:

The Town received five proposals in response to the RFP. While the RFP did not require firms to address all three studies, it was encouraged where feasible. Of the five proposals submitted, two firms did not demonstrate experience in the State of California.

Three staff members independently reviewed and evaluated the proposals, ranking them based on quality. Upon comparison, the rankings were found to be consistent across all three reviewers. NHA ranked the highest with the reviewers. The highest-ranked firm submitted proposals for all three studies and also included an optional Fire Risk Assessment Study (Attachment 1). If the Council wishes to include this additional study, staff will work with the firm to determine the most appropriate level of optional services for the Town.

NHA Advisors, LLC submitted a proposal to provide Study 1: Fiscal Condition Analysis and Study 2: Fiscal Impact Analysis for the Town of Los Gatos. Their proposal represents a collaborative effort among three experienced firms:

- **NHA Advisors, LLC** – Lead advisor and project manager for Studies 1 and 2

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- **Raftelis Financial Consultants, Inc.** – Subconsultant for Study 1
- **Willdan** – Subconsultant for Study 2

NHA has previously worked with both Raftelis and Willdan on similar projects in California. Their approach emphasizes collaboration, scenario-based modeling, and practical tools that Town staff can use independently.

NHA Advisors, LLC also submitted a separate proposal to provide Study 3: Asset Liability Management (ALM) services as requested in the Town's RFP. For this task, NHA is the sole service provider, independent of the team assembled for Studies 1 and 2. In addition, NHA included an unsolicited proposal for an optional Study 4, which would develop a long-term funding plan for wildfire risk mitigation in Los Gatos.

NHA brings extensive experience advising California public agencies on CalPERS-related liabilities, debt management, and OPEB strategies. Their approach emphasizes integration with the fiscal condition model developed in Study 1, allowing for scenario planning that accounts for:

- CalPERS performance volatility
- Infrastructure impacts from new development
- Adequacy of cash reserves to withstand "Black Swan" events (e.g., wildfires)

The proposal highlights NHA's ability to translate complex financial data into clear, actionable insights for decision-makers and the public.

NHA also reaffirmed acceptance of the Town's Sample Consultant Services Agreement and designated Mark Northcross as the primary contact authorized to bind the firm.

Proposed Project Timeline by Month After Contract Execution:

Month	Study 1: Fiscal Condition Analysis (Raftelis)	Study 2: Fiscal Impact Analysis (Willdan)	Study 3: Asset Liability Management (NHA)
Month 1	Project Initiation	Project Initiation	Project Initiation
Month 2		Data Collection and Review	Inventory and Evaluate Liabilities
Month 3	Assess Financial Condition		

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Month	Study 1: Fiscal Condition Analysis (Raftelis)	Study 2: Fiscal Impact Analysis (Willdan)	Study 3: Asset Liability Management (NHA)
Month 4	Develop Forecasting Model	Develop Fiscal Revenue and Cost Inputs	Funding Needs and Risk Reduction Analysis
Month 5	—	—Complete 20-Year Fiscal Impact Analysis	ALM Modeling
Month 6	Final Reporting & Knowledge Transfer	Finalize Fiscal Impact Model	Reserve Guidance

Contract Cost Summary:

Raftelis proposes to conduct the Fiscal Condition Analysis (Study 1) for a base cost of $105,500, with optional services—such as gap closure strategies and Council decision support—bringing the total to $165,000 if selected. Willdan submitted a fixed fee proposal of $18,000 for the Fiscal Impact Analysis (Study 2), which includes up to two meetings, with additional services billed hourly if needed. NHA Advisors proposes to lead the Asset Liability Management Study (Study 3) on a time-and-materials basis, with a not-to-exceed budget of $50,000, covering liability evaluation, risk analysis, modeling, and reserve guidance. NHA also offers an optional Wildfire Risk Mitigation Study (Study 4) for up to $45,000, which includes GIS analysis and funding strategy development, with additional optional tasks potentially adding up to $25,000. In addition, NHA proposes to serve as Team Manager for Studies 1 and 2, coordinating across firms for a not-to-exceed amount of $17,500.

Study / Task	Firm	Fee Type	Estimated Cost	Notes
Study 1: Fiscal Condition Analysis	Raftelis	Fixed Fee	$105,500 (base) $165,000 (with options)	Includes forecasting model, reporting, and optional gap strategies & Council support
Study 2: Fiscal Impact Analysis	Willdan	Fixed Fee	$18,000	Includes 2 meetings; additional services billed hourly

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Study / Task	Firm	Fee Type	Estimated Cost	Notes
Study 3: Asset Liability Management (ALM)	NHA	Time & Materials (Blended Rate: $285/hr)	$35,055 – $49,875 Not-to-Exceed: $50,000	Includes modeling, reserve guidance, and liability analysis
Optional Study 4: Wildfire Risk Mitigation	NHA	Time & Materials	Not-to-Exceed: $45,000	Includes GIS work; optional tasks may add up to $25,000+
Team Management for Studies 1 & 2	NHA	Time & Materials	Not-to-Exceed: $17,500	Approx. 50 hours of coordination across firms

If all services—Studies 1, 2, and 3 with options, along with the optional wildfire risk mitigation study—are included, the total not-to-exceed amount for the agreement is $250,500.

RECOMMENDATION:

Staff is requesting that the Town Council provide direction regarding which services to include in the agreement. If all services—Studies 1, 2, and 3, along with the optional wildfire risk mitigation study—are included, the total not-to-exceed amount would be $250,500. If the Council chooses to include only selected services, the agreement will be tailored accordingly to reflect those areas.

Based on the Council's direction regarding optional services, staff will prepare the draft agreement. To ensure timely initiation of work, staff recommends that the Town Council authorize the Town Manager to negotiate and execute an agreement with NHA Advisors for all three requested services, in an amount not to exceed $250,500.

ALTERNATIVES

The Town Council may consider alternative approaches to the proposed scope of work, which would affect total cost and fiscal impact:

1. Proceed with All Studies (Recommended Option) — Approve all studies including optional components for a not-to-exceed amount of $250,500. This option provides the most comprehensive fiscal analysis, aligning with long-term financial planning objectives.

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2. Remove Optional Study Components — Excluding the optional elements (Wildfire Risk Mitigation Study and optional tasks within Study 1) would reduce total project costs to approximately $180,000 to $190,000, depending on final scope adjustments. This would lower the immediate budget impact by roughly $60,000 to $70,000 while maintaining delivery of the three core studies.

3. Select Individual Studies Only — The Council may choose to fund only one or two studies (e.g., Fiscal Condition and Impact Analyses) at an estimated combined cost of $120,000 to $130,000. This would provide partial insights but limit integration between financial forecasting and liability management.

Reducing the scope will proportionally reduce the Unassigned Fund Balance adjustment. However, omitting optional studies may limit the Town's ability to evaluate long-term wildfire risk and related fiscal exposures, which could affect future budget forecasting accuracy.

COORDINATION:

This item was developed with the coordination of the Town Manager's Office, the Town Attorney's Office, and the Community Development Department.

Attachments:
1. NHA Proposals
2. Request For Proposals: Fiscal Condition Analysis With Five-Year and Long-Term Forecast, Fiscal Impact Analysis, and Asset Liability Management Study
3. Date issued: questions and answers provided

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TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 10/21/2025
ITEM NO: 7
DESK ITEM

DATE: October 21, 2025

TO: Mayor and Town Council

FROM: Chris Constantin, Town Manager

SUBJECT: **Authorize the Town Manager to Negotiate and Execute an Agreement with NHA Advisors, LLC (NHA) to deliver Fiscal Condition Analysis, Fiscal Impact Analysis, Asset Liability Management, and Wildfire Risk Mitigation Studies, including any optional services as directed by the Town Council, in the Amount Not to Exceed Amount of $250,500 and Authorize an Expenditure Budget Adjustment up to $250,500 from the Available Unassigned fund Balance**

RECOMMENDATION: Authorize the Town Manager to enter into an Agreement with NHA Advisors, LLC (NHA) to deliver Fiscal Condition Analysis, Fiscal Impact Analysis, Asset Liability Management, and Wildfire Risk Mitigation Studies including any optional services as directed by the Town Council, in the not to exceed amount of $250,500; and authorize an Expenditure Budget Adjustment of $250,500 from the available Unassigned fund Balance.

REMARKS:

Staff clarifies that the contract cost summary of $250,500, as referenced in the staff report, does not include the optional Wildfire Risk Mitigation Study. This study was not part of the original Request for Proposal (RFP) but was instead offered as an optional service by the prospective vendor.

The $250,500 amount includes all optional services for Study 1, Study 2, and Study 3 as outlined in the proposal.

PREPARED BY: Gitta Ungvari
Finance Director

Reviewed by: Town Manager and Town Attorney

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Study / Task	Firm	Estimated Cost	Notes
Study 1: Fiscal Condition Analysis	Raftelis	$105,500 (base) $165,000 (with options)	Includes forecasting model, reporting, and optional gap strategies & Council support
Study 2: Fiscal Impact Analysis	Willdan	$18,000	Includes 2 meetings; additional services billed hourly
Study 3: Asset Liability Management (ALM)	NHA	$35,055 – $49,875 Not-to-Exceed: $50,000	Includes modeling, reserve guidance, and liability analysis
Optional Study 4: Wildfire Risk Mitigation	NHA	Not-to-Exceed: $45,000	Includes GIS work; optional tasks may add up to $25,000+
Team Management for Studies 1 & 2	NHA	Not-to-Exceed: $17,500	Approx. 50 hours of coordination across firms
Total Estimated Cost:		**$ 250,500**	

In addition, cognizant of the cost, the staff provides an alternative recommendation that includes only the **base costs of Study 1, Study 2,** along with **Team Management for both studies,** and **Study 3,** totaling not to exceed $191,000.

Study / Task	Firm	Estimated Cost	Notes
Study 1: Fiscal Condition Analysis	Raftelis	$ 105,500	Includes forecasting model, and reporting
Study - OPTIONAL A		$ 29,750	Optional Gap Closure Strategies
Study - OPTIONAL B		$ 29,750	Decesion- Support for Town Council
Study 2: Fiscal Impact Analysis	Willdan	$ 18,000	Includes 2 meetings; additional services billed hourly
Study 3: Asset Liability Management (ALM)		$ 50,000	Includes modeling, reserve guidance, and liability analysis, not to exceed amount
Optional Study 4: Wildfire Risk Mitigation	NHA	Not-to-Exceed: $45,000	Includes GIS work; optional tasks may add up to $25,000+
Team Management for Studies 1 & 2	NHA	$ 17,500	Approx. 50 hours of coordination across firms, not to exceed amount
Total Estimated Cost:		**$ 191,000**	

Additional services may be added during the course of the studies or after their completion, as needed.

Attachments previously distributed with the staff report:

1. NHA Proposals
2. Request For Proposals: Fiscal Condition Analysis With Five-Year and Long-Term Forecast, Fiscal Impact Analysis, and Asset Liability Management Study
3. Date issued: questions and answers provided

AMENDMENT

This AMENDMENT TO AGREEMENT amends that certain agreement titled Fiscal Condition Analysis, Fiscal Impact Analysis, Asset Liability Management Studies dated 11/10/2025, made by and between the Town of Los Gatos, ("Town,") and NHA Advisors, LLC (“Contractor”), a Limited Liability Company and whose address is 4040 Civic Center Drive, Suite 200, San Rafael CA 94903.

A. Town and Contractor entered into an Agreement for Services on 11/10/2025 (“Agreement”).

AMENDMENT

A. Section 2.2 Term and Time of Performance: This contract will remain in effect until June 30, 2026.

B. All other terms and conditions of the Agreement remain in full force and effect.

ATTACHMENT 2

TOWN OF LOS GATOS	NHA Advisors LLC
SIGNATURE	**SIGNATURE**
Chris Constantin	Mark Northcross
FULL NAME	**CONTRACTOR SIGNATORY'S FULL NAME**
Town Manager	Principal
TITLE	**CONTRACTOR SIGNATORY'S TITLE**
DATE SIGNED	**DATE SIGNED**

Approved as to form:

SIGNATURE
Gabrielle Whelan
FULL NAME
Town Attorney
TITLE
DATE SIGNED

The execution date is the date on which the last party has signed.

Attachments:

A - NHA Executed Agreement

TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 04/07/2026
ITEM NO: 12

DATE: March 20, 2026

TO: Mayor and Town Council

FROM: Chris Constantin, Town Manager

SUBJECT: **Adopt Resolutions to Join the California Joint Powers Insurance Authority (CJPIA), Participate in Its Liability Protection Program, Delegate Claims Handling Authority, Authorize Administrative Implementation, and Appoint the Mayor as Voting Delegate and the Town Manager and Town Attorney as Alternates**

RECOMMENDATION: Adopt the following actions to implement the Town's transition from the Pooled Liability Assurance Network Joint Powers Authority to the California Joint Powers Insurance Authority (CJPIA), effective July 1, 2026:

a. Adopt a resolution approving execution of the Joint Powers Agreement creating the CJPIA.
b. Adopt a resolution authorizing and approving pooling of self-insurance through the Liability Protection Program of the CJPIA effective, July 1, 2026.
c. Adopt a resolution delegating tort liability claims handling responsibilities to the California Joint Powers Insurance Authority pursuant to Government Code sections 910 et seq.
d. Adopt a resolution authorizing the Town Manager, or the Town Manager's designee, to execute and administer activities and obligations related to the Town's membership in and participation with the California Joint Powers Insurance Authority.
e. Appoint the Mayor to serve as the Town's Director to the CJPIA Board of Directors and appoint the Town Manager and Town Attorney as Alternate Directors.
f. Authorize completion and submission of the 2026 Annual Board of Directors Meeting Voting Delegate and Alternate Form and any related membership and program participation documents.

PREPARED BY: Chris Constantin
Town Manager

Reviewed by: Town Manager, Assistant Town Manager, and Town Attorney

FISCAL IMPACT:

Approval of this item authorizes the transition of insurance coverage to CJPIA beginning in FY 2026-27, with an estimated cost of $1,416,500. By comparison, the FY 2025-26 adopted operating budget includes $1,675,965 for liability and property insurance under PlanJPA. Transitioning to CJPIA will result in estimated savings of $259,465, primarily due to lower property insurance premiums and a reduction in self-insured retention.

Although future premiums may vary based on claims history and insurance authority negotiations, these changes are expected to result in ongoing annual savings of approximately $250,000, which will be incorporated into the development of the FY 2026-27 budget.

STRATEGIC PRIORITY:

This action supports prudent financial management because it implements a previously approved transition intended to improve coverage for key risk exposures, reduce volatility associated with retained liability risk, and reduce risk management costs. The December 2, 2025, report tied this evaluation to the Town's strategic priority of prudent financial management.

BACKGROUND:

Since December 2017, the Town of Los Gatos has obtained key insurance and risk management services through the Pooled Liability Assurance Network Joint Powers Authority, also known as PLAN JPA. PLAN JPA is a public agency risk pool that provides member agencies with protection and services for major areas of municipal risk, including general liability, property, cyber, crime, and pollution coverage. In practical terms, PLAN JPA has helped the Town manage the financial risk of lawsuits, property losses, and other significant claims by pooling those risks with other public agencies and providing related claims administration and risk management support.

PLAN JPA was created when former Association of Bay Area Governments (ABAG) PLAN member agencies separated from ABAG and formed an independent joint powers authority to take over the prior program's assets, liabilities, and obligations. Since that time, the Town has participated in PLAN JPA as part of its overall insurance and risk management program and has been pleased and satisfied with the service.

As part of its review of the Town's insurance and risk management needs, staff conducted an internal evaluation of the Town's existing PLAN JPA coverages, costs, and overall level of protection. That review included comparing the Town's current program to alternatives available through two other agencies, including the California Joint Powers Insurance Authority (CJPIA). Based on that analysis, staff determined that CJPIA offered an opportunity for the Town

to obtain stronger coverage protection in several key areas while also lowering overall costs, as shown in the table below.

	Current Vendor- The PlanJPA				**CJPIA**
Coverage	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Estimate
Liability Insurance	$ 629,535	$ 727,963	$ 913,348	$ 1,103,502	$ 1,254,500
Property Insurance	$ 145,790	$ 231,605	$ 242,373	$ 252,262	$ 100,000
Employment Practices Liability	_	_	$ 103,581	$ 111,026	Included
Self-Insured Retention Payments	$ 212,674	$ 124,525	$ (9,898)	$ 200,000	$ 50,000
Cyber Coverage	Included	Included	Included	Included	Included
Pollution Coverage	Included	Included	Included	Included	$7,500
Crime Coverage	Included	Included	Included	Included	$ 4,500
Public Official Bond	$ 9,111	$ 9,175	$ 9,175	$ 9,175	Included
Total	$ 997,110	$ 1,093,268	$ 1,258,579	$ 1,675,965	**$ 1,416,500**

On December 2, 2025, the Town Council considered that analysis and found that moving from PLAN JPA to CJPIA was in the Town's best interests. Council determined that the transition was expected to improve protection for important Town risk exposures and produce ongoing cost savings while maintaining prudent risk management safeguards. Council therefore authorized Town staff to terminate the Town's membership in PLAN JPA and to move forward with joining CJPIA.

Following that direction, on December 5, 2025, the Town Attorney provided formal notice to PLAN JPA of the Town's intent to terminate membership for general liability, property, cyber, crime, and pollution coverage. At the same time, the Town proceeded with the steps necessary to transition to CJPIA, based on the conclusion that CJPIA appeared to provide a more robust program and more competitive rates.

The December 2, 2025, Council action was the policy decision to make the change. The item before the Council tonight is the next implementation step. CJPIA requires several formal resolutions and related Council actions in order to finalize the Town's membership, authorize participation in its liability protection program, delegate claims handling authority, authorize administrative actions for the risk management program, and establish the Town's voting and governance representatives. If approved, these actions will be the official action joining and transferring to the CJPIA, the Town's insurance and risk management coverages to CJPIA beginning July 1, 2026.

DISCUSSION:

The Town's current insurance and risk management program has been provided through PLAN JPA since 2017. As discussed in the Background section, staff recently reviewed the Town's costs, coverages, and overall risk protection and compared those services to options available through the California Joint Powers Insurance Authority. That review found that CJPIA would provide stronger protection in several important areas, particularly liability coverage, while also reducing overall cost to the Town. Based on that analysis, the Town Council acted on December 2, 2025, to begin the transition from PLAN JPA to CJPIA.

The item before the Council now is the next step in that process. In order for the Town's transition to take effect on July 1, 2026, CJPIA requires several formal actions by the Town Council. These actions are largely administrative and procedural, but they are necessary to complete the Town's membership and authorize participation in CJPIA's programs.
First, the Council is being asked to approve the Town's membership in the CJPIA by adopting the resolution in Attachment 1. This action formally approves the Town's participation in CJPIA and authorizes execution of the Joint Powers Agreement that governs the Authority and its member agencies (Attachment 6). Attachment 7 also provides CJPIA's standards of governance, showing their compliance with best practices for pooled insurance providers.

Second, the Council is being asked to authorize the Town's participation in CJPIA's Liability Protection Program through the resolution in Attachment 2. This is one of the most important components of the transition because it places the Town into the liability program that will provide protection for claims and lawsuits beginning July 1, 2026. As described in the prior staff report (Attachment 9), this program is expected to provide higher liability protection while reducing the Town's overall cost exposure.

Third, the Council is being asked to adopt the resolution in Attachment 3, delegating claims handling authority to CJPIA. This allows CJPIA to process tort claims on behalf of the Town under the Government Claims Act. In practical terms, this means the same entity providing the Town's liability coverage will also handle the related claims administration, creating a more efficient and coordinated process.

Fourth, the Council is being asked to adopt the resolution in Attachment 4 authorizing the Town Manager, or designee, to take the administrative steps necessary to carry out the Town's membership and participation in CJPIA and the Town's risk management activities. This includes signing forms, notices, elections, certifications, and other related documents needed to implement and maintain the Town's participation.

Finally, the Council is being asked to appoint the Town's CJPIA voting delegate and alternates. Because CJPIA is a joint powers authority governed by its member agencies, each member agency must designate representatives to act on its behalf in voting and governance matters. This action ensures the Town is properly represented within the Authority once membership

becomes effective. Commonly, participating members appoint the Mayor as the delegate and the Town Manager as an alternate. It is also recommended to add the Town Attorney as a second alternate.

Taken together, these actions will complete the formal steps necessary to move the Town's insurance and risk management program from PLAN JPA to CJPIA. If approved, the transition will take effect on July 1, 2026, and the Town will begin receiving its liability coverage and related risk management services through CJPIA. While there is no resolution for other coverages, the Town will also be participating in similar other coverages it currently possesses, such as property, cyber, crime, and pollution coverage.

This transition is intended to provide the Town with stronger protection for significant risks, more stable long-term insurance arrangements, and lower overall cost, while preserving the public agency pooled risk model the Town has used for many years.

CONCLUSION:

The Town currently receives its insurance and risk management services through PLAN JPA. After reviewing the Town's costs, coverage levels, and overall risk protection, staff determined that moving to the CJPIA would provide stronger protection in key areas and lower overall cost. In December 2025, the Town Council approved that transition and directed staff to take the steps needed to make the change.

The item before the Council tonight completes those steps. By adopting the attached resolutions and making the required appointments, the Council will finalize the Town's membership in CJPIA and authorize the actions needed to begin the transition on July 1, 2026.

Approval of these actions will allow the Town to move its insurance and risk management program to CJPIA and continue those services through a public agency risk pool structure designed to provide coverage, claims administration, and related risk management support.

COORDINATION:

This item was coordinated with the Town Manager's Office and the Town Attorney. Finance staff previously reviewed the financial information during the review of the December 2, 2025, Town Council agenda item.

ENVIRONMENTAL ASSESSMENT:

This action is exempt from the California Environmental Quality Act under CEQA Guidelines section 15061(b)(3), because it can be seen with certainty that approval of the resolutions and related administrative actions to implement the Town's participation in CJPIA will not result in a direct or reasonably foreseeable indirect physical change in the environment. The December 2,

2025, item addressed the same administrative transition in risk management and insurance arrangements.

Attachments:

1. Draft Resolution Approving Execution of the Joint Powers Agreement Creating the CJPIA
2. Draft Resolution Authorizing Pooling of Self Insurance Through the Liability Protection Program of the CJPIA
3. Draft Resolution Delegating Tort Liability Claims Handling Responsibilities to the CJPIA
4. Draft Resolution Authorizing the Town Manager, or Designee, to Execute and Administer Activities and Obligations Related to CJPIA Membership and Participation
5. California JPIA Bylaws
6. California JPIA Joint Powers Agreement
7. Association of Government Risk Pools (AGRiP) Governance Materials
8. 2026 Annual Board of Directors Meeting Voting Delegate and Alternate Form
9. December 2, 2025, Town Council Staff Report Only Terminating with Plan JPA and joining CJPIA

RESOLUTION 2026-xx

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS, COUNTY OF SANTA CLARA, CALIFORNIA, APPROVING EXECUTION OF THE JOINT POWERS AGREEMENT CREATING THE CALIFORNIA JOINT POWERS INSURANCE AUTHORITY

WHEREAS, pursuant to the provisions of Sections 990, 990.4, 990.8 and 6500 of the California Government Code, the California Joint Powers Insurance Authority ("California JPIA") has been created by a Joint Powers Agreement; and

WHEREAS, Joint Protection Programs have been developed by the California JPIA pursuant to the provisions of said Agreement; and

WHEREAS, Article 22 of said Agreement provides for additional members to become parties to the Joint Powers Agreement creating the California JPIA and enter one or more Joint Protection Programs providing self-insurance and loss pooling; and

WHEREAS, the self-insurance and loss pooling programs of the California JPIA, as well as its group insurance coverage programs, offer significant advantages to the Town of Los Gatos in terms of cost, protection, risk management and loss control advice and assistance, and entering such programs would be in the best interest of the Town of Los Gatos.

NOW, THEREFORE, BE IT RESOLVED that the Town Council of the Town of Los Gatos does hereby resolve, order and determine as follows:

Section 1. That the Mayor of the Town of Los Gatos is hereby authorized and directed to execute the Joint Powers Agreement on behalf of the Town of Los Gatos binding the Member to the terms and conditions of said Agreement. The Town of Los Gatos understands and agrees that, by executing the Agreement, it will be bound by the terms of the Joint Powers Agreement, specifically Article 21, “Responsibilities of Members,” including the obligation to make deposits and deposit adjustments for joint protection programs it joins.

Section 2. That the Town of Los Gatos hereby joins the California JPIA, for a period of not less than three (3) years.

Section 3. That the Town of Los Gatos acknowledges and agrees to the provisions of Article 24 of the Agreement, which provides:

(a) A Member that enters into this Agreement may not withdraw as a party to this Agreement and as a Member of the Authority for a three-year period commencing on the effective date of its membership.

(b) A Member that enters into a joint protection program may not withdraw as a participant in that program for a three-year period commencing on the effective date of its participation in the joint protection program.

(c) After the initial three-year non-cancellable commitment to membership in the Authority or participation in a joint protection program, a Member may withdraw only at the end of any protection period, provided it has given the Authority a twelve-month written notice of its intent to withdraw from this Agreement and/or any joint protection programs in which it participates.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos, California, held on the _____th of April 2026, by the following vote:

COUNCIL MEMBERS:

AYES:

NAYS:

ABSENT:

ABSTAIN:

SIGNED:

_____
MAYOR
LOS GATOS, CALIFORNIA

ATTEST:

_____
TOWN CLERK
LOS GATOS, CALIFORNIA

DRAFT

RESOLUTION 2026-xx

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS, COUNTY OF SANTA CLARA, CALIFORNIA, TO AUTHORIZE AND APPROVE POOLING OF SELF-INSURANCE THROUGH THE LIABILITY PROTECTION PROGRAM OF THE CALIFORNIA JOINT POWERS INSURANCE AUTHORITY

WHEREAS, pursuant to the provisions of Section 6500 et seq. and also Sections 990.4 and 990.8 of the California Government Code, the California Joint Powers Insurance Authority ("California JPIA") was created in 1977; and

WHEREAS, the Town of Los Gatos has executed the Joint Powers Agreement to become a member of the California JPIA; and

WHEREAS, the California JPIA has established and administered a successful Liability Self-Insurance and Loss Pooling Program since April 1, 1978; and

WHEREAS, there are significant financial and administrative advantages for the Town of Los Gatos to participate in the Primary Liability Program.

NOW, THEREFORE, BE IT RESOLVED that the Town Council of the Town of Los Gatos does hereby resolve, order and determine as follows:

Section 1. Liability coverage for the Town of Los Gatos through the Liability Program of the California JPIA is hereby authorized and directed effective July 1, 2026, pursuant to the terms of the Memorandum of Coverage in effect at the time of any occurrence covered by the Memorandum of Coverage.

Section 2. That an initial annual contribution of $1,254,500, or such pro-rata part thereof as the California JPIA might determine for coverage of less than a fiscal period, for the Liability Program is approved and the appropriate officers of the Town of Los Gatos are authorized to pay the same to the California JPIA.

Section 3. That the Town of Los Gatos will subsequently be required to make deposits and deposit adjustments as provided in the California JPIA Joint Powers Agreement.

Section 4. That the coverage provided is from the first dollar incurred per occurrence and there is no self-insured retention level. The cost allocation formula, including the self-insured retention level, is periodically reviewed by the California JPIA and may be changed or amended in subsequent Program years.

Section 5. That the Mayor shall sign, and the Town of Los Gatos' Clerk shall certify to the passage and adoption of this Resolution, and thereupon the same shall take effect and be in

force.

Section 6. That the Town of Los Gatos' Clerk is directed to forward a certified copy of this Resolution to the California JPIA, 8081 Moody Street, La Palma, CA 90623.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos, California, held on the _____th of April 2026, by the following vote:

COUNCIL MEMBERS:

AYES:

NAYS:

ABSENT:

ABSTAIN:

SIGNED:

_____
MAYOR
LOS GATOS, CALIFORNIA

ATTEST:

_____
TOWN CLERK
LOS GATOS, CALIFORNIA

DRAFT

RESOLUTION 2026-xx

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS ESTABLISHING A POLICY WHICH DELEGATES TORT LIABILITY CLAIMS HANDLING RESPONSIBILITIES TO THE CALIFORNIA JOINT POWERS INSURANCE AUTHORITY AS AUTHORIZED BY GOVERNMENT CODE SECTIONS 910, ET SEQ.

WHEREAS, the Town of Los Gatos is a member of the California Joint Powers Insurance Authority (California JPIA), and pursuant to Government Code sections 990.4, et seq., and 6500 et seq., pools its self-insured liability claims and losses with other California JPIA members under a Memorandum of Coverage; and

WHEREAS, the Joint Powers Agreement creating the California JPIA authorizes it to exercise powers common to members and appropriate to defend and indemnify members from liability claims under the Memorandum of Coverage.

NOW, THEREFORE, BE IT RESOLVED that the Town Council of the Town of Los Gatos does hereby resolve, order and determine as follows:

Section 1. The Town of Los Gatos delegates to California JPIA authority to act on its behalf pursuant to Government Code sections 910, et seq. to accept, reject, return as insufficient, or return as untimely any claims against it, and to provide any notices authorized under those statutes on behalf of the Town of Los Gatos.

Section 2. This Resolution shall become effective immediately upon its adoption.

Section 3. The Town Clerk shall certify to the adoption of this Resolution.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos, California, held on the _____th of April 2026, by the following vote:

COUNCIL MEMBERS:

AYES:

NAYS:

ABSENT:

ABSTAIN:

DRAFT

SIGNED:

_____
MAYOR
LOS GATOS, CALIFORNIA

ATTEST:

_____
TOWN CLERK
LOS GATOS, CALIFORNIA

DRAFT

RESOLUTION 2026-xx

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS AUTHORIZING THE TOWN MANAGER, OR THE TOWN MANAGER'S DESIGNEE, TO EXECUTE AND ADMINISTER ACTIVITIES AND OBLIGATIONS RELATED TO THE TOWN'S MEMBERSHIP IN AND PARTICIPATION WITH THE CALIFORNIA JOINT POWERS INSURANCE AUTHORITY

WHEREAS, the Town of Los Gatos is a member of the California Joint Powers Insurance Authority ("CJPIA") and participates in insurance, self-insurance, risk management, claims handling, and related programs through that membership; and

WHEREAS, Town Code section 2.30.295 establishes the Town Manager's authority and responsibility to administer Town operations and carry out duties assigned by the Town Council, and the Town Council desires to clarify the Town Manager's authority with respect to CJPIA-related activities and obligations;

WHEREAS, the Town Council finds it desirable to designate the Town Manager, or the Town Manager's designee, as the officer responsible for executing and administering administrative actions necessary to implement the Town's CJPIA membership and participation.

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Los Gatos as follows:

Section 1. **Authority of Town Manager.** The Town Manager, or the Town Manager's designee, is hereby authorized to execute, administer, and take any and all actions necessary or convenient to carry out any activity, duty, or obligation of the Town arising from or related to the Town's membership in and participation with the California Joint Powers Insurance Authority, including, without limitation, the execution and submission of forms, notices, certifications, elections, program documents, contributions, deposits, and other related administrative instruments.

Section 2. **Delegation by Town Manager.** The Town Manager may designate one or more Town officers or employees to exercise any authority granted under this Resolution, in whole or in part, and may limit, revoke, or modify any such designation at any time. Any such designation may be made in writing and shall specify the scope of the delegated authority.

Section 3. **Scope of Authority.** This Resolution is intended to provide administrative authority to implement the Town's CJPIA membership and participation obligations and shall be construed to apply only to actions arising from or related to that membership and participation.

Section 4. **Effective Date.** This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos, California, held on the _____th of April 2026, by the following vote:

COUNCIL MEMBERS:

AYES:

NAYS:

ABSENT:

ABSTAIN:

SIGNED:

_____
MAYOR
LOS GATOS, CALIFORNIA

ATTEST:

_____
TOWN CLERK
LOS GATOS, CALIFORNIA

DRAFT

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Providing innovative risk management solutions for our public agency partners

BYLAWS

CALIFORNIA JOINT POWERS INSURANCE AUTHORITY

AMENDED JULY 17, 2019

INTEGRITY

EXCELLENCE

INNOVATION

ATTACHMENT 5

TEAMWORK

BYLAWS

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BYLAWS

FOR THE REGULATION, EXCEPT AS OTHERWISE PROVIDED BY STATUTE, OR THE AGREEMENT CREATING THE AUTHORITY, OF THE CALIFORNIA JOINT POWERS INSURANCE AUTHORITY

ARTICLE I – OFFICES

Section 1. Principal Executive Office.

The principal executive office for the transaction of the business of the Authority is hereby fixed and located at 8081 Moody Street, La Palma, California 90623. The Executive Committee of the Authority shall have the authority to change the location of the principal executive office from time to time. Any such change shall be noted on the Bylaws by the Secretary, opposite this section, or this section may be amended to state the new location.

Section 2. Other Offices.

Other business offices may at any time be established by the Executive Committee at any place or places where the Authority is qualified to do business.

ARTICLE II - BOARD OF DIRECTORS

Section 1. Composition and Selection.

The Board of Directors shall be composed of one Director from each Member of the Authority, who shall be a member of and selected by the legislative body of that Member, as provided for in the Agreement creating the Authority. Each legislative body shall also appoint at least one alternate, who shall be an officer or employee of that Member. The alternate may attend meetings and vote in the absence of the Director. One person may be duly appointed by more than one Member as the Director representing those Members. "Absence," as the term is used in this section, includes "vacancy" as defined in Section 2 of this Article II. “Director” as the term is used in these Bylaws includes an “alternate” serving in the absence of the Director.

If a Member's membership in the Authority is terminated for whatever reason and by whatever method, that Member shall no longer have a representative on the Board of Directors, Executive Committee, or any other Committee of the Authority.

Section 2. Vacancies.

A vacancy or vacancies on the Board of Directors shall be deemed to exist in case of death, resignation, expiration of term, removal by the Member that made the appointment, or when the Director ceases to be a member of the legislative body of the appointing Member. Vacancies in the positions of Director or alternate or alternates shall be filled in the manner provided for regular appointment of such persons in the Agreement creating the Authority and the Bylaws.

Section 3. Annual Meeting.

(a) Time Held and Business to be Transacted.

The annual meeting of the Board of Directors shall be held in July of each year or at such other time as may be designated by the Executive Committee. At such meeting the President and Vice President of the Authority and other members of the Executive Committee shall be elected as provided in Article III, reports of the affairs of the Authority shall be considered, and any other business may be transacted that is within the powers of the Board of Directors.

(b) Notice.

Written notice of each annual meeting shall be given to each Member of the Authority by mail, email, or other means of written communication, in the manner provided by the Ralph M. Brown Act, California Government Code Section 54950, *et seq.* Such notice shall specify:

(1) the place, the date, and the hour of such meeting;

(2) those matters that are intended to be presented for action or review by the Board of Directors;

(3) if officers and members of the Executive Committee are to be elected, the names of nominees intended at the time of the notice to be presented for election;

(4) the general nature of any proposal to be presented for action with respect to approval of (i) a new Member, (ii) a contract or other transaction of the Authority with an interested Member, (iii) amendment of the Agreement creating the Authority, (iv) the cancellation of a Member's participation in a joint protection program, (v) voluntary termination of the Agreement creating the Authority, or (vi) a distribution of program assets upon program dissolution; and

(5) such other matters, if any, as may be expressly required by statute or by the Agreement creating the Authority.

Section 4. Special Meetings.

Special meetings of the Board of Directors, for the purpose of taking any action permitted by statute and the Agreement creating the Authority, may be called at any time by the President, or by the Vice President in the absence or disability of the President, or by the Executive Committee of the Authority or by not less than ten (10) Members. Upon request in writing that a special meeting of the Board of Directors be called for any proper purpose, directed to the President, Vice President, or Secretary of the Authority, by any person or persons entitled to call a special meeting of the Board of Directors, the officer receiving such request forthwith shall cause notice to be given to the Members that a meeting will be held at a time requested by the person or persons calling the meeting, not less than fifteen (15) nor more than sixty (60) days after receipt of the request. Notice of any special meeting shall be given in compliance with the Ralph M. Brown Act, California Government Code Section 54950, *et seq*. Such notice shall specify the place, date and hour of such meeting, and, if applicable, the names of nominees for officers or members of the Executive Committee intended at the time of the notice to be presented for election and the nature of the business to be transacted. No business other than that specified in the notice of the special meeting may be transacted at that meeting.

Section 5. Place of Meetings.

All annual or other meetings of the Board of Directors shall be held at a place within the State of California designated by the Executive Committee by resolution.

Section 6. Quorum.

At any meeting, the presence in person or by approved teleconference by the Director or alternate of a majority of the Members shall constitute a quorum for the transaction of business.

Section 7. Adjourned Meetings.

(a) Adjournment.

Any meeting of the Board of Directors may be adjourned from time to time by the vote of a majority of the Directors present.

(b) Notice.

When any meeting of the Board of Directors is adjourned for forty-five (45) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Except as specifically provided herein, or by the Ralph M. Brown Act, it shall not be necessary to give any notice of the time and place of the adjourned meeting or of the business to be transacted thereat, other than by announcement of the time and place thereof at the meeting at which such adjournment is taken.

Section 8. Voting.

Unless a record date for voting purposes is fixed by the Executive Committee, Members that are Members on the day of the meeting of the Board of Directors shall be entitled to vote at such meeting. Such vote may be by voice vote or ballot; provided, however, that all elections for officers or members of the Executive Committee must be by ballot upon demand made by a Director at any election and before the voting begins. If a quorum is present, the affirmative vote of the majority of the Members represented at the meeting shall be the act of the Board, unless the vote of a greater number is required by the Agreement creating the Authority or by statute. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Directors, provided that any action taken is approved by a number of Directors at least equal to a majority (or greater number if required) of the number required for a quorum for such meeting. Every Member shall have one vote to be exercised by its Director. If one person has been duly appointed by more than one Member as the Director representing those Members, said person shall have the right to cast votes equal to the number of Members for which he or she has been appointed as Director.

Ballots shall have imprinted on them, the name of the Member on whose behalf a ballot is cast. Ballots shall be open to inspection and public disclosure. A Director has the right to change his or her vote up to the time the vote is finally announced and thereafter only with permission of the Board of Directors prior to adjournment. No Director may change his or her vote, nor may anyone challenge the vote of any Director after the results have been announced, except by the consent of the Board of Directors, and then only prior to adjournment of the meeting at which the vote was cast. Written proxies or powers of attorney casting the vote for any Director, directing any Director to vote in a particular fashion, or acting in the place and stead of any Director, are not acceptable. The vote of each Director or his or her alternate shall not be challenged on the basis that said Director or alternate voted contrary to the express will of the legislative body of the Member for which he or she acts.

Section 9. Inspectors of Election.

(a) Appointment.

In advance of any meeting of the Board of Directors, the Executive Committee may appoint any persons, other than nominees for office, as inspectors of election to act at such meeting or any adjournment thereof. If inspectors of election are not so appointed, the President, or Vice President in his or her absence, may, and on the request of any Director or alternate, shall make such appointment at the meeting. The number of inspectors shall be either one (1) or three (3), at least one of whom shall be a member of the Board of Directors. In case any person appointed as inspector fails to appear or fails or refuses to act, the vacancy may, and on the request of any Director, shall be filled by appointment by the Executive Committee in advance of the meeting, or at the meeting by the President, or the Vice President in his or her absence.

(b) Duties.

The duties of such inspectors shall include: Determining the current number of Members, the Members represented at the meeting, and the existence of a quorum; receiving votes, ballots or consents; hearing and determining all challenges and questions in any way arising in connection with the right to vote; counting and tabulating all votes

or consents; determining when the polls shall close; determining the result; and such acts as may be proper to conduct the election or vote with fairness to all Members.

(c) Procedure.

The inspectors of election shall perform their duties impartially, in good faith, to the best of their ability and as expeditiously as is practical. The decision, act or certificate of a majority of the inspectors shall be effective in all respects as the decision, act or certificate of all. Any report or certificate made by the inspectors of election is prima facie evidence of the facts stated therein.

ARTICLE III - EXECUTIVE COMMITTEE

Section 1. Number of Members.

The authorized number of members of the Executive Committee shall be nine (9), until and unless changed by amendment of this Section, duly adopted by the vote or written consent of a majority of the Board of Directors, and subject to the limitations in the Agreement creating the Authority.

Section 2. Composition, Selection and Term of Office.

The Executive Committee shall consist of the President, Vice President and seven other members elected by the Board of Directors from the members of the Board.

The terms of office of the Executive Committee members shall be for a term of two years or until he or she resigns or is removed or otherwise disqualified to serve. Members of the Executive Committee shall hold office until their successors are elected.

The President, or in his or her absence, the Vice President, shall serve as Chairperson of the Executive Committee.

Section 3. Vacancies.

(a) Creation of Vacancies.

A vacancy or vacancies in the Executive Committee shall be deemed to exist in case of the death, resignation, expiration of term, termination of membership on the Board of Directors, removal of any Executive Committee member by the Board of Directors, declaration of unsound mind by order of court, conviction of a felony, increase in the authorized number of members by amendment of the Agreement creating the Authority, or if the Board of Directors fail, at any annual or special meeting of the Board at which any members of the Executive Committee are elected, to elect the full authorized number of Executive Committee members to be voted for at that meeting. A vacancy in the Executive Committee may further be created by removal of any member by the Executive Committee when such member has been absent from two or more regular meetings of the Executive Committee without advance excuse approved by the Executive Committee during any one year (from July 1 to June 30), and the Executive Committee determines, after reviewing the circumstances of said absences, that such member should be removed.

(b) Vacancies Filled by Executive Committee.

Vacancies in the Executive Committee, except for a vacancy created by the removal of an Executive Committee member, may be filled by appointment by a majority of the remaining members of the Executive Committee, though less than a quorum, or by a sole remaining member of the Executive Committee, and each member so appointed shall hold office until the expiration of the term of the vacated seat.

(c) Vacancies Filled by Board of Directors.

The Board of Directors may elect a member of the Executive Committee at any time to fill any vacancy or vacancies or seat filled on an interim basis by the Executive Committee. A vacancy in the Executive Committee created by the removal of a member by the Board of Directors may be filled only by the vote of a majority of the Directors present at a duly held meeting of the Board of Directors.

Section 4. Resignation.

Any Executive Committee member may resign effective upon written notice to the President, the Vice President, the Secretary or the Board of Directors of the Authority, unless the notice

specifies a later time for the effectiveness of such resignation. A vacancy created by such resignation shall be filled pursuant to Article III, Section 3.

Section 5. Removal of Executive Committee or its Individual Members by Board of Directors.

The entire Executive Committee or any of its individual members may be removed from office by a two-thirds vote of the Directors present at a duly held meeting of the Board of Directors.

Section 6. Regular Meetings.

(a) Regular Meetings.

The Executive Committee shall hold a regular monthly meeting. In the event a meeting date falls on a holiday or conflicts with another activity of the Authority or its Members, the President and Chief Executive Officer may confer, and the President will reschedule the monthly meeting to a more convenient date, giving notice to all Members.

(b) Call and Notice.

No further call or notice of regular meetings need be given, except as is required to comply with the Ralph M. Brown Act, California Government Code Section 54950 *et seq.*

Section 7. Special Meetings.

(a) Call.

Special meetings of the Executive Committee for any purpose or purposes may be called at any time by the President, the Vice President, the Secretary, any two members of the Executive Committee, or the Chief Executive Officer.

(b) Notice.

Notice of the time and place of special meetings shall be given in writing to the members of the Executive Committee, delivered personally, by mail, email, or other approved method of delivery to each member at least 24 hours before the time of such meeting.

Such notice shall specify the business to be transacted at the meeting and no business other than that specified in the notice shall be transacted at that meeting. Said notice shall be given in compliance with the Ralph M. Brown Act, California Government Code Section 54950 *et seq.*

Section 8. Actions at Meetings.

The President, or in his or her absence, the Vice President shall serve as the Chairperson of the Executive Committee. The presence of a majority of the authorized number of Executive Committee members at a meeting constitutes a quorum for the transaction of business, except as hereinafter provided. Members of the Executive Committee may participate in a meeting through use of conference telephone or similar communications equipment, so long as all members participating in such meeting can hear one another; such participation in a meeting constitutes presence in person at such meeting. Every act or decision done or made by a majority of the Executive Committee members present at a meeting duly held at which a quorum is present shall be regarded as the act of the Executive Committee, unless a greater number is required by law, by the Agreement creating the Authority, or by these Bylaws. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of members, provided that any action taken is approved by a number of members at least equal to a majority (or greater number if required) of the number required for a quorum for such meeting.

Section 9. Adjourned Meetings.

(a) Adjournment.

A quorum of the members of the Executive Committee may adjourn any Executive Committee meeting to a stated day, hour and place; provided, however, that in the absence of a quorum, a majority of the Executive Committee members present at any meeting may adjourn from time to time to a time not later than the time fixed for the next regular meeting of the Executive Committee.

(b) Notice of Adjournment.

If a meeting is adjourned for more than 24 hours, at least 24-hours written notice of such adjournment to another time or place shall be given prior to the time of the adjourned meeting to the Executive Committee members who were not present at the time of adjournment. Otherwise, notice of the time and place of holding an adjourned meeting need not be given if the time and place are fixed at the time of adjournment, except that the provisions of the Ralph M. Brown Act, California Government Code Sections 54950 *et seq.*, shall be complied with.

ARTICLE IV – CLAIMS COMMITTEE

Section 1. Composition.

The Claims Committee shall be composed of each member of the Executive Committee, the Managers Committee Chair, and the Finance Officers Committee Chair.

Section 2. Meetings.

The President shall appoint an Executive Committee member to serve as the Chair of the Claims Committee. The Chair, or in his or her absence the President, shall preside over the meetings. The presence of a majority of the authorized number of Claims Committee members at a meeting constitutes a quorum for the transaction of business, except as hereinafter provided. Members of the Claims Committee may participate in a meeting through use of conference telephone or similar communications equipment, so long as all members participating in such meeting can hear one another; such participation in a meeting constitutes presence in person at such meeting. Every act or decision done or made by a majority of the Claims Committee members present at a meeting duly held at which a quorum is present shall be regarded as the act of the Claims Committee, unless a greater number is required by law, by the Agreement creating the Authority, or by these Bylaws. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of members, provided that any action taken is approved by a number of members at least equal to a majority of the number required for a quorum for such meeting.

ARTICLE V - ADVISORY COMMITTEES

Section 1. Managers Committee.

Pursuant to the Agreement creating the Authority, the Managers Committee shall be composed of one representative from each Member, who shall be the City Manager, City Administrator or the Chief Executive Officer of that Member. An alternate may be designated in writing to serve in place of and may vote for that representative in his or her absence. At any meeting, the presence in person or by approved teleconference of at least seven Managers or alternates shall constitute a quorum for the transaction of business. In the absence of a quorum, a majority of the Committee members present at any meeting may adjourn from time to time to a time not later than the time fixed for the next regular meeting of the Committee.

Section 2. Finance Officers Committee.

Pursuant to the Agreement creating the Authority, the Finance Officers Committee shall be composed of one representative from each Member, who shall be the Finance Director or Chief Finance Officer of that Member. An alternate may be designated in writing to serve in place of and may vote for that representative in his or her absence. At any meeting, the presence in person or by approved teleconference of at least seven Finance Officers or alternates shall constitute a quorum for the transaction of business. In the absence of a quorum, a majority of the Committee members present at any meeting may adjourn from time to time to a time not later than the time fixed for the next regular meeting of the Committee.

Section 3. Risk Managers Committee.

Pursuant to the Agreement creating the Authority, the Risk Managers Committee shall be composed of one representative from each Member, who shall be the Risk Manager or risk officer of that Member. An alternate may be designated in writing to serve in place of and may vote for that representative in his or her absence. At any meeting, the presence in person or by approved teleconference of at least seven Risk Managers or alternates shall constitute a quorum for the transaction of business. In the absence of a quorum, a majority of the Committee members present at any meeting may adjourn from time to time to a time not later than the time fixed for the next regular meeting of the Committee.

Section 4. Underwriting Committee.

Pursuant to the Agreement creating the Authority, the Underwriting Committee shall be composed of the Managers Committee Chair and Vice Chair, the Finance Officers Committee Chair and Vice Chair, and the Chief Executive Officer of the Authority. Three representatives shall constitute a quorum. In the absence of a quorum, a majority of the Committee members present at any meeting may adjourn.

Section 5. Other Committees

Other committees may be created by the Executive Committee for the purpose of providing specialized advice to the Executive Committee on the subject matter brought before it. The committee's purpose, composition, quorum requirements, and meeting schedule may be defined by the Executive Committee or delegated by the Executive Committee to the advisory committee itself.

Section 6. Meetings.

Such Committees shall meet from time to time and shall elect their respective Chairpersons, Vice Chairpersons and other officers as deemed necessary by them. All meetings shall be noticed in compliance with the Ralph M. Brown Act, California Government Code Section 54950, *et seq.*

ARTICLE VI - OFFICERS AND EMPLOYEES

Section 1. Officers.

The officers of the Authority shall be a President, a Vice President, a Secretary, and a Treasurer. The Executive Committee may, in addition, provide for other officers as it deems necessary for the performance of the business of the Authority.

Section 2. Election and Term of Office.

The President and Vice President of the Authority shall be elected by the Board of Directors at its annual meeting, and each shall hold office for a term of two years or until he or she resigns or is removed or otherwise disqualified to serve, and until his or her successor is elected.

Section 3. Other Officers and Employees.

The Executive Committee shall appoint, or may empower the President to appoint, subject to ratification by the Executive Committee, all officers other than the President and Vice President. Except as may otherwise be provided in the Agreement creating the Authority or the Bylaws, such officers shall hold office until replaced by action of the Executive Committee. The Executive Committee shall also appoint a Chief Executive Officer and Authority Attorney who shall serve at the pleasure of the Executive Committee or for such term as the Executive Committee may provide by agreement. All officers and employees shall have such authority and perform such duties as are provided in the Agreement creating the Authority, or the Bylaws or as the Executive Committee may from time to time determine. The Executive Committee may provide for the payment of compensation to officers or employees for their services to the Authority.

Section 4. Vacancies.

A vacancy in any office because of death, resignation, removal, disqualification, expiration of term, or any other cause shall be filled in the manner prescribed in the Agreement creating the Authority and the Bylaws for regular appointments to such office.

Section 5. Removal and Resignation.

(a) Removal.

The President, Vice President or any Executive Committee member may be removed, without cause, by the Board of Directors, at any regular or special meeting thereof. An officer chosen by the Executive Committee may be removed, without cause, by the Executive Committee or by any officer upon whom such power of removal may be conferred by the Executive Committee, (subject, in each case, to the rights, if any, of an officer under any contract of employment).

(b) Resignation.

Any officer may resign at any time by giving written notice to the Executive Committee or to the President, or to the Secretary of the Authority, without prejudice, however, to the rights, if any, of the Authority under any contract to which such officer is a party.

Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. President.

The President shall preside at all meetings of the Board of Directors and the Executive Committee. He or she shall be a member of all of the Executive Committee standing committees and shall have the powers and duties as may be prescribed by the Board of Directors, the Agreement creating the Authority, or the Bylaws.

Section 7. Vice President.

In the absence or disability of the President, the Vice President shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the President. The Vice President shall have such other powers and perform such other duties as from time to time may be prescribed by the Board of Directors or the Bylaws.

Section 8. Secretary.

The Secretary shall record or cause to be recorded, and shall keep or cause to be kept, at the principal executive office or such other place as the Executive Committee may order, a permanent record of minutes of actions taken at all meetings of the Board of Directors and Executive Committee, whether regular or special, (and, if special, how authorized), the notice thereof given, the names of those present at the meetings, and the proceedings thereof.

The Secretary shall keep, or cause to be kept, at the principal executive office of the Authority a list of all designated Directors and alternates of each Member.

The Secretary shall give, or cause to be given, notice of all the meetings of the Board of Directors and of the Executive Committee required by the Bylaws or by law to be given, and shall have such other powers and perform such other duties as may be prescribed by the Executive Committee, the Agreement creating the Authority, or by the Bylaws.

Section 9. Treasurer.

The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct financial records of the Authority, including accounts of its assets, liabilities, receipts, and disbursements, and shall have such other duties as are provided for in the Agreement creating the Authority.

Section 10. Chief Executive Officer

The Chief Executive Officer shall be authorized and responsible for the overall management and administration of the Authority and its joint protection programs and shall select and appoint all employees. The Chief Executive Officer shall have such other and related duties as may be prescribed by the Executive Committee or the Bylaws.

ARTICLE VII – MISCELLANEOUS

Section 1. Rules and Regulations of Joint Protection Programs.

As soon as practicable after development of the details of a joint protection program of the Authority, the specific rules and regulations for the implementation of the program shall be adopted by the Executive Committee, which shall cause them to be set forth in written form and a copy thereof distributed to each Member. Such rules and regulations shall be included in any procedure manual prepared by the Authority for the Members.

Section 2. Annual Report.

The Executive Committee of the Authority shall cause an annual report to be sent to the Members not later than 270 days after the close of each fiscal year. Such report shall contain a statement of net position as of the end of such fiscal year and a statement of revenues, expenses, and changes in net position for such fiscal year, and shall be accompanied by the annual audit report thereon and such other information as may be required by law.

Section 3. Defense and Indemnification of Agents of the Authority.

(a) For the purpose of this Article, "agent" means any person who is or was an officer, board member, employee, or other agent of the Authority.

(b) The Authority shall provide for the defense and indemnity of any civil action or proceeding brought against any such agent of the Authority in his or her official or individual capacity or both, on account of an act or omission within the scope of his or her agency as an agent of the Authority, and to the extent of such defense as is provided for in California Government Code Section 995 *et seq.*

Section 4. Inspection of Authority Records.

The accounting, books and records, the list of Members' designated Directors and alternates, and minutes of proceedings of the Board of Directors and the Executive Committee and all other committees of the Authority shall be open to the inspection of any Member at any reasonable time. Such inspection by a Member may be made in person or by agent or attorney, and the right of inspection includes the right to copy and make extracts.

Section 5. Checks and Drafts.

All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the Authority, shall be signed or endorsed by the President and Treasurer or by such person or persons and in such manner as, from time to time, shall be determined by the Executive Committee.

Section 6. Register of Demands.

A register of all demands shall be submitted to the Executive Committee for payment approval and shall have attached thereto the affidavit or declaration of the Chief Executive Officer certifying as to the accuracy of the demands and the availability of funds for payment thereof. The Executive Committee shall not hear, consider, allow or approve any bill or demand against the Authority unless the same is itemized giving names, dates, and particular services tendered, and any other pertinent details as the case may be. Demands for salaries and wages of officers and employees of the Authority may, but need not be, presented to the Executive Committee prior to payment but shall appear on the next register of demands for approval.

