TOWN OF LOS GATOS
COUNCIL MEETING AGENDA
JUNE 21, 2022
TELECONFERENCE
7:00 P.M.

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

PARTICIPATION IN THE PUBLIC PROCESS

How to participate: The Town of Los Gatos strongly encourages your active participation in the public process, which is the cornerstone of democracy. If you wish to speak to an item on the agenda, please follow the participation instructions on page 2 of this agenda. If you wish to speak to an item NOT on the agenda, you may do so during the "Verbal Communications" period, by following the participation instructions on page 2 of this agenda. The time allocated to speakers may change to better facilitate the Town Council meeting.

Effective Proceedings: The purpose of the Town Council meeting is to conduct the business of the community in an effective and efficient manner. For the benefit of the community, the Town of Los Gatos asks that you follow the Town's meeting guidelines while attending Town Council meetings and treat everyone with respect and dignity. This is done by following meeting guidelines set forth in State law and in the Town Code. Disruptive conduct is not tolerated, including but not limited to: addressing the Town Council without first being recognized; interrupting speakers, Town Council or Town staff; continuing to speak after the allotted time has expired; failing to relinquish the podium when directed to do so; and repetitiously addressing the same subject.

Deadlines for Public Comment and Presentations are as follows:

- Persons wishing to make an audio/visual presentation on any agenda item must submit the presentation electronically, either in person or via email, to the Clerk's Office no later than 3:00 p.m. on the day of the Council meeting.
- Persons wishing to submit written comments to be included in the materials provided to Town Council must provide the comments as follows:
  - For inclusion in the regular packet: by 11:00 a.m. the Thursday before the Council meeting
  - For inclusion in any Addendum: by 11:00 a.m. the Monday before the Council meeting
  - For inclusion in any Desk Item: by 11:00 a.m. on the day of the Council Meeting

Town Council Meetings Broadcast Live on KCAT, Channel 15 (on Comcast) on the 1st and 3rd Tuesdays at 7:00 p.m.
Rebroadcast of Town Council Meetings on the 2nd and 4th Mondays at 7:00 p.m.
Live & Archived Council Meetings can be viewed by going to:
www.LosGatosCA.gov/TownYouTube

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN THIS MEETING, PLEASE CONTACT THE CLERK DEPARTMENT AT (408) 354-6834. NOTIFICATION 48 HOURS BEFORE THE MEETING WILL ENABLE THE TOWN TO MAKE REASONABLE ARRANGEMENTS TO ENSURE ACCESSIBILITY TO THIS MEETING [28 CFR §35.102-35.104]

TOWN OF LOS GATOS
COUNCIL MEETING AGENDA
JUNE 21, 2022
7:00 PM

IMPORTANT NOTICE

This meeting is being conducted utilizing teleconferencing and electronic means consistent with Government Code Section 54953, as Amended by Assembly Bill 361, in response to the state of emergency relating to COVID-19 and enabling teleconferencing accommodations by suspending or waiving specified provisions in the Ralph M. Brown Act (Government Code § 54950 et seq.). Consistent with AB 361 and Town of Los Gatos Resolution 2021-044, this meeting will not be physically open to the public and the Council will be teleconferencing from remote locations. Members of the public can only participate in the meeting by joining the Zoom webinar (log in information provided below).

PARTICIPATION

To provide oral comments in real-time during the meeting:

- **Zoom webinar**: Join from a PC, Mac, iPad, iPhone or Android device: Please click this URL to join: https://losgatosca-gov.zoom.us/j/87009605582?pwd=K1kxWHZkakNlL1QrY2d0NjFBUXJuQT09. Passcode: 071561. You can also type in 870 0960 5582 in the "Join a Meeting" page on the Zoom website at https://zoom.us/join.
- **Join by telephone**: Join by Telephone: Dial: USA 877 336 1839 US Toll-free or 636-651-0008 US Toll. Conference code: 969184

When the Mayor announces the item for which you wish to speak, click the "raise hand" feature in Zoom. If you are participating by phone on the Zoom app, press *9 on your telephone keypad to raise your hand. If you are participating by calling in, press #2 on your telephone keypad to raise your hand.

When called to speak, you will be asked to provide your full name and your town/city of residence. This identifying information is optional and not a requirement for participation. Please limit your comments to **two (2) minutes**, or such other time as the Mayor may decide, consistent with the time limit for speakers at a Council meeting.
If you wish to speak to an item or items on the Consent Calendar, please state which item number(s) you are commenting on at the beginning of your time.

If you are unable to participate in real-time, you may email to PublicComment@losgatosca.gov the subject line "Public Comment Item #__ " (insert the item number relevant to your comment) or "Verbal Communications – Non-Agenda Item." Comments received by 11:00 a.m. the day of the meeting will be reviewed and distributed before the meeting. All comments received will become part of the record.

REMOTE LOCATION PARTICIPANTS *The following Council Members are listed to permit them to appear electronically or telephonically at the Town Council meeting: MAYOR ROB RENNIE, VICE MAYOR MARIA RISTOW, COUNCIL MEMBER MARY BADAME, COUNCIL MEMBER MATTHEW HUDES, and COUNCIL MEMBER MARICO SAYOC. All votes during the teleconferencing session will be conducted by roll call vote.*

LENGTH OF ALL PUBLIC COMMENTS *All public comments for all agenda items, including verbal communications, will be limited to* ***two minutes****.*

RULES OF DECORUM AND CIVILITY
To conduct the business of the community in an effective and efficient manner, please follow the meeting guidelines set forth in the Town Code and State law.

The Town does not tolerate disruptive conduct, which includes but is not limited to:

- addressing the town Council without first being recognized;
- interrupting speakers, Town Council, or Town staff;
- continuing to speak after the allotted time has expired;
- failing to relinquish the microphone when directed to do so;
- repetitiously addressing the same subject.

Town Policy does not allow speakers to cede their commenting time to another speaker. Disruption of the meeting may result in a violation of Penal Code 403.

MEETING CALLED TO ORDER

ROLL CALL

PRESENTATIONS

i. Safe Routes to School (SR2S) Annual Report.

COUNCIL / MANAGER MATTERS

CONSENT ITEMS *(Items appearing on the Consent Items are considered routine Town business and may be approved by one motion. Any member of the Council may request to have an item removed 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 contained on Page 2 of this agenda. If an item is removed, the Mayor has the sole discretion to determine when the item will be heard.)*

1. Approve the Draft Minutes of the Town Council Special Meeting on June 7, 2022 - Commissioner Interviews.
2. Approve Draft Minutes of the June 7, 2022 Town Council Meeting.
3. Adopt a Resolution Reaffirming Resolution 2021-044 Regarding Brown Act Compliance and Teleconferencing and Making Findings Pursuant to Government Code Section 54953, as Amended by Assembly Bill 361, During the COVID -19 Pandemic.
4. Receive Fiscal Year 2020/21 Federal Single Audit Report and Corrective Action Plan.

5. Authorize the Town Manager to Execute a Three-Year Agreement with Microsoft to Purchase Software Licensing Through Dell Technologies in an Amount Not to Exceed $250,000.
6. Authorize the Town Manager to Execute an Agreement for Consultant Services with Monarch Consulting to Provide Services as Arborist Consultant to the Town.
7. Authorize the Town Manager to Execute an Agreement for Consultant Services with Walter Levison to Provide Services as Arborist Consultant to the Town.
8. Authorize the Town Manager to Execute an Agreement for Consultant Services with Larry Cannon, Cannon Design Group to Provide Services as Architectural Consultant to the Town.
9. Authorize the Town Manager to Submit Applications in the One Bay Area Grant Program.
10. Authorize the Town Manager to Execute a Five-Year Agreement for Services with Brightview Landscape Services, Inc. for Landscape Maintenance Services in an Amount of $167,402 Annually, Plus an Additional Five Percent ($8,370) for Unforeseen Services for a Total Annual Amount Not to Exceed $175,772, and a Total Agreement Base Amount Valued at $878,860 Prior to Any Increase Adjustments Made for Consumer Price Index (CPI).
11. Accept the Complete Streets and Transportation Commission's Recommendation to Not Proceed with a Pilot Program with Any Electric Scooter Providers.
12. Approve an Amendment to the Classification Plan to Create a Flexibly Staffed Police Records Specialist Job Series.
13. Authorize the Following Actions Related to the Cal OES Pass Through Grant Subaward:
    a. Accept a California Governor's Office of Emergency Services (Cal OES) Pass Through Grant Subaward in the Amount of $7,000,000 for Public Safety and Emergency Resiliency;
    b. Authorize a Revenue and Expenditure Budget Adjustment in the Amount of $7,000,000 to Receive and Disburse the Subaward; and
    c. Authorize the Town Manager to Execute Subrecipient Agreements with the Implementing Agencies to Disburse the Cal OES Pass Through Grant Subaward Based on the Original Grant Request.
14. Authorize the Town Manager to Execute a Five-Year Agreement with Tyler Technologies to Provide Enterprise Resource Planning (ERP) Software Implementation and Ongoing Support for the Town of Los Gatos for $1,147,328 plus a 10% contingency for a Total Agreement Amount Not to Exceed $1,262,061.
15. Authorize the Town Manager to Execute a Second Amendment to the Agreement for Audit Services with Badawi and Associates to Increase Compensation by $5,400 for a Total Contract Amount Not to Exceed $173,385.
16. Operating and Capital Budgets:
    a. Adopt a Resolution Approving the Town of Los Gatos Fiscal Year (FY) 2022/23 Operating Budget and FY 2022/23 – 2026/27 Capital Improvement Program (CIP), New Appropriations, Additional Council Actions on May 17, 2022 and Revisions Related to Salary and Benefit Costs as Presented in the Labor Agreements Agenda Reports on June 7, 2022; American Rescue Plan Act Budget Adjustment, Minor Corrections, and Carry-Forward Appropriations.
    b. Adopt a Resolution Approving Commitment of Fund Balances under GASB 54.

c. Approve FY 2021/22 Budget Adjustments:
   1) Major Revenue Adjustments to Match Year-End Estimated Revenues as Directed by the Town Council on May 17, 2022; and as Determined from Updated Information
      i. Property Tax Revenue Increase in the Amount of $582,609,
      ii. Sales Tax Revenue Increase in the Amount of $428,828 ($361,806 in regular Sales Tax and $67,022 in Measure G Sales Tax)
      iii. Business License Tax Revenue Increase in the Amount of $175,000,
      iv. Transient Occupancy Tax Increases in the Amount of $75,000, and
      v. Recognize $36,308 General Fund Salary Reimbursement for Capital Improvement Staff Work.
   2) Expenditure Increases to Reflect Past Actions:
      i. In the Amount of $300,000 to expense the $300,000 available General Fund Pension/OPEB Reserve to the CEPPT Trust.
      ii. In the Amount of $136,308 General Fund Salary Reimbursement for Capital Improvement Staff Work.
   3) Approve American Rescue Plan Act Budget Adjustments.

17. Receive an Update on the Dittos Lane Affordable Housing Project.

VERBAL COMMUNICATIONS *(Members of the public are welcome to address the Town Council on any matter that is not listed on the agenda by following the Participation Instructions contained on page 2 of this agenda. To ensure all agenda items are heard, this portion of the agenda is limited to 30 minutes and* ***no more than two (2) minutes per speaker.*** *In the event additional speakers were not able to be heard during the initial Verbal Communications portion of the agenda, an additional Verbal Communications will be opened prior to adjournment.)*

PUBLIC HEARINGS *(Applicants/Appellants and their representatives may be allotted up to a total of five minutes maximum for opening statements. Members of the public may be allotted* ***up to two (2) minutes*** *to comment on any public hearing item. Applicants/Appellants and their representatives may be allotted up to a total of three minutes maximum for closing statements. Items requested/recommended for continuance are subject to Council's consent at the meeting.)*

18. Conduct Brush Abatement Program Public Hearing to Consider Objections to the Proposed Removal of Brush on Parcels Listed on the 2022 Wildland Urban Interface (WUI) Area Non-Compliant Parcel List and Order Abatement of the Public Nuisance and Potential Fire Hazard Pursuant to the Town of Los Gatos Municipal Code (Chapter 9) Regarding Defensible Space.
19. Authorize the Following Actions for Landscape and Lighting Assessment Districts No. 1 and 2:
    a. Adopt a Resolution Confirming the Diagram and Assessments and Levying and Authorizing Collection of Assessments for Landscape and Lighting Assessment District No. 1-Blackwell Drive Benefit Zone.
    b. Adopt a Resolution Confirming the Diagram and Assessments and Levying and Authorizing Collection of Assessments for Landscape and Lighting Assessment District No. 1-Kennedy Meadows Benefit Zone.

c. Adopt a Resolution Confirming the Diagram and Assessments and Levying and Authorizing Collection of Assessments for Landscape and Lighting Assessment District No. 1-Santa Rosa Heights Benefit Zone.
d. Adopt a Resolution Confirming the Diagram and Assessments and Levying and Authorizing Collection of assessments for Landscape and Lighting Assessment District No. 1-Vasona Heights Benefit Zone.
e. Adopt a Resolution Confirming the Diagram and Assessments and Levying and Authorizing Collection of assessments for Landscape and Lighting Assessment District No. 1-Hillbrook Drive Benefit Zone.
f. Adopt a Resolution Confirming the Diagram and Assessments and Levying and Authorizing Collection of assessments for Landscape and Lighting Assessment District No. 2-Gemini Court Benefit Zone.

OTHER BUSINESS *(Up to **two (2) minutes** may be allotted to each speaker on any of the following items.)*

20. Approve Senior Services Roadmap Goals as Recommended by the Senior Service Committee.
21. Receive a Report on the June, 16, 2022 Promenade Event and Provide Additional Direction to Staff on Event Format or Other Provisions if Needed.
22. Receive the Town of Los Gatos Business License Analysis and Ordinance Review, Direct Staff to Continue Research and Public Outreach, and Return to Town Council on August 2, 2022 with Proposed Ballot Measure Language to Modernize and Create a More Equitable Business License Tax Structure.
23. Maintain a Ban on Cannabis Businesses in Los Gatos and Consider a Ballot Measure to Tax Cannabis Businesses.

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

Writings related to an item on the Town Council meeting agenda distributed to members of the Council within 72 hours of the meeting are available for public inspection at the front desk of the Los Gatos Town Library, located at 100 Villa Avenue, and are also available for review on the official Town of Los Gatos website.

Note: The Town of Los Gatos has adopted the provisions of Code of Civil Procedure §1094.6; litigation challenging a decision of the Town Council must be brought within 90 days after the decision is announced unless a shorter time is required by State or Federal law.

DRAFT
Minutes of the Town Council Special Meeting – Commissioner Interviews
June 21, 2022

The Town Council of the Town of Los Gatos conducted a special meeting utilizing teleconference and electronic means consistent with Government Code Section 54953, as Amended by Assembly Bill 361, in response to the state of emergency relating to COVID-19 and enabling teleconferencing accommodations by suspending or waiving specified provisions in the Ralph M. Brown Act (Government Code § 54950 et seq.) and Town of Los Gatos Resolution 2021-044 on Tuesday, June 7, 2022, at 6:00 p.m. to conduct Boars, Commission, and Committee interviews.

MEETING CALLED TO ORDER AT 6:02 P.M.

ROLL CALL
Present: Mayor Marico Sayoc, Vice Mayor Rob Rennie, Council Member Mary Badame, Council Member Matthew Hudes, Council Member Maria Ristow. (All participating remotely).
Absent: None

VERBAL COMMUNICATIONS
None.

BOARD/COMMISSION/COMMITTEE INTERVIEWS
Council interviewed applicants for the vacant positions on Town Boards, Commissions, and Committees.

- **Building Board of Appeals** (1 vacancy, 0 applicants)

- **Community Health and Senior Services Commission** (2 vacancies, 1 applicant)
  - Pradeep Khanal

- **Historic Preservation Committee** (1 vacancy, 2 applicants)
  - Susan Burnett
  - Alan Feinberg

- **Parks Commission** (2 vacancies, 3 applicants)
  - Brant Corenson
  - Craig Gleason
  - Pradeep Khanal

Board/Commission/Committee Interviews – continued

- **Personnel Board** (1 vacancies, 0 applicants)

ADJOURNMENT
The meeting adjourned at 6:48 p.m.

Respectfully Submitted:

_____
Jenna De Long, Deputy Town Clerk

DRAFT
Minutes of the Town Council Meeting
June 7, 2022

The Town Council of the Town of Los Gatos conducted a regular meeting utilizing teleconference and electronic means consistent with Government Code Section 54953, as Amended by Assembly Bill 361, in response to the state of emergency relating to COVID-19 and enabling teleconferencing accommodations by suspending or waiving specified provisions in the Ralph M. Brown Act (Government Code § 54950 et seq.) and Town of Los Gatos Resolution 2021-044 on Tuesday, June 7, 2022 at 7:00 p.m.

MEETING CALLED TO ORDER AT 7:00 P.M.

ROLL CALL
Present: Mayor Rob Rennie, Vice Mayor Maria Ristow, Council Member Mary Badame, Council Member Matthew Hudes, Council Member Marico Sayoc (all participating remotely).
Absent: None

PRESENTATIONS
i. Outgoing Youth Commissioner Commendation
ii. Youth Friendly Business of the Year
iii. Youth Friendly Green Business of the Year

Mayor Rennie presented Outgoing Youth Commissioner Commendations.

Youth Commissioner Chair Sasha Balasingham presented the Youth Friendly Business of the Year to Los Gatos Meats represented by Carol Chiala Coletti and Jennifer Chiala.

Youth Commissioner Vice Chair Quincy Scott presented the Youth Friendly Green Business of the Year award to Southern Kitchen represented by Sara Williams.

Youth Commissioner Chair Sasha Balasingham and Vice Chair Quincy Scott presented the Commission's highlights of the year.

BOARD, COMMISSION, AND COMMITTEE APPOINTMENTS
The Town Council appointed applicants for the vacant positions on Town Boards, Commission, and Committees.

- **Building Board of Appeals** (1 vacancy, 0 applicants)

Board/Commission/Committee Appointments – continued

- **Community Health and Senior Services Commission** (2 vacancies, 1 applicant)
  - Pradeep Khanal was appointed to an unexpired partial 3-year term.

- **Finance Commission** (1 vacancy, 0 qualified applicants)

- **Historic Preservation Committee** (1 vacancy, 2 applicants)
  - Susan Burnett was appointed to an unexpired partial 2-year term.
  - Alan Feinberg was not appointed.

- **Parks Commission** (2 vacancies, 3 applicants)
  - Craig Gleason was appointed to an unexpired partial 3-year term.
  - Brant Corenson was appointed to an unexpired partial 2-year term.
  - Pradeep Khanal was not appointed.

- **Personnel Board** (1 vacancies, 0 applicants)

CLOSED SESSION REPORT

Mayor Rennie stated Council met as duly noted on the agenda on June 1, 2022, and no action was taken deemed reportable under the Brown Act.

COUNCIL/TOWN MANAGER REPORTS

Council Matters

- Council Member Badame stated she attended the Sounds of Summer event and met with residents on a variety of topics.
- Council Member Sayoc stated she attended the Cal Cities Peninsula Division event to discuss Governor Newsom's CARE Court proposal and the Memorial Day Event at Los Gatos Memorial Park with Council Member Hudes.
- Vice Mayor Ristow stated she attended the Housing Element Advisory Board (HEAB) meeting with Council Member Sayoc, Green Streets for Sustainable Communities meeting, Senior Service Commission meeting, and Parks and Public Works Open House BBQ event; assisted staff and other volunteers with bike and pedestrian counts on Shannon Road and Blossom Hill Road; stated no qualified applicants applied for the Finance Commission and the deadline will be extended to sometime in the fall; and stood in for Mayor Rennie to deliver a congratulatory speech to the 8th grade graduating class at Hillbrook School.
- Council Member Hudes stated he attended the Senior Service Committee and Sub-Committee meetings, Emergency Operations Council (EOC), and Silicon Valley Regional Interoperability Authority (SVRIA) meetings; met with residents and separately with the Chamber of Commerce; and presented a Historic Preservation and Restoration Award to the homeowners on Broadway for restoration of their Victorian home.

Council Matters – continued

- Mayor Rennie stated he attended Bay Area Air Quality Management District (BAAQMD) Board, West Valley Mayors and Managers (WVM&M), and Silicon Valley Clean Energy Authority (SVCEA) Finance and Admin and Risk Oversight Committee meetings; participated in the SPENGA Ribbon Cutting, Italian Republic 76th Anniversary Celebration, and as a reactor for Russ Hancock's Class Project; and spoke at the Lions Club.

Manager Matters

- Announced a Housing Element Advisory Board meeting on June 16, 2022 via teleconference.
- Announced the Town Council will hold a special meeting on the Draft 2040 General Plan on June 20, 2022, via teleconference.
- Announced the Summer Reading Program will take place June 1 – July 31, 2022.
- Announced the annual Independence Day Celebration will take place at Oak Meadow Park on July 4, 2022.

CONSENT ITEMS (TO BE ACTED UPON BY A SINGLE MOTION)

1. Approve the Draft Minutes of the May 17, 2022 Town Council Meeting.
2. Approve Town Council Closed Session Meeting Minutes of June 1, 2022.
3. Adopt a Resolution Reaffirming Resolution 2021-044 Regarding Brown Act Compliance and Teleconferencing and Making Findings Pursuant to Government Code Section 54953, as Amended by Assembly Bill 361, During the COVID -19 Pandemic. **RESOLUTION 2022-032**
4. Ratify the Town Council Selection Committee's Recommended Youth Commissioner Appointments.
5. Adopt a Resolution Calling for the Holding of a General Municipal Election to be Held on November 8, 2022 for the Election of Three Town Council Members, Requesting the Santa Clara County Board of Supervisors Render Specified Services to the Town Related to the Conduct of the General Municipal Election, Adopting Regulations for Candidates for Elective Office Pertaining to Filing Fees and Candidate Statements, and Providing for the Process in the Event of a Tie Vote at the Election to be Held Tuesday, November 8, 2022. **RESOLUTION 2022-033**
6. Approve Town Council Meeting Schedule for 2022/2023 Fiscal Year.
7. Authorize the Town Manager to Execute a New Agreement with the Chamber of Commerce to Extend the Term of the Destination Marketing American Rescue Plan Act Grant.
8. Authorize the Town Manager to Execute an Extension of the LGS Recreation 55+ Senior Services American Rescue Plan Act Grant.
9. Authorize the Town Manager to Execute an Agreement for Services with the Los Gatos Chamber of Commerce to Manage the Town's Visitors Information Center Including a Visit Los Gatos Website, Related Social Media Pages, and Assist with Related Community Vitality Initiatives as Outlined in the Scope of Services in an Amount Not to Exceed $55,000.
10. Adopt a Resolution Establishing the Fiscal Year 2022/23 Gann Appropriation Limit for the Town of Los Gatos. **RESOLUTION 2022-034**

Consent Items - continued

11. Operating and Capital Budgets
    a. Adopt a Resolution Approving the Town of Los Gatos Fiscal Year (FY) 2022/23 Operating Budget and FY 2022/23 – 2026/27 Capital Improvement Program (CIP), New Appropriations, Additional Council Actions on May 17, 2022 and Revisions Related to Salary and Benefit Costs as Presented in the Labor Agreements Agenda Reports on June 7, 2022; American Rescue Plan Act Budget Adjustment, Minor Corrections, and Carry-Forward Appropriations
    b. Adopt a Resolution Approving Commitment of Fund Balances under GASB 54.
    c. Approve FY 2021/22 Budget Adjustments:
        1) Major Revenue Adjustments to Match Year-End Estimated Revenues as Directed by the Town Council on May 17, 2022; and as Determined from Updated Information
            i. Property Tax revenue Increase in the Amount of $582,609,
            ii. Sales Tax Revenue Increase in the Amount of $428,828 ($361,806 in regular Sales Tax and $67,022 in Measure G Sales Tax)
            iii. Business License Tax Revenue Increase in the Amount of $175,000,
            iv. Transient Occupancy Tax Increases in the Amount of $75,000, and
            v. Recognize $36,308 General Fund Salary Reimbursement for Capital Improvement Staff Work.
        2) Expenditure Increases to Reflect Past Actions:
            i. In the Amount of $300,000 to expense the $300,000 available General Fund Pension/OPEB Reserve to the CEPPT Trust.
            ii. In the Amount of $36,308 General Fund Salary Reimbursement for Capital Improvement Staff Work.
        3) Approve American Rescue Plan Act Budget Adjustments.
12. Adopt a Resolution Approving the Parcel Map for 16940 Roberts Road and Accepting Dedications. **RESOLUTION 2022-035**
13. Adopt a Resolution Approving the Parcel Map for 105 Newell Avenue and Accepting the Public Service Easement Dedication. **RESOLUTION 2022-036**
14. Authorize the Town Manager to Execute a First Amendment to the Consultant Services Agreement with Ninyo and Moore for the On-Call Materials Testing and Special Inspection Services to Increase the Contract Amount by $100,000, for a Total Contract Amount Not to Exceed $280,000, and Extend the Contract Term.
15. Authorize the Town Manager to Execute an Agreement for Services with Shaw Industries Inc. for Flooring Replacement at the Adult Recreation Center in an Amount of $133,920.59 Including a 5% for Unanticipated Services, for a Total Agreement Amount Not to Exceed $140,616.61.
16. Authorize the Town Manager to Execute a Second Amendment to the Consultant Services Agreement with Dixon Resources Unlimited for the Comprehensive Downtown Parking Study to Extend the Contract Term.

Consent Items - continued

17. Authorize the Town Manager to Execute a First Amendment to the Agreement for Services with Universal Site Services to Extend the Term through August 31, 2022 and Increase Compensation for Fiscal Year 2021/22 by $500 and Fiscal Year 2022/23 by $9,511.11 for a Total Amended Amount Not to Exceed $197,748.11.
18. Authorize the Town Manager to Execute a Fourth Amendment to the Agreement for Services with Brightview Tree Care Services, Inc. to Increase Compensation for Fiscal Year 2021/22 in an Amount of $30,000 for a Total Annual Amount Not to Exceed $155,000, for a Total Agreement Amount Not to Exceed $996,000.
19. Approve a Labor Agreement Between the Town of Los Gatos and the Police Officers' Association and Authorize the Town Manager to Execute the Memorandum of Understanding.
20. Approve a Labor Agreement Between the Town of Los Gatos and the Town Employees' Association and Authorize the Town Manager to Execute the Memorandum of Understanding.
21. Approve a Labor Agreement Between the Town of Los Gatos and the American Federation of State, County, and Municipal Employees and Authorize the Town Manager to Execute the Memorandum of Understanding.
22. Approve Cost of Living Increases for Unrepresented Management, Confidential, and Temporary/Hourly Employees; One-Time Non-PERSable Bonuses for Confidential and Management; and a 5% Market Adjustment for Confidential and Temporary/Hourly Employees.

Council Member Hudes pulled items 7, 9, 11, and 19 - 22.

Opened public comment.

No one spoke.

Closed public comment.

MOTION: **Motion** by **Council Member Badame** to approve Consent Items 1 through 6, 8, 10, and 12 through 18. **Seconded** by **Vice Mayor Ristow.**

VOTE: **Motion passed unanimously.**

VERBAL COMMUNICATIONS

Joanne Rodgers

- Read an article that stated marijuana causes a rise in violent crime and mental health issues.

Verbal Communications – continued

Susan Burnett
- Continued reading the article that stated marijuana causes a rise in violent crime and mental health issues.

Joe Rodgers
- Continued reading the article that stated marijuana causes a rise in violent crime and mental health issues.

Diana Pleasant
- Shared an interview of a parent detailing the negative experiences of her son's marijuana use.

Lee Fagot
- Commented in opposition of allowing marijuana dispensaries in the Town.

OTHER BUSINESS

23. Consider the Draft Site Inventory as Recommended by the Housing Element Advisory Board (HEAB).

Jocelyn Shoopman, Associate Planner, presented the staff report.

Opened public comment.

Don Capobres, Grosvenor Americas
- Commented on his letter contained in the Desk Item and the ability for Grosvenor and Eden Housing to deliver the affordability mix shown in the Draft General Plan for the North 40 Phase II.

Closed public comment.

Council discussed the item.

Other Business Item #23 – continued

MOTION: **Motion** by **Council Member Hudes** to 1) not exceed the Regional Housing Needs Assessment (RHNA) allocation by more than a 15% buffer but analyze additional sites that could be included if the California Department of Housing and Community Development (HCD) rejects the Housing Element and wait until the Housing Element is accepted or rejected before proposing anything in excess of the RHNA plus 15%; 2) staff to work with the Town Council, Planning Commission, and HEAB to develop a set of principles by which sites are prioritized and selected; 3) utilize projections based on Senate Bill 9 (SB9) per HCD guidance in its Fact Sheet dated March 2022 and any other guidance or experience from other communities; 4) drop the North 40 282 units from Tier 1 or increase the number of units such that it complies with the 30 units per acre density; 5) obtain a vote by the HEAB on recommended sites that meet the principles and criteria with clear link of the sites to the criteria; and 6) bring the work product back to Council including survey results and the balancing act tool with the HEAB recommendations. **Seconded** by **Council Member Badame.**

VOTE: **Motion fails 2/3. Mayor Rennie, Vice Mayor Ristow, and Council Member Sayoc voting no.**

MOTION: **Motion** by **Vice Mayor Ristow** to approve the Tier 1 sites as presented in the report. **AMENDMENT**: Direct staff to project SB9 units. **Seconded** by **Council Member Sayoc.**

VOTE: **Motion passes 3/2; Council Members Hudes and Badame voting no.**

Recess 9:07
Reconvene 9:19 p.m.

24. Discuss and Provide Direction on Proposed Electrification Reach Codes for the 2022 Green Building Standards Code.

Robert Gray, Chief Building Official, presented the staff report. Anthony Eulo, Silicon Valley Clean Energy Authority, gave a presentation.

Opened public comment.

Jessie Bristow, Swanson Builders
- Commented on aesthetic and utility access requirements by PG&E.

Rob Stump
- Commented on availability of electric supply.

Other Business Item #24 – continued

Closed public comment.

Council discussed the item.

MOTION: **Motion** by **Council Member Badame** to accept the proposed electrification reach codes for the 2022 Green Building Standards Codes as stated in the staff report. **Seconded** by **Council Member Hudes.**

VOTE: **Motion passes unanimously.**

25. Provide Direction Regarding a Potential Land Acknowledgement Regarding Aboriginal Homeland.

Holly Zappala, Management Analyst, presented the staff report.

Opened public comment.

Kylie Clark, Los Gatos Anti-Racism Coalition
- Commented in support of adopting a land acknowledgement.

Craig Gleason
- Commented in support of adopting a land acknowledgement.

Emeric Bisbee
- Commented in support of adopting a land acknowledgement.

Jeffrey Suzuki
- Commented in support of adopting a land acknowledgement.

Ali Miano
- Commented in support of adopting a land acknowledgement.

Rob Moore, Los Gatos Anti-Racism Coalition
- Commented in support of adopting a land acknowledgement.

Closed public comment.

Council discussed the item.

Other Business Item #25 – continued

MOTION: **Motion** by **Vice Mayor Ristow** to approve staff to move forward with work on a land acknowledgement using the following alternatives from page 3 of the staff report #1 - modify the Town Council Agenda Format and Rules Policy to include a Land Acknowledgement Statement to be read aloud prior to each Town Council and/or Board, Commission, and Committee meeting; #4 - post a Land Acknowledgement Statement on the Town website, including links for more information; #5 - deliver a Land Acknowledgement Statement at Town events such as Spring into Green, Fourth of July, Symphony in the Park, Screen on the Green, Tree Lighting, etc.; and #6 - begin Library programs by reading a Land Acknowledgement Statement. **AMENDMENT**: incorporate the ongoing work that NUMU has started. **Seconded** by **Council Member Sayoc.**

VOTE: **Motion fails 2/3. Mayor Rennie, Council Member Hudes, Council Member Badame voting no.**

MOTION: **Motion** by **Council Member Sayoc** to 1) approve a Land Acknowledge Statement with the wording to be determined at a later date with engagement of the tribal parties involved; 2) that the Land Acknowledgement Statement will be used at the start of significant Town Council events and meetings and that those exact meetings will be determined once the language of the Land Acknowledgement Statement has been crafted and comes back to the Town Council; 3) devote resources to creating a Land Acknowledgement Statement; and 4) the Land Acknowledgement Statement will be posted to the Town website, included on written materials, and what will be read aloud will be determined at a later date based on the length of the Land Acknowledgement Statement. **Seconded** by **Vice Mayor Ristow.**

VOTE: **Motion passes unanimously.**

26. Discuss and Identify the Town Council's Objectives for the Summer Promenade Event Series and Provide Direction as Necessary for Modifications to the Conditional Letter of Approval.

Laurel Prevetti, Town Manager, presented the staff report.

Opened public comment.

Kylie Clark
- Commented in opposition of the beer garden only alcohol distribution model.

Ginger Rowe, Time Out Clothing
- Commented in opposition of the beer garden only alcohol distribution model.

Other Business Item #26 – continued

Jim Foley, Los Gatos Food & Wine Group, Chamber of Commerce
- Commented in opposition of the beer garden only alcohol distribution model.

Brian Bernasconi
- Commented in opposition of the beer garden only alcohol distribution model.

Randi Chen, Chamber of Commerce
- Commented in opposition of the beer garden only alcohol distribution model.

Rob Moore
- Commented in opposition of the beer garden only alcohol distribution model.

Donna McCurrie
- Commented in opposition of the beer garden only alcohol distribution model.

Catherine Somers, Chamber of Commerce Executive Director
- Commented in opposition of the beer garden only alcohol distribution model.

Closed public comment.

Council discussed the item.

MOTION: **Motion** by **Council Member Sayoc** to eliminate beer gardens and required the Chamber to: 1) provide alcohol dispensing points where identification will be checked and wristbands will be issued by paid staff; 2) alcohol will be provided via wristband by paid staff, one alcoholic drink per wristband and no more than one drink will be issued at a time; 3) Chamber staff will monitor the ingresses and egresses; 4) rules of conduct signage to be provided to staff to allow Police Department staff to review for additional suggestions and be displayed prominently during the event; 5) streetside alcohol sales end at 8 p.m. an hour before close of the event; 6) bring the item back to Council on June 21 for debriefing; 7) the Town Manager to provide updates to Council during the month of July; and 8) authorize the Town Manager and Police Chief to take any necessary precautions in the interest of public safety. **Seconded** by **Vice Mayor Ristow.**

VOTE: **Motion passes unanimously.**

Pulled Consent Items

19. Approve a Labor Agreement Between the Town of Los Gatos and the Police Officers' Association and Authorize the Town Manager to Execute the Memorandum of Understanding.
20. Approve a Labor Agreement Between the Town of Los Gatos and the Town Employees' Association and Authorize the Town Manager to Execute the Memorandum of Understanding.
21. Approve a Labor Agreement Between the Town of Los Gatos and the American Federation of State, County, and Municipal Employees and Authorize the Town Manager to Execute the Memorandum of Understanding.
22. Approve Cost of Living Increases for Unrepresented Management, Confidential, and Temporary/Hourly Employees; One-Time Non-PERSable Bonuses for Confidential and Management; and a 5% Market Adjustment for Confidential and Temporary/Hourly Employees.

Council Member Hudes requested items 19-22 be considered together.

Arn Andrews, Assistant Town Manager, responded to an inquiry presented in the Desk Item for items 19-22.

Opened public comment.

No one spoke.

Closed public comment.

Council discussed the item.

MOTION: **Motion** by **Council Member Hudes** to approve items 19, 20, 21, and 22 as presented in the staff reports. **Seconded** by **Council Member Sayoc.**

VOTE: **Motion passes unanimously.**

11. Operating and Capital Budgets
    a. Adopt a Resolution Approving the Town of Los Gatos Fiscal Year (FY) 2022/23 Operating Budget and FY 2022/23 – 2026/27 Capital Improvement Program (CIP), New Appropriations, Additional Council Actions on May 17, 2022 and Revisions Related to Salary and Benefit Costs as Presented in the Labor Agreements Agenda Reports on June 7, 2022; American Rescue Plan Act Budget Adjustment, Minor Corrections, and Carry-Forward Appropriations
    b. Adopt a Resolution Approving Commitment of Fund Balances under GASB 54.

Pulled Consent Item #11 – continued

c. Approve FY 2021/22 Budget Adjustments:
   1) Major Revenue Adjustments to Match Year-End Estimated Revenues as Directed by the Town Council on May 17, 2022; and as Determined from Updated Information
      i. Property Tax revenue Increase in the Amount of $582,609,
      ii. Sales Tax Revenue Increase in the Amount of $428,828 ($361,806 in regular Sales Tax and $67,022 in Measure G Sales Tax)
      iii. Business License Tax Revenue Increase in the Amount of $175,000,
      iv. Transient Occupancy Tax Increases in the Amount of $75,000, and
      v. Recognize $36,308 General Fund Salary Reimbursement for Capital Improvement Staff Work.
   2) Expenditure Increases to Reflect Past Actions:
      i. In the Amount of $300,000 to expense the $300,000 available General Fund Pension/OPEB Reserve to the CEPPT Trust.
      ii. In the Amount of $36,308 General Fund Salary Reimbursement for Capital Improvement Staff Work.
   3) Approve American Rescue Plan Act Budget Adjustments.

Opened public comment.

No one spoke.

Closed public comment.

Council discussed the item.

MOTION: **Motion** by **Council Member Hudes** to refer the item to the Finance Commission for their input and bring the item back to Council on June 21. **Seconded** by **Vice Mayor Ristow.**

VOTE: **Motion passes unanimously.**

7. Authorize the Town Manager to Execute a New Agreement with the Chamber of Commerce to Extend the Term of the Destination Marketing American Rescue Plan Act Grant.
9. Authorize the Town Manager to Execute an Agreement for Services with the Los Gatos Chamber of Commerce to Manage the Town's Visitors Information Center Including a Visit Los Gatos Website, Related Social Media Pages, and Assist with Related Community Vitality Initiatives as Outlined in the Scope of Services in an Amount Not to Exceed $55,000.

Council Member Hudes requested items 7 and 9 be considered together.