After approval of the register of demands by the Executive Committee, the public officer performing the function of Treasurer shall sign the warrant authorizing payment of the demands so approved. Signatures on warrants may be by facsimile.

Section 7. Execution of Contracts.

The Executive Committee may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Authority, and such authorization may be general or confined to specific instances. Unless so authorized by the Executive Committee, no officer, agent or employee shall have any power or authority to bind the Authority by any contract or engagement or to pledge its credit or to render it liable for any purpose or to any amount. The Chief Executive Officer is authorized to enter into any contract or execute any instrument in the name of, and on behalf of, the Authority for services and programs approved by the Executive Committee or Board of Directors, subject to limitations (including budget limitations) set by the Executive Committee or the Board of Directors.

Section 8. Rules of Procedure for Meetings.

All meetings of the Board of Directors, Executive Committee, and any other Committees of the Authority, shall be conducted in accordance with Robert's Rules of Order, except where such are in conflict with California law, the Agreement creating the Authority, or the Bylaws, whereupon the latter three shall govern over said Rules of Order.

ARTICLE VIII - AMENDMENTS TO BYLAWS

Section 1. Power of Board of Directors.

New Bylaws may be adopted, or these Bylaws may be amended or repealed by the affirmative vote of a majority of the quorum at a meeting of the Board of Directors, except as otherwise provided by the Agreement creating the Authority.

Section 2. Power of Executive Committee.

Subject to the right of the Board of Directors as provided in Section 1 of this Article VIII to adopt or amend Bylaws, Bylaws other than a bylaw or amendment thereof changing the authorized number of members of the Executive Committee may be adopted or amended by the Executive Committee. Any amendment by the Executive Committee shall be on the agenda of the next meeting of the Board of Directors for ratification. An affirmative vote by a majority of the quorum shall constitute ratification of the amendment.

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Providing innovative risk management solutions for our public agency partners

JOINT POWERS AGREEMENT

CALIFORNIA JOINT POWERS INSURANCE AUTHORITY

AMENDED JULY 17, 2019

INTEGRITY

EXCELLENCE

INNOVATION

ATTACHMENT 6

TEAMWORK

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JOINT POWERS AGREEMENT

CREATING THE CALIFORNIA JOINT POWERS INSURANCE AUTHORITY

THIS AGREEMENT is made and entered into by and among the public entities organized and existing under the Constitution or laws of the State of California, hereinafter collectively referred to as "Members" and individually as "Member," that are parties signatory to this Agreement. Said Members are sometimes referred to herein as "parties."

RECITALS:

WHEREAS, California Government Code Section 6500 et seq. provides that two or more public agencies may by agreement jointly exercise any power common to the contracting parties; and

WHEREAS, California Government Code Section 990.4 provides that a local public entity may self-insure, purchase insurance through an authorized carrier, or purchase insurance through a surplus line broker, or any combination of these; and

WHEREAS, California Government Code Section 990.8 provides that two or more local public entities may, by a joint powers agreement, provide insurance for any purpose by any one or more of the methods specified in Government Code Section 990.4; and

WHEREAS, each of the parties to this Agreement desires to join together with the other parties for the purpose of pooling their self-insured losses and jointly purchasing excess insurance and administrative services in connection with one or more joint protection programs for said parties; and

WHEREAS, it appears economically feasible and practical for the parties to this Agreement to do so;

NOW, THEREFORE, for and in consideration of all of the mutual benefits, covenants and agreements contained herein, the parties hereto agree as follows:

ARTICLE 1 - DEFINITIONS

The following definitions shall apply to the provisions of this Agreement:

(a) "Advisory Committee" shall mean the Managers Committee, Finance Officers Committee, Risk Managers Committee and any other committee created by the Board of Directors or Executive Committee for the purpose of providing specialized advice to the Board of Directors or Executive Committee on the subject matter brought before it.

(b) "Alternate" shall mean that person or persons selected by the legislative body of each Member to represent the Member at the Board of Directors meeting in the absence of the Director, pursuant to Article 7 of this Agreement.

(c) "Authority" shall mean the California Joint Powers Insurance Authority created by this Agreement.

(d) "Board of Directors" or "Board" shall mean the governing body of the Authority.

(e) "Chief Executive Officer" shall mean that employee of the Authority who is appointed by the Executive Committee, and is granted authority and responsibility for the management and administration of the Authority and its joint protection programs.

(f) "Claims" shall mean demands made against the Authority, a Member, or Members arising out of occurrences that are within an Authority joint protection program as developed by the Executive Committee.

(g) "Contribution" shall mean an amount determined by the Executive Committee that is to be paid by the Member as its established share of funding required to cover the financial obligations of each joint protection program in which the member participates.

(h) "Director" shall mean that person selected by and from the legislative body of each Member to represent the Member on the Board of Directors pursuant to Article 7 of this Agreement.

(i) "Executive Committee" shall mean the Executive Committee of the Board of Directors of the Authority.

(j) "Finance Officers Committee" shall mean the committee of the Authority composed of the Finance Directors or chief finance officers of the Members by whatever title locally designated.

(k) "Fiscal Year" shall mean that period of twelve months that is established as the fiscal year of the Authority.

(l) "Insurance" shall mean and include pooled self-insurance through a funded program and/or any commercial insurance, excess insurance, or reinsurance contract purchased on behalf of the Authority to protect the funds of the Authority against catastrophes or an unusual frequency of losses during a specific protection period.

(m) "Managers Committee" shall mean the committee of the Authority composed of the City Managers, City Administrators, or chief executive officers of the Members by whatever title locally designated.

(n) "Risk Managers Committee" shall mean the committee of the Authority composed of the Risk Managers or risk officers of the Members by whatever title locally designated.

(o) "Secretary" shall mean the person selected by the Executive Committee from among its members to serve as Secretary of the Authority.

(p) "Treasurer" shall mean the person selected by the Executive Committee to serve as Treasurer of the Authority.

ARTICLE 2 - PURPOSES

This agreement is entered into by the Members pursuant to the provisions of California Government Code Sections 990, 990.4, 990.8, and 6500 et seq. in order to provide more comprehensive and economical protection from financial loss, to reduce the amount and frequency of their losses, and to decrease the cost incurred in the handling and litigation of claims. This purpose shall be accomplished through the exercise of the powers of the Members jointly in the creation of a separate entity, the California Joint Powers Insurance Authority (the Authority), to administer joint protection programs wherein Members will pool their losses and claims, jointly purchase insurance and administrative and other services, including claims adjusting, data processing, risk management consulting, loss prevention, training, legal, and related services.

It is also the purpose of this Agreement to provide, to the extent permitted by law, for the inclusion at a subsequent date of such additional public entities organized and existing under the Constitution or laws of the State of California as may desire to become parties to this Agreement.

ARTICLE 3 - PARTIES TO AGREEMENT

Each party to this Agreement certifies that it intends to and does contract with all other parties who are signatories of this Agreement and, in addition, with such other parties as may later be added as parties to and signatories of this Agreement pursuant to Article 22. Each party to this Agreement also certifies that the deletion of any party from this Agreement, pursuant to Articles 24, 26, 27, or 28 shall not affect this Agreement nor such party's intent to contract as described above with the other parties to the Agreement then remaining.

ARTICLE 4 - TERM OF AGREEMENT

This Agreement became effective on June 29, 1977, and shall continue until and unless terminated as hereinafter provided.

ARTICLE 5 - CREATION OF AUTHORITY

Pursuant to Section 6500 et seq. of the California Government Code, there is hereby created a public entity separate and apart from the parties hereto, to be known as the California Joint Powers Insurance Authority. Pursuant to Government Code Section 6508.1, the debts, liabilities and obligations of the Authority shall not constitute debts, liabilities or obligations of any party to this Agreement; except with respect to public retirement system liabilities, which shall be governed by Sections 6508.1 and 6508.2.

ARTICLE 6 - POWERS OF AUTHORITY

(a) The Authority shall have the powers common to its Members and is hereby authorized to do all acts necessary for the exercise of said common powers, including, but not limited to, any or all of the following:

1. To make and enter into contracts;
2. To incur debts, liabilities or obligations;
3. To acquire, hold or dispose of property, contributions and donations of property, funds, services and other forms of assistance from persons, firms, corporations and governmental entities;
4. To sue and be sued in its own name; and
5. To exercise all powers necessary and proper to carry out the terms and provisions of this Agreement, or otherwise authorized by law.

(b) Said powers shall be exercised pursuant to the terms hereof and in the manner provided by law and are subject to the restrictions upon the manner of exercising the powers of the City of Lakewood.

ARTICLE 7 - BOARD OF DIRECTORS

(a) The Authority shall be governed by the Board of Directors that is hereby established and that shall be composed of one representative Director from each Member, who shall be selected from the legislative body of that Member by the process chosen by the Member.

(b) Each legislative body, in addition to appointing its Director of the Board, shall appoint at least one alternate who shall be an officer or employee of the Member. The alternate shall have the authority to attend, participate in, and vote at any meeting of the Board when the regular Director for whom he or she is an alternate is absent from said meeting.

ARTICLE 8 - POWERS OF THE BOARD OF DIRECTORS

The Board of Directors of the Authority shall have the following powers and functions:

(a) The Board shall elect from its members pursuant to Article 10 of this Agreement an Executive Committee, to which it may give authority to make and implement any decisions, including those involving the administration of the Authority, except those decisions that would require an amendment of this Agreement, under Article 34 herein.

(a) The Board shall adopt the operating budget of the Authority.

(b) The Board may review all acts of the Executive Committee, including development of the memoranda of coverage, and shall have the power to modify and/or override any decision or action of the Executive Committee upon a majority vote of a quorum of the Board of Directors.

(c) The Board shall receive and review periodic accountings of all funds under Articles 18 and 19 of this Agreement.

(d) The Board shall have the power to conduct on behalf of the Authority all business of the Authority, including that assigned to the Executive Committee, that the Authority may conduct under the provisions hereof and pursuant to law.

(e) The Board shall have such other powers and functions as are provided for in this Agreement.

(f) The Board shall not have the power to overturn the decisions of the Claims Committee in regard to the settlement of claims.

ARTICLE 9 - MEETINGS OF THE BOARD OF DIRECTORS

(a) Meetings. The Board shall provide for its regular, adjourned regular, and special meetings; provided, however, that it shall hold at least one regular meeting annually at a time and place determined by the Executive Committee.

(b) Minutes. The Secretary of the Authority shall cause minutes of regular, adjourned regular, and special meetings to be kept and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each member of the Board.

(c) Quorum. A majority of the Directors or Alternates of the Board shall constitute a quorum for the transaction of business, except that less than a quorum may adjourn from time to time. A vote of the majority of those Directors or Alternates present at a meeting shall be sufficient to constitute action by the Board.

(d) Compliance with the Brown Act. All meetings of the Board, including, without limitation, regular, adjourned regular, and special meetings, shall be called, noticed, held, and conducted in accordance with the provisions of the Ralph M. Brown Act, California Government Code Section 54950 et seq.

ARTICLE 10 - EXECUTIVE COMMITTEE

There shall be an Executive Committee of the Board of Directors that shall consist of nine (9) members. Two of the members of the Executive Committee shall be the President and Vice President of the Board of Directors. The other members of the Executive Committee shall be elected by the Board of Directors at the Annual Meeting for the terms provided in the Bylaws. The President of the Authority, or the Vice President in his or her absence, shall serve as the Chairperson of the Executive Committee.

ARTICLE 11 - POWERS OF THE EXECUTIVE COMMITTEE

The Executive Committee of the Board of Directors shall have the following powers:

(a) The Executive Committee shall determine and select joint protection programs for the Authority including adoption of language of the Memoranda of Coverage and any limitations or endorsements to such Memoranda.

(b) The Executive Committee shall determine and select all insurance necessary to carry out the joint protection programs of the Authority.

(c) The Executive Committee shall have the authority to approve membership in the Authority and Member participation in one or more joint protection programs in accordance with Articles 22 and 23.

(d) The Executive Committee shall have the authority to cancel Member participation in one or more joint protection programs in accordance with Articles 26 and 28.

(e) The Executive Committee shall develop the operating budget of the Authority.

(f) The Executive Committee shall have authority to contract for or develop various services for the Authority, including, but not limited to, claims adjusting, loss control, and risk management consulting services.

(g) The Executive Committee shall receive and act upon reports of the Advisory Committees and the Chief Executive Officer.

(h) The Executive Committee shall appoint the Treasurer and Chief Executive Officer of the Authority.

(i) The Executive Committee shall have the power to hire such persons as the Executive Committee deems necessary for the administration of the Authority.

(j) The Executive Committee shall have the general supervisory and policy control over the day-to-day decisions and administrative activities of the Chief Executive Officer of the Authority.

(k) The Executive Committee shall have such other powers and functions as are provided for in this Agreement or as delegated by the Board of Directors, including the power to create committees it deems necessary.

ARTICLE 12 - MEETINGS OF THE EXECUTIVE COMMITTEE

The meetings of the Executive Committee shall be held and conducted in the same manner as the meetings of the Board of Directors, provided for in Article 9 of this Agreement. In addition, the Committee shall make periodic reports to the Board of Directors, advising the Board of its decisions and activities concerning the implementation of the joint protection programs of the Authority.

ARTICLE 13 - CLAIMS COMMITTEE

The Executive Committee members, together with the Chairs of the Managers Committee and the Finance Officers Committee, shall sit as the Claims Committee of the Authority. The Claims Committee shall have authority to make all determinations regarding defense, indemnity, and settlement of claims under the Memoranda of Coverage. Decisions of the Claims Committee regarding settlement of claims shall be final and not subject to further review. Decisions regarding coverage for defense or indemnity of claims shall be final, but subject to the Member's appeal rights as detailed in the applicable Memorandum of Coverage.

ARTICLE 14 - OFFICERS OF THE AUTHORITY

(a) President and Vice President. The Board shall elect a President and Vice President of the Authority, each to hold office for a two-year term, except as hereinafter provided, and until a successor is elected. The election of the President and Vice President shall be on alternate years. In the event the President so elected ceases to be a member of the Board, or for other reasons is unable to serve, the Vice President shall assume the position of President and serve the remainder of the prior President's unexpired term. In the event the Vice President so elected ceases to be a member of the Board, or for other reasons is unable to serve, the Executive Committee shall select from among its membership a new Vice President who shall serve the remainder of the unexpired term.

(b) Chief Executive Officer. The Chief Executive Officer shall be authorized and responsible for the overall management and administration of the Authority and its joint protection programs and shall select and appoint all employees.

(c) Secretary. The Secretary shall be responsible for all minutes, notices and records of the Authority and shall perform such other duties as may be assigned by the Executive Committee.

(d) Treasurer. The duties of the Treasurer are set forth in Articles 18 and 19 of this Agreement.

(e) Attorney. The Executive Committee shall select an attorney for the Authority. The attorney shall serve at the pleasure of the Executive Committee.

(f) The Executive Committee shall have the power to appoint such other officers as may be necessary in order to carry out the purposes of this Agreement.

ARTICLE 15 - ADVISORY COMMITTEES

The Board of Directors or Executive Committee may establish Advisory Committees as deemed necessary. Such Committees shall meet from time to time as deemed necessary by them, and shall make recommendations to the Executive Committee based upon their expertise.

ARTICLE 16 - COVERAGE

(a) The coverage provided for Members through the Authority's joint protection programs may include protection for Personal Injury, Errors and Omissions, Contractual and Comprehensive Liability, Workers' Compensation and such other areas of coverage as the Executive Committee may determine. Such coverage may be through insurance as defined in Article 1.

(b) The Authority shall maintain limits of coverage for Members determined by the Executive Committee to be adequate. The Executive Committee may arrange for a group policy to be issued for Members interested in obtaining additional coverage above the limits of coverage at an additional cost to those participating Members.

(c) The Executive Committee shall arrange for the purchase of insurance it deems necessary to protect the funds of the Authority against catastrophes. The Executive Committee shall have the authority to discontinue purchase of this insurance, if at a future time the Executive Committee determines that it is no longer needed to protect the Authority's funds.

ARTICLE 17 - DEVELOPMENT OF THE JOINT PROTECTION PROGRAMS

(a) The joint protection programs provided by the Authority shall extend to agencies or authorities as determined in the Memorandum of Coverage of each program.

(b) The cost allocation formula for each joint protection program shall be adopted by the Executive Committee.

(c) The contribution for each Member's participation in a joint protection program shall be determined by the Executive Committee.

(d) The cost allocation formula adopted by the Executive Committee for each joint protection program may provide for retrospective adjustments, and each Member shall pay any additional contribution required by such retrospective adjustment.

(e) The Executive Committee may provide for payment of a portion of such contributions to be made over a period of time on terms set by the Executive Committee.

(f) The Executive Committee may expand the Authority's offerings of joint protection programs to make available for Members' protection in addition to that which is provided for in this Agreement.

(g) Contributions held by the Authority for each joint protection program shall be accounted for separately, so that only Members participating in the program will share in pooled losses and expenses of that program. This separate accounting shall not prohibit the Authority from commingling contributions for purposes of investment, nor from paying losses or expenses when due from all available funds. As deemed appropriate, the Executive Committee may provide for inter-program transfers in the forms of loans, letters of credit, or other financial arrangements that stipulate that the lending program will be made whole by the borrowing program through the timely repayment of principal and compensation for the value of lost investment earnings during the financing period.

ARTICLE 18 - ACCOUNTS AND RECORDS

(a) Budget. The Authority shall adopt an operating budget, pursuant to Article 11(e) of this Agreement.

(b) Funds and Accounts. The Treasurer of the Authority shall establish and maintain such funds and accounts as may be required by good accounting practice or by the Executive Committee. Books and records of the Authority in the hands of the Treasurer shall be open to any inspection at all reasonable times by representatives of a Member.

(c) Treasurer's Report. The Treasurer, within 270 days after the close of each fiscal year, shall give a complete written report of all financial activities for such fiscal year to the Board and to each Member.

(d) Annual Audit. The Executive Committee shall provide for a certified, annual audit of the accounts and records of the Authority. The audit shall conform to generally accepted auditing standards. When such an audit of the accounts and records is made by a Certified Public Accountant, a report thereof shall be filed as a public record with each of the Members. Such report shall be filed within nine months of the end of the year under examination.

(e) Costs. Any costs of the audit, including contracts with, or employment of, Certified Public Accountants, in making an audit pursuant to this Article, shall be borne by the Authority and shall be considered included within the term "administrative costs."

ARTICLE 19 - RESPONSIBILITY FOR MONIES

(a) The Treasurer of the Authority shall have the custody of and disburse the Authority's funds. He or she shall have the authority to delegate the signatory function of Treasurer to such persons as are authorized by the Executive Committee.

(b) A bond or other insurance protection providing coverage for embezzlement or other criminal acts in an amount determined by the Executive Committee to be adequate shall be required of all officers and personnel authorized to disburse funds of the Authority. The cost of such bond or insurance protection shall be paid for by the Authority.

(c) The Treasurer of the Authority shall perform the duties described in California Government Code Sections 6505.5 and 6505.6 pertaining to the receipt, safekeeping, payment, and reporting of Authority funds.

ARTICLE 20 - RESPONSIBILITIES OF THE AUTHORITY

The Authority shall perform the following functions in discharging its responsibilities under this Agreement:

(a) Provide loss protection as necessary, through various means including but not limited to insurance or other financial risk transfer, by negotiation or bid and purchase.

(b) Assist Members in obtaining coverage for risks not included within the joint protection programs of the Authority.

(c) Assist each Member's assigned risk manager with the implementation of that function within the Member.

(d) Provide loss prevention and safety and consulting services to Members as required, which may include programs for grants or loans to Members for loss prevention or safety purposes.

(e) Provide claims adjusting and subrogation services for claims covered by the Authority's joint protection programs.

(f) Provide loss control and analysis by the use of statistical analysis, data processing, and record and file keeping services, in order to identify high exposure operations and to evaluate proper levels of self-retention and deductibles.

(g) Provide contract review when requested by Members to determine sufficiency of indemnity and insurance provisions.

(h) Conduct risk management evaluations of each Member to encourage implementation of best risk management practices.

(i) The Authority shall have standing and shall pursue recovery in its own name or in the name of a Member for losses covered by a joint protection program. Such recovery may be through subrogation, cross complaint, or salvage, as appropriate.

(j) The Authority shall have such other responsibilities as deemed necessary by the Board of Directors or Executive Committee in order to carry out the purposes of this Agreement.

ARTICLE 21 - RESPONSIBILITIES OF MEMBERS

Members shall have the following responsibilities:

(a) The legislative body of each Member shall appoint a representative and at least one alternate representative to the Board of Directors, pursuant to Article 7 of this Agreement.

(b) Each Member shall appoint an employee to be responsible for the risk management function of that Member, and to serve as a liaison between the Member and the Authority as to risk management.

(c) Each Member shall maintain an active safety officer and/or committee, and shall consider all recommendations of the Authority concerning unsafe practices or exposures.

(d) Each Member shall pay its contribution and any retrospective adjustment promptly to the Authority when due. After withdrawal or termination, each Member shall pay promptly to the Authority its share of any additional contribution, when and if required of it by the Executive Committee under Articles 24, 25, 26, 27, and 28 of this Agreement.

(e) Each Member shall report all claims to the Authority in accordance with the policies and procedures governing the joint protection program to which the claim applies.

(f) Each Member shall provide the Authority with such other information or assistance as may be necessary for the Authority to carry out the joint protection programs under this Agreement.

(g) Each Member shall cooperate with and assist the Authority in the pursuit of recoveries for losses covered by a joint protection program, including assigning its right to recover subrogated amounts, and if necessary, executing a written agreement to effect such assignment.

(h) Each Member shall in any and all ways cooperate with and assist the Authority, and any insurer of a joint protection program, in all matters relating to this Agreement and covered losses, and will comply with all bylaws, rules and regulations adopted by the Board of Directors and Executive Committee.

(i) Each Member shall actively participate in the Authority's Risk Management Evaluation and Loss Control Action Plan (LossCAP) programs.

ARTICLE 22 - NEW MEMBERS

The Authority shall allow entry of new Members approved by the Executive Committee.

(a) Executive Committee approval for new Members shall be according to the following procedure:

1. Investigation of each potential member by Authority staff and preparation of a report;
2. Review of the report by the Underwriting Committee, which shall then be forwarded to all Directors for review and comment;
3. Review by the Directors and submittal of comments to the Chief Executive Officer during the comment period; and
4. Approval by a two-thirds vote of the Executive Committee.

(b) Membership is effective immediately upon approval by the Executive Committee and execution of this Agreement by the new Member to join the Authority.

(c) A Member entering under this Article may be required to pay its share of organization expenses as determined by the Executive Committee including those necessary to analyze its loss data and determine its contributions.

(d) Should the Board of Directors rescind the membership approval made by the Executive Committee pursuant to Article 8(b), the Member shall be given at least ninety days advance notice of the effective date of termination of Membership, and the Member shall be

treated as if it had withdrawn on the effective date, and shall have the same responsibilities as if the Member had voluntarily withdrawn on the effective date.

(e) New Members, accepted into membership after July 1, 2016, shall have provisional membership status throughout the initial five years of membership. During the provisional membership period:

1. The Authority reserves the right to retrospectively adjust the cost of coverage for provisional Members based on actual claims development, in the event that it varies materially from claims data provided to the Authority at the time of the initial underwriting; and
2. The Authority reserves the right to terminate membership of any provisional Member at the end of a protection period, with or without cause, by a two-thirds vote of the Executive Committee, provided the Executive Committee gives the provisional Member at least ninety days advance notice of the effective date of the termination of membership.
3. A provisional Member subject to termination under Paragraph 2, above, may appeal said termination to a panel of five chief executives randomly selected from the other Members.

(f) If a provisional Member does not complete five successive years of membership in good standing, due to withdrawal or termination, that provisional Member is not eligible to receive in any refunds, dividends, or equity distributions that may occur during the provisional membership period or at any time thereafter.

ARTICLE 23 - PROGRAM PARTICIPATION

The Authority shall allow for the participation of Members in the joint protection programs as approved by the Executive Committee.

(a) Executive Committee approval for new Members shall be according to the following procedure:

1. Investigation of a potential participant by Authority staff and preparation of a report;
2. Consideration of the report by the Underwriting Committee with a recommendation to the Executive Committee; and

3. Approval by a two-thirds vote of the Executive Committee,

(b) Program participation is effective immediately upon approval by the Executive Committee and execution of appropriate resolutions and/or other documents by the new participant allowing participation in the joint protection program.

(c) A Member entering into a joint protection program may be required to pay its share of program development expenses as determined by the Executive Committee including those necessary to analyze its loss data and determine its contributions.

(d) Should the Board of Directors rescind the program participation approval made by the Executive Committee pursuant to Article 8(b), the Member shall be given at least ninety days advance notice of the effective date of termination of program participation, and the Member shall be treated as if it had withdrawn on the effective date, and shall have the same responsibilities as if the Member had voluntarily withdrawn on the effective date.

ARTICLE 24 - WITHDRAWAL

(a) A Member that enters into this Agreement may not withdraw as a party to this Agreement and as a Member of the Authority for a three-year period commencing on the effective date of its membership.

(b) A Member that enters into a joint protection program may not withdraw as a participant in that program for a three-year period commencing on the effective date of its participation in the joint protection program.

(c) After the initial three-year non-cancellable commitment to membership in the Authority or participation in a joint protection program, a Member may withdraw only at the end of any protection period, provided it has given the Authority a twelve-month written notice of its intent to withdraw from this Agreement and/or any joint protection programs in which it participates.

ARTICLE 25 - EFFECT OF WITHDRAWAL

(a) The withdrawal of any Member from this Agreement shall not terminate the Agreement, and no Member by withdrawing shall be entitled to payment or return of any deposits, contributions, consideration or property paid, or donated by the Member to the Authority, or to any distribution of assets.

(b) The withdrawal of any Member from participation in a joint protection program shall not terminate the Member's responsibility to contribute its share of contributions or funds to the program until all claims, or other unpaid liabilities, covering the period the Member was signatory hereto have been finally resolved and a determination of the final amount of payments due from the Member or credits to the Member for the period of its participation has been made by the Executive Committee. In connection with this determination, the Executive Committee may exercise similar powers to those provided for in the Article 30(c) of this Agreement.

ARTICLE 26 - CANCELLATION OF PROGRAM PARTICIPATION

The Executive Committee shall have the right to cancel any Member's participation in one or more joint protection programs upon the recommendation of the Chief Executive Officer and in accordance with the Healthy Members Practices and Procedures protocol. Any Member so cancelled shall on the effective date of the cancellation be treated the same and shall have the same responsibilities as if the Member had voluntarily withdrawn from the joint protection program.

ARTICLE 27 - CANCELLATION OF MEMBERSHIP

The Board of Directors shall have the right to cancel the membership of any Member based upon a three-fourths vote of the entire Board of Directors. Any Member so cancelled shall on the effective date of the cancellation be treated the same as if the Member had voluntarily withdrawn from membership, and said Member shall have the same responsibilities. Cancellation, as specified above, shall be within the sole discretion of the Board of Directors and may occur with or without cause, and the Board's discretion shall not be subject to any further review or appeal.

ARTICLE 28 - CANCELLATION FOR NON-PAYMENT

In the absence of a payment plan as authorized in Article 17(e), any Member's participation in a joint protection program may be cancelled automatically in the event of a failure of the Member to pay any contribution as required in this Agreement. Should any contribution remain unpaid more than thirty (30) days after receipt of notice by the Member, the Authority will send a notice advising the Member that it is in default under the terms of this Agreement, and that the Member's participation will be cancelled within thirty (30) additional

days unless full payment is received. Failure to make full payment as required in the notice of default shall be considered a withdrawal by the Member from the program effective on the date of cancellation specified in the notice of default; and no coverage shall apply to any claims submitted subsequent to the effective date of cancellation that arise from occurrences taking place during the current protection period. A Member cancelled for non-payment shall remain liable for a prorated share of the current year's contribution and for all retrospective adjustment contributions through the date of cancellation and attributable to prior years of coverage in which it participated.

ARTICLE 29 - ATTORNEY FEES AND COSTS OF COLLECTION

Should any Member or former Member fail to pay any contribution or retrospective adjustment contribution when due, the Member shall also be liable to the Authority for attorney fees and costs incurred by the Authority in pursuing collection of such sums.

ARTICLE 30 - TERMINATION AND DISTRIBUTION

(a) This Agreement may be terminated by the written consent of three-fourths of the Members; provided, however, that this Agreement and the Authority shall continue to exist for the purpose of disposing of all claims, distribution of assets and all other functions necessary to wind up the affairs of the Authority.

(b) Upon termination of this Agreement, all assets of the Authority shall be distributed only among the parties that have been Members of a joint protection program, including any of those parties that previously withdrew pursuant to Article 24 of this Agreement, in accordance with and proportionate to their cash (including contributions) payments and property (at market value when received) contributions made reduced by their share of losses and expenses paid during the term of this Agreement. The Executive Committee shall determine such distribution within six months after the last pending claim or loss covered by this Agreement has been finally disposed of.

(c) The Executive Committee is vested with all powers of the Authority for the purpose of winding up and dissolving the business affairs of the Authority. These powers shall include the power to require Members, including those that were Members at the time a claim arose or at the time a loss was incurred, to pay their share of any additional amount of

contribution deemed necessary by the Executive Committee for final disposition of all claims and losses covered by this Agreement. A Member's share of such additional contributions shall be determined on the same basis as that provided for annual contributions in Article 17 of this Agreement, and shall be treated as if it were the next year's annual contribution for that Member.

(d) In the absence of an Executive Committee, the Secretary shall exercise all powers and authority under this Article. The decision of the Executive Committee or Secretary under this Article shall be final.

(e) A provisional Member that does not complete five years of membership pursuant to Article 22 shall not be entitled to any distribution of assets upon termination of this Agreement.

ARTICLE 31 - PROVISION FOR BYLAWS

The Board shall cause to be developed Authority Bylaws. Each Member shall receive a copy of any Bylaws developed under this Article.

ARTICLE 32 - NOTICES

Notices to Members hereunder shall be sufficient if delivered to the administrative office of the respective Member. Delivery may be by U.S. Mail, email, or other form of notice acceptable under the Ralph M. Brown Act.

ARTICLE 33 – PROVISION FOR MAILED BALLOTS

Unless specifically prohibited elsewhere within this Agreement or the Bylaws, all actions contemplated by the Board of Directors may be voted on by the Members by mailed ballot as defined in the Bylaws. This shall not include the election of officers or members of the Executive Committee. Actions taken by mailed ballot shall require the same percentage of votes cast by the entire Membership as the percentage that would be required of a quorum voting on an item at a Board of Directors meeting.

ARTICLE 34 - AMENDMENT

With the exception of Article 27, this agreement may be amended by two-thirds vote of the Directors present at a duly held Board of Directors meeting, or by a two-thirds vote of the Membership for an amendment placed before the Membership by mailed ballot. Amendment to Article 27 shall require a three-fourths vote of the entire Board of Directors at a duly held Board of Directors meeting, or by a three-fourths vote of the Membership for an amendment placed before the Membership by mailed ballot.

ARTICLE 35 - PROHIBITION AGAINST ASSIGNMENT

With the exception of Article 21 (g), no Member may assign any right, claim or interest it may have under this Agreement, and no creditor, assignee or third party beneficiary of any Member shall have any right, claim or title to any part, share, interest, fund, contribution, or asset of the Authority.

ARTICLE 36 - AGREEMENT COMPLETE

The foregoing constitutes the full and complete Agreement of the parties. There are no oral understandings or agreements not set forth in writing herein.

IN WITNESS WHEREOF, the parties hereto have first executed this Agreement by authorized officials thereof on the date indicated below.

Date: _____

MEMBER: _____

By: _____

WE ENERGIZE THE POWER OF POOLING
AGRiP
ASSOCIATION OF GOVERNMENTAL RISK POOLS

Go back to application

Standard I: Governance

Last update: 2018

The AGRiP Advisory Standards for Governance address foundational and structural requirements for pool formation and maintenance. More importantly, the governance standards address the need for – and value of – engaged, educated, thoughtful and sufficiently independent leadership by the pool governing board to set the pool's direction in operational and financial matters. (Note: When used below, "Directors" mean members of the pool's governing body.)

For the purposes of this standard, we define:

- **Foundational** as formation requirements for both the pool itself and member participation in the pool.
- **Fiduciary and financial solvency** as governance best practices designed to influence the financial security of the pool.
- **Operational** as necessary governing board best practices that are neither foundational nor financial.

I-A.1. Pool maintains signed formation documents, such as articles of incorporation, a joint powers agreement, or interlocal agreement	Yes
a. Please enter the name and date of last review for each of the formation documents	Joint Powers Agreement last amended July 17, 2019
b. Explain review cycle, including frequency and how the process is documented within the pool	
c. Explain revision process, including revisions to legal and membership relationship updates and approval process by membership	
d. Explain communication process to pool members, including frequency and what is communicated	

Save Changes

ATTACHMENT 7

I-A.2. Pool has determined whether additional governing documentation, such as bylaws or governance policies, is necessary or desirable and adopted such policies if necessary	Yes

Date of last review: 7/17/2019

a. Explain review cycle, including frequency and how the process is documented within the pool

b. Explain revision process, including revisions to legal and membership relationship updates and approval process by membership

c. Explain communication process to pool members, including frequency and what is communicated

Save Changes

I-A.3. Member agreements other than formation or governance documents, if required, are signed by both parties and copies are maintained by the pool: Yes

Date of last review

a. Explain review cycle, including frequency and how the process is documented within the pool

b. Explain revision process, including revisions to legal and membership relationship updates and approval process by membership

c. Explain communication process to pool members, including frequency and what is communicated

Save Changes

I-A.4. Pool foundational and/or governing documents specifically address the following:

a. Membership eligibility: Pool has required board policy

Cite policy (or section of policy) fulfilling standard: Article 22 of the Joint Powers Agreement

b. Membership obligation: Pool has required board policy

Cite policy (or section of policy) fulfilling standard: Article 21 of the Joint Powers Agreement

c. Membership termination: Pool has required board policy

Cite policy (or section of policy) fulfilling standard: Article 30 of the Joint Powers Agreement

d. Membership voting rights: Pool has required board policy

Cite policy (or section of policy) fulfilling standard: Bylaws Article II Section 8

e. Selection procedures and qualifications for the pool's governing body: Pool has required board policy

Cite policy (or section of policy) fulfilling standard: Bylaws Article 3

f. Powers and duties of the pool's governing body and any committees: Pool has required board policy

Cite policy (or section of policy) fulfilling standard: Article 8 of the Joint Powers Agreement

g. Indemnification for liability of members of the governing body, officers, committee members and pool staff: Pool has required board policy

Cite policy (or section of policy) fulfilling standard: Bylaws Section VII Section 3

h. Requirements for annual actuarial reviews: Pool has required board policy

Cite policy (or section of policy) fulfilling standard: Article 18 of the Joint Powers Agreement

i. Requirements for annual financial audits: Pool has required board policy

Cite policy (or section of policy) fulfilling standard: Article 18 of the Joint Powers Agreement

j. How pool financial information will be shared with pool members: Pool has required board policy

Cite policy (or section of policy) fulfilling standard: Article 18 of the Joint Powers Agreement

k. Dissolution of the pool: Pool has required board policy

Cite policy (or section of policy) fulfilling standard: Article 30 of the Joint Powers Agreement

l. Distribution of pool assets and liabilities upon dissolution: Pool has required board policy

Cite policy (or section of policy) fulfilling standard: Article 30 of the Joint Powers Agreement

m. How dividends or other distribution of pool assets upon circumstances other than dissolution are determined and allocated among members: Pool has required board policy

Cite policy (or section of policy) fulfilling standard: Article 30 of the Joint Powers Agreement

n. If assessments are authorized, circumstances for determining the assessment and allocating it among members are defined: Pool has required board policy

Cite policy (or section of policy) fulfilling standard: Article 17 of the Joint Powers Agreement

o. Whether members are jointly and severally liable within the pool: Required policy is not applicable to the pool

Explain why the standard is not applicable to the pool: CA Civil Code 1659 "Where all the parties who unite in a promise receive some benefit from the consideration, whether past or present, their promise is presumed to be joint and several" & " A promise, made in a singular number, but executed by several persons, is presumed

p. Provisions under which a member can leave the pool, and associated notice provisions the member must give the pool: Pool has required board policy

Cite policy (or section of policy) fulfilling standard: Article 24 of the Joint Powers Agreement

q. Whether a member remains responsible for any portion of its losses, or is eligible for any distribution of pool assets, upon departure from the pool: Pool has required board policy

Cite policy (or section of policy) fulfilling standard: Article 21 of the Joint Powers Agreement

Save Changes

I-A.5. The pool has determined its legal status, for example, as a public, private, or non-profit entity	Yes
a. The pool maintains adequate records of its legal status	Yes
b. The pool has determined whether it is deemed a regulated insurer under state laws	Yes
c. The pool maintains adequate records of its status as a regulated insurer	Not Applicable
Explain why the Standard is not applicable to the pool:	We have determined that we are not a regulated insurer under state law; this standard does not apply to our pool.

Save Changes

I-A.6. The pool has determined its federal tax status.	Yes
a. The pool maintains adequate records of its federal tax status	Yes
b. The pool has determined its state tax status	Yes
c. The pool maintains adequate records of its state tax status	Yes
d. The pool complies with all applicable state and federal requirements as determined by its status	Yes
e. If applicable, the pool files timely tax returns	Not Applicable
Explain why the Standard is not applicable to the pool:	The Authority is not a taxable entity and is not required to file either state or federal taxes.

Save Changes

I-B.1. The governing body is regularly trained on fiduciary obligations.	The pool meets the Standard
Explain how Standard is met. This Standard may be met via board policy, statute, procedure or practice:	

Save Changes

I-B.2. The governing body reviews and discusses overall pool financial solvency and financial performance at least annually based upon benchmarks and comparisons established by the governing body.	The pool meets the Standard
Explain how Standard is met. This Standard may be met via board policy, statute, procedure or practice:	The financial solvency and performance of the pool are addressed annually during the agendaized presentation of the actuarial study, the setting of contribution rates, captive performance, and more. In addition, the annual Executive Committee Strategic Planning Workshop often includes topics related to the Authority's financial health. This includes providing direction regarding an adequate net position to respond to unanticipated events.

The governing body reviews and discusses projections and allocations for losses at least annually, including:

a. Allocations for loss development, including incurred but not reported losses	Yes
b. Allocations for allocated and unallocated loss adjustment expenses	Yes
c. Projections and allocations for contingency margins	Yes

Save Changes

Your work has been saved.

I-B.3. The pool obtains competent legal advice regarding its own governance and operational issues.	The pool meets the Standard
Explain how Standard is met. This Standard may be met via board policy, statute, procedure or practice:	
a. Coverage counsel, general legal counsel, and defense counsel are segregated functions; or the pool Board has documented its approval to place more than one function with the same legal advisor	The pool meets the Standard
Explain how Standard is met. This Standard may be met via board policy, statute, procedure or practice:	
b. The pool requires counsel in any role not directly employed by the pool to have professional liability insurance	The pool meets the Standard
Explain how Standard is met. This Standard may be met via board policy, statute, procedure or practice:	
c. Outsourced legal advice roles are documented in written contracts that are compliant with the contract provisions outlined in Standard III-A. of Service Provider Contracts	The pool meets the Standard

Explain how Standard is met. This Standard may be met via board policy, statute, procedure or practice:

Save Changes

I-B.4. The governing body requires an annual actuarial study to determine reserve adequacy, signed by a Fellow of the Casualty Actuarial Society or a Member of the American Academy of Actuaries who is independent of the pool. (For pools employing an in-house actuary a biennial peer review of reserve adequacy by an actuary independent of the pool is acceptable.)

Pool has required board policy

Cite policy (or section of policy) fulfilling standard:

a. The governing body, at minimum, receives a summary of the annual actuarial study every year.

Pool has required board policy

Cite policy (or section of policy) fulfilling standard:

Save Changes

I-B.5. The governing body annually reviews the pool's net position policy.

Yes

Pool net position policy includes at minimum:

a. Methodology used for determining net position adequacy

Pool has required board policy

Cite policy (or section of policy) fulfilling standard:

b. A defined target net position amount and/or range

Pool has required board policy

Cite policy (or section of policy) fulfilling standard:

c. How net position levels will be communicated to pool members

Pool has required board policy

Cite policy (or section of policy) fulfilling standard:

d. The method of calculating return of net position to members, including whether allocations are made based upon coverage year or all years of pool operation: Pool has required board policy

Cite policy (or section of policy) fulfilling standard:

Save Changes

I-B.6. The pool annually reviews its net position level in relation to the target net position and considers the net position when making annual funding decisions.: The pool meets the Standard

Explain how Standard is met. This Standard may be met via board policy, statute, procedure or practice:

Save Changes

I-B.7. The governing body reviews its written assessment policy at least every five years.:

Pool assessment policy includes at minimum:

a. The circumstances that may trigger an assessment:

b. Methodology used for determining overall assessment:

c. Methodology for allocating assessments among pool members, including whether assessments are made based upon coverage year or years of pool operation:

d. Whether and how members that leave the pool are responsible for their assessments:

e. How and when assessment parameters and the need for assessment will be communicated to the governing body and pool members:

f. How and when the assessment will be communicated to pool members:

Save Changes

I-B.8. The governing body annually reviews the pool's investment policies, practices, and performance.: Yes

Pool investment policy includes at minimum:

a. Goals and intended use of investment income — Pool has required board policy

Cite policy (or section of policy) fulfilling standard:

b. Allowed allocation of invested assets, including regulatory constraints — Pool has required board policy

Cite policy (or section of policy) fulfilling standard:

c. Portfolio diversification, liquidity, and duration expectations — Pool has required board policy

Cite policy (or section of policy) fulfilling standard:

d. Explicit delegation of authority regarding investment decisions — Pool has required board policy

Cite policy (or section of policy) fulfilling standard:

e. Provisions for controls regarding invested assets, including those that address separation of duties, safekeeping and custodial procedures — Pool has required board policy

Cite policy (or section of policy) fulfilling standard:

f. How and when the governing body will be made aware of investment allocations, results, and related activities — Pool has required board policy

Cite policy (or section of policy) fulfilling standard:

g. How and when the governing body will interact directly with investment managers, advisors, and/or consultants — Pool has required board policy

Cite policy (or section of policy) fulfilling standard:

Save Changes

I-B.9. The pool annually prepares financial statements in accordance with generally accepted accounting principles as applied to pools or as required by state law.	Yes
a. The governing body receives and reviews annual financial statements	Yes

Save Changes

I-B.10. An annual audit of the pool's financial records is conducted by a qualified independent certified public accountant or state audit agency and includes a signed opinion regarding the financial statements.	Yes
a. The audit firm directly reports its findings to the governing body, whether reporting to the entire body or a designated committee	Yes
b. If the audit firm reports directly to a designated committee, the entire governing board still receives and reviews the audit report	Yes
c. The audit includes a report on internal controls	Yes
d. The audit includes a report on the status of the previous year's recommended audit actions, along with any activity by the pool in follow-up	Yes
e. The pool responds to any reportable conditions in the audit report within a reasonable period of time	Yes

Save Changes

I-B.11. The governing body has determined when and how annual financial reports are distributed to pool members.	Yes

Save Changes

I-B.12. Pool physical asset inventory and control policy includes at minimum:

a. Periodic inventory of physical assets	
b. Recording of assets in the pool's financial records	
c. A process to report asset changes to the responsible party	

Save Changes

I-C.1. New Directors receive an orientation to the pool's governance structure, operations, legal and fiduciary responsibilities, budget, actuarial review, financial and investment policies.

Save Changes

I-C.2. The governing body approves minutes of its meetings.

a. The governing body has made a determination about minutes being distributed or otherwise made available to members

Save Changes

I-C.3. The governing body adopts and maintains a long-range or strategic plan.

a. The long-range or strategic plan includes a strategy for maintaining adequate net position to respond to unanticipated events causing significant financial impact to the pool

Save Changes

I-C.4. The governing body has methods to review both the strategic plan and operational work plans over time and to assess overall performance against the plans.

Save Changes

I-C.5. The governing body regularly considers whether and how the pool's investment strategy connects to its net position and/or assessment policies.

Save Changes

I-C.6. The governing body has adopted a records management and retention policy.

The adopted records management and retention policy outlines the treatment of all records, regardless of form, including at a minimum:

a. When records may be destroyed

b. Records that must be kept permanently

c. Records archiving practices

d. Whether and how the pool complies with any state required records retention and storage requirements

e. Documented process to prevent modification and deletion of permanent electronic files

f. Separation of confidential records from public records

g. Documented process for responding to public records requests

Save Changes

I-C.7. The governing body has determined under what circumstances to make copies of current and former binders, correspondence, policies, endorsements and certificates of excess and/or reinsurance available to members for review.

Save Changes

I-C.8. The governing body makes periodic evaluations of the quality, stability and financial solvency of all past and present reinsurance, excess, and insurance providers.

Save Changes

I-C.9. The governing body adopts an annual operating (non-loss expense) budget.

a. The governing body at least annually receives a budget comparison that includes meaningful metrics to monitor actual-to-budgeted performance

Save Changes

I-C.10. The pool insures or self-insures its administrative and operational risks, including:

a. Errors and omissions

b. Directors and officers

c. General liability

d. Auto liability

e. Workers' compensation

f. Property

g. Employee fidelity

h. Fiduciary liability

Save Changes

I-C.11. The pool has a Code of Conduct applicable to the pool governing body and staff (whether directly employed by the pool or under contract) that is generally consistent with the AGRiP Model Code of Conduct.

Save Changes

Save and Back to Application

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AGENCY: Town of Los Gatos

2026 ANNUAL BOARD OF DIRECTORS MEETING
VOTING DELEGATE/ALTERNATE FORM

On an annual basis, the California JPIA asks members to update their information in order that we may better serve you. If you have had a reorganization, please forward us your Notice of Reorganization with your current governing body and your list of Appointments for the California JPIA Director and Alternate(s), along with this form. In accordance with the Authority's Bylaws, your governing body must designate **one voting delegate and at least one alternate**. You may designate additional alternates. The voting delegate **must** be a member of the governing body. Alternate(s) may be from the governing body or from staff.

Please note: In order to vote at the Annual Board of Directors Meeting, voting delegates and alternates must be designated by your governing body. Please attach either your appointment list or minute action as proof of designation. As an alternative, your agency may sign this form, affirming that the designation reflects the action taken by the governing body.

1. VOTING DELEGATE - PRIMARY

Name: _____

Title: _____

2. VOTING DELEGATE - ALTERNATE

Name: _____

Title: _____

3. VOTING DELEGATE - ALTERNATE

Name: _____

Title: _____

If you have more than two alternates, please attach a separate sheet.

PLEASE ATTACH APPOINTMENT LIST DESIGNATING VOTING DELEGATE AND ALTERNATES.

OR

ATTEST: I affirm that the information provided reflects action by the governing body to designate the voting delegate and alternate(s).

Name: _____ Title: _____

Email: _____ Phone: _____

Signature: _____ Date: _____

Please complete and return to:

By Mail:
California JPIA
ATTN: Veronica Ruiz
8081 Moody Street
La Palma, CA 90623

By Email:
E-mail: vruiz@cjpia.org

If you have questions or need assistance with the Board of Directors Certification or updating your governing body information, please contact Agency Clerk Veronica Ruiz at (562) 467-8736 or vruiz@cjpia.org.

TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 12/02/2025
ITEM NO: 19

DATE: December 2, 2025

TO: Mayor and Town Council

FROM: Chris Constantin, Town Manager

SUBJECT: **Resolution Terminating Membership in the Pooled Liability Assurance Network Joint Powers Authority and Authorizing Membership in the California Joint Powers Insurance Authority to Obtain Risk Management and Insurance Coverages**

RECOMMENDATION: Adopt a resolution authorizing the Town Manager and Town Attorney to issue written notice of termination of the Town's membership in the Pooled Liability Assurance Network Joint Powers Authority (PLAN JPA) at the end of the fiscal year and to execute all necessary agreements to join the California Joint Powers Insurance Authority (CJPIA) and obtain risk management and insurance coverages.

FISCAL IMPACT:

Town staff estimates ongoing budget annual savings of up to approximately $250,000. While experience and claim history can change rates over time, the table below summarizes the four-year history of PlanJPA premiums and the current quotes from CJPIA.

	Current Vendor- The PlanJPA				**CJPIA**
Coverage	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Estimate
Liability Insurance	$ 629,535	$ 727,963	$ 913,348	$ 1,103,502	$ 1,254,500
Property Insurance	$ 145,790	$ 231,605	$ 242,373	$ 252,262	$ 100,000
ERMA (Employee Risk Management Authority)	_	_	$ 103,581	$ 111,026	Included
Self-Insured Retention Payments	$ 212,674	$ 124,525	$ (9,898)	$ 200,000	$ 50,000
Cyber Coverage	Included	Included	Included	Included	Included
Pollution Coverage	Included	Included	Included	Included	$7,500
Crime Coverage	Included	Included	Included	Included	$ 4,500
Public Official Bond	$ 9,111	$ 9,175	$ 9,175	$ 9,175	Included
Total	$ 997,110	$ 1,093,268	$ 1,258,579	$ 1,675,965	**$ 1,416,500**

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Finance Director

110 E. Main Street Los Gatos, CA 95030 ● (408) 354-6832
www.losgatosca.gov

Future rates are estimates, as current-year claims history and insurance authority negotiations can affect premiums. However, the reduction of the self-insured retention for the CJPIA liability program from the current $50,000 will allow the Town to reduce the self-insured retention budget. The CJPIA estimate includes $50,000 to account for property-based retentions, while the PlanJPA budget of $200,000 annually reflects retentions for both liability and property programs.

STRATEGIC PRIORITY:

Evaluating alternative risk-management services and insurance pooling arrangements aligns with the Town's strategic priority of ensuring prudent financial management. Improving coverage, reducing volatility, and stabilizing long-term costs support this goal.

BACKGROUND:

The Town of Los Gatos has participated in the Pooled Liability Assurance Network Joint Powers Authority (PlanJPA) since December 2017. PlanJPA was created when former Association of Bay Area Governments (ABAG) PLAN member agencies elected to separate from ABAG and form an independent joint powers authority dedicated to municipal risk pooling. On December 5, 2017, the Town Council approved participation in PlanJPA and authorized execution of a Joint Powers Agreement, enabling the transfer of assets and liabilities from the ABAG PLAN Corporation to the new authority. PlanJPA's governing documents confirm that the new JPA was formed to assume all assets, liabilities, and obligations of the former ABAG PLAN, and to administer pooled liability and property programs for member agencies. Under Article XIX of the PLAN JPA Joint Powers Agreement, withdrawal requires at least six months' written notice and must occur at the end of a fiscal year.

PlanJPA provides pooled liability coverage, which includes general liability, bodily injury, property damage, personal injury, public officials' errors and omissions, and employee benefit plan administration liability. PlanJPA also provides property coverage through participation in the Alliant Property Insurance Program (APIP), which offers a shared per-occurrence property limit for scheduled locations and associated sublimits for supplemental coverages. Property deductibles include a member-level per-occurrence deductible for most property and vehicle losses, with additional program-level deductibles applicable to certain types of losses. PlanJPA's property program also includes boiler and machinery, cyber, crime, and pollution liability coverage, each administered through APIP.

As part of efforts to seek opportunities for broader coverage at a reduced cost, Town staff initiated an evaluation of alternative pooled insurance arrangements. Staff obtained

coverage information and quotations from the Bay Cities Joint Powers Insurance Authority (BCJPIA) and the California Joint Powers Insurance Authority (CJPIA), both of which provide pooled liability and property coverage for public agencies in California. CJPIA appears to provide a more robust program and more competitive rates.

Using the detailed coverage documents provided by CJPIA, staff compared coverage structures, program design, and available member services to the Town's current program under PlanJPA. Based on that review, Town staff recommend moving to the California Joint Powers Insurance Authority for general liability, property, cyber, crime, and pollution coverage.

Both insurance authorities offer similar types of coverage with nuanced differences. However, for the Town's highest-risk categories of police and general liability, the CJPIA program provides higher coverage limits and the opportunity to eliminate the existing $50,000 self-insured retention. The change is estimated to result in approximately $100,000 in annual savings, and allows the Town to discontinue budgeting $200,000 each year to cover potential self-insured retention payments under the current $50,000 per-occurrence structure. When retaining $50,000 for property retention, Town staff estimates a budgetary savings of approximately $250,000.

On November 6, 2025, the CJPIA Underwriting Committee considered the Town's application and unanimously approved a positive membership recommendation for their Executive Board. On November 19, 2025, the Executive Board unanimously approved the Town's membership application to the CJPIA for July 1, 2026.

DISCUSSION:

Insurance joint powers authorities are public-sector cooperatives. They allow cities, towns, and special districts to band together to manage risk, stabilize long-term insurance costs, and secure broad coverage that would be prohibitively expensive on an individual basis. A JPA spreads the financial impact of severe claims across all members, but it also builds a professional infrastructure for claims handling, litigation management, loss control, and training. In practice, participating agencies protect themselves against liability, employment claims, property loss, cyber incidents, and other exposures that a municipal organization inevitably encounters. The JPA structure gives each member the collective strength of the group while retaining local control through a governing board made up of the member agencies themselves.

The Town of Los Gatos's current provider, the Pooled Liability Assurance Network Joint Powers Authority, is built around that cooperative model. PlanJPA was formed in 2017 when the former ABAG PLAN members separated from the Association of Bay Area Governments and created an independent JPA to assume all existing assets, liabilities, and obligations. Its current membership of 28 agencies is concentrated in Bay Area

cities and towns, including Los Gatos, Saratoga, Campbell, Cupertino, and other communities as far north as Fairfield and south as Morgan Hill. The organization provides pooled liability and property coverage, supported by pooled retained limits and excess insurance. Its programs cover general liability, public officials' errors and omissions, auto liability, employment-related exposures, and property coverages ranging from buildings and contents to contractor's equipment, business interruption, and boiler and machinery losses. PLAN also purchases or coordinates cyber, pollution, and crime policies for its members. The structure is collaborative and regionally focused, its board is comprised of one representative per member agency, and its services include claims management, training, and risk control.

The California Joint Powers Insurance Authority (CJPIA) is a larger and longer established statewide pooling organization. Its liability program is structured as a self-insured pool backed by significant reinsurance capacity. The liability program shows a primary limit of 30 million dollars for each member in a pooled structure that includes defense, indemnity, excess liability, public officials' errors and omissions, employment practices liability, automobile liability, and employee benefits administration liability. Excess coverage increases limits up to $50 million. CJPIA's property program provides all-risk coverage that addresses buildings, contents, business interruption, boiler and machinery, and multiple extensions and sublimits for items such as newly acquired property, course-of-construction projects, and scheduled or unscheduled infrastructure. CJPIA supplements this with dedicated cyber liability insurance, offering first-party incident response, liability protection, business interruption, cyber extortion, and e-crime coverages with defined limits and retentions. Under Article 24(a) of the CJPIA Joint Powers Agreement (Attachment 2), new members commit to a mandatory three-year initial term during which withdrawal is not permitted. After the initial three-year period, Article 24(c) requires members to provide twelve months' written notice prior to withdrawing at the end of a protection period.

CJPIA, in addition to the insurance coverage, provides a proactive and focused risk management program. This program includes regular risk management reviews by a dedicated senior risk manager, in which the CJPIA completed the initial review in preparation for the Town's membership. Additionally, the CJPIA provides other cost-saving benefits, such as a subscription to the police Lexipol policy manual (Los Gatos currently pays about $13,000 for this service), ongoing wellness services for police, an on-call attorney for quick responses on key employment-related matters, on-call emergency public information officer services for critical incidents, and robust training and best practices templates.

The CJPIA includes over 125 cities and public entities throughout California and is large enough to support broad coverage offerings, specialized training programs, claims oversight, and a deep catalogue of risk-management resources. Current membership includes the Midpeninsula Regional Open Space District (MROSD) in San Mateo County to

the north and members as far as the Mexican border in both San Diego and Imperial counties. While 79% of its members are cities, Pacific Grove and Seaside are the furthest north, so Los Gatos would become its northernmost town, abutting their current member MROSD.

The CJPIA Bylaws require each member agency to appoint a Director and an Alternate Director to the CJPIA Board of Directors (Attachment 3). Meetings, notices, and procedures of the Authority are governed by the CJPIA Bylaws, which incorporate Brown Act requirements as described in Article II and Article III of the Bylaws.

Insurance Review Due Diligence

Staff conducted a comparison of the Town's current insurance and risk management programs under PlanJPA and the programs available through CJPIA. The review focused on the structure of each pool, the scope of available coverage, deductible and retention levels, and how liability, property, cyber, crime, and pollution coverages are delivered and administered. Additionally, the comparison included the cost and budget associated with the plans.

Under PlanJPA, liability coverage is structured around a pooled primary layer sitting above a Town-level retention, with additional excess protection purchased above that layer. PlanJPA's property insurance is placed through the Alliant Property Insurance Program (APIP), with a shared program limit and standard member deductibles applied to most losses, along with higher internal pool deductibles for certain categories of risk. Ancillary coverages such as cyber liability, crime, pollution liability, and boiler and machinery are also accessed through the APIP structure.

CJPIA administers its own pooled liability program with integrated cyber and employee liability coverage, together with an all-risk property program that incorporates APIP-style sublimits for business interruption and related coverages. The CJPIA property program is structured so that internal deductibles are managed authority-wide rather than by applying a Town-specific self-insured retention. CJPIA also provides separate crime, and pollution programs with defined member-level deductibles and authority-level self-insured retentions, which the Town intends to acquire.

Both the PlanJPA and CJPIA operate as member-driven joint powers agencies with formal governance structures, shared decision-making, and defined amendment and subrogation practices within their Memoranda of Coverage. While both organizations provide comprehensive pooled coverage solutions, they differ somewhat in their liability limits, treatment of member deductibles and retentions, and in how property, cyber, and pollution programs are structured. The following sections set out a line-by-line comparison of the two programs. Overall, both programs adequately cover and address

risk exposures for the Town of Los Gatos.

General Description of Insurance Programs

Both authorities provide similar lines of insurance programs covering general liabilities and property coverages. Some coverages have optional additions and vary in self-insured retentions and coverage limits, but both sets of programs are similar. Some coverages are included in one insurance program, while those coverages may be reflected separately in the other programs. Holistically, the following provides a reasonable description of the insurance and coverage programs, which include:

Liability Insurance

Liability insurance protects the agency against claims alleging bodily injury, property damage, personal injury, civil rights violations, automobile liability, employment practices liability (included separately in other plans called ERMA), or errors and omissions by public officials. It provides legal defense and indemnity when the agency becomes legally responsible for damages resulting from its operations, employees, or decision-making.

Property Insurance

Property insurance covers physical assets owned or used by the agency, including buildings, facilities, equipment, vehicles, contents, and other scheduled or unscheduled property. Coverage typically includes losses caused by fire, theft, vandalism, weather events, mechanical breakdown, and other accidental direct physical damage. It may also include business interruption, debris removal, and extra expenses needed to continue operations after a loss.

ERMA (Employee Risk Management Authority)

ERMA provides employment-practices liability coverage, including defense and indemnity for claims such as wrongful termination, discrimination, harassment, retaliation, failure to hire or promote, and violations of state and federal employment laws. The program also offers training, loss-control resources, and claims management support to reduce the frequency and severity of workplace-related litigation.

Self-Insured Retentions (SIRs)

A self-insured retention is the portion of a loss that the agency pays directly before pooling or excess coverage applies. It functions like a deductible but is handled differently in public-sector pooling, where the member agency manages and funds the

initial layer of liability up to the SIR amount, after which the JPA's pooled coverage or excess insurance responds.

Cyber Coverage

Cyber coverage protects the agency against costs and liabilities arising from data breaches, network intrusions, ransomware, business interruption caused by system failures, e-crime losses, and digital extortion. It typically includes incident response services, forensics, notification and credit-monitoring expenses, regulatory defense, restoration of corrupted data, and liability for unauthorized access or disclosure of personal information.

Pollution Coverage

Pollution coverage provides protection for sudden and accidental releases of pollutants, contamination of soil or water, disinfection events, sewer backup, mold or legionella occurrences, and third-party claims arising from environmental damage. It may also include remediation expenses, emergency response costs, business interruption related to pollution incidents, and coverage for potable-water or wastewater systems.

Crime Coverage

Crime coverage protects the agency against financial losses resulting from dishonest or fraudulent acts. This can include employee theft, forgery or alteration of documents, theft of money or securities inside or outside agency premises, computer fraud, funds-transfer fraud, counterfeit currency, credit-card forgery, and social-engineering or impersonation schemes.

Public Official Bond

A public official bond guarantees the honest and faithful performance of duty by designated officials, which often includes finance officers, treasurers, or others who handle public funds. If an official fails to perform required duties or commits a dishonest act that causes financial loss, the bond provides reimbursement to the agency up to the bond's stated amount.

Risk Exposure Considerations

The Town's risk exposures arise from the full span of municipal operations, including police and public safety activities, street and infrastructure maintenance, land-use decisions, parks and recreation programs, employment practices, public-official governance, large and aging physical assets, cyber systems, and environmental

management responsibilities.

Both PlanJPA and CJPIA are structured to absorb these exposures through pooled and excess liability, property, and ancillary coverages, but they do so at different scales and with different coverage designs. Evaluating some of these differences helps illustrate how each authority mitigates the Town's exposure to financial loss.

PlanJPA

PlanJPA is a regional pool composed of 28 Bay Area cities and towns, including Los Gatos. Its risk-sharing structure is built around various self-insured retentions, which is $50,000 for Los Gatos's liability program and shared excess insurance for liability and property claims. PlanJPA provides coverage for general liability, bodily injury, property damage, personal injury, public officials' errors and omissions, auto liability, and property losses, including buildings, contents, equipment, business interruption, and boiler and machinery failures. These exposures are addressed through a pooled coverage layer above a member's retention limit, followed by excess insurance purchased by the insurance pool.

Because the pool is regionally concentrated, member agencies often face correlated exposures such as earthquake, flood, and regional litigation trends. While the property program provides extensive sublimits, including flood and earthquake when purchased (Los Gatos does not participate), the overall all-risk limit is shared and subject to impacts to more than one agency when the exposure impacts others. The pool's liability protection depends on the collective financial strength of its members, its pooled reserves, and the structure of its excess insurance.

The benefits of PlanJPA's structure include closer governance relationships with other cities in the Bay Area. The limitations include a smaller pool size, lower aggregate purchasing power, and the potential for large losses within the region to affect the program more sharply. Further, the lower excess coverage of $30 million could result in Town exposure should a claim result in a liability greater than the coverage level. These would be high risk, low frequency events, but with public safety and infrastructure liabilities, they are a possibility.

CJPIA Risk Exposure Profile

CJPIA, with over 125 member agencies statewide, addresses municipal risk on a larger scale. Its liability program Memorandum of Coverage provides $30 million of primary pooled protection per member, backed by excess insurance purchased by the Authority, increasing coverage to $50 million. The broader membership base distributes high-severity risks across many agencies, reducing volatility for any single member. The statewide pool also smooths regional risk

concentrations; for example, earthquake, major litigation, or catastrophic employment matters affecting one region are absorbed across a wider financial base.

CJPIA's property program offers comprehensive all-risk coverage, business-interruption protections, coverage for newly acquired property, course-of-construction projects, scheduled and unscheduled infrastructure, boiler and machinery, and automatic extensions that address the evolving nature of a municipal property portfolio. CJPIA supplements this with a dedicated cyber program providing first-party breach response, data restoration, extortion, and liability protections.

The scale of CJPIA allows for greater diversification of losses, the ability to purchase broader excess and reinsurance layers, and access to specialized risk-management services. The tradeoff is that governance occurs within a larger, more complex organization, and some programs, such as the property program, carry higher administrative or participation costs. However, the coverage depth and financial protections are designed to absorb high-severity municipal exposures more fully, and the overall cost of the programs provides the Town with some financial relief.

Comparative Assessment of Town Risk Exposures

The following section provides a detailed comparison of the Town's current coverage through PLAN JPA and the coverage available through the CJPIA. Because insurance pooling programs differ significantly in structure, limits, deductibles, and the way risk is shared among members, understanding these differences is beneficial for determining which program delivers the strongest financial protection and most predictable cost exposure for the Town. The narrative that follows summarizes each program's coverage in key areas and then identifies where the CJPIA program provides added value.

Liability Coverage

PLAN JPA

PLAN JPA provides liability coverage that includes general liability, auto liability, bodily injury, property damage, personal injury, and public officials' errors and omissions. Under this structure, the Town must pay its own self-insured retention, which is typically about $50,000 per occurrence before the pooled layer begins to respond. Once the retention is satisfied, the combination of pooled and excess layers provides roughly $30 million in total per occurrence liability protection.

CJPIA

CJPIA provides broad liability coverage that includes bodily injury, property damage,

auto liability, public officials' liability, employment practices liability (this is a separate additional cost with PlanJPA), and media liability. Unlike PLAN JPA, the CJPIA program provides true first-dollar coverage, so the Town does not pay a self-insured retention before the program responds. CJPIA provides a total liability tower of $50 million per occurrence through primary and excess layers.

Differences and Value Added

CJPIA provides two structural advantages for the Town. First, it removes the need to fund a self-insured retention at the start of each significant claim, which reduces budget volatility. Second, it provides a higher per occurrence limit of $50 million rather than the $30 million available through PLAN JPA. Together, these differences offer significantly stronger protection for high-risk municipal liability exposures, such as police liability.

Property Coverage

PLAN JPA

PLAN JPA participates in the Alliant Property Insurance Program (APIP), which offers a shared $1 billion limit across all participating agencies, including private sector participants in the APIP pool. Under this program, the Town is responsible for a property deductible usually between $5,000 and $15,000, depending on the asset. The program also applies an internal pooled deductible of $500,000 before upper layers are attached. The coverage includes buildings, contents, vehicles, technology equipment, fine arts, and business interruption.

CJPIA

The CJPIA property program has a shared $750 million per occurrence all risk limit. The Town pays a consistent $25,000 deductible for most covered losses. While similar in coverage to PlanJPA, the deductible is a little higher, but the overall coverage covers the Town's property, and the CJPIA program does not impose internal pooled deductibles for different items lost, similar to those in PlanJPA APIP. Optional earthquake and flood coverage is available with shared limits of $225 million for each peril.

Differences and Value Added

The CJPIA program now provides a high capacity property limit that is well matched to the scale of the Town's exposures while avoiding the internal pooled deductible structure in APIP. CJPIA's single predictable deductible enhances financial clarity and simplifies budgeting. Although APIP provides a higher theoretical limit, CJPIA's

structure more closely aligns with real-world risk for Los Gatos and provides clearer and more stable financial protection. It should be noted that the Town cannot join the liability program of one authority and the property of another. As liability is a base requirement, liability coverage tends to drive decision-making when picking coverages.

Cyber Coverage

PLAN JPA

The PLAN JPA cyber program provides a $2 million primary limit and an additional $3 million excess limit for a total potential limit of $5 million. Member deductibles range from $50,000 to $250,000, depending on the member's total insured values. Coverage includes breach response services, business interruption, extortion response, data restoration, media liability, and payment card liabilities.

CJPIA

CJPIA provides a $2 million aggregate limit per member within a $10 million shared pool for cyber incidents. The Town's deductible is a consistent $100,000 for each claim, and CJPIA pays a $500,000 internal retention, which is not charged to members. The program covers first party response costs, including forensics, notification, identity monitoring, business interruption, system restoration, and extortion response, along with liability exposures such as regulatory penalties and payment card assessments.

Differences and Value Added

While PLAN JPA provides a higher theoretical combined limit, CJPIA provides more predictable financial exposure by offering a fixed deductible and absorbing the internal retention. This creates a more stable budgeting environment for cyber events, which are typically high urgency and resource intensive.

Crime Coverage

PLAN JPA

PLAN JPA provides crime coverage with a $2 million limit for most categories, including employee theft, forgery, theft of money or securities, computer fraud, and restoration expenses. The deductible for crime losses is $25,000. The coverage includes dedicated protection for social engineering and impersonation fraud.

CJPIA

CJPIA offers crime coverage with a range of limit options from $1 million to $5 million, allowing members to select the level that fits their needs. Deductibles range from $5,000 to $100,000, depending on the selected limit. The program covers employee dishonesty, forgery, theft of money and securities, computer fraud, and related financial fraud events.

Differences and Value Added

Both programs provide comprehensive crime protection. CJPIA's primary advantage is the ability to tailor limits to the Town's operations, which can improve efficiency and alignment with actual exposure. Although PLAN JPA includes certain preset sublimits for social engineering events, the difference is not a decisive factor in overall program selection.

Pollution Liability

PLAN JPA

PLAN JPA provides pollution coverage through the APIP program with a $2 million per incident limit and a $2 million per member aggregate. The overall program aggregate is $25 million. Deductibles usually fall between $250,000 and $500,000, depending on the type of environmental loss. Covered exposures include remediation of contaminated property, bodily injury, off-site migration, mold, sewer backup, wildfire, and contractor pollution.

CJPIA

CJPIA provides a $5 million per incident limit and a $5 million per member aggregate with a $20 million program aggregate. The program uses a standard $250,000 deductible except for older underground storage tanks. Coverage includes remediation of contaminated property, emergency response actions, bodily injury, environmental migration, image restoration costs, and protections for newly acquired properties subject to reporting conditions.

Differences and Value Added

CJPIA's substantially higher per incident limit provides stronger protection for the types of large environmental losses that create the greatest financial risk for municipalities. Since pollution exposures are typically dominated by the severity of individual events rather than aggregate limits, CJPIA's structure offers meaningfully greater value for the Town.

ENVIRONMENTAL ASSESSMENT:

This action is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15061(b)(3), the "common sense exemption," because it can be seen with certainty that the approval of a resolution to withdraw from PLAN JPA and to join CJPIA will not result in a direct or reasonably foreseeable indirect physical change in the environment. The action constitutes an administrative and organizational change in insurance and risk management providers and therefore does not constitute a "project" under CEQA or has no potential for causing a significant environmental impact.

CONCLUSION:

It is prudent to periodically review insurance coverage and costs. Based on Town staff review, the Town can see savings while increasing coverage on key areas of liability, such as public safety and infrastructure use, and recommends moving forward with CJPIA.

Attachments:
1. Resolution
2. CJPIA Joint Powers Authority Agreement
3. CJPIA Bylaws

TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 04/07/2026
ITEM NO: 13

DATE: April 7, 2026

TO: Mayor and Town Council

FROM: Chris Constantin, Town Manager

SUBJECT: **Authorize the Town Manager to Negotiate and Execute and Art Transfer Agreement with the Los Gatos Museum Association (NUMU) to Transfer a Sculpture and Plaque**

RECOMMENDATION: Authorize the Town Manager to negotiate and execute an Art Transfer Agreement with the Los Gatos Museum Association (NUMU) in substantially the form presented to transfer a sculpture and plaque.

FISCAL IMPACT:

There is no fiscal impact related to this specific item. The terms of the agreement require that NUMU be responsible for all costs associated with this transfer.

STRATEGIC PRIORITY:

This item is not directly related to a strategic priority. However, the potential sale of the 4 Tait property, which spurred interest in these items, is related to the strategic priority of prudent financial management.

DISCUSSION:

On January 21, 2025, the Town Council approved a resolution declaring the town-owned property at 4 Tait Avenue as exempt surplus land pursuant to the Surplus Land Act.

In January 2026, NUMU requested that they be allowed to take possession of a metal sculpture with locks hanging from it and a plaque affixed to a rock dedicating the native plant garden to the Mathews. NUMU expressed that these were items commissioned by them during the time they leased the 4 Tait property.

PREPARED BY: Katy Nomura
Assistant Town Manager

Reviewed by: Town Manager, Town Attorney, and Administrative Services Director

If the sculpture and plaque are not transferred to NUMU, they would remain with the property, including if the property is sold to a new owner. The Town did not contemplate future uses for these items, and therefore, staff recommends that the items be transferred to NUMU, with removal at their sole expense. If, for any reason, the Town believes that this transfer would impact the potential sale of the property, the transfer will be canceled.

CONCLUSION:

Authorize the Town Manager to negotiate and execute an Art Transfer Agreement with the Los Gatos Museum Association (NUMU) in substantially the form presented to transfer a sculpture and plaque.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:
1. Draft Agreement

ART TRANSFER AGREEMENT

This Agreement is made and entered into on this ___ day of April 2026, by and between the Town of Los Gatos, a municipal corporation, hereinafter referred to as "**Town**" and Los Gatos Museum Association, a California Nonprofit Corporation, hereinafter referred to as "**NUMU**."

RECITALS

WHEREAS, the Town wishes to sell property at 4 Tait;

WHEREAS, it is understood by both the Town and NUMU that NUMU desires to take possession of two items at the property owned by the Town located at 4 Tait Avenue, Los Gatos, CA 95030;

WHEREAS, the first item is a metal sculpture with locks hanging from it ("**Sculpture**"), pictured in **Exhibit A**. The second item is a plaque, including the rock it is affixed to, that reads as follows: "This Museum Garden of Native Plants is dedicated to Stephanie and Mike Mathews for their leadership and support" ("Plaque"), pictured in **Exhibit B**;

NOW, THEREFORE, the parties agree as follows:

1. The Town and NUMU agree that NUMU may take possession of the Sculpture and the Plaque, with NUMU assuming full responsibility for the removal and transport of the Sculpture and Plaque, including compliance with the California Art Preservation Act ("CAPA"), which is codified in California Civil Code Section 987.
2. NUMU must ensure that the removal of these items does not damage the property in any way, and NUMU agrees to restore the site to its original condition after removal of the Sculpture and Plaque.
3. The Town and NUMU agree that the consideration to the Town will be NUMU's expense and responsibility of removing and transporting the Sculpture and Plaque, and that the consideration to NUMU will be the Sculpture and the Plaque.
4. NUMU agrees to remove the items no later than April ___, 2026.
5. NUMU agrees to, and shall indemnify, defend, keep and hold the Town and the Town's officials, agents, and employees harmless from any and all costs, liabilities, damages, or expenses, including costs of removal, transport, injury or death resulting from removal/transport, or damage to the Sculpture or Plaque, including any claims brought pursuant to CAPA.
6. It is the intent of this agreement that the Town and its officials, agents, and employees have no financial liability or impact whatsoever resulting from the removal and transport of the Sculpture and Plaque and that NUMU shall be fully and solely responsible therefore.

7. If, for any reason, the transfer of the Sculpture and Plaque affects or delays the Town's sale of 4 Tait, the Town, in its sole discretion, may terminate this agreement and cancel the transfer prior to removal.
8. In consideration of the above, Town agrees to transfer the Sculpture and Plaque to NUMU and NUMU hereby accepts transfer to NUMU of all rights, title, and interest in the Sculpture and Plaque so long as the Sculpture and Plaque are removed prior to April ___, 2026.

IN WITNESS WHEREOF, TOWN and NUMU have executed this Agreement.

TOWN OF LOS GATOS:

_____

Chris Constantin, Town Manager

SIGNATORY:

_____

Kimberly Snyder, Executive Director

Approved as to Form:

_____

Gabrielle Whelan, Town Attorney

TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 04/07/2026
ITEM NO: 14

DATE: April 7, 2026

TO: Mayor and Town Council

FROM: Chris Constantin, Town Manager

SUBJECT: **Adopt a Resolution Approving the Comprehensive Fee Schedule for Fiscal Year 2026-27 to Continue and Amend Certain Department Fees, Rates, and Charges for Fiscal Year 2026-27; and Adopt a Resolution Approving the Administrative Fine and Penalty Schedule for Fiscal Year 2026-27 to Continue and Amend Certain Department Fines for Fiscal Year 2026-27**

RECOMMENDATION: Adopt a resolution approving the Comprehensive Fee Schedule for FY 2026-27 to continue certain Department fees, rates, and charges, and amend certain fees, rates, and charges for FY 2026-27; and Adopt a resolution approving the Administrative Fine and Penalty Schedule for FY 2026-27 to continue certain department fines and amend certain fines for FY 2026-27.

FISCAL IMPACT:

The Town's financial policies require that fees be maintained to provide for the recovery of costs associated with Town services. If approved, staff will incorporate the adopted changes into the FY 2026–27 Operating & Capital Budget. Based on the 2.2% CPI adjustment and proposed new fees, staff estimates net annual revenue of $168,000, allocated approximately as follows: Administrative Services $4,500; Community Development $87,000; Parks & Public Works $70,000; Police $6,500. Volumes are projected using prior-year activity with conservative assumptions.

STRATEGIC PRIORITY:

This item supports the strategic priorities to ensure prudent financial management and develop structure to ensure accountability of how funding resources move forward.

BACKGROUND:

PREPARED BY: Ed Karas
Accountant / Finance Analyst

Reviewed by: Town Manager, Town Attorney, and Administrative Services Director

The Town's financial policies require that certain fees, rates, and charges for services be maintained to allow for cost recovery based on the actual cost of providing Town services. "Fee" activities are services and functions provided by the Town to individuals who receive some direct material benefit above and beyond services offered to residents at general taxpayer expense. Staff periodically review the cost of providing such services and recommends appropriate fee adjustments when supported by actual cost data.

The Town's most recent comprehensive cost allocation and selected recommendations from the user fee study were incorporated into the FY 2019-20 Fee Schedule. A new user fee study is expected to be completed in Fiscal Year 2026-27.

DISCUSSION:

A. **COMPREHENSIVE FEE SCHEDULE**:

The Comprehensive Fee Schedule allows for an annual adjustment of fees by the average increase in the Consumer Price Index (CPI) for the previous calendar year. For FY 2026-27, staff is proposing that fees be adjusted by 2.2% CPI (2025 average of San Francisco-Oakland-San Jose CPI-U 2-month and 12-month percent changes, all items index, not seasonally adjusted). In addition to the proposed CPI changes, the proposed FY 2026-27 Comprehensive Fee Schedule accounts for modifications to fees, as explained below:

Administrative Services

1. Expedited Processing Fee (New Fee - $113.73 per day) – Staff recommends an Expedited Processing Fee when required documentation is submitted post deadline. Event coordinators who do not provide their insurance and other required documents at least one week in advance of the event create additional work hours for event staff. The late documents often require staff to come in on their days off or work overtime to process documents. Moving forward, when this occurs, the event coordinators will be charged a fee to cover the staff costs of processing the late paperwork.

2. No Parking Sign Admin Fee (New Fee - $56.87) – In prior years, volunteers assisted with preparing the no parking signs for approved events. Out of necessity, this task has shifted to staff, and thus, additional coordination time is necessary to prepare and provide no parking signs for events. Staff is proposing an administrative fee to offset the cost of staff time to determine the number and locations of signs needed for an event, then write out the individual signs. The fee is equivalent to a half hour of the fully burdened hourly rate for the event specialist to complete this task.

3. Entertainment Zone Signicades (A-frame) (New Fee - $5.00 per Signicade, per day) – For the newly adopted entertainment zone. Event staff will purchase signicades for the perimeter of the entertainment zone. These will be available for organizers to rent in the quantity necessary for the size of the activated zones, should they choose not to use

their own signage that meets the Town's requirements. The fee was determined by considering the purchase of twenty custom signicades with the necessary language included on the signs, with an anticipated life span of two years per signicade.

4. Facilities Maintenance Fee (New Fee - $155.00) – This fee has been added as an option to charge events a maintenance fee, if/when the event utilizes additional Town facilities for their event, that were not originally approved within the scope of the conditional letter of approval. The use of the facility requires Town staff to engage in support either during or after the event to mitigate the impacts of the event on the Town facility. This fee was determined by actual costs charged for janitorial fees.

Development Services

1. Supplemental Fee for Minor Residential Development applications that require Planning Commission Approval (New Fee - $3,884.00). New fee line item for Minor Residential Applications that do not include Parks and Public Works review and associated fee.

2. SB 684 Small Lot Subdivision and Housing Development and related Engineering Development Review Service Fee (New Fee - $1,643.00). New line item for new legislation that created a new application type. This fee is based on the current SB 9 fee, as this process mirrors that process. Further, development engineering fees are based on an analysis of actual time spent by staff to do a typical review or process using their fully loaded hourly rates.

3. Outside Legal Counsel Review (New Fee - Fully allocated hourly rate of legal review Initial $5,000.00 deposit) – These deposits will be taken to offset Town Attorney expenditures for legal review of complex planning applications to recover the cost of outside legal counsel review. There is a new deposit fee line item, and any remaining deposit will be refunded to the applicant; amounts exceeding the deposit amount will be paid by the applicant.

4. Annual Utility Blanket Permit (New Fee - As determined by the Town Engineer based on anticipated number of installations and hours of staff time) – As determined by the Town Engineer based on anticipated number of installations and hours of staff time. This blanket permit is for minor utility maintenance type work that would require an encroachment permit due to work being done in a Town right-of-way or easement but is minor in nature not requiring plan review or inspection oversight. Examples would be PG&E's installation of a new support cross brace on a pole where no sidewalk or pavement work was needed.

5. Certificate of Correction (New Fee - $1,500 initial surveyor deposit plus 25% admin fee)– Moving to its own fee, as the certificate of correction fee was repeated for both map types. The deposit was determined based on the average of surveyor costs associated with the COC and staff time associated with managing consultant survey

6. License Agreement Application (Town Manager) (New Fee - $3,119.00) - Fee to review a license agreement for private facilities in public right-of-way. This fee was determined based on an evaluation of the fully loaded staff time needed to evaluate and process a license agreement.

7. License Agreement Application (Town Council) (New Fee - $4,135.00) - Fee to review a license agreement for private facilities in the public right-of-way. This fee was determined based on an evaluation of the fully loaded staff time needed to evaluate and process a license agreement and prepare appropriate materials for Town Council.

8. License Agreement Recording and Issuance (New Fee - $1,925.00) – Fee to record and issue a license agreement for private facilities in the public right of way. This fee was determined based on an evaluation of the fully loaded staff time needed to develop and process a license agreement once approved by either the Town Manager or Town Council.

Police Services

1. Initial Residential Alarm Registration Fee and Renewal Residential Alarm Registration Fee (New Fees - Initial Registration Fee $95.00 Renewal Registration Fee - $50.00) – The proposed changes aim to improve alarm system management by requiring alarm registration. The update includes new fees for residential alarm registrations, while remaining mindful of the fees associated with specific renewal costs. The initial fee covers the administrative work required to establish the permit, including dispatch setup, address and system verification, community outreach and integration, and finance and contract processing. The renewal fee supports ongoing administrative efforts such as financial reconciliation, outreach coordination and scheduling, and dispatch-related tasks including address confirmation, phone line monitoring, and documentation. These adjustments are intended to promote more effective emergency response, greater compliance and to help reduce unnecessary police responses.

Parks and Public Works Services

1. Adopt a Bench (New Fee - Initial Fee - $9,865, and Renewal Fee - $5,911.00) – Initial 10 Year Term (Inclusive of Bench Cost) and Renewal Terms. Fees account for staff related maintenance, graffiti, bench installation and procurement. The initial fee includes the cost of the bench. The renewal fee does not. Support policy adopted by the Town Council on February 3, 2026, and sets a fee for a program that has never had one. This fee is calculated based on the estimated installation, maintenance, and fully loaded labor cost for a park bench for a period of 10 years.
2. Electric Vehicle Charging Fee Hourly Charge - 1- 4 hours (Increase Fee - $1.70). This fee is based on actual associated cost.

Attachment 2 contains the proposed FY 2026-27 Comprehensive Fee Schedule reflecting all Town fees (including proposed changes). An itemized list of recommended FY 2026-27 fee adjustments, reclassifications, and deletions, are reflected in Attachment 3.

B. **ADMINISTRATIVE FINE PENALTY SCHEDULE**:

The Administrative Fine and Penalty Schedule sets forth the administrative penalty amounts for code violations. Attachment 5, contains the proposed FY 2026-27 Administrative Fine and Penalty Schedule reflecting all Town fines (including proposed changes). An itemized list of recommended FY 2026-27 fine adjustments, reclassifications, and deletions are reflected in Attachment 6 and explained below:

Los Gatos California Fire Code

1. Section 2703.13 Requirements for HPM gases – Section 2703.13 remains in our Administrative Fine and Penalty schedule; this action removes a duplicative listing of the fine section.

In addition, the proposed FY 2026-27 Comprehensive Fine Schedule accounts for modifications to fines, as explained below:

1. Fireworks (First Offense - $500.00, Second Offense - $1,000.00, and Third Offense - $1,500.00) – The justification to raise the fine for the unlawful use of fireworks is to serve as motivation not to use illegal fireworks. The existing fine is insufficient to deter the behavior.

2. False Alarms (False Alarm and No Permit - 2 Times Annual Permit Fee, and Over two (2) false alarms occur on the premises within a six-month period within a calendar year $175.00)– The primary proposed changes to the false alarm ordinance are to:
    - Require residential alarm users to register their alarm system with the Town,
    - Provide that when the Police Department responds to a false alarm at a location without an alarm permit, the property owner shall pay a penalty of two times the annual permit fee,
    - Provide that residential properties with more than five false alarms within a calendar year will be placed on “no response status”.

Police Services.

The revised schedule imposes new penalties for false alarms at unpermitted properties and two or more false alarms within a 6-month period.

Miscellaneous

Town Code violations that are subject to the Town's standard penalties of $100 for the first violation, $200 for the second violation, and $500 for subsequent violations have been removed from the schedule, because the purpose of the schedule is to list penalties that are different from those standard amounts.

CONCLUSION:

It is recommended that the Town Council approve the Comprehensive Fee Schedule effective July 1, 2026, and the Administrative Fine and Penalty Schedule, effective July 1, 2026, and adopt the related resolutions.

COORDINATION:

The preparation of the Fee and Fine Schedules was coordinated with all applicable Town Departments and Offices.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:

1. Resolution approving Comprehensive Fee Schedule FY 2026-27
2. Proposed FY 2026-27 Comprehensive Fee Schedule (Redlined)
3. Proposed FY 2026-27 Fee Adjustment, Reclassification, Deletions and Additions Report
4. Resolution approving Administrative Fine and Penalty Schedule FY 2025-26
5. Proposed FY 2026-27 Administrative Fine and Penalty Schedule (Redlined)
6. Proposed FY 2026-27 Administrative Fine and Penalty Adjustments, Reclassifications, Deletions and Additions Report

RESOLUTION 2026-xx

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS ADOPTING THE "2026/27 COMPREHENSIVE FEE SCHEDULE" WHICH IMPOSES NEW FEES, AMENDS EXISTING FEES AND RETAINS UNCHANGED FEES FOR VARIOUS TOWN DEPARTMENTS

WHEREAS, for the previous fiscal year 2025/26 (July 1, 2025 to June 30, 2026) certain fees were adopted by Resolution No. 2025-022 and were then incorporated into the "Town of Los Gatos Comprehensive Fee Schedule" ("Fee Schedule");

WHEREAS, the Town desires to impose new fees, amend existing fees and retain unchanged certain fees based on the document entitled "Comprehensive Fee Schedule";

WHEREAS, where the fees for service are imposed by the Town to support government services and not for the purpose of providing a market-based fee for services that are also provided by the general public, the proposed fees are hereby determined to be reasonable in that they do not exceed the estimated reasonable costs of providing the public services proposed to be rendered;

WHEREAS, the proposed fees for rentals of Town facilities are consistent with neighboring jurisdictions;

WHEREAS, in adopting the fees and this Resolution, the Town is exercising its power under Article XI, Section 7, and Article XIIIC of the California Constitution, Section 50076 of the California Government Code, its Town Code, and other applicable laws;

WHEREAS, for fees that are noted in the fee schedule as new or increasing, relevant information regarding those new or increased fees were made available for public review and comment for ten (10) days prior to the public hearing at which this resolution was considered and adopted;

WHEREAS, on April 7, 2026, the Town Council held a public hearing on the fees and charges set forth in the revised fee schedule;

WHEREAS, on March 27 and April 3, 2026, timely notice of the public hearing was published in a newspaper of general circulation in the manner set forth in Government Code Sections 6062a and 66018; and

WHEREAS, notice of the public hearing was mailed to all persons requesting such notice pursuant to Government Code Section 66016.

NOW, THEREFORE, BE IT RESOLVED that the Town Council of the Town of Los Gatos does hereby declare, determine, and order as follows:

1. That the Town Council hereby finds that the above Recitals are true and correct by this reference makes them a part thereof.
2. Adoption of Fees, Rates and Charges. The fees, rates, and charges (hereinafter collectively, "fees") contained in the document entitled "Comprehensive Fee Schedule" are hereby adopted and are to be set forth in a document entitled "Comprehensive Fee Schedule."
3. Effect of Fees Prior to effective Date of Resolution. This Resolution shall not be construed so as to affect any fee or charge payable or paid under any applicable fee schedule operative prior to the effective date of this Resolution.
4. Effective Date. The fees set forth in the "Comprehensive Fee Schedule" shall be effective July 1, 2026.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos, California, held on April 7, 2026, by the following vote:

COUNCIL MEMBERS:

AYES:

NAYS:

ABSENT:

ABSTAIN:

SIGNED:

_____

MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

ATTEST:

_____

TOWN CLERK OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

TOWN OF LOS GATOS CALIFORNIA









COMPREHENSIVE FEE SCHEDULE (REDLINED)

FISCAL YEAR 2026-27

Cover Photos: Richard Gaskill and Sophia Constantine

TOWN OF LOS GATOS FEE SCHEDULE

The following Fee Schedule is effective ~~July 5, 2025~~ July 1, 2026 unless updated by the Town Council. The Fee Schedule will be adjusted annually by the average Consumer Price Index (Bureau of Labor Statistics, U.S. Department of Labor for the San Francisco/Oakland/San Jose Metropolitan Statistical Area) for the calendar year and/or by the percentage increase in actual operating costs for the current year – whichever is greater. For ~~FY 2025-2026~~ FY 2026-2027, the fees are adjusted by ~~2.8%~~ 2.2% CPI. This Fee Schedule also provides for minimum annual adjustments for those fees that are directly related to personnel costs. Other adjustments may be made to maintain consistency with the surrounding municipalities within the Town of Los Gatos region but in no case are fees charged in excess of service delivery costs.

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ADMINISTRATIVE SERVICES

Copy and Printing Charges

1	Copy of Town Code	Actual Cost
2	8 1/2 x 11 and 8 1/2 x 14	$.25 per page
3	11 x 17	$.35 per page
4	Oversized or Large Productions	Actual Cost
5	Annual Subscription for Town Code Supplements	Actual Cost
6	Copying of Zoning Ordinance	Actual Cost
7	Annual Subscription for Zoning Ordinance Supplements	Actual Cost
8	Certification of Town Records	$2.00
9	Annual Financial Report	Actual Cost
10	Annual Budget	Actual Cost
11	Capital Improvement Plan	Actual Cost

Special Events

12	Special Event Application Fee, For-Profit	New Event ~~$935.00~~ $956.00
		Repeat Event ~~$699.00~~ $714.00
13	Special Event Application Fee, Not-For Profit	New Event ~~$233.00~~ $238.00
		Repeat Event ~~$175.00~~ $179.00
14	Special Event Road Closure Review and Inspection Fee	$228.44
15	Special Event N. Santa Cruz Avenue Road Closure Fee	Actual Cost
16	Block Party Permit	~~$57,00~~ $58.00
	Expedited Processing Fee when required documentation is submitted post deadline	$113.73 per day
17	Police Officer	~~$303.45~~ $336.86 per hour
18	Lead Parks and Public Works Maintenance Worker	~~$142.63~~ $147.63 per hour
19	Parks and Public Works Maintenance Worker	~~$118.74~~ $122.91 per hour
20	Anti-Vehicle Barrier, Special Event Road Closure	Actual Cost
21	Temporary No Parking Signs	$1.00
	No Parking Sign Admin Fee	56.87
22	Temporary Alcohol Restricted Signs	$1.00
	Entertainment Zone Signicades	$5.00 per Signicade, per day
23	Temporary Banner Permit	~~$108.00~~ $110.00
24	Use of the Civic Center ~~lawn, deck and stairs~~ for approved special events ~~coordinated by a for-profit organization~~	~~$57.00~~ $58.00 per hour
25	Use of Town Plaza Park for approved special events	~~$57.00~~ $58.00 per hour

ADMINISTRATIVE SERVICES

Special Events (continued)

26	Facility Deposit	$500
	Facilities Maintenance Fee	$155
27	Street Pole Banner Program	~~$226.00~~ $231.00 per banner (includes install and removal)
28	Events with live music (either played by disc jockey, electronic playlist, or performed by musicians in a public setting)	~~$65.00~~ $66.00 per event

Business License

29	Business License Processing Fee - New	Out of Town $20.00
		In Town $40.00
30	Business License Processing Fee - Renewal	Out of Town and In Town $30.00

Other Services

31	Compact Disk or Recording ~~Tape~~ of Council and Planning Commission Meetings (plus actual mailing costs, if applicable)	$20.00 per DVD for meetings under 2 hours
		$30.00 per DVD for meetings over 3 hours
32	Copy - Digital	$10 per copy ~~device~~
33	Initial Returned Check Fee	$25.00
34	Subsequent Return Check Fees [CA Civil Code Section 1719(a) (1)]	$35.00
35	Election Filing Fee	$25.00
36	Town Credit Card Processing Fee	2.49%
37	Third Party Vendor Business License Electronic Payment Processing Fees	Credit and Debit Card Processing 2.9% of transaction amount, minimum of $2.00
		ACH/eCheck $1.25 per transaction
		Returned Payments/NSF $25.00
38	Third Party Vendor Parking Citations and Permits Electronic Payment Processing Fee	$3.95
39	Request for Service Not Covered by any Other Fee	Fully allocated hourly rates for all personnel
40	Initiative/Referendum Petition Filings Fee	$200.00
41	Tyler Technologies: Enterprise ERP Credit Card Payment	3.95% Minimum of $2.50

ADMINISTRATIVE SERVICES

Other Services (continued)

42	Tyler Technologies: Payer eCheck Cost	$1.95
43	Tyler Technologies: eCheck Rejects	$5.00
44	Tyler Technologies: Credit Card Chargebacks	$15.00

ATTORNEY SERVICES

1	Conditions, Covenants & Restrictions (CC&R) Review and Approval	Fully allocated hourly rates for all personnel
2	Simple Covenant/Deed Restriction	Fully allocated hourly rates for all personnel
3	Subdivision Improvement Agreements	Fully allocated hourly rates for all personnel
4	Encroachment Agreements	Fully allocated hourly rates for all personnel
5	Miscellaneous (Legal Agreements, Real Property, etc.)	Fully allocated hourly rates for all personnel

DEVELOPMENT SERVICES

General Development Fees

1	Reproduction (sent out) plus actual mailing costs, as applicable. Maps, plans, etc. (larger than 11" x 17")	Actual Cost - Sent to ARC
2	Data Duplication service and fee for partial or full copies of each digital standard Town data file on one-time request basis. (8 1/2" x 11" copy, standard printer.)	$.25 per page
3	Document Storage Fee - Laserfiche	Actual Cost
4	Duplicate Plans Set	$154.00/hr. (1/2 hr. minimum)
5	Research Records Charge for Staff Research beyond 30 minutes	Fully allocated hourly rate for all personnel
6	Address Processing Fee - Per address	~~$195.00~~ $199.00
7	Computer Surcharge on all Building/Plumbing/Mechanical/Electrical/Grading/Encroachment/Planning Permits/Applications and any other Permits/ Applications except Park Permit/Applications	4% of development application fee
8	Request for Service Not Covered by Any Other Fee	Actual Cost
9	Pre-application Conference Fee	Courtesy meeting
10	Applications for Work Unlawfully Completed	Double current application fee
11	BMP Document Processing Fee	~~$987.00~~ $1,009.00
12	Public Art In-Lieu Fee	1% of building permit valuation

~~***These fees are applied to permits or plan checks that require engineering services.***~~

Reports, Agendas, and Minutes

13	Development Review Committee Agendas	$37.00
14	Planning Commission Agendas	$25.00
15	Planning Commission Minutes	Actual Cost
16	Plan Copies - Laserfiche or other reprints sent to an outside firm	$31.00 plus costs
17	Plan Copies - Blueprint reproduction in house	$3.00 per page
18	Copy of Subdivision Ordinance	$26.00
19	General Plan (including maps)	$26.00
20	Hillside Specific Plan	$5.80
21	Hillside Development Standards and Design Guidelines	$19.45
22	Commercial Design Guidelines	$20.50
23	Subdivision Ordinance	$26.00

DEVELOPMENT SERVICES

Reports, Agendas, and Minutes (continued)

24	General Plan/Zoning Maps (24" x 36") - Black & White	$9.00
25	General Plan/Zoning Maps (24" x 36") - Color	$42.00
26	Blossom Hill Open Space Study	$14.00
27	Commercial Specific Plan Report	$12.00
28	Residential Design Guidelines	$21.50
29	Housing Element Technical Appendix	$24.75
30	2023-2031 Housing Element	$39.00
31	North Forty Specific Plan (adopted June 2015)	$45.25

Landscape

Final occupancy clearance (new construction or remodel)

32	Park Staff Time Spent for Major Development Applications	$543.00*

Basis:
Development Review Committee Meetings – 1.5 hrs. (estimate)
Site Visits – 4.0 hrs. (estimate)
Review Plan – 4.0 hrs. (estimate)

***Note: Time spent over and above the initial application fee will be billed at the current employee billing rate plus equipment hourly rate.**

Annexation Fees

33	1 Lot	~~$3,691.00~~ $3,772.00
34	2 Lots	~~$1,845.00~~ $1,886.00
35	3 Lots	~~$1,233.00~~ $1,260.00
36	4 Lots	~~$925.00~~ $945.00
37	5 Lot or more	~~$735.00~~ $751.00

****Annexation Advertising Deposit (varies as to size of map) - $1,000.00 to $2,200.00***

Any remaining deposit will be refunded to the applicant and amounts exceeding the deposit amount will be paid by applicant.

Seismic Hazards Mapping Program Fee (SMIP)

For residential construction of three stories and less (Category 1), the permit fee is $13.00 per $100,000. For all other construction (Category 2), the permit fee is $28.00 per $100,000. This fee is required by the State of California to identify and map zones of particular seismic hazards. Five percent of the fee is retained by the Town to be used solely for earthquake preparedness.

Capital Improvement Tax (Construction)

Based on $0.18 for each square foot of building addition or alteration, which increases floor area of an existing building.

Underground Utility Tax (Utilities)

Based on $0.18 for each square foot of building addition or alteration, which increases floor area of existing building.

Park Fund Tax (Parks)

Based on $0.04 for each square foot of building addition or alteration, which increases floor area of an existing building.

Building Division

Building Permit Fees

38	Fee for issuing/reinstating a Building Permit	~~$67.00~~ $68.00
39	Additional Building Permit Fee	~~$37.00~~ $38.00
40	Demolition Permit	Residential: ~~$326.00~~ $333.00
		Commercial: ~~$570.00~~ $583.00

Building Permit Fees for New Construction and Addition

The fee for each building permit shall be based upon the 1997 Uniform Building Code as amended by the 2010 California Building Code.

A building valuation regional modifier of 2.32 shall be used in conjunction with the Building Valuation Data provided in the publication, Building Valuation Data, published by the International Code Council – February 2012. Hillside Homes shall use a modifier of 3.246 and Commercial Office Tenant Improvements shall use a modifier of 1.16. The Building Valuation Data will be increased yearly by the Engineering News Record (ENR) Annual Building Cost Index (BCI) for every year thereafter.

DEVELOPMENT SERVICES

Building Permit Fees for New Construction and Addition

41	$1.00 to $500.00	~~$40.00~~ $41.00
42	$501.00 to $2,000.00	~~$40.00~~ $41.00 for the first ~~$500.00~~ $501.00 plus ~~$5.24~~ $5.36 for each additional $100.00 or fraction thereof, to and including $2,000.00
43	$2,001.00 to $25,000.00	~~$119.00~~ $122.00 for the first $2,001.00 plus ~~$24.10~~ $24.63 for each additional $1,000.00 or fraction thereof, to and including $25,000.00
44	$25,001.00 to $50,000.00	~~$673.00~~ $688.00 for the first $25,001.00 plus ~~$17.38~~ $17.76 for each additional $1,000.00 or fraction thereof, to and including $50,000.00
45	$50,001.00 to $100,000.00	~~$1,107.00~~ $1,131.00 for the first $50,001.00 plus ~~$12.06~~ $12.33 for each additional $1,000.00 or fraction thereof, to and including $100,000.00
46	$100,001.00 to $500,000.00	~~$1,711.00~~ $1,749.00 for the first $100,001.00 plus ~~$9.63~~ $9.84 for each additional $1,000.00 or fraction thereof, to and including $500,000.00
47	$500,001.00 to $1,000,000.00	~~$5,566.00~~ $5,688.00 for the first $500,001.00 plus ~~$8.17~~ $8.35 for each additional $1,000.00 or fraction thereof, to and including $1,000,000.00
48	$1,000,001.00 and over	~~$9,654.00~~ $9,866.00 for the first $1,000,001.00 plus ~~$5.42~~ $5.54 for each additional $1,000.00 or fraction thereof
XX	Engineering Fee for Building Permit Review	Consultant Cost

Building Permit Fees for Remodels, Alterations, and Repairs

The Building Official shall establish the valuation of said improvements, and fees will be assessed as per Valuation Schedule above.

Special Services & Inspections

49	Inspection outside normal business hours (4 hr. minimum)	~~$235.00~~ $240.00/hr.
50	Re-inspection fees	~~$195.00~~ $199.00/hr.
51	Inspections for which no fee is specifically indicated (2 hr. minimum)	~~$195.00~~ $199.00/hr.
52	Additional plan review required by changes, additions or revisions to plans (1 hr. minimum)	~~$186.00~~ $190.00/hr.
53	For use of outside consultants for plan checking and/or inspections	Actual Cost
54	Services for which no fee is specifically indicated (1/2 hr. minimum)	~~$195.00~~ $199.00/hr.
55	Permit/Plan check time extension (per permit) (applies to permits that have not expired)	~~$96.00~~ $98.00
56	Express plan review or initial review (1 hr. minimum)	~~$195.00~~ $199.00/hr.
57	Application for Appeals to the Building Board Review	~~$334.00~~ $341.00
58	Temporary Certificate of Occupancy	~~$1,343.00~~ $1,373.00

Plan Review Fee

A plan review fee shall be charged at the time of filing application. This fee is separate from and shall be in addition to the building permit fee. This fee is calculated at sixty-five percent (65%) of the building permit fee as per the valuation schedule starting on page 8.

Other Miscellaneous Factors to Determine Construction Valuation

59	Convert Garage to habitable space	~~$144.00~~ $147.00/sq.ft.
60	Convert unfinished basement or attic to habitable	~~$155.00~~ $158.00/sq.ft.
61	Pools/Spas (gunite)	~~$93.00~~ $95.00/sq.ft.
62	Siding - aluminum/vinyl/wood	~~$39.00~~ $40.00/sq.ft.
63	Antennas & Towers	Const.Value as applied under valuation schedule
64	Commercial Awning or Canopy	Aluminum ~~$39.00~~ $40.00/sq.ft.
		Canvas ~~$29.00~~ $30.00/sq.ft.
65	Fence or Freestanding Wall (over 6 feet tall)	Wood or metal ~~$61.00~~ $62.00/sq.ft.
		Masonry ~~$104.00~~ $106.00/sq.ft.
66	Decks/Balcony	~~$58.00~~ $59.00/sq.ft.
67	Wood Deck	~~$25.00~~ $26.00/sq.ft.

DEVELOPMENT SERVICES

Other Miscellaneous Factors to Determine Construction Valuation (continued)

68	Re-roofs	~~$3.46~~ $3.54/sq.ft.
69	Retaining Walls	~~$131.00~~ $134.00/sq.ft.

Special Systems Fees

70	Emergency generation, wind power, special HVAC systems, etc.	Plan Review (1 hr. minimum) ~~$186.00~~ $190.00/hr.
		Field Inspection (2 hr. minimum) ~~$195.00~~ $199.00/hr.
71	Photovoltaic - Roof & Ground Mounted - Residential	Plan Review (1/4 hr. minimum) ~~$186.00~~ $190.00/hr.
		Field Inspection (1 hr. minimum) ~~$195.00~~ $199.00/hr.
72	Photovoltaic - Roof & Ground Mounted - Commercial	Plan Review (1 hr. minimum) ~~$186.00~~ $190.00/hr.
		Field Inspection (2 hr. minimum) ~~$195.00~~ $199.00/hr.

Electrical Permit Fees

73	Fee for issuing/reinstating an Electrical Permit	~~$67.00~~ $68.00
74	Additional Electrical Permit Fee	~~$30.00~~ $31.00
75	New Residential Construction (new buildings only, including garages)	$.12 sq. ft
76	Commercial Construction	$.09 sq. ft

Plan Review & Re-inspection Fees

77	Plan review fee	25% of Electrical Permit Fee
78	Additional plan review	~~$186.00~~ $190.00/hr.
79	Re-inspection fee	~~$195.00~~ $199.00/hr.

System Fee Schedule

80	Private swimming pools	~~$78.00~~ $80.00
81	Public swimming pools	~~$141.00~~ $144.00
82	Temporary power poles	~~$96.00~~ $98.00
83	Temporary distribution system & temporary lighting	~~$47.00~~ $48.00
84	Installation of illuminated signs (each)	~~$123.00~~ $126.00

DEVELOPMENT SERVICES

For alterations to existing pools, use Unit Fee Schedule fees beginning on page 10.

Unit Fee Schedule

85	Receptacle, switch, and lights	~~$2.32~~ $2.37
86	Residential appliances/new circuits (cook top, oven, range, disposals, clothes dryers, or other motor operated appliances not exceeding one horsepower)	~~$7.45~~ $7.61
87	Nonresidential appliances/new circuits (medical & dental devices, food, beverage, drinking fountains, laundry machines, or other similar equipment) NOTE: for other types of air conditioners and other motor-driven appliances having larger electrical ratings, see Generators/Motors	~~$9.58~~ $9.79
88	Photovoltaic system (residential)	~~$90.00~~ $92.00
89	Solar systems (including controls)	~~$90.00~~ $92.00
90	Power apparatus (generators, transformers, A/C, heat pumps, or baking equipment)	Up to 10 KV, each $20.00
		Over 10 KV not over 50 KV, each ~~$39.00~~ $40.00
		Over 50 KV and not over 100 KV, each ~~$78.00~~ $80.00
		Over 100 KV, each ~~$103.00~~ $105.00
91	Motors	Up to 10 hp $20.00
		Up to 25 hp ~~$39.00~~ $40.00
		Up to 55 hp ~~$78.00~~ $80.00
		Over 55 hp ~~$113.00~~ $115.00
92	Transformers	Up to 5 KVA $20.00
		Up to 10 KVA ~~$39.00~~ $40.00
		Up to 50 KVA ~~$65.00~~ $66.00
		Over 50 KVA ~~$95.00~~ $97.00
93	Busways/conduits (per 100 ft)	~~$9.58~~ $9.79
94	Service equipment	200 amps or less ~~$96.00~~ $98.00
		201 to 999 amps ~~$132.00~~ $135.00
		Sub-panels ~~$47.00~~ $48.00
95	Installation of spas or saunas	~~$47.00~~ $48.00

Other Electrical Fees

96	Duplicate job card	~~$30.00~~ $31.00
97	Permit extension (applies to permits that have not expired)	~~$96.00~~ $98.00

Mechanical Permit Fees

98	Fee for issuing/reinstating a Mechanical Permit	~~$67.00~~ $68.00
99	Additional Mechanical Permit Fee	~~$30.00~~ $31.00
100	New Residential Construction (new buildings only, including garages)	$.12 sq. ft
101	Commercial Construction	$.09 sq. ft

Plan Review & Re-inspection Fees

102	Plan review fee	25% of Mechanical Permit Fee
103	Additional plan review	~~$186.00~~ $190.00/hr.
104	Re-inspection fee	~~$195.00~~ $199.00/hr.

Unit Fee Schedule

105	Installation of each heating system, A/C, boiler, compressor, or air handler	~~$47.00~~ $48.00
106	Each duct repair or alteration	$14.00
107	Each fireplace appliance	~~$39.00~~ $40.00
108	Each ventilating fan	$14.00
109	Installation of separate flue or vents not included with the installation of an appliance	$14.00
110	Installation of each hood with mechanical exhaust	Residential ~~$39.00~~ $40.00
		Commercial ~~$141.00~~ $144.00
111	Each new or repair of gas piping system	~~$86.00~~ $88.00
112	Each additional gas outlet	~~$28.00~~ $29.00
113	Installation of evaporative cooler	~~$39.00~~ $40.00

Other Mechanical Fees

114	Duplicate job card	~~$30.00~~ $31.00
115	Permit extension (applies to permits that have not expired)	~~$96.00~~ $98.00

DEVELOPMENT SERVICES

Plumbing Permit Fees

116	Fee for issuing/reinstating a Plumbing Permit	~~$67.00~~ $68.00
117	Additional Plumbing Permit Fee	~~$30.00~~ $31.00
118	New Residential Construction (new buildings only, including garages)	$.12 sq. ft
119	Commercial Construction	$.09 sq. ft

Plan Review & Re-inspection Fees

120	Plan review fee	25% of Plumbing Permit Fee
121	Additional plan review	~~$186.00~~ $190.00/hr.
122	Re-inspection fee	~~$195.00~~ $199.00/hr.