Pulled Consent Items #7 and #9 – continued

Arn Andrews, Assistant Town Manager, provided clarifying information.

Opened public comment.

Catherine Somers, Chamber of Commerce, Executive Director
- Commented in support of allocating additional funds to destination marketing.

Jim Foley, Los Gatos Food & Wine Group
- Commented in support of allocating additional funds to destination marketing.

Donna McCurrie
- Commented in support of allocating additional funds to destination marketing.

Closed public comment.

Council discussed the item.

MOTION: **Motion** by **Council Member Sayoc** to extend the meeting to no later than 12:10 a.m. **Seconded** by **Council Member Hudes.**

VOTE: **Motion passes unanimously.**

MOTION: **Motion** by **Council Member Sayoc** to authorize the Town Manager to execute an Agreement for Services with the Los Gatos Chamber of Commerce to Manage the Town's Visitors Information Center Including a Visit Los Gatos Website, Related Social Media Pages, and Assist with Related Community Vitality Initiatives as Outlined in the Scope of Services in an Amount Not to Exceed $55,000, and if there is an additional need for funds that the need be identified and return to Council for consideration. **AMENDMENT**: staff to work with the Mayor to bring a potential tourism destination study session with the Town Council, the hotels, and the Chamber at a future date. **Seconded** by **Council Member Hudes.**

VOTE: **Motion passes unanimously.**

MOTION: **Motion** by **Council Member Sayoc** to Authorize the Town Manager to Execute a New Agreement with the Chamber of Commerce to Extend the Term of the Destination Marketing American Rescue Plan Act Grant. **Seconded** by **Council Member Hudes.**

VOTE: **Motion passes unanimously.**

ADJOURNMENT
The meeting adjourned at 12:02 a.m.

Respectfully submitted:

_____

Jenna De Long, Deputy Clerk

TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 06/21/2022
ITEM NO: 3

DATE: June 14, 2022

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Adopt a Resolution Reaffirming Resolution 2021-044 Regarding Brown Act Compliance and Teleconferencing and Making Findings Pursuant to Government Code Section 54953, as Amended by Assembly Bill 361, During the COVID -19 Pandemic

RECOMMENDATION:

Adopt a Resolution reaffirming Resolution 2021-044 and making findings pursuant to Government Code Section 54953, as amended by Assembly Bill 361, and authorizing the continued use of virtual meetings due to health and safety concerns for the public.

BACKGROUND:

On March 17, 2020, Governor Newsom issued Executive Order N-29-20, which allowed for relaxed provisions of the Ralph M. Brown Act (Brown Act) that allowed legislative bodies to conduct meetings through teleconferencing without having to meet the strict compliance of the Brown Act. All provisions of Executive Order N-29-20 concerning the conduct of public meetings expired on September 30, 2021.

DISCUSSION:

AB 361 was signed into law by the Governor on September 16, 2021, and went into effect immediately upon signing. It amends the Brown Act to allow local legislative bodies to continue using teleconferencing and virtual meeting technology after the September 30, 2021, expiration of the current Brown Act exemptions as long as there is a "proclaimed state of emergency" by the Governor. This allowance also depends on State or local officials imposing or recommending measures that promote social distancing or a legislative body finding that meeting in person would present an imminent safety risk to attendees.

PREPARED BY: Shelley Neis
Town Clerk

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

DISCUSSION (Cont):

AB 361 requires Public agencies to make findings by majority vote within 30 days of the first teleconferenced meeting under AB 361 and every 30 days thereafter that a state of emergency

still exists and continues to directly impact the ability of the members to meet safely in person, or that officials continue to impose or recommend measures to promote social distancing.

Town Council adopted Resolution 2021-044 on October 5, 2021 regarding Brown Act compliance and teleconferencing pursuant to Government Code Section 54953, as amended by AB 361, and adopted resolutions on the following dates reaffirming Resolution 2021-044:

- November 2, 2021 adopted Resolution 2021-046
- November 16, 2021 adopted Resolution 2021-048
- December 7, 2021 adopted Resolution 2021-054
- December 21, 2021 adopted Resolution 2021-059
- January 18, 2022 adopted Resolution 2022-001
- February 1, 2022 adopted Resolution 2022-003
- February 15, 2022 adopted Resolution 2022-004
- March 1, 2022 adopted Resolution 2022-006
- March 15, 2022 adopted Resolution 2022-009
- April 5, 2022 adopted Resolution 2022-013
- April 19, 2022 adopted Resolution 2022-017
- May 3, 2022 adopted Resolution 2022-021
- May 17, 2022 adopted Resolution 2022-031
- June 7, 2022 adopted Resolution 2022-032

CONCLUSION:

Adopt a Resolution reaffirming Resolution 2021-044 making findings pursuant to Government Code Section 54953, as amended by Assembly Bill 361, and authorizing the continued use of virtual meetings. If adopted, virtual meetings may continue for all Town Boards, Commissions, and Committees.

COORDINATION:

This report was coordinated with the Town Attorney and Town Manager's offices.

FISCAL IMPACT:

There will be no fiscal impact to the Town at this time.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachment:
1. Draft Resolution

RESOLUTION 2022-

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS REAFFIRMING RESOLUTION 2021-044 REGARDING BROWN ACT COMPLIANCE AND TELECONFERENCING PURSUANT TO GOVERNMENT CODE SECTION 54953, AS AMENDED BY ASSEMBLY BILL 361, DURING THE COVID-19 PANDEMIC

WHEREAS, on March 4, 2020, the Governor of the State of California declared a state of emergency to make additional resources available, formalize emergency actions already underway across multiple state agencies and departments, and help the state prepare for broader spread of COVID-19; and

WHEREAS, on March 12, 2020, the Town Manager of Los Gatos acting in the capacity of Town of Director of Emergency Services, issued a Proclamation of Local Emergency; and

WHEREAS, on March 17, 2020, Governor Newsom issued Executive Order N-29-20, which suspended and modified the teleconferencing requirements under the Brown Act (California Government Code Section 54950 et seq.) so that local legislative bodies can hold public meetings via teleconference (with audio or video communications, without a physical meeting location), as long as the meeting agenda identifies the teleconferencing procedures to be used; and

WHEREAS, on March 17, 2020, the Town Council of the Town of Los Gatos ratified the Proclamation of Local Emergency as set forth in Resolution 2020-008 and remains in full force and effect to date; and

WHEREAS, on June 4, 2021, the Governor clarified that the "reopening" of California on June 15, 2021 did not include any change to the proclaimed state of emergency or the powers exercised thereunder; and

WHEREAS, on June 11, 2021, the Governor issued Executive Order N-08-21, which extended the provision of N-29-20 concerning the conduct of public meetings through September 30, 2021, and the Governor subsequently signed legislation revising Brown Act requirements for teleconferenced public meetings (Assembly Bill 361, referred to hereinafter as "AB 361"); and

WHEREAS, on September 16, 2021 Governor Newsom signed AB 361, which added subsection (e) to Government Code section 54953 of the Brown Act, and makes provision for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

ATTACHMENT 1

WHEREAS, the Town Council of the Town of Los Gatos approved Resolution No. 2021-044 on October 5, 2021 declaring the need for the Town Council, Boards, Commissions, and Committees to continue to meet remotely in order to ensure the health and safety of the public; and

WHEREAS, the Town of Los Gatos remains in a state of emergency due to the continuing spread of COVID-19; and

WHEREAS, the Centers for Disease Control and Prevention recommends physical distancing of at least six (6) feet whenever possible, avoiding crowds, and avoiding spaces that do not offer fresh air from the outdoors, particularly for people who are not fully vaccinated, or are at a higher risk of severe illness due to COVID-19; and

WHEREAS, the Town's public meeting facility is indoor and not designed to ensure circulation of fresh/outdoor air, and not designed to ensure that attendees can remain six (6) feet apart; and

WHEREAS, holding in-person meetings would encourage community members to come to Town facilities to participate in local government, and some of them would be at high risk of severe illness due to COVID-19; and

WHEREAS, technology exists that allows full participation from members of the public without requiring in-person attendance at a Town Council, Board, Commission, or Committee meeting.

WHEREAS, the Town Council has considered all information related to this matter, including the associated staff report and other information relating to COVID-19 provided at prior public meetings of the Town Council; and

WHEREAS, the Town Council now desires to adopt a Resolution finding that the requisite conditions continue to exist for the legislative bodies of the Town of Los Gatos, as defined in the Brown Act, to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953.

NOW, THEREFORE, THE TOWN COUNCIL OF THE TOWN OF LOS GATOS DOES HEREBY RESOLVE:

1. The Town Council hereby finds that the fact set forth in the above recitals and as contained in Resolution 2021-044 are true and correct, and establish the factual basis for the adoption of this Resolution;

2. There is an ongoing proclaimed state of emergency relating to the novel coronavirus causing the disease known as COVID-19 and as a result of that emergency, meeting in person would present imminent risks to the health or safety of attendees of in-person meetings of this legislative body and all Town advisory bodies within the meaning of California Government Code section 54953(e)(1).

3. Under the present circumstances, including the risks mentioned in the preceding paragraph, the Town Council determines that authorizing teleconferenced public meetings consistent with Assembly Bill 361 is necessary and appropriate.

4. Staff are directed to take all actions necessary to implement this Resolution for all Town meetings in accordance with the foregoing provisions and the requirements of Government Code section 54953, as amended by Assembly Bill 361, including but not limited to returning for ratification of this Resolution every 30 days after teleconferencing for the first time pursuant to Assembly Bill 361 for so long as either of the following circumstances exists: (a) the state of emergency continues to directly impact the ability of this legislative body to meet in person; and/or (b) state or local officials, including but not limited to the County Health Officer, continue to impose or recommend measures to promote social distancing.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos, California, held on the 21st day of June 2022, by the following vote:

COUNCIL MEMBERS:

AYES:

NAYS:

ABSENT:

ABSTAIN:

SIGNED:

MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: _____

ATTEST:

TOWN CLERK OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: _____

TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 06/21/2022
ITEM NO: 4

DATE: June 14, 2022

TO: Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Receive Fiscal Year 2020/21 Federal Single Audit Report and Corrective Action Plan

RECOMMENDATION:

Staff recommends that the Town Council receive the Federal Single Audit Report and Corrective Action Plan for Fiscal Year (FY) 2020/21.

BACKGROUND:

On May 9, 2022, staff presented the Town's Federal Single Audit for FY 2020/21 Single Audit Report to the Town's Finance Commission. In performing the Single Audit for FY 2020/21, the Town's independent auditor, Badawi and Associates, concluded that the rent forgiveness provided by the Town constituted "lost revenue" and thereby a "questioned cost" which under their interpretation of the federal guidelines would not be eligible for federal Coronavirus Aid, Relief, and Economic Security (CARES) Act reimbursement funding. Losses in revenues due to the pandemic, such as a decline in sales taxes or property tax, was not eligible under the federal CARES Act rules.

Based on the Town's understanding of the initial Treasury guidance released April 22, 2020 regarding the CARES Act eligible uses, rent forgiveness support was classified as eligible under the Small Business Assistance category of expenditures. As such, the Town Council opted to assist certain Town lessees by forgiving their rent (a voluntary write-off of rents due to the Town) to support these entities during the height of the pandemic.

The questioned cost determination of rent forgiveness is identified as significant deficiencies in internal control over compliance that the auditor considered as a material weakness in the Single Audit Report (Attachment 1) and requires corrective action by the Town.

PREPARED BY: Stephen Conway
Finance Director

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

BACKGROUND (continued):

The auditor made this judgment based upon the fact that $94K of the $388K submitted for CARES Act reimbursements to the State Department of Finance was for rental assistance subsidies (rent forgiveness) for which the auditor determined was a material amount of the total $388K claimed under the CARES Act. The Finance Commission discussed the finding and stressed the importance of rectifying the issue and apprising Council of the finding.

DISCUSSION:

Accompanying the Single Audit Report is a required supplemental corrective action plan (Attachment 2) for federal agency review that must be submitted if the audit report had a finding. The affected Federal awarding agency or pass-through entity will review the report and if necessary, will follow up with Town staff on the acceptability of the Town's corrective action plan or any alternative actions it expects staff to implement.

Upon feedback received from the Finance Commission on the possibility of re-submitting the CARES Act claim using an alternative eligible cost to replace the waiver of rents, staff contacted the State Department of Finance. Upon staff's request, the Department of Finance allowed staff to correct, resubmit, and reallocate the questioned costs amount of $94,988 from business support (rent waivers) to public safety payroll costs. Staff received written approval of the reallocation as corrected in the State's coronavirus reporting worksheet on June 1, 2022.

The attached revised Corrective Action Plan was updated to include the re-submission of replaced public safety costs to be substituted for rent waivers as approved by the State Department of Finance. Staff and its independent auditor believe that the nature of the finding and the revised corrective action plan as proposed have a positive result for the Town and that no further action or adverse outcomes would be required by the Federal agency reviewing this report.

CONCLUSION:

Upon approval by Town Council the Single Audit and Corrective Action Plan will be filed electronically by the auditor with certification by Town staff. The due date for filing is September 30, 2022.

Attachments:
1. FY 2020-21 Single Audit
2. FY 2020-21 Corrective Action Plan

Town of Los Gatos

Los Gatos, California

Single Audit Reports

For the year ended June 30, 2021

BADAWI & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

Town of Los Gatos
Single Audit Reports
For the year ended June 30, 2021

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the Town Council
of the Town of Los Gatos
Los Gatos, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparison for the General Fund of the Town of Los Gatos, California (Town), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated December 31, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Badawi & Associates

Badawi & Associates, CPAs
Berkeley, California
December 31, 2021

BADAWI & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the Town Council
of the Town of Los Gatos
Town of Los Gatos, California

Report on Compliance for Each Major Federal Program

We have audited the Town of Los Gatos, California (Town)'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended June 30, 2021. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town's compliance.

Address: 2855 Telegraph Avenue, Suite 312 Berkeley, CA 94705 • Phone: 510.768.8251 • Fax: 510.768.8249

Basis for Qualified Opinion on CFDA 21.019 Coronavirus Relief Fund

As described in the accompanying schedule of findings and questioned costs, the Town did not comply with requirements regarding CFDA 21.019 Coronavirus Relief Fund as described in finding numbers 2021-001 for Activities Allowed or Unallowed, and Allowable Costs and Cost Principles. Compliance with such requirements is necessary, in our opinion, for the Town to comply with the requirements applicable to that program.

Qualified Opinion on CFDA 21.019 Coronavirus Relief Fund

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on CFDA 21.019 Coronavirus Relief Fund for the year ended June 30, 2021.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the Town, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section the accompanying schedule of findings and questioned costs for the year ended June 30, 2021.

Other Matters

The Town's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2021-001, that we consider to be a material weakness.

The Town's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 31, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other

additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Badawi & Associates

Badawi & Associates, CPAs
Berkeley, California
April 25, 2022, except for the schedule of expenditures
of federal awards, which is as of December 31, 2021

Town of Los Gatos
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2021

Grantor Agency and Grant Title	Federal Catalog Number	Pass-through Number	Program Expenditures
U.S. Department of Transportation:			
Highway Planning and Construction Cluster			
Passed through State of California			
Highway Planning and Construction	20.205	HSIPL-5067(021)	120,220
Highway Planning and Construction	20.205	CML-5067(022)	245,253
Subtotal Highway Planning and Construction Cluster			365,473
Total U.S. Department of Transportation			365,473
Department of Homeland Security:			
Emergency Management Performance Grants	97.042		2,365
Passed through County of Santa Clara			
Fire Management Assistance Grant	97.046	FM-5336-CA	12,627
Total Department of Homeland Security			14,992
Department of Justice:			
Bulletproof Vest Partnership Program	16.607		1,309
Total Department of Justice			1,309
Department of the Treasury:			
Coronavirus State and Local Fiscal Recovery Funds	21.027		200,911
Passed through State of California			
COVID19 - Coronavirus Relief Fund	21.019	n/a	388,181
Total Department of the Treasury			589,092
Total Expenditures of Federal Awards			$ 970,866

ccompanying Notes to Schedule of Expenditures of Federal Awards.

A. Reporting Entity

The financial reporting entity consists of (a) the primary government, Town of Los Gatos, California (Town), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

B. Basis of Accounting

Funds received under the various grant programs have been recorded within the general, special revenue, and capital projects funds of the Town. The Town utilizes the modified accrual basis of accounting for the general, special revenue, and capital projects funds. Expenditures of federal awards reported on the Schedule of Expenditures of Federal Awards (Schedule) are recognized when incurred.

C. Relationship of Schedule of Expenditures of Federal Awards to Financial Statements

The accompanying Schedule presents the activity of all federal financial assistance programs of the Town. Federal financial assistance received directly from federal agencies as well as federal financial assistance passed through the State of California and the County of Santa Clara is included in the Schedule.

The Schedule was prepared only from the accounts of various grant programs and, therefore, does not present the financial position or results of operations of the Town.

D. Pass-Through Entities' Identifying Number

When federal awards were received from a pass-through entity, the Schedule shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the Town determined that no identifying number is assigned for the program or the Town was unable to obtain an identifying number from the pass-through entity.

E. Indirect Costs

The Town did not elect to use the 10% de minimis indirect cost rate.

Town of Los Gatos
Schedule of Findings and Questioned Costs
For the year ended June 30, 2021

Section I – Summary of Auditor's Results

Financial Statements

Types of auditors' report issued on whether financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None noted
Any noncompliance material to the financial statements noted	No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	Yes
• Significant deficiency(ies) identified?	None noted
Type of auditor's report issued on compliance for major programs	Qualified
Any audit findings disclosed that are required to be reported in accordance with section 200.516(a)	Yes

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster	Expenditures
20.205	Highway Planning and Construction Cluster	$ 365,473
21.019	Coronavirus Relief Fund	$ 388,181
	Total Expenditures of All Major Federal Programs	$ 753,654
	Total Expenditures of Federal Awards	$ 970,866
	Percentage of Total Expenditures of Federal Awards	77.6%

Dollar threshold used to distinguish between type A and type B program	$750,000
Auditee qualified as low-risk auditee under section 200.520?	No

Section II – Current Year Findings

No financial statement findings were noted.

Section III- Federal Award Findings and Questioned Costs

Finding: 2021-001

Awarding Agency	Department of the Treasury
Passed through	State of California (State)
Program	Coronavirus Relief Fund
AFN#	21.019

Criteria:

Per 2 CFR section 225 App. A, Paragraph C.1.d, "to be allowable under Federal awards, costs must meet the following general criteria:

> Conform to any limitations or exclusions set forth in these principles, Federal laws, terms and conditions of the Federal award, or other governing regulations as to types or amounts of cost items."

Condition:

During our audit, we noted that per the Coronavirus Relief Fund (Fund) program guidance in the Federal Register dated January 15, 2021, revenue replacement is not a permissible use of Fund payments. On April 21, 2020, the Town Council approved a waiver of rent and utilities for a set of non-profit lessees. When preparing a listing of grant expenditures for reporting to the State, the Town chose to use their rent and utility waivers as a qualifying expenditure.

Cause:

The Town did not equivalate rental waivers and lost revenue replacement. The Town staff's interpretation of lost revenue was understood to be unavoidable losses of revenue due to the pandemic.

Questioned Costs:

During our testing, we determined that $73,054 of federal expenditures were not allowable costs or allowable activities with total questioned costs of $94,998.

Context and Effect:

The Town was not in full compliance with neither the allowable costs and cost principles, nor the allowable activities compliance requirements of the program.

Section III- Federal Award Findings and Questioned Costs, Continued

Finding: 2021-001, Continued
Recommendation:

We recommend the Town double-check for disallowed costs and activities when administering new grant programs.

Management Response:

The Town's independent auditor has opined that the Town's efforts to provide economic relief in the form of waivers of rent (rent forgiveness) to a number of non-profits and other entities should be considered as "lost revenue" and therefore disallowable because lost revenue is precluded as an expenditure for the CARES act . Based on the Town's understanding of the CARES act rent forgiveness support was classified as eligible under the Small business assistance category of expenditures. As such, the Town Council opted to assist these groups by forgiving their rent (a voluntary write-off of rents due to the Town) to support these entities during the height of the pandemic. If the Federal Government determines that this cost were to be disallowed, the Town has significant other qualifying expenditures in categories such as payroll for public safety that could be substituted for the small business rental assistance.

In response to the questioned finding on waivers of rent, staff received approval from the State of California Department of Finance to re-allocate the questioned costs amount of $94,988 from business support (rent waivers) to public safety payroll. The department reviewed the Town's submittal and on June 1, 2022 the Town received the department's approval of the re-allocation as corrected in the State's Corona Virus Fund Reporting worksheet.

Section IV – Prior Year Financial Statements Findings

No financial statement findings were noted.

Section V – Prior Year Findings and Questioned Costs – Major Federal Award Program Audit

No findings or questioned costs were noted.

SINGLE AUDIT
FOR THE YEAR ENDED JUNE 30, 2021
CORRECTIVE ACTION PLAN

FINANCIAL STATEMENT FINDINGS - CURRENT YEAR

Finding Reference Number: 2021-001	**General Fund Financial Position (Material Weakness)**
Name(s) of the contact person:	Stephen Conway, Director of Finance
Corrective Action Plan:	Based on the Town's understanding of the initial guidance released April 22, 2020 regarding CARES act eligible uses, rent forgiveness support was classified as eligible under the Small business assistance category of expenditures. As such, the Town Council opted to assist certain Town lessees by forgiving their rent (a voluntary write-off of rents due to the Town) to support these entities during the height of the pandemic. If the Federal government subsequently determines that this cost were to be disallowed, the Town has significant other qualifying expenditures in categories such as payroll for public safety that could be substituted for the small business rental assistance. In response to the questioned finding on waivers of rent, staff received approval from the State of California Department of Finance to re-allocate the questioned costs amount of $94,988 from business support (rent waivers) to public safety payroll. The department reviewed the Town's submittal and on June 1, 2022 the Town received the department's approval of the re-allocation as corrected in the State's Corona Virus Fund Reporting worksheet.

Anticipated Completion Date:	Because of significant other CARES act qualifying expenditures that can be substituted for the questioned cost, effective immediately the Town of Los Gatos will refrain from claiming the Town Council approved expense write-offs of rental revenues due to the Town from lessees as an eligible use of Federal funds. This decision was made under the advice from the Town 's independent auditor and staff's review of the updated discussion of eligible expenditures and eligibility of lost revenues as was recently released in the January 15, 2021 Federal Register Department of the Treasury Corona Relief Fund for States, Tribal Governments, and Certain Eligible Local Governments.

TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 06/21/2022
ITEM NO: 5

DATE: June 2, 2022

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Authorize the Town Manager to Execute a Three-Year Agreement with Microsoft to Purchase Software Licensing Through Dell Technologies in an Amount Not to Exceed $250,000.

RECOMMENDATION:

Authorize the Town Manager to execute a three-year agreement with Microsoft to purchase software licensing through Dell Technologies in an amount not to exceed $250,000.

BACKGROUND:

In June 2019, the Town executed a three-year Microsoft software licensing agreement which expires on June 30, 2022. A new agreement is required for the Town's continued use of Microsoft products and secures pricing for the next three years. Payments are made annually after a license true-up assessment is made each year.

DISCUSSION:

The Microsoft software licensing agreement covers licensing for server operating systems, server management, server applications, Office 365 services, and security software on both staff accounts and in the cloud.

In accordance with the Town Purchasing Policy Section XVII regarding Cooperative Purchasing Agreements, the prices for Microsoft software license renewals are negotiated by the County of Riverside and sold by volume licensing partner Dell Technologies. Most California agencies,

PREPARED BY: Sai Kim
IT Manager

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

DISCUSSION (continued):

from large ones such as the Department of Motor Vehicles to small cities and special districts, use this cooperative purchasing arrangement to obtain the best prices.

The Town's current Microsoft software licensing agreement is valid through June 30, 2022. The new agreement is a means of securing pricing for the next three years through June 30, 2025. The annual payments may fluctuate from year to year since our license count may change over the course of a given year. The annual license true-up assessment will help determine the annual payment for the given year. Our anticipated annual payment for the first year will be $78,017.33. Dell Technologies is the vendor the Town would purchase the license through, and the agreement is with Microsoft.

An interruption in Microsoft licensing software would halt the daily computer operations of Town staff.

CONCLUSION:

Staff recommends that the Town Manager execute the new three-year Microsoft software licensing agreement through Dell Technologies in an amount not to exceed $250,000.

COORDINATION:

The Finance Department, IT, Town Attorney, and Town Manager's Office coordinated this report.

FISCAL IMPACT:

The fiscal impact is $78,017.33 and the first year's payment is included in the Fiscal Year (FY) 2022/23 budget. The FY 2022/23 Operating Budget anticipated the annual fees of Microsoft software licensing in the Town's Information Technology Budget Operating Expenditures line. Annual payments for years two and three have been sufficiently forecasted in the IT budget.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:
1. Microsoft Volume Licensing Agreement
2. Dell Technologies Estimated Quote

Microsoft Volume Licensing

Program Signature Form

MBA/MBSA number		5-0000008412228
Agreement number	8084445	

Note: Enter the applicable active numbers associated with the documents below. Microsoft requires the associated active number be indicated here, or listed below as new.

For the purposes of this form, "Customer" can mean the signing entity, Enrolled Affiliate, Government Partner, Institution, or other party entering into a volume licensing program agreement.

This signature form and all contract documents identified in the table below are entered into between the Customer and the Microsoft Affiliate signing, as of the effective date identified below.

Contract Document	Number or Code
<Choose Agreement>	Document Number or Code
<Choose Agreement>	Document Number or Code
<Choose Agreement>	Document Number or Code
<Choose Agreement>	Document Number or Code
<Choose Agreement>	Document Number or Code
Enterprise Enrollment	X20-10635
<Choose Enrollment/Registration>	Document Number or Code
<Choose Enrollment/Registration>	Document Number or Code
<Choose Enrollment/Registration>	Document Number or Code
<Choose Enrollment/Registration>	Document Number or Code
Amendment	M423 (New)
Amendment	M97 (New)
Amendment	W29 (New)
Product Selection Form	1180269.007 (New)
Document Description	Document Number or Code

By signing below, Customer and the Microsoft Affiliate agree that both parties (1) have received, read and understand the above contract documents, including any websites or documents incorporated by reference and any amendments and (2) agree to be bound by the terms of all such documents.

Customer
Name of Entity (must be legal entity name)* Town of Los Gatos **Signature*** _____ **Printed First and Last Name*** Laurel Prevetti **Printed Title** Town Manager **Signature Date***
Tax ID

** indicates required field*

Microsoft Affiliate
Microsoft Corporation
Signature Raquel Carranza Raquel Carranza (May 24, 2022 09:17 PDT) **Printed First and Last Name** Raquel Carranza **Printed Title** Authorized Signer **Signature Date** (date Microsoft Affiliate countersigns) May 24, 2022
Agreement Effective Date (may be different than Microsoft's signature date)

Optional 2nd Customer signature or Outsourcer signature (if applicable)

Customer
Name of Entity (must be legal entity name)*
Signature* _____
Printed First and Last Name*
Printed Title
Signature Date*

** indicates required field*

Outsourcer
Name of Entity (must be legal entity name)*
Signature* _____
Printed First and Last Name*
Printed Title
Signature Date*

** indicates required field*

If Customer requires additional contacts or is reporting multiple previous Enrollments, include the appropriate form(s) with this signature form.

After this signature form is signed by the Customer, send it and the Contract Documents to Customer's channel partner or Microsoft account manager, who must submit them to the following address. When the signature form is fully executed by Microsoft, Customer will receive a confirmation copy.

Microsoft Corporation
Dept. 551, Volume Licensing
6880 Sierra Center Parkway
Reno, Nevada 89511
USA

Microsoft Volume Licensing

Enterprise Enrollment State and Local

Enterprise Enrollment number *(Microsoft to complete)*	
Previous Enrollment number *(Reseller to complete)*	69569338

Framework ID *(if applicable)*	

This Enrollment must be attached to a signature form to be valid.

This Microsoft Enterprise Enrollment is entered into between the entities as identified in the signature form as of the effective date. Enrolled Affiliate represents and warrants it is the same Customer, or an Affiliate of the Customer, that entered into the Enterprise Agreement identified on the program signature form.

This Enrollment consists of: (1) these terms and conditions, (2) the terms of the Enterprise Agreement identified on the signature form, (3) the Product Selection Form, (4) the Product Terms, (5) the Online Services Terms, (6) any Supplemental Contact Information Form, Previous Agreement/Enrollment form, and other forms that may be required, and (7) any order submitted under this Enrollment. This Enrollment may only be entered into under a 2011 or later Enterprise Agreement. By entering into this Enrollment, Enrolled Affiliate agrees to be bound by the terms and conditions of the Enterprise Agreement.

All terms used but not defined are located at http://www.microsoft.com/licensing/contracts. In the event of any conflict the terms of this Agreement control.

Effective date. If Enrolled Affiliate is renewing Software Assurance or Subscription Licenses from one or more previous Enrollments or agreements, then the effective date will be the day after the first prior Enrollment or agreement expires or terminates. If this Enrollment is renewed, the effective date of the renewal term will be the day after the Expiration Date of the initial term. Otherwise, the effective date will be the date this Enrollment is accepted by Microsoft. Any reference to "anniversary date" refers to the anniversary of the effective date of the applicable initial or renewal term for each year this Enrollment is in effect.

Term. The initial term of this Enrollment will expire on the last day of the month, 36 full calendar months from the effective date of the initial term. The renewal term will expire 36 full calendar months after the effective date of the renewal term.

Terms and Conditions

1. Definitions.

Terms used but not defined in this Enrollment will have the definition in the Enterprise Agreement. The following definitions are used in this Enrollment:

"Additional Product" means any Product identified as such in the Product Terms and chosen by Enrolled Affiliate under this Enrollment.

"Community" means the community consisting of one or more of the following: (1) a Government, (2) an Enrolled Affiliate using eligible Government Community Cloud Services to provide solutions to a Government or a qualified member of the Community, or (3) a Customer with Customer Data that is subject to Government regulations for which Customer determines and Microsoft agrees that the use of Government Community Cloud Services is appropriate to meet Customer's regulatory requirements.

Membership in the Community is ultimately at Microsoft's discretion, which may vary by Government Community Cloud Service.

"Enterprise Online Service" means any Online Service designated as an Enterprise Online Service in the Product Terms and chosen by Enrolled Affiliate under this Enrollment. Enterprise Online Services are treated as Online Services, except as noted.

"Enterprise Product" means any Desktop Platform Product that Microsoft designates as an Enterprise Product in the Product Terms and chosen by Enrolled Affiliate under this Enrollment. Enterprise Products must be licensed for all Qualified Devices and Qualified Users on an Enterprise-wide basis under this program.

"Expiration Date" means the date upon which the Enrollment expires.

"Federal Agency" means a bureau, office, agency, department or other entity of the United States Government.

"Government" means a Federal Agency, State/Local Entity, or Tribal Entity acting in its governmental capacity.

"Government Community Cloud Services" means Microsoft Online Services that are provisioned in Microsoft's multi-tenant data centers for exclusive use by or for the Community and offered in accordance with the National Institute of Standards and Technology (NIST) Special Publication 800-145. Microsoft Online Services that are Government Community Cloud Services are designated as such in the Use Rights and Product Terms.

"Industry Device" (also known as line of business device) means any device that: (1) is not useable in its deployed configuration as a general purpose personal computing device (such as a personal computer), a multi-function server, or a commercially viable substitute for one of these systems; and (2) only employs an industry or task-specific software program (e.g. a computer-aided design program used by an architect or a point of sale program) ("Industry Program"). The device may include features and functions derived from Microsoft software or third-party software. If the device performs desktop functions (such as email, word processing, spreadsheets, database, network or Internet browsing, or scheduling, or personal finance), then the desktop functions: (1) may only be used for the purpose of supporting the Industry Program functionality; and (2) must be technically integrated with the Industry Program or employ technically enforced policies or architecture to operate only when used with the Industry Program functionality.

"Managed Device" means any device on which any Affiliate in the Enterprise directly or indirectly controls one or more operating system environments. Examples of Managed Devices can be found in the Product Terms.

"Qualified Device" means any device that is used by or for the benefit of Enrolled Affiliate's Enterprise and is: (1) a personal desktop computer, portable computer, workstation, or similar device capable of running Windows Pro locally (in a physical or virtual operating system environment), or (2) a device used to access a virtual desktop infrastructure ("VDI"). Qualified Devices do not include any device that is: (1) designated as a server and not used as a personal computer, (2) an Industry Device, or (3) not a Managed Device. At its option, the Enrolled Affiliate may designate any device excluded above (e.g., Industry Device) that is used by or for the benefit of the Enrolled Affiliate's Enterprise as a Qualified Device for all or a subset of Enterprise Products or Online Services the Enrolled Affiliate has selected.

"Qualified User" means a person (e.g., employee, consultant, contingent staff) who: (1) is a user of a Qualified Device, or (2) accesses any server software requiring an Enterprise Product Client Access License or any Enterprise Online Service. It does not include a person who accesses server software or an Online Service solely under a License identified in the Qualified User exemptions in the Product Terms.

"Reseller" means an entity authorized by Microsoft to resell Licenses under this program and engaged by an Enrolled Affiliate to provide pre- and post-transaction assistance related to this agreement;

"Reserved License" means for an Online Service identified as eligible for true-ups in the Product Terms, the License reserved by Enrolled Affiliate prior to use and for which Microsoft will make the Online Service available for activation.

"State/Local Entity" means (1) any agency of a state or local government in the United States, or (2) any United States county, borough, commonwealth, city, municipality, town, township, special purpose district, or other similar type of governmental instrumentality established by the laws of Customer's state and located within Customer's state's jurisdiction and geographic boundaries.

"Tribal Entity" means a federally-recognized tribal entity performing tribal governmental functions and eligible for funding and services from the U.S. Department of Interior by virtue of its status as an Indian tribe.

"Use Rights" means, with respect to any licensing program, the use rights or terms of service for each Product and version published for that licensing program at the Volume Licensing Site and updated from time to time. The Use Rights include the Product-Specific License Terms, the License Model terms, the Universal License Terms, the Data Protection Terms, and the Other Legal Terms. The Use Rights supersede the terms of any end user license agreement (on-screen or otherwise) that accompanies a Product.

"Volume Licensing Site" means http://www.microsoft.com/licensing/contracts or a successor site.

2. Order requirements.

a. Minimum order requirements. Enrolled Affiliate's Enterprise must have a minimum of 250 Qualified Users or Qualified Devices. The initial order must include at least 250 Licenses for Enterprise Products or Enterprise Online Services.

(i) Enterprise commitment. Enrolled Affiliate must order enough Licenses to cover all Qualified Users or Qualified Devices, depending on the License Type, with one or more Enterprise Products or a mix of Enterprise Products and the corresponding Enterprise Online Services (as long as all Qualified Devices not covered by a License are only used by users covered with a user License).

(ii) Enterprise Online Services only. If no Enterprise Product is ordered, then Enrolled Affiliate need only maintain at least 250 Subscription Licenses for Enterprise Online Services**.**

b. Additional Products. Upon satisfying the minimum order requirements above, Enrolled Affiliate may order Additional Products.

c. Use Rights for Enterprise Products. For Enterprise Products, if a new Product version has more restrictive use rights than the version that is current at the start of the applicable initial or renewal term of the Enrollment, those more restrictive use rights will not apply to Enrolled Affiliate's use of that Product during that term.

d. Country of usage. Enrolled Affiliate must specify the countries where Licenses will be used on its initial order and on any additional orders.

e. Resellers. Enrolled Affiliate must choose and maintain a Reseller authorized in the United States. Enrolled Affiliate will acquire its Licenses through its chosen Reseller. Orders must be submitted to the Reseller who will transmit the order to Microsoft. The Reseller and Enrolled Affiliate determine pricing and payment terms as between them, and Microsoft will invoice the Reseller based on those terms. Throughout this Agreement the term "price" refers to reference price. Resellers and other third parties do not have authority to bind or impose any obligation or liability on Microsoft.

f. Adding Products.

(i) Adding new Products not previously ordered. New Enterprise Products or Enterprise Online Services may be added at any time by contacting a Microsoft Account Manager or Reseller. New Additional Products, other than Online Services, may be used if an order is placed in the month the Product is first used. For Additional Products that are Online Services, an initial order for the Online Service is required prior to use.

(ii) **Adding Licenses for previously ordered Products.** Additional Licenses for previously ordered Products other than Online Services may be added at any time but must be included in the next true-up order. Additional Licenses for Online Services must be ordered prior to use, unless the Online Services are (1) identified as eligible for true-up in the Product Terms or (2) included as part of other Licenses.

g. **True-up requirements.** Enrolled Affiliate must submit an annual true-up order that accounts for any changes since the initial order or last order. If there are no changes, then an update statement must be submitted instead of a true-up order.

(i) **Enterprise Products.** For Enterprise Products, Enrolled Affiliate must determine the number of Qualified Devices and Qualified Users (if ordering user-based Licenses) at the time the true-up order is placed and must order additional Licenses for all Qualified Devices and Qualified Users that are not already covered by existing Licenses, including any Enterprise Online Services.

(ii) **Additional Products.** For Additional Products that have been previously ordered under this Enrollment, Enrolled Affiliate must determine the maximum number of Additional Products used since the latter of the initial order, the last true-up order, or the prior anniversary date and submit a true-up order that accounts for any increase.

(iii) **Online Services.** For Online Services identified as eligible for true-up in the Product Terms, Enrolled Affiliate may place a reservation order for the additional Licenses prior to use and payment may be deferred until the next true-up order. Microsoft will provide a report of Reserved Licenses ordered but not yet invoiced to Enrolled Affiliate and its Reseller. Reserved Licenses will be invoiced retrospectively to the month in which they were ordered.

(iv) **Subscription License reductions.** Enrolled Affiliate may reduce the quantity of Subscription Licenses at the Enrollment anniversary date on a prospective basis if permitted in the Product Terms, as follows:

1) For Subscription Licenses that are part of an Enterprise-wide purchase, Licenses may be reduced if the total quantity of Licenses and Software Assurance for an applicable group meets or exceeds the quantity of Qualified Devices and Qualified Users (if ordering user-based Licenses) identified on the Product Selection Form, and includes any additional Qualified Devices and Qualified Users added in any prior true-up orders. Step-up Licenses do not count towards this total count.