System Fee Schedule

123	Private swimming pools (including heater, water piping, or gas piping)	~~$113.00~~ $115.00
124	Public swimming pools (including heater, water piping, or gas piping)	~~$170.00~~ $174.00
125	Lawn sprinkler system on one meter	~~$47.00~~ $48.00
126	Each new or repair of gas piping system	~~$86.00~~ $88.00
127	Each drainage, sewer system	~~$47.00~~ $48.00
128	Radiant floor heating system	~~$141.00~~ $144.00

Unit Fee Schedule

129	Each plumbing fixture or trap or set of fixtures on one trap	$14.00
130	Each sewer cleanout, backflow device	$14.00
131	Each septic system abatement	~~$141.00~~ $144.00
132	Rainwater systems - per drain (inside building)	$14.00
133	Each water heater, water softener	~~$39.00~~ $40.00
134	Each grease interceptor (750 gallon capacity)	~~$96.00~~ $98.00
135	Each grease trap (1-4 fixtures)	~~$54.00~~ $55.00
136	Residential water re-piping	~~$141.00~~ $144.00
137	Each ejector/sump pump	~~$47.00~~ $48.00
138	Each vacuum breaker/hose bib	$14.00
139	Each water piping system repair or replacement	~~$29.00~~ $30.00
140	Each additional gas outlet	~~$29.00~~ $30.00

DEVELOPMENT SERVICES

Other Plumbing Fees

141	Duplicate job card	~~$30.00~~ $31.00
142	Permit extension (applies to permits that have not expired)	~~$96.00~~ $98.00

Other Building Fees

143	Duplicate Inspection Card	~~$37.00~~ $38.00
144	NPDES Inspection Fee (Charged on all building permits with the potential to generate non-point source storm water runoff during construction)	~~$86.00~~ $88.00
145	SB 1186 Accessibility Fee	$4.00

Building Fee Refunds

Request must be received within 1 year of original payment date. Subject to approval by the Chief Building Official.

- Building Permit - 80% provided no work or inspections have been completed; 0% if any work or inspections have been completed.
- Subtrade Permit - 80% provided no work or inspections have been completed; 0% if any work or inspections have been completed.
- PV Permits - 80% provided no work or inspections have been completed; 0% if any work or inspections have been completed.
- Building Plan Check - 80% if cancelled or withdrawn before any plan check review has begun; 0% if any plan check review has begun.
- Microfilm/Laserfiche - 80% of actual cost minus refund request page.
- Planning Plan Check - 0%
- Computer services (4%) - 0%
- Issuance Fee - 0%
- Credit Card processing fee - 0%
- Title 24 Fee - 0%
- Capital Improvement Tax - 100%
- Utility Tax - 100%
- Park Tax - 100%
- Storm Drain (ENG) - 100%
- Road Impact Basin - 100%
- Seismic Tax (SMIP) 5% - 100%
- Seismic Tax (SMIP) 95% - 100%
- General Plan Update - 100%

Building Fee Refunds (continued)

- NPDES - 80% provided no work or inspections have been completed; 0% if any work or inspections have been completed.
- Building Standards - 0%
- Itemized items - 100%
- Online permits such as water heaters, furnace, and electrical permits - 100%

State of California Title 24 Part 2 Energy and Accessibility Code and Regulation Plan Review and Inspection Fees

A surcharge shall be added to the building permit fee for the cost to plan review and inspect for compliance with State of California Title 24 Regulations. This fee is calculated at fifteen percent (15%) of the building permit fee. This fee is applied whenever a plan review is assessed.

State of California Mandated Building Standards Fee – SB 1473

A surcharge shall be added to all building permits at the rate of four dollars ($4) per one hundred thousand dollars ($100,000) in valuation, with appropriate fractions thereof, but not less than one dollar ($1). These funds will be available to the California Building Standards Commission, the Department of Housing and Community Development, and the Office of the State Fire Marshall for expenditure in carrying out the provisions of the State Building Standards Law and provisions of State Housing Law that relate to building standards. Up to ten percent (10%) shall be retained for related administrative costs and for code enforcement education.

DEVELOPMENT SERVICES

Planning Division

The fees listed below constitute all fees imposed by the Planning Division. Certain types of applications must be reviewed / processed by other departments/agencies, which may impose separate fees. Applicants are advised that the fees for those services are not included in the Planning Department's fees. Where the term "actual cost" is used here, it shall mean: materials, supplies (including any costs of noticing or publication), outside consultants, employee cost will be billed at the top step, plus benefits, plus overhead. The following fee schedule is established for applications filed pursuant to the Town Code. The fees are collected by the Community Development Department at the time the application is filed unless otherwise noted.

- Fees for Additional Processing - In the event additional processing services by the Town are required due to changes, modifications, additions, errors, omissions, or discrepancies caused by the applicant or his/her agents or representatives, the applicant shall pay an additional fee as determined by the Director of Community Development to cover the actual cost.
- Fees for Lack of Progress - If additional information is required by the Town for an application and the requested information is not submitted within 180 days, the applicant will be required to pay a fee of 10 percent of the current application fee at the time the requested information is submitted. Any re-submittal after one year will be processed as a new application, subject to new fees.

- Fees for Major Projects - If it is anticipated that the application processing costs of selected major projects will significantly exceed the following fees, the Director of Community Development may collect a deposit and charge actual time spent to process the applications based upon current hourly rates.

- Surcharges - All of the following applications are subject to the surcharge fees as set forth in General Development Services and in the Zoning Research section of Planning Division.

DEVELOPMENT SERVICES

Zoning Approvals - Architecture and Site Applications – Development Review Committee (DRC) Approval

146	New single family detached (HR and RC zones)	~~$17,695.00~~ $18,084.00
	Engineering Development Review Service Fee	~~$5,043.00~~ $5,154.00
147	New non-custom single family detached (HR and RC zones) per unit/model, as part of a Planned Development**	~~$13,708.00~~ $14,010.00
	Engineering Development Review Service Fee	~~$5,426.00~~ $5,545.00
148	New single family or two-family units	~~$15,037.00~~ $15,368.00
	Engineering Development Review Service Fee	~~$5,426.00~~ $5,545.00
149	New single family or two-family (any other zone) per unit/model new nonresidential or multiple family per building as part of a Planned Development**	~~$12,378.00~~ $12,650.00
	Engineering Development Review Service Fee	~~$5,426.00~~ $5,545.00
150	Minor projects (a development proposal that does not significantly change the size, mass, appearance or neighborhood impact of a structure, property or parking lot i.e. minor grading permit)	~~$9,720.00~~ $9,934.00
	Engineering Development Review Service Fee	~~$3,893.00~~ $3,979.00

Zoning Approvals – Architecture and Site Applications – Planning Commission Approval

151	Supplemental fee for DRC applications or ~~minor residential development applications, or~~ applications that are part of a Planned Development that require Planning Commission approval	~~$3,884.00~~ $3,969.00
	Engineering Development Review Service Fee	~~$1,840.00~~ $1,880.00
	Supplemental Fee for Minor Residential Development applications that require Planning Commission approval	$3,884.00
152	New two-family unit	~~$18,921.00~~ $19,337.00
	Engineering Development Review Service Fee	~~$5,626.00~~ $5,750.00
153	New non-residential (includes conceptual Planned Development elevations and mixed use that includes two or fewer buildings)	~~$18,921.00~~ $19,337.00
	Engineering Development Review Service Fee	~~$7,233.00~~ $7,392.00

DEVELOPMENT SERVICES

Zoning Approvals – Architecture and Site Applications – Planning Commission Approval (continued)

154	New multiple family (includes conceptual Planned Development elevations that include two or fewer buildings)	~~$21,313.00~~ $21,782.00
	Engineering Development Review Service Fee	~~$12,681.00~~ $12,960.00
155	New multiple family, mixed use, or non-residential project with more than two buildings	Planning: Actual Cost and minimum $20,000 deposit
		Engineering: Actual Cost and minimum $20,000 deposit

Aside from the fees noted above, no additional Architecture and Site application fees will be assessed for projects that involve a historic structure or site.

****Any changes proposed to model homes, nonresidential, or multiple family buildings, a supplemental fee shall be based on a time and materials basis to review the changes.***

Conditional Use Permits

156	*Conditional Use Permit (PC Approval)*	~~$8,574.00~~ $8,763.00
	Engineering Development Review Service Fee	~~$2,331.00~~ $2,382.00
157	Conditional Use Permit (when consolidated with another application for new development)	~~$2,259.00~~ $2,309.00
	Engineering Development Review Service Fee	~~$949.00~~ $970.00
158	Conditional Use Permit (DRC Approval)	~~$5,609.00~~ $5,732.00
	Engineering Development Review Service Fee	~~$1,460.00~~ $1,492.00
159	Applications that require Town Council Approval (these fees supplement the above established fees)	~~$3,693.00~~ $3,774.00
	Engineering Development Review Service Fee	~~$2,506.00~~ $2,561.00
		Transcription of Planning Commission minutes - Actual cost and minimum $500.00 deposit

Rezoning (other than Planned Development

160	Without General Plan or Specific Plan Amendment	Actual Cost ($5,000.00 minimum)
161	With General Plan or Specific Plan Amendment	Actual Cost ($7,000.00 minimum)
162	Transcription fee of Planning Commission minutes	Actual Cost and minimum $500.00 deposit

DEVELOPMENT SERVICES

Planned Development

163	Without General Plan or Specific Plan Amendment	Actual Cost
164	Without General Plan or Specific Plan Amendment (HR or RC Underlying Zone)	Actual Cost
165	With General Plan or Specific Plan Amendment	Actual Cost
166	With General Plan or Specific Plan Amendment (HR or RC Underlying Zone)	Actual Cost
167	Town Council Modification to a Planned Development	Actual Cost ($5,000.00 minimum)
168	DRC Modification to a Planned Development	Actual Cost ($3,000.00 minimum)
169	Publication costs for the planned development ordinance shall be paid by the applicant	
170	Transcription fee of Planning Commission minutes	Actual Cost and minimum $500.00 deposit

Planning Division Certificates of Use and Occupancy

171	Change of use	~~$282.00~~ $288.00
172	Change of occupancy (excluding change of proprietor of a continuing business enterprise)	~~$189.00~~ $193.00
173	Use/occupancy clearance if Conditional Use Permit is required or occupancy of a new accessory dwelling unit	No fee

Sign Application

174	New permanent sign	~~$379.00~~ $387.00
175	Temporary nonresidential sign	~~$190.00~~ $194.00
176	Change of face only	~~$189.00~~ $193.00
177	Sign program	~~$2,543.00~~ $2,599.00

Administrative Land Use Permit

178	Minor telecommunications facility (i.e. microcell, IEEE 8,021 l1b, or similar)	~~$1,882.00~~ $1,923.00
179	Major telecommunications facility which do not require a Conditional Use Permit	~~$4,542.00~~ $4,642.00

DEVELOPMENT SERVICES

Other Zoning Approvals Fees

180	Variance	~~$9,720.00~~ $9,934.00
	Engineering Development Review Service Fee	~~$1,656.00~~ $1,692.00
181	Minor Residential Development (see #151)	~~$3,334.00~~ $3,407.00
	Engineering Development Review Service Fee	$4,639.00
182	Agricultural Preserve Withdrawal	~~$4,671.00~~ $4,774.00
183	Hazardous Materials Storage Facility Application	Fully allocated rate of all personnel, plus noticing fees
184	Home Occupation Permit	~~$189.00~~ $193.00
185	SB 330 Preliminary Application	Actual Cost ($500 minimum deposit)
186	SB 35 Preliminary Application	Actual Cost ($500 minimum deposit)
	SB 684 Small Lot Subdivision and Housing Development	$1,643.00
	Engineering Development Review Service Fee	$5,960.00
187	Two-Unit Housing Development	~~$1,643.00~~ $1,679.00
	Engineering Development Review Service Fee	$5,960.00
188	Urban Lot Split	~~$1,643.00~~ $1,679.00
	Engineering Development Review Service Fee	$2,155.00
189	Mobile Home Park Conversion Permit	Fully allocated rate of all personnel with initial deposit of $5,000.00
190	General Plan/Town Code Amendments	Fully allocated rate of all personnel with initial deposit of $5,000.00 plus additional fees

Subdivisions

191	Lot Line Adjustment (DRC Approval)	~~$2,707.00~~ $2,767.00
	Engineering Development Review Service Fee	~~$1,419.00~~ $1,450.00~~plus initial deposit of $3,000.00 for surveyor~~
192	4 Lots or Less (DRC Approval)	~~$10,512.00~~ $10,743.00
	Engineering Development Review Service Fee	~~$2,343.00~~ $2,395.00 ~~plus initial deposit of $3,000.00 for surveyor~~
193	4 Lots or Less (as part of a Planned Development) (DRC Approval)	~~$6,525.00~~ $6,669.00
	Engineering Development Review Service Fee	~~$2,542.00~~ $2,598.00 ~~plus initial deposit of $3,000.00 for surveyor~~

DEVELOPMENT SERVICES

Subdivisions (continued)

194	5 Lots or More	~~$11,843.00~~ $12,104.00
	Engineering Development Review Service Fee	~~$6,177.00~~ $6,313.00 ~~plus initial deposit of $3,000.00 for surveyor~~
195	5 Lots or More (as part of a Planned Development) (DRC Approval)	~~$6,525.00~~ $6,669.00
	Engineering Development Review Service Fee	~~$6,327.00~~ $6,466.00 ~~plus initial deposit of $3,000.00 for surveyor~~
196	Vesting Tentative Map (VTM)	Actual Cost plus $500.00 deposit and additional fees
197	Lot Merger and Reversion to Acreage (DRC Approval)	~~$2,176.00~~ $2,224.00
	Engineering Development Review Service Fee	~~$1,656.00~~ + CPI $1,692.00
198	Condominium	~~$9,182.00~~ $9,384.00
	Engineering Development Review Service Fee	~~$4,682.00~~ $4,785.00
199	Condominium (as part of a Planned Development)	~~$5,198.00~~ $5,312.00
	Engineering Development Review Service Fee	~~$4,682.00~~ $4.785.00
200	Certificate of Compliance (DRC Approval)	~~$3,771.00~~ $3,854.00
	Engineering Development Review Service Fee	~~$1,656.00 $3,442.00~~ $1,692.00
201	VTM applications that require Town Council approval, Subdivision and/or DRC applications that require Planning Commission approval. (These fees supplement the above-established fees).	~~$3,462.00~~ $3,538.00
	Engineering Development Review Service Fee	~~$8,022.00~~ $8,198.00

Miscellaneous Application Fees

202	Time Extensions to Approved Application	50% of current fee (excluding fees based on actual cost)
203	Modification to Approved Application	75% of current fee (excluding fees based on actual cost)
204	Conceptual Development Advisory Committee Review	$2,966.00
		Special Noticing - Actual Cost (minimum $500.00 deposit)
205	Sidewalk Vending Permit	~~$723.00~~ $739.00
206	Auto Dealer Events	Smaller Promotional Events ~~$1,643.00~~ $1,679.00
		Large Promotional Events ~~$1,643.00~~ $1,679.00
207	Newsrack ~~News-rack~~ Permit Fee	~~$478.00~~ $489.00

DEVELOPMENT SERVICES

Miscellaneous Application Fees (continued)

208	Firearms Dealer Permit (Town Ordinance 2217 dated 6/17/2013)	Fully allocated hourly rate of all personnel plus any necessary outside costs and initial $2,000.00 deposit

Environmental Assessment Fees

209	Categorical Exemption	No fee
210	Initial Study Deposit***	Fully allocated hourly rate of all personnel with initial $5,000.00 deposit
211	Draft Initial Study Review Fee (or actual cost if part of a Planned Development, or General Plan and/or Town Code Amendment)	~~$4,762.00~~ $4,867.00
	Engineering Development Review Service Fee	~~$2,367.00~~ $2,419.00
212	Environmental Impact Report	Consultant's fee
213	Draft EIR Review Fee	Fully allocated hourly rate of all personnel plus any necessary outside costs
214	Impact Monitoring Program (AB3180)	Fully allocated hourly rate of all personnel plus any necessary outside costs

******The $5,000 fee is a deposit only. The specific cost of the Initial Study and any required special studies shall be borne by the applicant. The deposit shall be increased before the Town will authorize work exceeding the amount on deposit. Any deposit balance will be refunded.***

Surcharges

215	General Plan update surcharge	.5% of building valuation for new construction and additions/10% of zone change and subdivision fee
216	Advanced Planning projects	10% of application fee
217	Administrative Fee - To be applied to all peer/technical reviews and deposit based application fees	10% of development application fees and deposits

DEVELOPMENT SERVICES

Appeals

218	Fee to appeal Planning Commission decision to Town Council	Per Residential ~~$538.00~~ $550.00
		Per Commercial, multi-family or tentative map ~~$2,161.00~~ $2,209.00
219	Fee to remand applications from Town Council to Planning Commission	Fully allocated hourly rate for all personnel plus additional fees
220	Fee to appeal Director of Community Development, Development Review Committee, Historic Preservation Committee, or Santa Clara County Fire Department Exception Request (PRC 4290) decision to Planning Commission	Per Residential ~~$271.00~~ $277.00
		Per Commercial ~~$1,081.00~~ $1,105.00
221	Tree appeals	~~$110.00~~ $112.00
222	Appeal transcription fee of Planning Commission minutes (only applies to appeals from Planning Commission to Town Council)	Actual Cost - minimum $500.00 deposit

Zoning Research

223	Basic Zoning Letter	~~$189.00~~ $193.00
224	Legal non-conforming verification	~~$797.00~~ $815.00
225	Reconstruction of legal non-conforming structures (Burndown Letter)	~~$398.00~~ $407.00

Other Planning Division Fees

226	Fence Height Exceptions	~~$533.00~~ $545.00
	Engineering Development Review Service Fee	~~$1,857.00~~ $1,898.00
227	Peer/Technical Review - A~~a~~ny remaining deposit will be refunded to the applicant and amounts exceeding the deposit amount will be paid by applicant	Fully allocated hourly rate of all personnel plus any necessary outside costs and initial $2,000.00 deposit
	Outside Legal Counsel Review - Any remaining deposit will be refunded to the applicant and amounts exceeding the deposit amount will be paid by the applicant	Fully allocated hourly rate of legal review Initial $5,000.00 deposit

DEVELOPMENT SERVICES

Other Planning Division Fees (continued)

228	Fees For Additional Tech Review and/or DRC Review - DRC beyond three meetings, Planning Commission hearing beyond two meetings, Town Council hearing beyond one meeting	Fully allocated hourly rate of all personnel involved plus additional fees
229	Consultation	Actual cost on an hourly basis
230	Research Services Minimum Charge	Fully allocated hourly rate for all personnel with initial $200.00 deposit
231	Building Permit Plan Check Fee	20% of building fee
232	Below Market Price Housing Program In-Lieu Fee	6% of the building permit valuation for the entire project
233	Outdoor Seating Permit	Fully allocated hourly rate for all personnel with initial $1,000.00 deposit
234	Valet Parking Permit	Fully allocated hourly rate for all personnel with initial $1,000.00 deposit
235	Parklet Program	Fully allocated hourly rate for all personnel with initial $1,000.00 deposit
236	Shared Parking Permit	Actual Cost ($1,000 deposit)

Payment of Application Fees

All application fees are to be paid at the time the applications are submitted to the Community Development Department. If the applicant withdraws an application, which requires a hearing by the Planning Commission, prior to processing the application for the hearing, 40% of the paid application fee shall be refunded to the applicant at the discretion of the Director of Community Development. All other fees are non-refundable.

Engineering Division

The following fees constitute a comprehensive listing of the various fees charged by the Engineering Program. Certain types of application/permits must be reviewed and/or processed by other Town departments or public agencies, which may charge separate fees. Applicants are advised that the fees for those services are not included in the Engineering Program's fees. Where the term "actual cost (s)" is used here it shall mean: materials, supplies (including any costs of noticing or publication), outside consultants and employee cost, (including salary, benefits and overhead).

Engineering Plan Check and Inspection Fee (~~Public Improvements &~~ Grading Permits) */**

237	Less than 50 CY	$653.00
50 to 100 cubic yards		
238	For the first 50 CY	$4,163.00
239	For each add'l cubic yard or fraction thereof up to 100 CY	$48.00
100 to 1,000 cubic yards		
240	For the first 100 CY	$6,526.00
241	For each add'l 100 cubic yard or fraction thereof up to 1,000 CY	$690.00
1,001 to 10,000 cubic yards		
242	For the first 1,000 CY	$12,737.00
243	For each add'l 1,000 cubic yard or fraction thereof up to 10,000 CY	$2,010.00
10,001 to 100,000 cubic yards		
244	For the first 10,000 CY	$30,824.00
245	For each add'l 1,000 cubic yard or fraction thereof up to 100,000 CY	$702.00
100,001 cubic yards or more		
246	For the first 100,000 CY	$94,040.00
247	For each add'l 1,000 cubic yards	$71.00 ~~$702.00~~

**** Work done at night or on weekends shall be charged the actual costs of staff***

*****Work done without permits shall be double-charged***

DEVELOPMENT SERVICES

Work In or Use of Public Right-of-Way */**

248	Encroachment Permit - Residential	Work up to $4,000.00 - $789.00
		Each additional $2,000.00 - $413.00
249	Encroachment Permit - Collector/Arterial Streets**	Work up to $4,000.00 -$2,172.00
		Each additional $2,000.00 - $904.00
250	Encroachment Permit - Consultant Plan Review and Inspection Services for serial applications (10+ per year) or specialty applications	Consultant fee based on scope, plus the base encroachment fee in the Engineering Division Fees 247 and 248, depending on street type.
	Annual Utility Blanket Permit	As determined by the Town Engineer based on anticipated number of installations and hours of staff time.
251	Outside contractor underground utility locating surcharge (actual cost for outside contractor inspection fee may change)	$234.00
252	Temporary Encroachment Permit	~~$603.00~~ $616.00
253	Dumpster Permit	~~$486.00~~ $497.00
254	Storage Permit	~~$486.00~~ $497.00****

**** Work done at night or on weekends shall be charged the actual costs of staff***

*****Work done without permits shall be double-charged***

******Single-family residences located along collector and arterial streets to be charged the residential fees above***

*******$500.00 refundable Storage Unit Removal Deposit, to cover cost of removal, if abandoned***

NPDES

255	Inspection Fee - Grading Permits	Single Family Residential ~~$885.00~~ $904.00
		Commercial or Multi Family Residential ~~$1,653.00~~ $1,689.00
256	Inspection Fee - Encroachment Permits and Some Storage Permits	Single Family Residential ~~$405.00~~ $414.00
		Commercial or Multi Family Residential ~~$650.00~~ $664.00
		Plus ~~$600.00~~ $613.00 per LID facility
257	Inspection of Storm Water Treatment Measures	~~$600.00~~ $613.00 per facility

DEVELOPMENT SERVICES

NPDES (continued)

258	~~Annual~~ Stormwater~~/Limited Impact Development (LID) Permit~~ Treatment Measures Inspection Once Every 5 Years or Other Frequency as Required by Permit	~~Per~~ First Visit ~~and 1st facility inspection~~ $356.00 ~~$614.00~~
		~~Every additional facility~~ Return inspection(s) $206.00 ~~$194.00~~
259	~~C-3 Permit Hydrologic Calculation~~ Municipal Regional Permit C.3 Compliance Review	Consultant fee deposit of $5,000.00 plus 25% admin~~istrative~~ fee

Engineering Subdivision Map Checking

260	1-4 lots	~~$4,196.00~~ $4,288.00 plus initial $3,000 surveyor deposit~~*~~
		~~Certificate of Correction $1,500.00 deposit plus 25% administrative fee~~
261	5 or more lots	~~$5,120.00~~ $5,233.00~~*~~ plus initial $5,000 surveyor deposit + CPI
		~~Certificate of Correction $1,500.00 deposit plus 25% administrative fee~~
	Certificate of Correction	$1,500 initial surveyor deposit plus 25% admin fee

~~***Plus, initial $3,000 surveyor deposit. Additional deposit(s) of actual surveyor costs may be required for larger projects than 5 or more lots, additional map check review(s), or overall complexity of the map.***~~

Traffic Impact Analysis or Parking Study

262	Development Review (staff traffic impact analysis or Parking Study)	Actual Cost* ~~*~~
		Consultant Report - Consultant Fee plus 15% admin fee ~~and Actual Cost**~~
263	~~Staff~~ Consultant Peer Review Fee	~~Actual Cost**~~ Consultant fee plus 15% admin fee
264	Site Distance Analysis	~~$560.00~~ $572.00
265	Traffic Impact Mitigation Fee	~~$1,104.00~~ $1,128.00 per new average daily trip generated

~~*~~***Actual staff cost includes staff time that will be charged to the pass-through deposit.**

DEVELOPMENT SERVICES

Storm Drainage Fees

266	Development Projects	Single family lots Section 24.60.035(b) (3): For subdivisions with lots that exceed one acre, the fee shall not exceed that of one acre per lot ~~$5,182.00~~ $5,296.00/ac.
		Multiple family dwelling units - initial unit ~~$5,182.00~~ $5,296.00/ac.
		Multiple family dwelling units - each unit after initial (not to exceed ~~$5,351.00~~ $5,469.00/ac.) ~~$194.00~~ $198.00
		Commercial, industrial, hospitals, churches, schools, and others ~~$6,481.00~~ $6,621.00/ac.
267	Building/Grading Permits (Building, Structures, & impervious areas)	New impervious surface area, per sq. ft. $2.00/sq. ft.

Street Improvement In-Lieu Fee (inclusive of soft costs)

268	Sidewalks	~~$25.00~~ $35.50/sq.ft.
269	Curb and Gutter	~~$125.00~~ $162.50/lf.

Other In-Lieu Fee

270	Trail Improvements	$18.00/per sq. ft. or determined by Director

Hauling Permits

271	House Moving Fee	~~$4,851.00~~ $4,958.00*
272	Hauling (Overweight Vehicle) Permit	Daily $16.00**
		Annual $90.00

Plus initial deposit of $5,000 for facilities damage

****The current State mandated fee is $16.00 for Hauling Permit. If the State fee changes, the Hauling Permit fee will change to reflect the same.***

Construction Activities Mitigation Fee (Ordinance 2189)

273	New Buildings and Additions	~~Residential (per square foot added) $1.51~~ $1.54/sq.ft.*
		~~Non-residential (per square foot added) $1.51/sq.ft.*~~

~~These~~ This ~~two~~ fee~~s are~~ is adjusted based on the Building Cost Index

Other Engineering Fees

274	Engineering Reversion to Acreage	~~$3,272.00~~ $3,344.00 plus initial deposit of $3,000.00 for surveyor
275	Engineering Lot Merger	~~$4,260.00~~ $4,354.00 plus initial deposit of $3,000.00 surveyor deposit
276	Engineering Lot Line Adjustments	~~$4,260.00~~ $4,354.00 plus initial deposit of $3,000.00 surveyor deposit
277	Certificate of Compliance	~~$4,260.00~~ $4,354.00 plus initial deposit of $3,000.00 surveyor deposit
278	Abandon Excess Public Right-of-Way or Public Easement	~~$5,695.00~~ $5,820.00 plus initial deposit of $3,000.00 surveyor deposit
279	Geotechnical Peer Review Fees	Consultant fee deposit of $3,500.00 plus ~~Actual Cost**. Larger projects require an initial deposit of $5,600.00 plus Actual Cost** to allow for a site visit by the geotechnical peer review consultant.~~ 25% admin fee
280	Separate Instrument Dedication Fee (for dedication via grant deeds and not maps)	~~$1,050.00~~ $1,073.00 plus initial deposit of $2,500 for surveyor
281	Slurry Seal in-lieu fee inclusive of soft costs ~~Fee~~	~~$214.00~~ $4.00/sq. ~~yd~~. ft.
282	Flood Review Fee	Consultant Cost plus 25% Admin Fee
283	Miscellaneous Review Fee*	Consultant Cost plus ~~Actual Cost**~~ 15% Admin Fee
284	Engineering Development Review Services Fee - Over-the-Counter Building Permit and Building Plan Check	10% of permit or plan check
285	Pass Through to Consultant – Land Development – Entitlement Process Reviews	Pass Through Deposit ~~and Actual Staff Cost**~~ plus 15% admin Fee
286	Pass Through to Consultant – Land Development – Building Permit Process Reviews and inspections	Pass Through Deposit plus 15% admin Fee ~~and Actual Staff Cost**~~

Other Engineering Fees (continued)

~~**287**~~	~~Pass Through to Consultant – Encroachment – Job value less than $10,000.00~~	~~Pass Through Deposit and Actual Staff Cost**~~
287	License Agreement Application (Town Manager Approval)	$3,119.00
~~**288**~~	~~Pass Through to Consultant – Encroachment – Job value greater than $10,000.00~~	~~Pass Through Deposit and Actual Staff Cost**~~
288	License Agreement Application (Town Council Approval)	$4,135.00
~~**289**~~	~~Pass Through to Consultant – Utility Projects – PG&E, San Jose Water Company, West Valley Collection, etc.~~	~~Pass Through Deposit and Actual Staff Cost**~~
289	License Agreement Recording and Issuance	$1,925.00

This fee will be implemented for services including, but not limited to, wet weather inspections, annual inspections, review of operations and maintenance reports, coordination with property owner(s) and/or homeowner associations, etc.

~~****Actual staff cost includes staff time that will be charged to the pass-through deposit.***~~

LIBRARY SERVICES

Lost or Damaged Items

1	Replacement of Adult book/AV item	Cost of item plus $10.00 processing fee
2	Replacement of Teen/Children's book/AV item	Cost of item plus $5.00 processing fee
3	Replacement of Adult paperback	Cost of item plus $5.00 processing fee
4	Replacement of magazine	Cost of item plus $5.00 processing fee

In lieu of above, account holder may replace lost/damage item with new identical copy plus $2.00 processing fee.

Internet printing and copies

5	Printing per page - Black and White Copies	$0.15
6	Printing per page - Color Copies	$0.25

History Project Digital Image

7	Fair Use Fees (for personal use only)	Free – Downloaded via History Website
8	Commercial Use Fees	$25.00 per high resolution image

Parks Division

Picnic Area Reservation Fees

Bachman, Belgatos, Blossom Hill, La Rinconada, Live Oak Manor, Oak Meadow (sites 1-9)

1	Picnic Area Reservation Fee	Resident $125.00 per site
		Non-Resident $175.00 per site
2	Picnic Area Reservation Fee w/Jump House	Resident $250.00 per site
		Non-Resident $350.00 per site
3	Vehicle Escort Fee	Resident: $100.00
		Non-Resident: $125.00
4	Cancellation Fee	$25 per site

Additional Oak Meadow Park Fees

5	Bocce Ball Court Fee	Resident $125.00 per day
		Non-Resident $175.00 per day
6	Parking Fee	Resident $6.00 per vehicle
		Non-Resident $6.00 per vehicle
7	Annual Parking Pass	$95.00 per vehicle
8	Senior Annual Parking Pass	$48.00 per vehicle (60 years or older)

Park Special Use Permit Fees

Minimum two-hour reservation required
Park Facilities or Areas Use Permit (Sec. 19.30.010. - Required.) - a permit shall be obtained from the Parks and Public Works Department for the temporary, exclusive or special use of any park facility or area by any organized group.

Special Use Permit Oak Meadow Part – Bandstand

9	Administrative Fee	$25 per application
10	Standard Fee	Resident $125.00 per hour
		Non-Resident $175.00 per hour
11	Non-Profit Fee	Resident $75.00 per hour
		Non-Resident $130.00 per hour
12	Additional Lawn Fee	Resident $75.00 per hour
		Non-Resident $130.00 per hour

Special Use Permit Oak Meadow Part – Bandstand (continued)

13	Deposit (refundable)	$600.00

Special Use Permit – Los Gatos Creek Trail, Bachman, Belgatos, Blossom Hill, La Rinconada, Live Oak Manor, Oak Meadow Park (1 through 9)

14	Administrative Fee	$25 per application
15	Standard Fee	Resident $35.00 per hour
		Non-Resident $45.00 per hour
16	Non Profit Fee	Resident $25.00 per hour
		Non-Resident $35.00 per hour
17	Additional Day (Applicable specifically for recreational or educational purposes)	Resident $25.00 per hour
		Non-Resident $35.00 per hour
18	Damage Deposit (refundable)	$200.00 for 0-300 attendees
		$500.00 for 301+ attendees

Special Use Permit – Creekside Sports Park

19	Administrative Fee	$25 per application
20	Standard Fee	Resident $45.00 per hour
		Non-Resident $55.00 per hour
21	Non Profit Fee	Resident $35.00 per hour
		Non-Resident $45.00 per hour
22	Additional Day (Applicable specifically for recreational or educational purposes)	Resident $35.00 per hour
		Non-Resident $45.00 per hour
23	Damage Deposit (refundable)	$600.00

Other Fees

	Adopt A Bench – Initial 10 Year Term (Inclusive of Bench Cost)*	$9,865.00
	Adopt A Bench – Renewal Terms after Initial 10 Years (assuming bench replacement not required)	$5,911.00 for each 10-year renewal term
	*If existing bench is used deduct cost of bench as provided by staff at time of adoption	

Turf Maintenance Fee

Additional fee added to any Park Use, when a permit's scheduled activity or event will negatively impact the park turf, (locations including but not limited to Oak Meadow, Town Plaza, and Civic Center lawn areas). The fee amount is to be based upon best estimate of turf repair cost, as determined by the Director of Parks and Public Works and/or Maintenance Superintendent.

Tree Related Fees

24	Tree Removal Permit Application*	One Tree ~~$250.00~~ $256.00
		Additional Tree ~~$125.00~~ $128.00/each
		If application is denied 50% refund
25	Illegal Tree Removal Administrative Fee	~~$330.00~~ $337.00
26	Replacement Trees - Town Forestry Fund Per Tree Ordinance Section 29.10.0985	Tree cost for each 24",36", and/or 48" box size will be the Market Price plus the installation cost, determined by the Director

Fee will be waived if tree removal is done to implement or maintain Defensible Space and supporting documentation directing removal is provided.

Equipment Hourly Rates as Follows

27	Pick-up Truck	$32.00
28	1 Ton Flatbed Truck	$42.00
29	Utility Truck	$57.00
30	Dump Truck (10 Wheel)	$85.00
31	Dump Truck (Bobtail)	$63.00
32	Paint Truck	$85.00
33	Line Remover	$26.00
34	Tractor Loader	$63.00
35	Backhoe	$85.00
36	Rubber-tired Loader	$85.00
37	Roller	$63.00
38	Van	$37.00
39	Concrete Saw	$32.00
40	Air Compressor	$32.00
41	Arrowboard	$32.00

PARKS AND PUBLIC WORKS

Equipment Hourly Rates (continued)

42	Generator	$26.00
43	Chainsaw	$20.00
44	Blower	$10.00
45	High Pressure Sewer Cleaner	$117.00
46	Brush Chipper	$42.00
47	Chipper Truck	$63.00
48	Aerial Unit	$92.00
49	Forklift	$42.00
50	Trailer	$42.00
51	Message Board	$10.81
52	Barricades	$0.23
53	Cones	$0.15
54	Portable Generators	$28.04

Streets Division

Hazard and/or Debris Removal

55	Staff time spent to conduct hazard and or debris removal caused by citizen negligence	Fully allocated hourly rate of all personnel plus any outside costs

Special Events Fees

56	Staff and equipment for special event requests	Fully allocated hourly rate of all personnel

Electric Vehicle Charging Fee

57	System Connection Fee	$1.00
58	Hourly Charge - 1- 4 hours	$1.70/hour
59	Hourly Charge - after 4 hours	$5.00/hour

POLICE SERVICES

Printing, Copying, and Report Charges

1	8 1/2" x 11 and 8 1/2" x 14	$.25 per page
2	Copy - Digital	$10.00 per device
3	Police Report/CAD Incident	$15.00 (up to ten pages) additional $.25 per page

Photographs

4	For the first 3	$42.00
5	Each Additional	$13.00

Concealed Weapons

6	Permit Fee, DOJ Fee, and Admin Fee	$100.00
7	Renewal Permit	$25.00
8	Amended Permit	$10.00

Tow Trucks

9	Tow Permit	$95.00
10	Driver Permit	$290.00

Massage Permit Fees

11	Massage Establishment Permit (initial and subsequent renewals) (Ord 14.110.075)	$335.00

Fee covers staff time to process application, review pertinent documents and obtain all necessary approvals.

Special Events

12	ABC Application	No charge
13	No Parking Signs/Required Event Signage	$1.00/each
14	Officer Staffing	Fully allocated hourly rate of all personnel
15	Bingo Permit	$50.00

Other Special Police Services – Pursuant to Agreement between Police Chief and Requestor.

POLICE SERVICES

Motion Picture/Television/Commer~~ical~~cial Still Photo

16	For-Profit Groups (each)	$1,609.00
17	Non-For-profit Groups (each)	$579.00

Emergency Response Caused By

18	DUI Emergency Accident Response (Government Code Section 53150 and 53155)	Actual costs incurred up to $12,000.00
19	Second Response due to Disturbances	At current billing rate

Alarm Fees

20	Annual Commercial Alarm Permit ~~Registration Fee~~	$95.00
	Initial Residential Alarm Registration Fee	$95.00
	Renewal Residential Alarm Registration Fee	$50.00
	*Two or more False Alarms	$175.00

Within a six-month period within a calendar year

Citation issued for failure to display appropriate Permit or placard. Dismissal fee in lieu of full Bail Amount

25	Handicap CVC22507.8/22500(1)	$37.00

Parking Permit Fees

Residential Parking Permit

26	Annual residential parking permit (Limit 4 per residence)	Vehicle 1: $52.00
		Vehicle 2: $72.00
		Vehicle 3: $92.00
		Vehicle 4: $112.00
27	Visitor guest passes	Two (2) complimentary with the purchase of the primary permit
28	Special Event Permit -First permit (one day)	$10.00
29	Special Event Permit -Each Additional (one day)	$2.00
30	Lost permit replacement	$37.00

POLICE SERVICES

Parking Permit Fees (continued)

31	Damaged permit or vehicle change (within calendar year)	$18.00

Business Parking Permit

32	Standard Employee annual	No charge at this time
33	Lost permit replacement	$37.00
34	Damaged permit replacement (with return of permit)	$18.00

Construction Parking Permit

35	One day parking permit per construction vehicle	$32.00
36	Each additional day per vehicle	$5.00

Other Police Fees

37	Subpoena Duces Tecum	Per California Evidence Code Section 1563
38	Solicitor/Peddler's Permit (need to obtain fingerprinting	$215.00
39	Taxicabs Permit	$185.00 per business
40	Clearance Letter	$25.00
41	Horse Drawn Vehicle Permit	$270.00
42	Firearms Storage Fee	$245.00 Admin Fee plus $1.00 per firearm per day for storage
43	Vehicle Release	$235.00
44	Vehicle Repossession Release Fee (Government Code Section 26751)	$15.00
45	Citation Sign Off	$30.00

Fees Charged by Silicon Valley Animal Control Authority (SVACA) for services provided by SVACA

46	Dogs-Altered	1 Year: $25.00
		2 Year: $37.00
		3 Year: $50.00
47	Dogs-Unaltered	1 Year: $100.00
		2 Year: N/A
		3 Year: N/A

POLICE SERVICES

Fees Charged by Silicon Valley Animal Control Authority (SVACA) for services provided by SVACA (continued)

48	Cats-Altered	1 Year: $15.00
		2 Year: $23.00
		3 Year: $30.00
49	Cats-Unaltered	1 Year: $50.00
		2 Year: N/A
		3 Year: N/A
50	Seniors (Over 65)	1 Free License per household
51	Late Penalty	$35.00
52	Replacement Tag	$5.00

FY 2026-27 Fee Adjustments, Reclassifications, Deletions and Additions		
Fee Name	**Adopted FY 2025-26**	**Proposed FY 2026-27**
Administrative Services		
Special Event Application Fee, For-Profit	New Event $935.00	New Event $956.00
	Repeat Event $699.00	Repeat Event $714.00
Special Event Application Fee, Not For-Profit	New Event $233.00	New Event $238.00
	Repeat Event $175.00	Repeat Event $179.00
Block Party Permit	$57.00	$58.00
Expedited Processing Fee when required documentation is submitted post deadline	n/a	$113.73 per day
Temporary Banner Permit	$108.00	$110.00
No Parking Sign Admin Fee	n/a	56.87
Entertainment Zone Signicades	n/a	$5.00 per Signicade, per day
Facilities Maintenance Fee	n/a	$155.00
Use of Civic Center Lawn for approved special events	$57 per hour	$58 per hour
Use of Town Plaza Park for approved special events	$57 per hour	$58 per hour
Street Pole Banner Program	$226 per banner (includes install and removal)	$231 per banner (includes install and removal)
Events with live music (either played by disc jockey, electronic playlist, or performed by musicians in a public setting)	$65.00 per event	$66.00 per event
General Development Fees		
Address Processing Fee - per address	$195.00	$199.00
BMP Document Processing Fee	$987.00	$1,009.00
Annexation Fees		
1 Lot	$3,691.00	$3,772.00
2 Lots	$1,845.00	$1,886.00
3 Lots	$1,233.00	$1,260.00
4 Lots	$925.00	$945.00
5 Lot or more	$735.00	$751.00
Building Permit Fees		
Fee for issuing/reinstating a Building Permit	$67.00	$68.00

FY 2026-27 Fee Adjustments, Reclassifications, Deletions and Additions		
Fee Name	**Adopted FY 2025-26**	**Proposed FY 2026-27**
Additional Building Permit Fee	$37.00	$38.00
Demolition Permit	Residential: $326.00	$333.00
	Commercial: $570.00	$583.00
New Construction and Addition		
$1.00 to $500.00	$40.00	$41.00
$501.00 to $2,000.00	$40.00 for the first $500.00 plus $5.24 for each additional $100.00 or fraction thereof, to and including $2,000.00	$41.00 for the first $500.00 plus $5.36 for each additional $100.00 or fraction thereof, to and including $2,000.00
$2,001.00 to $25,000.00	$119.00 for the first $2,000.00 plus $24.10 for each additional $1,000.00 or fraction thereof, to and including $25,000.00	$122.00 for the first $2,000.00 plus $24.63 for each additional $1,000.00 or fraction thereof, to and including $25,000.00
$25,001.00 to $50,000.00	$673.00 for the first $25,000.00 plus $17.38 for each additional $1,000.00 or fraction thereof, to and including $50,000.00	$688.00 for the first $25,000.00 plus $17.76 for each additional $1,000.00 or fraction thereof, to and including $50,000.00
$50,001.00 to $100,000.00	$1,107.00 for the first $50,000.00 plus $12.06 for each additional $1,000.00 or fraction thereof, to and including $100,000.00	$1,131.00 for the first $50,000.00 plus $12.33 for each additional $1,000.00 or fraction thereof, to and including $100,000.00
$100,001.00 to $500,000.00	$1,711.00 for the first $100,000.00 plus $9.63 for each additional $1,000.00 or fraction thereof, to and including $500,000.00	$1,749.00 for the first $100,000.00 plus $9.84 for each additional $1,000.00 or fraction thereof, to and including $500,000.00
$500,001.00 to $1,000,000.00	$5,566.00 for the first $500,000.00 plus $8.17 for each additional $1,000.00 or fraction thereof, to and including $1,000,000.00	$5,688.00 for the first $500,000.00 plus $8.35 for each additional $1,000.00 or fraction thereof, to and including $1,000,000.00

FY 2026-27 Fee Adjustments, Reclassifications, Deletions and Additions		
Fee Name	**Adopted FY 2025-26**	**Proposed FY 2026-27**
$1,000,001.00 and over	$9,654.00 for the first $1,000,000.00 plus $5.42 for each additional $1,000.00 or fraction thereof	$9,866.00 for the first $1,000,000.00 plus $5.54 for each additional $1,000.00 or fraction thereof
Special Services & Inspections		
Inspection outside normal business hours (4 hr. minimum)	$235.00/hr.	$240.00/hr.
Re-inspection fees	$195.00/hr.	$199.00/hr.
Inspections for which no fee is specifically indicated (2 hr. minimum)	$195.00/hr.	$199.00/hr.
Additional plan review required by changes, additions or revisions to plans (1 hr. minimum)	$186.00/hr.	$190.00/hr.
Services for which no fee is specifically indicated (1/2 hr. minimum)	$195.00/hr.	$199.00/hr.
Permit/Plan check time extension (per permit) (applies to permits that have not expired)	$96.00	$98.00
Express plan review or initial review (1 hr. minimum)	$195.00/hr.	$199.00/hr.
Application for the Appeals Building Board Review	$334.00	$341.00
Temporary Certificate of Occupancy	$1,343.00	$1,373.00

FY 2026-27 Fee Adjustments, Reclassifications, Deletions and Additions		
Fee Name	**Adopted FY 2025-26**	**Proposed FY 2026-27**
Other Miscellaneous Factors to Determine Construction Valuation		
Convert Garage to habitable space	$144.00/sq.ft.	$147.00/sq.ft.
Convert unfinished basement or attic to habitable	$155.00/sq.ft.	$158.00/sq.ft.
Pools/Spas (gunite)	$93.00/sq.ft	$95.00/sq.ft
Siding - aluminum/vinyl/wood	$39.00/sq.ft.	$40.00/sq.ft.
Commercial Awning or Canopy	Aluminum $39.00/sq.ft.	Aluminum $40.00/sq.ft.
	Canvas $29.00/sq.ft.	Canvas $30.00/sq.ft.
Fence or Freestanding Wall (over 6" high)	Wood or metal $61.00/sq.ft.	Wood or metal $62.00/sq.ft.
	Masonry $104.00/sq.ft.	Masonry $106.00/sq.ft.
Decks/Balcony	$58.00/sq.ft.	$59.00/sq.ft.
Wood Deck	$25.00/sq.ft.	$26.00/sq.ft.
Re-roofs	$3.46/sq.ft.	$3.54/sq.ft.
Retaining Walls	$131.00/sq.ft.	$134.00/sq.ft.
Special Systems Fees		
Emergency generation, wind power, special HVAC systems, etc.	Plan Review (1 hr. minimum) $186.00/hr.	Plan Review (1 hr. minimum) $190.00/hr.
	Field Inspection (2 hr. minimum) $195.00/hr.	Field Inspection (2 hr. minimum) $199.00/hr.
Photovoltaic - Roof & Ground Mounted - Residential	Plan Review (1/4 hr. minimum) $186.00/hr.	Plan Review (1/4 hr. minimum) $190.00/hr.
	Field Inspection (1 hr. minimum) $195.00/hr.	Field Inspection (1 hr. minimum) $199.00/hr.
Photovoltaic - Roof & Ground Mounted - Commercial	Plan Review (1 hr. minimum) $186.00/hr.	Plan Review (1 hr. minimum) $190.00/hr.
	Field Inspection (2 hr. minimum) $195.00/hr.	Field Inspection (2 hr. minimum) $199.00/hr.
Electrical Permit Fees		
Fee for issuing/reinstating an Electrical Permit	$67.00	$68.00
Additional Electrical Permit Fee	$30.00	$31.00
Plan Review & Re-inspection Fees		
Additional plan review	$186.00/hr.	$190.00/hr.

FY 2026-27 Fee Adjustments, Reclassifications, Deletions and Additions		
Fee Name	**Adopted FY 2025-26**	**Proposed FY 2026-27**
Re-inspection fee	$195.00/hr.	$199.00/hr.
System Fee Schedule		
Private swimming pools	$78.00	$80.00
Public swimming pools	$141.00	$144.00
Temporary power poles	$96.00	$98.00
Temporary distribution system & temporary lighting	$47.00	$48.00
Installation of illuminated signs (each)	$123.00	$126.00
Unit Fee Schedule		
Receptacle, switch and lights	$2.32	$2.37
Residential appliances/new circuits (cook top, oven, range, disposals, clothes dryers, or other motor operated appliances not exceeding one horsepower)	$7.45	$7.61
Nonresidential appliances/new circuits (medical & dental devices, food, beverage, drinking fountains, laundry machines, or other similar equipment) NOTE: for other types of air conditioners and other motor-driven appliances having larger electrical ratings, see Generators/Motors	$9.58	$9.79
Photovoltaic system (residential)	$90.00	$92.00
Solar systems (including controls)	$90.00	$92.00
Power apparatus (generators, transformers, A/C, heat pumps, baking equipment)	Up to 10 KV, each $20.00	Up to 10 KV, each $20.00
	Over 10 KV not over 50 KV, each $39.00	Over 10 KV not over 50 KV, each $40.00
	Over 50 KV and not over 100 KV, each $78.00	Over 50 KV and not over 100 KV, each $80.00
	Over 100 KV, each $103.00	Over 100 KV, each $105.00
Motors	Up to 10 hp $20.00	Up to 10 hp $20.00
	Up to 25 hp $39.00	Up to 25 hp $40.00
	Up to 55 hp $78.00	Up to 55 hp $80.00

FY 2026-27 Fee Adjustments, Reclassifications, Deletions and Additions		
Fee Name	**Adopted FY 2025-26**	**Proposed FY 2026-27**
	Over 55 hp $113.00	Over 55 hp $115.00
Transformers	Up to 5 KVA $20.00	Up to 5 KVA $20.00
	Up to 10 KVA $39.00	Up to 10 KVA $40.00
	Up to 50 KVA $65.00	Up to 50 KVA $66.00
	Over 50 KVA $95.00	Over 50 KVA $97.00
Busways/conduits (per 100 ft)	$9.58	$9.79
Service equipment	200 amps or less $96.00	200 amps or less $98.00
	201 to 999 amps $132.00	201 to 999 amps $135.00
	Sub-panels $47.00	Sub-panels $48.00
Installation of spas or saunas	$47.00	$48.00
Other Electrical Fees		
Duplicate job card	$30.00	$31.00
Permit extension (applies to permits that have not expired)	$96.00	$98.00

FY 2026-27 Fee Adjustments, Reclassifications, Deletions and Additions		
Fee Name	**Adopted FY 2025-26**	**Proposed FY 2026-27**
Mechanical Permit Fees		
Fee for issuing/reinstating a Mechanical Permit	$67.00	$68.00
Additional Mechanical Permit Fee	$30.00	$31.00
Plan Review & Re-inspection Fees		
Additional plan review	$186.00/hr.	$190.00/hr.
Re-inspection fee	$195.00/hr.	$199.00/hr.
Unit Fee Schedule		
Installation, of each heating system, A/C, boiler, compressor or air handler	$47.00	$48.00
Each duct repair or alteration	$14.00	$14.00
Each fireplace appliance	$39.00	$40.00
Each ventilating fan	$14.00	$14.00
Installation of separate flue or vents not included with the installation of an appliance	$14.00	$14.00
Installation of each hood with mechanical exhaust	Residential $39.00	Residential $40.00
	Commercial $141.00	Commercial $144.00
Each new or repair of gas piping system	$86.00	$88.00
Each additional gas outlet	$28.00	$29.00
Installation of evaporative cooler	$39.00	$40.00
Other Mechanical Fees		
Duplicate job card	$30.00	$31.00
Permit extension (applies to permits that have not expired)	$96.00	$98.00
Plumbing Permit Fees		
Fee for issuing/reinstating a Plumbing Permit	$67.00	$68.00
Additional Plumbing Permit Fee	$30.00	$31.00
Plan Review & Re-inspection Fees		
Additional plan review	$186.00/hr.	$190.00/hr.
Re-inspection fee	$195.00/hr.	$199.00/hr.
System Fee Schedule		

FY 2026-27 Fee Adjustments, Reclassifications, Deletions and Additions		
Fee Name	**Adopted FY 2025-26**	**Proposed FY 2026-27**
Private swimming pools (including heater, water piping, gas piping)	$113.00	$115.00
Public swimming pools (including heater, water piping, gas piping)	$170.00	$174.00
Lawn sprinkler system on one meter	$47.00	$48.00
Each new or repair of gas piping system	$86.00	$88.00
Each drainage, sewer system	$47.00	$48.00
Radiant floor heating system	$141.00	$144.00
Unit Fee Schedule		
Each plumbing fixture or trap or set of fixtures on one trap	$14.00	$14.00
Each sewer cleanout, backflow device	$14.00	$14.00
Each septic system abatement	$141.00	$144.00
Rainwater systems - per drain (inside building)	$14.00	$14.00
Each water heater, water softener	$39.00	$40.00
Each grease interceptor (750 gallon capacity)	$96.00	$98.00
Each grease trap (1-4 fixtures)	$54.00	$55.00
Residential water re-piping	$141.00	$144.00
Each ejector/sump pump	$47.00	$48.00
Each vacuum breaker/hose bib	$14.00	$14.00
Each water piping system repair or replacement	$29.00	$30.00
Each additional gas outlet	$29.00	$30.00
Other Plumbing Fees		
Duplicate job card	$30.00	$31.00
Permit extension (applies to permits that have not expired)	$96.00	$98.00
Other Fees		
Duplicate Inspection Card	$37.00	$38.00
NPDES Inspection Fee (Charged on all building permits with the potential to generate non-point source storm water runoff during construction)	$86.00	$88.00

FY 2026-27 Fee Adjustments, Reclassifications, Deletions and Additions		
Fee Name	**Adopted FY 2025-26**	**Proposed FY 2026-27**
Architecture and Site Applications - Development Review Committee (DRC) Approval*		
New single family detached (HR and RC zones)	$17,695.00	$18,084.00
Engineering Development Review Service Fee	$5,043.00	$5,154.00
New non-custom single family detached (HR and RC zones) per unit/model, as part of a Planned Development**	$13,708.00	$14,010.00
Engineering Development Review Service Fee	$5,426.00	$5,545.00
New single family or two family units	$15,037.00	$15,368.00
Engineering Development Review Service Fee	$5,426.00	$5,545.00
New single family or two family (any other zone) per unit/model new nonresidential or multiple family per building as part of a Planned Development**	$12,378.00	$12,650.00
Engineering Development Review Service Fee	$5,426.00	$5,545.00
Minor projects (a development proposal that does not significantly change the size, mass, appearance or neighborhood impact of a structure, property or parking lot	$9,720.00	$9,934.00
Engineering Development Review Service Fee	$3,893.00	$3,979.00
Architecture and Site Applications - Planning Commission Approval		
Supplemental fee for DRC applications or minor residential development applications, or applications that are part of a Planned Development that require Planning Commission approval	$3,884.00	$3,969.00
Engineering Development Review Service Fee	$1,840.00	$1,880.00
Supplemental Fee for Minor Residential Development applications that require Planning Commission approval	n/a	$3,884.00
New two family unit	$18,921.00	$19,337.00
Engineering Development Review Service Fee	$5,626.00	$5,750.00

FY 2026-27 Fee Adjustments, Reclassifications, Deletions and Additions		
Fee Name	**Adopted FY 2025-26**	**Proposed FY 2026-27**
New nonresidential (includes conceptual Planned Development elevations)	$18,921.00	$19,337.00
Engineering Development Review Service Fee	$7,233.00	$7,392.00
New multiple family (includes conceptual Planned Development elevations)	$21,313.00	$21,782.00
Engineering Development Review Service Fee	$12,681.00	$12,960.00
Conditional Use Permits		
Conditional Use Permit (PC Approval)	$8,574.00	$8,763.00
Engineering Development Review Service Fee	$2,331.00	$2,382.00
Conditional Use Permit (when consolidated with another application for new development)	$2,259.00	$2,309.00
Engineering Development Review Service Fee	$949.00	$970.00
Conditional Use Permit (DRC Approval)	$5,609.00	$5,732.00
Engineering Development Review Service Fee	$1,460.00	$1,492.00
Applications that require Town Council Approval (these fees supplement the above established fees)	$3,693.00	$3,774.00
Engineering Development Review Service Fee	$2,506.00	$2,561.00

FY 2026-27 Fee Adjustments, Reclassifications, Deletions and Additions		
Fee Name	**Adopted FY 2025-26**	**Proposed FY 2026-27**
Planning Division Certificates of Use and Occupancy		
Change of use	$282.00	$288.00
Change of occupancy (excluding change of proprietor of a continuing business enterprise)	$189.00	$193.00
Sign Application		
New permanent sign	$379.00	$387.00
Temporary nonresidential sign	$190.00	$194.00
Change of face only	$189.00	$193.00
Sign program	$2,543.00	$2,599.00
Administrative Land Use Permit		
Minor telecommunications facility (i.e. microcell, 8,021 lb. or equivalent)	$1,882.00	$1,923.00
Major telecommunications facility which do not require a Conditional Use Permit	$4,542.00	$4,642.00
Other Zoning Approvals Fees		
Variance	$9,720.00	$9,934.00
Variance *Engineering Development Review Service Fee*	$1,656.00	$1,692.00
Minor Residential Development (see #151)	$3,334.00	$3,407.00
Engineering Development Review Service Fee	$1,656.00	$1,692.00
Agricultural Preserve Withdrawal	$4,671.00	$4,774.00
Home Occupation Permit	$189.00	$193.00
SB 684 Small Lot Subdivision and Housing Development	n/a	$1,643.00
Engineering Development Review Service Fee	n/a	$5,960.00
Two-Unit Housing Development	$1,643.00	$1,679.00
Engineering Development Review Service Fee	$1,656.00	$1,692.00
Urban Lot Split	$1,643.00	$1,679.00
Engineering Development Review Service Fee	$1,656.00	$1,692.00
Subdivisions		
Lot Line Adjustment (DRC Approval)	$2,707.00	$2,767.00

FY 2026-27 Fee Adjustments, Reclassifications, Deletions and Additions		
Fee Name	**Adopted FY 2025-26**	**Proposed FY 2026-27**
Engineering Development Review Service Fee	$1,419.00	$1,450.00
4 Lots or Less (DRC Approval)	$10,512.00	$10,743.00
Engineering Development Review Service Fee	$2,343.00	$2,395.00
4 Lots or Less (as part of a Planned Development) (DRC Approval)	$6,525.00	$6,669.00
Engineering Development Review Service Fee	$2,542.00	$2,598.00
5 Lots or More	$11,843.00	$12,104.00
Engineering Development Review Service Fee	$6,177.00	$6,313.00
5 Lots or More (as part of a Planned Development) (DRC Approval)	$6,525.00	$6,669.00
Engineering Development Review Service Fee	$6,327.00	$6,466.00
Lot Merger and Reversion to Acreage (DRC Approval)	$2,176.00	$2,224.00
Engineering Development Review Service Fee	$1,656.00	$1,692.00
Condominium	$9,182.00	$9,384.00
Engineering Development Review Service Fee	$4,682.00	$4,785.00
Condominium (as part of a Planned Development)	$5,198.00	$5,312.00
Engineering Development Review Service Fee	$4,682.00	$4,785.00
Certificate of Compliance (DRC Approval)	$3,771.00	$3,854.00
Engineering Development Review Service Fee	$1,656.00	$1,692.00
VTM applications that require Town Council approval, Subdivision and/or DRC applications that require Planning Commission approval. This fee supplements the above-established fees.	$3,462.00	$3,538.00
Engineering Development Review Service Fee	$8,022.00	$8,198.00
Miscellaneous Application Fees		
Sidewalk Vending Permit	$723.00	$739.00
Auto Dealer Events	Smaller Promotional Events $1,643.00	Smaller Promotional Events $1,679.00
	Large Promotional Events $1,643.00	Large Promotional Events $1,679.00
News rack Permit Fee	$478.00	$489.00
Environmental Assessment Fees		

FY 2026-27 Fee Adjustments, Reclassifications, Deletions and Additions		
Fee Name	**Adopted FY 2025-26**	**Proposed FY 2026-27**
Draft Initial Study Review Fee (or actual cost if part of a Planned Development, General Plan and/or Town Code Amendment	$4,762.00	$4,867.00
Engineering Development Review Service Fee	$2,367.00	$2,419.00
Appeals		
Fee to appeal Planning Commission decision to Town Council	Per Residential $538.00	Per Residential $550.00
	Per Commercial, multi-family or tentative map $2,161.00	Per Commercial, multi-family or tentative map $2,209.00
Fee to appeal Director of Community Development or Development Review Committee decision to Planning Commission	Per Residential $271.00	Per Residential $277.00
	Per Commercial $1,081.00	Per Commercial $1,105.00
Tree appeals	$110.00	$112.00
Zoning Research		
Basic Zoning Letter	$189.00	$193.00
Legal non-conforming verification	$797.00	$815.00
Reconstruction of legal non-conforming structures (Burndown Letter)	$398.00	$407.00
Other Planning Division Fees		
Fence Height Exceptions	$533.00	$545.00
Outside Legal Counsel Review - Any remaining deposit will be refunded to the applicant and amounts exceeding the deposit amount will be paid by the applicant	n/a	Fully allocated hourly rate of legal review Initial $5,000.00 deposit
Engineering Development Review Service Fee	$1,857.00	$1,898.00
Outside contractor underground utility locating surcharge (actual cost for outside contractor	$234.00	$239.00
inspection fee may change)	$603.00	$616.00
Dumpster Permit	$486.00	$497.00
Storage Permit	$486.00***	$497.00***

FY 2026-27 Fee Adjustments, Reclassifications, Deletions and Additions		
Fee Name	**Adopted FY 2025-26**	**Proposed FY 2026-27**
**** Work done at night or on weekends shall be charged the actual costs of staff*** ***** Single-family residences located along collector and arterial streets to be charged the residential fees above*** ****** $500.00 refundable Storage Unit Removal Deposit, to cover cost of removal, if abandoned***		
NPDES		
Inspection Fee - Grading Permits	Single Family Residential $885.00	Single Family Residential $894.00
	Commercial or Multi Family Residential $1,653.00	Commercial or Multi Family Residential $1,689.00
Inspection Fee - Encroachment Permits and Some Storage Permits	Single Family Residential $405.00	Single Family Residential $414.00
	Commercial or Multi Family Residential $650.00	Commercial or Multi Family Residential $664.00
	Plus $600.00 per LID facility	Plus $613.00 per LID facility
Inspection of Storm Water Treatment Measures	$600.00 per facility	$613.00 per facility
Engineering Subdivision Map Checking		
1-4 lots	$4,196.00	$4,288.00
5 or more lots	$5,120.00*	$5,233.00*
Traffic Impact Analysis or Parking Study		
Site Distance Analysis	$560.00	$572.00
Traffic Impact Mitigation Fee	$1,104.00 per new average daily trip generated	$1,128.00 per new average daily trip generated
Storm Drainage Fees		
Development Projects	Single family lots Section 24.60.035(b)(3): For subdivision whose lots exceed one acre, the fee shall not exceed that of one acre per lot $5,182.00/ac.	Single family lots Section 24.60.035(b)(3): For subdivision whose lots exceed one acre, the fee shall not exceed that of one acre per lot $5,296.00/ac.
	Multiple family dwelling units - initial unit $5,182.00/ac.	Multiple family dwelling units - initial unit $5,296/ac.

FY 2026-27 Fee Adjustments, Reclassifications, Deletions and Additions		
Fee Name	**Adopted FY 2025-26**	**Proposed FY 2026-27**
	Multiple family dwelling units - each unit after initial (not to exceed $5,351.00/ac.) $194	Multiple family dwelling units - each unit after initial (not to exceed $5,469.00/ac.) $198
	Commercial, industrial, hospitals, churches, schools, and others $6,481.00/ac.	Commercial, industrial, hospitals, churches, schools, and others $6,624.00/ac.
Building/Grading Permits (Building, Structures, & impervious areas)	New impervious surface area, per sq. ft. $2.00/sq. ft.	New impervious surface area, per sq. ft. $2.00/sq. ft.
Other in-lieu fee		
Trail Improvements	$18.00/per sq. ft. or determined by Director	$18.00/per sq. ft. or determined by Director
Hauling Permits		
House Moving Fee	$4,851.00*	$4,958.00*
Plus initial deposit of $5,000 for facilities damage		
New Buildings and Additions	$1.51/sq.ft.	$1.54/sq.ft.
Other Engineering Fees		
Engineering Reversion to Acreage	$3,272.00 plus initial deposit of $3,000.00 for surveyor	$3,344.00 plus initial deposit of $3,000.00 for surveyor
Engineering Lot Merger	$4,260.00 plus initial deposit of $3,000.00 surveyor deposit	$4,354.00 plus initial deposit of $3,000.00 surveyor deposit
Engineering Lot Line Adjustments	$4,260.00 plus initial deposit of $3,000.00 surveyor deposit	$4,354.00 plus initial deposit of $3,000.00 surveyor deposit
Certificate of Compliance	$4,260.00 plus initial deposit of $3,000.00 surveyor deposit	$4,354.00 plus initial deposit of $3,000.00 surveyor deposit
Abandon Excess Public Right-of-Way & Public Easement	$5,695.00 plus initial deposit of $3,000.00 surveyor deposit	$5,820.00 plus initial deposit of $3,000.00 surveyor deposit
Geotechnical Peer Review Fees		

FY 2026-27 Fee Adjustments, Reclassifications, Deletions and Additions		
Fee Name	**Adopted FY 2025-26**	**Proposed FY 2026-27**
Separate Instrument Dedication Fee (for dedication via grant deeds and not maps)	$1,050.00 plus initial deposit of $2,500 for surveyor	$1,073.00 plus initial deposit of $2,500 for surveyor
Annual Utility Blanket Permit	n/a	As determined by the Town Engineer based on anticipated number of installations and hours of staff time.
Certificate of Correction	n/a	$1,500 initial surveyor deposit plus 25% admin fee
Pass Through to Consultant – Encroachment – Job value less than $10,000.00	Pass Through Deposit and Actual Staff Cost**	Deleted Fee
License Agreement Application (Town Manager Approval)		$3,119.00
Pass Through to Consultant – Encroachment – Job value greater than $10,000.00	Pass Through Deposit and Actual Staff Cost**	Deleted Fee
License Agreement Application (Town Council Approval)		$4,135.00
Pass Through to Consultant – Utility Projects – PG&E, San Jose Water Company, West Valley Collection, etc.	Pass Through Deposit and Actual Staff Cost**	Deleted Fee
License Agreement Recording and Issuance		$1,925.00
Other Fees		
Adopt A Bench – Initial 10 Year Term (Inclusive of Bench Cost)*	n/a	$9,865.00
Adopt A Bench – Renewal Terms after Initial 10 Years (assuming bench replacement not required)	n/a	$5,911.00 for each 10-year renewal term
*If existing bench is used deduct cost of bench as provided by staff at time of adoption	n/a	n/a
Tree Related Fees		
Tree Removal Permit Application*	One Tree $250.00	One Tree $256.00

FY 2026-27 Fee Adjustments, Reclassifications, Deletions and Additions		
Fee Name	**Adopted FY 2025-26**	**Proposed FY 2026-27**
	Additional Tree $125.00/each	Additional Tree $128.00/each
Police		
Initial Residential Alarm Registration Fee	n/a	$95.00
Renewal Residential Alarm Registration Fee	n/a	$50.00
* False Alarm two (2) or more	n/a	$175.00
*Within a six-month period within a calendar year		

Electric Vehicle Charging Fee		
Hourly Charge - 1- 4 hours	$1.00/hour	$1.70/hour

RESOLUTION 2026-xx

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS CONTINUING DEPARTMENT ADMINISTRATIVE FINES AND PENALTIES, AND AMENDING CERTAIN ADMINISTRATIVE FINES AND PENALTIES FOR FY 2026/27

WHEREAS, per Resolution 2004-97, fines and penalties for violation of the Los Gatos Town Code shall be set forth in a schedule; and

WHEREAS, the latest update of the Town of Los Gatos Comprehensive Fine Schedule was adopted May 6, 2025; and

WHEREAS, those fines and penalties currently in effect will remain in effect without interruption, certain of these shall be increased to reflect best municipal practices, and new fines and penalties will be added; and

WHEREAS, in accordance with Government Code Section 66018, notice of the public hearing regarding the proposed changes to the Town of Los Gatos Administrative Fine and Penalty Schedule was published in the manner set forth in Government Code Section 6062a; and

WHEREAS, a public hearing was held by the Town Council of the Town of Los Gatos at a regularly scheduled meeting, providing an opportunity for interested members of the public to make oral and/or written presentations to the Town Council regarding the proposed Town of Los Gatos Administrative Fine and Penalty Schedule; and

WHEREAS, pursuant to CEQA Guidelines Section 15061(b)(3), adoption of this fine and penalty schedule is not a project subject to CEQA because it can be seen with certainty that it will not impact the physical environment;

NOW, THEREFORE, BE IT RESOLVED that the Town Council of the Town of Los Gatos does hereby declare, determine, and order as follows:

1. Resolution 2025-021, "Resolution of the Town Council of the Town of Los Gatos Continuing Department Administrative Fines and Penalties, and Amending Certain Administrative Fines and Penalties Effective July 1, 2025" is hereby rescinded upon the date that the new Administrative Fine and Penalty Schedule takes effect; and
2. The Town of Los Gatos Administrative Fine and Penalty Schedule, attached hereto as Exhibit A, is adopted and shall become effective July 1, 2026

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos, California, held on the 7^{h} of April, 2026, by the following vote:

COUNCIL MEMBERS:

AYES:

NAYS:

ABSENT:

ABSTAIN:

SIGNED:

_____
MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

ATTEST:

_____
TOWN CLERK OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

TOWN OF LOS GATOS
CALIFORNIA









ADMINISTRATIVE FINE AND PENALTY SCHEDULE (REDLINED)

FISCAL YEAR 2026-27

Cover Photos: Richard Gaskill and Sophia Constantine

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ADMINISTRATIVE FINES AND PENALTIES – TOWN CODE VIOLATION

Administrative penalties for violation of the Los Gatos Town Code shall be set forth as the below schedule, except:

The administrative penalties for all violations of the Town Code not specifically set forth in the below schedule and do not involve violations of local building and safety codes shall be:

1. one hundred dollars ($100) for first violation;
2. two hundred dollars ($200) for second violation;
3. five hundred dollars ($500) for each additional violation within one year.

The administrative penalties for all violations of the Town Code not specifically set forth in the below schedule and that involve violations of local building and safety codes and are not otherwise designated as misdemeanors shall be:

1. one hundred and thirty dollars ($130) for first violation;
2. seven hundred dollars ($700) for second violation within one year;
3. one thousand and three hundred dollars ($1,300) for each additional violation within one year.

The administrative penalties for all knowing and willful violations of the Town Code shall be:

1. five hundred dollars ($500) for first violation;
2. one thousand dollars ($1,000) for each additional violation within thirty-six month thereafter.

For all California Vehicle Code violations, please contact the Superior Court of California County of Santa Clara.

ADMINISTRATIVE FINES AND PENALTIES – TOWN CODE VIOLATION

SECTION	OFFENSE	AMOUNT
1.30.025(c)	Late Payment of Fines/Penalties	100% of fine
4.10.030(a)	Animal bites, failure to report	$150.00
4.10.030(c)	Quarantine violation	$500.00
4.10.075	Animals and Vehicles	
	First offense	$100.00
	Second offense within 2 years	$200.00
	Third subsequent offense within 2 years	$500.00
4.40.005	Restraint of Dogs	$100.00
4.40.015	Vaccination of dogs and cats	$250.00
4.40.020	Registration of dangerous dogs	$250.00
4.80.050	Penalty, abatement	$100.00
5.10.030	Riding on sidewalks and pedestrian paths	
	First Offense	$50.00
	Second Offense	$75.00
	Third Offense	$100.00
5.10.040	Riding in groups	
	First Offense	$50.00
	Second Offense	$75.00
	Third Offense	$100.00
5.10.050	Racing	
	First Offense	$50.00
	Second Offense	$75.00
	Third Offense	$100.00
5.10.060	Trick riding	
	First Offense	$50.00
	Second Offense	$75.00
	Third Offense	$100.00
5.10.070	Riding in playgrounds or school grounds	
	First Offense	$50.00
	Second Offense	$75.00
	Third Offense	$100.00
5.10.080	Parking	
	First Offense	$50.00
	Second Offense	$75.00
	Third Offense	$100.00
6.30.010	Building permit requirements	$50.00
6.40.010	Order to vacate or abate	$100.00
6.80.010	Order to vacate	$100.00
~~6.100.240~~ TC 9.30.785 FC	Fire works	
	First Offense	$500.00
	Second Offense	$1000.00
	Third Offense	$1500.00
11.10.055	Illegal dumping (outside park)	$200.00
11.40.030	Single use carry-out bags	
	First violation	$100.00
	Second violation within 1year	$200.00
	For each additional violation within 1 year	$500.00

ADMINISTRATIVE FINES AND PENALTIES – TOWN CODE VIOLATION

SECTION	OFFENSE	AMOUNT
13.20.020	Improper storage of hazardous material	$100.00
13.20.305	Permit Required for Storage of Hazardous Material	$100.00
14.40.105	Peddlers / Solicitors	$100.00
14.50.225	False Alarm and No Permit	2 Times annual permit fee
	False Alarms three (3) or more false alarms occur on the premises within a six-month period within a calendar year	$175.00
14.100.020(a)	Special event	$100.00
14.140.085	Short-term rentals	
	First offense	Warning
	Second offense	$250.00
	Third offense within 12-month period incurs fine and immediate revocation of the short-term rental license	$500.00
15.10.025	Roller skating in street	$100.00
15.10.030	Skateboarding or roller skating	$100.00
15.10.035	Driving on private property	$100.00
15.30.035	Entering intersections, etc., without sufficient space on other side	$135.00
15.30.115	Cruising	
	First offense	$100.00
	Second offense	$200.00
	Third or subsequent offense within 2 years	$250.00
15.40.015	Overtime Parking	$42.00
15.40.060	Sleeping in vehicle after being warned	$50.00
15.40.065	Vehicle Storage on Street	$67.00
15.40.070	Commercial Vehicles in Residential Zones	$67.00
15.40.075	~~For Sale/~~Non Emergency Repair	$42.00
15.40.080	Preferential Parking	$52.00
15.40.080(b)	Permit Required Area	$52.00
15.40.080(c)	Fraudulent use of Permit	$107.00
15.40.085	Posted no Parking Special Events	$42.00
15.40.090	Parking on Parkway	$42.00
15.40.095	Marked Parking Space	$42.00
15.40.100	Parking on Grade	$42.00
15.40.105	Designated Parking VC22507.8	$292.00
15.40.110	Marked Curb	$42.00
15.40.275	Parking in Alleys Restricted to Loading or Unloading	$42.00
15.50.025	Standing in roadway	$25.00
~~16.20.010~~	~~Curfew noise disturbance/Noise Limits~~	~~$500.00~~
~~16.20.015~~	~~Exterior noise levels for residential zones~~	~~$500.00~~
~~16.20.020~~	~~Exterior noise levels for multi-family residence~~	~~$500.00~~
~~16.20.025~~	~~Noise levels for commercial / industrial zones~~	~~$500.00~~
~~16.20.030~~	~~Public property noise limits~~	~~$500.00~~
~~16.20.035~~	~~Construction~~	~~$500.00~~
~~16.20.040~~	~~Amplified sound~~	~~$500.00~~

ADMINISTRATIVE FINES AND PENALTIES – TOWN CODE VIOLATION

SECTION	OFFENSE	AMOUNT
~~16.20.045~~	~~Street sales~~	~~$500.00~~
~~16.20.050~~	~~Animals and birds~~	
	~~First offense~~	~~$50.00~~
	~~Second offense within 2 years~~	~~$200.00~~
	~~Third or subsequent offense within 2 years~~	~~$500.00~~
16.20.055	Motor vehicles	$500.00
~~16.20.060~~	~~Powered equipment~~	~~$500.00~~
18.10.015(a)	Drinking in public	$100.00
18.10.015(b)	Open container in public	$100.00
18.10.020	Meetings (disturbing)	$100.00
18.30.040	Violation of the Social Host Ordinance	$1,500.00
	Second or subsequent offense	$3,000.00
18.60.020(m)	Penalties for tobacco retailing violation by a retailer with a permit	
	First Offense	$1,000.00
	Second Offense within a 60-month period	$2,500.00
	Third Offense within a 60-month period	$5,000.00
18.60.020(n)	Penalties for tobacco retailing without a permit	
	First Offense	$2,500.00
	Second Offense within a 60-month period	$5,000.00
	Third Offense within a 60-month period	$10,000.00
18.50.010	Crowds, dispersement	$100.00
18.70.010	Discharge of firearm, etc. in Town	$200.00
18.70.~~035~~080	Sling shot	$200.00
19.10.020(1)-(5)	Certain acts prohibited within park property	$100.00
19.10.025(1)-(5)	Behavior of persons within park property	$100.00
19.10.025(6)	Possess or ignite explosive, fireworks, rockets, etc	$200.00
19.10.025(7)	Make or kindle a fire except in approved locations	$100.00
19.10.025(8)-(17)	Behavior of persons within park property	$100.00
19.10.027(1)	Animals in Parks – Dogs off leash	$100.00
19.10.027(2)-(6)	Animals in parks – Other provisions	$100.00
19.10.030(1)-(2)	Sanitation requirements	$100.00
19.10.035(1)-(9)	Use of vehicles in parks (not subject to CVC or other Town Codes)	$100.00
19.10.037(1)-(6)	Use of bicycles in parks (not subject to CVC or other Town Codes)	$100.00
19.10.038	Use of skateboards, skates, scooters	$100.00
19.10.040	Swimming or wading~~s~~ in parks	$100.00
19.10.050(1)-(3)	Advertising, sale of merchandise in parks	$100.00
19.10.055(1)-(2)	Closing hours for parks, overnight activities prohibited	$100.00
19.10.060	Closing sections of park	$100.00
22.30.~~040~~015	Storm water protections	$100.00
28.20.030	Non-permit fine Taxicabs	$100.00

ADMINISTRATIVE FINES AND PENALTIES – LOS GATOS CALIFORNIA FIRE CODE

SECTION	OFFENSE	AMOUNT
~~108.2.2~~ 108.4	Failure to obtain inspection-new installation	$200.00
~~112.3.2~~ 113.3.2	Failure to comply with notice / order	$1,000.00
~~112.3.4~~ 113.3.4	Destruction of signs - Unauthorized Tampering	$200.00
301.1	Fire hazard prohibited (citations)	$100.00
~~114~~ 115	Unsafe buildings	$200.00
401.8	Interference with Fire Department	$200.00
105.1. 1	Unlawful to operate institutions without occupancy permit	$200.00
503.2	Plans for access roads	$100.00
507.5	Plans for fire hydrant systems	$100.00
501.4	Access road and fire hydrant installation timing	$100.00
507	Hydrant identification-reflective markers	$100.00
505	Premises identification	$100.00
503.4	Closure of fire roads; obstruction-access road	$200.00
504.2	Posting of signs on exterior doors blocked by storage	$100.00
506.1	Key box	$100.00
901.7	Notification of Fire Department for fire alarm servicing	$100.00
901.8	Tampering with fire equipment	$200.00
901.8	Tampering with fire hydrant or fire equipment	$200.00
901.8.1	Tampering with barriers, etc.	$200.00
507.5.4	Obstructing fire protection equipment	$100.00
507.5.5	Clear space around hydrants	$100.00
509.2	Fire extinguishing equipment obstruction	$100.00
509.2	Fire alarm equipment obstruction	$100.00
509.1	Identification of fire protection equipment	$100.00
906	Sale of defective fire extinguishers	$200.00
907	Fire alarm systems	$200.00
307.1	Open burning	$100.00
307.4.1	Bonfires	$100.00
~~304.1.1~~ 304.1	Accumulation of waste material	$150.00
315.1	Storage and handling of readily combustible materials	$100.00
315.3.4	Combustible storage in attics	$100.00
807.1	Decorative material	$100.00
~~605.9~~ 605.8	Protection of gas meters	$100.00
603	Heating appliances	$100.00
~~308~~ 308.1	Use of open flame restricted	$100.00
305.2	Discarding burning objects	$100.00
305.2	Hot ashes and other dangerous materials	$100.00
311.1	Vacant building (maintenance)	$100.00
1003.6	Exit obstruction	$200.00

ADMINISTRATIVE FINES AND PENALTIES – LOS GATOS CALIFORNIA FIRE CODE

SECTION	OFFENSE	AMOUNT
1010.1	Exit doors	$200.00
~~1013~~ 1013.3	Exit Sign Illumination	$200.00
1008.1	Lighting requirements-exit	$200.00
~~3310~~ 3303.5.2.3	Reporting of fires during construction	$100.00
907.1.5	False alarms	$100.00
1018.1	Aisles	$150.00
1024.1	Use of exit passageways	$200.00
1013.1	Marking and lighting of exits	$150.00
~~109.6~~ 110.6	Overcrowding	$200.00
308.1	Open flame	$100.00
2311.2	Storage and use of flammable and combustible liquids in repair garages	$100.00
2311.2.3.1	Liquids drained from vehicles	$150.00
2311.3	Source of ignition	$100.00
2311.2.3.2	Oily waste materials	$100.00
2803.1	Open yard storage	$100.00
2803.2	Dust control	$100.00
~~3103.8~~ 3103.7	Location of tents and air-supported structures	$100.00
~~3103.9~~ 3103.8	Anchorage required	$100.00
~~3104.2~~ 3104.3	Flame-retardant certification	$200.00
~~3107.1~~ 3108.9	Fire extinguishers and other fire protection equipment	$100.00
~~3107.11~~ 3108.11	Occupant load	$100.00
~~3103.12~~ 3103.11	Exits / Means of Egress	$100.00
~~3103.12.8~~ 3103.11.8	Maintenance of exit ways	$100.00
~~3103.12.7~~ 3103.11.7	Exit illumination	$100.00
~~3107.3~~ 3108.3	Smoking	$100.00
~~3107.4~~ 3108.4	Open Flame	$100.00
~~3107.12~~ 3108.12	Heating and cooking equipment	$100.00
~~3107.14~~ 3108.13	Storage of flammable or combustible liquid	$150.00
~~3107.16~~ 3108.15	Generators	$100.00
2108.1	Fire protection	$100.00
2107.3	Solvent storage	$100.00
2105.1.5.4	Customer area Shall Be Clean	$100.00
2105.1.1	Warning label and signs	$100.00
2403.2.6	Smoking prohibited	$100.00
2403.2.7	Welding warning signs	$100.00
2403.2.1	Electrical wiring and equipment	$100.00
~~2404.2~~ 2404.4	Location of spray-finishing operations	$200.00
~~2404.3.3~~ 2404.5	Spray booths	$100.00
~~2404.6.1.2~~ 2404.8.1.2	Dry filters – Drying Apparatus	$100.00
~~2404.6~~ 2404.8	Sources of ignition	$150.00

ADMINISTRATIVE FINES AND PENALTIES – LOS GATOS CALIFORNIA FIRE CODE

SECTION	OFFENSE	AMOUNT
~~2404.7~~ 2404.9	Ventilation of spray booths and spraying areas	$100.00
~~2404.9~~ 2404.11	Limited spraying spaces	$100.00
~~2403.3~~ 2404.5	Design and Construction	$100.00
~~2404.4~~ 2404.6	Fire protection equipment	$100.00
~~2404.5~~ 2404.7	Housekeeping and maintenance	$100.00
2405.2	Location of dip tank operations	$150.00
2405.7	Ventilation of vapor areas	$100.00
2405.6	Sources of ignition	$150.00
2405.4.1	Fire extinguishing equipment	$100.00
2405.3.4	Dip tank covers	$100.00
2405.9	Hardening and tempering tanks	$100.00
2405.11	Coating operations	$100.00
2407	Electrostatic apparatus	$150.00
2408	Organic peroxides and dual-component coatings	$100.00
2408.5	Source of ignition	$100.00
5906.5.7	Fire extinguishing materials for magnesium fires	$100.00
5906.1	Handling of magnesium fines (fine magnesium scrap)	$100.00
3503	Hot work general requirements	$100.00
3505	Location of cylinders	$100.00
2905	Process building	$100.00
2909	Storage of raw material and finished products	$100.00
2906	Process mills and kettles	$100.00
2904.1	Electrical equipment	$100.00
2904.3	Protection against static electricity and lighting	$100.00
2903.4	Fire protection	$100.00
2901.3	Maintenance	$100.00
2703.1	Emergency control station and alarms	$100.00
2703.2.3	Piping and tubing	$100.00
2703.4	Emergency plan	$100.00
2703.13	Gas detection	$100.00
2703.10	Fire protection	$100.00
2703.15.1	Electrical equipment	$100.00
2703.15.2	Ventilation requirements	$100.00
2704	General storage requirements	$100.00
2704.3.1	Inside HPM storage	$100.00
2704.3.3	Separation of HPM	$100.00
2705.3	Handling HPM in existing buildings	$100.00
2705.3.2	Transportation of HPM in service corridors	$100.00
2705.3.4	Design of carts and trucks	$100.00

ADMINISTRATIVE FINES AND PENALTIES – LOS GATOS CALIFORNIA FIRE CODE

SECTION	OFFENSE	AMOUNT
2303.1	Location of dispensing operations	$100.00
2303.1	Installation of dispensing devices	$100.00
2304.1	Supervision of dispensing operations	$100.00
2305.4	Sources of ignition	$100.00
2305.6	Signs	$100.00
2305.5	Fire extinguishers	$100.00
2305.7	Clearance of combustibles	$100.00
2305.2	Maintenance	$100.00
2306.2	Storage of fuel	$100.00
2306.7	Dispensing	$100.00
2305.4	Electrical equipment	$100.00
2305.4	Heating equipment	$100.00
2306.7.9	Vapor recovery	$100.00
2307.3	LPG Attendants	$100.00
2307.4	LPG dispensing location	$100.00
2307.5	LPG dispensing equipment	$100.00
2308.3	Location for CNG dispensing operations	$100.00
2308.4	CNG Private fueling of vehicles	$100.00
2308.6	CNG Manual shut off valve	$100.00
2308.8	Discharge of CNG from vehicle fuel containers	$100.00
3003.1	Ventilation of industrial ovens	$100.00
608.13.4	Ammonia discharge	$100.00
608.8	Emergency signs and labels	$100.00
5303.1	Compressed gas containers, cylinders and tanks	$100.00
5303.4	Marking	$100.00
5303.5	Security	$100.00
5303.6	Valve protection	$100.00
5303.7	Separation from hazardous conditions	$100.00
5303.8	Wiring and equipment	$100.00
5303.9	Service repair	$100.00
5303.10	Unauthorized use	$100.00
5303.11	Exposure to fire	$100.00
5303.12	Leaks, damage or corrosion	$100.00
5303.13	Surface or unprotected storage areas	$100.00
5303.15	Lightning	$100.00
5304	Storage	$100.00
5305	Use and handling	$100.00
5306	Medical gas systems	$100.00
5503.1	Construction of containers	$100.00
5503.1	Containers	$100.00

ADMINISTRATIVE FINES AND PENALTIES – LOS GATOS CALIFORNIA FIRE CODE

SECTION	OFFENSE	AMOUNT
5503.2	Pressure relief devices	$100.00
5503.4	Marking	$100.00
5503.6	Electrical equipment	$100.00
5505.1.2	Piping materials and construction	$100.00
5505.4	Filling and dispensing	$100.00
5505.5	Handling	$100.00
2203.1	Housekeeping	$100.00
2203.4.6	Smoking and open flames	$100.00
5701.4	Permit and plans for flammable and combustible liquid storage electrical	$100.00
5703.2	Fire protection	$100.00
5703.4	Spill control and secondary containment	$100.00
5703.5	Labeling and signs	$100.00
5704.2.1	Change of tank contents	$100.00
5704.2.3	Labeling and signs	$100.00
5704.2.4	Sources of ignition	$100.00
5704.2.5	Explosion control	$100.00
5704.2.6	Separation from incompatible materials	$100.00
5704.2.7	Design of tanks, containers and equipment	$100.00
5704.2.8	Below grade vaults	$100.00
5704.2.7.6	Inspection, repair, alteration or reconstruction of tanks and piping	$100.00
5704.2.8.2	Vault design and construction	$100.00
5704.2.7.3	Tank vents for normal venting	$100.00
5704.2.9.6.1	Prohibited locations of above ground tanks	$200.00
5704.2.9.6.2	Separation of tanks	$100.00
5704.2.7.4	Emergency of relief venting for tanks	$100.00
5704.2.7.5	Tank openings other than vents	$100.00
5704.2.10	Drainage control and diking	$100.00
5704.4	Container and portable tank storage outside of buildings	$100.00
5704.2.9.5	Stationary above ground tank storage inside buildings	$100.00
5704.3.3	Container and portable tank storage inside buildings	$100.00
5704.2.11	Underground tank storage	$100.00
5705.2	Liquid transfer	$100.00
5705.3.6	Cleaning with Class I or II liquids	$150.00
5706.2	Storage and dispensing at construction sites and farms	$100.00
5706.2.8	Tank vehicles and vehicle operation	$100.00
5001.5	Permits required for hazardous materials	$200.00
5001.5.1	Hazardous material management plan	$100.00
5003.2.1	Design of containers, cylinders and tanks	$100.00
5003.2.2	Piping, tubing, valves and fittings	$100.00

ADMINISTRATIVE FINES AND PENALTIES – LOS GATOS CALIFORNIA FIRE CODE

SECTION	OFFENSE	AMOUNT
5003.2.3	Suitability of equipment, machinery and alarms	$100.00
5003.2.4	Installation of tanks	$100.00
5003.2.5	Empty containers and tanks	$100.00
5003.2.6	Maintenance	$100.00
5003.3	Release of hazardous material	$1,000.00
5003.4	Safety data sheets	$100.00
5003.5	Identification signs	$100.00
5003.6	Signs	$100.00
5003.7	Sources of ignition	$100.00
5003.8	Construction requirements	$100.00
5003.9	General safety precautions	$100.00
5003.10	Handling and transportation	$100.00
5001.6	Facility closure	$100.00
5001.4	Retail and wholesale storage and display	$100.00
5001.1	Exempt amounts	$100.00
5004	Storage, general	$100.00
6004	Toxic and highly toxic compressed gases	$100.00
6303	Oxidizers (Gases and Cryogenic Fluids)	$100.00
6203	Organic peroxides	$100.00
6403	Pyrophoric materials	$100.00
6703	Water relative solids and liquids	$100.00
6003	Highly toxic and toxic solids and liquids	$100.00
6603	Unstable materials	$100.00
5403	Corrosives general requirements	$100.00
5005.1.1	Separation from hazardous material storage	$100.00
5004.2	Spill control	$100.00
5005.1.5	Emergency power	$100.00
5005.1.6	Supervision	$100.00
5005.1.7	Lighting	$100.00
5005.1.8	Fire extinguishing systems	$100.00
5005.1.9	Ventilation	$100.00
5304.1	Container position for gases	$100.00
NFPA 55	Bulk oxygen systems - Cryogenic	$100.00
NFPA 55	Liquid transfer - Cryogenic	$100.00
6405.3	Silane	$100.00
5005.2	Indoor dispensing and use	$100.00
5005.3	Outdoor dispensing and use	$100.00
5005.4	Handling	$100.00
3205.3	Ignition sources	$100.00
3205.5	Aisle maintenance	$100.00
3206.3	Separation of high-piled storage areas	$100.00

ADMINISTRATIVE FINES AND PENALTIES – LOS GATOS CALIFORNIA FIRE CODE

SECTION	OFFENSE	AMOUNT
3206.4	Fire sprinklers	$100.00
3206.5	Fire detection	$100.00
3206.6	Building access	$100.00
3206.8	Smoke and heat removal	$100.00
3206.9	Hose stations and hose connections	$100.00
3206.10	Aisles	$100.00
3206.11	Portable fire extinguishers	$100.00
3207.2	Fire protection for solid-piled and shelf storage	$100.00
3207.3	Pile dimensions and height limitations	$100.00
3208.2	Fire protection for rack storage	$100.00
3208.3	Flue spaces	$100.00
3208.5	Extra-high rack storage systems	$100.00
6103	Installation of equipment	$100.00
6104	Location of containers	$100.00
6105	Prohibited use of Lp-gas	$100.00
6106	Dispensing	$100.00
6107	Safety precautions and devices	$100.00
6107.2	Smoking and other sources of ignition	$100.00
6107.3	Clearance to combustibles	$100.00
6107.4	Protecting containers from vehicles	$100.00
6108	Fire protection	$100.00
6109	Storage of portable containers awaiting use or resale	$100.00
6110	Containers not in service	$100.00
6111	Parking and garaging tank vehicles	$100.00
4811.6	Smoking at motion picture production	$100.00
6504	Film storage	$100.00
603.8	Use of temporary wiring	$100.00
603.2	Abatement of electrical hazards	$100.00
603.7	Electrical motors	$100.00
603.6	Extension cords	$100.00
603.5	Multi plug adaptors	$100.00
603.5	Power taps	$100.00
603.4	Access to switchboards and panel boards	$100.00
3301	Fire safety during construction	$100.00
3305	Precautions against fire	$100.00
5104	Storage of aerosol products	$100.00
5106	Retail display of aerosol products	$100.00

FY 2026-27 Administrative Fine and Penalty Adjustments, Reclassifications, Deletions and Additions		
Administrative Fine/Penalty Name	**FY 2025-26 Adopted**	**FY 2026-27 Proposed**
Los Gatos California Fire Code Violations		
Fire works		
First Offense	N/A	$500.00
Second Offense	N/A	$1,000.00
Third Offense	N/A	$1,500.00
Curfew noise disturbance/Noise Limits	$500.00	Deleted
Exterior noise levels for residential zones	$500.00	Deleted
Exterior noise levels for multi-family residence	$500.00	Deleted
Noise levels for commercial / industrial zones	$500.00	Deleted
Public property noise limits	$500.00	Deleted
Construction	$500.00	Deleted
Amplified sound	$500.00	Deleted
Street sales	$500.00	Deleted
Animals and birds		
First offense	$50.00	Deleted
Second offense within 2 years	$200.00	Deleted
Third or subsequent offense within 2 years	$500.00	Deleted
Powered equipment		Deleted
False Alarm and No Permit	N/A	2 Times annual permit fee
False Alarms three (3) within a six-month period within a calendar year	N/A	$175.00

TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 04/07/2026
ITEM NO: 15

DATE: April 7, 2026

TO: Mayor and Town Council

FROM: Chris Constantin, Town Manager

SUBJECT: **Receive the West Valley Homeless Services Feasibility Study and Adopt a Resolution of Intent to Support Participation in a West Valley Homeless Services Implementation Task Force.**

RECOMMENDATION: Staff recommends that the Town Council receive the West Valley Homeless Feasibility Study and adopt a Resolution to support the Town's participation in a West Valley Homeless Services Implementation Task Force.

FISCAL IMPACT:

There are no direct fiscal impacts associated with this item. Future implementation of recommended programs may require financial commitments from participating jurisdictions. Any funding proposals will return to the Town Council for review and approval. Cost-sharing structures, if applicable, would be developed collaboratively among the West Valley jurisdictions.

STRATEGIC PRIORITY:

This task force aligns with the Town's Civic Engagement priority to continue to engage community service providers to meet the individualized and complex needs of unhoused residents, while pursuing a more coordinated regional approach.

BACKGROUND:

In July 2024, the City of Campbell allocated $100,000 in American Rescue Plan Act (ARPA) funds to conduct a homeless needs analysis and feasibility study for the West Valley region, which

PREPARED BY: Joel Paulson
Community Development Director

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Finance Director

includes the Town of Los Gatos and the cities of Campbell, Cupertino, Saratoga, and Monte Sereno.

In December 2024, the City of Campbell contracted with Good City Company to conduct a Needs Analysis and Feasibility Study, and in Spring 2025, the City of Campbell developed and entered into a Memorandum of Understanding (MOU) with the other West Valley jurisdictions, recognizing that homelessness is a regional challenge and best addressed collaboratively.

The project consists of two components:
1. Phase 1 - Needs Analysis (Attachment 1)
2. Phase 2 - Feasibility Study (Attachment 2)

In August 2025, the City of Campbell's City Council held a Study Session to review the Needs Analysis findings and provided feedback. The completed Feasibility Study builds upon that analysis and evaluates collaborative strategies the five jurisdictions could pursue to more effectively address homelessness across the West Valley.

DISCUSSION:

The Feasibility Study evaluates opportunities for shared services, enhanced coordination, and strengthened regional partnerships to better align resources and respond to the specific needs of unhoused residents in the West Valley. In addition, the Feasibility Study evaluates potential programmatic responses informed by the Needs Analysis report.

Needs Analysis Summary

The Needs Analysis, which was the first phase of the project, identified the scale and complexity of homelessness in the West Valley area. In 2024, there were at least 524 individuals experiencing homelessness. The analysis also highlighted that individuals experiencing homelessness are often less visible in the region, including families, unaccompanied youth, and those living in cars.

Key contributing factors include:
- High cost of living;
- Limited affordable housing supply;
- Wage disparities; and
- Structural inequities, including poverty and wealth inequality.

The Needs Analysis noted that homelessness affects every member of the community, not just those who are unhoused. Finally, the report underscored that services and permanent housing are effective and save funds in the long run.

Following publication of the Needs Analysis, new Point in Time Count data revealed that the number of people experiencing homelessness in the West Valley area increased by 13%, compared to an 8% increase countywide between 2023 and 2025. Across much of the Bay Area and Santa Clara County, more people continue to enter homelessness each year than exit. However, other areas in California saw significant decreases in homelessness, including in the Counties of Santa Cruz, Sonoma, Los Angeles, San Diego, and Ventura.

West Valley Unhoused Population Characteristics

The Needs Analysis also identified some key findings about the demographic characteristics of the West Valley Unhoused population, as summarized below.

- 51 percent of individuals in the West Valley have been homeless for two years or more, roughly double the national average, but lower than the rest of Santa Clara County.
- A higher rate of individuals in the West Valley are more recently homeless relative to the remainder of the County.
- 19 percent of the homeless in the West Valley are youth, and 19 percent are families with children.
- Hispanic/Latino, Black, and American Indian/Alaska Native/Indigenous individuals are substantially overrepresented relative to their share of the population in the West Valley.
- The West Valley area saw a higher domestic violence survivor rate and lower mental, physical, and alcohol/substance use rate than the remainder of the County.
- West Valley individuals were more likely to sleep in their car or couch surf and less likely to utilize a shelter bed than the remainder of the County.

Existing Services and Identified Gaps

A brief overview of existing gaps and services are provided below. Additional information on existing services and needs is provided in the Needs Analysis.

Housing & Shelter

- Lack of affordable permanent housing, especially ELI (Extremely Low Income) housing units.
- Lack of sufficient shelters. There are no standing temporary or interim shelters in the West Valley of the congregate or non-congregate model.
- The three existing safe parking programs located in Saratoga, Cupertino, and Campbell can serve up to approximately one third of the known households living in cars.

Service Delivery

- Lack of geographically centralized services
- Inadequate access to healthcare, mental health, and substance use treatment
- Insufficient outreach and case management capacity
- Limited transportation options for accessing services

Systemic Gaps

- Lack of shared knowledge and coordination across service providers, jurisdictions, and city departments
- Difficulty in scaling community-based services

Feasibility Study

The West Valley Homeless Services Feasibility Study analyzes potential policy and program responses to address homelessness in the West Valley area. The study notes that while homelessness is a complex problem, investing in proven strategies can have a considerable positive impact on people experiencing homelessness and the community at large.

The Feasibility Study provides an analysis of several homelessness response programs and includes a series of specific recommendations. Please note that percentages in Table 2 on Page 10 of the Feasibility Study (Attachment 2) were incorrect. We have provided a revised Table 2 with the correct percentages in Attachment 3. A revised Feasibility Study with the corrected percentages will be prepared by the consultant.

The Feasibility Study provides a detailed analysis of several programs categorized into six categories:

- Homelessness Prevention;
- Outreach and Case Management;
- Immediate Needs;
- Shelter and Parking;
- Interim and Transitional Housing; and
- Permanent Housing.

Each potential program is ranked with a feasibility score and an impact score as indicated in Table 2 below. The full Study provides additional detailed information on the methodology and potential program approaches for each program, as well as additional ways to visualize the program landscape.

Table 2: Homeless Response Programs and Scores by Program Type

Programs by Type	Impact Score	Feasibility Score
Prevention (Feasibility Study p. 14)		
Homelessness Prevention & Rental Assistance	Highest	Highest
Opportunity Fund & Reunification	High	Highest
Hotlines & Information	Moderate	Highest
Tenant Protections	Moderate	High
Outreach & Case Management (p. 17)		
Case Management	Highest	High
Health, Mental Health & Substance Care	Highest	High
Navigation Center	Highest	Moderate
Job Training	Moderate	Highest
Outreach	Moderate	High
Mobile Navigation Center	Moderate	High
Law Enforcement Coordination	Moderate	Moderate
Immediate Needs (p. 22)		
Food, Showers & Laundry	High	Highest
Phone, Internet, & Mail	Moderate	Highest
Safe Storage	Moderate	High
Transportation	Moderate	High
Neighborhood Health & Cleanliness	Moderate	Moderate
Safe Sleeping & Sanitation	Moderate	Moderate
Shelter & Parking (p. 26)		
Temporary Shelters	Highest	Moderate
Safe Parking	High	Moderate
Hotel Vouchers/Rentals	Moderate	Highest
Interim & Transitional (p. 30)		
Rapid Rehousing	Highest	High
Transitional Housing	Highest	Moderate
Interim Sites	High	Moderate
Permanent Housing (p. 32)		
Permanent Affordable Housing	Highest	High

Key Recommendations

The Feasibility Study outlines a comprehensive set of recommendations. An overview of key recommendations are provided below.

1. **Adopt a formal implementation plan:** Develop and adopt a West Valley area homelessness response implementation plan that includes an aspirational vision, clear goals and objectives, programs tailored to population segments, plans for near- and long-term outcomes, and leverages existing programs. The study provides an example set of goals and objectives that could be used as a reference by a West Valley homelessness response task force.

2. **Sustain and strengthen what works:** Use the tools available to local governments to ensure the continuation of existing services with a proven track record, including homelessness prevention and expanding affordable housing.

3. **Prioritize additional investments in programs with high feasibility and impact:** These include homelessness prevention and rental assistance; case management; rapid rehousing; permanent affordable housing; health and mental health care; food, showers, and laundry; opportunity funds; and reunification programs.

4. **Cultivate partnerships at all levels:** Deploy a "whole of society approach" to engage governments, the private sector, civil society, individuals, and communities. Establish a formal West Valley homelessness response task force to set goals and monitor progress.

5. **Engage with people who have experienced homelessness:** Identify ways for individuals who have experienced homelessness to meaningfully participate in program design, implementation, and evaluation.

6. **Align with the Community Plan to End Homelessness:** Demonstrate alignment with the plan's goals to address the root causes of homelessness, improve the quality of life for unsheltered individuals, create healthy neighborhoods for all, and expand homelessness prevention and housing programs.

7. **Identify funding:** Explore creative funding approaches to support homelessness response programs.

8. **Support neighborhood health, safety, and cleanliness:** Address quality-of-life issues for the entire community.

The Feasibility Study discusses actions at the local and sub-regional level that have a high likelihood of making a meaningful and measurable positive impact for community members experiencing homelessness and the community overall. These actions are likely to be particularly important in an environment where federal funding is scarce.

An update to the Santa Clara County Community Plan to End Homelessness, which serves as a roadmap for ending homelessness in Santa Clara County, is also underway. Recommendations from the West Valley Feasibility Study will be shared with the County to promote alignment between the plans.

West Valley Homeless Services Implementation Task Force

The Feasibility Study identifies the formation of a regional implementation body as a critical next step.

The proposed Task Force to meet this need would include:

- Representatives from the five West Valley jurisdictions;
- County representatives;
- Key institutional stakeholders (e.g., community college district representatives); and
- Select service providers.

The Task Force would be responsible for developing a formal implementation plan for the West Valley Homeless Services Feasibility Study, establishing measurable goals, defining governance structure, a financing strategy, and monitoring progress.

CONCLUSION:

Staff recommends that the Town Council receive the West Valley Feasibility Study and adopt the Resolution of Intent supporting participation in the West Valley Homeless Services Implementation Task Force (Attachment 4). The Resolution of Intent is intended to gauge the initial interest among all five West Valley jurisdictions to participate in the Task Force. Following the adoption of the resolution of intent, staff will obtain a scope of services with a consultant to provide technical support to the Task Force and prepare an MOU outlining the role of the Task Force and funding needs. Staff would then return to the five jurisdictions with the MOU for adoption, and subsequently initiate work on the Task Force. Adoption of the Resolution of Intent by itself does not commit each jurisdiction to adopting the subsequent MOU.

COORDINATION:

This project was coordinated with the West Valley Jurisdictions.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:
1. West Valley Needs Analysis Report
2. West Valley Feasibility Study
3. Revised PIT Count Table
4. Draft Resolution of Intent to Participate in the West Valley Homeless Services Implementation Task Force

West Valley Homeless Services

Needs Analysis Report

Cities of Campbell, Cupertino, Monte Sereno, and Saratoga, and Town of Los Gatos

July 24, 2025

Prepared by:

GOODCITY COMPANY

Acknowledgements

West Valley Jurisdictions

City of Campbell: Rob Eastwood, Eloiza Murillo-Garcia, Chris Miranda
City of Cupertino: Nicky Vu
Town of Los Gatos: Joel Paulson, Katy Nomura
City of Monte Sereno: Diana Perkins
City of Saratoga: Bryan Swanson, Cindy McCormick

With Special Thanks to

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Destination: Home: Ray Bramson

Good City Company

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West Valley Homeless Services

Needs Analysis Report

Cities of Campbell, Cupertino, Monte Sereno Saratoga, and Town of Los Gatos

July 24, 2025

Executive Summary

The West Valley Homeless Services Needs Analysis Report analyzes the state of homelessness and homeless services in 2025 in the five West Valley cities of Santa Clara County: Campbell, Cupertino, Los Gatos, Monte Sereno, and Saratoga and identifies gaps in the services provided.

Key findings

- **Homelessness is a Serious Problem:** At least 524 individuals across 322 households were counted as homeless in the West Valley area in 2024. About 214 new homeless households sought shelter or services for the first time in 2024 and 51 percent have been homeless for two or more years.
- **Homelessness is Not One-Size-Fits-All:** While there are many homeless individuals who visibly live on the street, there is also a large population who are more hidden. Matching appropriate services to specific individuals is critical.
- **Impacts on Children:** Nineteen percent of homeless households are unaccompanied youth and 19 percent are families with children. In addition, homelessness is associated with significant negative health and child development outcomes.
- **Homelessness Affects Us All**: Homelessness impacts all members of the community, not just those who are homeless. The effects on housed residents, the economy, and local government services are substantial.
- **Services and Housing Work:** Permanent housing is critical, even if it is expensive and time-consuming. Immediate services are sometimes as important as housing.

Introduction

The West Valley cities are located in the heart of Silicon Valley, known for innovation and myriad globally recognized companies. While some of the highest median income zip codes in the state and country are in the area, it is also home to many people facing significant economic challenges. In 2023, Santa Clara County ranked sixth in the US for the prevalence of unsheltered individuals among major population centers, with 412 unsheltered people per 100,000 residents. This data is based on a point-in-time count conducted in January 2023. The County saw a 5 percent increase in homelessness in 2023 compared to 2019[1] and another 8.2 percent increase between 2023 and 2025[2].

In July 2024, the City of Campbell allocated $100,000 in American Rescue Plan Act (ARPA) funds to conduct a homeless needs analysis and feasibility study. In December 2024, the City contracted with Good City Company to conduct a needs assessment and feasibility study. Good City Company is a local government consulting firm based in Redwood City. The firm offers support to local government agencies in the fields of planning, economic development, housing, and city manager's office services.

> ***"I care about the homeless here, but I have young kids and the quality-of-life impact on families also matters. The status quo doesn't work, and I know we can do better than this."***
>
> **Local Community Member**

The first phase of analysis is reflected in this needs analysis report, which includes an analysis of available quantitative data, existing background material and research, and the results of interviews with key stakeholders, including service providers and currently homeless individuals in the area. The needs

[1] Love, Hanna, and Tracy Hadden Loh. "Homelessness in US Cities and Downtowns: The Perception, the Reality, and How to Address Both." *Brookings Institution*. Accessed May 10, 2025. https://www.brookings.edu/articles/homelessness-in-us-cities-and-downtowns/.

[2] County of Santa Clara, California. "County of Santa Clara Releases Preliminary Results of 2025 Point-in-Time Homeless Count." County News Center, June 20, 2025. Accessed July 17, 2025. https://news.santaclaracounty.gov/county-santa-clara-releases-preliminary-results-2025-point-time-homeless-count

assessment describes existing services and identifies gaps in services impacting homelessness in the West Valley area. This analysis is intended to establish a baseline of existing conditions regarding homelessness in the West Valley and provide a foundation of information for a subsequent feasibility study for improved services.

Following the completion of this needs analysis, the project team will also conduct a feasibility analysis. A list of items likely to be analyzed in the feasibility study are included in the conclusions section of this needs analysis document.