2) For Enterprise Online Services that are not a part of an Enterprise-wide purchase, Licenses can be reduced as long as the initial order minimum requirements are maintained.

3) For Additional Products available as Subscription Licenses, Enrolled Affiliate may reduce the Licenses. If the License count is reduced to zero, then Enrolled Affiliate's use of the applicable Subscription License will be cancelled.

Invoices will be adjusted to reflect any reductions in Subscription Licenses at the true-up order Enrollment anniversary date and effective as of such date.

(v) **Update statement.** An update statement must be submitted instead of a true-up order if, since the initial order or last true-up order, Enrolled Affiliate's Enterprise: (1) has not changed the number of Qualified Devices and Qualified Users licensed with Enterprise Products or Enterprise Online Services; and (2) has not increased its usage of Additional Products. This update statement must be signed by Enrolled Affiliate's authorized representative.

(vi) **True-up order period.** The true-up order or update statement must be received by Microsoft between 60 and 30 days prior to each Enrollment anniversary date. The third-year true-up order or update statement is due within 30 days prior to the Expiration Date, and any license reservations within this 30 day period will not be accepted. Enrolled Affiliate

may submit true-up orders more often to account for increases in Product usage, but an annual true-up order or update statement must still be submitted during the annual order period.

(vii) Late true-up order. If the true-up order or update statement is not received when due, Microsoft will invoice Reseller for all Reserved Licenses not previously invoiced and Subscription License reductions cannot be reported until the following Enrollment anniversary date (or at Enrollment renewal, as applicable).

h. Step-up Licenses. For Licenses eligible for a step-up under this Enrollment, Enrolled Affiliate may step-up to a higher edition or suite as follows:

(i) For step-up Licenses included on an initial order, Enrolled Affiliate may order according to the true-up process.

(ii) If step-up Licenses are not included on an initial order, Enrolled Affiliate may step-up initially by following the process described in the Section titled "Adding new Products not previously ordered," then for additional step-up Licenses, by following the true-up order process.

i. Clerical errors. Microsoft may correct clerical errors in this Enrollment, and any documents submitted with or under this Enrollment, by providing notice by email and a reasonable opportunity for Enrolled Affiliate to object to the correction. Clerical errors include minor mistakes, unintentional additions and omissions. This provision does not apply to material terms, such as the identity, quantity or price of a Product ordered.

j. Verifying compliance. Microsoft may, in its discretion and at its expense, verify compliance with this Enrollment as set forth in the Enterprise Agreement.

3. Pricing.

a. Price Levels. For both the initial and any renewal term Enrolled Affiliate's Price Level for all Products ordered under this Enrollment will be Level "D" throughout the term of the Enrollment.

b. Setting Prices. Enrolled Affiliate's prices for each Product or Service will be established by its Reseller. Except for Online Services designated in the Product Terms as being exempt from fixed pricing, As long as Enrolled Affiliate continues to qualify for the same price level, Microsoft's prices for Resellers for each Product or Service ordered will be fixed throughout the applicable initial or renewal Enrollment term. Microsoft's prices to Resellers are reestablished at the beginning of the renewal term.

4. Payment terms.

For the initial or renewal order, Microsoft will invoice Enrolled Affiliate's Reseller in three equal annual installments. . The first installment will be invoiced upon Microsoft's acceptance of this Enrollment and remaining installments will be invoiced on each subsequent Enrollment anniversary date. Subsequent orders are invoiced upon acceptance of the order and Enrolled Affiliate may elect to pay annually or upfront for Online Services and upfront for all other Licenses.

5. End of Enrollment term and termination.

a. General. At the Expiration Date, Enrolled Affiliate must immediately order and pay for Licenses for Products it has used but has not previously submitted an order, except as otherwise provided in this Enrollment.

b. Renewal option. At the Expiration Date of the initial term, Enrolled Affiliate can renew Products by renewing this Enrollment for one additional 36-month term or by signing a new Enrollment. Microsoft must receive a Renewal Form, Product Selection Form, and renewal order prior to or at the Expiration Date. Microsoft will not unreasonably reject any renewal.

Microsoft may make changes to this program that will make it necessary for Customer and its Enrolled Affiliates to enter into new agreements and Enrollments at renewal.

c. If Enrolled Affiliate elects not to renew.

(i) Software Assurance. If Enrolled Affiliate elects not to renew Software Assurance for any Product under its Enrollment, then Enrolled Affiliate will not be permitted to order Software Assurance later without first acquiring a new License with Software Assurance.

(ii) Online Services eligible for an Extended Term. For Online Services identified as eligible for an Extended Term in the Product Terms, the following options are available at the end of the Enrollment initial or renewal term.

1) Extended Term. Licenses for Online Services will automatically expire in accordance with the terms of the Enrollment. An extended term feature that allows Online Services to continue month-to-month ("Extended Term") is available. During the Extended Term, Online Services will be invoiced monthly at the then-current published price as of the Expiration Date plus a 3% administrative fee for up to one year. If Enrolled Affiliate wants an Extended Term, Enrolled Affiliate must submit a request to Microsoft at least 30 days prior to the Expiration Date.

2) Cancellation during Extended Term. At any time during the first year of the Extended Term, Enrolled Affiliate may terminate the Extended Term by submitting a notice of cancellation to Microsoft for each Online Service. Thereafter, either party may terminate the Extended Term by providing the other with a notice of cancellation for each Online Service. Cancellation will be effective at the end of the month following 30 days after Microsoft has received or issued the notice.

(iii) Subscription Licenses and Online Services not eligible for an Extended Term. If Enrolled Affiliate elects not to renew, the Licenses will be cancelled and will terminate as of the Expiration Date. Any associated media must be uninstalled and destroyed and Enrolled Affiliate's Enterprise must discontinue use. Microsoft may request written certification to verify compliance.

d. Termination for cause. Any termination for cause of this Enrollment will be subject to the "Termination for cause" section of the Agreement. In addition, it shall be a breach of this Enrollment if Enrolled Affiliate or any Affiliate in the Enterprise that uses Government Community Cloud Services fails to meet and maintain the conditions of membership in the definition of Community.

e. Early termination. Any early termination of this Enrollment will be subject to the "Early Termination" Section of the Enterprise Agreement.

For Subscription Licenses, in the event of a breach by Microsoft, or if Microsoft terminates an Online Service for regulatory reasons, Microsoft will issue Reseller a credit for any amount paid in advance for the period after termination.

6. Government Community Cloud.

a. Community requirements. If Enrolled Affiliate purchases Government Community Cloud Services, Enrolled Affiliate certifies that it is a member of the Community and agrees to use Government Community Cloud Services solely in its capacity as a member of the Community and, for eligible Government Community Cloud Services, for the benefit of end users that are members of the Community. Use of Government Community Cloud Services by an entity that is not a member of the Community or to provide services to non-Community members is strictly prohibited and could result in termination of Enrolled Affiliate's license(s) for Government Community Cloud Services without notice. Enrolled Affiliate acknowledges that only Community members may use Government Community Cloud Services.

b. All terms and conditions applicable to non-Government Community Cloud Services also apply

to their corresponding Government Community Cloud Services, except as otherwise noted in the Use Rights, Product Terms, and this Enrollment.

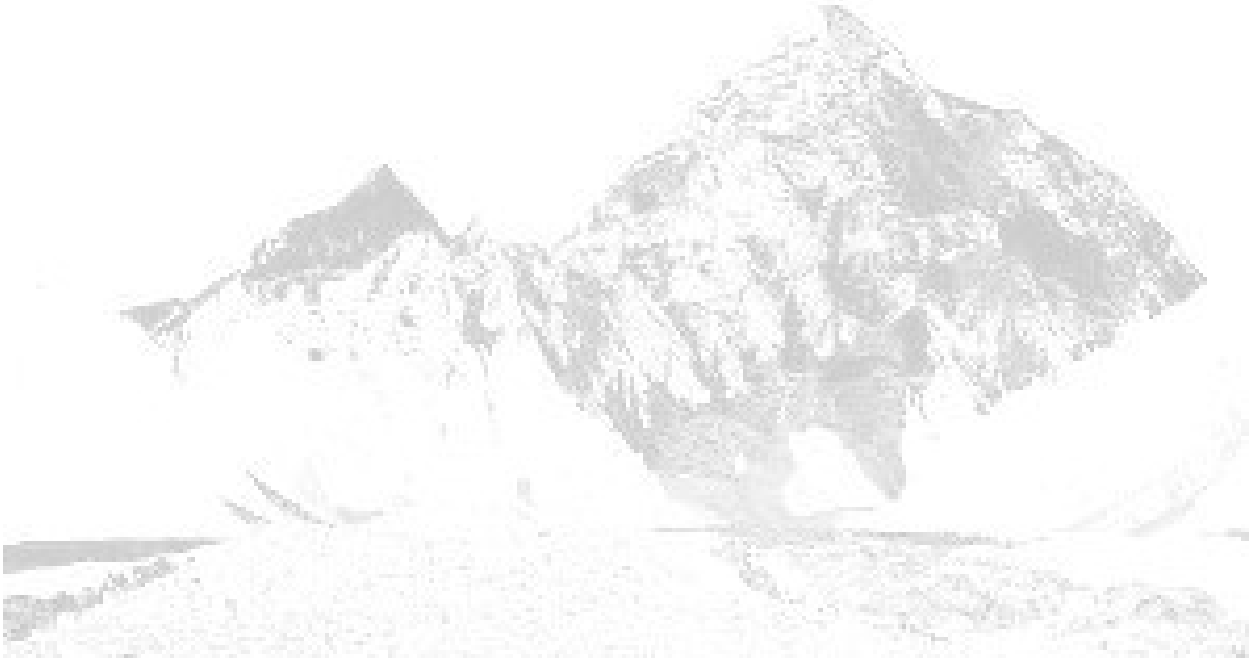
c. Enrolled Affiliate may not deploy or use Government Community Cloud Services and corresponding non-Government Community Cloud Services in the same domain.

d. **Use Rights for Government Community Cloud Services.** For Government Community Cloud Services, notwithstanding anything to the contrary in the Use Rights:

(i) Government Community Cloud Services will be offered only within the United States.

(ii) Additional European Terms, as set forth in the Use Rights, will not apply.

(iii) References to geographic areas in the Use Rights with respect to the location of Customer Data at rest, as set forth in the Use Rights, refer only to the United States.



Enrollment Details

1. Enrolled Affiliate's Enterprise.

a. Identify which Agency Affiliates are included in the Enterprise. (Required) Enrolled Affiliate's Enterprise must consist of entire offices, bureaus, agencies, departments or other entities of Enrolled Affiliate, not partial offices, bureaus, agencies, or departments, or other partial entities. Check only one box in this section. If no boxes are checked, Microsoft will deem the Enterprise to include the Enrolled Affiliate only. If more than one box is checked, Microsoft will deem the Enterprise to include the largest number of Affiliates:

☒ Enrolled Affiliate only

☐ Enrolled Affiliate and all Affiliates

☐ Enrolled Affiliate and the following Affiliate(s) (Only identify specific affiliates to be included if fewer than all Affiliates are to be included in the Enterprise):

☐ Enrolled Affiliate and all Affiliates, with following Affiliate(s) excluded:

b. Please indicate whether the Enrolled Affiliate's Enterprise will include all new Affiliates acquired after the start of this Enrollment: Exclude future Affiliates

2. Contact information.

Each party will notify the other in writing if any of the information in the following contact information page(s) changes. The asterisks (*) indicate required fields. By providing contact information, Enrolled Affiliate consents to its use for purposes of administering this Enrollment by Microsoft, its Affiliates, and other parties that help administer this Enrollment. The personal information provided in connection with this Enrollment will be used and protected in accordance with the privacy statement available at https://www.microsoft.com/licensing/servicecenter.

a. **Primary contact.** This contact is the primary contact for the Enrollment from within Enrolled Affiliate's Enterprise. This contact is also an Online Administrator for the Volume Licensing Service Center and may grant online access to others. The primary contact will be the default contact for all purposes unless separate contacts are identified for specific purposes

Name of entity (must be legal entity name)* Town of Los Gatos
Contact name* First Sai **Last** Kim
Contact email address* skim@losgatosca.gov
Street address* 110 E. Main Street
City* Los Gatos

State* CA
Postal code* 95030-6999
(Please provide the zip + 4, e.g. xxxxx-xxxx)
Country* United States
Phone* (408) 354-6814
Tax ID
** indicates required fields*

b. **Notices contact and Online Administrator.** This contact (1) receives the contractual notices, (2) is the Online Administrator for the Volume Licensing Service Center and may grant online access to others, and (3) is authorized to order Reserved Licenses for eligible Online Servies, including adding or reassigning Licenses and stepping-up prior to a true-up order.

☒ Same as primary contact (default if no information is provided below, even if the box is not checked).

Contact name* First Last
Contact email address*
Street address*
City*
State*
Postal code* -
(Please provide the zip + 4, e.g. xxxxx-xxxx)
Country*
Phone*
Language preference. Choose the language for notices. English
☐ This contact is a third party (not the Enrolled Affiliate). Warning: This contact receives personally identifiable information of the Customer and its Affiliates.
** indicates required fields*

c. **Online Services Manager.** This contact is authorized to manage the Online Services ordered under the Enrollment and (for applicable Online Services) to add or reassign Licenses and step-up prior to a true-up order.

☒ Same as notices contact and Online Administrator (default if no information is provided below, even if box is not checked)

Contact name*: First Last
Contact email address*
Phone*
☐ This contact is from a third party organization (not the entity). Warning: This contact receives personally identifiable information of the entity.
** indicates required fields*

d. **Reseller information.** Reseller contact for this Enrollment is:

Reseller company name* Dell Inc.
Street address (PO boxes will not be accepted)* One Dell Way
City* Round Rock
State* TX
Postal code* 78682
Country* United States
Contact name* Government Contract Admin
Phone* 847-465-3700
Contact email address* US_MS_VL_Admin@Dell.com
** indicates required fields*

By signing below, the Reseller identified above confirms that all information provided in this Enrollment is correct.

Signature*_____

Printed name*
Printed title*
Date*

** indicates required fields*

Changing a Reseller. If Microsoft or the Reseller chooses to discontinue doing business with each other, Enrolled Affiliate must choose a replacement Reseller. If Enrolled Affiliate or the Reseller intends to terminate their relationship, the initiating party must notify Microsoft and the other party using a form provided by Microsoft at least 90 days prior to the date on which the change is to take effect.

e. If Enrolled Affiliate requires a separate contact for any of the following, attach the Supplemental Contact Information form. *Otherwise, the notices contact and Online Administrator remains the default.*

(i) Additional notices contact
(ii) Software Assurance manager
(iii) Subscriptions manager
(iv) Customer Support Manager (CSM) contact

3. Financing elections.

Is a purchase under this Enrollment being financed through MS Financing? ☐ Yes, ☒ No.

If a purchase under this Enrollment is financed through MS Financing, and Enrolled Affiliate chooses not to finance any associated taxes, it must pay these taxes directly to Microsoft.

Microsoft Volume Licensing

Amendment to Contract Documents

Enrollment Number 5-0000008412228

These amendments are entered into between the parties identified on the attached program signature form. They amend the Enrollment or Agreement identified above. All terms used but not defined in these amendments will have the same meanings provided in that Enrollment or Agreement.

Enterprise Enrollment (Indirect)
Invoice for Quoted Price
Amendment ID M97

The price quoted to Enrolled Aff iliate's Reseller is a fixed price based on an estimated order submission date. Microsoft will invoice Enrolled Affiliate's Reseller based on this fixed price quote. If this order is submitted later than the estimated order submission date, Enrolled Aff iliate's Reseller will be charged for net new Monthly Subscriptions (including Online Services) for the period during which these services were not provided. Pricing to Enrolled Affiliate is agreed between Enrolled Affiliate and Enrolled Affiliate's Reseller.

SKU Number	SKU Description	Existing Quantity	Incremental quantities
7R6-00001	O365 G1 FSA GCC Sub Per User	37	
AAA-11924	O365 G3 FSA GCC Sub Per User	174	
AAD-32906	EntMobandSecE3FromSAGCC ShrdSvr ALNG SubsVL MVL PerUsr		216
AAA-11894	O365 G3 GCC Sub Per User	5	
3GU-00001	Defender O365 P1 GCC Sub Per User	216	
9K4-00003	VisioPlan2FrmSAGCC ShrdSvr ALNG SubsVL MVL PerUsr	7	
NYH-00001	Audio Conferencing Select Dial Out GCC Sub Add-on		216
7MS-00001	Project P3 GCC Sub Per User	2	
J5U-00004	AzureprepaymentG ShrdSvr ALNG SubsVL MVL Commit Provision		1

Enterprise Enrollment
Multiple Azure Billing Tenants Under a Single Enrollment
Amendment ID M423

1. Definitions.

"Azure Billing Tenant" means the environment established by Microsoft on its multi-tenant servers from which a customer accesses Microsoft Azure Services.

"Lead Enrollment" means the Enrollment identified above.

"Billing Tenant Enrollment" means the enrollment associated with an Azure Billing Tenant established for a Tenant Affiliate under this Amendment.

"Tenant Administrator" means any licensed user of an Azure Billing Tenant that has its role set to "Global Administrator" in the profile settings in the Tenant User Administration page of the tenant portal.

"Tenant Affiliate" means an Affiliate, department, or any user group included in the Enrolled Affiliate's Enterprise who will access the Azure Billing Tenant that is identified in the Tenant Information Excel Form attached as an Appendix to this Amendment.

2. The parties agree to the following Billing Tenant Enrollment Terms as follows:

a. **Tenant Affiliate Access and Enrolled Affiliate Obligations**. Each Tenant Affiliate may access each Azure Billing Tenant and its corresponding Billing Tenant Enrollment identified in the Tenant Information Excel Form attached as an Appendix to this Amendment. Enrolled Affiliate acknowledges and agrees that: (i) it is the sole Enrolled Affiliate; (ii) it is the sole Licensee with respect to each Billing Tenant Enrollment; and, (iii) it is solely responsible for ensuring that each of its Tenant Affiliate's comply with the terms and conditions set forth in the Lead Enrollment and any subsequent amendment hereof.

b. **Tenant Administrator User Credentials.** Each Tenant Administrator must have its own, unique, login credential and shall manage each Azure Billing Tenant separately. No two Azure Billing Tenants may share one Tenant Administrator login credential or data object(s).

c. **Azure Prepayment.** Each Tenant Affiliate can purchase an Azure Prepayment; however, the allocated funds for such commitment cannot be transferred between Azure Billing Tenants and Tenant Affiliates.

d. **Purchasing**

   (i) Purchase eligibility. Billing Tenant Enrollments may only be used to purchase Microsoft Azure Services and Microsoft Azure Services Plans.

   (ii) Pricing. The price for Microsoft Azure Services and Microsoft Azure Services Plans purchased under a Billing Tenant Enrollment will be based on the pricelist current as of the Billing Tenant Enrollment Effective Date. Any price adjustment to a Billing Tenant Enrollment will be applicable only to that Billing Tenant Enrollment.

   (iii) Initial Order. Each Billing Tenant Enrollment must include an initial order.

   (iv) Billing Tenant Enrollment Effective Date. The effective date of a Billing Tenant Enrollment will be the processing date of the initial order.

e. **Orders.** Enrolled Affiliate must submit separate orders, on behalf of each Billing Tenant Enrollment. Orders shall be governed by the terms set forth in the Lead Enrollment, except as

specified in this Amendment. Orders are not transferrable between Billing Tenant Enrollments. Billing Tenant Enrollment acceptance and order reminders will be sent to the contact(s) identified on the Lead Enrollment only.

f. **Notices Contact and Online Services Manager.** Each Billing Tenant Enrollment, shall have its own Notices Contact and Online Services Manager as listed in the Tenant Information Excel Form attached as an Appendix to this Amendment. The Notices Contact and Online Services Manager is authorized to manage the Microsoft Azure Services obtained under the related Billing Tenant Enrollment.

g. The expiration date, anniversary dates, payment dates and applicable taxes for each Billing Tenant Enrollment shall be the same as in the Lead Enrollment.

h. Warning: If the Online service Manager Contact is third party (not Enrolled Affiliate) please be aware that this contact receives personally identifiable information of the Customer and it Affiliates.

This Amendment must be attached to a signature form and accompanies by the Tenant Information Excel Form to be valid. The Number of Tenant (s) listed in the Tenant Information Excel form file is:1

Appendix Tenant Information Excel Form is attached

Except for changes made by these amendments, the Enrollment or Agreement identified above remains unchanged and in full force and effect. If there is any conflict between any provision in these amendments and any provision in the Enrollment or Agreement identified above, these amendments shall control.

This Amendment must be attached to a signature form to be valid.

Microsoft Internal Use Only:

(M97)EnrAmend(Ind)(InvoiceforQuotedPrice)(WW)(ENG)(Oct2020)(IU).docx		M97	B
(M423)EnrMultiTenant(MultipleAzureBillingTenantsUnderASingleEnrollment)(WW)(ENG)(Mar2022)(IU).docx		M423	PLSS

Microsoft Volume Licensing

<Choose Enrollment>
Sub 250 Program
Amendment ID W29

<choose> Number

This amendment ("Amendment") is entered into between the parties identified on the attached program signature form. It amends the Enrollment or Agreement identified above. All terms used but not defined in this Amendment will have the same meanings provided in that Enrollment or Agreement.

The parties agree that the Enrollment is amended as follows:

1. On the first page of the Enrollment, the following is added after the second paragraph:

By entering into this Enrollment, the Enrolled Affiliate agrees that (1) it also has 25 or more Qualified Devices or Qualified Users; or (2) as a condition of entering into this Enrollment with 25-249 Qualified Devices or Qualified Users, Enrolled Affiliate has elected not to receive CD ROMs as part of the Enrollment and therefore no CD ROMs will automatically be shipped. If Enrolled Affiliate is enrolling with 25-249 Qualified Devices or Qualified Users and it would like to receive CD ROM Kits and updates, Enrolled Affiliate may order these through its Reseller for a fee.

The submission of this Amendment can only be placed against a 2011 Enterprise Agreement or an Enrollment that has the Updated EA Amendment terms and conditions applied. The submittal of this Amendment may not be contingent on submittal of a new Enterprise Agreement.

2. Section 2a of the Enrollment titled "Order Requirements", is hereby amended and restated in its entirety with the following:

a. Minimum Order Requirements. Enrolled Affiliate's Enterprise must have a minimum of 25 Qualified Users or Qualified Devices.

(i) Initial Order. Initial order must include at least 25 Licenses from one of the four groups outlined in the Product Selection Form.

(ii) If choosing Enterprise Products. If choosing Enterprise Products in a specific group outlined in the Product Selection Form, Enrolled Affiliate's initial order must include an Enterprise-wide selection of one or more Enterprise Products or a mix of Enterprise Products and corresponding Enterprise Online Services for that group.

(iii) Additional Products. Upon satisfying the minimum order requirements above, Enrolled Affiliate may order Additional Products.

(iv) Country of Usage. Enrolled Affiliate must specify the countries where Licenses will be used on its initial order and on any additional orders.

(v) Enterprise Online Services only. If no Enterprise Product is ordered, then Enrolled Affiliate need only maintain at least 25 Subscription Licenses for Enterprise Online Services.

3. Software Assurance renewal.

Renewing Software Assurance: If Enrolled Affiliate will be renewing Products Software Assurance coverage from a separate agreement, check this box.	☐

By checking the above box, a new section is added to the Enrollment entitled “Software Assurance Addition.”

Software Assurance Addition. Enrolled Affiliate is permitted to and will include in its initial order under this Enrollment Software Assurance quantities from eligible Program’s identified in the table below, even though Enrolled Affiliate is not otherwise eligible to order such Software Assurance without simultaneously ordering a License.

Enrolled Affiliate agrees that any perpetual Licenses received through the New Software Assurance shall supersede and replace the underlying Licenses, and the underlying Licenses are not to be transferred separately from any Licenses received through the New Software Assurance. Any remaining payment obligations with respect to the underlying Licenses shall continue in effect.

Program	License ID Number	Expiration Date

Except for changes made by this Amendment, the Enrollment or Agreement identified above remains unchanged and in full force and effect. If there is any conflict between any provision in this Amendment and any provision in the Enrollment or Agreement identified above, this Amendment shall control.

This Amendment must be attached to a signature form to be valid.

Enterprise Enrollment Product Selection Form

Microsoft | Volume Licensing

Proposal ID

1180269.007

Enrollment Number

Language: English (United States)

Enrolled Affiliate's Enterprise Products and Enterprise Online Services summary for the initial order:

Profile	Qualified Devices	Qualified Users	Device / User Ratio	Enterprise Product Platform	CAL Licensing Model
Enterprise	216	216	1.0	No	User Licenses

Products	Enterprise Quantity
Office 365 Plans	
O365 G1 GCC FromSA	37
O365 G3 GCC FromSA	174
O365 G3 GCC	5
Enterprise Mobility and Security (EMS)	
Enterprise Mobility and Security GOV	216

Enrolled Affiliate's Product Quantities:

Price Group	1	2	3	4
Enterprise Products	Office Professional Plus + M365 Apps for Enterprise + Office 365 (Plans E3 and E5) + Microsoft 365 Enterprise	Client Access License + Office 365 (Plans E1, E3 and E5) + Microsoft 365 Enterprise	Client Access License + Windows Intune + EMS USL + Microsoft 365 Enterprise	Win E3 + Win E5 + Win VDA + Microsoft 365 Enterprise
Quantity	179	216	216	0

Enrolled Affiliate's Price Level:

Product Offering / Pool	**Price Level**
Enterprise Products and Enterprise Online Services USLs: Unless otherwise indicated in associated contract documents, Price level set using the highest quantity from Groups 1 through 4.	D
Additional Product Application Pool: Unless otherwise indicated in associated contract documents, Price level set using quantity from Group 1.	D
Additional Product Server Pool: Unless otherwise indicated in associated contract documents, Price level set using the highest quantity from Group 2 or 3.	D
Additional Product Systems Pool: Unless otherwise indicated in associated contract documents, Price level set using quantity from Group 4.	D

NOTES

Unless otherwise indicated in the associated contract documents, the price level for each Product offering / pool is set as described above, based upon the quantity to price level mapping below:

Quantity of Licenses and Software Assurance	Price Level
2,399 and below	A
2,400 to 5,999	B
6,000 to 14,999	C
15,000 and above	D

Note 1: Enterprise Online Services may not be available in all locations. Please see the Product List for a list of locations where these may be purchased.

Note 2: If Enrolled Affiliate does not order an Enterprise Product or Enterprise Online Service associated with an applicable Product pool, the price level for Additional Products in the same pool will be price level "A" throughout the term of the Enrollment. Refer to the Qualifying Government Entity Addendum pricing provision for more details on price leveling.

Town of Los Gatos
Quote Number:1180269.007

Dell Customer Confidential

Quotation

Customer: **Town of Los Gatos**

Dell Microsoft Licensing Specialist: Sam Andrews, sam.andrews@dell.com

Date of Issue: 5/31/2022
Quote expiration: 6/25/2022

Master Agreement: 8084445

Enrollments		EA Renewal Alternate Config (annual)	3-year Total of Payments	
(TBD) - effective 7/1/2022		$78,017.33	$234,051.99	

Town of Los Gatos

EA Renewal - Year 1 Installment Quote

Program	Part Number	Item Description	Monthly Unit Price	Annual Unit Price	Quantity	Extended Price
Annual Pricing						
		Enterprise Online Services Subscriptions				
Enterprise Agreement	AAD-32906	**EntMobandSecE3FromSAGCC ShrdSvr ALNG SubsVL MVL PerUsr**	$ 6.56	$ 78.72	216	$ 17,003.52
Enterprise Agreement	7R6-00001	**O365GCCE1FromSA ShrdSvr ALNG SubsVL MVL PerUsr**	$ 5.76	$ 69.12	37	$ 2,557.44
Enterprise Agreement	AAA-11894	**O365GCCE3 ShrdSvr ALNG SubsVL MVL PerUsr**	$ 19.25	$ 231.00	5	$ 1,155.00
Enterprise Agreement	AAA-11924	**O365GCCE3fromSA ShrdSvr ALNG SubsVL MVL PerUsr**	$ 16.35	$ 196.20	174	$ 34,138.80
						$ -
		Additional Products				
Enterprise Agreement	9GS-00130	**CIS Suite Datacenter Core ALng SA 16L**		$ 1,307.63	7	$ 9,153.41
Enterprise Agreement	9GA-00310	**CIS Suite Standard Core ALng SA 16L**		$ 277.80	5	$ 1,389.00
Enterprise Agreement	312-02257	**ExchgSvrStd ALNG SA MVL**		$ 125.22	1	$ 125.22
Enterprise Agreement	359-00961	**SQLCAL ALNG SA MVL UsrCAL**		$ 33.58	160	$ 5,372.80
Enterprise Agreement	228-04433	**SQLSvrStd ALNG SA MVL**		$ 144.34	3	$ 433.02
Enterprise Agreement	6VC-01254	**Win Remote Desktop Services CAL ALng SA UCAL**		$ 23.30	64	$ 1,491.20
		Additional Products Subscriptions				
Enterprise Agreement	3GU-00001	**Defender O365 P1 GCC Sub Per User**	$ 1.49	$ 17.88	216	$ 3,862.08
Enterprise Agreement	NYH-00001	**Audio Conferencing Select Dial Out GCC Sub Add-on**	$ -	$ -	216	$ -
Enterprise Agreement	7MS-00001	**Project Plan3 GCC Shared All Lng Subs VL MVL Per User**	$ 22.34	$ 268.08	2	$ 536.16
Enterprise Agreement	9K4-00003	**VisioPlan2FrmSAGCC ShrdSvr ALNG SubsVL MVL PerUsr**	$ 9.52	$ 114.24	7	$ 799.68
		Additional Products Tenant ID: Azure-GOV				
Enterprise Agreement	J5U-00004	**AzureprepaymentG ShrdSvr ALNG SubsVL MVL Commit Provision**	$ -	$ -	1	$ -
		You will be billed monthly in arrears for any Azure usage the prior month				
					Year-1 Price (due July 2023)	$ 78,017.33

DATE: June 16, 2022

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Authorize the Town Manager to Execute an Agreement for Consultant Services with Monarch Consulting to Provide Services as Arborist Consultant to the Town.

RECOMMENDATION:

Authorize the Town Manager to execute an Agreement for Consultant Services with Monarch Consulting to provide services as Arborist Consultant to the Town.

BACKGROUND:

In 2017, the Town Council approved a contract with Monarch Consulting to serve as Arborist Consultant to the Town. Since that time, the arborist peer review consultant process continues to be a successful component of the planning process.

The Town distributed a Request for Qualifications in March 2022 and received six proposals from: Monarch Consulting (Attachment 1); Walter Levison; Lucchesi Plant and Soil Consulting; Doug Anderson; Davey Resource Group; and Dudek. Staff determined that Walter Levison and Monarch Consulting were the most qualified to serve as Arborist Consultants to the Town, based on the quality of the proposals and past services provided. Please see separate report for this Council agenda regarding Walter Levison.

DISCUSSION:

The Consulting Arborist reviews tree impacts relative to development proposals, prepares arborist reports, provides peer review of arborist reports submitted by applicants, and makes recommendations to Town staff for the preservation and maintenance of trees. Typical tasks that the Consulting Arborist may provide include the following:

PREPARED BY: Alexa Nolder
Executive Assistant

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

DISCUSSION (continued):

- Conducting site visits and inspections as needed;
- Evaluating proposed tree removals and impacts associated with development proposals;
- Reviewing proposed tree removals for compliance with the Town's Tree Preservation Ordinance;
- Preparing arborist reports for development proposals;
- Conducting peer review of arborist reports submitted by applicants;
- Meeting with Town staff and/or applicants as needed; and
- Attending public hearings as needed.

Optional work may include the following:

- Review of landscape plans for commercial and Planned Development projects and
- Review of landscape plans for compliance with Wildland Urban Interface (Very High Fire Hazard Areas) standards.

CONCLUSION:

Monarch Consulting was determined to be among the best candidate firms to continue serving as one of the Town's Consulting Arborists for the following reasons:

- Extensive knowledge of site analysis and preparation of reports for proposed development projects and
- Experience working with the Town of Los Gatos.

COORDINATION:

The draft Agreement for Consultant Services (Attachment 2) was prepared in coordination with the Town Attorney.

FISCAL IMPACT:

Arborist review is a cost recovery activity as part of the development review process. Applicants pay a fee to the Town to cover the consultant costs to prepare arborist documents. An administrative fee of 10 percent is also charged by the Town. The purpose of the administrative fee is to reimburse the Town's cost of administering the peer review.

ENVIRONMENTAL ASSESSMENT:

This action is not a project defined under CEQA, and no further action is required.

Attachments:
1. Monarch Consulting Proposal
2. Draft Agreement for Consulting Services

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Request for Qualifications

Prepared for:

Jennifer Armer
and
The Town of Los Gatos

March 28, 2022

Monarch Consulting Arborists

Richard Gessner
P.O. Box 1010 – Felton, CA 95018
1 831 331 8982
www.monarcharborists.com

Prepared By: Richard Gessner

ASCA - Registered Consulting Arborist ® #496
ISA - Board Certified Master Arborist® WE-4341B

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Sample Reports 8

March 28, 2022

Town of Los Gatos
Community Development Department
Planning Division
Attn: Jennifer Armer
110 E. Main Street
Los Gatos, CA 95030

Monarch Consulting Arborists

Richard Gessner
P.O. Box 1010 – Felton, CA 95018
1 831 331 8982
www.monarcharborists.com

Regarding: Request for qualifications to serve as a Consulting Arborist for the Town of Los Gatos.

Statement of Interest

I have been contracted by the Town since 2017 to provide the requested consulting services. I am interested in providing arboricultural consulting services for the Town of Los Gatos to provide reports, peer review, and to make recommendations for the preservation, safety, and health of trees in the town's urban forest.

Introduction

My name is Richard Gessner and I have been an ISA (International Society of Arboriculture) Certified Arborist since 1999, ISA Board Certified Master Arborist® since 2008, and an ASCA (American Society of Consulting Arborists) Registered Consulting Arborist® since 2010. For more than twenty years I have worked as an arborist for two national tree care companies, the electric utility, and have operated my own consulting business since 2010. My broad experience provides me with insight into the many challenges in various roles as a professional arborist. Amongst other assignments since 2010 I have provided more than hundreds of arborist's reports and tree protection plans related to development projects around the Silicon Valley and beyond.

Aside from my professional experience I am a past President of the Western Chapter ISA, on the Board of Directors of the Britton Fund, Inc. nonprofit organization that provides research and educational opportunities in the field of arboriculture in California, Arizona, Nevada and Hawaii. For the past five years I have been the voting representative for ASCA on the Accredited Standards Committee (A300) whose mission is to develop consensus performance standards based on current research and sound practice for writing specifications to manage trees, shrubs, and other woody plants, the tree care industry's ANSI A300 Standards and Limitations.

Executive Summary

Situation Appraisal

The Town of Los Gatos protects all trees with a trunk diameter greater than (4) four inches at (54) fifty-four inches above grade on vacant or underdeveloped lots and those requiring planning/zoning review. Because trees are of significant value to the Town of Los Gatos and the surrounding communities it is important to obtain accurate and relevant information regarding the preservation, safety, and protection of the existing urban forest.

Objectives:

- Evaluate tree resources with regard to planning, design, and impact though construction and post construction activity.
- Provide advice regarding tree removal, retention, mitigation, and preservation.
- Identify trees suitable for preservation while addressing the need to remove and provide mitigation for those unsuitable to retain.

Measures of success:

- Long term urban forest preservation with minimal impact on valuable trees within the community.
- Maintaining the environmental and aesthetic benefits derived from trees retained during site development.
- Growing an urban forest for the future with proper tree selection regarding desired contribution, placement, and species selection.

Value to the Town of Los Gatos and Community:

- Long term tree preservation solutions to help ensure desired aesthetic and functional contributions the trees will provide to the community.
- Reduced safety and financial risk to property owners and the community from appropriate tree retention and removal.
- Reduced delays in the planning process by providing adequate information regarding tree preservation in a timely manner.
- Increased property values.

Experience

As the incumbent consultant I have been involved with more than fifty different projects solely for the Town of Los Gatos since 2017. I am familiar with the needs of planning and the hillside design guidelines regarding trees and screening of proposed properties.

Qualifications

Listed below are three references familiar with my work product regarding pre-development assessments and municipal planning, tree protection type reports, and urban forest initiative assignments. The Town's planning department including Erin Walter, Sean Mullin, Ryan Safty, and Jocelyn Shoopman along with Arborist Rob Moulden are also familiar with my work and expertise.

Ed Lambing - Director of Engineering San Jose Water Company 1265 S. Bascom Avenue San Jose, CA 95128 408.279.7889	Various projects over the past five years. Evans Right of Way, Bainter Ave Right of Way, Saratoga Hills Tank Replacement, Vickery in ground reservoir renovation, Overlook Road Tank and Pump replacement.
Matthew Fried Managing Arborist City of San Mateo mfried@cityofsanmateo.org (650) 522-7422	Mr. Fried has both contracted me to help with city urban forest initiatives and reviewed many of my reports over the years.
Robert Siudzinski City Arborist City of Campbell | Public Works Department 70 N. First Street Campbell, CA 95008	Mr. Siudzonski has also contracted me to help with city urban forest initiatives and reviewed many of my reports over the years.

Neither I nor my organization have been the subject of a lawsuit or any type of legal action other than participating in cases as an expert witness.

Curriculum Vitae for Richard Gessner

Education

Attended the University of Oregon from 1995 to 1997
Major coursework focussed on Environmental Studies and Anthropology

Current Professional Licenses and Certifications

- Registered Consulting Arborist® #496 American Society of Consulting Arborists - current
- Board Certified Master Arborist® WE-4341B International Society of Arboriculture - current

Professional Development

- Past President of the Western Chapter International Society of Arboriculture 2018
- The Britton Fund, Inc. Director on the Board of Directors 2015-2022 (Current)
- ASCA Representative for ANSI A300 Standards Committee ASC A300 Member - Current 2016- 2022 TCIA.
- International Society of Arboriculture annual leadership conference - October 2014.
- Coach at the 2013 ASCA Consulting Academy
- Graduated from ASCA Consulting Academy 2010
- Graduated from Dale Carnegie Sales Advantage Course 2005
- Attended various local tree care and pest management workshops over the past 20 years
- Speaker for Pesticide Applicators Professional Association (PAPA) various topics.

Professional Experience

Owner/Consulting Arborist for Monarch Consulting Arborists LLC
Monarch Consulting Arborists LLC, P.O. Box 1010, Felton, CA 95018
Owner and founder of Monarch Consulting Arborists LLC - November 2010 to present

- Provide expert assessments regarding the care and management of trees and our urban forest.

Awards

Western Chapter ISA Lifetime Membership, 2018
Western Chapter ISA Presidents Award, 2020

Business Developer for Tree Care Services
ValleyCrest Landscape Companies, Inc, California, San Jose, CA April 2007 - November 2010

- Manage day to day operations including sales and account management
- Sell and Estimate tree care services in a designated territory for primarily commercial clients
- Prospect for new clients using sales techniques and arboricultural consultation
- Build lasting relationships with existing clients and market services to new prospects
- Schedule crews and field support to ensure profitable outcome
- Draft work orders to instruct crew to perform key elements of each job to insure complete customer satisfaction
- Customer follow up and dispute resolution as needed
- Assist with crew training and safety

Arborist Representative/Selling Arborist
The F.A. Bartlett Tree Expert Company, Stamford Connecticut, San Jose, CA January 2001- April 2007

- In charge of day to day operations including sales, marketing, safety and regulatory responsibilities.
- Act as a consultant for clients and allied businesses
- Develop and implement tree management programs and plant health care (IPM) programs using the safest and most up to date techniques
- Supervise work performed ensuring jobs are performed and completed per the contract
- Responsible for crews' adherence to all safety regulations including OSHA and ANSI Standards

Consulting Utility Forester to Pacific Gas and Electric Co.
Western Environmental Consultants Inc. Oakland CA, January 1998 to August 1999

- Survey properties to determine fire hazards and secure permission for tree work
- Document information for vegetation management program to mitigate fire danger
- Support relationships with public and private agencies and obtain necessary permits
- Resolve customer complaints and concerns

Memberships

- American Society of Consulting Arborists (ASCA)
- International Society of Arboriculture (ISA)
- Western Chapter International Society of Arboriculture (WCISA)

Publications

Limitations of Root Pruning, Western Arborist, Spring 2018

Organization

I, Richard Gessner, am the sole staff that would perform the services requested and am the only employee of my business. I can typically perform the required services with some advanced notice. Site visits and on-site assessments can be performed with 72 hours notice and written reports can be expected within 14 days after the initial assessment. Time constraints would consist of required expert witness testimony or planned vacations. Time is always of the essence and projects can be expedited within reason if necessary.

Project Approach

Below is the typical project approach for pre-development assessments including three phases which are as follows: planning, protection, and construction. Listed below is the typical assignment for such a project:

Phase 1: Provide an arborist's report that includes an assessment of the trees within the project area. The assessment is to include the species, size (trunk diameter/circumference), condition (health and structure), and suitability for preservation.

The report will contain findings and recommendations, tables with tree information, photographs, and locations placed on a map if required. Trees will have aluminum number tags affixed to them for on site identification and report reference.

Provide construction influence ratings for the trees that will be affected by the project.

Phase 2: Provide a tree protection plan for trees to be retained. Establish tree protection zone distances and critical root zone distances along with requirements for preservation during pre-construction, construction, and post construction care.

Tree protection fencing and distances can be placed on a map provided if necessary.

Phase 3: Monitor construction activity to provide observations and recommendations for care as on-site conditions change and unexpected impacts that may occur. Provide construction monitoring field forms and photos as required.

Project issues: Changes in design that create greater conflict than first anticipated. Grading, drainage, utility, and landscape changes. Unanticipated basement over-excavations. Water to site cut off. Tree protection fence removed.

Resolutions: Contact the project manager and authority of jurisdiction regarding the changes or violations of conditions of approval. Provide appropriate mitigation measures to rectify the issues in a timely manner.

Public Meetings

Peer Review: Site visit would be approximately one hour, review of report and plans one hour, and formal response to review one hour. Three to four hours total for a peer review.

Fee estimate: $825.00 to $1650,00

Site investigation and reports: A typical residential site visit and report would be one to three hours for the site visit, inventory, and assessment. Plan review and report generation can be between three and eight hours depending on the complexity of the assignment.

Fee estimate: $1,100 to $4,400.00

Special studies: Special studies would need to be investigated with no reference to plan scope or time and cannot be estimated from a time standpoint.

Fee estimate: unknown

Tree Inventory, Assessment, and Protection Report

32 Walnut Avenue
Los Gatos, CA 95032

Prepared for:

Town of Los Gatos

January 26, 2021

Prepared By:

Richard Gessner

ASCA - Registered Consulting Arborist ® #496
ISA - Board Certified Master Arborist® WE-4341B

Monarch Consulting Arborists

Richard Gessner
P.O. Box 1010 – Felton, CA 95018
1 831 331 8982
www.monarcharborists.com

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Summary

The plans are to tear down the existing structure and build a new residence with a garage in the back. Three coast redwoods are indicated as to be retained and preserved. The inventory contains 18 trees comprised of 9 different species. One coast redwood (*Sequoia sempervirens*) is considered Large Protected and nine trees fruit are Exempt. Four trees are in good condition, nine fair, and five poor. There are some large trees on the site that are in fair or poor shape including Douglas-firs (*Pseudotsuga menziesii*) #286, #287, #293, and #294. These large specimens have some defects that could pose safety issues under new site occupancy. Three coast redwoods are indicated to be retained and preserved #290, #291, and #292 but only #290 could realistically be preserved based on the plans. The issues impacting the two trees to be preserved are the basement and required over-excavation along with the detention basin adjacent to the trees. Tree protection fence and irrigation will need to be placed around coast redwood #290. The plans indicate a Type III (trunk protection only) protection scheme around trees #291 and #292, but the grading and excavation around these trees may be detrimental without more detail.

Introduction

Background

The Town of Los Gatos asked me to assess the site, trees, and proposed footprint plan, and to provide a report with my findings and recommendations to help satisfy planning requirements.

Assignment

- Provide an arborist's report including an assessment of the trees within the project area and on the adjacent sites. The assessment is to include the species, size (trunk diameter), condition (health, structure, and form), and suitability for preservation ratings. Affix number tags on the trees for reference on site and on plans.
- Provide tree protection specifications, guidelines, and impact ratings for those affected by the project.
- Provide appraised values using the Trunk Formula Technique.

Limits of the assignment

- The information in this report is limited to the condition of the trees during my inspection on January 8, 2021. No tree risk assessments were performed.
- Tree heights and canopy diameters are estimates.

- The plans reviewed for this assignment were as follows (Table 1)

Table 1: Plans Reviewed Checklist

Plan	Date	Sheet	Reviewed	Source
Existing Site Topographic	June 2020	C-2.0	Yes	Wilson Land Surveyors
Proposed Site Plan	10/23/20	C4.0	Yes	Metro Design Group
Erosion Control			N/A	
Grading and Drainage	10/23/20	C4.0	Yes	Metro Design Group
Utility Plan and Hook-up locations				
Exterior Elevations				
Landscape Plan			No	
Irrigation Plan			No	
T-1 Tree Protection Plan	10/23/20	T-1	Yes	Metro Design Group

Purpose and use of the report

The report is intended to identify all the trees within the plan area that could be affected by a project. The report is to be used by the Town of Los Gatos and the property owners as a reference for existing tree conditions to help satisfy planning requirements.

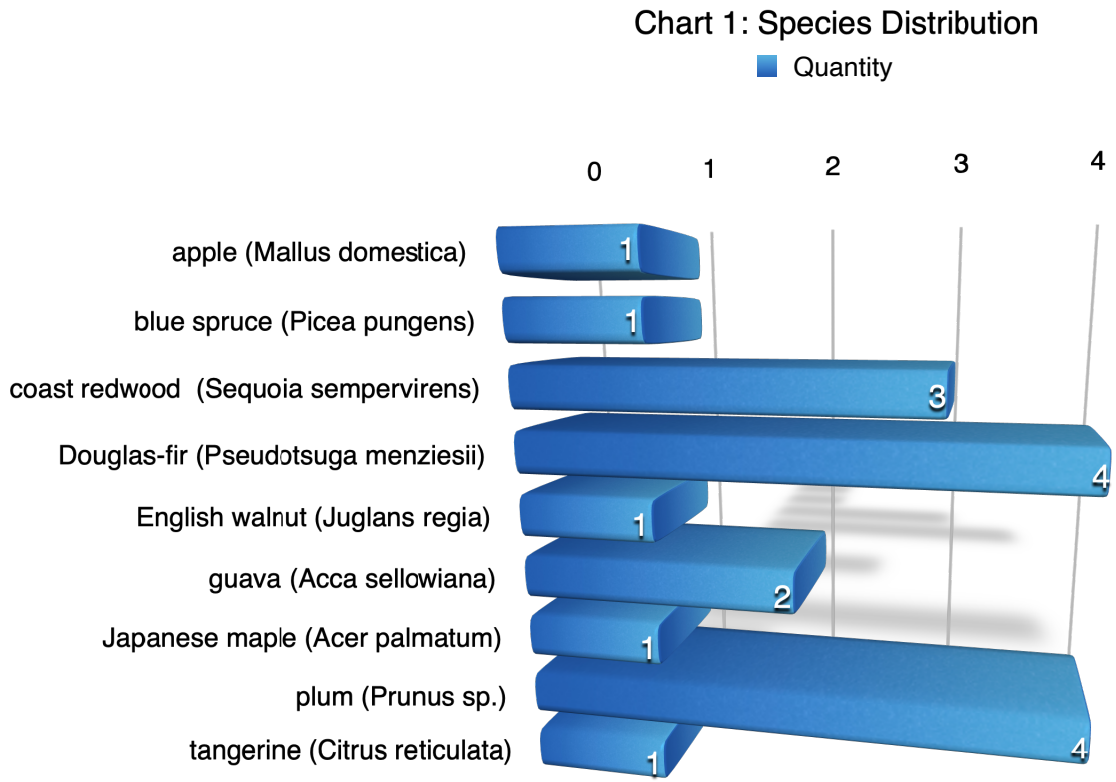
Observations

Tree Inventory

The inventory consists of trees protected by the Town of Los Gatos located on site and those in close proximity on neighboring properties. Sec. 29.10.0960. - Scope of protected trees. All trees which have a four-inch or greater diameter (twelve and one half-inch circumference) of any trunk, when removal relates to any review for which zoning approval or subdivision approval is required. (Appendix A and B). Los Gatos Town Ordinance 29.10.0970 Exceptions (1) states the following: “A fruit or nut tree that is less than eighteen (18) inches in diameter (fifty-seven-inch circumference).

The plans are to tear down the existing structure and build a new residence with a garage in the back of the site. Three coast redwoods are indicated as to be retained and preserved. There is an arborist’s report pasted to the T-1 sheet but it does not meet the required criteria to be accepted by the Town for the purposes of the project.

The inventory contains 18 trees comprised of 9 different species (Chart 1). One coast redwood is considered Large Protected[1] and nine fruit trees are Exempt[2].



[1] Large protected tree means any oak (*Quercus spp.*), California buckeye (*Aesculus californica*), or Pacific madrone (*Arbutus menziesii*) which has a 24-inch or greater diameter (75-inch circumference); or any other species of tree with a 48-inch or greater diameter (150-inch circumference).

[2] A fruit or nut tree that is less than eighteen (18) inches in diameter (fifty-seven-inch circumference).

Analysis

Tree appraisal was performed according to the Council of Tree & Landscape Appraisers *Guide for Plant Appraisal 10th Edition, 2019* (CLTA) along with Western Chapter International Society of Arboriculture *Species Classification and Group Assignment, 2004*. The trees were appraised using the "Cost Approach" and more specifically the "Trunk Formula Technique" (Appendix B).

"Trunk Formula Technique" is calculated as follows: Basic Tree Cost = (Unit tree cost x Appraised trunk area), Appraised Value = (Basic tree cost X functional Limitations (percentage) X Condition (percentage) X External Limitations (percentage)).

The trunk formula valuations are based on four tree factors; size (trunk cross sectional area), condition, functional limitations, and external limitations. There are two steps to determine the overall value. The first step is to determine the "Basic Tree Cost" based on size and unit tree cost. Unit tree cost is calculated by dividing the nursery wholesale cost of a 24 inch box specimen and its replacement size (cost per square inch trunk caliper) which is determined by the *Species Classification and Group Assignment, 2004 Western Chapter Regional Supplement*. The cost of the 24 inch box wholesale specimen was determined through personal communications with BrightView and Normans nurseries in Farmington and Central Wholesale in San Jose for an average of $214.00.

The second part is to depreciate the tree's Basic Cost through an assessment of condition, functional limitations, and external limitations. The condition assessment guidelines and percentages are defined in the "Condition Rating" section of this report. Functional limitations are based on factors associated with the tree's interaction to its planting site that would affect condition, limit development, or reduce the utility in the future and include genetics, placement, and site conditions for the individual tree. External limitations are outside the property, out of control of the owner and also affect condition, limit development, or reduce the utility in the future (i.e power lines, municipal restrictions, drought adaptations, or species susceptibility to pests).

There were 18 trees appraised for a rounded depreciated value of $57,770.00.

Appraisal worksheets are available upon request

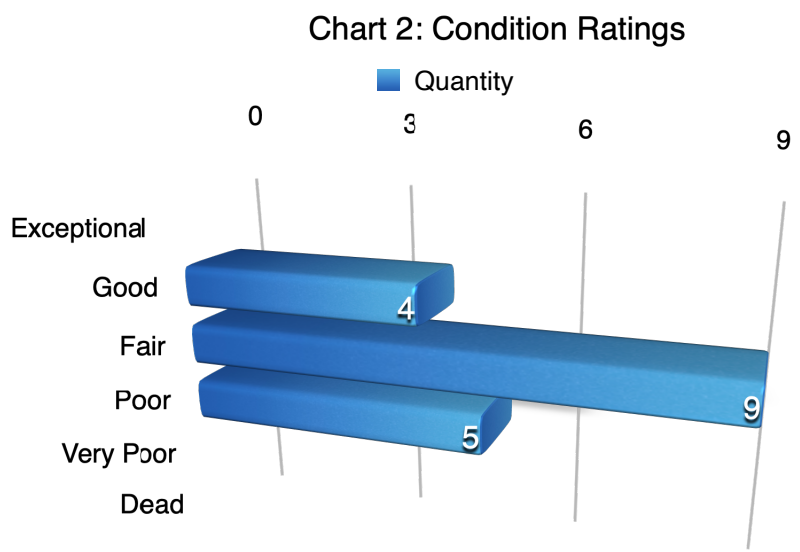
Discussion

Condition Rating

A tree's condition is a determination of its overall health, structure, and form. The assessment considered all three criteria for a combined condition rating.

- 100% - Exceptional = Good health and structure with significant size, location or quality.
- 61-80% - Good = Normal vigor, well-developed structure, function and aesthetics not compromised with good longevity for the site.
- 41-60 % - Fair = Reduced vigor, damage, dieback, or pest problems, at least one significant structural problem or multiple moderate defects requiring treatment. Major asymmetry or deviation from the species normal habit, function and aesthetics compromised.
- 21-40% - Poor = Unhealthy and declining appearance with poor vigor, abnormal foliar color, size or density with potential irreversible decline. One serious structural defect or multiple significant defects that cannot be corrected and failure may occur at any time. Significant asymmetry and compromised aesthetics and intended use.
- 6-20% - Very Poor = Poor vigor and dying with little foliage in irreversible decline. Severe defects with the likelihood of failure being probable or imminent. Aesthetically poor with little or no function in the landscape.
- 0-5% - Dead/Unstable = Dead or imminently ready to fail.

Four trees are in good condition, nine fair, and five poor (Chart 1). There are some large trees on the site that are in fair or poor shape including Douglas-firs #286, #287, #293, and #294. These large specimens have some defects that could pose safety issues under new site occupancy.



Suitability for Conservation

A tree's suitability for preservation is determined based on Functional and External Limitations[3] (ISA, 2019).

- Good = Trees with good health, structural stability and longevity.
- Fair = Trees with fair health and/or structural defects that may be mitigated through treatment. These trees require more intense management and monitoring, and may have shorter life spans than those in the good category.
- Poor = Trees in poor health with significant structural defects that cannot be mitigated and will continue to decline regardless of treatment. The species or individual may possess characteristics that are incompatible or undesirable in landscape settings or unsuited for the intended use of the site.

Three trees have good suitability for preservation while fifteen are poorly suited for retention. Trees with good suitability include coast redwoods #290, #291, and #292 along the north side. The most significant tree on the lot is the centrally located Douglas-fir #286 with fair suitability due to size, location, and longevity in an urban setting. The other Douglas-fir are not suitable for retention but one of those trees may originate on the adjacent site (#294).

Expected Impact Level

Impact level defines how a tree may be affected by construction activity and proximity to the tree, and is described as low, moderate, or high. The following scale defines the impact rating:

- Low = The construction activity will have little influence on the tree.
- Moderate = The construction may cause future health or structural problems, and steps must be taken to protect the tree to reduce future problems.
- High = Tree structure and health will be compromised and removal is recommended, or other actions must be taken for the tree to remain. The tree is located in the building envelope.

Three coast redwoods are indicated to be retained and preserved #290, #291, and #292 but only #290 could realistically be preserved based on the plans. The issues impacting the two trees to be preserved are the basement excavation and required over-excavation along with the detention basin adjacent to the trees.

[3] Functional Limitations are based on factors associated with the tree's interaction to its planting site affecting plant condition, limiting plant development, or reducing the utility in the future and include genetics, placement, and site conditions for the individual tree (ISA, 2019). External Limitations are outside the property, out of control of the owner and also affect plant condition, limit plant development, or reduce the utility in the future (i.e power lines, municipal restrictions, drought adaptations, or species susceptibility to pests) (ISA, 2019).

Tree Protection

Typically there are three different tree protection schemes which are called Type I (Appendix D1), Type II and Type III (Appendix D2) trunk protection only. Tree protection focuses on avoiding damage to the roots, trunk, or scaffold branches (Appendix D). The most current accepted method for determining the TPZ is to use a formula based on species tolerance, tree age/vigor, and trunk diameter (Matheny, N. and Clark, J. 1998) (Fite, K, and Smiley, E. T., 2016). Preventing mechanical damage to the trunk from equipment or hand tools can be accomplished by wrapping the main stem with straw wattle or using vertical timbers (Appendix D).

Tree protection fence and irrigation will need to be placed around coast redwood #290 at a radius of 6 to 8 times the trunk diameter. The plans indicate a Type III (trunk protection only) protection scheme around trees #291 and #292 but the grading and excavation around these trees may be detrimental. This type of protection and retention of these trees will need to be further explored.

Conclusion

The plans are to tear down the existing structure and build a new residence with a garage in the back. Three coast redwoods are indicated as to be retained and preserved. There is an arborist's report pasted to the T-1 sheet but it does not meet the required criteria to be accepted by the Town for the purposes of the project. The inventory contains 18 trees comprised of 9 different species. One coast redwood is considered Large Protected and nine trees are Exempt. Four trees are in good condition, nine fair, and five poor. There are some large trees on the site that are in fair or poor shape including Douglas-firs #286, #287, #293, and #294. These large specimens have some defects that could pose safety issues under new site occupancy. Three coast redwoods are indicated to be retained and preserved #290, #291, and #292 but only #290 could realistically be preserved based on the plans. The issues impacting the two trees to be preserved are the basement and required over-excavation along with the detention basin adjacent to the trees. Tree protection fence and irrigation will need to be placed around coast redwood #290 at a radius of 6 to 8 times the trunk diameter distance. The plans indicate a Type III (trunk protection only) protection scheme around trees #291 and #292, but the grading and excavation around these trees may be detrimental without more detail.

Recommendations

1. Place tree numbers and tree protection fence locations and guidelines on the plans including the grading, drainage, and utility plans. Update the T-1 plan sheet to reflect the tree numbers provided in Appendix A and B of this report. The report by Urban Tree Management should be removed from this plan sheet as it does not contain any protection specifications or Town requirements.

2. Provide the extent of excavation for the basement, light well, and the stormwater detention pond to obtain a better understanding or feasibility of retaining coast redwoods #291 and #292.

3. Verify ownership of #294 which appears off property.

4. Place tree protection fence around coast redwood #290 at a radius of 25 to 33 feet (6x to 8x the trunk diameter). Install temporary irrigation or soaker hoses in the tree protection zone and provide supplemental watering during construction. Monitor watering times or amounts to ensure adequate soil saturation. (A 5/8” soaker hose requires about 200 minutes to deliver one inch of water to a garden. This number is affected by the length of the hose and the overall rate of flow from the faucet. A good rule of thumb is to expect about ½ GPM as a standard faucet flow rate.). Infrequent deeper watering is preferred and could be as much as 500 gallons per soaking.

5. All tree maintenance and care shall be performed by a qualified arborist with a C-61/D-49 California Contractors License. Tree maintenance and care shall be specified in writing according to American National Standard for Tree Care Operations: *Tree, Shrub and Other Woody Plant Management: Standard Practices* parts 1 through 10 and adhere to ANSI Z133.1 safety standards and local regulations. All maintenance is to be performed according to ISA Best Management Practices.

6. Provide a copy of this report to all contractors and project managers, including the architect, civil engineer, and landscape designer or architect. It is the responsibility of the owner to ensure all parties are familiar with this document.

7. Arrange a pre-construction meeting with the project arborist or landscape architect to verify tree protection is in place, with the correct materials, and at the proper distances.

Bibliography

American National Standard for Tree Care Operations: Tree, Shrub and Other Woody Plant Management : Standard Practices (Management of Trees and Shrubs During Site Planning, Site Development, and Construction)(Part 5). Londonderry, NH: Secretariat, Tree Care Industry Association, 2019. Print.

Fite, Kelby, and Edgar Thomas. Smiley. *Managing trees during construction*, second edition. Champaign, IL: International Society of Arboriculture, 2016.

ISA. *Guide For Plant Appraisal 9th Edition*. Savoy, IL: International Society of Arboriculture, 2000. Print.

ISA. *Guide For Plant Appraisal 10th Edition*. Savoy, IL: International Society of Arboriculture, 2018. Print.

ISA. Species Classification and Group Assignment, 2004 Western Chapter Regional Supplement. Western Chapter ISA

Matheny, Nelda P., Clark, James R. Trees and development: A technical guide to preservation of trees during land development. Bedminster, PA: International Society of Arboriculture 1998.

Smiley, E, Matheny, N, Lilly, S, ISA. *Best Management Practices: Tree Risk Assessment:* International Society of Arboriculture, 2017. Print

Glossary of Terms

Basic Tree Cost: The cost of replacement for a perfect specimen of a particular species and cross sectional area prior to location and condition depreciation.

Cost Approach: An indication of value by adding the land value to the depreciated value of improvements.

Defect: An imperfection, weakness, or lack of something necessary. In trees defects are injuries, growth patterns, decay, or other conditions that reduce the tree's structural strength.

Diameter at breast height (DBH): Measures at 1.4 meters (4.5 feet) above ground in the United States, Australia (arboriculture), New Zealand, and when using the Guide for Plant Appraisal, 9th edition; at 1.3 meters (4.3 feet) above ground in Australia (forestry), Canada, the European Union, and in UK forestry; and at 1.5 meters (5 feet) above ground in UK arboriculture.

Drip Line: Imaginary line defined by the branch spread or a single plant or group of plants. The outer extent of the tree crown.

Form: describes a plant's habit, shape or silhouette defined by its genetics, environment, or management.

Health: Assessment is based on the overall appearance of the tree, its leaf and twig growth, and the presence and severity of insects or disease.

Mechanical damage: Physical damage caused by outside forces such as cutting, chopping or any mechanized device that may strike the tree trunk, roots or branches.

Scaffold branches: Permanent or structural branches that for the scaffold architecture or structure of a tree.

Straw wattle: also known as straw worms, bio-logs, straw noodles, or straw tubes are man made cylinders of compressed, weed free straw (wheat or rice), 8 to 12 inches in diameter and 20 to 25 feet long. They are encased in jute, nylon, or other photo degradable materials,
and have an average weight of 35 pounds.

Structural evaluation: focused on the crown, trunk, trunk flare, above ground roots and the site conditions contributing to conditions and/or defects that may contribute to failure.

Tree Protection Zone (TPZ): Defined area within which certain activities are prohibited or restricted to prevent or minimize potential injury to designated trees, especially during construction or development.

Tree Risk Assessment: Process of evaluating what unexpected things could happen, how likely it is, and what the likely outcomes are. In tree management, the systematic process to determine the level of risk posed by a tree, tree part, or group of trees.

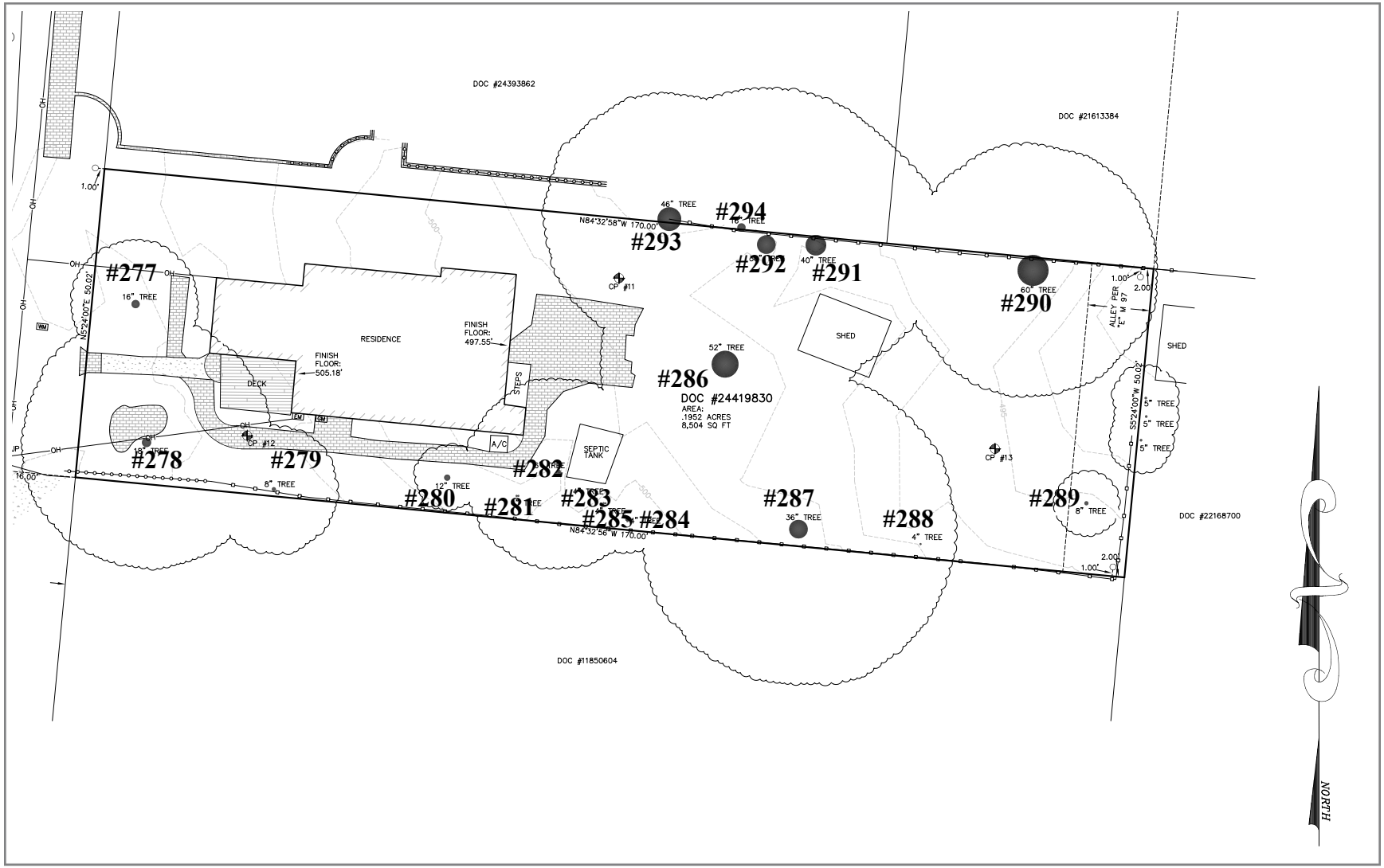
Trunk: Stem of a tree.

Trunk Formula Technique: Method to appraise the monetary value of trees considered too large to be replaced with nursery or field grown stock. Based on developing a representative unit cost for replacement with the same or comparable species of the same size and in the same place, subject to depreciation for various factors. Contrast with replacement cost method.

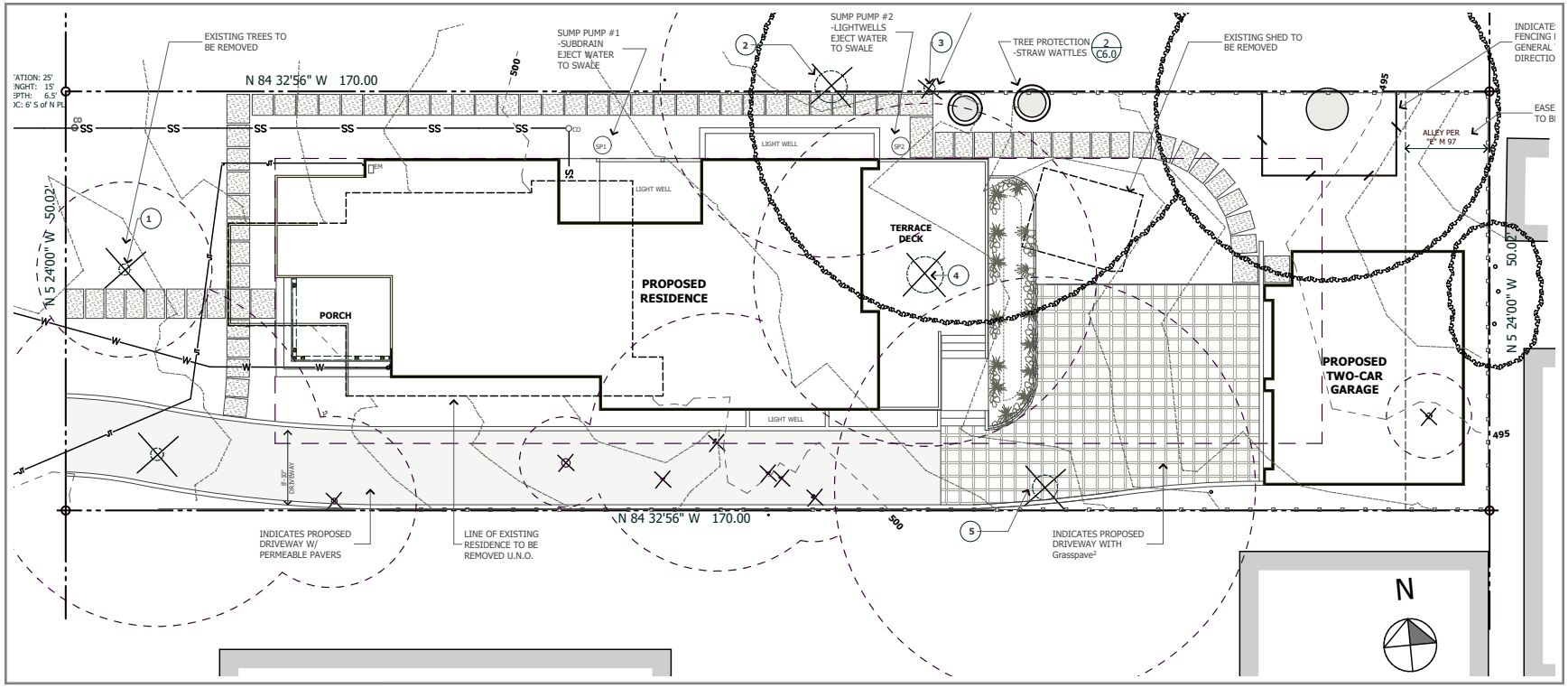
Volunteer: A tree, not planted by human hands, that begins to grow on residential or commercial property. Unlike trees that are brought in and installed on property, volunteer trees usually spring up on their own from seeds placed onto the ground by natural causes or accidental transport by people. Normally, volunteer trees are considered weeds and removed, but many desirable and attractive specimens have gone on to become permanent residents on many public and private grounds.

Appendix A: Tree Inventory Map and Site Plan

Inventory map with number locations taken from the existing topographic survey.