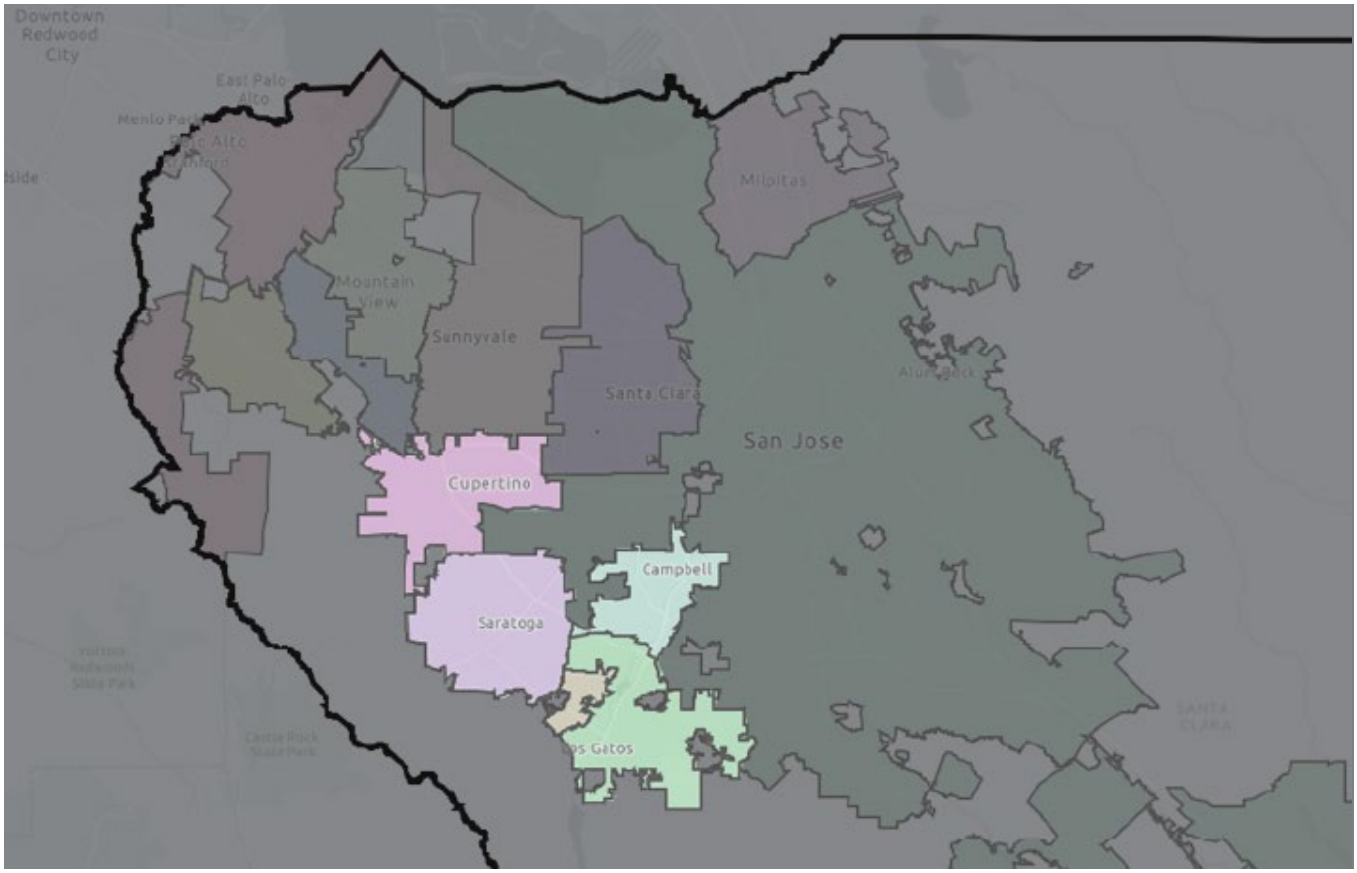

Figure 1. The five West Valley Jurisdictions (Image credit: Santa Clara County LAFCO, Good City Company)

Background

Understanding Homelessness Today

Homelessness is a complex problem, impacting different segments of the community in different ways. Individuals and families at risk of homelessness face constant pressure from forces that ultimately push many into homelessness. These forces are magnified by the housing crisis and felt most acutely where the cost of housing is highest, such as the West Valley.

Addressing homelessness has been an increasing priority in the region, and there are social, public health, economic, and quality of life reasons that motivate this. However, there is also a broadly held moral belief that human beings should live with a level of dignity that is not possible to achieve while being homeless. While the problem can feel nearly impossible to solve, immediate services and long-term housing can substantially reduce homelessness and its negative impacts.

The first image of a homeless person that comes to mind for many is a single male with significant substance abuse and mental health issues. While this characterization represents a visible phenomenon, the data paints a more complex picture. There is also a large hidden population of homeless individuals and families. Across the West Valley cities, 37 percent of homeless households are unaccompanied youth or families with children, and 50 percent are male. Many homeless women and families with children are less visible. A recent study of homeless adults in California showed that a significant portion of homeless people reported not having used drugs regularly in the prior six months[3]. Homeless people come from a wide range of backgrounds, and while some come from outside the community, many were raised or were previously housed in the local community.

California's housing challenges are well-documented and acutely felt across the entire West Valley of Santa Clara County. Statewide, nearly one-third of California renters pay more than 50

[3] Baggett, Travis P., James J. O'Connell, Jesse M. Yedinak, and Thomas J. Stopka. "Illicit Substance Use and Treatment Access Among Adults Experiencing Homelessness." *JAMA* 331, no. 12 (2024): 987–997. https://doi.org/10.1001/jama.2024.27922.

percent of their income toward rent[4]. California is also home to a disproportionate number of homeless residents. While the state is home to 12 percent of the nation's population, the homeless population makes up 22 percent of the nation's homeless population[5]. In 2023, Santa Clara County had approximately 10,028 people experiencing homelessness[6]. This translates to roughly 2.3 people per 1,000 residents. The West Valley ratio of homeless people translates to 1.28 people per 1,000.

The high cost of housing is a central cause of homelessness and is driven not only by demand but also by the policy decisions and other factors that have resulted in so few homes being built relative to jobs. Job growth in the Bay Area has far exceeded the production of housing for decades[7].

> ***"We want to end homelessness forever. Even for people who have a nice house here now, what about their kids? What if life throws their kids a curveball? Not addressing homelessness in a serious way now may come back to haunt them later."***
>
> **Local Homeless Resident**

Homelessness is also a health issue. Health and medical issues are both an effect *and cause* of homelessness. Living on the street, in a car, RV, shelter, or couch surfing can be extraordinarily difficult and result in tremendous adverse social, medical, economic, and safety consequences[8].

[4] California Department of Housing & Community Development. Addressing a Variety of Housing Challenges. Accessed May 10, 2025. https://www.hcd.ca.gov/policy-and-research/addressing-variety-housing-challenges. California Department of Housing & Community Development. Addressing a Variety of Housing Challenges. Accessed May 10, 2025. https://www.hcd.ca.gov/policy-and-research/addressing-variety-housing-challenges.

[5] Ibid

[6] County of Santa Clara and City of San José, "County of Santa Clara and City of San José Release Preliminary Results of 2023 Point-in-Time Homeless Census," *County News Center*, May 30, 2023, https://news.santaclaracounty.gov/news-release/county-santa-clara-and-city-san-jose-release-preliminary-results-2023-point-time.

[7] Kober, Eric. "The Bay Area: The Land of Many Jobs and Too Few Homes." Manhattan Institute. Accessed May 10, 2025. https://manhattan.institute/article/the-bay-area-the-land-of-many-jobs-and-too-few-homes.

[8] Community Solutions. "The Costs and Harms of Homelessness: A Learning Brief Examining the Costs Borne by Individuals, Communities, Systems, and Society." Accessed May 10, 2025. https://community.solutions/research-posts/the-costs-and-harms-of-homelessness/.

Some studies have shown the average age of death for homeless individuals to be 44 years of age[9]. The stigma associated with homelessness can impact all aspects of life for those without a home, and research has shown a correlation between stigma and poorer mental and physical health outcomes[10].

Medical debt and loss of work due to illness are major contributing factors to the economic causes of homelessness. Two-thirds of people who have filed for bankruptcy cite these two factors as the primary reason for their bankruptcy[11]. While most people with medical debt do not become homeless, research indicates that medical debt can significantly prolong periods of homelessness. Studies suggest that medical debt, even for relatively small amounts, can extend the length of time a person experiences homelessness by an additional two years on average. For those whose medical debt goes to collections, the impact on overall homelessness duration can be even more significant[12].

While single, homeless men are often the most visible in communities, homeless women, families with children, and youth are also prevalent. Women who are homeless or experiencing housing instability are at significantly higher risk for sexual and physical violence[13].

The impacts of homelessness on children and child development cannot be understated. Homelessness and housing instability expose children to prolonged activation of stress responses, also known as "toxic stress," which is in turn associated with greater instances of a

[9] National Health Care for the Homeless Council. "Premature Mortality in Homeless Populations." Accessed May 10, 2025. https://sbdww.org/wp-content/uploads/2011/04/PrematureMortalityFinal.pdf.

[10] Reilly, Johanna, Angela Greenfield, Rebecca Gillam, and Peter L. H. Barrett. "A Systematic Review of the Effect of Stigma on the Health of People Experiencing Homelessness." *Health & Social Care in the Community* 30, no. 6 (2022): 2128–2141. https://doi.org/10.1111/hsc.13884.

[11] Himmelstein, David U., Robert M. Lawless, Deborah Thorne, Pamela Foohey, and Steffie Woolhandler. "Medical Bankruptcy: Still Common Despite the Affordable Care Act." *American Journal of Public Health* 109, no. 3 (2019): 431–433. https://doi.org/10.2105/AJPH.2018.304901

[12] Bielenberg, Joseph E., Maren Futrell, Benjamin Stover, and Annette Hagopian. "Presence of Any Medical Debt Associated With Two Additional Years of Homelessness in a Seattle Sample." INQUIRY: *The Journal of Health Care Organization, Provision, and Financing* 57 (2020). https://doi.org/10.1177/0046958020923535.

[13] Riley, Elise D., Jennifer Cohen, Kelly Knight, et al. "Violence and Emergency Department Use among Community-Recruited Women Who Experience Homelessness and Housing Instability." *Journal of Urban Health*. https://pmc.ncbi.nlm.nih.gov/articles/PMC7010900/#CR5.

variety of health, social, and developmental problems[14]. Homeless children are two to four times more likely to have a mental health issue requiring clinical evaluation than low-income children[15]. Homeless infants are known to have poor birth outcomes, and homeless children are more likely to be diagnosed with respiratory infections, fevers, injuries, and nutritional problems than housed children[16].

Homelessness impacts the entire community, not just those who are homeless. The impact on public services, particularly emergency room visits, is significant, with studies indicating homeless people use the emergency room significantly more than the general population,[17], which are generally much more expensive than preventative care.

Other community and public health concerns include increased spread of communicable diseases due to lack of access to hygiene, healthcare, and shelter, and unsanitary conditions in campsites and improper waste disposal with impacts both to public health and the environment. Economic issues include potential reduction in property values or commercial activity in areas with visible homeless people or campsites. While harder to quantify, impacts on public safety and economic investment are widely perceived by communities at large. In addressing these concerns there is often a conflict between different policy objectives, as discussed below.

Policy Context

Local, State, and Federal housing policies, programs, and funding play a pivotal role in assisting local jurisdictions and service providers in preventing homelessness and addressing the homelessness crisis. Below, we will discuss how the West Valley municipalities, the State of California, and the Federal government all play vital roles in addressing homelessness.

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[14] Shonkoff, Jack P., Andrew S. Garner, et al. "The Lifelong Effects of Early Childhood Adversity and Toxic Stress." *Pediatrics* 129, no. 1 (2012): e232–e246; https://publications.aap.org/pediatrics/article/129/1/e232/31628/The-Lifelong-Effects-of-Early-Childhood-Adversity

[15] Bassuk, Ellen L., M. Beardslee, and J. Bassuk. "The Prevalence of Mental Illness in Homeless Children: A Systematic Review and Meta-Analysis." *Journal of the American Academy of Child & Adolescent Psychiatry*. https://www.researchgate.net/publication/271536943.

[16] Clark, Robin E., Marguerite E. Tracy, William B. Whitmore, et al. "Infants Exposed to Homelessness: Health, Health Care Use, and Health Spending from Birth to Age Six." *Health Affairs* 38, no. 5 (2019): 721–728. https://doi.org/10.1377/hlthaff.2019.00090.

[17] Vohra, Neha, et al. "Homelessness and the use of Emergency Department as a source of healthcare" *International Journal of Emergency Medicine*. https://intjem.biomedcentral.com/articles/10.1186/s12245-022-00435-3

Each of the West Valley municipalities is mandated by State law to draft a Housing Element and submit the element to the California Department of Housing and Community Development (HCD) for review and approval. The Housing Element is one of seven mandated elements of each jurisdiction's General Plan. The Housing Element process is complicated, but it essentially outlines how a city or county will plan for housing needs across different income levels. It is a policy document that identifies current and future housing needs, establishes goals and policies, and provides programs to address those needs, including affordable housing and housing for special needs populations, including homeless people and householders at risk of homelessness.

The State of California plays a role in enforcing State laws relating to housing development and providing resources to municipalities. HCD is responsible for reviewing and monitoring municipalities' progress in implementing approved housing elements. In addition, State laws, such as Senate Bill 330 (SB 330) and Assembly Bill 1482 (AB 1482), place requirements on cities to streamline the housing development process, uphold renter protections and to comply with no net loss requirements relating to housing redevelopment. AB1482, the California Housing Crisis Act of 2019, provides a form of statewide rent control and just cause eviction protections for residential renters. It limits rent increases to five percent plus the local Consumer Price Index (CPI), or ten percent, whichever is less, and requires landlords to have a valid reason (just cause) to evict a tenant. The law went into effect on January 1, 2020, and is set to expire on January 1, 2030. SB 330, the Housing Crisis Act of 2019, is a California law that aims to address the State's housing shortage by streamlining the housing development process and protecting existing housing. It went into effect in 2020.

The State also provides annual funding allocations for affordable housing and homelessness services. HCD's Super NOFA (Super Notice of Funding Availability) was created to streamline and consolidate funding opportunities for affordable housing by combining previously separate funding streams into a single, streamlined application process for developers, aiming to make funds more accessible and equitable. The Super NOFA is broken down between ownership opportunities and multifamily opportunities. The Multifamily Super NOFA combines affordable development funding and funding opportunities for homeless military veterans. In addition, the State provides HomeKey and Homekey+ funding to provide transitional and permanent supportive housing for the homeless population.

Santa Clara County's Department of Office of Supportive Housing (OSH) receives Federal McKinney Act funding for homeless and homeless prevention programs. OSH is responsible for the Continuum of Care (COC) by coordinating the County-wide homeless response, allocating funding throughout the County, and coordinating the Point-in-Time (PIT) homeless count.

Key Policy Implications

Several key findings with policy implications can be drawn from an analysis of the literature and practices of surrounding jurisdictions and are listed below. A bibliography is also provided at the end of this report.

Funding

The current unpredictability of federal and state funding negatively impacts the fight against homelessness by making it difficult to plan and implement effective programs. This can potentially lead to increased homelessness and setbacks in progress. This funding instability also undermines the ability of service providers to maintain stable staffing and operations and continue to provide service levels.

Coordination

Coordination across sectors, jurisdictions, and departments within jurisdictions is critical to developing and implementing lasting impact. As described subsequently, the Continuum of Care model, coordinated entry, the facilitation of coordinated responses by Santa Clara County and the West Valley Cities, the work across departments within cities, and public-private partnerships such as Destination: Home are best practices already underway.

Much of this approach is reflected in the 2020-2025 Community Plan to End Homelessness, which is currently being updated and is also described later in this assessment. Its three goals are to: address the root causes of homelessness through system and policy change, improve the quality of life for unsheltered individuals, and create healthy neighborhoods for all, and expand homelessness prevention and housing programs to meet the need.

Conflicting Policy Objectives

In addressing homelessness, there is often a conflict between different policy objectives. Some approaches are tailored toward minimizing immediate negative impacts on the community at large, such as the removal of encampments. These may provide relief from quality-of-life issues in the immediate area but may also exacerbate the difficulties homeless people experience.

While providing long-term housing solutions and preventing homelessness are broadly shared community goals, this approach may do little to address the immediate impacts of homelessness on either homeless people or the broader community. In practice, such policy choices are rarely an either-or choice, and a suite of approaches deployed together generally work best.

Challenges of Congregate Shelter

Many unhoused individuals and families prefer not to stay in congregate shelters for logical reasons. A congregate shelter is defined as a type of temporary housing facility that provides shelter for individuals and families in shared, open spaces with limited privacy. These challenges can result in many choosing to live in a car, RV, couch, or on the street[18]. Approximately twice as many homeless people live outside the shelter system as within it[19]. These challenges include:

- Concerns about safety and privacy in shelters. Communal living in homeless shelters can be a source of insecurity and unease for some individuals due to factors like the potential for theft, violence, and lack of privacy, especially for those with past traumatic experiences or vulnerable populations. Furthermore, restrictive rules and schedules, limited access to belongings, and the general feeling of being "dormed up" can contribute to a sense of confinement and disconnection.
- Lack of available shelter space, long waiting lists, or shelters are far or difficult to get to relative to where their social, economic, and health networks are located.
- Shelters may prohibit pets, visitors, or a large volume of belongings.
- While stringent sobriety requirements and the potential for separation of adults or families have been reduced at many facilities, particularly those that are not faith based, these remain concerns among homeless individuals and advocates.

[18] U.S. Department of Housing and Urban Development. Understanding Encampments of People Experiencing Homelessness and Community Responses: Emerging Evidence as of Late 2018. Accessed May 10, 2025. https://www.huduser.gov/portal/sites/default/files/pdf/Understanding-Encampments.pdf.

[19] Ibid

Alternatives to the congregate model include safe parking programs, sanctioned camping sites, using hotels as temporary, transitional, or permanent non-congregate shelters, and the "tiny home" model of interim housing[20].

Demographics and Disparities

The impacts on child development, families with children, and youth aging out of foster care cannot be understated.[21] According to a report from the Terner Institute, stark racial and ethnic disparities in California's homelessness rates continue to grow[22]. For instance, despite making up a small percentage of the state's population, Black individuals are disproportionately represented in the homeless population, with a significant increase in their share of the unsheltered population. According to the report, "Black people in California experienced the highest rate of homelessness, about 205 people per 10,000—almost five times higher than the state's overall homelessness rate of 44 per 10,000. Native Hawaiian and Pacific Islander, Native American and Indigenous, and multiracial people also experienced disparate homelessness rates compared to the state's overall population." Similar disproportionate rate of homelessness of Black, Hispanic, and Native individuals are reflected in Santa Clara County and the West Valley area[23].

Importance of Housing

Affordable housing is crucial to addressing homelessness because it directly tackles the core issue: lack of stable, affordable housing. When people struggle to afford housing, they become vulnerable to losing their homes and falling into homelessness. By increasing the supply of affordable housing, the number of people experiencing homelessness decreases, and those currently experiencing homelessness find stable homes. When rents and property prices

[20] Finnigan, Ryan. "Five Recent Trends in Homelessness in California." Terner Center for Housing Innovation, UC Berkeley. October 2023. https://ternercenter.berkeley.edu/wp-content/uploads/2023/10/Five-Trends-in-CA-Homelessness_Oct-2023-5.pdf.

[21] Murran, Sarah, and Emma Brady. "How Does Family Homelessness Impact on Children's Development? A Critical Review of the Literature." Child & Family Social Work 28, no. 2 (2023): 360–371. https://doi.org/10.1111/cfs.12968.

[22] Finnigan, Ryan. "Five Recent Trends in Homelessness in California." Terner Center for Housing Innovation, UC Berkeley. October 2023. https://ternercenter.berkeley.edu/wp-content/uploads/2023/10/Five-Trends-in-CA-Homelessness_Oct-2023-5.pdf.

[23] Olivet, Jeff, et al., SPARC/Destination: Home. "Race and Homelessness In Santa Clara County, California." January 31, 2020. https://destinationhomesv.org/wp-content/uploads/2020/02/RacialEquityReport0131020.pdf?mc_cid=06a7865957&mc_eid=53a9a53ca3.

increase and wages polarize or don't keep pace, low-income households are at higher risk of losing their housing and becoming homeless.

Short-term and long-term solutions to homelessness are crucial, with short-term interventions providing immediate relief and a path to long-term stability. Short-term solutions, like emergency shelters, offer shelter and access to immediate support services, including mental health and substance abuse programs and assistance. Long-term solutions, such as low barrier, rapid rehousing programs and permanent supportive housing, address many of the underlying dynamics of homelessness and enable individuals to achieve self-sufficiency.

Root Causes and Upstream Issues

Homelessness is a complex issue with certain factors being both a cause and impact of homelessness across economic, social, and personal domains. Some of the upstream causes of homelessness reflect broader dynamics in society, such as income inequality and healthcare access. Addressing them completely may be beyond the scope of local government, however, there are actions local governments can take—alone and in partnership—to make a significant positive impact.

Housing affordability relative to income is a key driver of homelessness[24]. The importance of local governments to encourage the production and preservation of housing at all income levels, and especially at the extremely low-income level, is exceedingly important. While local public subsidies for the development of units are important, the local land use regulatory tools of local government, including but not limited to inclusionary housing programs and community benefits agreements, may have even greater potential for impact.

Prevention of homelessness is crucial. Once someone becomes homeless it is significantly more difficult to get them back into permanent housing. The Homelessness Prevention System, piloted by Destination: Home[25] in 2017, is a nationally recognized model for homelessness prevention piloted in Silicon Valley. A six-year randomized control trial showed that immediate financial assistance to at risk families is a proven solution to keeping families from becoming

[24] Powell, Alvin. “Why It’s So Hard to End Homelessness in America.” Harvard Gazette. January 2024. https://news.harvard.edu/gazette/story/2024/01/why-its-so-hard-to-end-homelessness-in-america/.

[25] https://destinationhomesv.org/

homeless[26]. Similarly, home sharing programs can be an important part of the homelessness prevention ecosystem as they can unlock lower cost housing options relatively quickly and serve to reduce social isolation. However, providers underscore that they are usually not practical for the rapid rehousing of people who are currently homeless. Although not ideal for every community, home-sharing programs have proven effective for achieving functional zero homelessness in many communities, such as Redondo Beach, California. Home-sharing programs are also an important part of the overall response to housing and homelessness in nearby counties such as San Mateo County, which operates a program in partnership with HIP Housing.

Another key tool of local government is raising awareness and promoting actions to address homelessness that can be made at the state or federal levels. Regional and subregional efforts to raise awareness and advocate for increased funding can often be a more effective approach than individual communities doing so alone.

Methodology

This research triangulates quantitative analysis, qualitative analysis, and insights from best practices and other research. Quantitative analysis is based on the following core data sources:

2024 Vulnerability Index - Service Prioritization Decision Assistance Tool (VI-SPDAT): A survey and database used to collect data for the Homeless Management Information System (HMIS) and additional data that allows municipal staff to categorize and prioritize needs in the community.

2023 Point-in-Time Count (PIT Count): A count of sheltered and unsheltered homeless people on a single night in January.

Qualitative analysis is based on interviews with stakeholders that included local jurisdiction staff, service providers, and homeless individuals. Meetings and interviews with staff from Santa Clara County, and the cities of Campbell, Cupertino, Los Gatos, Monte Sereno, and Saratoga were conducted between February and April 2025.

[26] Phillips, David, and James X. Sullivan. "Do Homelessness Prevention Programs Prevent Homelessness? Evidence from a Randomized Controlled Trial." The Review of Economics and Statistics (2023). https://doi.org/10.1162/rest_a_01344.

An initial list of service providers was developed in consultation with staff from Campbell, Santa Clara County, Destination: Home, and the four additional West Valley cities. Additional service providers were interviewed at the recommendation of some of the initial interviews. These stakeholders include service providers active in one or more of the five West Valley cities and are listed below. Service provider interviews were conducted between February and April 2025.

Interviews with currently homeless individuals were conducted in March and April 2025. Interviews were conducted in person in March 2025 and were facilitated by Campbell's Unhoused Specialist. Additional observational findings were also made in the field, including from individuals who did not wish to be interviewed. An additional interview was conducted via Zoom and email correspondence as a result of outreach made by a homeless advocate and homeless individual to the project team.

The quantitative and qualitative findings are supported by a literature review of relevant research and public documents regarding related topics, best practices understood in the field today. A list of key resources consulted is included as an attachment to this report.

Service Provider Stakeholders Interviewed	
Hope's Corner	Abode Services
Los Gatos United Methodist Shower Ministry	Campbell Unhoused Specialist
HomeFirst	Catholic Charities
LifeMoves	Amigos de Guadalupe
SVILC	St Lukes Pantry Program
WVCS	St Mary's Catholic Church
Silicon Valley Safe Parking	Destination: Home
Saratoga Rotating Safe Car Park	

Table 1. Service Provider Stakeholders Interviewed

Quantitative Needs Analysis

Available quantitative data was analyzed across several factors including unduplicated intakes over time, location across each of the five cities, how long they have been homeless, and demographic breakdowns by age, gender, household (family) type, and race and ethnicity.

The number of homeless people by City, with the data from the Point-in-Time count (individuals) in blue and the data extrapolated from the VI-SPDAT entries (households) in green, is shown in Figure 2. While it is not reflected in the data presented, we know from prior VI-SPDAT data and interviews with service providers that some homeless people have recently been associated with Monte Sereno.

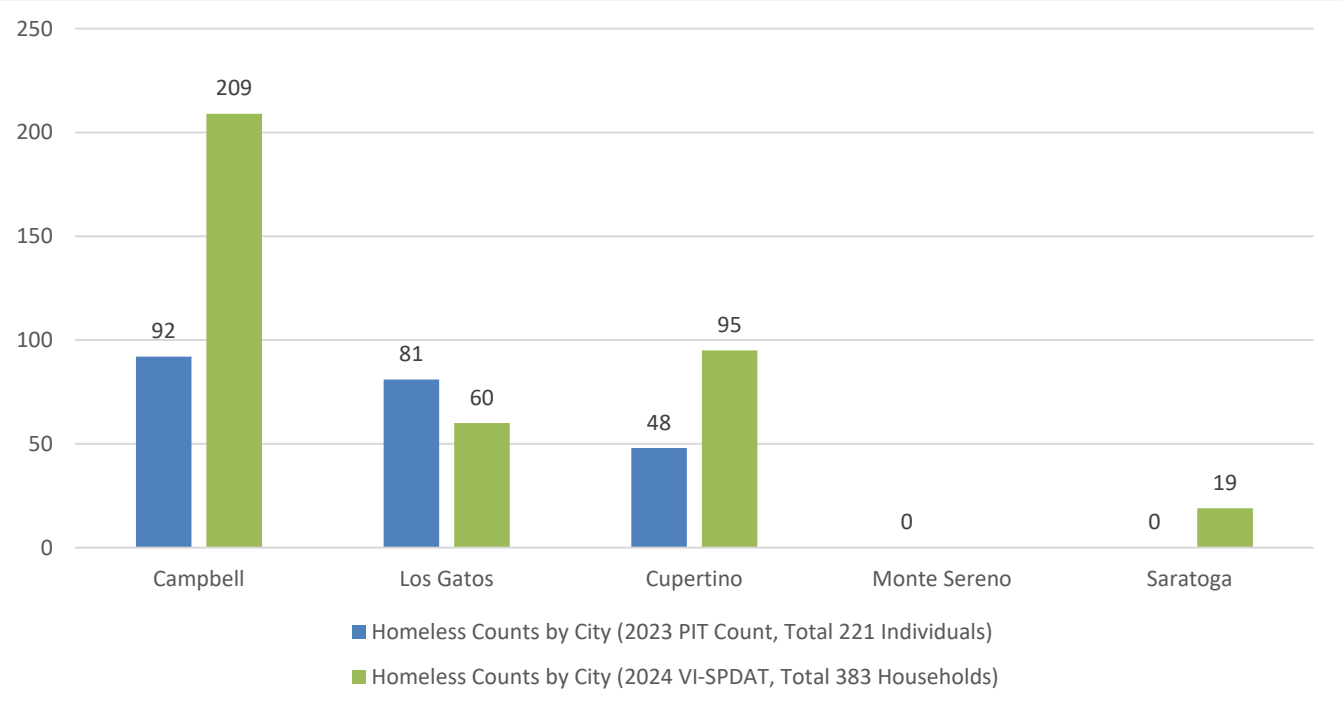

Figure 2. Homeless Counts by City

Each instance reflected in the data was input following a comprehensive methodology. While these numbers are among the best available, they should be understood to be an absolute floor for the instance of homelessness. This data does not attempt to quantify the total number of homeless people in the community. For example, someone would not be counted if they had not completed a VI-SPDAT assessment or were couch surfing or living in an RV on private property and not visible on the night of the Point-in-Time count. The two data sets were also developed using substantially different methodologies; no trend over time can be inferred from

the VI-SPDAT data collected in 2024 relative to the Point-in-Time data collected in 2023. Point-in-Time data for 2025 is only available County-wide as of publication. The 2025 data indicates homelessness has increased by 8.2 percent since the 2023 count[27].

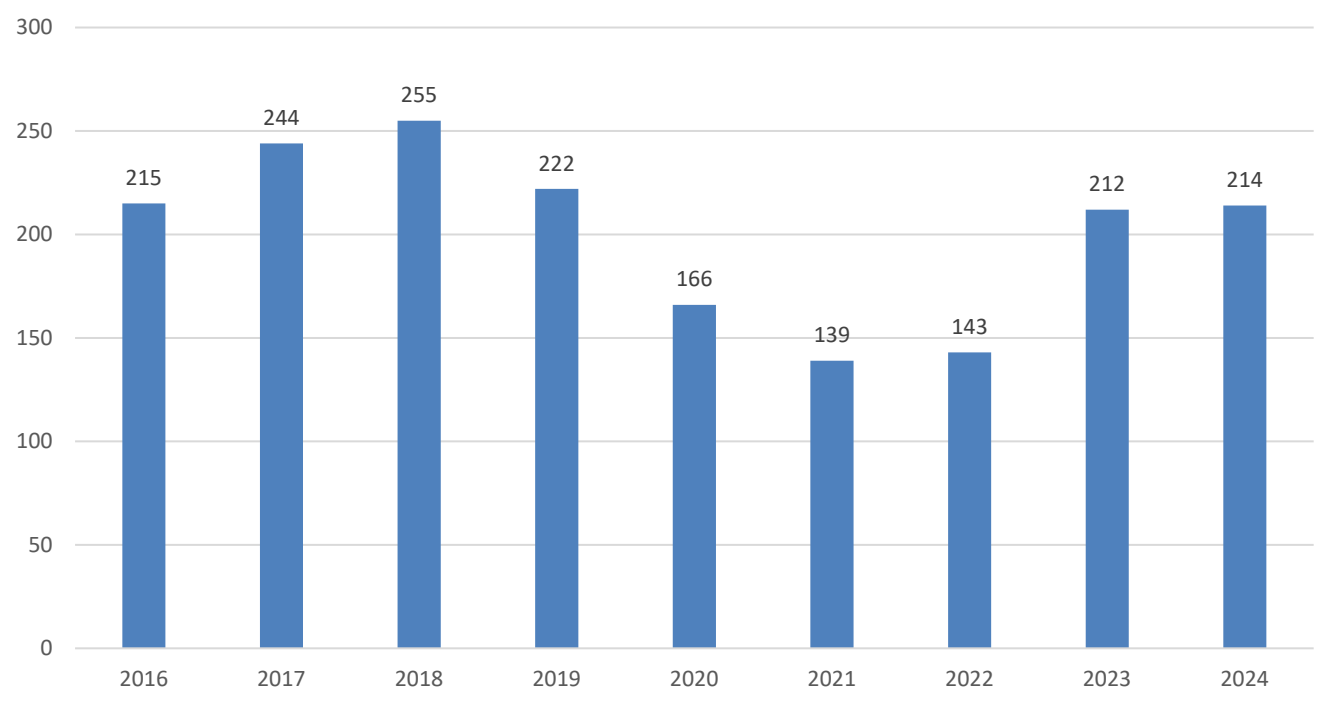

Figure 3. Homeless Inflow - First Time VI-SPDAT Assessment 2016-2024 (VI-SPDAT)

Individuals in the Point-in-Time are included if they are seen on the morning of the count. In the counts, people are associated with a city based on where they are located on a specific night during the count. This involves identifying and counting individuals experiencing homelessness in shelters, transitional housing, or on the streets within the city's designated area. Whereas with the VI-SDAT assessment, the homeless individuals self-identify in which city they last lived, worked, where any children go to school, or where they spend most of their time. While multiple entries were allowed, only six households are counted in more than one West Valley jurisdiction.

[27] County of Santa Clara, California. "County of Santa Clara Releases Preliminary Results of 2025 Point-in-Time Homeless Count." County News Center, June 20, 2025. Accessed July 17, 2025. https://news.santaclaracounty.gov/county-santa-clara-releases-preliminary-results-2025-point-time-homeless-count

Figure 3. Homeless Inflow - First Time VI-SPDAT Assessment 2016-2024, illustrates the number of first-time VI-SPDAT assessments during the corresponding years. It can be noted that the number of assessments was lower during the height of the COVID pandemic but sharply increased in 2023 to above the nine-year average of 201.

During the VI-SPDAT assessment, the homeless individuals or families are asked how long they have been homeless. Figure 8., below, shows the West Valley cities saw a higher percentage of individuals who are more recently experiencing homelessness than the remainder of the County. It also shows that 51 percent have been homeless for two years or more. The U.S. Department of Housing and Urban Development (HUD) defines chronic homelessness as: "An individual who has been experiencing continuous homelessness for a year or more or has experienced at least four episodes of homelessness in the past three years, where each episode is at least 30 days in length"[28]. While the exact percentage may vary slightly depending on the source, 20 percent of the homeless population in the U.S. is a commonly cited figure for those experiencing chronic homelessness. Also of concern is the high percentage of individuals becoming homeless between one week and three months.

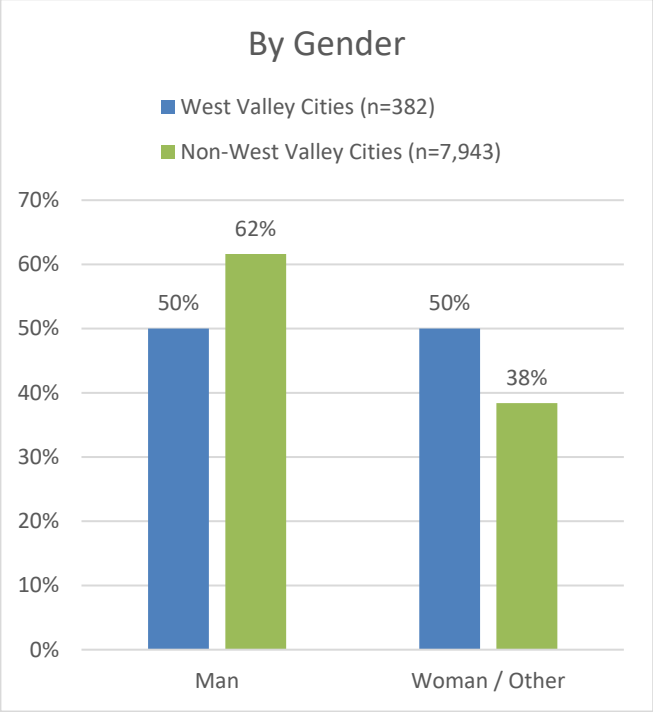

Figure 4. Demographics by Gender in 2024 (VI-SPDAT)

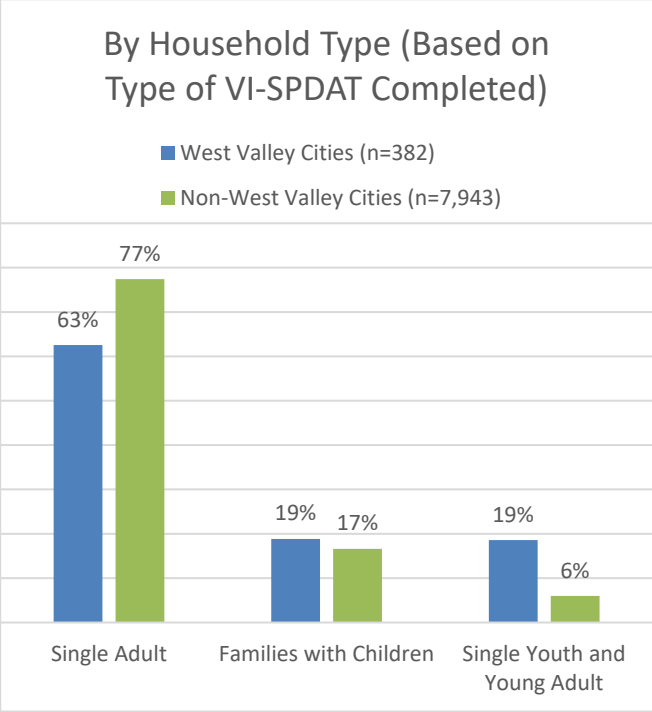

Figure 5. Household Type in 2024 (VI-SPDAT)

[28] U.S. Department of Housing and Urban Development. Accessed May 10, 2025. https://www.hud.gov/.

Figure 4. Demographics by Gender in 2024 (VI-SPDAT), indicates a much higher percentage of women clients in the West Valley geography than the remainder of the County (50 percent compared to 38 percent) while Figure 5. Household Type in 2024 (VI-SPDAT), indicates a significantly higher proportion of youth and young adults relative to the remainder of the County (19 percent compared to 6 percent).

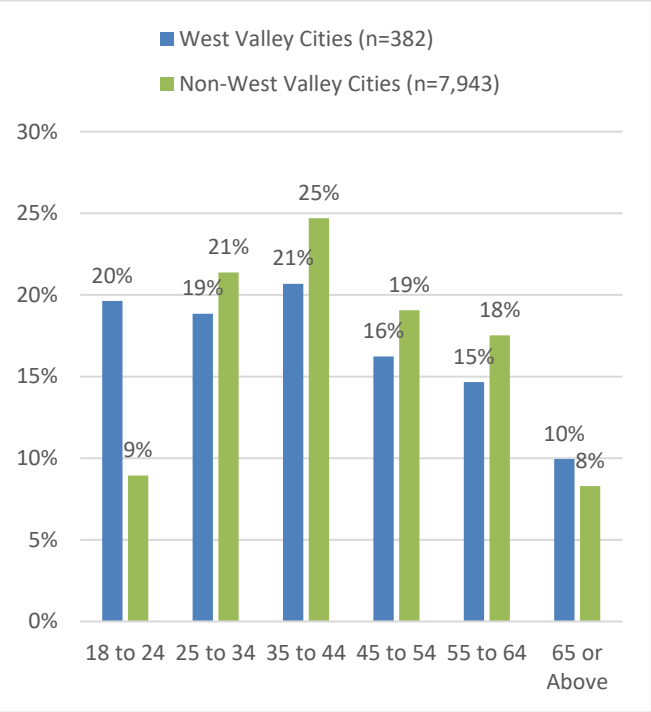

Figure 6. Demographics by Age in 2024 (VI-SPDAT)

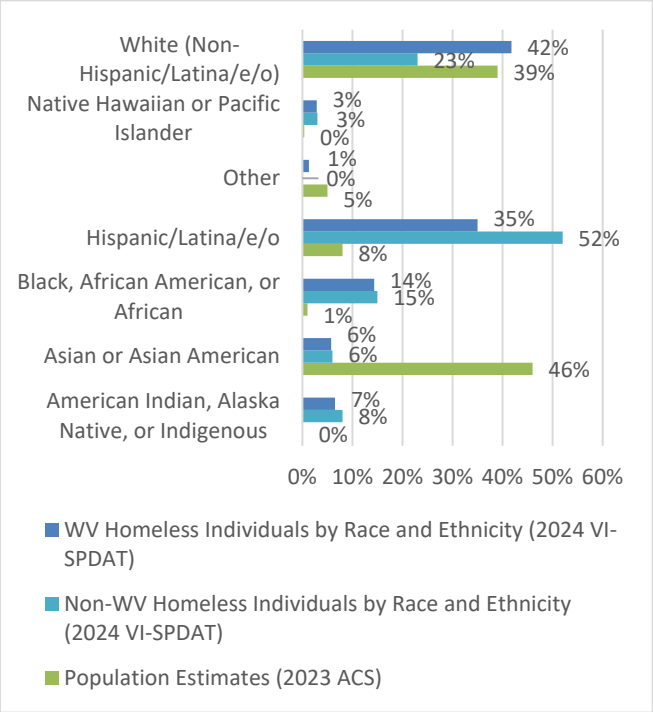

Figure 7. Overall and Homeless Population in West Valley by Race and Ethnicity in 2024 (VI-SPDAT, ACS)

Figure 9. Most Frequent Sleeping Location by Household in 2024, indicates West Valley individuals were more likely to sleep in their car or couch surf than the remainder of the County but less likely to utilize a shelter bed. It also shows 31 percent of households sleep outside and 28 percent in a car compared with 11 percent in shelters and 6 percent in transitional housing. West Valley individuals were also more likely to be White and less likely to be Hispanic/Latino than the remainder of the County. The largest homeless population in the West Valley identifies as White and second largest as Hispanic, however, those who identify as Hispanic or Black are

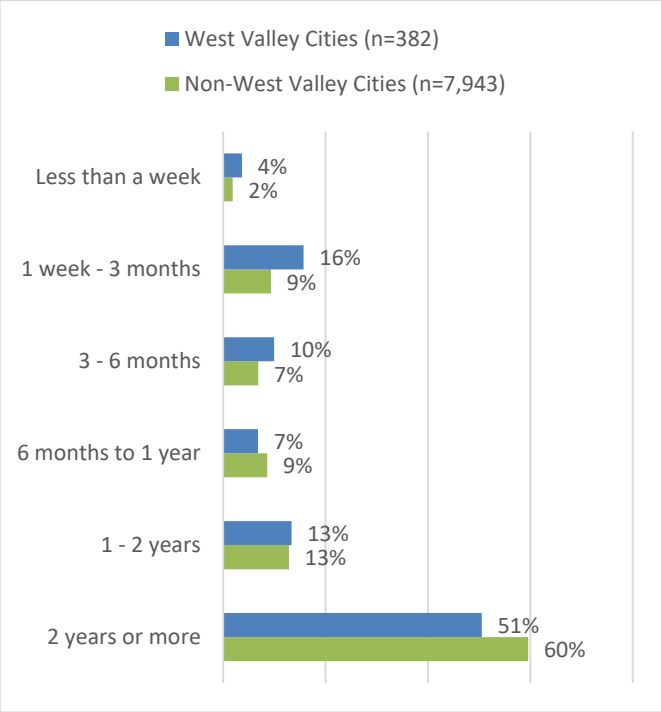

Figure 8. Time Since Lived in Permanent Stable Housing for 2024 First Time VI-SPDAT Assessment Households (VI-SPDAT)

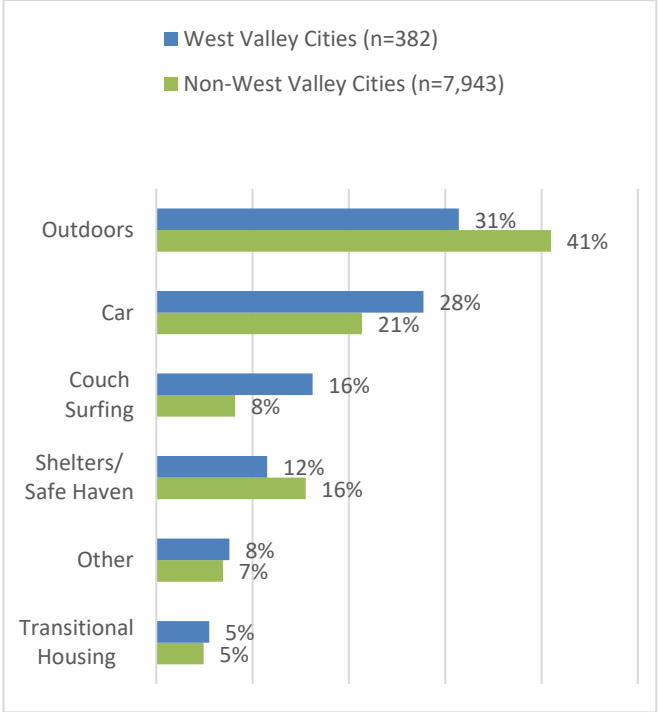

Figure 9. Most Frequent Sleeping Location by Household in 2024 (VI-SPDAT)

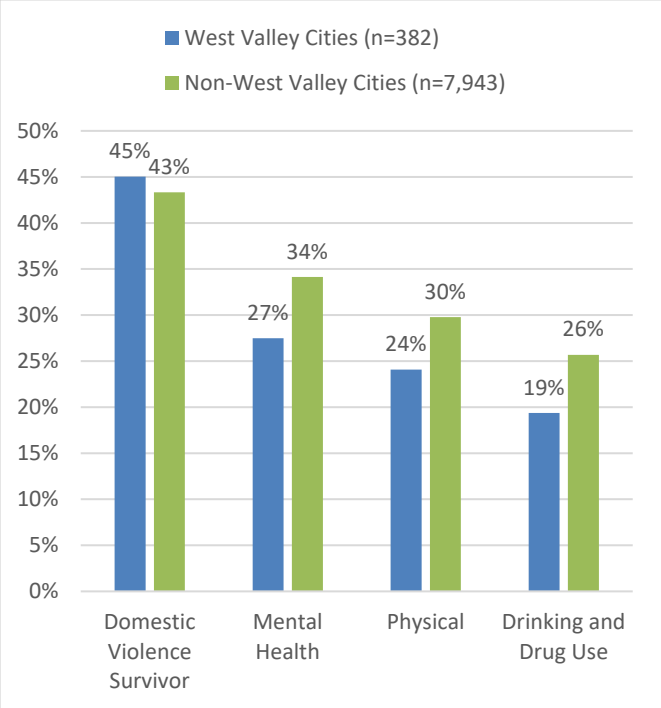

Figure 10. By Self-Reported Disability/Vulnerability (VI-SPDAT)

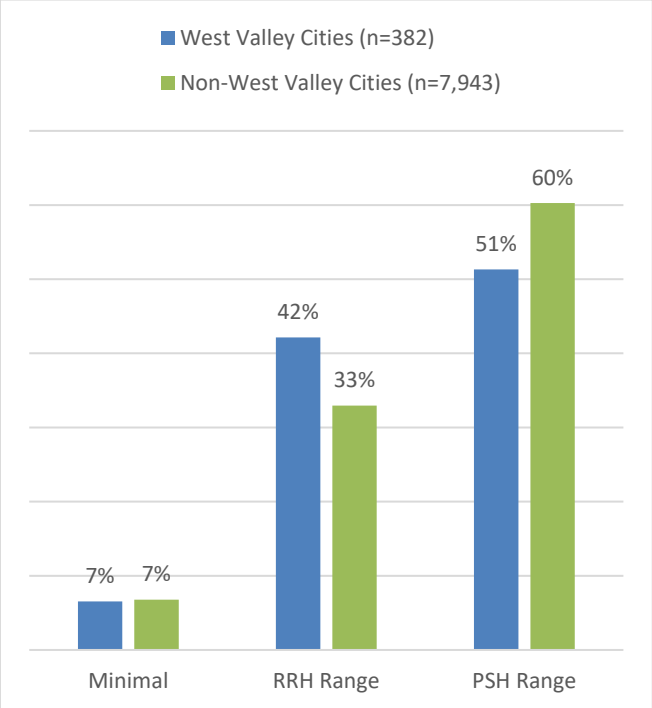

Figure 11. By Level of Housing Intervention (Based on VI-SPDAT Score)

substantially overrepresented relative to the general population. Overall percentages for each race/ethnicity from the American Community Survey (ACS)[29] are provided for comparison. The race/ethnicity percentage is taken against the overall numbers from the ACS and VI-SPDAT, which rely on different methodologies. The relative percentages should be considered as indicative, but no inferences should be made at a granular level.

Figure 10. By Self-Reported Disability/Vulnerability (VI-SPDAT) indicates a higher domestic violence survivor rate and lower mental, physical, and drinking/drug use rate than the remainder of the County. Figure 11. By Level of Housing Intervention (Based on VI-SPDAT Score) shows a higher share of clients appropriate for Rapid Rehousing and lower for Permanent Supportive Housing than the rest of the County.

The VI-SPDAT data shows the homeless population in the West Valley cities is largely single adults, unaccompanied youth and families with children make up 37 percent of homeless households. An unaccompanied youth is defined as someone under the age of 21 who is living either on the streets, in a youth shelter or "couch surfing" and has no adult relative accompanying them. Also of note is that females make up 48 percent of the population, roughly equivalent to the general population. However, women and families tend to be less visible. Homeless women may be less visible on the local streets because women may be in domestic abuse shelters and families avoid being seen on the street for fear that their children may be taken away from them. Also, during the days, children attend school, and parents are often working and remain less visible.

Existing Programs, Services, and Systems

Good City Company contacted the five West Valley cities to interview key staff members on services that the cities were funding and providing and services being provided by other community partners. Numerous participants, including service providers, local agencies, data collectors, and strategy and program development support, are striving to address one or more aspects of homelessness. The programs identified through the research to date are described below.

[29] United States Census Bureau. "2023 5-Year Estimates Data Profiles, American Community Survey (ACS)." Accessed May 10, 2025. https://data.census.gov/table?q=DP05&g=160XX00US0610345,0617610,0644112,0648956,0670280.

Programs Identified

Table 2, below, is a brief overview of each of the services. A short narrative on each program being offered is also provided, with information on the number of clients being served. In the feasibility portion of this report, more details on the overall services will be provided, such as hotel vouchers, rotating safe parking, safe parking programs, etc.

Jurisdiction	Clients Served Annually (approx.)	Services Provided	Service Provider	Description
Los Gatos	14	Hotel Voucher Program	City of Los Gatos/Los Gatos Faith based community	The City provides hotel vouchers during inclement weather
Los Gatos	29	Food Pantry/ Clothing/Laundry/Showers	Faith based community	Faith based community provides lunches, laundry vouchers, clothing to homeless people
Campbell	TBD	Hotel Voucher Program	Silicon Valley Independent Living Center	Provides hotel vouchers during inclement weather, phase II will expand to include older adults and disabilities
Campbell	20 (13/night)	Silicon Valley Safe Parking Program, car repair funding and gas cards	Amigos de Guadalupe/Faith based community	Provides safe parking along with case management, workshops, Community Nights, laundry cards, showers, car repair funds, and gas cards
Campbell	133	Unhoused Specialist Staffing Position	Destination: Home Grant	Campbell received a grant to cover the salary for an unhoused specialist for three years.
Monte Sereno	N/A	Funding	Unidentified	The City has set aside $20,000 in its budget to provide homeless services in the West Valley region. The Council has yet to identify a project to support.

Jurisdiction	Clients Served Annually (approx.)	Services Provided	Service Provider	Description
Saratoga, Cupertino (portions of San Jose)	20 (up to)	Rotating Safe Car Park	Faith based community	Safe parking program operates in Saratoga and West San Jose at local churches. Wi-Fi and food provided.
Cupertino, Saratoga, Campbell, Los Gatos	75 Cupertino; 25 soft check-ins for Saratoga, Campbell, Los Gatos	Ready to eat meals, clothing, vet services, park-it market, Case management	West Valley Community Services	WVCS provides services at its Cupertino location and with its mobile food pantry. Services include case management, ready-to-eat meals, clothing, veterinary services for pets, and dental clinics.
Campbell, Los Gatos, Saratoga	22	Case management	Abode Services	Provides case management in three of the West Valley cities.
Throughout Santa Clara County	TBC	Homeless Healthcare Programs	Santa Clara Valley Healthcare	Mobile clinic and street medicine team
Throughout Santa Clara County	94	Case management, transitional housing, and shelters in the County	LifeMoves	Tiny Homes and transitional shelters serve WV residents outside of those jurisdictions
Throughout Santa Clara County	18	Temporary housing and support services for youth	Bill Wilson Center	Shelters are not located in the WV cities, but services are offered to all WV cities.

Table 2. Existing Programs and Services Overview

Los Gatos Hotel Voucher Program

In June 2023, the Town of Los Gatos Town Council approved $50,000 for unhoused services. Of the $50,000, $10,000 was allocated to a shower ministry program, $20,000 towards a temporary

restroom and $20,000 for a hotel voucher program.

The program has provided 211 hotel nights booked during emergencies triggered by severe weather conditions like extreme heat (100 degrees Fahrenheit), extreme cold (below 40 degrees Fahrenheit), poor air quality (above 150 on the Air Quality Index), and/or medical situations requiring a short-term stay. The hotel vouchers are only available to known members of the Los Gatos' homeless community. There are currently nineteen people on this known unhoused list (14 have used the vouchers at places like Los Gatos Lodge, the Garden Inn, and the Best Western). There have also been three qualifying "medical stays."

Los Gatos Food Pantry, Clothing Closet, Laundry Voucher, and Showers

Los Gatos Methodist Church conducts a weekly outreach program on Thursdays from 2–3:30 PM at the church gym, offering showers, lunch, toiletries, and new socks and undergarments. The program is primarily funded by the congregation and community donations, with the Town of Los Gatos contributing funding to cover cleaning services for the showers. The program serves 8–14 mostly senior, male regulars. St. Vincent de Paul provides laundry vouchers, and gift cards to places like Subway and Togo's are also distributed.

Bill Wilson Cetner

The Bill Wilson Center (BWC) offers a range of services to the West Valley Cities, including temporary housing, mental health care, supportive services, and advocacy, with a focus on ending youth and family homelessness. They provide services to runaway and homeless youth, young adults, and families, helping them develop self-confidence and personal assets. The Bill Wilson Center provided services to 18 households affiliated with the West Valley in 2024.

Abode

Abode is a major homeless services provider in the Bay Area and provides a variety of services, including interim housing. Abode provided targeted street outreach services to 22 high vulnerability individuals affiliated with the West Valley in 2024

Campbell Hotel Voucher Program

In December 2024, the City of Campbell City Council allocated $147,500 to the Silicon Valley Independent Living Center (SVILC) to operate a hotel voucher program serving homeless

people. The two-year pilot program offers up to 30 nights a year in the city's Motel 6 for homeless individuals and families, as well as those on the verge of homelessness. In total, the program could provide up to nine hundred overnight stays over the two-year period. SVILC will provide support services during the stays, including mental health services, job support, case management, referrals to substance abuse programs, and food.

Silicon Valley Safe Parking Program

The Silicon Valley Safe Parking Program (SVSP) partners with Amigos de Guadalupe, the City of Campbell, and the City of San Jose, and operates in Campbell and Willow Glen/West San Jose. The program provides rotating safe parking sites at local churches. Through a grant from the City of Campbell, Amigos de Guadalupe offers a car repair program and gas cards. In addition, a contract from the Santa Clara County's OSH funds case management, workshops, community meals, laundry cards, and free shower access. In addition to support services, such as referrals to mental health and substance abuse programs, clients may receive assistance to pay for car registration or minor car repairs.