A2: Site Plan


EXISTING TREES TO BE REMOVED
SUMP PUMP #1 -SUBDRAIN EJECT WATER TO SWALE
SUMP PUMP #2 -LIGHTWELLS EJECT WATER TO SWALE
TREE PROTECTION -STRAW WATTLES
EXISTING SHED TO BE REMOVED
N 84 32'56" W 170.00
N 5 24'00" W 50.02'
N 5 24'00" W 50.00'
PROPOSED RESIDENCE
PORCH
TERRACE DECK
LIGHT WELL
PROPOSED TWO-CAR GARAGE
ALLEY PER "E" M 97
INDICATES PROPOSED DRIVEWAY W/ PERMEABLE PAVERS
LINE OF EXISTING RESIDENCE TO BE REMOVED U.N.O.
INDICATES PROPOSED DRIVEWAY WITH Grasspave²
N

Appendix B: Tree Inventory and Assessment Tables

Table 3: Inventory and Assessment Summary

Tree Species	I.D. #	Trunk Diameter (in.)	~ Canopy Diameter (ft.)	Condition	Suitability	Expected Impact	Protection Status	Rounded Depreciated Value
blue spruce (*Picea pungens*)	277	16	20	Fair	Poor	High	No	$1,410.00
English walnut (*Juglans regia*)	278	16	25	Fair	Poor	High	Exempt	$1,410.00
apple (*Mallus domestica*)	279	9	20	Poor	Poor	Low	Exempt	$490.00
tangerine (*Citrus reticulata*)	280	10	15	Poor	Poor	High	Exempt	$560.00
guava (*Acca sellowiana*)	281	4	15	Fair	Poor	High	Exempt	$150.00
guava (*Acca sellowiana*)	282	10, 4	15	Fair	Poor	High	Exempt	$1,130.00
plum (*Prunus sp.*)	283	5	15	Fair	Poor	High	Exempt	$230.00
plum (*Prunus sp.*)	284	3, 3, 3	15	Fair	Poor	High	Exempt	$230.00
plum (*Prunus sp.*)	285	5, 2	15	Fair	Poor	High	Exempt	$340.00
Douglas-fir (*Pseudotsuga menziesii*)	286	47	55	Fair	Fair	High	No	$9,800.00
Douglas-fir (*Pseudotsuga menziesii*)	287	37	55	Poor	Poor	High	No	$3,630.00

Tree Species	I.D. #	Trunk Diameter (in.)	~ Canopy Diameter (ft.)	Condition	Suitability	Expected Impact	Protection Status	Rounded Depreciated Value
Japanese maple (*Acer palmatum*)	288	2.2	10	Good	Poor	High	No	$60.00
plum (*Prunus sp.*)	289	8	15	Fair	Poor	High	Exempt	$600.00
coast redwood (*Sequoia sempervirens*)	290	50	30	Good	Good	High	Yes	$15,500.00
coast redwood (*Sequoia sempervirens*)	291	25	30	Good	Good	High	No	$3,870.00
coast redwood (*Sequoia sempervirens*)	292	37	30	Good	Good	High	No	$8,500.00
Douglas-fir (*Pseudotsuga menziesii*)	293	43	30	Poor	Poor	High	No	$4,900.00
Douglas-fir (*Pseudotsuga menziesii*)	294	20	30	Poor	Poor	High	No	$1,060.00

Appendix C: Photographs

C1: Blue Spruce #277

C2: Douglas-fir #286

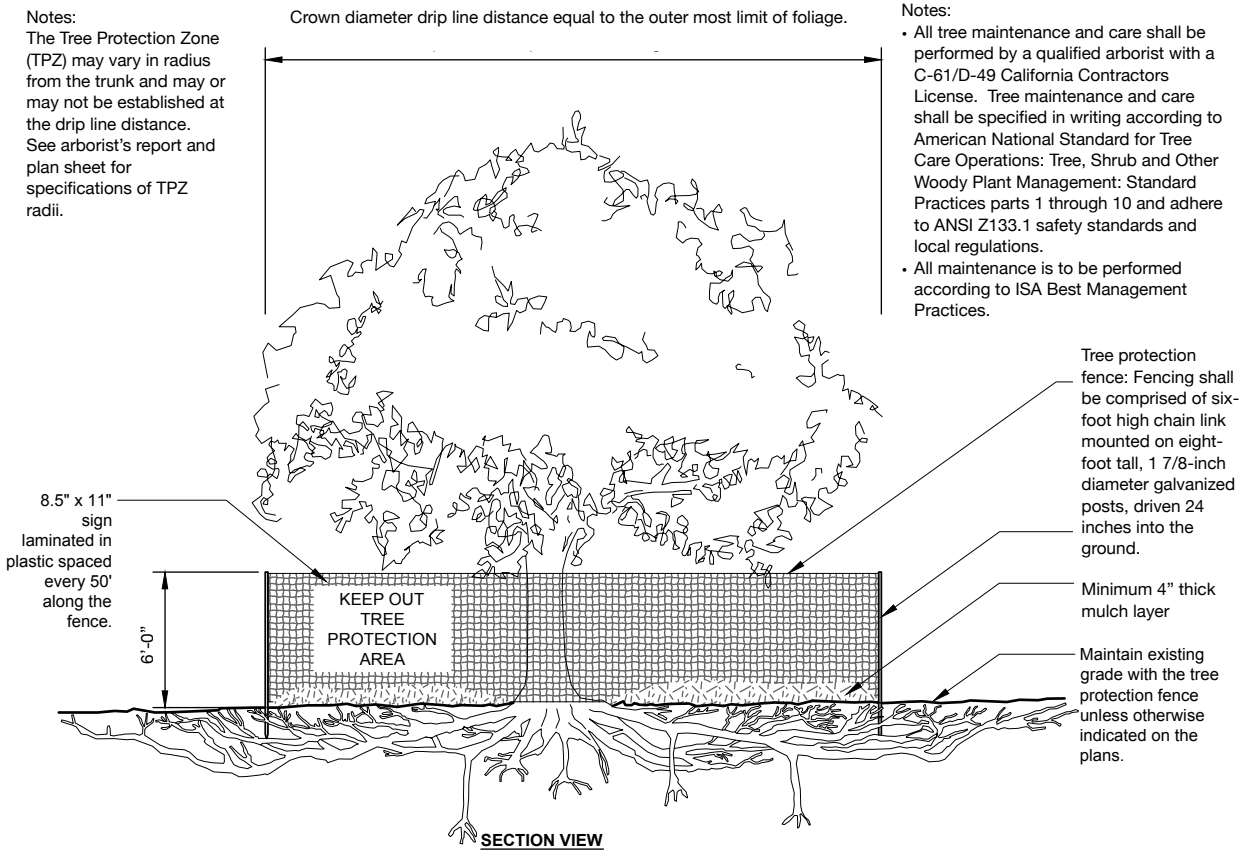
C3: Douglas-fir 293

C4: Douglas-fir #287 (deformed root collar)

C5: Coast redwood #290

Appendix D: Tree Protection Guidelines

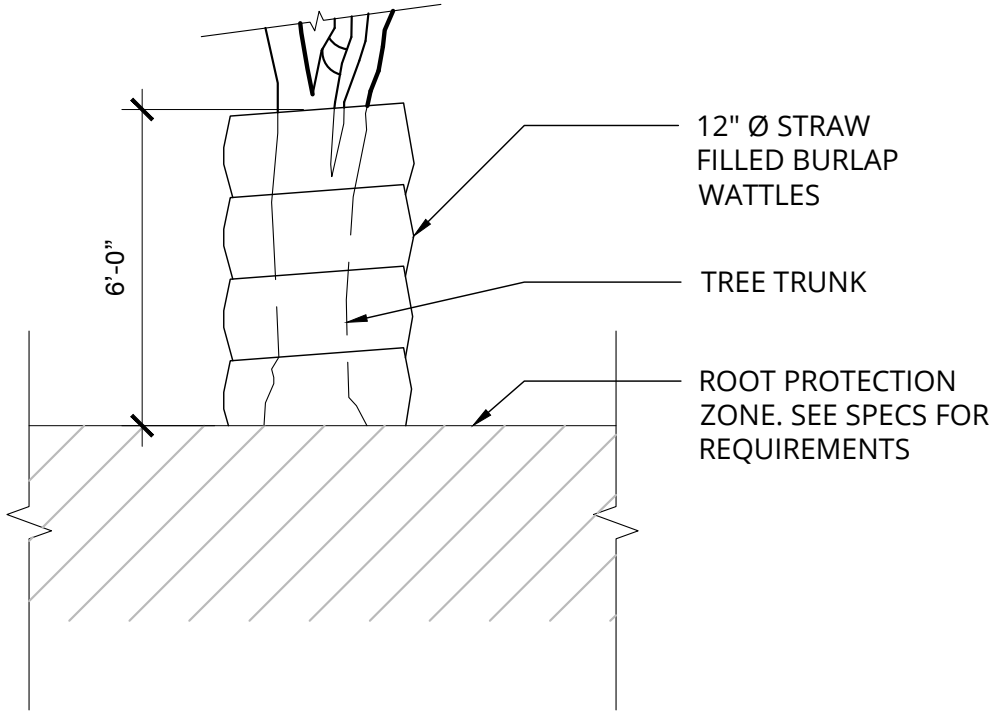
D1: Plan Sheet Detail S-X (Type I)



S-X TREE PROTECTION

URBAN TREE FOUNDATION © 2014
OPEN SOURCE FREE TO USE
Modified by Monarch Consulting Arborists LLC, 2019

D2: Plan Sheet Detail S-Y (Type III)



SECTION VIEW

S-Y TRUNK PROTECTION WITH WATTLE

D3: Section 29.10.1005. - Protection of Trees During Construction

Tree Protection Zones and Fence Specifications

1. **Size and materials:** Six (6) foot high chain link fencing, mounted on two-inch diameter galvanized iron posts, shall be driven into the ground to a depth of at least two (2) feet at no more than ten-foot spacing. For paving area that will not be demolished and when stipulated in a tree preservation plan, posts may be supported by a concrete base.
2. **Area type to be fenced:** Type I: Enclosure with chain link fencing of either the entire dripline area or at the tree protection zone (TPZ), when specified by a certified or consulting arborist. Type II: Enclosure for street trees located in a planter strip: chain link fence around the entire planter strip to the outer branches. Type III: Protection for a tree located in a small planter cutout only (such as downtown): orange plastic fencing shall be wrapped around the trunk from the ground to the first branch with two-inch wooden boards bound securely on the outside. Caution shall be used to avoid damaging any bark or branches.
3. **Duration of Type I, II, III fencing:** Fencing shall be erected before demolition, grading or construction permits are issued and remain in place until the work is completed. Contractor shall first obtain the approval of the project arborist on record prior to removing a tree protection fence.
4. **Warning Sign:** Each tree fence shall have prominently displayed an eight and one-half-inch by eleven-inch sign stating: "Warning —Tree Protection Zone—This fence shall not be removed and is subject to penalty according to Town Code 29.10.1025.” Text on the signs should be in both English and Spanish (Appendix E).

All persons, shall comply with the following precautions

1. Prior to the commencement of construction, install the fence at the dripline, or tree protection zone (TPZ) when specified in an approved arborist report, around any tree and/or vegetation to be retained which could be affected by the construction and prohibit any storage of construction materials or other materials, equipment cleaning, or parking of vehicles within the TPZ. The dripline shall not be altered in any way so as to increase the encroachment of the construction.
2. Prohibit all construction activities within the TPZ, including but not limited to: excavation, grading, drainage and leveling within the dripline of the tree unless approved by the Director.
3. Prohibit disposal or depositing of oil, gasoline, chemicals or other harmful materials within the dripline of or in drainage channels, swales or areas that may lead to the dripline of a protected tree.
4. Prohibit the attachment of wires, signs or ropes to any protected tree.
5. Design utility services and irrigation lines to be located outside of the dripline when feasible.
6. Retain the services of a certified or consulting arborist who shall serve as the project arborist for periodic monitoring of the project site and the health of those trees to be preserved. The project arborist shall be present whenever activities occur which may pose a potential threat to the health of the trees to be preserved and shall document all site visits.
7. The Director and project arborist shall be notified of any damage that occurs to a protected tree during construction so that proper treatment may be administered.

Prohibited Activities

The following are prohibited activities within the TPZ:

- Grade changes (e.g. soil cuts, fills);
- Trenches;
- Root cuts;
- Pedestrian and equipment traffic that could compact the soil or physically damage roots;
- Parking vehicles or equipment;
- Burning of brush and woody debris;
- Storing soil, construction materials, petroleum products, water, or building refuse; and,
- Disposing of wash water, fuel or other potentially damaging liquids.

Monitoring

Any trenching, construction or demolition that is expected to damage or encounter tree roots should be monitored by the project arborist or a qualified ISA Certified Arborist and should be documented.

The site should be evaluated by the project arborist or a qualified ISA Certified Arborist after construction is complete, and any necessary remedial work that needs to be performed should be noted.

Root Pruning

Roots greater than two inches in diameter shall not be cut. When roots over two inches in diameter are encountered and are authorized to be cut or removed, they should be pruned by hand with loppers, handsaw, reciprocating saw, or chain saw rather than left crushed or torn. Roots should be cut beyond sinker roots or outside root branch junctions and be supervised by the project arborist. When completed, exposed roots should be kept moist with burlap or backfilled within one hour.

Boring or Tunneling

Boring machines should be set up outside the drip line or established Tree Protection Zone. Boring may also be performed by digging a trench on both sides of the tree until roots one inch in diameter are encountered and then hand dug or excavated with an Air Spade® or similar air or water excavation tool. Bore holes should be adjacent to the trunk and never go directly under the main stem to avoid oblique (heart) roots. Bore holes should be a minimum of three feet deep.

Tree Pruning and Removal Operations

All tree pruning or removals should be performed by a qualified arborist with a C-61/D-49 California Contractors License. Treatment, including pruning, shall be specified in writing according to the most recent ANSI A-300A Standards and Limitations and performed according to ISA Best Management Practices while adhering to ANSI Z133.1 safety standards. Trees that need to be removed or pruned should be identified in the pre-construction walk through.

Appendix E: Tree Protection Signs
E1: English

Warning
Tree Protection Zone

This Fence Shall Not Be Removed
And Is Subject To Penalty According To
Town Code 29.10.1025

E2: Spanish

Cuidado
Zona De Arbol Pretejido

Esta valla no podrán ser sacados
Y está sujeta a sanción en función de
Código Ciudad del 29.101025

Qualifications, Assumptions, and Limiting Conditions

Any legal description provided to the consultant is assumed to be correct. Any titles or ownership of properties are assumed to be good and marketable. All property is appraised or evaluated as though free and clear, under responsible ownership and competent management.

All property is presumed to be in conformance with applicable codes, ordinances, statutes, or other regulations.

Care has been taken to obtain information from reliable sources. However, the consultant cannot be responsible for the accuracy of information provided by others.

The consultant shall not be required to give testimony or attend meetings, hearings, conferences, mediations, arbitration, or trials by reason of this report unless subsequent contractual arrangements are made, including payment of an additional fee for such services.

This report and any appraisal value expressed herein represent the opinion of the consultant, and the consultant's fee is not contingent upon the reporting of a specified appraisal value, a stipulated result, or the occurrence of a subsequent event.

Sketches, drawings, and photographs in this report are intended for use as visual aids, are not necessarily to scale, and should not be construed as engineering or architectural reports or surveys. The reproduction of information generated by architects, engineers, or other consultants on any sketches, drawings, or photographs is only for coordination and ease of reference. Inclusion of said information with any drawings or other documents does not constitute a representation as to the sufficiency or accuracy of said information.

Unless otherwise expressed: a) this report covers only examined items and their condition at the time of inspection; and b) the inspection is limited to visual examination of accessible items without dissection, excavation, probing, or coring. There is no warranty or guarantee, expressed or implied, that structural problems or deficiencies of plants or property may not arise in the future.

Certification of Performance

I Richard Gessner, Certify:

That I have personally inspected the tree(s) and/or the property referred to in this report, and have stated my findings accurately. The extent of the evaluation and/or appraisal is stated in the attached report and Terms of Assignment;

That I have no current or prospective interest in the vegetation or the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved;

That the analysis, opinions and conclusions stated herein are my own;

That my analysis, opinions, and conclusions were developed and this report has been prepared according to commonly accepted Arboricultural practices;

That no one provided significant professional assistance to the consultant, except as indicated within the report.

That my compensation is not contingent upon the reporting of a predetermined conclusion that favors the cause of the client or any other party, nor upon the results of the assessment, the attainment of stipulated results, or the occurrence of any other subsequent events;

I further certify that I am a Registered Consulting Arborist® with the American Society of Consulting Arborists, and that I acknowledge, accept and adhere to the ASCA Standards of Professional Practice. I am an International Society of Arboriculture Board Certified Master Arborist®. I have been involved with the practice of Arboriculture and the care and study of trees since 1998.

Richard J. Gessner

ASCA Registered Consulting Arborist® #496
ISA Board Certified Master Arborist® WE-4341B

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Tree Inventory, Assessment, and Protection Report

104 Angel Court, Los Gatos
Los Gatos, CA 95032

Prepared for:

Town of Los Gatos

August 18, 2021

Prepared By:

Monarch Consulting Arborists

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Summary

The plans indicate a new Accessory Dwelling Unit (ADU) in the back of the property, on the hillside, with a new driveway extension leading to the structure. The inventory contains twenty-four (24) trees comprised of three (3) different species. Six (6) coast live oaks are considered Large Protected (however five are "Large Protected" by aggregate of stems with only one have a single stem larger than 24 inches in diameter) and no trees are Exempt. Most of the trees are in good condition and consist of coast live oaks (*Quercus agrifolia*). Seventeen trees are in good condition, six fair, and one is in poor shape. Eight (8) trees will caused to be removed. The plans indicate three (3) within the footprint of the proposed driveway and ADU, however there are five (5) more directly adjacent to the proposed structures. Seven trees are indicated as moderate to highly impacted depending on construction and grading activity. There are some trees near the proposed new driveway extension but the plans only indicate the extent of the driveway. The limits of grading are not clear for either the driveway or the building pad. The utility connection locations should be modified to avoid bisecting the root zones as they are currently indicated on the plans. The applicant will be required to replace eight 8 protected trees according to the ordinance. Tree protection will consist of fence and the radii will be six times the trunk diameter distance. There were twenty-four (24) trees appraised for a rounded depreciated value of $77,710.00.

Introduction

Background

The Town of Los Gatos asked me to assess the site, trees, and proposed footprint plan, and to provide a report with my findings and recommendations to help satisfy planning requirements.

Assignment

- Provide an arborist's report including an assessment of the trees within the project area and on the adjacent sites. The assessment is to include the species, size (trunk diameter), condition (health, structure, and form), and suitability for preservation ratings. Affix number tags on the trees for reference on site and on plans.
- Provide tree protection specifications, guidelines, and impact ratings for those affected by the project.
- Provide appraised values using the Trunk Formula Technique.

Limits of the assignment

- The information in this report is limited to the condition of the trees during my inspection on July 16, 2021. No tree risk assessments were performed.
- Tree heights and canopy diameters are estimates.

- The plans reviewed for this assignment were as follows (Table 1)

Table 1: Plans Reviewed Checklist

Plan	Date	Sheet	Reviewed	Source
Existing Site Topographic				
Proposed Site Plan	04/05/21	A011	Yes	Blain Architects
Erosion Control				
Grading and Drainage	May 2021	C1	Yes	Cornerstone Civil
Utility Plan and Hook-up locations				
Exterior Elevations				
Landscape Plan				
Irrigation Plan				
T-1 Tree Protection Plan				

Purpose and use of the report

The report is intended to identify all the trees within the plan area that could be affected by a project. The report is to be used by the Town of Los Gatos and the property owners as a reference for existing tree conditions to help satisfy planning requirements.

Observations

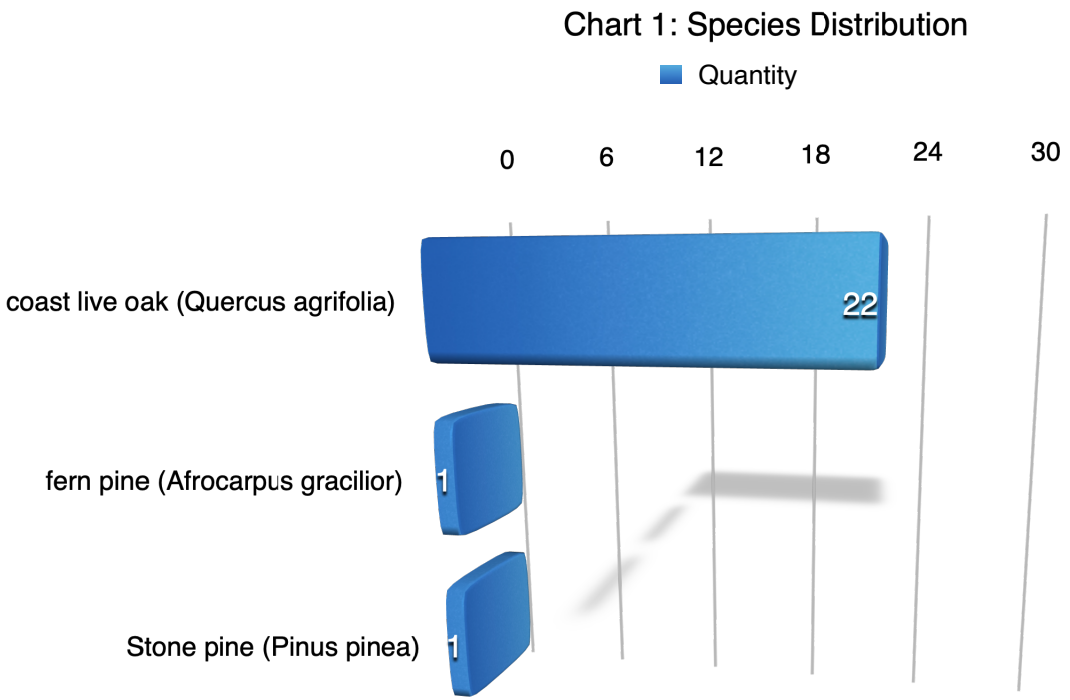
Tree Inventory

The inventory consists of trees protected by the Town of Los Gatos located on site and those in close proximity on neighboring properties. Sec. 29.10.0960. - Scope of protected trees. All trees which have a four-inch or greater diameter (twelve and one half-inch circumference) of any trunk, when removal relates to any review for which zoning approval or subdivision approval is required. (Appendix A and B). Los Gatos Town Ordinance 29.10.0970 Exceptions (1) states the following: “A fruit or nut tree that is less than eighteen (18) inches in diameter (fifty-seven-inch circumference).

Plans

The plans indicate a new Accessory Dwelling Unit in the back of the property on the hillside with a new driveway extension leading to the structure extending off the top of the existing driveway.

The inventory contains twenty-four (24) trees comprised of three (3) different species (Chart 1). Six (6) coast live oaks are considered Large Protected[1] (however five are "Large Protected" by aggregate of stems with only one have a single stem larger than 24 inches in diameter) and no trees are Exempt[2].



[1] Large protected tree means any oak (*Quercus spp.*), California buckeye (*Aesculus californica*), or Pacific madrone (*Arbutus menziesii*) which has a 24-inch or greater diameter (75-inch circumference); or any other species of tree with a 48-inch or greater diameter (150-inch circumference).

[2] A fruit or nut tree that is less than eighteen (18) inches in diameter (fifty-seven-inch circumference).

Analysis

Tree appraisal was performed according to the Council of Tree & Landscape Appraisers *Guide for Plant Appraisal 10th Edition, 2019* (CLTA) along with Western Chapter International Society of Arboriculture *Species Classification and Group Assignment, 2004*. The trees were appraised using the "Cost Approach" and more specifically the "Trunk Formula Technique" (Appendix B).

"Trunk Formula Technique" is calculated as follows: Basic Tree Cost = (Unit tree cost x Appraised trunk area), Appraised Value = (Basic tree cost X functional Limitations (percentage) X Condition (percentage) X External Limitations (percentage)).

The trunk formula valuations are based on four tree factors; size (trunk cross sectional area), condition, functional limitations, and external limitations. There are two steps to determine the overall value. The first step is to determine the "Basic Tree Cost" based on size and unit tree cost. Unit tree cost is calculated by dividing the nursery wholesale cost of a 24 inch box specimen and its replacement size (cost per square inch trunk caliper) which is determined by the *Species Classification and Group Assignment, 2004 Western Chapter Regional Supplement*. The cost of the 24 inch box wholesale specimen was determined through personal communications with BrightView and Normans nurseries in Farmington and Central Wholesale in San Jose for an average of $214.00.

The second part is to depreciate the tree's Basic Cost through an assessment of condition, functional limitations, and external limitations. The condition assessment guidelines and percentages are defined in the "Condition Rating" section of this report. Functional limitations are based on factors associated with the tree's interaction to its planting site that would affect condition, limit development, or reduce the utility in the future and include genetics, placement, and site conditions for the individual tree. External limitations are outside the property, out of control of the owner and also affect condition, limit development, or reduce the utility in the future (i.e power lines, municipal restrictions, drought adaptations, or species susceptibility to pests).

There were twenty-four (24) trees appraised for a rounded depreciated value of $77,710.00.

Appraisal worksheets are available upon request

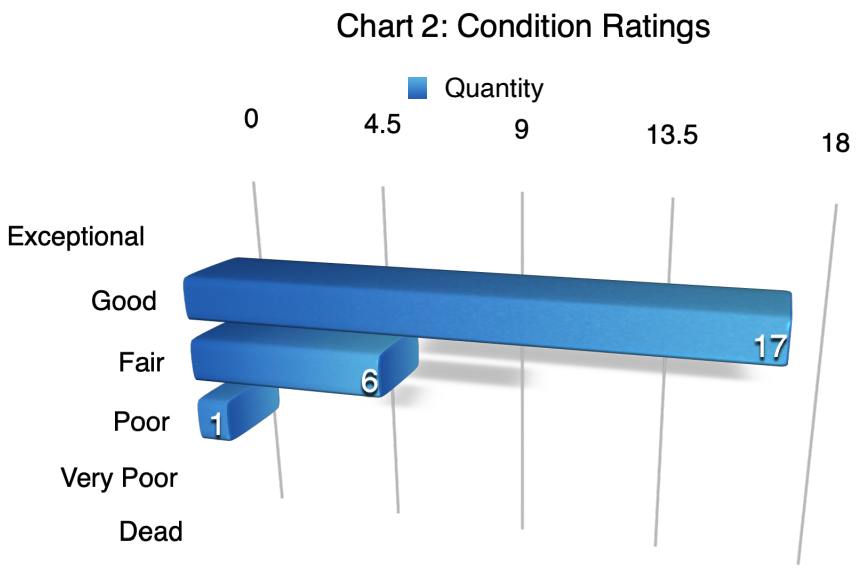
Discussion

Condition Rating

A tree's condition is a determination of its overall health, structure, and form. The assessment considered all three criteria for a combined condition rating.

- 100% - Exceptional = Good health and structure with significant size, location or quality.
- 61-80% - Good = Normal vigor, well-developed structure, function and aesthetics not compromised with good longevity for the site.
- 41-60 % - Fair = Reduced vigor, damage, dieback, or pest problems, at least one significant structural problem or multiple moderate defects requiring treatment. Major asymmetry or deviation from the species normal habit, function and aesthetics compromised.
- 21-40% - Poor = Unhealthy and declining appearance with poor vigor, abnormal foliar color, size or density with potential irreversible decline. One serious structural defect or multiple significant defects that cannot be corrected and failure may occur at any time. Significant asymmetry and compromised aesthetics and intended use.
- 6-20% - Very Poor = Poor vigor and dying with little foliage in irreversible decline. Severe defects with the likelihood of failure being probable or imminent. Aesthetically poor with little or no function in the landscape.
- 0-5% - Dead/Unstable = Dead or imminently ready to fail.

Most of the trees are in good condition and consist of coast live oaks in their natural habitat. Seventeen trees are in good condition, six fair, and one in poor shape.



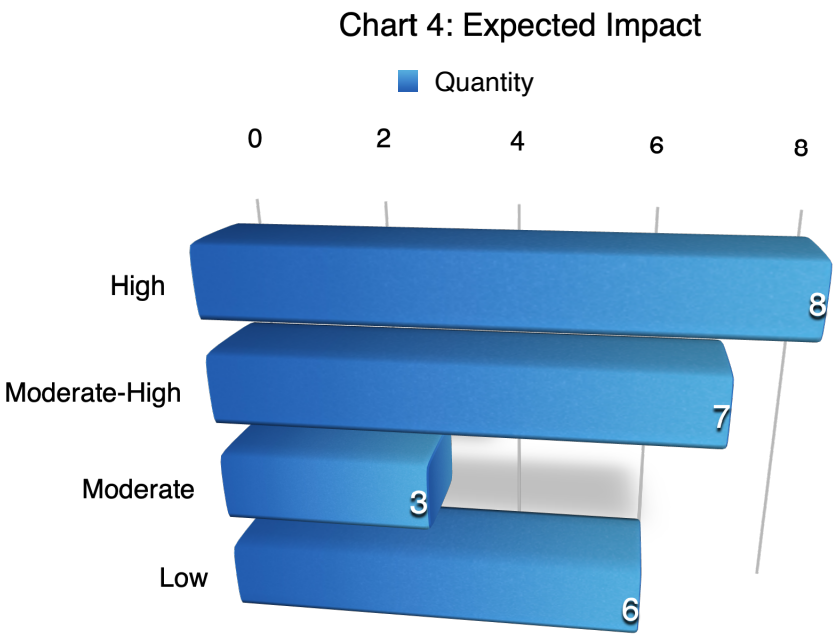
Expected Impact Level

Impact level defines how a tree may be affected by construction activity and proximity to the tree, and is described as low, moderate, or high. The following scale defines the impact rating:

- Low = The construction activity will have little influence on the tree.
- Moderate = The construction may cause future health or structural problems, and steps must be taken to protect the tree to reduce future problems.
- High = Tree structure and health will be compromised and removal is recommended, or other actions must be taken for the tree to remain. The tree is located in the building envelope.

Eight trees will caused to be removed. The plans indicate three within the footprint of the proposed driveway and ADU, however there are five more directly adjacent to the proposed structures. Seven trees are indicated as moderate to highly impacted depending on construction and grading activity. There are some trees near the proposed new driveway extension but the plans only indicate the extent of the driveway. In my experience there will need to be grading on either side of the proposed driveway to make the cut into the hillside where it is located. The limits of grading are not clear for either the driveway or the building pad.

The utility connection locations should be modified to avoid bisecting the root zones as they are currently indicated on the plans.



Mitigation for Removals

The table below indicates the recommended replacement values (Table 2). The applicant will be required to replace 8 protected trees according to the ordinance. Alternatively it may be possible to create an approved landscape plan or provide an in-lieu payment.

Table 2: Town of Los Gatos Tree Canopy - Replacement Standard

Canopy Size of Removed Tree (1)	Replacement Requirement (2)(4)	Single Family Residential Replacement Option (3)(4)
10 feet or less	Two 24 inch box trees	Two 15 gallon trees
More than 10 feet to 25 feet	Three 24 inch box trees	Three 15 gallon trees
More than 25 feet to 40 feet	Four 24 inch box trees or two 36 inch box trees	Four 15 gallon trees
More than 40 feet to 55 feet	Six 24 inch box trees; or three 36 inch box trees	Not available
Greater than 55 feet	Ten 24 inch box trees; or five 36 inch box trees	Not available

[1]To measure an asymmetrical canopy of a tree, the widest measurement shall be used to determine canopy size.

[2]Often, it is not possible to replace a single large, older tree with an equivalent tree(s). In this case, the tree may be replaced with a combination of both the Tree Canopy Replacement Standard and in-lieu payment in an amount set forth by Town Council resolution paid to the Town Tree Replacement Fund.

[3]Single Family Residential Replacement Option is available for developed single family residential lots under 10,000 square feet that are not subject to the Town's Hillside Development Standards and Guidelines. All 15-gallon trees must be planted on-site. Any in-lieu fees for single family residential shall be based on 24" box tree rates as adopted by Town Council.

[4]Replacement Trees shall be approved by the Town Arborist and shall be of a species suited to the available planting location, proximity to structures, overhead clearances, soil type, compatibility with surrounding canopy and other relevant factors. Replacement with native species shall be strongly encouraged. Replacement requirements in the Hillsides shall comply with the Hillside Development Standards and Guidelines Appendix A and Section 29.10.0987 Special Provisions—Hillsides.

Tree Protection

Typically there are three different tree protection schemes which are called Type I (Appendix D1), Type II and Type III (Appendix D2) trunk protection only. Tree protection focuses on avoiding damage to the roots, trunk, or scaffold branches (Appendix D). The most current accepted method for determining the TPZ is to use a formula based on species tolerance, tree age/vigor, and trunk diameter (Matheny, N. and Clark, J. 1998) (Fite, K, and Smiley, E. T., 2016). Preventing mechanical damage to the trunk from equipment or hand tools can be accomplished by wrapping the main stem with straw wattle or using vertical timbers (Appendix D).

Tree protection will consist of fence around the trees to be retained. The radii will be six times the trunk diameter distance based on young tolerant specimens. Trees will need to enclosed in groups.

Conclusion

The plans indicate a new Accessory Dwelling Unit in the back of the property on the hillside with a new driveway extension leading to the structure extending off the top of the existing driveway. The inventory contains twenty-four (24) trees comprised of three (3) different species. Six (6) coast live oaks are considered Large Protected (however five are “Large Protected” by aggregate of stems with only one have a single stem larger than 24 inches in diameter) and no trees are Exempt. Most of the trees are in good condition and consist of coast live oaks in their natural habitat. Seventeen trees are in good condition, six fair, and one in poor shape. Eight trees will caused to be removed. The plans indicate three within the footprint of the proposed driveway and ADU, however there are five more directly adjacent to the proposed structures. Seven trees are indicated as moderate to highly impacted depending on construction and grading activity. There are some trees near the proposed new driveway extension but the plans only indicate the extent of the driveway. In my experience there will need to be grading on either side of the proposed driveway to make the cut into the hillside where it is located. The limits of grading are not clear for either the driveway or the building pad. The utility connection locations should be modified to avoid bisecting the root zones as they are currently indicated on the plans. The applicant will be required to replace 8 protected trees according to the ordinance. Alternatively it may be possible to create an approved landscape plan or provide an in-lieu payment. Tree protection will consist of fence around the trees to be retained. The radii will be six times the trunk diameter distance based on young tolerant specimens. Trees will need to enclosed in groups. There were twenty-four (24) trees appraised for a rounded depreciated value of $77,710.00.

Recommendations

1. Place tree numbers on all the plans. Make sure the trees are clearly indicated for removal on all the plans. The trees should also be very clearly marked on site prior to removal.

2. Provide some detail as to how the driveway cut will be constructed and where the spoils will go if any. If there is any required over-excavation to create the driveway those limits need to be on the plans.

3. Re-route the utilities to avoid bisecting the root zones of the trees. Show all utility locations and connections on the plans including sanitary sewer, water, and any required electric.

4. Place tree protection around the groups of trees to be preserved adjacent to the driveway and near the trellis. There is already a fence #582-#585.

5. Install temporary irrigation or soaker hoses in all tree protection zones and provide supplemental watering during construction within all TPZ areas. Monitor watering times or amounts to ensure adequate soil saturation. (A 5/8" soaker hose requires about 200 minutes to deliver one inch of water to a garden. This number is affected by the length of the hose and the overall rate of flow from the faucet. A good rule of thumb is to expect about ½ GPM as a standard faucet flow rate.). Infrequent deeper watering is preferred.

6. All tree maintenance and care shall be performed by a qualified arborist with a C-61/D-49 California Contractors License. Tree maintenance and care shall be specified in writing according to American National Standard for Tree Care Operations: *Tree, Shrub and Other Woody Plant Management: Standard Practices* parts 1 through 10 and adhere to ANSI Z133.1 safety standards and local regulations. All maintenance is to be performed according to ISA Best Management Practices.

7. Refer to Appendix D for general tree protection guidelines including recommendations for arborist assistance while working under trees, trenching, or excavation within a trees drip line or designated TPZ/CRZ.

8. Place all the tree protection fence locations and guidelines on the plans including the grading, drainage, and utility plans. Alternatively create a separate plan sheet that includes all three protection measures labeled "T-1 Tree Protection Plan."

9. Provide a copy of this report to all contractors and project managers, including the architect, civil engineer, and landscape designer or architect. It is the responsibility of the owner to ensure all parties are familiar with this document.

10. Arrange a pre-construction meeting with the project arborist or landscape architect to verify tree protection is in place, with the correct materials, and at the proper distances.

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Glossary of Terms

Basic Tree Cost: The cost of replacement for a perfect specimen of a particular species and cross sectional area prior to location and condition depreciation.

Cost Approach: An indication of value by adding the land value to the depreciated value of improvements.

Defect: An imperfection, weakness, or lack of something necessary. In trees defects are injuries, growth patterns, decay, or other conditions that reduce the tree's structural strength.

Diameter at breast height (DBH): Measures at 1.4 meters (4.5 feet) above ground in the United States, Australia (arboriculture), New Zealand, and when using the Guide for Plant Appraisal, 9th edition; at 1.3 meters (4.3 feet) above ground in Australia (forestry), Canada, the European Union, and in UK forestry; and at 1.5 meters (5 feet) above ground in UK arboriculture.

Drip Line: Imaginary line defined by the branch spread or a single plant or group of plants. The outer extent of the tree crown.

Form: describes a plant's habit, shape or silhouette defined by its genetics, environment, or management.

Health: Assessment is based on the overall appearance of the tree, its leaf and twig growth, and the presence and severity of insects or disease.

Mechanical damage: Physical damage caused by outside forces such as cutting, chopping or any mechanized device that may strike the tree trunk, roots or branches.

Scaffold branches: Permanent or structural branches that for the scaffold architecture or structure of a tree.

Straw wattle: also known as straw worms, bio-logs, straw noodles, or straw tubes are man made cylinders of compressed, weed free straw (wheat or rice), 8 to 12 inches in diameter and 20 to 25 feet long. They are encased in jute, nylon, or other photo degradable materials,
and have an average weight of 35 pounds.

Structural evaluation: focused on the crown, trunk, trunk flare, above ground roots and the site conditions contributing to conditions and/or defects that may contribute to failure.

Tree Protection Zone (TPZ): Defined area within which certain activities are prohibited or restricted to prevent or minimize potential injury to designated trees, especially during construction or development.

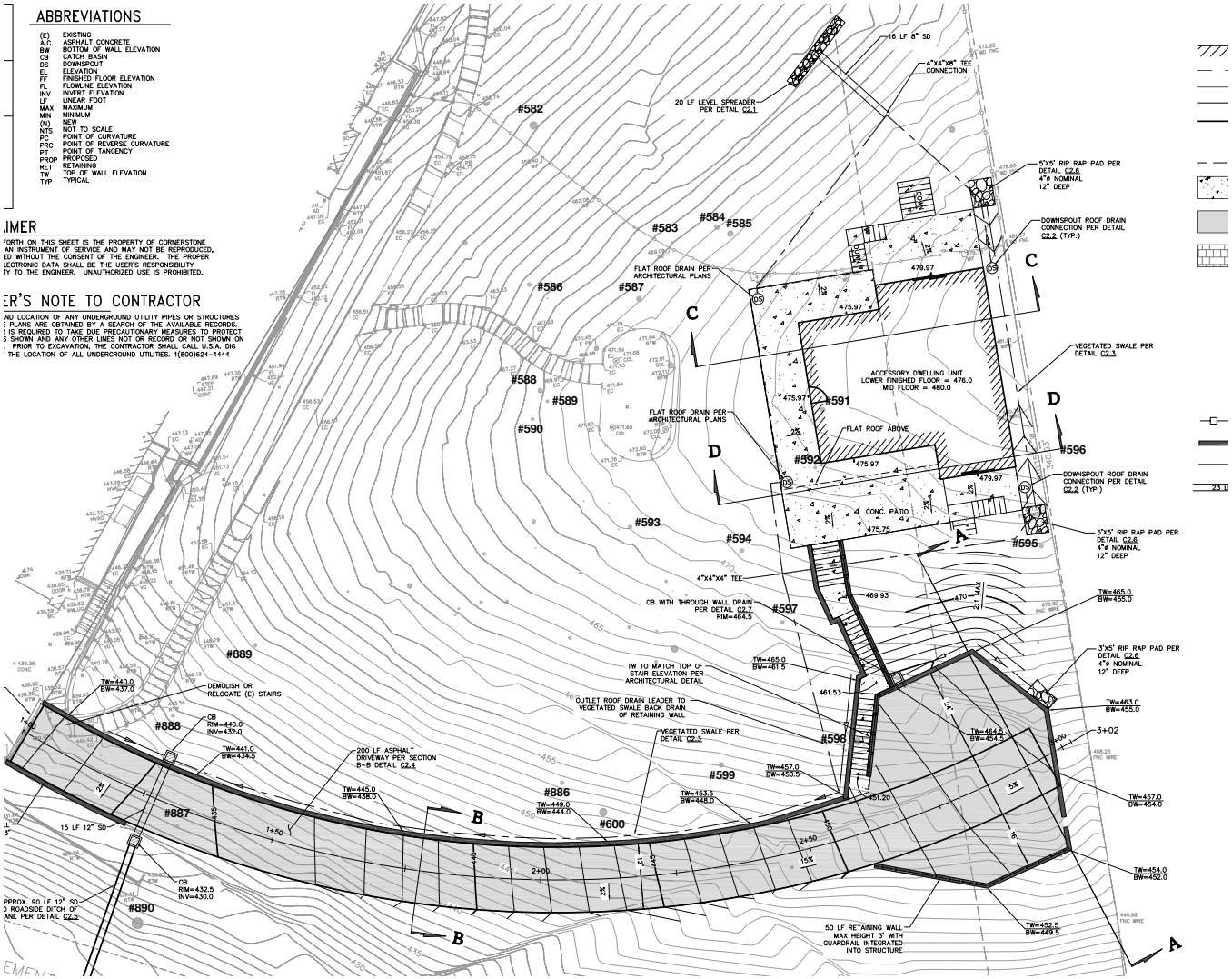
Tree Risk Assessment: Process of evaluating what unexpected things could happen, how likely it is, and what the likely outcomes are. In tree management, the systematic process to determine the level of risk posed by a tree, tree part, or group of trees.

Trunk: Stem of a tree.

Trunk Formula Technique: Method to appraise the monetary value of trees considered too large to be replaced with nursery or field grown stock. Based on developing a representative unit cost for replacement with the same or comparable species of the same size and in the same place, subject to depreciation for various factors. Contrast with replacement cost method.

Volunteer: A tree, not planted by human hands, that begins to grow on residential or commercial property. Unlike trees that are brought in and installed on property, volunteer trees usually spring up on their own from seeds placed onto the ground by natural causes or accidental transport by people. Normally, volunteer trees are considered weeds and removed, but many desirable and attractive specimens have gone on to become permanent residents on many public and private grounds.

Appendix A: Tree Inventory Map and Site Plan



Appendix B: Tree Inventory and Assessment Tables

Table 3: Inventory and Assessment Summary

Tree Species	I.D. #	Trunk Diameter (in.)	~ Canopy Diameter (ft.)	Condition	Expected Impact	Protection Status	Rounded Depreciated Value	Tree Protection Radii
coast live oak (*Quercus agrifolia*)	582	20	35	Good	Moderate-High	Protected	$7,800.00	10
coast live oak (*Quercus agrifolia*)	583	5	6	Poor	Moderate-High	Protected	$210.00	2.5
coast live oak (*Quercus agrifolia*)	584	12, 8	25	Good	Low	Protected	$4,390.00	7.5
coast live oak (*Quercus agrifolia*)	585	12	25	Good	Low	Protected	$2,810.00	6
coast live oak (*Quercus agrifolia*)	586	9	15	Fair	Moderate-High	Protected	$1,130.00	4.5
coast live oak (*Quercus agrifolia*)	587	13	20	Fair	Moderate-High	Protected	$2,350.00	6.5
coast live oak (*Quercus agrifolia*)	588	10	15	Fair	Low	Protected	$1,390.00	5
coast live oak (*Quercus agrifolia*)	589	8	15	Fair	Low	Protected	$890.00	4
coast live oak (*Quercus agrifolia*)	590	8	15	Fair	High	Protected	$890.00	4
coast live oak (*Quercus agrifolia*)	591	8, 8, 8, 5, 4	15	Good	High	Large Protected	$4,390.00	7.5
coast live oak (*Quercus agrifolia*)	592	10	15	Good	High	Protected	$1,950.00	5

Tree Species	I.D. #	Trunk Diameter (in.)	~ Canopy Diameter (ft.)	Condition	Expected Impact	Protection Status	Rounded Depreciated Value	Tree Protection Radii
coast live oak (*Quercus agrifolia*)	593	5, 4, 7, 6, 7, 1	20	Good	High	Large Protected	$3,290.00	6.5
coast live oak (*Quercus agrifolia*)	594	11	20	Good	Moderate-High	Protected	$2,360.00	5.5
coast live oak (*Quercus agrifolia*)	595	10	20	Good	High	Protected	$1,950.00	5
coast live oak (*Quercus agrifolia*)	596	10, 8, 6	20	Good	Low	Large Protected	$3,820.00	7
coast live oak (*Quercus agrifolia*)	597	12, 6, 5	20	Good	Moderate-High	Protected	$4,990.00	8
coast live oak (*Quercus agrifolia*)	598	12	20	Good	High	Protected	$2,810.00	6
coast live oak (*Quercus agrifolia*)	599	12, 11, 10	20	Good	Moderate	Large Protected	$7,800.00	10
coast live oak (*Quercus agrifolia*)	600	12	20	Good	High	Protected	$2,810.00	6
coast live oak (*Quercus agrifolia*)	886	11	20	Good	Moderate	Protected	$2,360.00	5.5
fern pine (*Afrocarpus gracilior*)	887	Multi 4	15	Good	High	Protected	$2,650.00	6
Stone pine (*Pinus pinea*)	888	7	10	Good	Moderate	Protected	$590.00	3.5
coast live oak (*Quercus agrifolia*)	889	9	15	Good	Low	Protected	$1,580.00	4.5
coast live oak (*Quercus agrifolia*)	890	30	45	Fair	Moderate-High	Large Protected	$12,500.00	15

Appendix C: Photographs

C1: Area where the driveway will extend into the landscape

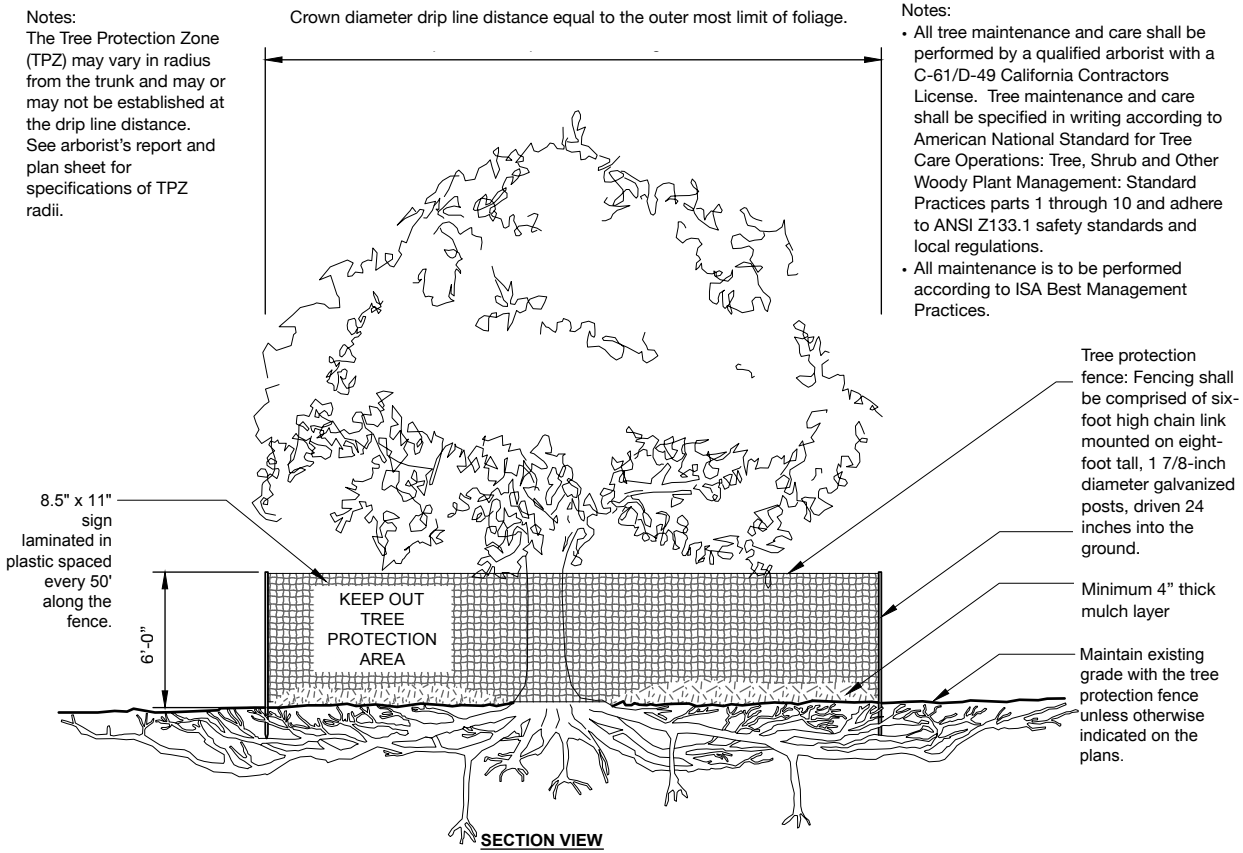
C2: Trees in the footprint of the proposed ADU (590 and 591)

C3: Slope where driveway comes up to ADU

C5: Trees adjacent to driveway

Appendix D: Tree Protection Guidelines

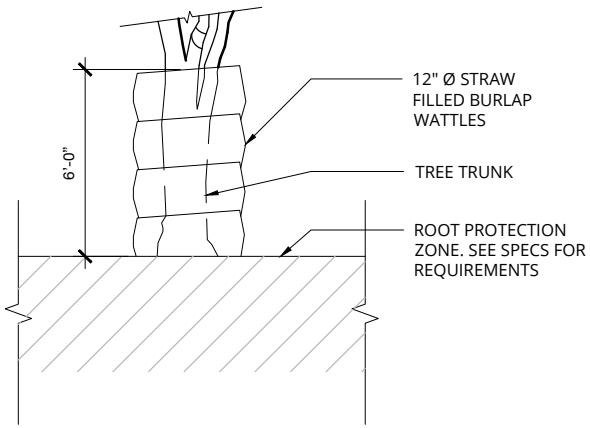
D1: Plan Sheet Detail S-X (Type I)



S-X TREE PROTECTION

URBAN TREE FOUNDATION © 2014
OPEN SOURCE FREE TO USE
Modified by Monarch Consulting Arborists LLC, 2019

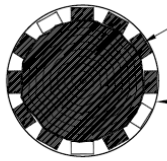
D2: Plan Sheet Detail S-Y (Type III)



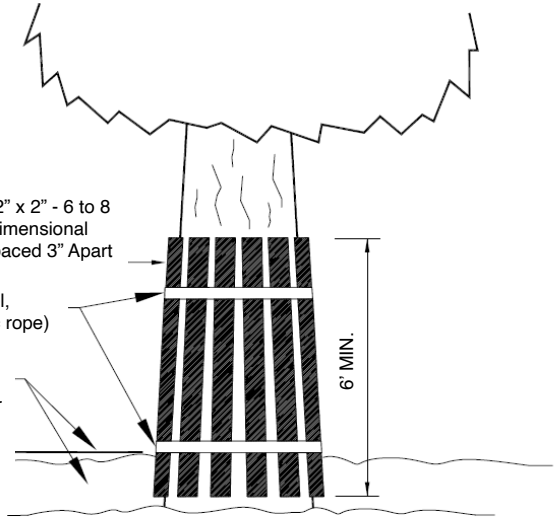
SECTION VIEW

S-Y TRUNK PROTECTION WITH WATTLE

Note: See Local Ordinance Requirements and Arborist's Report for Additional Protection Specifications and Guidelines.



PLAN



ELEVATION

Trunk Protection Vertical Timber Detail

D3: Section 29.10.1005. - Protection of Trees During Construction

Tree Protection Zones and Fence Specifications

1. **Size and materials:** Six (6) foot high chain link fencing, mounted on two-inch diameter galvanized iron posts, shall be driven into the ground to a depth of at least two (2) feet at no more than ten-foot spacing. For paving area that will not be demolished and when stipulated in a tree preservation plan, posts may be supported by a concrete base.
2. **Area type to be fenced:** Type I: Enclosure with chain link fencing of either the entire dripline area or at the tree protection zone (TPZ), when specified by a certified or consulting arborist. Type II: Enclosure for street trees located in a planter strip: chain link fence around the entire planter strip to the outer branches. Type III: Protection for a tree located in a small planter cutout only (such as downtown): orange plastic fencing shall be wrapped around the trunk from the ground to the first branch with two-inch wooden boards bound securely on the outside. Caution shall be used to avoid damaging any bark or branches.
3. **Duration of Type I, II, III fencing:** Fencing shall be erected before demolition, grading or construction permits are issued and remain in place until the work is completed. Contractor shall first obtain the approval of the project arborist on record prior to removing a tree protection fence.
4. **Warning Sign:** Each tree fence shall have prominently displayed an eight and one-half-inch by eleven-inch sign stating: "Warning —Tree Protection Zone—This fence shall not be removed and is subject to penalty according to Town Code 29.10.1025.” Text on the signs should be in both English and Spanish (Appendix E).

All persons, shall comply with the following precautions

1. Prior to the commencement of construction, install the fence at the dripline, or tree protection zone (TPZ) when specified in an approved arborist report, around any tree and/or vegetation to be retained which could be affected by the construction and prohibit any storage of construction materials or other materials, equipment cleaning, or parking of vehicles within the TPZ. The dripline shall not be altered in any way so as to increase the encroachment of the construction.
2. Prohibit all construction activities within the TPZ, including but not limited to: excavation, grading, drainage and leveling within the dripline of the tree unless approved by the Director.
3. Prohibit disposal or depositing of oil, gasoline, chemicals or other harmful materials within the dripline of or in drainage channels, swales or areas that may lead to the dripline of a protected tree.
4. Prohibit the attachment of wires, signs or ropes to any protected tree.
5. Design utility services and irrigation lines to be located outside of the dripline when feasible.
6. Retain the services of a certified or consulting arborist who shall serve as the project arborist for periodic monitoring of the project site and the health of those trees to be preserved. The project arborist shall be present whenever activities occur which may pose a potential threat to the health of the trees to be preserved and shall document all site visits.
7. The Director and project arborist shall be notified of any damage that occurs to a protected tree during construction so that proper treatment may be administered.

Prohibited Activities

The following are prohibited activities within the TPZ:

- Grade changes (e.g. soil cuts, fills);
- Trenches;
- Root cuts;
- Pedestrian and equipment traffic that could compact the soil or physically damage roots;
- Parking vehicles or equipment;
- Burning of brush and woody debris;
- Storing soil, construction materials, petroleum products, water, or building refuse; and,
- Disposing of wash water, fuel or other potentially damaging liquids.

Monitoring

Any trenching, construction or demolition that is expected to damage or encounter tree roots should be monitored by the project arborist or a qualified ISA Certified Arborist and should be documented.

The site should be evaluated by the project arborist or a qualified ISA Certified Arborist after construction is complete, and any necessary remedial work that needs to be performed should be noted.

Root Pruning

Roots greater than two inches in diameter shall not be cut. When roots over two inches in diameter are encountered and are authorized to be cut or removed, they should be pruned by hand with loppers, handsaw, reciprocating saw, or chain saw rather than left crushed or torn. Roots should be cut beyond sinker roots or outside root branch junctions and be supervised by the project arborist. When completed, exposed roots should be kept moist with burlap or backfilled within one hour.

Boring or Tunneling

Boring machines should be set up outside the drip line or established Tree Protection Zone. Boring may also be performed by digging a trench on both sides of the tree until roots one inch in diameter are encountered and then hand dug or excavated with an Air Spade® or similar air or water excavation tool. Bore holes should be adjacent to the trunk and never go directly under the main stem to avoid oblique (heart) roots. Bore holes should be a minimum of three feet deep.

Tree Pruning and Removal Operations

All tree pruning or removals should be performed by a qualified arborist with a C-61/D-49 California Contractors License. Treatment, including pruning, shall be specified in writing according to the most recent ANSI A-300A Standards and Limitations and performed according to ISA Best Management Practices while adhering to ANSI Z133.1 safety standards. Trees that need to be removed or pruned should be identified in the pre-construction walk through.

Appendix E: Tree Protection Signs

E1: English

Warning
Tree Protection Zone

This Fence Shall Not Be Removed
And Is Subject To Penalty According To
Town Code 29.10.1025

E2: Spanish

Cuidado
Zona De Arbol Pretejido

Esta valla no podrán ser sacados
Y está sujeta a sanción en función de
Código Ciudad del 29.101025

Qualifications, Assumptions, and Limiting Conditions

Any legal description provided to the consultant is assumed to be correct. Any titles or ownership of properties are assumed to be good and marketable. All property is appraised or evaluated as though free and clear, under responsible ownership and competent management.

All property is presumed to be in conformance with applicable codes, ordinances, statutes, or other regulations.

Care has been taken to obtain information from reliable sources. However, the consultant cannot be responsible for the accuracy of information provided by others.

The consultant shall not be required to give testimony or attend meetings, hearings, conferences, mediations, arbitration, or trials by reason of this report unless subsequent contractual arrangements are made, including payment of an additional fee for such services.

This report and any appraisal value expressed herein represent the opinion of the consultant, and the consultant's fee is not contingent upon the reporting of a specified appraisal value, a stipulated result, or the occurrence of a subsequent event.

Sketches, drawings, and photographs in this report are intended for use as visual aids, are not necessarily to scale, and should not be construed as engineering or architectural reports or surveys. The reproduction of information generated by architects, engineers, or other consultants on any sketches, drawings, or photographs is only for coordination and ease of reference. Inclusion of said information with any drawings or other documents does not constitute a representation as to the sufficiency or accuracy of said information.

Unless otherwise expressed: a) this report covers only examined items and their condition at the time of inspection; and b) the inspection is limited to visual examination of accessible items without dissection, excavation, probing, or coring. There is no warranty or guarantee, expressed or implied, that structural problems or deficiencies of plants or property may not arise in the future.

Certification of Performance

I Richard Gessner, Certify:

That I have personally inspected the tree(s) and/or the property referred to in this report, and have stated my findings accurately. The extent of the evaluation and/or appraisal is stated in the attached report and Terms of Assignment;

That I have no current or prospective interest in the vegetation or the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved;

That the analysis, opinions and conclusions stated herein are my own;

That my analysis, opinions, and conclusions were developed and this report has been prepared according to commonly accepted Arboricultural practices;

That no one provided significant professional assistance to the consultant, except as indicated within the report.

That my compensation is not contingent upon the reporting of a predetermined conclusion that favors the cause of the client or any other party, nor upon the results of the assessment, the attainment of stipulated results, or the occurrence of any other subsequent events;

I further certify that I am a Registered Consulting Arborist® with the American Society of Consulting Arborists, and that I acknowledge, accept and adhere to the ASCA Standards of Professional Practice. I am an International Society of Arboriculture Board Certified Master Arborist®. I have been involved with the practice of Arboriculture and the care and study of trees since 1998.

Richard J. Gessner

ASCA Registered Consulting Arborist® #496
ISA Board Certified Master Arborist® WE-4341B

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AGREEMENT FOR CONSULTANT SERVICES

THIS AGREEMENT is dated for identification this 1st day of July 2022 and is made by and between TOWN OF LOS GATOS, a California municipal corporation, ("Town") and Monarch Consulting Arborists LLC, ("Consultant"), whose address is P.O. Box 1010, Felton, CA 95018. This Agreement is made with reference to the following facts.

I. RECITALS

1.1 Town has a need for consulting arborist services for evaluation of trees on properties within the Town of Los Gatos.

1.2 Town desires to engage a certified arborist to review, analyze, and comment on development project plans; prepare technical analyses and reports; conduct peer review of outside arborist reports; and attend public meetings as needed.

1.3 Consultant represents and affirms that it is qualified and willing to perform the desired work pursuant to this Agreement.

II. AGREEMENTS

2.1 Scope of Services. Consultant shall provide the services listed below.

Administrative Duties

When needed by Town, assess the potential impacts to trees associated with proposed development and redevelopment projects. This shall include evaluating plans for development proposals, reviewing arborist reports and/or identifying mitigation measures, and recommending preservation measures and conditions of approval.

a. When needed by Town, work on special studies or projects including, but not limited to: preparation of a checklist for content of arborist reports for application packets; emergency response and coordination; review of tree removal permits that have been denied and appealed; and review of landscape plans for hillside homes, Planned Developments, and/or commercial projects.

b. When needed by Town, conduct field investigations, studies, and prepare reports related to tree removals and impacts from proposed construction, and develop recommendations for mitigation and preservation measures.

c. When needed by Town, assist in the establishment and subsequent modification of Town's tree and landscape related ordinances, design guidelines, policies, and development fees.

ATTACHMENT 2

d. When needed by Town, attend meetings with Town staff, public officials, community leaders, developers, contractors, and the general public.

e. When needed by Town, advise, support, and assist Town departments, committees, commissions, and Town Council. In addition, act as a liaison between Town and federal, state, and regional agencies.

f. When needed by Town, attend Town Council, Planning Commission, and special study session meetings when tree and/or landscaping issues and project applications with tree removals, impacts to trees, and/or landscape plans are being considered.

g. As requested by Town, provide copies of draft and final draft work products of reports and studies prepared for Town. Consultant shall provide electronic file copies of these documents as needed.

Other Miscellaneous Services

The Town may occasionally have the need for other services not specifically listed in this document that the Consultant has the necessary experience and capabilities to provide. Town may authorize Consultant to perform such selected services on an as-needed basis.

2.2 Time of Performance. The services of Consultant are fixed for a five-year period that will commence upon the execution of the contract. At the end of this period, should the Town not renew the contract, the contract shall automatically expire. The individual time of performance schedule for each project referred to the Consultant is required to be performed as outlined in the scope of services section of this Agreement.

2.3 Compliance with Laws. 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 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 the established hourly rates, as set forth in the Fee Schedule (Exhibit A), which is attached hereto and incorporated herein by reference. 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

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.

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 and 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: one million dollars ($1,000,000) 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 insuring 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 one million dollars ($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; and 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.

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. It is understood that Consultant currently has no employees. If employees are hired in the future, Consultant shall obtain and maintain Workers' Compensation insurance as required by California law and shall provide evidence of such policy to the Town. 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 officers, agent, 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:

To Town:

Joel Paulson
Community Development Director
Town of Los Gatos
110 E. Main Street
Los Gatos, CA 95030
Fax: (408) 354-7593
Phone: (408) 354-6879
E-mail: *jpaulson@losgatosca.gov*

To Consultant:

Richard Gessner
Monarch Consulting Arborists LLC
P.O. Box 1010
Felton, CA 95018

Phone: (831) 331-8982
E-mail: *rick@monarcharborist.com*

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 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 Exhibit A, 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

_____
Laurel Prevetti, Town Manager
Town of Los Gatos

Consultant:

_____
Richard Gessner
Monarch Consulting Arborists LLC

Department Approval:

_____
Joel Paulson
Community Development Director

Approved as to Form:

_____
Gabrielle Whelan, Town Attorney

Attest:

_____
Shelley Neis, MMC, CPMC
Town Clerk

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TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 06/21/2022
ITEM NO: 7

DATE: June 16, 2022

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Authorize the Town Manager to Execute an Agreement for Consultant Services with Walter Levison to Provide Services as Arborist Consultant to the Town.

RECOMMENDATION:

Authorize the Town Manager to execute an Agreement for Consultant Services with Walter Levison to provide services as Arborist Consultant to the Town.

BACKGROUND:

In 2015, the Town Council approved a contract with Walter Levison to serve as Arborist Consultant to the Town. Since that time, the arborist peer review consultant process continues to be a successful component of the planning process.

The Town distributed a Request for Qualifications in March 2022 and received six proposals from: Walter Levison, (Attachment 1); Monarch Consulting; Lucchesi Plant and Soil Consulting; Doug Anderson; Davey Resource Group; and Dudek. Staff determined that Walter Levison and Monarch Consulting were the most qualified to serve as Arborist Consultants to the Town, based on the quality of the proposals and past services provided. Please see the staff report for Monarch Consulting for more information on their qualifications and separate consideration.

DISCUSSION:

The Consulting Arborist reviews tree impacts relative to development proposals, prepares arborist reports, provides peer review of arborist reports submitted by applicants, and makes recommendations to Town staff for the preservation and maintenance of trees. Typical tasks that the Consulting Arborist may provide include the following:

PREPARED BY: Alexa Nolder
Executive Assistant

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

DISCUSSION (continued):

- Conducting site visits and inspections as needed;
- Evaluating proposed tree removals and impacts associated with development proposals;
- Reviewing proposed tree removals for compliance with the Town's Tree Preservation Ordinance;
- Preparing arborist reports for development proposals;
- Conducting peer review of arborist reports submitted by applicants;
- Meeting with Town staff and/or applicants as needed; and
- Attending public hearings as needed.

Optional work may include the following:

- Review of landscape plans for commercial and Planned Development projects; and
- Review of landscape plans for compliance with Wildland Urban Interface (Very High Fire Hazard Areas) standards.

CONCLUSION:

Walter Levinson was determined to be one of the best candidate firms to continue serving as the Town's Consulting Arborist for the following reasons:

- Extensive knowledge of site analysis and preparation of reports for proposed development projects and
- Experience working with the Town of Los Gatos.

COORDINATION:

The draft Agreement for Consultant Services (Attachment 2) were prepared in coordination with the Town Attorney.

FISCAL IMPACT:

Arborist review is a cost recovery activity as part of the development review process. Applicants pay a fee to the Town to cover the consultant costs to prepare arborist documents. An administrative fee of 10 percent is also charged by the Town. The purpose of the administrative fee is to reimburse the Town's cost of administering the peer review.

ENVIRONMENTAL ASSESSMENT:

This action is not a project defined under CEQA, and no further action is required.

Attachments:

1. Walter Levinson Proposal
2. Draft Agreement for Consultant Services

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3/20/2022

RFQ – CONSULTING ARBORIST FOR THE TOWN OF LOS GATOS

Jennifer Armer, Planning Manager
Community Development Department
Planning Division
Civic Center
110 E. Main Street
Los Gatos, CA 95030

Dear Ms. Armer,

Thank you for allowing Walter Levison, Consulting Town Arborist for Town of Los Gatos (2015 through current date), to submit a proposal for the position of consulting town arborist with the Town of Los Gatos Planning Division.

The following is Walter Levison's formal re-application for his current position, and includes all of the RFQ submittal requirements per the Request for Qualifications (RFQ) letter dated March 8, 2022 received from your office.

1. Introduction

Statement of Interest

Walter Levison, Consulting Arborist (WLCA) is a sole proprietorship working out of Millbrae, California: approximately 35 to 45 minutes from Los Gatos downtown. Walter Levison is the sole proprietor, owner, and operator of this business and has been serving municipalities, universities, developers, engineers, architects, and environmental consulting firms full-time since January 1999. He worked as the on-call Consulting City Arborist for City of Belmont Planning Division from 1999 to 2020 (21 continuous years), and has been working as the on-call Consulting Town Arborist for Town of Los Gatos Planning Division from 2015 to 2022 (7 continuous years). Other major Clients include entities such as Stanford University and City of Millbrae Parks Department. WLCA's interest is in performing high quality, rapid turnaround (e.g. 7 to 30 day max.) arborist reports with tree protection and maintenance planning recommendations focusing on mitigation of site plan project tree impacts.

The Town of Los Gatos planning division on-call consulting work has been a regular part of WLCA's services since 2015, when WLCA initially contracted with planning division to provide as-needed services.

For the past 7 years to date, WLCA has maintained a friendly and professional demeanor with Town of Los Gatos Staff persons, working with Planning Division Staff to complete assignments of all scopes and sizes in a timely fashion. WLCA is committed to maintaining this same level of service into the future as part of this RFQ.

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Registered Member, American Society of Consulting Arborists and Member of the International Society of Arboriculture

Cell (415) 203-0990 Email walterslevisonjr@yahoo.com

ATTACHMENT 1

Executive Summary

WLCA is formally re-applying for the 2022 Town of Los Gatos Consulting Arborist on-call position. His sole proprietorship Millbrae office is located in relatively close proximity to Town of Los Gatos, giving him the ability to respond rapidly to Town Staff work requests, whether the assignment be a single tree requiring TRAQ risk rating determination, or a large scale commercial site assessment project that requires complex tree protection analysis.

With 21 years of experience working with City of Belmont Planning Division Staff as the Contract Planning Arborist, 7 years of experience working with Town of Los Gatos Planning Division Staff as the Contract Planning Arborist, 5 years of experience working as the Hetch Hetchy Water System contract consulting arborist, and more than a decade of experience working on large scale Stanford University renovation projects for the University, WLCA's knowledge and ability to prepare high quality written reports in a rapid manner is recognized throughout the Bay Area and California.

WLCA's intent is to maintain the current working relationship with Town of Los Gatos Planning Division Staff, with continued preparation of high quality written arborist reports of all types, while communicating with Town Staff in the friendly, professional manner WLCA is known for.

This RFQ response dated 3/20/2022 includes all elements of the required submittal per Ms. Jennifer Armer's 3/8/2022 RFQ letter received by WLCA's office on 3/11/2022.

All single family residential site arborist reports with 20 or less trees will be performed at the regular $2,000 fee allotted for these projects per Town protocol, as of 2022.

Single family residential site arborist reports for sites with greater than 20 trees will be performed for the regular $2,000 fee allotted per Staff protocol, plus an additional consulting fee dependent on the actual number of additional trees beyond 20 count, and will be contingent upon Staff approval and applicant approval of the additional fee.

Commercial site type arborist report fees will depend on the number of trees requiring assessment by the consultant, and will be negotiated accordingly.

Reference Inserts:

- 2022 WLCA business brochure has been partially excerpted and included below in section 3.
- WLCA's 2022 rate sheet is included below in section 6.

Reference Attachments:

- 2022 WLCA Statement of Qualifications (SOQ), on PDF page #77.
- 2022 WLCA Municipal References (Partial), on PDF page #80.
- 2022 General Liability and Professional Liability Certificate, on PDF page #82.
- Two (2) recent arborist reports in PDF format are attached as samples of WLCA's work:
    - Sample report #1 is located on PDF page #12.
    - Sample report #2 is located on PDF page #44.
    - Refer also WLCA's numerous arborist reports prepared for Town of Los Gatos Planning Division Staff between 2015 and 2022 that were submitted electronically to various Staff planners.

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Additional Introductory Information

WLCA maintains both the International Society of Arboriculture (ISA) arborist certification and the American Society of Consulting Arborists (ASCA) registered consulting arborist (RCA) status, attending various functions to maintain a high level of current information regarding local northern California pests, diseases, and other factors that affect arboriculture in our geographic area. Both of these qualifications require the arborist to study and/or attend relevant seminars to gain continuing education units and maintain active status.

WLCA also maintains the International Society of Arboriculture (ISA) TRAQ (tree risk assessment qualified) risk assessor qualification which requires periodic education and retesting to maintain status.

WLCA is equipped to perform advanced decay detection tree risk analysis using an invasive Resistograph F300 drilling device, as well as mallet sounding and other techniques. WLCA maintains the ISA tree risk assessment qualification ("TRAQ") status in addition to the above-noted qualifications, so that tree risk assessment can be performed per international standards. WLCA performs level 1 "limited visual" tree risk assessments, level 2 ("basic") risk assessments, and level 3 "advanced" assessments using Resistograph drilling results to determine risk.

WLCA's weekdays are stratified into field and office days, with most field investigation work being performed for private and municipal clients on Mondays and Tuesdays, while the remainder of the work week is spent in the office preparing arborist reports. WLCA is still available on office days for on-call rush assignments such as, but not limited to, construction site monitoring emergencies involving root pruning or TRAQ tree risk assessment.

3. Qualifications & Experience*

Walter Levison, Consulting Arborist (owner, sole proprietor) will perform all work for the Town of Los Gatos.
Cell (415) 203-0990

- ***See also the attached **Statement of Qualifications (SOQ) version 2022 on PDF page #77** for a formalized version of Walter Levison qualifications and experience.

- ***See also the attached **Municipal References version 2022 on PDF page #80**, which includes Mr. Joel Paulson, Town of Los Gatos Director of Planning and Community Development, who WLCA has been working under continuously since 2015 as the Town of Los Gatos contract planning division arborist.

City of Millbrae (2021-onward)

Since 2021, WLCA has acted as the unofficial City of Millbrae consulting arborist by providing on-call as-needed services to Parks Department, specifically focusing on TRAQ risk rating determinations for large eucalyptus and other large canopy type tree specimens on both private and public properties.

In 2021 alone, WLCA produced three large scale type arborist reports detailing TRAQ risk ratings for over 200 eucalyptus specimens on Parks Department controlled lands.

Millbrae skate park spur trail area trees were rated for TRAQ risk, with very specific target identification by WLCA, so that the City Parks Department could prioritize limited budget money for risk-reduction pruning and risk reduction tree removal (white gum eucalyptus specimens), identifying trees that threatened the highest occupancy targets and highest value type targets, including nearby high voltage electrical wires, residential homes, a high use skate park, a high school track and field facility with sports bleachers, and a high-use trail used by joggers, dog walkers, and other pedestrians.

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Lomita spur trail area trees (blue gum eucalyptus) were assessed to determine TRAQ risk ratings to help the City identify how best to use limited tree removal budget to reduce risk of tree and tree part failure and impact with nearby residences, and reduce risk of wildland/urban interface fire from reaching those properties through a reduction in the number of large-canopy type eucalyptus forest trees.

Town of Los Gatos (2015-onward)

WLCA has prepared a large number of arborist reports to Town of Los Gatos Planning Division Staff over the last 7 years, including residential site reports, commercial site reports, and non-standard type reports involving roadway construction in the Town's hill areas.

Hill Area Roadways

Roadway construction required per the Fire Marshall was mandated on one site where an older roadway was to be significantly widened to allow for modern fire trucks to access the remote location. This work would have resulted in severe damage or total root plate destruction on one or more sides of mature oak specimens being retained along the roadway. Staff and WLCA worked together to reach a compromise solution whereby the roadway would be widened to meet the Fire Marshall's required roadway width, while simultaneously allowing the oak specimens to be retained and protected in place (PIP) through use of curvilinear roadway forms that swung side to side in such a manner as to avoid the most important tree specimens, impacting only smaller tree specimens in poor condition. Construction offset distances were thus built into the plan such that proposed new deep cut road base work did not require removal of the large oak specimen trees being retained along the roadway.

Illegal Construction

In another instance, WLCA worked with Staff to assess illegal construction by an applicant. WLCA identified apparent impacts to trees from the applicant's illegal residential construction, and determined mitigation where appropriate, calculating that mitigation in terms of loss of appraised dollar value of the impacted tree specimens. The owner/applicant was required to mitigate damages to the trees through removal of some illegal work, and through payment of in-lieu fees to account for that loss of tree value caused directly by the illegal work.

City of Belmont (1999-2020) 21 Years

The City of Belmont, where WLCA presided as contract city arborist to the planning division for a 21 year period, was a steep hillside community very similar to residential properties within the Town of Los Gatos. WLCA assessed hundreds of development project tree impacts on properties with steep slope characteristics, some of which also exhibited urban/wildland interface fire safety issues. WLCA performed initial tree surveys on these properties, following up with plan checks, construction monitoring on a periodic basis, and issuing stop work orders and damage fees based on construction damage to the trees when applicable. The goal in Belmont was to work with the private site plan development teams on a friendly basis, allowing City- authorized work to proceed at a normal pace, while maintaining a professional Best Management Practices level of tree root zone protection adequate for long term native oak tree survival.

Various other departments within the City of Belmont government such as Public Works Department, City Attorney's Office, and Parks Department periodically contacted WLCA to prepare appraisals (dollar valuations) of illegal tree damages and tree removals (e.g. unauthorized view preservation pruning, vehicle impacts, removal of trees along the City right of way, etc.).

Urban/Wildland Interface Fire Issues

WLCA worked with Belmont Staff and with applicants' project teams to finalize landscape plans for urban/wildland interface areas of very high fire risk. Methodology included delineation of fire modification zones A, B, C, and D, whereby existing forest trees and shrubs would be pruned or removed to achieve certain fire resistance goals set forth

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by the California Department of Forestry (CDF), such as use of only fire resistive plant materials for new landscaping, vertical crown raising of existing tree canopies, and horizontal reduction of existing tree canopies to achieve 10 feet linear spacing between canopy edges.

Qualifications and Experience (Excerpted from WLCA 2022 Business Brochure):

Examples of Major Consulting Projects / Walter Levison, Consulting Arborist (WLCA)

- On-call Consulting Arborist, City of Millbrae, California.
  Unofficial Parks Department arborist for City of Millbrae since 2021. Prepared three (3) large scale TRAQ risk rating determination type reports for 200+ trees on undeveloped and developed park lands for Parks Dept in 2021, to reduce both risk of Urban/Wildland Interface fire and risk of physical tree impact damage to residential homes and their occupants.

- Contract Town Arborist, Town of Los Gatos, California. Planning arborist for Community Development Department continuously for 5 years, since 11/15.

- Contract City Arborist, City of Belmont, California.
  Planning arborist for Planning Dept, Parks Dept, Public Works Dept, and City Attorney's office continuously for 21 years, 1999 to 2020.

- San Francisco Public Utilities Commission (SFPUC).
  Contract Project Arborist, Bay Division Pipelines #3, 4, and 5. (Hetch Hetchy Water System Improvement Program). Tree database creation, high risk tree analysis, prescribe tree impact mitigation measures to preserve key oak specimens, root pruning, root preservation zone delineation. 2010 to 2015.

- City of Menlo Park, California.
  Street tree assessment of nearly 3,000 mature trees using innovative set of ten 'defects and hazards' parameters. Assign action priority ratings to trees to effectively manage tree risk. Prepare new street tree management plan for Staff. Acquire hard-to-find oak species for street tree replacement program.

- City of American Canyon, California.
  City-wide street tree and parks tree GPS survey and assessment with action priority rankings. Presented tree risk assessment seminar to Staff.

Relevant Experience

2015 – 2022 (7 years)	Contract Town Arborist, Town of Los Gatos (current as of date of writing) Community Development Department (Planning Division)
2010 – 2015 (5 years)	San Francisco Public Utilities Commission (SFPUC) Contract Project Arborist, Bay Division Pipe Lines 3, 4, & 5
2001 – 2006	Commissioner, City of Millbrae Community Preservation Commission (Tree Board)
1999 – 2020 (21 years)	Contract City Arborist, City of Belmont Community Development Department (Planning Division)
1999	Barrie D. Coate and Associates Associate consulting arborist
1999 – present (23 years)	Independent Consulting Arborist
7/98 – 11/98	Bartlett Tree Expert Co. IPM technician, arborist, and tree pruner

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1996 – 1998	Western Environmental Consultants Consulting utility forester to PG & E
1995	U.S. Forest Service Biotechnician and hydrotechnician Tree surveys and watershed restoration
1994 - 1995	U.S. National Park Service Habitat restoration volunteer (Tennessee Valley Nursery, GGNRA)
1991 - 1993	U.S. Peace Corps, Chiangmai, Thailand Agroforestry extension/Soil and Water Conservation / Environmental education

Education

ASCA Arboricultural Consulting Academy Graduate, Class of 2000
B.A. Environmental Studies/Soil and Water Resources
University of California, Santa Cruz, 1990
UCSC Chancellor's Award, 1990

Licenses

Tree Risk Assessment Qualified (ISA TRAQ)
ASCA Registered Consulting Arborist #401
ISA Certified Arborist #WE-3172A

Publications (partial list)

"Kino: The unique and mysterious exudate of eucalyptus"
"Responsibly planning a tree preservation system: City of Belmont"
"Resistance of eucalyptus species to the red gum lerp psyllid in the Bay Area" 2001 *Pan-Pacific Entomologist* 77(4) (co-author)
"Rootball treatment for optimal tree growth" *Pacific Horticulture* 69(1) (Levison and Muffly)
"Case Study: Tree Preservation Using Tunneling Technology"
"Ronald McDonald House at Stanford Preserves Historic Wooded Roadway"

Professional Affiliations

Member, International Society of Arboriculture (ISA)
Member, Western Chapter, ISA
Registered Member, American Society of Consulting Arborists

Litigation

Current Litigation Against WLCA: None

Past Litigation Against WLCA: None

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4. Organization

Walter Levison will be the sole arborist performing all services for the Town of Los Gatos, which eliminates quality control problems and ensures that tree measurement and tree condition assessment is accurate and precise, using only the most current protocols and standards.