Campbell Unhoused Specialist

The City of Campbell has a budgeted Unhoused Specialist position that had been filled throughout the first half of 2025 but was recently vacated. The position is funded for the next three years by a grant from Destination: Home. The specialist proactively conducts outreach in the streets and other publicly accessible areas to connect individuals with services and support. Key activities include identifying homeless individuals, engaging in conversations with them, and conducting a VI-SPDAT intake survey to determine eligibility for housing programs such as permanent supportive housing, transitional housing, and rapid rehousing. The specialist provides information about available community resources and services such as food pantries and the shelter hotline phone number. They



Figure 12. Hygiene Kit (Image credit: City of Campbell)

also distribute hygiene kits (soap, toothbrush, toothpaste, deodorant, shampoo, etc.), and has bottles of water and other frequently needed supplies. The specialist also plays an important role in providing feedback to City staff regarding the needs of homeless people in the community.

Rotating Safe Car Park (RSCP)

The Rotating Safe Car Park operates in the West Valley, mostly in Cupertino, West San Jose, and Saratoga. The faith-based community commits to serving up to sixteen vehicles for at least one month and up to three months per calendar year. Participants park overnight at the current RSCP location and receive access to additional supportive services. Each location offers a hospitality hour where guests can socialize and enjoy home-cooked meals or snack foods. Personal items (e.g., socks, toothbrushes, sleeping bags) are distributed, as needed. Amigos de Guadelupe also provides case management to some of the program participants.

"It is a difficult and time-consuming to recruit new churches and other community organizations to host safe parking sites. Community members have valid concerns. They can be overcome, but it can take a long time."

Brian Link, Silicon Valley Safe Parking

West Valley Community Services Programs

West Valley Community Services (WVCS) offers services to Cupertino, Los Gatos, and Saratoga. WVCS has a mobile market which serves clients living in Los Gatos, Saratoga, and West San Jose with barriers to transportation. The homeless people in these communities can also receive ready-to-eat meals and fresh fruit or vegetables from the mobile market. The organization offers pop-up dental and pet clinics at the WVCS site in Cupertino. WVCS's Haven to Home Program serves the homeless community by providing supportive services and resources. The Haven to Home program offers homeless clients access to food, bus passes, laundry funds, hygiene kits, shelter referrals, safe parking, and employment resources. In addition to the services, the agency also partners with the Rotating Safe Car Park to provide support services.

Santa Clara Valley Healthcare Homeless Healthcare Programs

The Valley Homeless Healthcare Program includes fixed location clinics and three mobile health centers[30]. This overall program operates at a much larger geography across Santa Clara County that includes the West Valley cities. The Backpack Homeless Healthcare Program utilizes a "street medicine" program to send trained professionals with medical supplies to provide healthcare services to people where they are located[31]. An after-hours nurse advice hotline is also available.

Other agencies also provided services to households affiliated with the West Valley in 2024, including emergency shelter beds. These include HomeFirst (125 households) LifeMoves (80 households), the Salvation Army (23 households), Family Supportive Housing - San Jose Family Shelter (16 households), People Assisting the Homeless (9 households), and Willow Glen Studios at Pedro Street interim housing (6 households), When available, the vast majority of emergency shelter beds in the County are located within the City of San Jose, with additional shelter locations in Sunnyvale, Mountain View, Gilroy, Santa Clara, and Palo Alto.

Systems and Supports

Santa Clara County Continuum of Care (CoC)

In 1995, the US Department of Housing and Urban Development (HUD) introduced a new policy requiring communities to submit a single application for McKinney-Vento Homeless Assistance Grants. This streamlined approach aimed at enhancing coordination among housing and service providers on a local level and promotes the development of Continuums of Care (CoCs). By mandating a single application, HUD sought to encourage a more structured and strategic approach to both housing and service provision for homeless individuals. CoCs, in turn, offered a strategic framework by providing homeless households with housing and services tailored to their diverse needs. HUD distributes funding to Santa Clara County through the Continuum of Care Program, and in turn, the Santa Clara County CoC distributes funding to programs serving Santa Clara County.

[30] Santa Clara Valley Medical Center. "Valley Homeless Healthcare Program (VHHP)." Accessed May 10, 2025. https://scvmc.scvh.org/hospitals-clinics/valley-homeless-health-care-program-vhhp.

[31] Santa Clara Valley Medical Center. "Backpack Homeless Healthcare Program." Accessed May 10, 2025. https://scvmc.scvh.org/hospitals-clinics/valley-homeless-health-care-program-vhhp/backpack-homeless-healthcare-program.

In Santa Clara County, the CoC is made up of a group of stakeholders committed to ending and preventing homelessness in our community. CoC responsibilities include implementing community-wide efforts to end homelessness and ensuring programmatic and systemic effectiveness. Through CoC, the County has implemented a coordinated entry process to match homeless people to community resources. The CoC is also charged with tracking and managing homeless households in its area of coverage. This includes the biannual homeless counts referred to as the Point-in-Time count.

In 2024, the County of Santa Clara received nearly $48 million in Continuum of Care grants to provide rental subsidies and supportive services to vulnerable populations, including people fleeing domestic violence, youth transitioning out of foster care, and to address homelessness and those at risk of homelessness. These grants are the County's largest source of federal funding to address homelessness, ensuring people are housed and have necessary supportive services. It also helps fund the HMIS system that tracks homelessness data**.**

Coordinated Entry

The coordinated entry system is designed to help homeless people find housing and support services more efficiently. It creates a standardized, consistent process for accessing services, assessing needs, prioritizing those most in need, and connecting people with appropriate resources. In the County's coordinated entry system, any homeless individual can complete a standard assessment tool called the Vulnerability Index-Service Prioritization Decision Assessment Tool or VI-SPDAT. This assessment considers a household's situation and identifies the best type of housing program to serve you.

VI-SPDAT

VI-SPDAT (Vulnerability Index - Service Prioritization Decision Assistance Tool) is a survey used to assess the needs and vulnerabilities of individuals experiencing or at risk of homelessness. It helps prioritize those most in need of available supportive, transitional, or permanent housing. The VI-SPIDAT assessment is organized into steps. First, trained community partners conduct the VI-SPIDAT assessment at shelters, support service locations, or while conducting outreach. The gathered information is entered into the HMIS system, and the households/individuals receive a vulnerability score. After receiving the vulnerability score, clients are placed in the community queue, based on the score, for Rapid Rehousing (RR), Transitional Housing (TH), or Public Housing and Supportive Services (PSH). Eligible households who are the most vulnerable and the most in need will be connected to available housing programs first.

HMIS

HMIS is an acronym for Homeless Management Information System. It is a database that collects and tracks data on homeless individuals and families or those at risk of becoming homeless. HMIS coordinated entry gathers information on demographics, housing status, service needs, and other relevant data points about individuals and families served by homeless assistance programs. This database helps agencies coordinate services, track outcomes, and improve the overall effectiveness of programs for homeless households. Participation in HMIS is a federal requirement for agencies to access federal funding.

2020-2025 Community Plan to End Homelessness

In 2015, community partners joined forces to create a roadmap for ending homelessness in Santa Clara County. The plan centered around a collaborative response and the Housing First model. The 2020-2025 Community Plan to End Homelessness, which was endorsed by every city in the County, set an ambitious goal to create 6,000 new housing opportunities and identified innovative strategies and programs for reducing homelessness. The 2020–2025 Community Plan to End Homelessness, which serves as a roadmap for ending homelessness in Santa Clara County, is organized around three main strategies:

1) Address the root causes of homelessness through system and policy change.
2) Improve the quality of life for unsheltered individuals and create healthy neighborhoods for all.
3) Expand homelessness prevention and housing programs to meet the need.

An update to the Community Plan is underway, and additional information is expected to be available around the time of publication of this report.

Destination: Home

Destination: Home, a public-private partnership, aims to end homelessness. Founded in 2008, it emerged from a Blue-Ribbon Commission's recognition of the need for a collaborative approach to achieve collective impact in our community. In 2011, Destination: Home officially became an initiative of the Health Trust and played a pivotal role in launching Housing 1,000, a three-year campaign to house 1,000 of the most vulnerable chronically homeless individuals,

including men, women, and families. The campaign's success paved the way for the adoption of a Housing First approach in Santa Clara County and laid the foundation for the 2016 voter approval of a historic $950 million investment in affordable housing in Santa Clara County, Measure A. In 2017, Destination: Home transitioned into a Supporting Organization under the umbrella of the Silicon Valley Community Foundation.

"Not having housing is life threatening."

Local Homeless Resident

Destination: Home convenes and collaborates with stakeholders across our community to advance strategies that address the root causes of homelessness and help ensure that all community members have a chance for a stable home. The organization advocates policies, develops ideas and programs, and invests in strategies that reduce and prevent homelessness.

West Valley Jurisdiction Homeless Services Collaboration

Since 2023, staff from the West Valley city's Community Development and Housing Departments have been meeting monthly to collaborate and share resources in addressing homelessness and housing goals. The cities have collectively sponsored a housing fair, including service providers with unhoused services, and have met with affordable housing developers to discuss opportunities for development.

While there is a lack of dedicated homeless shelters in the vicinity of the five West Valley cities, they have all agreed to collaborate on a feasibility study to explore the feasibility of a shelter and other support services and programs that could be offered. A Memorandum of Understanding among the five cities was developed in Fall of 2024. The cities also continue to work with the County of Santa Clara and other organizations to provide resources and support.

Interviews and Insights of Homeless Individuals

Central themes from in-depth interviews with three homeless individuals in the West Valley area are described below. Most of the individuals were raised in the West Valley area, while one had moved to the Bay Area approximately three years prior. Note that these themes were all

consistent with the conversations and interviews separately conducted by the Campbell Unhoused Specialist in their interactions.

General Themes

- All expressed a notably elevated level of concern for others living on the street.
- All felt that broader community is not bothered by the existence of homeless people within their own community, but that they are bothered when they must see it.

Needs Identified by Homeless Individuals

A generally consistent set of needs was identified by the homeless individuals we spoke with. Permanent housing was the top need, followed by several other needs, listed in approximate order of priority:

- Permanent Housing (including permanent supportive housing)
- Transportation access (specifically free or discounted transit passes)
- Health care access (including doctors' offices, pharmacy, and OTC meds)
- Lack of somewhere to safely store possessions/things are regularly stolen
- Difficulty charging phones
- Difficulty of moving from one camping site to another camping site
- Difficulty in participating processes to address homelessness

> ***"It is the government's job to overcome the chaos of homelessness and provide real solutions."***
>
> **Local Homeless Resident**

Gap Analysis

A homeless services gap analysis is a tool used to identify unmet needs within a community's system for addressing homelessness. It helps pinpoint areas where services are lacking or insufficient, allowing for better resource allocation and targeted interventions. It assesses the current system and compares it to what is needed to effectively address homelessness.

Gaps in Services for Currently Homeless People

The gaps in service described below are informed by service providers and City and County staff and an assessment of research and best practices. Most were also reinforced by conversations held with homeless individuals.

Housing

Affordable housing, whether temporary or permanent, is a high need not just in the West Valley, but throughout Santa Clara County and California. According to Destination: Home, at least 75 percent of Santa Clara County's homeless population are unsheltered. This means they are living on the streets, in vehicles, tents or other places not suitable for habitation. Although jurisdictions in the West Valley offer safe parking sites and hotel stays, none of these are classified as transitional or permanent housing. Housing to serve homeless households specifically includes the following:

Permanent affordable housing includes the construction of 100 percent affordable developments, inclusionary units,, the provision of Section 8 vouchers, and the rehabilitation of existing units to serve the extremely low-income. In addition, extremely low-income (ELI) units can be provided in mixed-income housing developments. Permanent supportive housing combines longer-term rental assistance with supportive services and case management for individuals experiencing chronic homelessness. In the West Valley area there are presently six units of permanent supportive housing in Cupertino and 23 that have been approved in Campbell.[32]

Temporary shelters, both congregate and non-congregate, include warming centers, cold weather shelters, and shelters associated with navigation centers. Santa Clara County has the largest total population of homeless individuals, the highest rate of unsheltered homeless, and lowest shelter beds relative to individuals needing support of any of the nine Bay Area counties. When shelter beds are available in other parts of the County, barriers to connecting West Valley residents to those beds include transportation challenges and the disruption of existing geographically rooted social, health, and economic networks. Currently, the Town of Los Gatos offers hotel stays for inclement

[32] County of Santa Clara, Office of Supportive Housing, Supportive Housing Development Update, January 28, 2025, https://files.santaclaracounty.gov/exjcpb1571/2025-01/housing-bond-report-25.pdf.

weather to approximately 29 known unhoused individuals. The program has served 14 individuals over the last year. The City of Campbell recently started a hotel stay program, which will offer up to 30 nights a year for unhoused individuals and families, as well as those on the brink of homelessness. That could amount to as many as 900 overnight stays over the two-year trial period. Silicon Valley Independent Living Center provides support services during the stays, including mental health care, job support, connections to housing programs, case management, substance abuse programs, and food.

Physically Coordinated Services

Service providers believe the homeless community could benefit from multiple service providers being available at one location, whether it is a brick-and-mortar navigation center like the San Mateo County Navigation Center or a mobile navigation center that travels to various locations. Despite outreach workers' best efforts, it is often more effective for service providers to engage with households in their current living location or encampments. Currently, physically coordinated navigation services are not available in any of the West Valley jurisdictions.

Safety

Some people experiencing homelessness may choose to sleep on the street instead of in a shelter due to various factors, including safety concerns, mental health issues, and a preference for their routines and independence. Shelters can feel overwhelming due to crowded environments, rules, and a perceived lack of safety, even though sleeping on the street may leave them more vulnerable.

"People steal stuff. They will steal it right out from under you when you are asleep."

Local Homeless Resident

Transience

Moving frequently is difficult for homeless people. They try to stay in areas where they are comfortable living but are often asked to move by property owners or law enforcement. This means that they must relocate several times a month or even during a week. Moving can often be additionally destabilizing. This is a problem which will impact

nearly all unhoused individuals and families.

Transportation

Transportation has been mentioned multiple times by service providers as something that is lacking for the West Valley unhoused. Often, major bus lines are only available along the larger corridors. Transportation options are needed for the mobility-challenged to access health care appointments and to access shelter opportunities. Interviews with stakeholders and support service providers indicate that very few of the unhoused are able to secure transit passes.

Healthcare, Mental Health, Substance Use Services

Many homeless people do not have access to sufficient medical, mental health, or substance use services. Many service providers and homeless people who were interviewed have expressed a need for bringing free dental and health care to homeless people in addition to the mental health services and substance abuse programs offered by support service providers.

Outreach and Case Management

Lighter-touch outreach reaching more individuals and more intensive casework were identified as needs. There is a call for more coordinated case management at some rotating safe parking sites and the faith-based service locations. This would mean a case manager who works with the clients to put together comprehensive goals and plans to secure housing and a job. This can be accomplished through a service provider like Abode or Amigos de Guadalupe, a County Office of Supportive Housing (OSH) assigned caseworker or through the mobile/brick and mortar navigation center. The case manager would be able to provide the VI-SPDAT intake, which would not only provide demographics to the County, but may lead to the individual receiving much-needed services, including housing.

Connectivity

Often, homeless individuals need a means of communication to sign up for support services. It can also be exceedingly difficult for homeless individuals to receive or submit paperwork due to lack of access to a mailbox. Technology also plays an important role in improving health and well-being. It can be used to reach out to loved ones, access resources, and a way to access medical assistance. However, technology can often

exclude those at the greatest risk. Even for those with a smart phone, using websites to apply for services can be difficult on a phone and some people who have been homeless for an extended period of time may not have strong skills navigating complex websites.

California LifeLine offers low-cost and free monthly telephone services to eligible, low-income California residents. Participants can qualify for the program if they receive public benefits or meet household income limits, however, the phones must often be mailed to a mailbox. Phones are also frequently lost, stolen, or broken. Additionally, access to electricity to charge the phone is difficult and there are data limits on the devices.

Funding

The overall lack of funding to support the programs identified in this report is a central challenge. Experts generally agree that homelessness prevention, extremely low-income housing, and other programs and services have been underfunded for decades. The current public funding context makes it even more challenging to sustain current levels or strengthen such services.

Systems Gaps

Some gaps relate more to the system of services, knowledge, and logistics of connecting people with services. These gaps are described below.

Knowledge Gaps

Existing available services provided by others are sometimes not known to other providers. Similar gaps between public agencies and departments within a city can also be an issue, e.g., coordination between housing and police departments instead of a “whole of government” approach.

Scaling Impact

There remain questions regarding how to scale and make existing services more effective and efficient at achieving impact instead of creating something new.

Geography

Location of available services: many services are located where people would be required to travel long (or difficult) distances or to locations they do not want or

would have great difficulty in traveling to. This contrasts with an approach of "meeting people where they are at" and offering services in a location where they are more likely to be matched with those who need them.

Conclusion & Next Steps

Feasibility Analysis

In the next phase of this project, we will analyze the feasibility of programs to prevent homelessness and serve homeless individuals and households. Some services may be appropriate for one segment of the homeless population, but not another segment. Below is a list and a brief explanation of the programs that are likely to be analyzed and discussed in detail in the next phase. Some services respond directly to a need discussed above, while others address multiple needs.

Permanent Affordable Housing

Permanent affordable housing can come in a multitude of varieties. For this report, we are exploring permanent affordable housing that serves extremely low income households by either construction of the units, provision of Section 8 vouchers, rehabilitation of existing units to serve the extremely low income. In addition, Extremely Low Income (ELI) units can be provided in a mixed-income or 100 percent affordable housing development. These developments are highly subsidized through a combination of municipal, Low Income Housing Tax Credits, and commercial loans.

Interim Housing

Interim Housing, exemplified by Project Homekey, was a statewide effort to build on the success of the COVID-era success of Project Roomkey, where the State of California rented vacant rooms at hotels to house homeless people or those at risk of homelessness. Homekey was an opportunity for jurisdictions to develop a broad range of housing types by converting hotels, motels, hostels, single-family homes and multifamily apartments, adult residential facilities, manufactured housing, and commercial properties to permanent or interim housing for homeless households. It should be noted that the program is being replaced by Homekey+ which is focused exclusively on Permanent

Supportive Housing, not interim housing. Tiny home villages are another recognizable form of interim supportive housing to address homelessness, providing a pathway to stable housing and self-sufficiency. They focus on rapid construction of modular units, offering private spaces with support services and case management.

Supportive Housing and Transitional Housing

Supportive housing and transitional housing are both housing options for homeless individuals and families, but they differ in their goals and duration of support. Transitional housing offers temporary housing with support services to help people move to permanent housing within a set timeframe, while supportive housing provides long-term affordable housing with ongoing support to help residents maintain tenancy.

Rapid Rehousing

Rapid rehousing is often part of the low barrier approach which emphasizes providing housing first paired with support services. Rapid rehousing typically provides housing subsidies, heavy case management and support services.

Navigation Center

A Navigation Center for homeless individuals and households is a short-term, low-barrier housing program that provides a safe, temporary place to stay, along with intensive support services, to homeless individuals. It is designed to help people transition to stable, permanent housing by offering resources such as case management, connection to public benefits, health services, and employment opportunities.

Shelters

Homeless shelters offer a range of options, from emergency shelters for immediate needs to more long-term solutions. These include emergency shelters, women's shelters, youth shelters, family shelters, cold weather shelters, and warming centers. There are congregate, non-congregate types of shelters as well. A congregate shelter is a type of emergency shelter that provides communal spaces where individuals sleep in shared areas, offering minimal privacy. These

shelters are often established in large, open settings like schools, churches, or community centers, designed for emergencies. A non-congregate shelter provides private, individual, or family units for shelter, such as hotel rooms, tiny homes, or apartments, instead of a large, shared space.

Safe Parking

Safe parking sites are sanctioned sites where individuals and families living in their vehicles can register and park overnight. Support services like case management and meals are sometimes offered as well. There are rotating shelters where the location moves every 30 days, and shelters that are more long-term and established.

Day Center

A day center is a facility that provides daytime support services to homeless people, offering a safe space to access resources, receive assistance, and potentially transition out of homelessness. Unlike shelters that offer overnight accommodation, day centers focus on daytime services, such as meals, showers, laundry, counseling, job training, and access to case managers. They serve as drop-in centers and can be tailored to those with additional needs like substance abuse or mental illness, providing a space to connect with services and support.

Showers and Laundry

Homeless households need a convenient location to bathe and do laundry. Often this is a mobile shower and laundry service. Other times a fixed location, or vouchers for laundromats or showers at gyms are provided.

Meals

Warm prepared meals can be provided to serve the unhoused. They are often provided by service providers, community- based organizations, and grassroots initiatives. Food pantries can also provide homeless individuals with packaged food that can be eaten at a later time.

Training for Law Enforcement Agencies

Many jurisdictions in California have programs that train law enforcement personnel to handle situations involving homeless people. These programs often focus on de-escalation tactics, mental health crisis intervention, and understanding the underlying causes of homelessness. Some agencies have designated officers who specialize in working with the homeless population. These officers often receive specialized training, are familiar with local resources, and aim to connect individuals with appropriate support.

Lockers

Some cities offer storage lockers for homeless individuals specifically in public spaces such as libraries and community centers.

Transportation Support

Homeless individuals often need transportation that is convenient to access and affordable. Free transit passes and vouchers for rides to doctor appointments, etc., can also be provided.

Sanctioned Camping Sites

Sanctioned camping sites, also known as safe sleeping sites or safe stay communities, are designated areas where homeless individuals can stay in tents or other temporary shelters without fear of being arrested or cited for camping. These sites often provide basic services like sanitation, food, and access to case management.

Expanded Outreach and Casework

Broader proactive outreach efforts and more intensive casework have been identified as a need. Outreach workers can identify and engage people over time, which can eventually lead to connecting an individual with a caseworker or other services. Expanding casework for homeless individuals could involve increasing access to personalized, consistent support services that address both immediate and long-term needs. This can be achieved by hiring and deploying trained case managers with specialized knowledge in housing navigation, mental health, and

substance use treatment. Effective casework requires establishing and maintaining trust which typically takes time and repeated engagement.

Connectivity

Additional support to help homeless people have access to phones, Wi-Fi, charging, technology skills, and somewhere to receive physical mail could be explored.

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West Valley Homeless Services

Feasibility Study

Cities of Campbell, Cupertino, Monte Sereno, and Saratoga, and Town of Los Gatos

January 26, 2026









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West Valley Homeless Services

Feasibility Study

Cities of Campbell, Cupertino, Monte Sereno, and Saratoga, and Town of Los Gatos

January 26, 2026

Executive Summary

The West Valley Homeless Services Feasibility Study analyzes potential policy and program responses to address homelessness in the West Valley area, including the Cities of Campbell, Cupertino, Saratoga, and Monte Sereno and the Town of Los Gatos. While homelessness is a complex problem, investing in proven strategies can have considerable positive impact on people experiencing homelessness and the community at large.

Key Recommendations

1. **Adopt a formal implementation plan:** Develop and adopt a West Valley Area homelessness response implementation plan that includes an aspirational vision, clear goals and objectives, programs tailored to population segments, plans for near- and long-term outcomes, and leverages existing programs.
2. **Sustain and strengthen what works:** Use the tools available to local governments to ensure the continuation of existing services with a proven track record, including homelessness prevention and expanding affordable housing.
3. **Prioritize additional investments in programs with high feasibility and impact.** These include homelessness prevention and rental assistance; case management; rapid rehousing; permanent affordable housing; health and mental health care; food, showers, and laundry; opportunity funds; and reunification programs.

4. **Cultivate partnerships at all levels:** Deploy a "whole of society approach" to engage governments, the private sector, civil society, individuals, and communities. Establish a formal West Valley homelessness response task force to set goals and monitor progress.
5. **Engage with people who have experienced homelessness:** Identify ways for individuals who have experienced homelessness to meaningfully participate in program design, implementation, and evaluation.
6. **Align with the Community Plan to End Homelessness:** Demonstrate alignment with the plan's goals to address the root causes of homelessness, improve the quality of life for unsheltered individuals, create healthy neighborhoods for all, and expand homelessness prevention and housing programs.
7. **Identify funding:** Explore creative funding approaches to support homelessness response programs.
8. **Support neighborhood health, safety, and cleanliness:** Address quality-of-life issues for the entire community.

Homelessness Response Programs Summary

The Feasibility Study categorizes the overall program landscape into six categories: homelessness prevention, outreach and case management, immediate needs, shelter and parking, interim and transitional housing, and permanent housing. When implemented specific programs may span multiple categories or may be more narrowly tailored than the general program typologies presented here. A summary of a potential homelessness response environment for the West Valley area is presented in Figure 1.

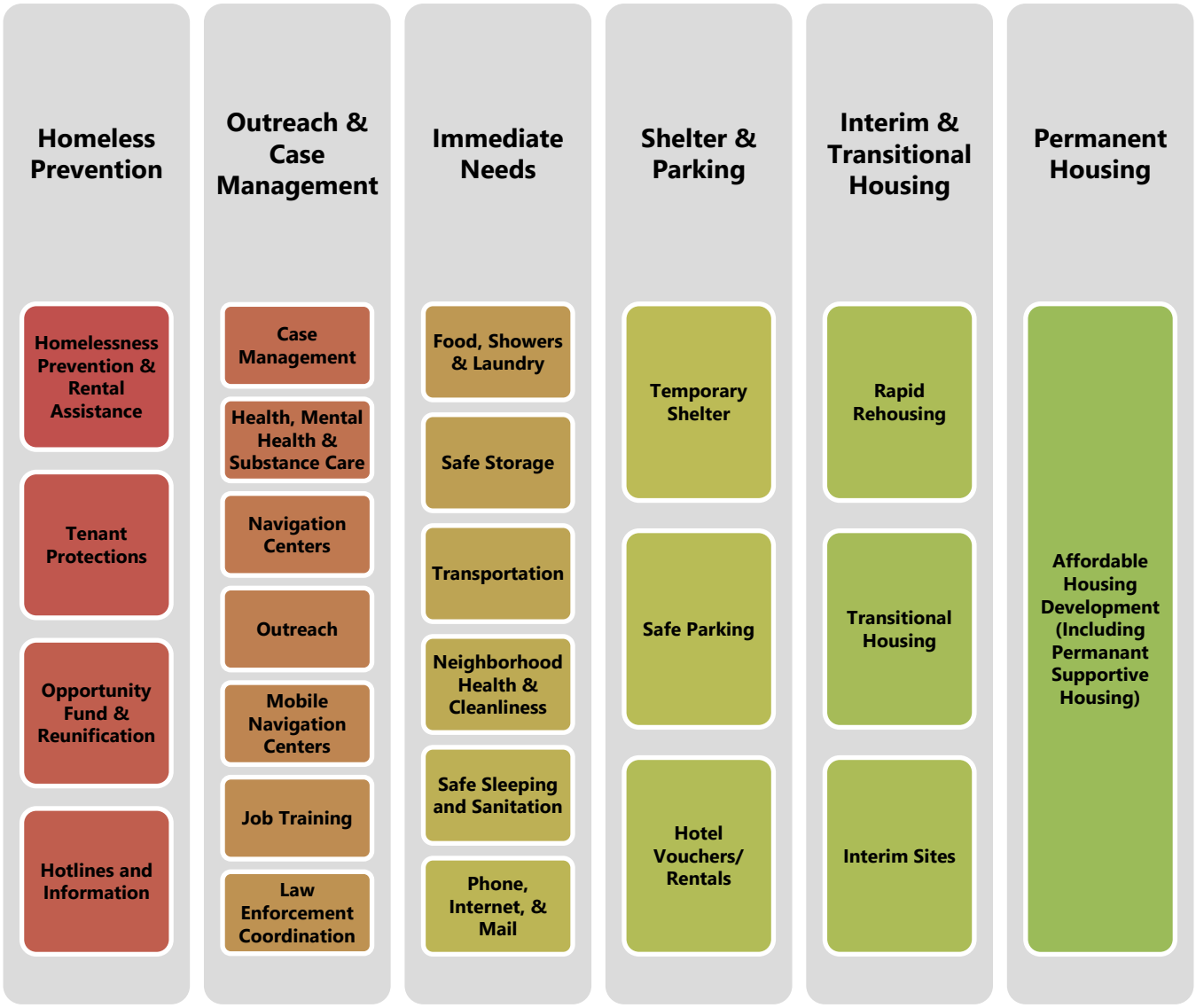

Figure 1. Homeless Response Programs Summary

Background

Following a brief description of the Feasibility Study methodology and an overview of the key findings from the Needs Analysis report, this document provides an analysis of the feasibility of several potential expanded service options and a set of additional strategy and policy recommendations and options.

Feasibility Study Methodology

The Feasibility Study relies upon interviews with key stakeholders, a review of existing homelessness response plans, and is complemented by insights on best practices and other research. More than thirty-five interviews with service providers, public agency representatives, subject matter experts, and currently unhoused individuals were conducted as part of the needs analysis and feasibility study phases of this project. Additional community input was received during the August 4, 2025, Campbell City Council Meeting regarding the needs analysis.

Select Findings of Needs Analysis Report

The West Valley Homeless Services Feasibility Study builds directly upon the needs and gaps identified in the associated Needs Analysis report, which is attached to this study and available on the City of Campbell's website[1]. Both phases of the project were developed following the City of Campbell's allocation of $100,000 in American Rescue Plan Act (ARPA) funds to conduct a homeless needs analysis and feasibility study for the West Valley area. In December 2024, the City contracted with Good City Company to conduct a needs analysis and feasibility study, and in Spring 2025, the West Valley jurisdictions entered into a memorandum of understanding, recognizing that homelessness is a regional challenge and best addressed collaboratively.

The Needs Analysis report summarized the status of homelessness in the West Valley area using available quantitative data, a literature review, and outcomes of interviews with key stakeholders. Key findings of the needs analysis:

- **Homelessness is a serious problem:** At least 524 individuals across 322 households were counted as unhoused in the West Valley area in 2024. About 40% of the

[1] West Valley Homeless Services Feasibility Study - Needs Analysis Report. City of Campbell, California, July 24, 2025. https://www.campbellca.gov/AgendaCenter/ViewFile/Agenda/_08042025-3124#page=228.

population (214) sought shelter or services for the first time in 2024 while 51% have been unhoused for two or more years.

- **Homelessness is not one size fits all:** While there are many unhoused individuals who visibly live on the street, there is also a large population who are living in their cars or in transitory sleeping arrangements that are hidden and not visible.
- **Families and youth:** At least 38% of the unhoused population in the West Valley area consists of unaccompanied youth and families with children.
- **Homelessness affects us all:** Homelessness impacts all members of the community, not just those who are unhoused. The effects on housed residents, the economy, and local government services are substantial.
- **Services and housing work:** Permanent housing is critical and saves funds in the long run, although expensive and time-consuming up front. Immediate services can be as important as housing.

The Needs Analysis report also provides an overview of the state of homelessness today, analysis of policy context, quantitative needs analysis, description of existing programs, services, a gap analysis, conclusions, and an extensive list of resources and materials consulted.

Key gaps are identified below. The Needs Analysis report provides a detailed assessment of gaps in services and programs.

- Affordable permanent housing
- Shelter capacity and location
- Interim housing and safe parking
- Case management and outreach capacity
- Healthcare, mental health, and substance use
- Other: Safety, Geography, Transportation, Connectivity, Secure Belongings

A high-level summary of the existing services in the West Valley area is provided in the table below. Please see the Needs Analysis report for additional information regarding each of the programs noted in the table.

Service Type	Jurisdiction	People or Clients Served Annually (Approx)*
Case Management	Cupertino	75
	Campbell, Los Gatos, Saratoga	22
Outreach	Saratoga, Campbell, Los Gatos	25
	Campbell	133
Hotel Vouchers/Rentals	Los Gatos	14
	Campbell	12 (see notes)
Safe Parking	Campbell	20 (13/night)
	Saratoga, Cupertino	20
Food & Clothing Distribution, Laundry, Showers	Los Gatos (29)	29
Countywide Shelters, Transitional Housing, and Case Management	All WV-affiliated clients	94
Countywide Temporary Housing and Services for Youth	All WV-affiliated clients	18
Countywide Homeless Healthcare Programs	All WV-affiliated clients	Data not available

*Table 1. Existing Homelessness Response Services Summary. Notes: descriptions of the services are included in the Needs Analysis report and summarized in the homelessness response programs descriptions in the following feasibility analysis section. Campbell's new inclement weather hotel voucher program was used for a total of 57 individual room nights by approximately 12 clients during its initial six-week operation. *In some cases, a couple or family with dependents are considered a single client in the data available.*

2025 Point-in-Time Homeless Count

The 2025 Point-in-Time (PIT) Count, conducted by volunteers and coordinated by OSH, was carried out on the mornings of January 22 and 23, 2025, with the countywide PIT numbers being released in June 2025. The count shows that the number of people experiencing homelessness rose by 8.2% when compared to the 2023 PIT count. The number of unhoused individuals in Santa Clara County has risen from 9,903 in 2023 to 10,711 in 2025. This trend of increasing homelessness aligns with the observations made by the County of Santa Clara Office of Supportive Housing and County homelessness experts over the past few years. The Bay Area continues to experience an increase in people entering homelessness compared to those exiting. Factors such as the limited availability of affordable housing, wage disparities, and

structural inequalities (poverty, wealth inequality, stigmatization) all contribute to homelessness in the Bay Area, including in Santa Clara County.

The table below compares the 2025 PIT count totals for each of the five West Valley jurisdictions to the 2023 PIT count numbers, along with the corresponding increase or decrease. Only the Town of Los Gatos saw a decrease in the number of unhoused. Other jurisdictions, such as Cupertino and Saratoga, have seen a measurable increase in the number of unhoused individuals, while the City of Campbell has seen a 15% increase.

Jurisdiction	2023 PIT Count	2025 PIT Count	% Increase
Campbell	92	108	15%
Cupertino	48	101	52%
Los Gatos	81	27	-200%
Monte Sereno	0	0	0%
Saratoga	0	19	100%
Total	**221**	**255**	**13%**

Table 2. 2025 and 2023 Point-in-Time Counts

Statewide, preliminary data shows that the number of unhoused individuals has decreased by 4.3%, with a 4% decrease in total homelessness and a 9.5% reduction in unsheltered homelessness. Results vary by region; as mentioned earlier, Santa Clara County saw an 8.2% increase from 2023 to 2025, while Sonoma County reported a 22.6% decrease.

Feasibility Analysis

Homelessness Response Programs Overview

The overall program landscape is broken into six categories in this study: homelessness prevention, outreach and case management, immediate needs, shelter and safe parking, interim and transitional housing, and permanent housing. The following sections describe the categories, and the potential services provided within each. The following sections describe the categories, and the potential services are provided within each.

Each potential program is ranked with a feasibility score and an impact score as indicated in the table below. The impact score is a composite of three indicators: scale of the current gap, short-term impact, and long-term impact. The feasibility score is a composite of five indicators: cost savings, cost, external funding likelihood, level of difficulty to implement, and the level of established implementation partnerships. In addition to the composite scores in the table below, a detailed table including each program and indicator is included as an attachment.

Programs by Type	Impact Score	Feasibility Score
Prevention		
Homelessness Prevention & Rental Assistance	Highest	Highest
Opportunity Fund & Reunification	High	Highest
Hotlines & Information	Moderate	Highest
Tenant Protections	Moderate	High
Outreach & Case Management		
Case Management	Highest	High
Health, Mental Health & Substance Care	Highest	High
Navigation Center	Highest	Moderate
Job Training	Moderate	Highest
Outreach	Moderate	High
Mobile Navigation Center	Moderate	High
Law Enforcement Coordination	Moderate	Moderate
Immediate Needs		
Food, Showers & Laundry	High	Highest
Phone, Internet, & Mail	Moderate	Highest
Safe Storage	Moderate	High
Transportation	Moderate	High
Neighborhood Health & Cleanliness	Moderate	Moderate
Safe Sleeping & Sanitation	Moderate	Moderate
Shelter & Parking		
Temporary Shelters	Highest	Moderate
Safe Parking	High	Moderate
Hotel Vouchers/Rentals	Moderate	Highest
Interim & Transitional		
Rapid Rehousing	Highest	High
Transitional Housing	Highest	Moderate
Interim Sites	High	Moderate
Permanent Housing		
Permanent Affordable Housing	Highest	High

Table 3. Homeless Response Programs and Scores by Program Type

The diagram below provides graphic representation of each of the potential programs organized by its respective impact score and feasibility score. Programs with a higher feasibility score are in the greener shaded columns toward the right-hand side. Programs with a higher impact score are in the greener shaded rows toward the top.

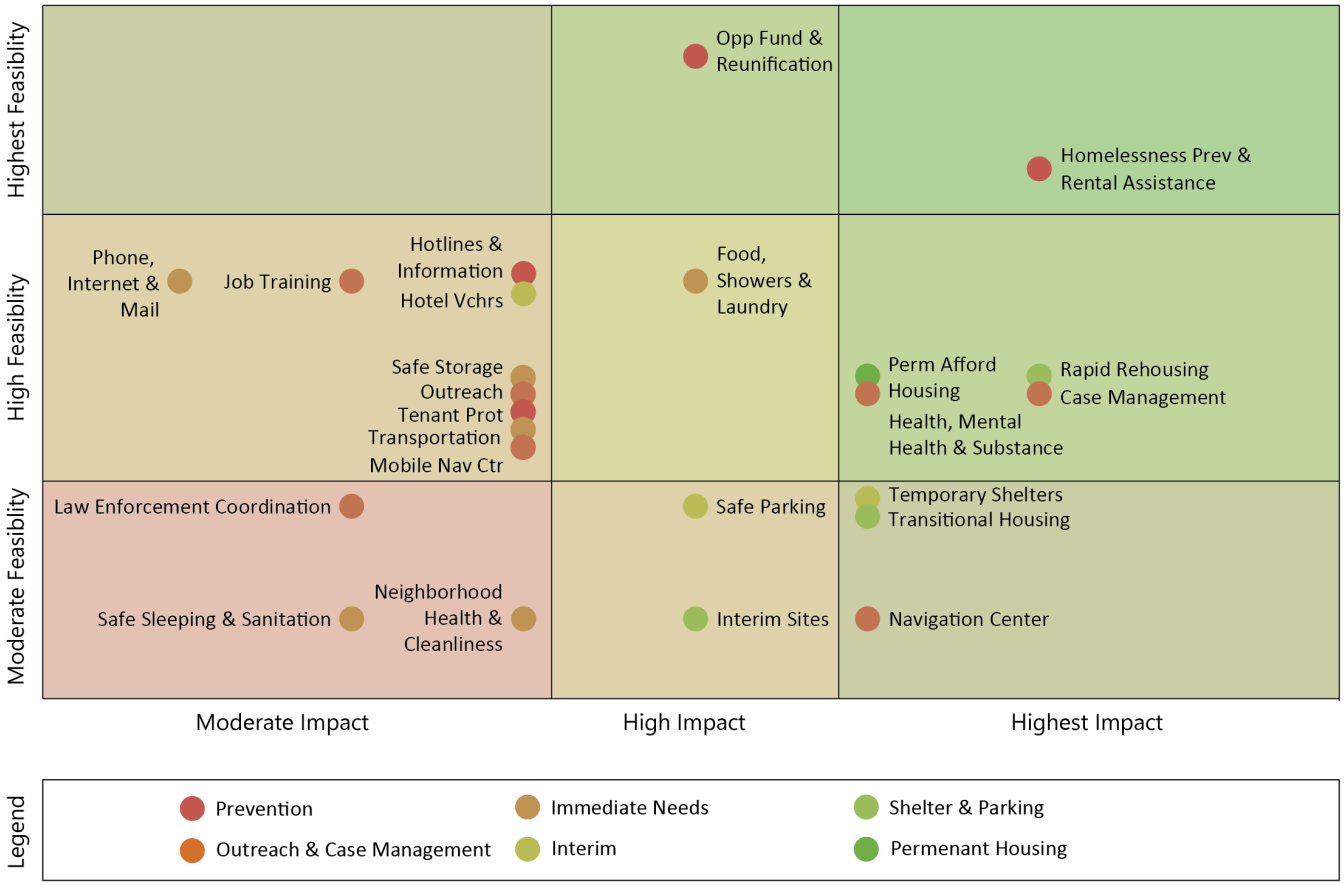

Figure 2. Homelessness Response Programs Matrix by Impact and Feasibility Scores

Prevention Programs

Prevention Programs by Impact and Feasibility		
Programs	**Impact Score**	**Feasibility Score**
Homelessness Prevention & Rental Assistance	**Highest**	**Highest**
Opportunity Fund & Reunification	**High**	**Highest**
Hotlines & Information	**Moderate**	**Highest**
Tenant Protections	**Moderate**	**High**

Figure 3. Prevention Programs by Impact and Feasibility

Prevention programs provide financial aid and support services to individuals and families at risk of losing housing to avoid homelessness and its negative impacts. Services often include one-time rent or utility assistance, help with move-in costs such as security deposits, legal assistance for evictions, and referrals to other community resources. These programs provide stability and prevent long-term homelessness.

Homeless Prevention and Rental Assistance

Homeless prevention programs assist those at risk of becoming homeless. This can come in the form of emergency rental assistance to help the tenants meet their rent for a short period of time, help with moving costs and rental payments to move to a more affordable unit , and free legal assistance for evictions The Santa Clara County Homelessness Prevention System (HPS) program assists low-income families or individuals who are at risk of losing their housing in the form of flexible rental assistance, case management, legal services, and other support services through a network of approximately twenty community-based providers.

Free or low-cost tenant legal services are also available throughout Santa Clara County to help with impending or wrongful evictions. Project Sentinel, the Law Foundation of Silicon Valley. Bay Area Legal Aid, and the Santa Clara County Superior Court Self-Help Center offer these services to eligible tenants. However, resources are limited and not sufficient to meet the needs.

Opportunity Fund and Reunification

An Opportunity fund would allow for "just-in-time" small grants to unhoused individuals or families for rental application fees, bus or airline fare for family reunification, gas money, or a hotel night stay. The ability for a case manager, service provider, or agency to use such funds was raised by several stakeholders as an important resource. It is important that the funding be easily accessible and that there be established rules for the use of the funds and disbursement. The South Bay Cities Council of Governments in Los Angeles County successfully established a similar fund allowing local jurisdictions to help with small costs. Jurisdictions could create their own fund, administered by a non-profit, or participate in a similar program funded by the County of Santa Clara and administered by the Bill Wilson Center called the Here4You hotline. Interested jurisdictions could provide funding to the Here4You hotline specifically for its residents and specific situations.

Hotlines and Information

Many communities maintain homelessness hotlines and publish online and printed informational resource guides with phone numbers, websites, and physical locations of available services printed. The Here4You hotline matches callers to emergency shelters, including transportation to the shelters. In addition to referrals for openings at emergency shelters, the staff will also help those seeking rental assistance by directing them to additional Homeless Prevention Services in the Santa Clara County region. The Here4You hotline can be accessed at (408) 385-2400. from 9:00 AM to 7:00 PM, seven days a week. The Santa Clara County Homelessness Prevention System maintains a county-wide website, https://preventhomelessness.org, and flyer, as well as a centralized hotline for accessing services (408) 516-5100. An example of their flyer is included as an attachment to this document.

The United Way of Santa Clara County also offers assistance through its Emergency Assistance Network (EAN), which brings together local nonprofits to deliver coordinated support for those facing urgent needs. The Emergency Assistance Network (EAN) provides a variety of services to prevent homelessness and act as a safety net for residents facing eviction, utility disconnection, and hunger. The EAN helps families and individuals recover from emergencies, often providing case management and financial education along with referrals for food, rent and mortgage assistance, utility assistance, medical, and transportation aid. The network refers people to the closest local agency

based on zip code, ensuring faster, more personal support. The United Way leads this collaborative network by coordinating fundraising and advertising the program. Four of the West Valley cities use West Valley Community Services (WVCS) as the network coordinator while Campbell's network coordinator is Sacred Heart Community Services.

Tenant Protections

Tenant protections are tools cities can use to prevent homelessness. Several Bay Area jurisdictions go above and beyond the California Tenant Protection Act of 2019 (AB 1482) and the State Density Bonus Law to provide protections. The California Tenant Protection Act of 2019 (AB 1482) is a statewide law that limits annual rent increases to 5% plus the regional CPI (or 10% maximum) and requires a landlord to have "just cause" to evict tenants after one year of tenancy. The law applies to most properties in California but has several exemptions, including newly built housing (under 15 years old), single-family homes owned by individuals, and owner-occupied duplexes or units.

The Cities of Redwood City, Mountain View, and San Jose all have tenant protection ordinances or programs, which provide displaced tenants with relocation assistance if the tenant is of low or very low income. The programs are all administered by city staff with additional contracts with relocation specialists, who interview the tenants and decide the relocation benefits. The costs for relocation benefits are paid for by the property owner or developers, and the cities usually have housing staff administer the program. These tenant protections have been successful and prevent homelessness in these cities by providing relocation for displaced tenants. The tenants are assisted by relocation specialists who provide them with a list of available units and assist the displaced tenants in securing relocation funds from the property owners displacing them.

Outreach and Case Management Programs

Outreach & Case Management Programs by Impact and Feasibility		
Programs	**Impact Score**	**Feasibility Score**
Case Management	**Highest**	**High**
Health, Mental Health & Substance Care	**Highest**	**High**
Navigation Center	**Highest**	**Moderate**
Job Training	**Moderate**	**Highest**
Outreach	**Moderate**	**High**
Mobile Navigation Center	**Moderate**	**High**
Law Enforcement Coordination	**Moderate**	**Moderate**

Figure 4. Outreach and Case Management Programs by Impact and Feasibility

Outreach programs connect with individuals experiencing homelessness in the community to assess their needs, while case management provides personalized support, goal planning, and referrals to services like shelter, housing, healthcare, and benefits. Outreach teams engage and build trust with unhoused individuals, often those living in unsheltered locations, to link them to the broader coordinated system and essential resources, while case managers then work with those individuals to develop a plan, set goals for finding employment and housing, and achieving self-sufficiency.

Permanent housing has long been seen as the best way to end homelessness. Methods of providing permanent housing can be found in the permanent housing section of this report. Case management is a core component of homelessness prevention and is discussed in the outreach and case management programs section below.

Case Management

Case management helps unhoused people and families by providing individualized support and resources to achieve housing stability. The case manager works with the unhoused client to set goals with the ultimate aim of being housed. This means they may work with individual clients on employment opportunities, mental health stability, addiction recovery, etc. Currently, the West Valley cities rely primarily on “soft-touch” case management from West Valley Community Services, services provided by Amigos de Guadalupe (funded by OSH) at safe car parking sites, and some housing focused case management from OSH at certain faith-based locations during the housing screening process. The City of Campbell’s Unhoused Specialist performed outreach to the Campbell unhoused population and was able to perform some additional services that

bridged into what would typically be considered be case management for approximately twenty individuals, including HMIS data entry for any unhoused person interested. There is no proactive plan to provide case management and support services to unhoused individuals or families living on the streets.

Healthcare, Mental Health, and Substance Care

Access to health and dental care remains a high need for unhoused people and families in the West Valley cities. Santa Clara Valley Healthcare provides health services to unhoused individuals through its Valley Homeless Health Care Program (VHHP). While Santa Clara Valley Healthcare services are available to unhoused people who can travel to physical clinic locations located outside the West Valley area, the VHHP has not recently served any of the West Valley cities through their mobile health care or backpack health care programs. The VHHP program presently serves Sunnyvale, Santa Clara, Mountain View, South County, and San Jose. Mobile clinics include custom vehicles that are brought to a designated site according to a fixed schedule, such as the first Saturday of each month, and can be paired with pop-ups of other service providers to form the backbone of a mobile navigation center concept. There may be an opportunity for interested cities to contact the VHHP and OSH to request services for individuals or develop plans for more robust mobile or backpack health care programs to serve the West Valley area. A once-a-week visit to one or two specific sites may provide effective support to the unhoused populations in the West Valley.

Navigation Center

Navigation centers are typically physical locations where trained staff provide case management, centralized services, and transitional housing units or other forms of non-permanent housing are located. The case management provided is not just for the transitional housing residents living on-site but is also made available for “walk-in” clients. The goal is to provide a location where the unhoused client can receive case management and access other resources and support services in one place. They could receive food, help with applying for benefits, showers, and do laundry. Navigation centers are also sometimes paired with other types of places for people to sleep, such as indoor or outdoor safe sleeping sites, safe parking facilities, etc. Some communities in California have created navigation centers by either purchasing and rehabbing existing buildings, rehabbing underutilized public buildings, or through new construction.

- The San Mateo County Navigation Center, located in Redwood City is a recent example of a new construction navigation center. The center can house up to 260 people, either families or individuals, and cost about $57M to construct. All rooms are non-congregate, meaning families and individuals have access to private sleeping quarters, most with private bathrooms. Residents can also bring pets to the center and have access to a garden. The County of San Mateo believes this is their first step to achieving "functional zero" homelessness. The County of San Mateo defines functional zero as every unsheltered homeless person in San Mateo County who chooses assistance can be sheltered in an emergency shelter or in temporary or permanent housing. The center offers dental services, medical services, case management and access to laundry.

Outreach Services

Homeless outreach involves skilled teams who meet people living in unsheltered locations to build trust and connect them with essential services like shelter, housing, healthcare, and counseling. Outreach workers assess individual needs, provide survival aid, and guide individuals through the process of obtaining benefits and finding permanent housing. Typically, outreach workers do not provide the level of detailed case work that an assigned case manager provides. For example, the City of San Jose contracts with PATH and HomeFirst for outreach within its borders, OSH contracts with the Bill Wilson Center and Abode for countywide outreach and the City of Campbell Unhoused Coordinator provided outreach services in Campbell.

Mobile Navigation Center

Mobile navigation centers are focused on providing immediate, accessible resources such as hygiene and outreach. They act as a stepping stone to the more comprehensive services available at a brick-and-mortar navigation center, with the specific services offered ranging from limited to more extensive. They can come in the form of a "resource fair" where several service providers gather in a parking lot of a faith-based organization or a community center and provide laundry facilities, showers, food, health, dental, veterinary services, and case managers or a retrofitted vehicle, similar to a food truck, that travels to different sites and provides case management, showers, laundry and food.

- South County Community Services provides services for unhoused people and families at its Church Street Gilroy location, such as a food pantry and laundry facility. They also provide unhoused people and families with a permanent mailing address at their facility. They do not accept packages and require unhoused people to sign a liability release, but it will provide unhoused clients with a mailing address for benefits and correspondence. In addition, once a month, the facility hosts a resource fair for unhoused people and families where they can access essential services such as case management, food, laundry, showers, and health services. The South County Community Services program costs about $925,000 a year to operate and receives financial support from the County of Santa Clara of $725,000 in the form of grants.



Figure 5. Popup food distribution (image credit: South County Community Services)

Job Training

Job training programs for people experiencing homelessness provide skills for stable employment and offer wraparound support for success, addressing challenges like gaps in employment and negative employer stereotypes. Programs include vocational training, apprenticeships, and transitional jobs, and are usually offered by government agencies and nonprofits like the Salvation Army, Destination: Work, the State CalFresh Employment Training program, and some local nonprofits. Training covers job readiness, soft skills, resume building, and interview preparation, often alongside life skills such as financial literacy, and is most effective when combined with housing and other support services.

Law Enforcement Coordination

Although many Santa Clara County law enforcement agencies currently receive crisis intervention and de-escalation training, it is important that cities continue to support

the partnership among law enforcement, mental health service agencies, and homeless response agencies to handle interactions with individuals experiencing homelessness, including mental health crises. Many cities have found it particularly helpful to form interagency task forces that include law enforcement, public works, parks and recreation, and housing staff to meet quarterly to discuss challenges and successes in the fight to eliminate homelessness. Other jurisdictions assign officers as designated homeless outreach officers to work directly with unhoused people after they have received specialized training.

Immediate Needs Programs

Immediate Needs Programs by Impact and Feasibility		
Programs by Type	**Impact Score**	**Feasibility Score**
Food, Showers & Laundry	**High**	**Highest**
Phone, Internet, & Mail	**Moderate**	**Highest**
Safe Storage	**Moderate**	**High**
Transportation	**Moderate**	**High**
Neighborhood Health & Cleanliness	**Moderate**	**Moderate**
Safe Sleeping & Sanitation	**Moderate**	**Moderate**

Figure 6. Immediate Needs Programs by Impact and Feasibility

Immediate needs response programs provide short-term assistance to help individuals and families facing homelessness or a housing crisis overcome a temporary barrier, offering services like temporary shelter, food, storage for belongings, transportation assistance, access to internet service or a cell phone, showers, and laundry services. Emergency warming and cooling centers are discussed in the subsequent shelter and parking section.

Food, Showers, and Laundry

Food distribution is one of the oldest programs provided to people experiencing homelessness and is provided in the area by service providers and volunteer groups, including faith-based community groups. Showers and laundry services for unhoused people are essential for restoring dignity, improving hygiene, and positively impacting mental health. These services are typically provided by non-profits through stationary drop-in centers and mobile units like WeHope's Dignity on Wheels, which travel to different locations. Project WeHope, currently has contracts with the cities of Sunnyvale and Santa Clara to provide not only portable showers and laundry service, but case management, and overnight hotel stays during inclement weather, Overall, the City of Sunnyvale has budgeted about $900 thousand a year for these services, while the City of Santa Clara has budgeted $850 thousand to serve slightly fewer people. Many faith-based communities in the West Valley cities currently offer showers and laundry facilities to unhoused people as part of their homeless services programs, specifically, in the town of Los Gatos. They rely on donations from the congregation and volunteer assistance with minimal cost to the town. Some communities include mobile shower and laundry services with homeless services pop-ups or mobile navigation center schedules. Other communities have also installed temporary or semi-permanent toilet facilities.

Safe Storage

Safe storage facilities or lockers have been provided in some California communities as a way of offering dignity and compassion to unhoused people.

- For example, the City of Burbank uses a combination of Community Development Block Grant (CDBG) and special measure funding to provide a safe storage location for unhoused people. The program is run by the Salvation Army and uses plastic rolling bins similar to recycling carts to store the belongings for unhoused people. The facility is open daily from 8:00 AM to 5:00 PM and serves about 40 unhoused individuals at any given time.
- Madison, Wisconsin, provides lockers scattered throughout the city in groups of 4-10 lockers. The City pays the provider $10,000 to purchase the lockers and the provider works with local businesses to place the lockers on their property.

Transportation

Public transportation is underprovided for the West Valley unhoused. Often, major bus lines are only available along the larger corridors. Transportation options are needed for people with mobility-challenges to access health care appointments and to access shelter opportunities. Interviews with stakeholders and support service providers indicate that very few of the unhoused people can secure transit passes on their own.