WLCA may be available for short notice assignments (RUSH fees of the regular hourly rate X 2) will apply) if WLCA is provided with 24-hour notice during regular working hours. In some instances, same-day service may also be available, with RUSH fees.

24-hour turnaround project completion is possible for some jobs such as simplistic situations involving 1 to 5 trees. Other larger or more complex jobs may require 48 hours or more turnaround.

All arborist report work products will be sent via email in PDF format.

5. Project Approach

The following is WLCA's approach to municipal work when performing site plan tree assessment for planning department Staff, based on 21years of experience with City of Belmont hillside development projects, and 7 years of experience with Town of Los Gatos hillside development projects. Anticipated constraints, problems, and issues are noted in the linear outline:

a. Applicant submits plans to planning division, along with standard $2,000 arborist review fee (current fee as of 2022).

b. Planning Staff emails Town Consulting Arborist a written consulting agreement with the $2,000 fee limit for work, which consultant signs and returns to the planner.

c. Planner emails consultant a link to the applicant's digital set of plans in PDF format that have been submitted to Planning Division for review by Staff and by consultant.

   Plans typically include a topographic survey of existing site conditions, scaled site plan sheet, and scaled grading and drainage plan sheet, all with north arrows indicated. One or more of these sheets typically shows most tree mainstem base locations as a black "plot dot", for all trees measuring 4 inches diameter or greater at 4.5 feet above grade, which is the typical planner-standard level of review, and the Town of Los Gatos ordinance minimum diameter that is required for a woody plant specimen in the landscape to be considered a "regulated tree".

   In some cases a landscape plan sheet, irrigation plan sheet, and utility plan sheet are also included in the set of plans, along with other sheets not related to the tree impact analysis process.

d. Town Arborist (consultant) physically visits the site, tags each tree with a permanent aluminum numbered tag, archives a digital image of each tree, records all standard arboriculture data including notes on all foreseeable impacts based on current proposed set of project plans, and returns to office. Consultant prepares a written arborist report document with comprehensive analysis of the applicant's proposed plans, including a tree map markup showing suggested redesigns, fence alignments, soil protection buffers, trunk buffers, and/or other elements that optimize tree survival over the long term. The document contains an Excel format tree database with all standard tree data, a summary table detailing dollar valuation appraisals for each tree plus the required changes necessary to bring impacts down to "less than significant", and the number of required 24" box or 15 gallon size mitigation replacement tree plantings to meet the Town's "tree canopy replacement standard" (table 3-1 from the Town's current tree ordinance).

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Detailed tree specimen-specific recommendations for maintenance, protection, and design changes are also included at the end of the report, along with a digital images (photographs) section documenting the current pre-project site conditions for reference. The recommendations are based on scientific studies and industry-standard reference texts that include various arboriculture Best Management Practices (BMP). They are also based on WLCA's 23 years of full-time, professional experience with hillside development project tree assessment and management in the Bay Area.

Town Arborist emails the arborist report to planner as a standalone PDF, along with notes on any items that require additional attention. An unlocked Word document version of the report is also emailed to planner, so that planner can copy and paste information from the report into their Staff report.

e. **Issue1**: If a scaled grading and drainage plan sheet and/or a landscape+irrigation plan sheet(s) is/are not present in the packet of plan sheets, Town Arborist asks planning Staff planner to request that the applicant's project team members generate a digital copy of that sheet in PDF format for Arborist review, so that the project's impacts to trees can more fully be assessed by the Arborist. Staff or the applicant project team can then email the sheet to Arborist as a PDF.

f. **Issue2**: If one or more site trees is not plotted on the sheet(s) in the packet, then Town Arborist hand-plots the tree(s) onto the sheet using Adobe Pro during the tree map markup phase of the arborist report preparation process.

g. **Issue3**: If one or more plan sheet does not contain a North arrow or a scale bar, then Town Arborist either requests that Town Staff planner obtain new sheet(s) from the applicant with these items added by the applicant's project team, or uses a compass and known key-off points in the field to determine scale and North azimuth.

h. **Issue4:** If there are any remaining items that are left unresolved in the applicant's proposed site plan, such as lack of a proposed storm drain line trench route on the grading and drainage plan, or lack of detail concerning a proposed retaining wall footing within the canopy dripline of a protected-size tree, then Town Arborist (consultant) emails planner associated with that project so that planner can note the issue as an item of "non-compliance" to be emailed to the applicant in a formal Staff planner comments or non-compliance letter. Town Arborist will then coordinate future plan check with the planner so that the item can be resolved prior to finalization of the project review by planner. Typically, the applicant's project team will revise the sheet(s) to add the missing information during consultant's review of the project plan set, allowing the arborist report to incorporate the missing information as part of his work product submitted to the Town Staff planner.

i. **Issue5:** If there does not appear to be any way to relocate a proposed construction element of applicant's plans that will cause or is expected to cause a significant negative impact near a protected-size tree (e.g. a residence foundation footprint limit of excavation that encroaches far into the canopy dripline of a 24" diameter coast live oak specimen in good condition on a narrow lot), then the Town Arborist, after discussion with Staff planner, may recommend in his arborist report that a pre-construction tree protection bond be posted by the applicant with the Town, in the amount of the full appraised value of the tree (or another dollar amount to be determined by tree species, diameter, etc.).

Town Inspector Staff can later determine, prior to the built-out project "final occupancy signoff" by Staff, if the entire bond amount, or a portion of the bond, should be retained by the Town, based on the subject tree's above-ground and below-ground health and structural condition after all site work including landscaping and irrigation line trenching is complete. The final occupancy signoff signature by Town Inspector Staffpersons can be withheld until such time as the project applicant deposits the appropriate tree damage mitigation fee with the Town. Town can then use this fee for Parks Department tree maintenance and planting activities at their discretion.

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6. Public Meetings + Informal Agreements + Rate Sheet

Public Meetings

Public meeting attendance will be billed hourly at the regular $200/hour rate* for all time, portal to portal, with a minimum 4 hour charge per meeting (4 X $200/hr = $800.).

Peer review studies and special studies will be billed hourly at the regular rate of $200/hour for all time, portal to portal.

Development proposal tree assessment will be determined by the number of trees on site, and will be billed hourly for all time, portal to portal.

WLCA & Town Staff Informal Agreements

Per WLCA's position as the Town of Los Gatos Town consulting arborist (planning division) continuously between 2015 and 2022 (present), Town Planning Division Staff and WLCA informally agreed that:

- WLCA will prepare "single family residential site" type arborist reports not to exceed the standard $2,000 arborist review fee collected by Town Planning Staff from applicants, for sites with between approximately 1 and 20 trees on a single lot.

- WLCA will request additional funds "to be determined", for single family residential lot projects with greater than approximately 20 trees on a single lot. Typical lump sum amounts collected from applicants by Town Planning Staff between 2015 and 2022 for these "larger lot" situations with higher quantity of trees were in the $3,000 to $4,000 range.

- WLCA preparation of "commercial site" type arborist reports will be on an hourly basis at the regular hourly rate, and collected by Staff from the applicant as a lump sum amount determined by WLCA, based on his estimated time needed to complete the scope of work.

  Typical lump sum amounts collected by Town Planning Staff from applicants between 2015 and 2022 for commercial sites and "non-standard sites" were in the $3,000 to $4,000 range, with additional $1,000 or $2,000 lump sum amounts requested by Staff from the applicant for use by consulting arborist in cases where subsequent additional tree analysis was necessary (for example, when the applicant resubmitted a new revised set of plans two years after the original submittal set was received by Planning Division).

- WLCA will use the *Best Management Practices: Root Management* (2017) booklet definition of "Critical Root Zone" defined as 6 times the trunk diameter at 4.5 feet above grade, as one of the standards for determining below-ground construction-related impacts to trees, when analyzing applicant plan sheets.

- WLCA will include a "tree conservation suitability" (TCS) rating for each tree in his Town Arborist reports, using the protocols and criteria defined in *Best Management Practices: Managing Trees During Construction, 2nd edition* (2016) booklet.

It is WLCA's intention that the above informal working agreements between WLCA and Town Staff be continued and wrapped into the 2022 RFQ for Town of Los Gatos Consulting Arborist.

***See 2022 WLCA rate sheet below on page 10 of this RFQ**

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2022 Rate Sheet / Walter Levison, Consulting Arborist

Walter Levison
CONSULTING ARBORIST

ISA Qualified Tree Risk Assessor ASCA Registered Consulting Arborist #401 ISA Certified Arborist #WE-3172A

CONSULTING RATES
WALTER LEVISON, CONSULTING ARBORIST
Revised 1/1/2022

1.	**INITIAL CONTACT / ORAL CONSULTING MINIMUM 2 HOUR PER-CLIENT CHARGE** (COVERS UP TO 1 HOUR OF TRAVEL, AND 1 HOUR ON SITE.)	**$400 ($200/HR x 2)** **($200 min. charge for local Millbrae jobs)**
2.	**STANDARD CONSULTING SERVICES** (ALL FIELD, OFFICE, & DRIVING TIME, PORTAL TO PORTAL). HAZARD TREE ASSESSMENT, TREE INVENTORY, CONSTRUCTION MONITORING, SPECIES SELECTION, MONETARY VALUATION (APPRAISAL), ARBORIST REPORTS, TREE PROTECTION AND MANAGEMENT PLANS, ETC.	**$200/HR** **($600 min. charge per job per day)**
3.	**SPECIAL CONSULTING SERVICES** **RESISTOGRAPH:** ADVANCED DECAY DETECTION AND ANALYSIS USING A RESISTOGRAPH MICRODRILLING DEVICE WITH DIGITAL GRAPH OUTPUT.	**Regular consulting rate, plus "machine-use charge" of between $100 and $300 per day.**
4.	**RUSH CONSULTING SERVICES** TIME TO COMPLETION OF SMALLER JOB WRITTEN WORK PRODUCT IS TYPICALLY 24 TO 96 HOURS FROM DATE OF CONTRACT SIGNING.	**$400/HR**
5.	**MUNICIPAL CONSULTING SERVICES AS CITY ARBORIST OR TOWN ARBORIST** (CONTRACT CITY ARBORIST SERVICES, OR ON-GOING, AS-NEEDED BASIS) (ALL FIELD, OFFICE, & DRIVING TIME, PORTAL TO PORTAL).	**$200/HR** **($600 min. charge per job per day)** **EVENING MEETINGS:** **($800 min. charge per evening)**
6.	**SUBCONSULTING UNDER OTHER CONSULTING ARBORISTS**	**(Negotiable rates)**
7.	**LEGAL CONSULTING SERVICES** (SITE VISITS, REPORT PREPARATION, MEETINGS, DEPOSITIONS, ATTENDANCE OF MEDIATION HEARINGS, ETC. RELATED TO LEGAL SITUATIONS)	**$200 TO $400/HR** **(Depending on task)**

1 of 1

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7. Examples of Work

(See two (2) recent WLCA arborist report samples in PDF format attached to the end of this RFQ).

SAMPLE REPORT #1 ON PDF PAGE #12

SAMPLE REPORT #2 ON PDF PAGE #44

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Assessment of Seven (7) Regulated Site Trees for Mini ARB Submittal
(>4.0 inches diameter at 4.5 feet above grade)

SAMPLE REPORT
#1 OF 2

3440 Hillview
Mini ARB Submittal - West Side of Building
Palo Alto, California

Prepared for:

[redacted]

Field Visit:

Walter Levison, Consulting Arborist (WLCA)

(2021-2022)

Report by WLCA

2/18/2022

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1.0 Summary & Summary Table

1a. TREES ASSESSED / TREE DISPOSITION:

WLCA assessed a total of 7 tree regulated-size (greater than 4.0" diameter at 4.5 feet above grade) specimens in a non-sequential tree tag range, using data collected during WLCA's survey of the site in 2021 and early 2022.

The total subset of trees assessed for the MINI ARB SUBMITTAL is:

Trees #28a, 29a, 30a, 31a, 110, 111, and #1677 (see attached tree map markup by WLCA for reference). Only trees #110 and #111 are proposed to be removed at this time, due to direct conflicts with proposed new concrete pad construction per plan sheet L6.01 dated 11/15/2021.

The following is a breakdown of how these trees are going to be handled in terms of maintenance, preservation or removal, and construction conflicts related to the proposed Mini Arb work shown on the tree map markup along the west sides of the existing 3440 Hillview building.

Author's Side Note on Jurisdiction:

3440 Hillview is a Stanford University lease land area, governed by Stanford, and not by City of Palo Alto, California municipal authorities. However, given that the area is within the vicinity of City jurisdiction (e.g. public roadways, etc.), the author decided to prepare this report using City of Palo Alto standards set forth by their municipal tree ordinance governing private trees, and per their Tree Technical Manual (TTM) which outlines specific tree mitigation and tree reporting requirements for projects occurring within their municipal area of influence. Therefore, the author includes information in this report including the TTM tree replacement table.

Two (2) trees #110 and #111 are proposed to be removed due to project conflicts.

TREE MITIGATION WILL BE ADDRESSED IN THE FORM OF IN-LIEU FEE PAYMENTS AND/OR TREE CANOPY REPLACEMENT PLANTINGS ON-SITE, PER THE UPCOMING 2022 HILLVIEW ENHANCEMENT MASTER PLAN (HEMP). THEREFORE, MITIGATION FOR TREE REMOVALS SHOULD NOT BE REQUIRED AT THIS TIME, GIVEN THAT THE TREE REMOVAL AND REPLACEMENT TOTALS ARE ALREADY ACCOUNTED FOR IN THE OVERARCHING "HEMP" DOCUMENTS BEING DEVELOPED BY THE PROJECT TEAM.

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SUMMARY TABLE 1.0 / MINI ARB 3440 HILLVIEW (WEST SIDE)

Tree Tag Number	WLCA Assessment	Removal Per Plan?	Protect-In-Place (PIP)? Maintenance Required?	Tree Preservation Rating (TPR) per WLCA[1]
28a	Aleppo pine (*Pinus halepensis*) in fair overall condition, adjacent to project limit of work. Lower TRAQ risk rating. Can be retained for now.	No.	PIP. Fencing and TB (trunk buffer) wraps. Use trunk buffer wrap and chain link “Tree Protection Zone” (TPZ) fencing to protect above ground and below ground portions of tree.	6
29a	Aleppo pine (*Pinus halepensis*) in fair overall condition rating. Located up slope on very steep hillside, above and offset from proposed project work. No trunk buffer protection needed. Fence used for #28a will protect this tree. TRAQ risk rating is “moderate” for tree codominant mainstem failure at fork at 25 feet elevation above grade where a possible bark inclusion exists. Previous failures of this type occurred in October / November / December 2021 on one or more Aleppo pines at the south end of 3460 Hillview during extreme wind and rain events. Situation cannot be easily mitigated through pruning or other maintenance means. Tree is suggested to be removed.	No.	PIP for now. Fencing only. Tree recommended by WLCA to be removed in future due to structural issues noted at left which cannot be easily mitigated (subject to discussion with property manager/owner).	5
30a	Aleppo pine (*Pinus halepensis*) in fair overall condition rating. Tree far offset from proposed limit of work. Tree root crown was not visible during the assessment by WLCA, and therefore status of root crown is not verified as of the date of writing. Tree is to be retained for now.	No.	PIP for now. Fencing only.	6

[1] REFER TO SECTION 5.0 OF REPORT FOR CRITERIA USED

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Tree Tag Number	WLCA Assessment	Removal Per Plan?	Protect-In-Place (PIP)? Maintenance Required?	Tree Preservation Rating (TPR) per WLCA[1]
31a	Coast redwood (*Sequoia sempervirens*) in very poor overall condition (10% out of 100% possible), making it almost a "dead" tree as of the date of writing. Trees in this stage of decline are typically recommended for removal. The tree is far enough offset from proposed work that there will be zero impacts related to site construction, and therefore the tree is to be retained for now, protected in place (PIP), and likely removed in the near future per WLCA's recommendation. NOTE: This tree is below the threshold for consideration as a protected City of Palo Alto private site "ordinance tree". It is not an ordinance tree.	No.	PIP for now. Fencing only. Tree recommended by WLCA to be removed in near future due to very poor overall condition and likely continued decline/death due to soil moisture deficit and continued droughty weather conditions. Tree is a high water-need species.	1
110	London plane (*Platanus x acerifolia*) specimen in fair overall condition. This is not a 'Columbia' specimen, and is therefore a good removal candidate, given its susceptibility to powdery mildew fungus and sycamore anthracnose fungus infection.	Yes. Removal per plan.	Remove per plan. Tree conflicts directly with proposed concrete pad construction. Tree already recommended to be removed per WLCA tree database.	4
111	Aleppo pine (*Pinus halepensis*) in poor overall condition, with a TRAQ risk rating of "moderate" for stem failure and impact with pedestrians and cars due to a large scaffold limb at 28 feet which is similar in size to the mainstem. The tree was noted by WLCA in the tree database to be retainable only if the scaffold limb were to be removed at its attachment point at the fork at 28 feet, thereby reducing the TRAQ risk rating to "low". The tree is to be removed due to direct conflict with the proposed concrete pad construction per plan sheet L6.01.	Yes. Removal per plan.	Remove per plan. Tree conflicts directly with proposed concrete pad construction. Tree was recommended for mandatory maintenance to remove a large diameter scaffold limb at 28 feet to reduce risk of tree part failure to "low", per WLCA tree database.	5

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Tree Tag Number	WLCA Assessment	Removal Per Plan?	Protect-In-Place (PIP)? Maintenance Required?	Tree Preservation Rating (TPR) per WLCA[1]
1677	European birch (*Betula pendula*) in poor overall condition with a WLCA tree preservation rating (TPR) index of "3" out of a possible "10", due to drought stress (soil moisture deficit) issues related to this species' dependency on year-round heavy irrigation. Tree recommended by WLCA to be removed. However, for the purposes of this report, the tree will be retained and protected in place (PIP) during this initial proposed site work involving construction of an elongated rectangular concrete patio pad.	No.	PIP for now. Fencing (TPZ chain link). Trunk buffer wraps (TB). Water: Maintain irrigation to turf and all landscaping at current rate. If system is shut off or severed, use hand-watering during construction period, for the area inside the fenced off TPZ perimeter. WLCA suggests removal of tree for long-term reduction of water needs. Replace with a tree species or multiple species that is/are extremely drought resistant and can thrive in our Northern California dry summer type atmospheric and soil moisture regime.	3

2.0 Assignment & Background

Field Survey

Walter Levison, Consulting Arborist (WLCA) was directed to tag, map, partially photograph, and visually assess trees noted as dark black tree plot dots on a survey sheet provided to Consultant by the landscape architect of record for the 3440 Hillview Mini ARB (West Side of Building). WLCA collected standard arboriculture data for trees measuring 4.0 inches or greater at 4.5 feet above grade elevation, in 2021 and late 2022 during an overarching all Hillview sites survey, and culled data from that tree survey database for use in this report. Only trees with tree protection zone areas (10 x diameter offsets) within 30 feet of the proposed site work limit line were included in this study. Trees were tagged with numeric tags by WLCA and by others, so the numeric tree tag runs are tag shapes are discontinuous, with either round shaped or racetrack shaped tag affixed to the tree mainstems at eye level.

Risk Rating Determination and WLCA Tree Preservation Rating Determination

WLCA did determine International Society of Arboriculture "TRAQ" risk ratings for some of the trees in the all-sites tree survey used for this assignment. These ratings are a good indication of actual day to day risk of whole tree and/or tree part failure and impact with specified ground-based targets. The ratings are noted in the right hand section of the attached Excel tree data tables, and are valid for 12 months from the date of WLCA's survey.

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In cases where trees are in fair or good overall condition, the trees can sometimes be maintained through use of arborist cabling systems, through-bolt brace rod systems, and endweight reduction pruning, to reduce the “residual risk” down to a “low” TRAQ risk rating, which is then considered reasonable in terms of a normal, background risk rating that can be tolerated by land managers moving forward. However, when trees are already rated in very poor or dead condition, as are many of the trees at this site, it is often impossible to use tree maintenance (cables, bracing, or pruning) to reduce risk ratings below a “moderate” or “high” rating. In those instances, removal of the tree is possibly the only reasonable tree management solution to maintain tree part failure-related risk at a “Low” level.

WLCA also determined tree preservation ratings (TPR) based on his own system that rates trees from 1 to 10 using criteria that are not related to proposed development. These ratings are also noted at the color-coded righthand cell of the tree data spreadsheet rows excerpted for use in this report.

Most or all of the seven (7) trees included in this report are considered of lower value in terms of their expected safe and useful lifespan in the landscape, otherwise known as “SULE”. They are species that exhibit one or more of pest and disease susceptibility, drought intolerance, and/or poor structure or health.

Future plantings at the Hillview sites should consider use only of tree species and cultivars that are known to exhibit high tolerance of pests, diseases, and drought, and have genetically-controlled high limb and mainstem wood strength with angles of branch attachment that are moderately upright at angles that encourage long-term tree strength without serious pruning needs or included-bark type failures. Such trees are currently being developed by Ted Teuschler, lead horticulturalist at **Devil Mountain Nursery** (nearest location in Sunol, CA, plus other sites).

Tree Data

Tree diameters were determined using a forester’s D-tape which converts circumference to an averaged diameter in inches and tenths of inches.

Tree heights were determined using digital Nikon forestry pro 550 hypsometer.

Tree canopy spread was estimated by pacing.

Note again that only trees with at least one mainstem measuring 4.0 inches diameter at 4.5 feet above grade were included in this study, per direction by City of Palo Alto Urban Forestry Division, even though this site is not technically located in or otherwise under the jurisdiction of City of Palo Alto (it is a Stanford University lease land).

Tree Map

The tree map markup attached to this report was created using the parking plan sheet L6.01 dated 11/15/2021 by Studios Architecture and Surface Design, Inc. (SDI) of San Francisco, CA: the landscape architect of record. WLCA marked chain link tree protection fence routes onto this sheet using heavy red dashed lines. Numeric tree tag numbers are indicated using large font typed directly over the approximate trunk plot point of each tree. In some cases, the tree trunk plot dot locations are noted “approximately”, using a heavy straight black line which ends at the approximate trunk plot point.

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3.0 City of Palo Alto, CA / What Trees are Regulated by the City?

Designated Trees

On commercial sites, typically all trees with at least one (1) mainstem measuring 4.0 inches diameter at 4.5 feet above grade are considered to be “designated trees” that are protected per City tree ordinance, and require a removal permit prior to removing the tree in the landscape.

The **two (2) trees #110 and #111 to be removed per the current mini ARB submittal for 3440 Hillview (West side of building) may or may not be considered "designated trees”, given that this commercial site is not actually located inside City of Palo Alto, and is instead a Stanford University lease land.**

Ordinance-protected trees

Coast live oaks, California valley oaks are protected per ordinance at the 11.5” diameter threshold.

Coast redwoods are protected per ordinance at the 18” diameter threshold.

There are no ordinance-protected trees in this study of 7 site trees.

Street trees

Trees of all sizes located in the public (City) right of way are considered protected street trees.

There are no street trees in this study of 7 site trees.

Removal trees:

Below is a canopy replacement standard table 3-1 excerpted from the City of Palo Alto Tree Technical Manual (TTM). The replacement ratios in this table are based on canopy size, and assumedly only apply to City-regulated trees such as street trees and/or trees on private lands within the City’s jurisdiction.

Given that the 3440 Hillview site is actually a Stanford University-owned “lease land”, it is not actually within the City’s jurisdiction. Therefore these replacement rates may not actually apply to our project. Even if the trees at 3440 Hillview are commercial property “designated trees” measuring 4.0 inches diameter or larger, the fact remains that this property appears to be outside of the City’s jurisdictional area.

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Mitigation (per City of Palo Alto Table 3-1 Replacement Standard):

Removal of **trees #110 and #111** from the site, using the City of Palo Alto guidelines in Table 3-1 above (which is not related to Stanford University guidelines), would require the following on-site replacement plantings to be installed with timer-activated high-flow irrigation bubblers:

Nine (9) 24" box or

Three (3) 36" box and two (2) 48" box size trees

(Species to be determined, placement to be determined).

TREE MITIGATION WILL BE ADDRESSED IN THE FORM OF IN-LIEU FEE PAYMENTS AND/OR TREE CANOPY REPLACEMENT PLANTINGS ON-SITE, PER THE UPCOMING 2022 HILLVIEW ENHANCEMENT MASTER PLAN (HEMP). THEREFORE, MITIGATION FOR TREE REMOVALS SHOULD NOT BE REQUIRED AT THIS TIME, GIVEN THAT THE TREE REMOVAL AND REPLACEMENT TOTALS ARE ALREADY ACCOUNTED FOR IN THE OVERARCHING "HEMP" DOCUMENTS BEING DEVELOPED BY THE PROJECT TEAM.

TABLE 3-1
Tree Canopy - Replacement Standard

COLUMN 1	COLUMN 2	COLUMN 3
Canopy of the Removed Tree (Avg. dist. across the canopy*)	Replacement Trees	Alternative Tree
4'-9'	Two 24" Box Size (minimum)	One 36" Box Size
10'-27'	Three 24" Box Size	Two 36" Box Size
28'-40'	Four 24" Box Size	Two 48" Box Size
40'-56'	Six 24" Box Size	Two 48" Box & Two 36" Box Size
56'-60'	Two 24" Box & Two 36" Box + Two 48" Box Size	**
60'+	**	**

*Add half of the difference between the two to the narrowest measurement for the average canopy.
** Replace the tree with a combination of both Tree Canopy and Tree Value Standards.

Note: Basis of this table is determined by the growth of one 24" box size tree, growing at a rate equivalent to 9 feet of canopy over the course of ten years.

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4.0 ISA TRAQ Risk Rating Determinations

The most recent international society of arboriculture (ISA) risk rating framework in use by arborists is the so-called "TRAQ" (tree risk assessment qualified) system which involves qualitative determinations by an arborist to assess:

- The tree part most likely to fail (which could be the whole tree)
- A time frame after which the arborist's determined risk rating is considered voided (a period of 1 year from date of writing is used by WLCA for his TRAQ ratings).
- Likelihood of tree or tree part failure based on a four-tier scale as seen at right.
- Likelihood of that tree or tree part impacting a defined target based on a four-tier scale as seen at right.
- Consequences of the failed tree or tree part on the specifically-defined target, based on a four-tier scale (see "semi-defined target" list below. Formalized targets were not determined for every single tree's TRAQ risk rating).

Although the TRAQ tree risk assessor's manual published by ISA does require that the risk assessor define each and every target for each risk rating determined, WLCA did not define the target for every single tree for which TRAQ risk ratings were determined. This is because the TRAQ risk ratings in this arborist report were simply included as "additional site analysis data points" for site managers who will be reviewing the landscape status of trees existing around various site buildings.

See the TRAQ risk rating field form reference at right, which was typed by WLCA using the most recent risk assessment manual information published by ISA to amalgamate the various tables contained in the manual.

WLCA determined TRAQ risk ratings for all seven (7) study trees for this mini ARB submittal. See the excerpted Excel tree database rows at the end of this report for TRAQ risk ratings of the seven study trees.

8 - TRAQ FIELD FORM / REVISED 2021 BASED ON 2017 TRAQ MANUAL

Likelihood of Failure	Likelihood of Impacting Target			
	Very Low	**Low**	**Medium**	**High**
Imminent	Unlikely	Somewhat Likely	Likely	Very Likely
Probable	Unlikely	Unlikely	Somewhat Likely	Likely
Possible	Unlikely	Unlikely	Unlikely	Somewhat Likely
Improbable	Unlikely	Unlikely	Unlikely	Unlikely

Improbable: The tree or tree part is not likely to fail during normal weather conditions, and may not fail in extreme weather conditions within the specified time frame.

Possible: Failure may be expected in extreme weather conditions, but it is unlikely during normal weather conditions within the specified time frame.

Probable: Failure may be expected under normal weather conditions within the specified time frame.

Imminent: Failure has started or is most likely to occur in the near future, even if there is no significant wind or increased load. This is an infrequent occurrence for a tree risk assessor to encounter, and may require immediate action to protect people from harm. The imminent category overrides the stated time frame.

Very Low: Remote chance that failure will impact target. Rarely used site fully exposed; occassionally used site partially protected. E.g. A rarely used trail or trailhead in a rural area, or an occassionally used area that has some protection due to other trees between the failure and the target.

Low: Not likely that failure will impact target (slight chance). Occassionally used area fully exposed; frequently used area partially exposed; constant target well protected. E.g. A little-used service road next to the tree, or a frequently used street with a street tree between the assessed tree and the street.

Medium: The failed tree or tree part could impact the target, but is not expected to do so. Frequently used area fully exposed on one side of tree; constantly occupied area partially protected. E.g. A suburban street next to street tree, or a house partially protected by an intermediate tree.

High: Likely that the failure will contact the target. A fixed target is fully exposed. E.g. Near a high-use road or walkway with an adjacent street tree.

Likelihood of Failure and Impact	Consequences			
	Negligible	**Minor**	**Significant**	**Severe**
Very Likely	Low	Moderate	High	Extreme
Likely	Low	Low	Moderate	High
Somewhat Likely	Low	Low	Low	Moderate
Unlikely	Low	Low	Low	Low

Negligible: low value damage or disruption, no personal injury.
Minor: low to moderate damage, small disruptions to traffic or communication lines, or very minor personal injury.
Significant: moderate to high value damage, considerable disruption, or personal injury.
Severe: high value damage, major disruption, severe personal injury or death.

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5.0 WLCA Tree Preservation Rating (TPR) System

WLCA Tree Preservation Rating (TPR) System
(1=Worst, 10=Best)

The following system was used by WLCA to determine tree preservation ratings (TPR) for the seven (7) study trees at 3440 Hillview (west side of existing building). The rating numbers are noted in the righthand column of the attached Excel tree data table.

Criteria include vigor, structural stability, drought tolerance, root status, girth development, canopy form, long-term expected safe and useful lifespan under current climate conditions, and species' desirability in terms of pest and disease resistance, branch breakage strength, and species longevity.

It is important to note that the WLCA system is not based on the severity of any future proposed site work of any type, and assumes that any such work can be offset laterally to a degree that will avoid severe impacts to root systems and/or canopy live wood and foliage of tree specimens.

0: Tree is dead, with an overall condition rating of between 0% and 5%, out of 100% possible.

1-2: Expect tree death within 1 to 3 years

3-6: Tree can be retained, but may exhibit unmitigable issues such drought intolerance, severe structural problems, poor live twig density and/or poor twig extension, etc.

7-10: Reasonably-long expected survivability in terms of vigor and structural stability. Good candidate for retention in the landscape, assuming any proposed new site work can be adjusted to avoid “severe” degree of root pruning and “severe” degree of canopy pruning (i.e. avoid significantly disrupting water uptake function by roots, and photosynthesis by the live canopy).

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6.0 Tree Protection and Maintenance Recommendations

6.1 PROJECT ARBORIST:

A project arborist (PA) will be retained by the project team, and will be present on at least a once-monthly basis, and for special periods as defined or determined by Palo Alto City Staff (see "arborist inspection schedule) below, assuming project is to be governed by City of Palo Alto guidelines and not Stanford University guidelines.

Monthly inspection reports, if required by City of Palo Alto, shall be submitted by the PA to City of Palo Alto Staff in electronic format.

Reports shall include information on tree conditions, tree protection status, and digital photos from the periodic site visit.

6.2 TREE PROTECTION:

Tree protection fencing shall be erected per the red dashed highlighted lines shown on the WLCA tree map markup attached to the end of this arborist report (alignments subject to change and field adjustment).

Tree fencing and trunk buffer wrap specifications are described below in this section 6.0.

Tree protection standards for City of Palo Alto projects are shown at right, excerpted from the most recent version of their "tree technical manual" (TTM).

6.3 ARBORIST INSPECTION SCHEDULE:

See the City ARBORIST INSPECTION SCHEDULE form on the following page of this arborist report. The actual inspection schedule is to be determined.

Typical project arborist scheduling is roughly 1x/month minimum, plus special inspections during grading, demolition, excavation, and trenching, when those activities encroach within a certain distance from protected trees (e.g. 10 x diameter as an offset radius from trunk edge, etc.).

IMAGE 2.15-1
Tree Protection Fence at the Dripline

IMAGE 2.15-2
Tree Protection Fence at the Dripline

IMAGE 2.15-3
Tree Protection within a Planter Strip

IMAGE 2.15-4
Trunk Wrap Protection

notes:

- **Type I Tree Protection**
The fences shall enclose the entire area under the **canopy dripline or TPZ** of the tree(s) to be saved throughout the life of the project, or until final improvement work within the area is required, typically near the end of the project (*see Images 2.15-1 and 2.15-2*). Parking Areas: If the fencing must be located on paving or sidewalk that will not be demolished, the posts may be supported by an appropriate grade level concrete base.

- **Type II Tree Protection**
For trees situated within a **narrow planting strip**, only the planting strip shall be enclosed with the required chain link protective fencing in order to keep the sidewalk and street open for public use.(*see Image 2.15-3*)

- **Type III Tree Protection**
Trees situated in a small tree well or **sidewalk planter pit**, shall be wrapped with 2-inches of orange plastic fencing as padding from the ground to the first branch with 2-inch thick wooden slats bound securely on the outside. During installation of the wood slats, caution shall be used to avoid damaging any bark or branches. Major scaffold limbs may also require plastic fencing as directed by the *City Arborist*. (*see Image 2.15-4*)

City of Palo Alto Tree Technical Manual 2-3 Protection of Trees During Construction **Section 2.00**

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6.4 TRUNK BUFFER WRAPS:

The following trees are suggested to be wrapped with one entire roll of orange plastic snow fencing per each single tree, and overlaid with standing 2x4 wood boards duct taped to the plastic (see spec photo below), prior to start of any site work.

Trees requiring trunk buffers: Trees #1677 and #28a.

Table 2-2 Palo Alto Tree Technical Manual

ARBORIST INSPECTION SCHEDULE

All Checked Items Apply to this project:

1. ☑ **Inspection of Protective Tree Fencing**. The Street Tree Verification Form shall be signed by the City Arborist. For other Protected Trees, the project arborist shall provide a written statement with a photograph verifying that he has conducted a field inspection of the trees and that the protective tree fencing is in place prior to issuance of a demolition, grading, or building permit. (see Verification of Tree Protection, Section 1.39).

2. ☐ **Pre-Construction Meeting**. Prior to commencement of construction, the applicant or contractor shall conduct a pre-construction meeting to discuss tree protection with the job site superintendent, grading equipment operators, project arborist, City Arborist, and, if a city maintained irrigation system exists, the Parks Manager (Contact 650-496-6962).

3. ☐ **Inspection of Rough Grading**. The project arborist shall perform an inspection during the course of rough grading adjacent to the TPZ to ensure trees will not be injured by compaction, cut or fill, drainage and trenching, and if required, inspect aeration systems, tree wells, drains and special paving. The contractor shall provide the project arborist at least 48 hours advance notice of such activity.

4. ☐ **Monthly Inspections**. The project arborist shall perform a monthly activity inspection to monitor and advise for conditions and tree health. The City Arborist shall be in receipt of the activity report during the first week of each calendar month or, immediately if there are ***any revisions*** to the approved plans or protection measures. Fax to (650) 329-2154. (see Monthly Inspection Report, Section 1.17).

5. ☐ **Special activity within the Tree Protection Zone**. Work in this area (TPZ - described in #7 below) requires the direct onsite supervision of the project arborist (see Trenching, Excavation and Equipment, Section 2.20 C).

6. ☐ **Landscape Architect Inspection**. For discretionary development projects, prior to temporary or final occupancy the applicant or contractor shall arrange for the Landscape Architect to perform an on site inspection of all plant stock, quality of the materials and planting (see Quality, Section 5.20.1 A) and that the irrigation is functioning consistent with the approved construction plans. The City shall be in receipt of written verification of Landscape Architect approval prior to scheduling the final inspection, unless otherwise approved.

7. ☐ **Other** (please describe)_____

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6.5 CHAIN LINK TREE PROTECTION FENCING (TPZ):

Erect chain link panels along the red dashed lines indicated on the WLCA tree map markup attached to the end of this report. Fence panels shall be affixed to steel rebar or layout stakes and wired together to prevent the panels being moved or removed during construction. Alternatively, moveable concrete fence panel footings such as those shown in the sample image at right can be used to keep the fencing set up in a formal manner. Note that steel rebar or other robust stakes will still need to be pounded into the ground at fencing corners to prevent the panels from being blown over or moved (see image at right).

Fencing: Per tree map markup in section 11.0 of this arborist report.

6.6 IRRIGATION (TURF LAWN):

Provide 3x/weekly heavy irrigation to tree #1677 via the existing active turf lawn irrigation already in place, throughout the entire site plan work period.

If for some reason this lawn irrigation is shut down or severed during construction work, then irrigate tree #1677 using manual means such as garden hoses or spray trucks.

Typical volume is roughly 50 to 100 gallons per tree per week.

OPTIONAL: Water delivery during construction often requires that straw wattles first be pinned down over the ground using wooden pins, to force irrigation water to actually percolate directly downward into the root zones of the trees without flooding the project area. See image below right.

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6.7 TREE REMOVAL / MAINTENANCE (*MAINTENANCE IS OPTIONAL, IF TREE TAG NUMBERS NOTED ARE TO BE RETAINED*):

Item Description	Tree Tag Number	Total Count
Suggested Maintenance / Pruning as Noted Per ANSI A300 standards for tree care / woody plant maintenance / pruning.	n/a	-----
Suggested Maintenance / Limb and Branch Length Reduction Pruning To reduce over-extended limb lengths (this is the full list of trees throughout the site and on neighbor properties).	n/a	-----
Suggested Maintenance / Cabling and/or Through Bolt Brace Rod Installation Per the most current iteration of ANSI A300 tree support systems guidelines.	n/a	---
Suggested Maintenance / Root Crown Excavation (RCX) Use Small Hand Tools to Unbury the Flaring Buttress Roots at Base of Trunk.	**#30a**	1
Suggested Maintenance / Maintain Weekly Heavy Irrigation	**#1677**	1
Suggested Follow-up / Monitoring Monitor trees over the long term for declines in health (vigor) and/or structure.	n/a	---
Suggest Removal of Tree Due to Unmitigable Structure / TRAQ Risk And/or Very Poor Overall Condition Rating	**#29a, 31a**	2

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6.8 TREE REMOVAL AND MITIGATION PLANTINGS:

6.8i: Trees expected to be removed due to proposed mini ARB site plan work conflicts**: #110, 111.**

6.8ii: Trees that will be considered for removal at a later date as part of the upcoming Hillview Enhancement Master Plan (HEMP), due to elevated risk ratings: **#29a.**

6.8iii: Trees that will be considered for removal at a later date as part of the upcoming Hillview Enhancement Master Plan (HEMP), due to very poor or poor overall condition ratings: **#31a.**

6.8iv: Mitigation required for trees if actually removed, per City of Palo Alto Tree Technical Manual (TTM), Table 3.1 "tree canopy - replacement standard" (see snippet at right taken from the City of Palo Alto official website in 2021):

- ***Tree #110**: Three (3) 24" box size trees, or two (2) 36" box size trees.
- ***Tree #111**: Six (6) 24" box size trees, or a combination of two (2) 36" box and two (2) 48" box size trees.