- One potential solution is the Valley Transportation Authority (VTA) Mobile Assistance Program (MAP). MAP is designed to address transportation gaps and barriers for Santa Clara County's older adults, individuals with disabilities, and low-income residents. The program aims to enhance access to employment, education, travel training, healthcare, and essential support services while encouraging public transit use and healthy living. The program provides direct transportation resources (through partnerships with local community organizations. These resources include transit and paratransit fares and gas vouchers. Silicon Valley Independent Living Center (SVILC) and Catholic Charities are two of the community organizations that have been working with VTA to provide these transit resources to those in need. If these organizations are working with any of the West Valley cities, the possibility of partnering with these organizations to assist unhoused people with transportation needs exists.

Neighborhood Health and Cleanliness

In July 2024, the Supreme Court sided with Grants Pass in the case Grants Pass v. Johnson. Previously, in many western states, including California, cities were unable to remove encampments in many circumstances (e.g., without providing an equal number of shelter beds). Following this case, many cities, including San Jose and San Francisco, are beginning to clear encampments, and other cities along the peninsula are beginning to implement policies on when encampments should be cleared and how much notice should be provided. Typically, at least 72 hours of notice is provided to encampment residents when a site is going to be cleared, unless it is close to a sensitive area, such as a river or creek, in which case less notice may be given. Costs for clearing encampments vary based on the area and items being cleared.

Efforts to clear, prevent, and manage San Jose's homeless encampments cost the city and partner agencies almost $8.6 million in 2019, according to a report entitled, "*Exploring Homelessness Among People Living in Encampments and Associated Costs,*" published in February 2020. The report analyzed spending in four cities, including San Jose, and found that clearing encampments is a major undertaking for cities and can be quite costly.

In addition to encampment cleanups, some cities have hired service providers that employ unhoused people to ensure that the city streets are clean and safe. These service providers make sure used needles and garbage are kept off the streets and waterways. The program services two purposes, it helps formerly homeless individuals by providing employment, while making sure the streets and waterways remain clean and safe. Other cities have provided free toilets and trash services to promote cleanliness, sanitation, and public health.



Figure 7. Prefabricated free public restroom in Redwood City (image credit: Good City Company)

Safe Sleeping and Sanitation

Safe sleeping sites are sanctioned tent encampments that provide tents and services for unhoused residents, these are sometimes referred to as safe tent or designated camping sites. These typically have a low barrier for entry and require unhoused individuals or families to agree to be good neighbors and abide by certain rules, such as no alcohol or drugs. Cities, such as San Jose and Santa Cruz, have navigation centers or other jointly located services adjacent to or at safe sleeping sites to assist in transitioning unhoused people into shelters or transitional housing. The navigation centers also assist with helping unhoused people secure services such as Social Security benefits, Veterans benefits, health care, food, and sanitary services. Tents and sanitary facilities are provided onsite at most sites, but there are a few sites nationwide that allow unhoused people to bring their own tent.

- The City of San Jose recently opened its first safe sleeping site. Initial costs are estimated at $2.4 million per year to operate. This includes services such as security, meals, showers, laundry, case management, and garbage collection for its 56 tents. In addition to locations where tents are pitched outdoors, some cities have facilities located in permanent structures, such as an armory or vacant commercial building, or temporary structures, such as a sprung structure (large event-style tent).

Phone, Internet, and Mail

Mobile phones are necessary for people experiencing homelessness as they provide a lifeline for accessing crucial services, staying in contact with support systems, ensuring personal safety, and improving overall well-being. California LifeLine offers low-cost and free monthly telephone services to eligible, low-income California residents. Participants can qualify for the program if they receive public benefits or meet household income limits. However, the phones must often be mailed to a mailbox. Phones are also frequently lost, stolen, or broken. Additionally, access to electricity to charge the phone is difficult, and there are data limits on the devices. A common barrier is the unhoused person must often have a mailing address to receive the phone. Local libraries also offer computer and internet access.

Shelter and Parking Programs

Shelter & Parking Programs by Impact and Feasibility		
Programs by Type	**Impact Score**	**Feasibility Score**
Temporary Shelters	**Highest**	**Moderate**
Safe Parking	**High**	**Moderate**
Hotel Vouchers/Rentals	**Moderate**	**Highest**

Figure 8. Shelter and Parking Programs by Impact and Feasibility

Emergency shelters and safe parking programs both provide temporary shelter to unhoused people. An emergency shelter provides a temporary indoor place to sleep, offering beds, bathrooms, and meals, typically for individuals or families facing homelessness due to weather or other reasons. A safe parking program offers a designated, monitored outdoor lot for people living in their vehicles, providing safety from vehicle break-ins and access to basic amenities and supportive services to help them transition to stable housing. While shelters offer more structured spaces, safe parking programs focus on providing a stable and secure place to park overnight and access services.

Temporary Shelters

Temporary shelters can be provided in a range of forms, both congregate and non-congregate. These can also include warming and cooling centers, cold weather shelters, domestic violence shelters, and shelters associated with navigation centers.

- Warming and cooling centers are facilities that are temporarily made available to the general public during extreme temperature conditions. Centers are not overnight shelters. They are open for a limited number of hours and for a limited number of days and provide limited services. They can be provided in libraries, community centers, and other public buildings that have heat or air conditioning and are only activated during extreme heat or during extreme winter storms. There is little cost to activate these shelters except for staffing and food costs.
- Cold-weather shelters can be provided in public buildings such as community centers and underutilized public facilities. These are typically for the duration of the winter and provide unhoused people with safe and warm sleeping facilities. Typically, the unhoused people arrive in the early evening and may be provided with dinner, shower facilities, and warm bedding. The facilities are almost always congregate in nature. In the morning, the unhoused people leave the facility and return to work or find a place to spend the daytime hours. In some cases,

breakfast and laundry facilities may be provided. HomeFirst, operated through an OSH grant, provides cold weather shelter in Mountain View. The site provides services from November through April, serving women and families and works in conjunction with the Hope's Corner program which provides meals, showers and laundry to a broader unhoused population. The cold weather shelter is supported by a grant from OSH and costs about $60,000 a year to run out of the Trinity United Methodist Church.

- Overnight warming locations are similar to cold weather shelters. However, they are set up every evening and broken down the following morning, allowing the locations to serve a different purpose during the day. For example, HomeFirst has partnered with the City of San Jose, San Jose Public Libraries, and San Jose Parks and Recreation to offer Overnight Warming Locations (OWLs) across San Jose. These sites activate in November and close in April. The City has a contract with HomeFirst to provide the overnight staffing, bedding, and clean-up. These services are not currently being provided in the West Valley cities.
- Congregate shelters are temporary housing facilities where people sleep in shared or communal spaces, providing little to no individual privacy. All shared spaces are communal as well. These shelters have fallen out of favor with homeless service advocates because many unhoused prefer moderate privacy and protection for their belongings. Examples of congregate shelters in Santa Clara County include the HomeFirst Boccardo Reception Center and HomeFirst Gilroy Shelter, which serve hundreds of adults with a bed, shower, and meals in a shared living environment. These sites offer case management, housing problem-solving, including the exploration of family reunification, and housing search assistance.
- Non-congregate shelters allow for private spaces for sleeping, bathing, and storing of personal possessions while still utilizing communal spaces for gathering and, in some cases, meals. Examples of non-congregate shelters include the LifeMoves Mountain View tiny home facility and the San Jose Family Shelter on King Road in San Jose. New shelters are generally non-congregate in nature and many use modular construction or are hotels leased for sheltering unhoused people.
- Domestic violence agencies operate 24/7 in Santa Clara County and are accessible either online via chat or through a phone hotline. Next Door Solutions

continues to be the largest provider of services to victims of domestic violence and operates shelters throughout Santa Clara County. Locations for shelters for domestic violence victims are confidential, but they serve the entire County. Many cities fund these types of activities with General Fund or CDBG funding for approximately $10,000/ year.

Safe Parking

Safe parking programs offer temporary, legal places for people living in vehicles to park overnight, providing access to basic needs like restrooms and security and helping them transition into more stable housing. Sites provide a temporary, safe location to park for individuals and families living in vehicles, while also providing access to needed services, helping transition them into stable housing. Site managers connect participants with supportive services, including case management, employment search assistance, housing locator assistance, healthcare referrals, and behavioral health services. Some locations provide two meals a day along with restrooms, water, wash stations, and other basic services.

- As an example of this type of program, the City of Mountain View operates four safe parking sites throughout the city, two on city-owned property which operate 24 hours a day and two at faith-based locations. In total, the program provides 105 safe parking sites and additional parking for commuter vehicles for those living in RVs. The City budgets $700,000 a year in general fund monies to MOVE MV to operate the sites. In addition, MOVE MV receives $2,155,238 in funding through OSH to provide support services at these sites. The program has been successful at helping resolve the on-street RV parking issues in the city and providing a safe living environment.
- Safe parking exists in the West Valley cities in the form of Rotating Safe Parking at faith-based communities and has been effective. Case management and operation of the Rotating Safe Parking is provided by Amigos de Guadalupe through a grant from OSH. The budget for the entire program, including San Jose locations, is approximately $800,000. However, the budget for servicing Cupertino, Campbell, Saratoga, and Santa Clara is closer to $200,000.

Hotel Vouchers/Rentals

Hotel voucher/rental programs for unhoused people and families are another form of temporary shelter, often provided through local jurisdictions. This program offers immediate housing to unhoused people or individuals and families in crisis, such as those fleeing domestic violence, medically vulnerable unhoused, youth fleeing family conflict, or youth transitioning out of the foster program. Currently, Los Gatos and Campbell offer hotel rooms to vulnerable unhoused people during severe weather.

Interim or temporary housing at hotels is another example of how jurisdictions can provide a safe, stable environment for unhoused people after clearing an encampment or when medically necessary. The City of San Jose has a $7M budget to rent hotel rooms in ten hotels throughout the city to provide interim housing to unhoused people. The hotels have agreed to rent the hotel rooms to the City, and the City refers unhoused people to the various hotels. The hotels are currently being used to house those displaced during encampment clearings. HomeFirst operates the program and provides case management and support services.

Interim and Transitional Programs

Interim & Transitional Programs by Impact and Feasibility		
Programs by Type	**Impact Score**	**Feasibility Score**
Rapid Rehousing	**Highest**	**High**
Transitional Housing	**Highest**	**Moderate**
Interim Sites	**High**	**Moderate**

Figure 9. Interim and Transitional Programs by Impact and Feasibility

Interim and transitional housing programs provide temporary shelter and supportive services for individuals and families experiencing homelessness. Both serve as a bridge to permanent housing, but the programs may differ in length of stay, level of services, and target populations.

Rapid Rehousing

Rapid rehousing quickly connects unhoused people to housing and services by providing temporary rental assistance. Generally, rapid rehousing is funded through federal sources like the Homelessness Prevention and Rapid Re-housing Program (HPRP), Emergency Solutions Grants (ESG), and the HOME program, as well as state funds and local initiatives such as the 2016 Measure A Affordable Housing Bond. These programs are available County-wide. Eligibility is determined through the HMIS intake.

Transitional Housing

Transitional housing provides temporary housing with supportive services to individuals and families experiencing homelessness for up to two years. Transitional Housing requires the program participants to pay a portion of their monthly income for rent and usually provides a temporary rent subsidy for the duration of the program. The rental subsidies can be provided through a Tenant-Based Rental Assistance (TBRA) program funded with Federal HOME funding. In the case of HOME funding, the subsidy is not tied to a rental unit but is provided directly to the household.

Transitional housing programs are also used for youth who have aged out of the foster care program and those fleeing domestic violence. The Bill Wilson Center's Transitional Housing Program provides comprehensive services for homeless youth ages 18-24, including young single parents and their children. Clients live in shared, supervised apartments or houses throughout the County while receiving counseling, independent

living skills training, parenting classes, and employment services. The goal of the 12-18 month-long program is to help the youth become self-sufficient adults with strong connections to the community.

Some Santa Clara County domestic violence support agencies provide transitional housing at confidential sites throughout the County. An example of this type of program is Maitri, which operates the Anjali Transitional Housing Home for survivors of domestic abuse. The program offers support services and training.

Interim Sites

Interim sites, including "Tiny Home Villages," are also being used in surrounding communities to quickly provide shelter to unhoused people. Communities will build modular small homes, either pallet or preconstructed structures, to quickly provide shelter. All the tiny homes come with electricity and plumbing. Each tiny home has a small common area that will double as a sleeping area, a small kitchen, and a private bathroom. Some tiny homes are constructed so that they can easily convert from a single unit to a multigenerational unit.

- An example of a tiny home community can be found on Leghorn Drive in Mountain View. The City used prefabricated homes to quickly build 100 units on a recently purchased site. Overall costs for the site purchase and development of the 100 units were $25M, with much of the funding coming in the form of a grant from HomeKey and funding from the City and County of Santa Clara.

Permanent Housing Programs

Permanent Housing Programs by Impact and Feasibility		
Programs by Type	**Impact Score**	**Feasibility Score**
Permanent Affordable Housing	**Highest**	**High**

Figure 10. Permanent Housing Programs by Impact and Feasibility

Permanent affordable housing programs provide long-term housing solutions and supportive services to individuals and families who have recently or are currently experiencing or at risk of homelessness. The level of services provided varies based on the type of affordable housing. Family housing will provide support services for the children and light support services to the heads of household, whereas permanent supportive housing is a more intensive program.

Permanent Affordable Housing

Affordable housing, whether temporary or permanent, is a high need not just in the West Valley, but throughout Santa Clara County and California. According to Destination: Home, at least 75 percent of Santa Clara County's unhoused people are unsheltered. This means they are living on the streets, in vehicles, tents or other places not suitable for habitation. Although jurisdictions in the West Valley offer safe parking sites and hotel stays, none of these are classified as transitional or permanent housing. Cupertino has several 100% affordable housing developments in its jurisdiction and Campbell is looking to provide 100 affordable units at the Santa Clara County Valley Transportation Authority (VTA) Winchester park and ride lot. Housing to serve homeless households specifically includes the following:

- Permanent affordable housing includes the construction of 100 percent affordable developments, inclusionary units, the provision of Section 8 vouchers, and the rehabilitation of existing units to serve the extremely low-income. In addition, Extremely Low-Income (0-30% AMI) and Acutely Low-Income (0-15% AMI) units can be provided in mixed-income housing developments.
- Permanent supportive housing combines longer-term rental assistance with supportive services and case management for individuals experiencing chronic homelessness. In the West Valley area, there are presently six units of permanent supportive housing in Cupertino and 23 that have been approved in Campbell.[2]

[2] County of Santa Clara, Office of Supportive Housing, Supportive Housing Development Update, January 28, 2025, https://files.santaclaracounty.gov/exjcpb1571/2025-01/housing-bond-report-25.pdf.

Recommendations

The project team offers the following recommendations to support prioritization of potential future homelessness services programming. While there are clear advantages to prioritizing programs with both the highest feasibility scores and highest impact scores, ensuring a holistic overall program landscape is also important.

The needs analysis also underscored the higher prevalence of specific subpopulations. Many programs described above, such as permanent affordable housing, temporary shelter, and hotel voucher programs, can be used to support targeted subpopulations of unhoused individuals and families. In addition, such programs may also support housing-vulnerable populations at high risk for homelessness including youth and families with children, domestic violence survivors, youth aging out of the foster care system, LGBTQ+ youth, veterans, post-incarceration/reentry populations, and housing insecure community college and university students. Cities may want to partner with local community colleges and domestic violence service providers to create permanent housing, temporary shelters, or other services for these populations.

1. **Develop a West Valley area homelessness response implementation plan**

   While this study identifies programs and actions the cities could take to address homelessness, it requires the cities to take the next step to focus on implementation. An implementation plan would establish clear goals and tracking metrics to understand progress is a hallmark of successful strategies to address homelessness. A plan tailored to the five jurisdictions of the West Valley area could include the following elements:

   a. **Vision:** Establish an aspirational vision for the plan over a multi-year time horizon. Consider aligning with the Housing Element cycle.
   b. **Goals and objectives:** Write Specific, Measurable, Achievable, Relevant, and Time-bound (SMART) goals and objectives for the West Valley area and for each jurisdiction.
   c. **Mind the gap:** Ensure programming addresses each step along the homelessness services continuum and supports individuals to move toward stable housing.

d. **Priority segments:** Develop a common definition of priority segments of the population for the West Valley area and develop services tailored to their specific needs.
e. **Near- and long-term outcomes:** Include near wins and activities with longer-time horizon impacts.
f. **Leverage existing programs**: Wherever possible, strengthen or expand existing services rather than building a parallel system.

A template including examples of relevant SMART goals and objectives are included in the text box below. While not intended to be a comprehensive implementation plan, the following could serve as inspiration for such a plan. An effective plan would be developed in conjunction with a community engagement process and engagement among the jurisdictions and other key stakeholders. An example summary from the City of Mountain View is also included as an attachment to this document. The process used to develop the Santa Clara Valley Agricultural Plan can also serve as a model for how the West Valley jurisdictions could come together through a task force to develop a shared homelessness response implementation plan.

Example Goals and Objectives*:

1. Ensure no family with children or youth sleep outdoors by 2027.
    a. Establish agreement with County to provide X family and youth beds with priority for West Valley homeless residents by 2027.
2. Cut unsheltered homelessness across the West Valley Area by ~40% by 2028 and by 60% by 2031.
    a. Secure X number of priority access beds for homeless West Valley residents by 2028.
    b. Make X permeant housing placements per year by 2028 and X permanent housing placements by 2031.
3. Reduce first-time homelessness by ~25%, by 2028.
    a. Provide X of financial support to Santa Clara County Homelessness Prevention System by 2028.
    b. Provide financial support to tenant protection service providers (e.g. as indicated in each jurisdiction's Housing Element)
4. Provide targeted services to 75% of individuals who have been homeless for 2 months or less by 2027.
    a. Expand safe parking options by an additional 30 spaces by 2027.
    b. Establish an oversize vehicle safe parking for at least 20 spaces by 2027.
5. Provide intensive formal case management to 50% of unhoused population by 2027.
    a. Implement a West Valley case management contract with a service provider (e.g. four FTE case managers and one FTE outreach worker) by 2026.
    b. One jurisdiction to hire a program manager to manage the shared program by 2026.
6. Remove barriers to health, mental health, and substance use care to 50% of unhoused population by 2028.
    a. Provide transportation to 100 individuals per year by 2027.
    b. Provide mobile services at least once per month by 2028.
7. Provide coordinated services to at least 50 individuals per month by 2028
    a. Establish a pop up based or mobile event on a fixed schedule (e.g. First Monday of each month) that includes multiple service providers, community-based programs (e.g. food distribution), and health care by 2028.
8. Establish Homelessness Action Teams by 2026 and publish quarterly scorecard by 2027.
    a. Formalize West Valley Homelessness Response Task Force by 2026.
    b. Establish each Jurisdiction Homelessness Action Team by 2026.
    c. Adopt shared tracking metrics aligned with the Community Plan to End Homelessness and publish quarterly scorecard by 2027.

** Note: all quantitative figures included in the above example goals and objectives are provided for illustrative purposes only. Specific numbers would be developed by the West Valley homelessness response task force.*

Figure 11. Example SMART Goals and Objectives

2. Sustain and strengthen what works

While there is increasing evidence demonstrating the positive impact of a wide range of homelessness services and prevention programs, at present, the expected loss of funding for the Continuum of Care, federal programs, and the potential service cuts caused by these funding cuts remains a reality.

a. Ensure the continuation of existing ongoing services with a proven track record. Homelessness prevention and permanent affordable housing are critical bookends to an effective homelessness response strategy. Identify ways to support and expand these efforts using the tools available to local governments. These include but are not limited to:

   i. Direct subsidy of permanent housing development and preservation and homelessness prevention programs, including the Santa Clara County Homelessness Prevention System.

   ii. Leveraging land use authority to incentivize or require the development of new units, including inclusionary housing programs, commercial linkage fees, and development agreements.

3. Prioritize programs with high feasibility and high impact

Programs with both the highest feasibility scores and highest impact scores should be prioritized while still ensuring a holistic strategy that tailors programs across the spectrum of needs.

a. Programs with high feasibility and high impact include: homelessness prevention and rental assistance; case management; rapid rehousing; permanent affordable housing; health and mental health care; food, showers, and laundry; and an opportunity fund and reunification program. These programs are described in greater detail in the above feasibility analysis section.

b. Prevention: Every $1 spent on prevention returned $2.47 in public benefits, according to one recent study.[3]

c. Permanent Supportive Housing developments, such as the Mary Avenue Villas in Cupertino, are more cost-effective in the long run than temporary shelter.

[3] Jeff Olivet and Susan Ellenberg, "Homelessness Is Preventable. Ending It and Saving Lives Is a Policy Choice," Governing, November 15, 2023. https://www.governing.com/housing/homelessness-is-preventable-ending-it-and-saving-lives-is-a-policy-choice

Nationally, the annual cost for temporary shelter beds to temporarily shelter three people is about $56,000 over twice as costly as the average permanent supportive housing unit for a family of three at about $25,000 per year.[4]

d. As described in the Needs Analysis report, the public costs to other public services, including public safety, emergency room visits, EMS, and other health costs are associated with considerably increased use among unsheltered homeless individuals.

4. Cultivate partnerships at all levels

The scale of the homelessness challenge is such that a "whole of society approach" is generally considered a best practice. This involves proactively engaging governments, the private sector, civil society, individuals, and communities.

a. Invest to coordinate with Santa Clara County, the lead government agency responsible for coordinating responses to homelessness, the Office of Supportive Housing, Continuum of Care, and Community Plan to End Homelessness.

b. Target local investments to strengthen homeless services where such services will complement or strengthen the work of others, wherever possible.

c. Establish a formal West Valley homelessness task force that includes the five jurisdictions, County representatives, and other key stakeholders (e.g. community college district representatives and select service providers) to develop the West Valley area homelessness response implementation plan. Establish a formal purpose, goals, objectives, membership, and meeting schedule. Consider quarterly meetings of elected representatives and staff from each jurisdiction and monthly manager-level meetings, along with other key stakeholders. Each jurisdiction would share the progress against established metrics with the full group at least quarterly. Variations of such an approach could include informal collaboration with regular meetings, establishing a memorandum of understanding among jurisdictions to share implementation responsibilities for specific services, and creation of a joint power authority among jurisdictions to

[4] Hannah Chimowitz and Adam Ruege, "The Costs and Harms of Homelessness: A Learning Brief Examining the Costs Borne by Individuals, Communities, Systems, and Society," *Community Solutions*, September 25, 2023, https://community.solutions/research-posts/the-costs-and-harms-of-homelessness/

oversee sub-regional implementation of unhoused services as South Bay Cities Council of Governments has done in areas of Los Angeles County.

d. Within each jurisdiction: Establish a regular Jurisdiction Homelessness Action Team consisting of representatives from all relevant departments such as city manager's office, community development, police, parks and recreation, libraries, and where applicable: housing, human/social services. Consider monthly meetings or no less frequent than every other month.
e. Identify opportunities for local agency procurement policies that can allow for one jurisdiction to piggyback on the procurement of one of the others to expand a program or contract to their own. This can expedite the delivery of services, reduce administrative burden for public agencies, and reduce the operational burden for service providers who are servicing multiple adjacent jurisdictions.
f. Explore creative solutions to remove barriers to community-led programs, including faith-based programs where appropriate.
g. Leverage local governments' convening power to bring key stakeholders together to shape homelessness response efforts and become more educated about the work of other agencies and organizations.

5. Engage people who have experienced homelessness

Identify ways for individuals who have experienced homelessness to meaningfully participate during the overall strategy visioning and design phase and additional ways to engage during the development and implementation of specific programs on a recurring basis. Consider adding representatives who have experienced homelessness to housing advisory boards or other structured bodies, which would align with recommendations of the Community Plan to End Homelessness. The Lived Experience Advisory Board (LEAB) may be a helpful resource or partner in this work.

6. Align with the Community Plan to End Homelessness

Demonstrate alignment with the current plan's three goals: address the root causes of homelessness through system and policy change, improve the quality of life for unsheltered individuals, create healthy neighborhoods for all, and expand homelessness prevention and housing programs to meet the need. An update of the Community Plan

to End Homelessness is underway and is an opportunity for West Valley jurisdictions to provide input.

7. Identify funding

Explore creative approaches to identify funding to support homelessness response programs. Engage affordable housing developers to understand what can be done to remove barriers to affordable housing development, particularly barriers to affordable housing finance.

a. Programs to address homelessness are primarily funded through a combination of federal grants, state and local government initiatives, private foundations, and corporate and individual donations. Federal grants are a critical source of funding but are often administered by state and local agencies rather than directly distributed to individual programs. In almost all cases, when jurisdictions apply to the state or federal government for grants for homeless services, they must do so through the local Continuum of Care (CoC), which will administer the distribution of the funding. There are other funding sources such as the public service portion of the Community Development Block Grant (CDBG) program and the HOME Investment Partnership Program (HOME) which are Federal entitlement grants that would not need the CoC partnership.

b. Local and regional funding to support a variety of permanent housing and other homeless services programming is often an effective, if challenging approach to bring additional funding to the table. In many cases, local funding to support the initial capital and startup costs of a program can be helpful in securing additional outside funding. This is often achieved through support from the general fund or through voter approved measures to establish dedicated revenue in the form of sales tax, property transfer tax, bond, or business or lodging taxes. School districts, including community college districts, can also support permanent housing and other homeless services programming. Partnerships with districts to raise funds, especially districts who may also serve as implementation partners, can be an effective way to raise bond funds.

c. In addition, California cities with the Prohousing designation are eligible to apply and receive Prohousing Incentive Program (PIP) funding. These funds can be used to address homeless services as well as affordable housing development. With the small sizes of the five West Valley jurisdictions, it is unlikely that any of the

jurisdictions can apply for the State's Homeless Housing, Assistance and Prevention (HHAP) program funding or funds set aside for encampment removal. This funding is often reserved for larger cities, the CoC, and Counties.

d. Some cities that dissolved their redevelopment agencies (RDA) have successfully used a portion of "boomerang" funds to fund homeless services. Boomerang RDA funds are local tax increment funds that return, or "boomerang", to cities for affordable housing after the RDAs were dissolved in 2012. These funds replace the prior tax increment dollars that RDAs used to finance projects, providing a local source for affordable housing development and other programs. However, the overall amount is less than the previous RDA funding.

8. Support neighborhood health, safety, and cleanliness

Address quality of life issues for the entire community by contracting with a service provider who would provide case management, outreach, sanitary services and street clean up. This could be similar to what the Cities of Sunnyvale and Santa Clara are currently providing with WeHope contracts.

9. Consider a Functional Zero Homelessness Approach

Functional zero homelessness is a concept used to establish a defined goal regarding the frequency and length of homelessness in the community. The County of Santa Clara defines functional zero as the overall homelessness response system's ability to consistently house more unhoused families than the number of families experiencing homelessness for the first time each year, and the ability to maintain housing placements at a level sufficient to assist all families currently experiencing homelessness (i.e. those in the Community Queue). This does not mean literal zero instances of homelessness but ensuring sufficient temporary and permanent housing opportunities that are effective at preventing and quickly resolving unsheltered homelessness.

The County of Santa Clara does not include temporary shelter in how it defines meeting functional zero. While some communities define functional zero as including temporary shelter, existing when the number of people experiencing homelessness is consistently fewer than the number that can be housed within 90 days, or use other definitions, this report recommends using the County of Santa Clara definition.

a. Recently, the City of Redondo Beach made the news for having achieved functional zero homelessness. They still have a homeless population, but they can offer housing to those who want housing, and residents who become unhoused can be housed within 90 days of their becoming unhoused. Redondo Beach used strategies like tiny home villages, leasing hotel rooms, using existing interim and permanent housing, and collaborating with local nonprofit organizations and government entities to attain its goal.

List of Attachments

Attachment A: **Homelessness Response Programs – Detailed Metrics Table**

Attachment B: **Example Homelessness Response Strategy Summary**

Attachment C: **Example Printed Resource Handouts**

Attachment D: **Navigation Center of San Mateo County Photos**

Attachment E: **West Valley Homeless Services Needs Analysis Report (July 24, 2025)**

West Valley Homeless Services Feasibility Study

Attachment A: Homelessness Response Programs – Detailed Metrics Table

Homelessness Response Programs and Scores				Impact Metrics			Feasibility Metrics				
Program Type	Category	Impact Score	Feasibility Score	Gap	ST Impact	LT Impact	Cost Savings	Cost	External Funds	Difficulty	Partners
Highest Impact Score											
Homelessness Prevention & Rental Assistance	Prevention	Highest	Highest	High	High	High	$$$	$$	Mod	Mod	In place
Rapid Rehousing	Interim	Highest	High	High	High	High	$$$	$$	Mod	High	Some
Case Management	Outreach & CM	Highest	High	High	High	High	$$$	$$	Low	Mod	Some
Health, Mental Health & Substance Care	Outreach & CM	Highest	High	Mod	High	High	$$	$$	High	High	Some
Permanent Affordable Housing	Permanent	Highest	High	High	Mod	High	$$$	$$$	High	High	Some
Transitional Housing	Interim	Highest	Moderate	High	Mod	High	$$$	$$$	Mod	High	Some
Temporary Shelters	Shelter & Parking	Highest	Moderate	High	High	Mod	$$	$$	Mod	High	Some
Navigation Center	Outreach & CM	Highest	Moderate	High	Mod	High	$$	$$$	Mod	High	Some
High Impact Score											
Opportunity Fund & Reunification	Prevention	High	Highest	High	Mod	Mod	$$$	$	Mod	Low	Some
Food, Showers & Laundry	Immediate Needs	High	Highest	Mod	High	Mod	$	$	High	Mod	Some
Safe Parking	Shelter & Parking	High	Moderate	Mod	High	Mod	$$	$	Low	Mod	TBD
Interim Sites	Interim	High	Moderate	Mod	High	Mod	$$	$$	Low	Mod	TBD
Moderate Impact Score											
Hotlines & Information	Prevention	Moderate	Highest	Low	High	Mod	$	$	Mod	Mod	In place
Hotel Vouchers	Shelter & Parking	Moderate	Highest	Mod	High	Low	$$	$	Low	Mod	In place
Job Training	Outreach & CM	Moderate	Highest	Mod	Low	Mod	$$	$	Low	Low	Some
Phone, Internet, & Mail	Immediate Needs	Moderate	Highest	Low	Mod	Low	$	$	Mod	Low	Some
Safe Storage	Immediate Needs	Moderate	High	High	Mod	Low	$	$	Low	Low	Some
Transportation	Immediate Needs	Moderate	High	High	Mod	Low	$	$	Low	Low	Some
Outreach	Outreach & CM	Moderate	High	Mod	Mod	Mod	$	$	Mod	Mod	Some
Mobile Navigation Center	Outreach & CM	Moderate	High	Mod	Mod	Mod	$$	$$	Mod	Mod	Some
Tenant Protections	Prevention	Moderate	High	Mod	Mod	Mod	$$$	$	Low	High	Some
Neighborhood Health & Cleanliness	Immediate Needs	Moderate	Moderate	Mod	High	Low	$$	$$	Low	Mod	TBD
Law Enforcement Coordination	Outreach & CM	Moderate	Moderate	Mod	Mod	Low	$	$	Low	Low	TBD
Safe Sleeping & Sanitation	Immediate Needs	Moderate	Moderate	Mod	Mod	Low	$	$	Low	Mod	TBD

Figure A-1. Homelessness Response Program Detail. Note: This table is organized by impact score, then by feasibility score. Component metrics that underly the composite impact and feasibility scores are also provided.

West Valley Homeless Services Feasibility Study

Attachment B: Example Homelessness Response Strategy Summary

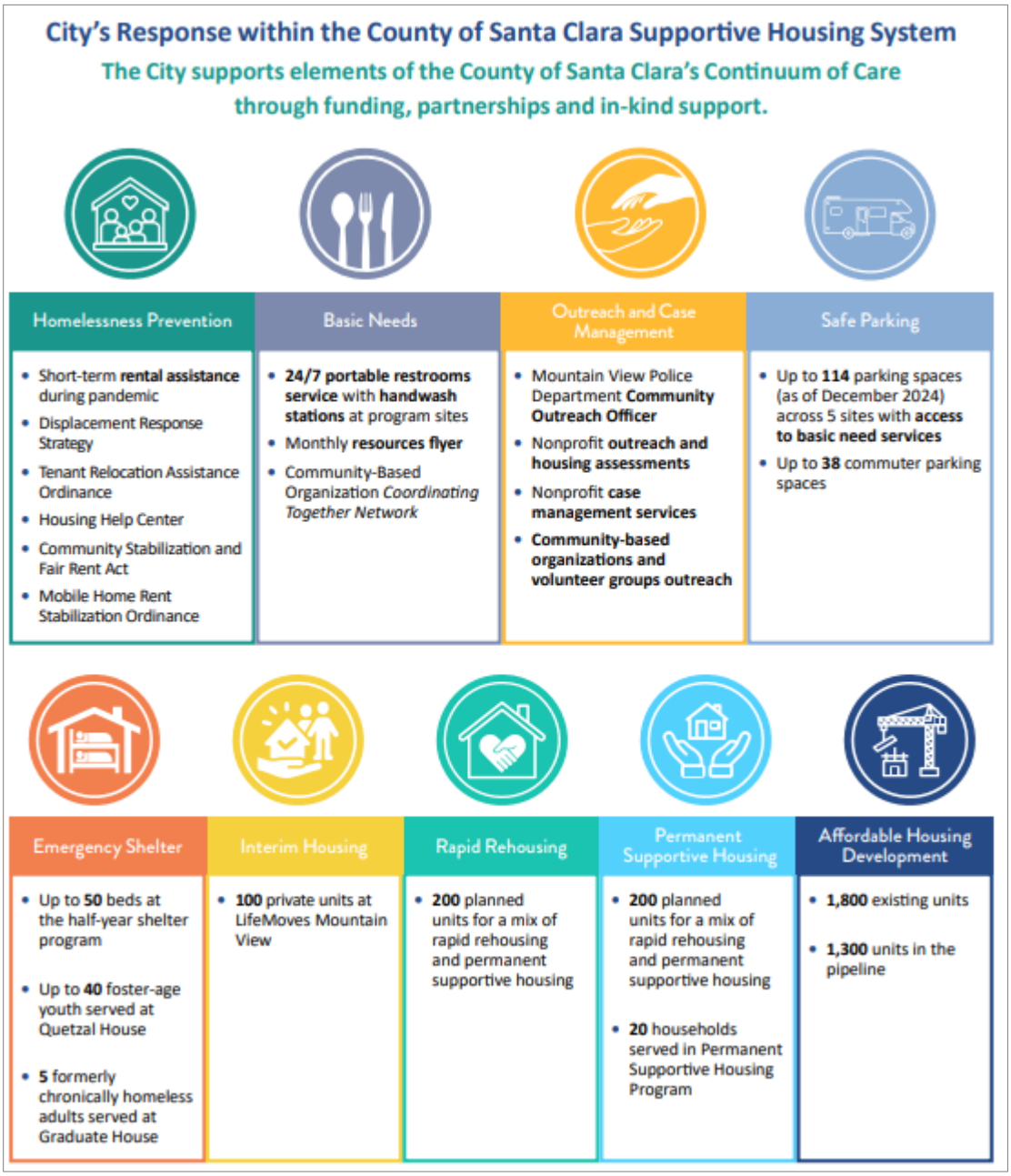

Figure B-1. Example Homelessness Response Strategy Summary (Source: City of Mountain View)

West Valley Homeless Services Feasibility Study

Attachment C: Example Printed Resource Handouts



Figure C-1. Santa Clara County Prevention System Handout

Available: https://preventhomelessness.org/

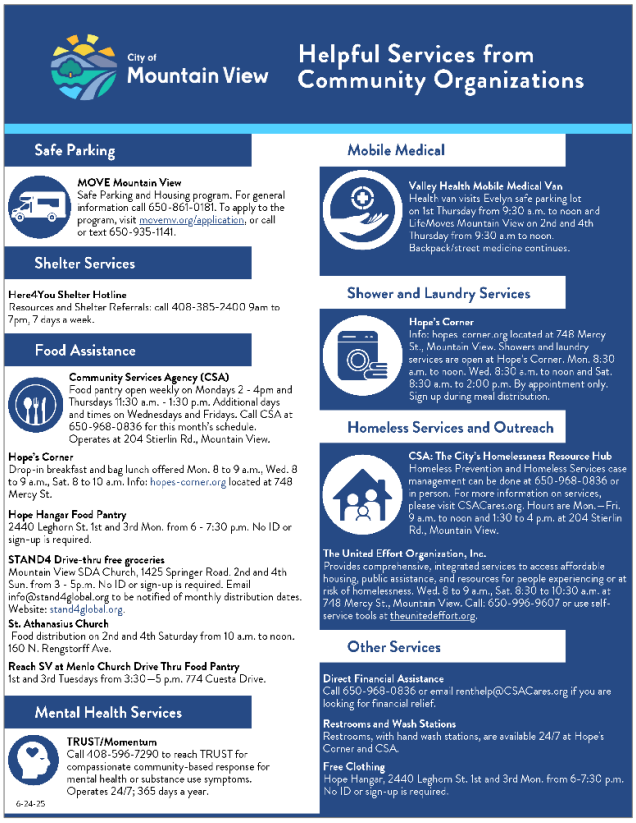

Figure C-2. City of Mountain View Handout

Available: https://www.mountainview.gov/our-city/departments/housing/homelessness

West Valley Homeless Services Feasibility Study

Attachment D: Navigation Center of San Mateo County Photos



Figures D-1 to D-3. Navigation Center of San Mateo County (Photos courtesy of San Mateo County Health Department)

West Valley Homeless Services Feasibility Study

Attachment E: West Valley Homeless Services Needs Analysis Report (July 24, 2025)

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REVISED TABLE BASED ON PIT COUNT REPORT

Due to an error in the Feasibility Study Table (Page 10), below are the correct percentages by West Valley Jurisdiction.

Jurisdiction	2023 PIT Count	2025 PIT Count	% Increase	
Campbell	92	108	17%	15%
Cupertino	48	101	110%	52%
Los Gatos	81	27	-67%	-200%
Monte Sereno	0	0		0%
Saratoga	0	19	NA	100%
Total	**221**	**255**	15%	**13%**

Table 2. 2025 and 2023 Point-in-Time Counts

(PIT COUNT REPORT; Page 19 of 60; Table 2: 2023-2025 Comparison of Point-In-Time Results by Jurisdiction)

ATTACHMENT

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RESOLUTION 2026-XXX

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS OF INTENT TO SUPPORT PARTICIPATION IN A WEST VALLEY HOMELESS SERVICES IMPLEMENTATION TASK FORCE

WHEREAS, according to the most recent 2025 Point in Time Count data, the collective West Valley area has an unhoused population of 255 individuals, and the number of people experiencing homelessness in the West Valley area increased by 13 percent between 2023 and 2025.

WHEREAS, the Town of Los Gatos and the cities of Campbell, Cupertino, Monte Sereno, and Saratoga ("West Valley area") have partnered together to prepare the West Valley Homeless Services Feasibility Study ("Study").

WHEREAS, The Study evaluates the state of homelessness in the West Valley area and includes a needs analysis that identifies unmet needs within the overall system for addressing homelessness.

WHEREAS, the Study identifies potential policy and program responses to address homelessness in the West Valley area that the five West Valley cities could collectively implement in partnership with the County of Santa Clara.

WHEREAS, the Study evaluates the impact and feasibility of implementing different policies and programs within the categories of Homelessness Prevention, Outreach and Case Management, Immediate Needs, Shelter and Parking, Interim and Transitional Housing, and Permanent Housing.

WHEREAS, A key recommendation from the Study is for the West Valley cities to develop and adopt a West Valley area homelessness response implementation plan ("Implementation Plan") that includes an aspirational vision, clear goals and objectives, programs tailored to population segments, plans for near- and long-term outcomes, and leverages existing programs.

WHEREAS, the creation of a West Valley Homeless Services Implementation Task Force ("Task Force") can act as a means for the West Valley cities to collaborate in developing the Implementation Plan.

WHEREAS, the Task Force is envisioned to be composed of representatives from each of the five West Valley cities and the County, along with stakeholders and service providers, supported by staff and a consultant team, and be time limited in duration.

WHEREAS, by working together on developing and implementing homeless services, the West Valley cities can potentially reduce costs and maximize efficiency and economies of scale in implementing homeless services for the unhoused.

NOW, THEREFORE BE IT RESOLVED by the Town Council of Los Gatos that it does hereby find, determine, resolve and order as follows:

Section 1: That it is in the best interest of the Town to join with other West Valley jurisdictions and the County in a West Valley Homeless Services Implementation Task Force to work together on developing an implementation plan for collectively addressing homelessness in the west valley area.

Section 2: That the Town Manager or their designee is hereby authorized and directed to enter into discussions regarding the formation of the Task Force and the development of a workplan and budget, and to bring back a recommendation and Memorandum of Understanding for action identifying the composition, duties, and responsibilities of the Task Force to consider for adoption by the City.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos, California, held on the ____ day of _____2026, by the following vote:

COUNCIL MEMBERS:

AYES:

NAYS:

ABSENT:

ABSTAIN:

SIGNED:

_____
MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

ATTEST:

_____
TOWN CLERK OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 04/07/2026
ITEM NO: 16

DATE: April 7, 2026

TO: Mayor and Town Council

FROM: Chris Constantin, Town Manager

SUBJECT: **Approve Legislative Priorities with Regard to State, Federal, and Regional Legislation**

RECOMMENDATION: Set the Town's Strategic Priorities as the Town's Legislative Priorities with regard to state, federal, and regional legislation.

FISCAL IMPACT:

This item does not have a direct fiscal impact; however, with the current workload and resources, staff does not have the bandwidth to actively monitor or take action on legislative priorities on a regular basis.

STRATEGIC PRIORITY:

As proposed, this item addresses all of the Town's strategic priorities.

BACKGROUND:

Every year, the Town reviews legislative priorities shortly after the Council discusses its strategic priorities. As outlined in Council Policy #2-18: Legislative Policy (Attachment 1), the Council establishes legislative priorities annually shortly after the Council discusses its Strategic Priorities. Legislative priorities would be used to support Town Council Members in discussions with legislators and to provide guidance as the Town considers which legislative proposals to take a position on. The Town Manager or the Town Attorney is authorized to prepare and issue position letters for the Mayor's signature after determining that the legislative proposal could impact the Town and that the proposed position would be in alignment with the adopted legislative priorities. While there may be many legislative proposals for which a Town position would be in alignment with the Legislative Priorities, only the most pressing proposals will be acted on and will be subject to staff capacity.

PREPARED BY: Katy Nomura
Assistant Town Manager

Reviewed by: Town Manager, Town Attorney, and Administrative Services Director

In addition, the Town is a member of the League of California Cities, which actively conducts legislative advocacy on behalf of its members. The Town is also a member of the Santa Clara County Cities Association, which participates in legislative affairs.

DISCUSSION:

The Town Council has previously approved a small number of Active Priorities for staff to actively monitor and take appropriate action on (e.g., submitting position letters) as well as Passive Priorities that are not actively monitored, but still allow the Town to take action should the need become urgent and staff bandwidth allow for it. It has become apparent that with the current workload and resources, staff does not have the bandwidth to continue Active Priorities that require proactive monitoring and action. As such, it is recommended to adopt legislative priorities with the intent to support Town Council Members in discussions with legislators and to provide guidance as the Town considers which legislative proposals to take a position on as bandwidth allows.

In addition, staff proposes that the Council consider adopting the Town's strategic priorities (Attachment 2) as the Town's legislative priorities moving forward. This would streamline processes and allow the Town's priorities to be consistent on all fronts. If the strategic priorities and legislative priorities were to be aligned, as long as support or opposition to legislation can be clearly tied to furthering one of the Town's strategic priorities, the Town Manager would be able to proceed with the process to take an official legislative position as outlined in Council's Legislative Policy. As part of this process, Council would have the opportunity to request that any legislative proposal be added to a future Council agenda prior to a position being taken. Any proposal that falls outside of the set legislative priorities would need to be considered by the full Council prior to a position being taken. In addition, even if a proposal appears aligned with the legislative priorities, the Town Manager may exercise discretion and defer the decision on a legislative proposal to the full Council if needed.

The Town's current legislative priorities (Attachment 3) could be encompassed and addressed under the Town's existing strategic priorities, with the exception of some of the bill specific references, which are now outdated. Many of the legislative priorities in the past have been specific in nature, and broadening to the strategic priorities would allow the latitude to respond to a variety of legislation with the safeguards of the Council's and the Town Manager's ability to agendize a proposal for full Council consideration.

CONCLUSION:

Moving forward, staff recommends that the Town Council use the strategic priorities as the legislative priorities.

ALTERNATIVES:

The Council could choose to set a separate list of legislative priorities that does not match the strategic priorities. This is not recommended as it would be inconsistent with the objective to focus on the Town's strategic priorities. In addition, given the limited bandwidth for the work associated with legislative affairs, any staff work dedicated to legislation would likely already be related to the Town's existing strategic priorities.

COORDINATION:

This report was coordinated with all Town Departments.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:
1. Council Policy #2-18: Legislative Policy
2. Current Town Strategic Priorities
3. Current Legislative Priorities

TOWN OF LOS GATOS CALIFORNIA

COUNCIL POLICY MANUAL

Small Town Service *Community Stewardship* *Future Focus*

Title: Legislative Policy	**Policy Number:** 2-18
Effective Date: 10/5/16	**Pages:** 3
Enabling Actions:	**Revised Date:** 9/5/23
Approved: M. Laurel Rogers	

PURPOSE

The purposes of the Legislative Policy are to: identify opportunities for the Town to participate in state, federal, and regional legislation and other policy matters, and describe a process for Town positions, actions, and related activities.

BACKGROUND

Council Members have the opportunity to learn of legislative issues from their work on the Council, general awareness of current topics, and their service on other Board and Committees as representatives of the Town. The Town Manager encourages all Town Departments to monitor and be knowledgeable of any legislative issues related to their disciplines. The Town Manager and Town Attorney similarly stay engaged with their professions as well as monitor the activities of the League of California Cities and other organizations. The Town benefits from a Legislative Policy to articulate overarching legislative principles to guide the Town's engagement in the legislative process as outlined in this Policy.

LEGISLATIVE PRINCIPLES

The Town should take a position and advocate for the position when proposed federal, state, County, or other agency legislative or measure has a potential direct impact on the Town. Direct impact includes and is not limited to issues of local control, revenue reductions, grant eligibility, unfunded mandates and regulatory burdens.

POLICY GOALS

1. Advocate the Town's legislative interests at the federal, state, regional, and County levels.
2. Inform and provide information to our legislators, Town Council, and staff on the key issues and legislation that could have potential impact on the Town.
3. Serve as an active participant with other local governments, the League of California Cities, local profession organizations, and/or other entities on legislative/regulatory issues that are important to the Town and our region.
4. Seek grant and funding assistance for Town projects, services, and programs to enhance services for our community.

LEGISLATIVE STRATEGIES

1. Communicate legislative positions on proposed federal, state, and County legislation, measures, initiatives, and governmental regulations.
2. Work with Town Departments to develop positions on proposed federal and state legislative measures based on analysis done by the League of California Cities, communication with legislators' offices, and other local government/professional associations in formulating our positions.
3. Take positions only on proposals that clearly impact our Town or are a threat to local control.
4. Actively track key bills through the legislative process, utilizing various legislative websites, government/professional associations, and other means.
5. Communicate the Town's position to our federal, state, regional, and County members, bill author(s), Committees, and/or other governmental bodies through correspondence, testimony, and in-person meetings.
6. Work cooperatively with other cities, associations and the League of California Cities on advocating our legislative positions.
7. As necessary, participate in the drafting and amending of proposed federal, state, regional, and/or County measures that have the potential to significantly impact the Town.
8. Meet with legislators and their representatives, as well as other federal, state, regional, and/or County government officials on a regular basis to discuss local government issues, proposed legislation, requests for funding assistance, and Town programs and services.
9. Seek federal, state, and County funding through earmarks, grants, and other discretionary funding for Town projects, services, and programs.
10. Annually identify Town projects for potential submittal for federal earmark consideration and develop a submittal packet for legislators that provides information and need for the projects.
11. Provide information to Town Departments on potential grant funding opportunities and recognition programs.
12. Advocate and request letters of support for Town projects and grant applications or other resources that are being considered for federal, state, regional, and/or County funding.

LEGISLATIVE POSITION PROCESS

The Town Council will review and adopt the Town's Legislative Priorities annually to support Town Council Members in discussions with legislators and to provide guidance as the Town considers which legislative proposals to track and/or take a position.

The process for responding to legislative proposals is as follows:

1. If the Town Manager and/or Town Attorney determines that a legislative proposal may impact the Town and a Town position (including but not limited to support, watch, or oppose) would be in clear alignment with the Legislative Priorities, a letter outlining the

Town's position can be drafted for the Mayor's signature. While there may be many legislative proposals for which a Town position would be in alignment with the Legislative Priorities, only the most pressing proposals will be acted on and will be subject to staff capacity. If the Town Manager and/or Town Attorney determines that a legislative proposal falls outside of the Legislative Priorities, the proposal will need to be considered by the Town Council prior to a position being taken.

2. The Town Manager or designee will circulate the draft position letter to the Town Council for its information. Any Council Member can request that the position letter be placed on the next Town Council agenda for consideration.
3. If the legislative proposal is not placed on a future agenda, staff will finalize the position letter for the Mayor's signature and forward the signed letter to the bill's author, the League of California Cities, and/or other stakeholders as deemed appropriate.
4. A copy of the final letter will be distributed to the Town Council.

APPROVED AS TO FORM:

Gabrielle Whelan, Town Attorney

Strategic Priorities

CORE GOALS: COMMUNITY CHARACTER | GOOD GOVERNANCE | FISCAL STABILITY | QUALITY PUBLIC INFRASTRUCTURE | CIVIC ENGAGEMENT | PUBLIC SAFETY

Top Priorities

- Further the Town's emergency preparedness, resiliency, and response capabilities, particularly in the area of wildfire risk. (Goal: Public Safety)
- Ensure prudent financial management to result in structurally balanced five-year forecasts and fully funded five-year Capital Improvement Plans, managing liabilities such as pension costs and leveraging the Town's assets, efficiencies, partnerships, and revenue streams. Define and implement a cohesive deferred capital improvement program for Town facilities and lifecycle assets. (Goal: Fiscal Stability)
- Preserve the Town's small-town charm and provide a range of housing opportunities and historic neighborhoods, while diligently maintaining and implementing the Housing Element. (Goal: Community Character)

Additional Priorities

- Develop structure to ensure accountability of how funding resources move forward the Town's core goals and priorities. (Goal: Fiscal Stability)
- Implement transportation demand management, traffic calming, and other innovative efforts to mitigate traffic congestion and improve safety for all users, including bicycle and pedestrian improvements. (Goal: Quality Public Infrastructure)
- Manage downtown parking that is easy to access and locate for residents and visitors. (Goal: Quality Public Infrastructure)
- Promote sustainability practices and protect and conserve the natural environment for present and future generations. (Goal: Community Character)
- Foster the economic vitality of businesses in Town. (Goal: Community Character)
- Ensure all residents and visitors feel a sense of belonging in Los Gatos, maintaining and enhancing the Town as a welcoming, family-oriented, safe, and inclusive community. (Goal: Civic Engagement)
- Continue to engage community service providers to meet the needs of older adults. (Goal: Civic Engagement)
- Continue to engage community service providers to meet the individualized and complex needs of unhoused residents, while pursuing a more coordinated regional approach. (Goal: Civic Engagement)

Current Legislative Priorities:

Active Priorities:

1. Oppose California Business Roundtable Measure: This measure is slated to appear on the November 2024 ballot. It would revise the California Constitution with provisions that limit voters' authority and input, adopt new and stricter rules for raising taxes and fees, and may make it more difficult to impose fines and penalties for violation of state and local laws. The measure puts billions of local government tax and fee revenues at risk statewide with related core public service impacts. The measure includes a provision that any taxes and fees adopted after January 1, 2022 that do not comply with the new rules are void unless reenacted. The League of California Cities recommends opposing this measure on their "Take Action" webpage (Attachment 3). The Town has already submitted a letter with an "oppose" position.

2. Monitor AB 3109 (Muratsuchi) – Theft: Existing law, the Safe Neighborhoods and Schools Act, enacted as an initiative statute by Proposition 47, as approved by the electors at the November 4, 2014, statewide general election, makes the theft of money, labor, or property petty theft punishable as a misdemeanor whenever the value of the property taken does not exceed $950 and grand theft when the value exceeds $950. Proposition 47 requires shoplifting, defined as entering a commercial establishment with the intent to commit larceny if the value of the property taken does not exceed $950, to be punished as a misdemeanor. The bill would, if a person has one conviction for a specified theft offense, make a second or subsequent conviction punishable by imprisonment in the county jail not exceeding one year, or 16 months, or 2 or 3 years. This bill contains other related provisions and other existing laws.

3. Clarifications regarding SB 9: The Town may want to support legislation that clarifies SB 9 lot splits and developments in Very High Fire Hazard Severity Zones.

Passive Priorities:

4. Fire Protection and Insurance: Fire protection is one of the Town Council's Strategic Priorities and the Town may want to support legislation that furthers fire protection funding and efforts that could be beneficial to the Town. Legislation to ensure the availability of fire insurance for residents could become more important if insurance becomes harder to obtain.

5. Beach Traffic: Legislation to support the Town in reducing impacts of beach cut-through traffic could be beneficial. One possibility could involve prohibiting

navigation applications from directing cut-through traffic through High Fire Severity Zones on high fire risk days.

6. Protect Vehicle License Fee (VLF) and Educational Revenue Augmentation Fund (ERAF): As the State may consider how it will address future budget shortfalls, it is critical that the State not take funding from local government. In the past, these two funding sources have been redirected to the State for its own budgeting purposes.

7. Internet Sales Tax: With the exception of our Measure G district sales tax, internet sales tax goes into a pool and is distributed based on a jurisdiction's share of the overall sales tax collected in the respective County. In contrast, the Town's Measure G district sales tax is distributed based on the buyer's location, yielding higher revenue for the Town. The Town may want to support changes to the general distribution of sales tax that would benefit Los Gatos.

8. Mental Health: Mental health support is important to the Los Gatos community and the Town may want to support legislation that furthers mental health through funding, emphasis in Policing, or other methods could be beneficial to the Town.

9. Housing: When effective, the Town may have interest in participating in certain housing bills.

10. Unfunded Mandates: Unfunded mandates strain the Town's already limited resources and should be opposed.

11. Water: Support local water agency requests when beneficial to the Town.

12. Transportation – Speeding: The Town may want to support legislation to reduce speeding that could be beneficial for the Town.

13. Misuse of Artificial Intelligence in Elections: Support legislation aimed at protecting elections from misinformation and the potential misuse of artificial intelligence and deepfake technology, including SB 1228 (Padilla), AB 2839 (Pellerin), and AB 2655 (Burman).