TABLE 3-1
Tree Canopy - Replacement Standard

COLUMN 1	COLUMN 2	COLUMN 3
Canopy of the Removed Tree (Avg. dist. across the canopy*)	Replacement Trees	Alternative Tree
4'-9'	Two 24" Box Size (minimum)	One 36" Box Size
10'-27'	Three 24" Box Size	Two 36" Box Size
28'-40'	Four 24" Box Size	Two 48" Box Size
40'-56'	Six 24" Box Size	Two 48" Box & Two 36" Box Size
56'-60'	Two 24" Box & Two 36" Box + Two 48" Box Size	**
60'+	**	**

*Add half of the difference between the two to the narrowest measurement for the average canopy.
** Replace the tree with a combination of both Tree Canopy and Tree Value Standards.

Note: Basis of this table is determined by the growth of one 24" box size tree, growing at a rate equivalent to 9 feet of canopy over the course of ten years.

6.8v: RISK RATINGS VS. REPLACEMENT REQUIREMENTS:

As noted in the 2021 mini ARB submittal report by WLCA for 3450 Hillview, it is not clear whether trees determined to have a TRAQ risk rating of "high" or "extreme" are required to be replaced at the same rate as a tree rated with a "low" or "moderate" TRAQ risk rating. Also, trees in dead condition (i.e. overall condition rating of "0% to 5% overall condition rating per 10th edition of Guide for Plant Appraisal are required to be mitigated at the rate noted in the tree canopy replacement standard, culled here from the City of Palo Alto Tree Technical Manual (TTM).

***TREE MITIGATION WILL BE ADDRESSED IN THE FORM OF IN-LIEU FEE PAYMENTS AND/OR TREE CANOPY REPLACEMENT PLANTINGS ON-SITE, PER THE UPCOMING 2022 HILLVIEW ENHANCEMENT MASTER PLAN (HEMP). THEREFORE, MITIGATION FOR TREE REMOVALS SHOULD NOT BE REQUIRED AT THIS TIME, GIVEN THAT THE TREE REMOVAL AND REPLACEMENT TOTALS ARE ALREADY ACCOUNTED FOR IN THE OVERARCHING "HEMP" DOCUMENTS BEING DEVELOPED BY THE PROJECT TEAM.**

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Below is a sampling of standard project conditions of approval (COA) from City of Palo Alto[2], which may or may not apply to this plan submittal. Note that WLCA reformatted these condition statements and modified the wordage.

"TTM" refers to the City of Palo Alto "Tree Technical Manual" which guides the developer and consultant as to how to proceed with presentations of tree information, and how to build around trees with respect to the City codes that govern and restrict construction activity around private and public trees protected under City ordinances. The TTM is available on the official City website.

1. **TREE PROTECTION VERIFICATION**.

   Prior to demolition, grading or building permit issuance, a written verification from the contractor (via WLCA as the project arborist of record) that the required protective fencing is in place shall be submitted to the Building Inspections Division. The fencing shall contain required warning sign and remain in place until final inspection of the project.

2. **EXCAVATION RESTRICTIONS APPLY** (TTM, Sec. 2.20 C & D).
   Any approved grading, digging or trenching beneath a tree canopy shall be performed using 'air-spade' method as a preference, with manual hand shovel as a backup. For utility trenching, including sewer line, roots exposed with diameter of 1.5 inches and greater shall remain intact and not be damaged. If directional boring method is used to tunnel beneath roots, then Table 2-1, Trenching and Tunneling Distance, shall be printed on the final plans to be implemented by Contractor.

3. **TREE PROTECTION COMPLIANCE**.

   The owner and contractor shall implement all protection and inspection schedule measures, design recommendations and construction scheduling as stated in the TPR & Sheet T-1, and is subject to code compliance action pursuant to PAMC 8.10.080. The required protective fencing shall remain in place until final landscaping and inspection of the project.

   Project arborist approval must be obtained and documented in the monthly activity report sent to the City. The mandatory Contractor and Arborist Monthly Tree Activity Report shall be sent monthly to the City (pwps@cityofpaloalto.org) beginning with the initial verification approval, using the template in the Tree Technical Manual, Addendum 11.

   (WLCA shall perform the monthly monitoring and reporting to the City for this project.)

4. **TREE DAMAGE**.

   Tree Damage, Injury Mitigation and Inspections apply to Contractor. Reporting, injury mitigation measures and arborist inspection schedule (1-5) apply pursuant to TTM, Section 2.20-2.30. Contractor shall be responsible for the repair or replacement of any publicly owned or protected trees that are damaged during the course of construction, pursuant to Title 8 of the Palo Alto Municipal Code, and city Tree Technical Manual, Section 2.25.

[2] Provided by former planning division arborist Mr. Dave Dockter, City of Palo Alto, 2015.

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(This applies to trees that are of protected size).

5. **GENERAL**.

The following general tree preservation measures apply to all trees to be retained: No storage of material, topsoil, vehicles or equipment shall be permitted within the tree enclosure area. The ground under and around the tree canopy area shall not be altered. Trees to be retained shall be irrigated, aerated and maintained as necessary to ensure survival.

PRIOR TO FINAL USE OR OCCUPANCY

6. **PROJECT ARBORIST FINAL CERTIFICATION LETTER**.

Prior to written request for temporary or final occupancy, the contractor shall provide to the Planning Department and property owner a final inspection letter by the Project Arborist. The inspection shall evaluate the success or needs of Regulated tree protection, including new landscape trees, as indicated on the approved plans. The written acceptance of successful tree preservation shall include a photograph record and/or recommendations for the health, welfare, mitigation remedies for injuries (if any). The final report may be used to navigate any outstanding issues, concerns or security guarantee return process, when applicable.

POST CONSTRUCTION

7. **MAINTENANCE**.

All landscape and trees shall be maintained, watered, fertilized, and pruned according to Best Management Practices-Pruning (ANSI A300-2008 or current version) and the City Tree Technical Manual, Section 5.00. Any vegetation that dies shall be replaced or failed automatic irrigation repaired by the current property owner within 30 days of discovery.

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7.0 Author's Qualifications (Partial)

- Continued education through The American Society of Consulting Arborists, The International Society of Arboriculture (Western Chapter), and various governmental and non-governmental entities.

- Contract Town Arborist, Town of Los Gatos, California
  Community Development Department / Planning Division
  2015-present

- Tree Risk Assessment Qualified (ISA TRAQ Course Graduate, Palo Alto, California)

- Millbrae Community Preservation Commission (Tree Board)
  2001-2006

- ASCA Registered Consulting Arborist #401

- ASCA Arboriculture Consulting Academy graduate, class of 2000

- Associate Consulting Arborist
  Barrie D. Coate and Associates
  4/99-8/99

- Contract City Arborist, City of Belmont, California
  Planning and Community Development Department
  1999-2020 (21 Continuous Years)

- ISA Certified Arborist #WE-3172A

- Peace Corps Soil and Water Conservation Extension Agent
  Chiangmai Province, Thailand 1991-1993

- B.A. Environmental Studies/Soil and Water Resources
  UC Santa Cruz, Santa Cruz, California 1990

  UCSC Chancellor's Award, 1990 (Environmental Studies Department)

- First-Ever Joint U.S.-China Ecological Study
  3 Months, Yunnan, China
  Studied Rainforest Ecology in the Field with Chinese and U.S.-Based Professors at Remote Xujiaba Nature Reserve, Yunnan, China
  Sponsor: Wildlands Studies, P.O. Box 2098, Aptos, CA 95001 USA

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8.0 Assumptions and Limiting Conditions

Any legal description provided to the consultant/appraiser is assumed to be correct. Any titles and ownership to any property are assumed to be good and marketable. No responsibility is assumed for matters legal in character. Any and all property is appraised and evaluated as through free and clean, under responsible ownership and competent management.

It is assumed that any property is not in violation of any applicable codes, ordinance, statutes, or other government regulations.

Care has been taken to obtain all information from reliable sources. All data has been verified insofar as possible; however, the consultant/appraiser can neither guarantee nor be responsible for the accuracy of information provided by others.

The consultant/appraiser shall not be required to give testimony or to attend court by reason of this report unless subsequent contractual arrangements are made, including payment of an additional fee for such services as described in the fee schedule and contract of engagement.

Unless required by law otherwise, the possession of this report or a copy thereof does not imply right of publication or use for any other purpose by any other than the person to whom it is addressed, without the prior expressed written or verbal consent of the consultant/appraiser.

Unless required by law otherwise, neither all nor any part of the contents of this report, nor copy thereof, shall be conveyed by anyone, including the client, to the public through advertising, public relations, news, sales, or other media, without the prior expressed conclusions, identity of the consultant/appraiser, or any reference to any professional society or institute or to any initiated designation conferred upon the consultant/appraiser as stated in his qualifications.

This report and any values expressed herein represent the opinion of the consultant/appraiser, and the consultant's/appraiser's fee is in no way contingent upon the reporting of a specified value, a stipulated result, the occurrence of a subsequent event, nor upon any finding to be reported.

Sketches, drawings, and photographs in this report, being intended for visual aids, are not necessarily to scale and should not be construed as engineering or architectural reports or surveys unless expressed otherwise. The reproduction of any information generated by engineers, architects, or other consultants on any sketches, drawings, or photographs is for the express purpose of coordination and ease of reference only. Inclusion of said information on any drawings or other documents does not constitute a representation by Walter Levison to the sufficiency or accuracy of said information.

Unless expressed otherwise:
a. information contained in this report covers only those items that were examined and reflects the conditions of those items at the time of inspection; and
b. the inspection is limited to visual examination of accessible items without dissection, excavation, probing, or coring. There is no warranty or guarantee, expressed or implied, that problems or deficiencies of the plants or property in question may not arise in the future.

Loss or alteration of any part of this report invalidates the entire report.

Arborist Disclosure Statement:

Arborists are tree specialists who use their education, knowledge, training, and experience to examine trees, recommend measures to enhance the beauty and health of trees, and attempt to reduce the risk of living near trees. Clients may choose to accept or disregard the recommendations of the arborist, or to seek additional advice.

Arborists cannot detect every condition that could possibly lead to the structural failure of a tree. Tree are living organisms that fail in ways we do not fully understand. Conditions are often hidden within trees and below ground. Arborist cannot guarantee that a tree will be healthy or safe under all circumstances, or for a specified period of time. Likewise, remedial treatments, like any medicine, cannot be guaranteed.

Treatment, pruning, and removal of trees may involve considerations beyond the scope of the arborist's services such as property boundaries, property ownership, site lines, disputes between neighbors, and other issues. Arborists cannot take such considerations into account unless complete and accurate information is disclosed to the arborist. An arborist should then be expected to reasonably rely upon the completeness and accuracy of the information provided.
Trees can be managed, but they cannot be controlled. To live near trees is to accept some degree of risk. The only way to eliminate all risk associated with trees is to eliminate the trees.

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9.0 Certification

I hereby certify that all the statements of fact in this report are true, complete, and correct to the best of my knowledge and belief, and are made in good faith.

Signature of Consultant

Walter Levison

CURRENT 2021 DIGITAL BADGES:

ISA CERTIFIED ARBORIST CREDENTIAL:
https://certificates.isa-arbor.com/f1918723-df46-48cc-ace2-c12625530fec?record_view=true

ISA TREE RISK ASSESSMENT QUALIFIED (TRAQ):
https://certificates.isa-arbor.com/d180515f-ab75-440b-9c66-106005e3cf10?record_view=true#gs.hpb30w

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10.0 Digital Images

WLCA archived images of the study trees on 2/11/2022

Tree #1677.
The new concrete pad construction will occur just left of (north of) this tree.

Tree #1677 profile.

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Tree #110.
London plane cultivar (not 'Columbia').

Tree 110 is to be removed due to direct conflict with proposed mini ARB concrete pad construction.

Aleppo pine #111 proposed to be removed due to direct conflict with the proposed mini ARB concrete pad construction.

Tree leans significantly westward. Pitch canker sap flux noted at higher elevations (see additional images below on page 24 of report).

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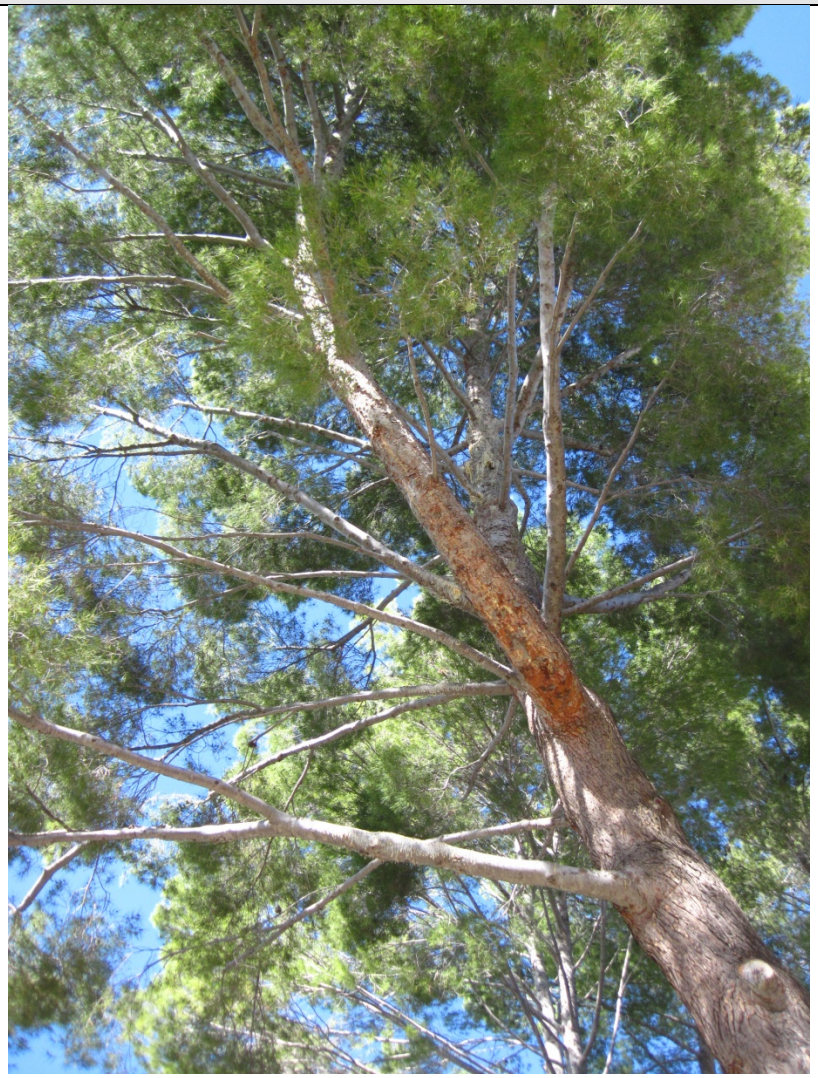
Tree #111 to be removed.

Extreme sap flux likely caused by pine pitch canker infection.



Tree #111 to be removed.

View of upper canopy elevations.

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Aleppo pine #28a to be retained and protected in place for now (PIP) using trunk buffer wraps and fencing. Just north of the existing cooling unit, and north of the project limit of work.	Aleppo pine #28a to be retained. Upper elevation view of canopy.

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 Aleppo pine #29a to be retained and protected in place (PIP) for now, using chain link fencing. The tree is significantly offset from proposed mini ARB work, and is proposed by WLCA to be removed in the future due to moderate TRAQ risk that is not able to be mitigated through maintenance means.	 Aleppo pine #29a to be protected in place (PIP). Upper elevations.

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Aleppo pine #30a to be protected in place (PIP) for now, using chain link TPZ fencing. Lower elevations. The uphill side of root crown (buttress root flare area) was buried in slumped soil, and not assessed by WLCA.

Aleppo pine #30a to be protected in place (PIP) for now, using chain link TPZ fencing. Upper elevations.

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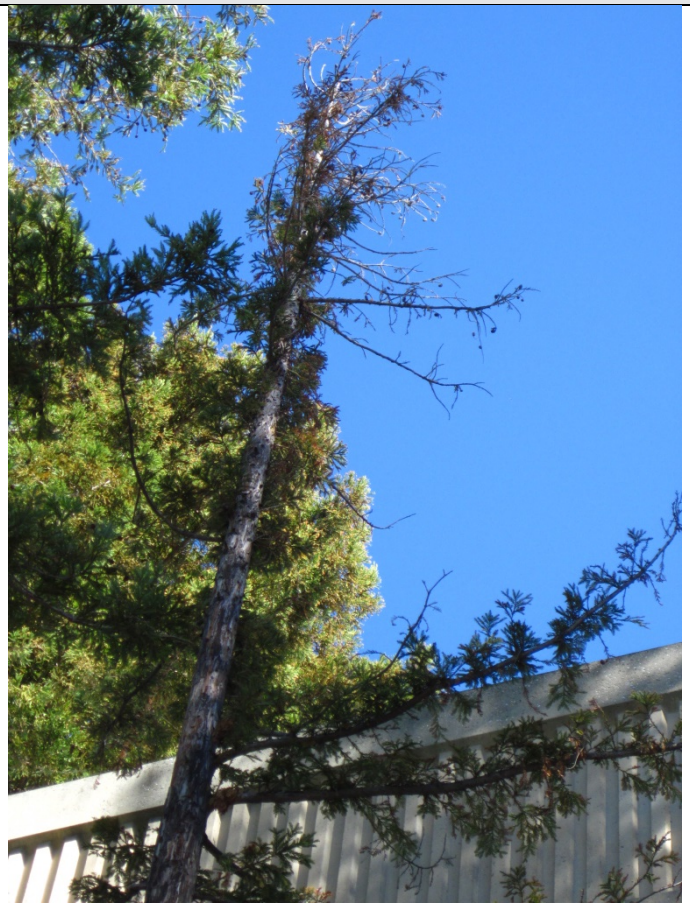
Coast redwood #31a to be protected in place (PIP) for now, using chain link fencing.
Recommended by WLCA to be removed in the near future due to very poor overall condition rating.



Close-up of upper canopy of coast redwood #31a to be protected in place (PIP) for now using chain link TPZ fencing.

Note severe decline of live twig and needle density caused by years of chronic drought stress (soil moisture deficit SMD). SMD can be reversed to some degree through heavy year-round irrigation using high flow type ½" diameter flood bubblers emitting hundreds of gallons of water per tree per month, but at this stage of tree canopy decline, it is expected that the tree cannot achieve an invigoration of the canopy with new twig and needle growth, and will instead continue to decline and die prematurely.

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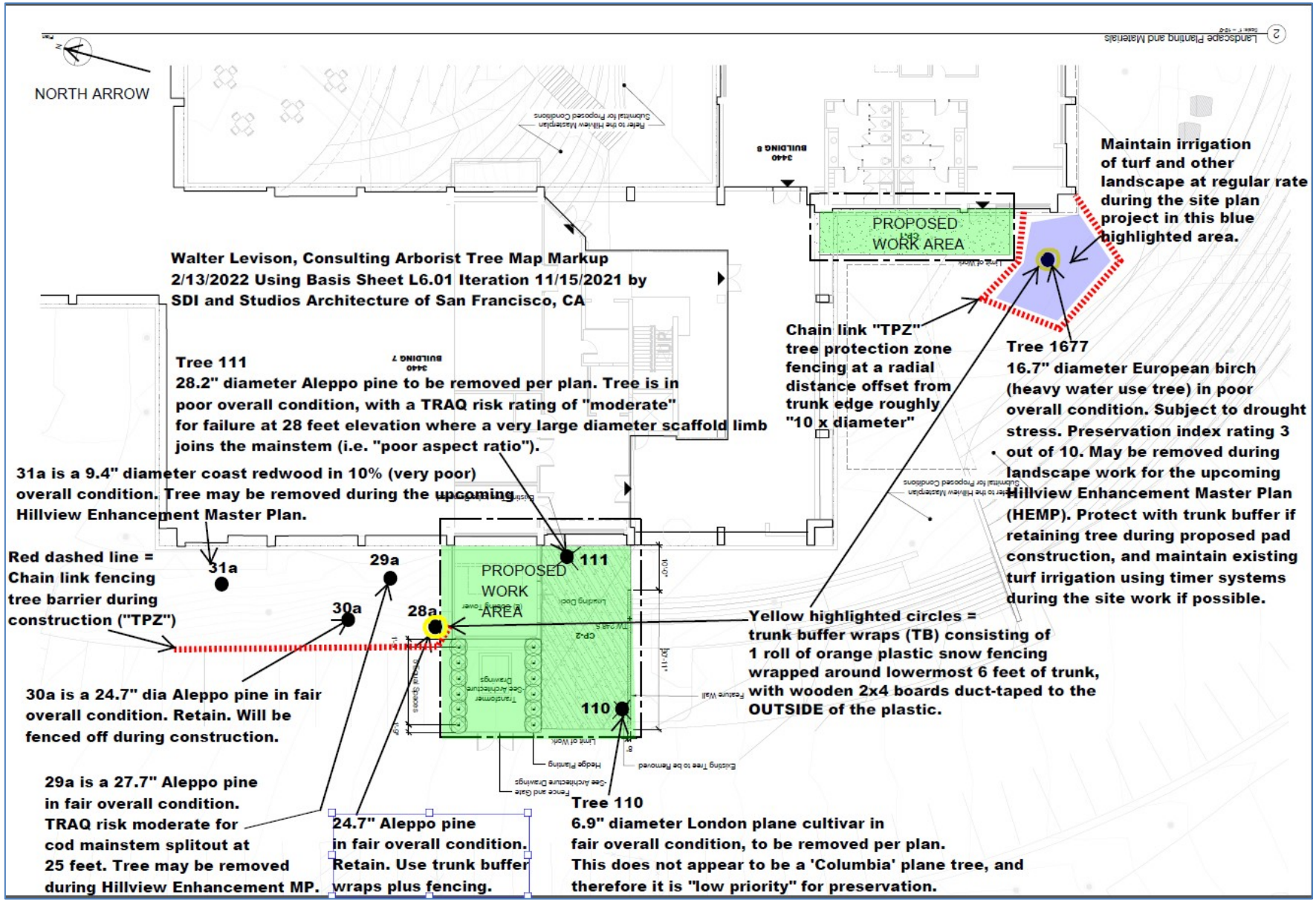
11.0 Tree Location Map Markup (WLCA) on SDI Plan Sheet



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12.0 Arborist Certification Letter

CITY OF PALO ALTO

Project Arborist Certification Letter

Prior to demolition, building, or grading permit issuance, the project arborist must sign this certification letter. By signing, the arborist certifies that the following terms have been met:

- ☐ Reviewed the entire building permit plan set submittal, and all updated Tree Protection Report (TPR) measures and changes are incorporated in the plan set.
- ☐ Affirms that the T-1 (Tree Protection- it's Part of the Plan!) is included in the plan set with the Tree Disclosure Statement complete/signed by the Property Owner or Agent.
- ☐ Reviewed the Urban Forestry Conditions of Approval, and required items (e.g. specific plan notes and standard drawings) have been included in all relevant permit sheets.
- ☐ Confirms that ongoing Contractor/Project Arborist site monitoring inspections and reporting have been arranged with the contractor or owner.
- ☐ If protected oaks, redwoods, or designated trees are located on or next to the property, an itemized list of any activity impacts has been quantified and mitigated in the Tree Protection Zone for each tree.
- ☐ Confirms that changes to plans before or during construction shall be reviewed by the project arborist and responded to with a written letter of acceptance before submitting the revision to the Building Department for review by Planning, Public Works, or Urban Forestry.

Project Address: 3440 HILLVIEW (WEST SIDE), PALO ALTO (MINI ARB SUBMITTAL)

I, Walter Levison, certify that the items listed have been addressed and are in accordance with City of Palo Alto standards and Building Permit stipulations.

Project Arborist Signature	Date	Certification Number
	2/13/2022	ISA-CA#WE-3172A ASCA-RCA#401

Palo Alto Tree Technical Manual: http://www.cityofpaloalto.org/civicax/filebank/documents/6436

Public Works Urban Forestry Operations Phone: (650) 496-5953

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13.0 Attached: Tree Data Excerpted from WLCA Hillview Master Tree Database 2/5/2022

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TREE DATA
3412 through 3460 Hillview, Palo Alto, CA
Survey Dates: 2021-2022
Excel Spreadsheet Preparation: 02-05-2022

ALL SITES TREE DATA UPDATED 2022

Removal Suggested by Author	Location (Hillview Address)	Tree Tag #	Trunk 1 (in.)	Trunk 2 (in.)	Trunk 3 (in.)	Adjusted Trunk Diameter (ATD) Inches @ 54" A.G. (ATD May Represent 5 or 6 Total Stems)	Protected Status as "designated trees" in City of Palo Alto. Assume all commercial property trees 4 inches diameter and greater at 4.5 feet elevation are considered protected (verify with City Staff).	Common Name	Scientific Name (*Genus, species*)	Height and Canopy Spread (ft.)	Health & Structural Ratings (0-100% each)	Overall Condition Rating (0-100%)	Live Twig Extension & Live Foliar Density (Very Poor, Poor, Mod, Good, Exc.)	Lopsided Canopy (Direction Noted)	Trunk Lean (Direction Noted)	Historical Stem Splitout Evidence (Note Elevation)	Severely Pruned or Root Pruned in Past (topping, lionfailing, shearing, etc.)	Buried Root Crown (BRC) or Girdling Roots (GR)	Twig, Branch, Limb, Mainstem, and/or Root Decay (Note Elevation for Specific Issues)	Codominant Mainstems with Severe Bark Inclusion(s) ("BI") (Note Height)	PEST/DISEASE SYMPTOMS (& NOTES, SUCH AS CRUCIAL MAINTENANCE RECOMMENDATIONS TO REDUCE TREE PART FAILURE RISK INDICATED IN YELLOW HIGHLIGHT)	Soil Moisture Deficit	TRAQ RISK RATINGS Valid Feb 2022 to Feb 2023 (Low, Mod, High, Extreme) Based on Tree Care Industry TRAQ Risk Rating System. Assume failure mode "limbs to 4" diameter each", and target "pedestrian" unless otherwise noted. NOTE: NOT ALL TREES WERE RATED FOR RISK	**WLCA Tree Preservation Rating System TPRS (1=Worst, 10=Best)** Criteria include vigor, structural stability, drought tolerance, root status, girth development, canopy f expected safe and useful lifespan under current climate conditions, and species' desirability in terms disease resistance, branch breakage strength, and species longevity. The WLCA system is NOT base of proposed site work or severity of exising parking lot infrastructure damage by tree roots. 1-2: Expect tree death adn/or structural failure within 1 to 3 years (a zero ("0") rating would indicate " may simply be highly undesirable for long term landscape use, for various reasons. 3-6: Tree can be retained, but may exhibit symptoms of drought intolerance, severe structural proble density and/or poor twig extension, etc. 7-10: Reasonably-long expected survivability in terms of vigor and structural stability. Good candidat the landscape, if proposed site work can be adjusted to avoid severe root pruning and severe canop regular irrigation were to be provided to high percentage of root zone, some trees' TPRS ratings coul or +2 pts.
	3440	28a	24.7	0.0	0.0	24.7	X	Aleppo pine	*Pinus halepensis*	60/35	60/50	53% Fair	Mod	West	West (photo-tropic). Lean sweeps up to vertical between 15 and 20 feet elevation					Fork at 4.5 feet elevation is normal and wide (saddle shaped).	Note that the compression tissue on the utility vault side of the root crown is probably "normal", caused by compression forces over time.		Low, for failure of scaffold limbs to 5" diameter each.	6
X	3440	29a	27.7	0.0	0.0	27.7	X	Aleppo pine	*Pinus halepensis*	60/45	65/35	43% Fair	Mod to Good						Note that the scaffold limb at 18 feet elevation above grade is >50% of the diameter of the mainstem, which means increased likelihood of failure at the attachment point.	Likely BI type mainstem fork at 25 feet elevation, which means entire tree is of elevated risk of splitout at this attachment point at 25 feet.	Note the flux visible on south side of root crown could be caused by bark beetle feeding activity, but the actual cause of flux is "unverified" as of the date of writing.		Moderate risk for splitout of a codominant mainstem fork at 25 feet. Discuss with ARE regarding possible removal of this tree, since it is impossible to mitigate risk to "Low" residual level.	5
	3440	30a	24.7	0.0	0.0	24.7	X	Aleppo pine	*Pinus halepensis*	60/28	50/50	50% Fair	Mod		West, photo-tropic lean, but sweeps upright to vertical at height.	Yes. Apical stem at top of canopy appears to have blown out in a storm in past.					Note that the uphill side of the root crown was not visible during WLCA's field assessment, and therefore the status of the root crown cannot be verified as of the date of writing.		Low for failure of limbs or branches to 4" diameter each.	6
X	3440	31a	9.4	0.0	0.0	9.4	X	coast redwood	*Sequoia sempervirens*	30/6	10/10	10% Very Poor	Very Poor									X	Moderate for mainstem failure due to desiccation of wood tissue.	1
?	3440	110	6.9	0.0	0.0	6.9	X	London plane tree cultivar	*Platanus x acerifolia* (Cult.)	22/25	50/40	44% Fair	Mod but neg affected by powdery mildew fungus infection	North west	North west				Powdery mildew issues. May want to remove tree and in future use only the 'Columbia' cultivar of London plane tree for superior		Severe powdery mildew fungus infection, which means this tree is probably 'Bloodgood' cultivar.		Low for all failure modes.	4
?	3440	111	28.2	0.0	0.0	28.2	X	Aleppo pine	*Pinus halepensis*	70/50	55/30	35% Poor	Good		West				Although this is not a decay issue, there is an issue at 28 feet elevation where scaffold limb is >50% of the mainstem diameter, reducing stability of the limb.		Lower mainstem lean appears to be phototropic, with mainstem later righting to vertical orientation at 40 feet elevation. Appears the root plate may be limited in east portion due to building presence, which reduces		Moderate for 20" diameter scaffold limb failure at 28 feet elevation attachment point. By removing the entire limb or reducing the outermost portion of it, residual risk rating can be reduced to "Low".	5
	3440	1677	16.7	0.0	0.0	16.7	X	European white birch	*Betula pendula*	50/25	35/35	35% Poor	Poor				Tree has been partially topped in past.		X		Suggest consider removal of tree for long term landscape.	X	Risk rating low for all failure modes.	3

Walter Levison, Consulting Arborist / Cell (415) 203-0990 / walterslevisonjr@yahoo.com

Assessment of Twenty (20) Regulated Trees at and adjacent to 1220 Oakmead Parkway Sunnyvale, California

SAMPLE REPORT
#2 OF 2

Prepared for:

[redacted]

Field Visit:
Walter Levison, Consulting Arborist (WLCA)
10/12/2021

Report by WLCA
10/20/2021
Revised 2/7/2022

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1.0 Summary

1a. PROTECTION STATUS:

PROTECTED-SIZE: **Trees #51, 52, 53, 54, 55, 56, 57, 58, 69, 70** are considered protected-size specimens that will require a City tree removal permit prior to demolition of or removal of one or more of the trees.

NON-PROTECTED SIZE: **Trees #59, 60, 61, 62, 63, 64, 65, 66, 67, 68** are considered non-protected size trees that can be removed without a City tree removal permit.

NEIGHBOR TREES: Trees on neighbor properties are noted with a **box**, to denote those specimens that cannot be removed without authorization from the neighbor tree owner, which may be a private entity, or may be the City of Sunnyvale, even if the tree is considered to be of “non-protected size”.

1b. TREE DISPOSITION:

REMOVALS:

Eighteen (18) off-site and on-site **trees #51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, and #68** are to be removed per plan, due to conflicts with proposed new site plan-related construction, including landscape renovation construction and planting.

Of these 18 trees expected to be removed, protected-size trees requiring a removal permit from the City of Sunnyvale are **eight (8) trees #51, 52, 53, 54, 55, 56, 57, and #58. Tree #51 is on City property (i.e. the City right-of-way).**

PROTECT-IN-PLACE (PIP):

Two (2) remaining off-site trees #69 and #70 will be protected in place (PIP) using orange plastic snow fencing as a lower trunk buffer wrap, and/or erection of chain link fencing as a protective barrier for lateral root system areas, “where possible” (TBD).

2.0 Assignment & Background

Walter Levison, Consulting Arborist (WLCA) was directed to tag and assess all trees of all trunk diameter size classes, located on and directly adjacent to the project location, which encompasses the entire lot known as 1220 Oakmead. As noted above in section 1.0, there are ten (10) tree specimens on neighbor properties, and ten (10) specimens on the subject property.

Most or all of the site trees appear to be required to be demolished, due to direct or indirect conflict with the proposed work, which includes multi-story garage construction, retaining wall footing excavation, and mass grading, including very extensive landscape renovation construction and planting. Trees #69 and #70 are assumed to be retained on neighbor lots.

All trees were tagged with aluminum numbered racetrack shaped tags “51” through “70”: a total of 20 trees included in this initial tree study.

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Trunk diameters were measured using a forester's D-tape, which converts actual circumference into an "averaged" diameter in inches and tenths of inches. Trees were measured by WLCA at 4.5 feet above grade: standard height used for most USA tree surveys.

Tree heights were measured using a digital Nikon forestry 550 pro hypsometer.
Tree canopy diameters were estimated visually.

The tree tag numbers typed on the WLCA tree map markups included in this arborist report are indicated directly over the approximate location of each tree, but are not considered totally accurate. The topographic survey shows the most accurate trunk plot dot locations, while the proposed site plan 1st floor sheet markup is considered the least accurate of the two maps prepared by WLCA.

As required for all City of Sunnyvale arborist report submittals, WLCA included tree data, an appraised dollar value, and at least one digital photograph of each of the 20 trees included in this tree study.

The tree map markups were plotted over an existing topographic survey sheet, and over proposed site plan sheet A2.0 which is the 1st floor level plan, iteration 9/1/2021 by Arris.

WLCA also prepared a follow-up reference tree map markup on 2/7/2022 using site plan sheet C1 iteration 1/25/2022.

Digital images of the trees were archived by WLCA during the 10/12/2021 field assessment.

3.0 City of Sunnyvale, California – What Trees are Protected?

Per the City's official website, the following trees are protected on private lots:

"Some private trees are protected and require a permit to be removed. To determine if a tree is protected, measure its circumference from 4 1/2 feet above ground:

- If a single-trunk tree measures 38 inches or greater, it is protected
- If a multi-trunk tree has at least one trunk that measures 38 inches or greater, or the measurements of the multi-trunks added together equal at least 113 inches, it is protected."

The above-noted circumferences where converted to diameter by WLCA. The following are the standardized protection thresholds in diameter, which is the standard U.S. method of measurement for determining protection size:

- Single trunk trees measuring greater than or equal to **12.1 inches diameter** at 4.5 feet above grade.
- Multi-trunk trees with trunk diameters totaling greater than or equal to **36 inches diameter** at 4.5 feet above grade

Per the above information, **trees #51, 52, 53, 54, 55, 56, 57, and #58** are considered protected-size specimens that will require a City tree removal permit prior to demolition of the trees. Tree #51 is on the City right of way.

Note that **trees #69 and #70** are also protected-size trees, located on neighbor properties just west of the project build envelope, that are proposed to be protected-in-place (PIP).

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4.0 Recommendations

1. Project Arborist ("PA"):

   Initial Signoff

   It is recommended that a third party ASCA registered consulting arborist or ISA Certified Arborist with good experience with tree protection during construction be retained by the applicant, to provide pre-project verification that tree protection and maintenance measures outlined in this section of the arborist report are adhered to. Periodic (e.g. monthly) inspections and summary reporting, if required as a project condition of approval, are suggested in order to verify contractor compliance with tree protection throughout the site plan project. This person will be referred to as the project arborist ("PA"). The PA should monitor soil moisture within the root protection zones of trees being retained, using a Lincoln soil moisture probe/meter or equivalent.

   If required, inspection reports shall be sent to City of Sunnyvale planning division Staff (to be determined).

2. Trunk Buffer Wrap Type III Protection:

   Prior to demolition commencement, install trunk buffers around all trees being retained on-site:

   Wrap **one (1) entire roll of orange plastic snow fencing around the trunk of each single on-site tree**, between grade and 6 to 8 feet above grade to create a padding of at least 1 to 2 inches thickness around each tree trunk. Stand 2x4 wood boards upright, side by side, around the entire circumference of the orange plastic wraps. Affix using duct tape (do not use wires or ropes). See spec image above right showing the wooden boards correctly mounted against one entire roll of orange snow fencing, such that the wood does not actually touch the trunk at all.

   Trees to be wrapped at this site: Neighbor trees #69 and #70.

   No storage, staging, work, or other activities will be allowed inside the RPZ except with PA monitoring.

3. Tree Removal Permit:

   No protected-size trees will be able to be removed prior to obtaining a valid City of Sunnyvale tree removal permit for **eight (8) trees #51, 52, 53, 54, 55, 56, 57, and #58** that are protected per City of Sunnyvale tree ordinance governing private trees (tree #51 is a City tree on the public right of way, but can probably be grouped with the seven additional trees that will be removed as part of the proposed site plan project).

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4. Signage: The RPZ fencing shall have one sign affixed with UV-stabilized zip ties to the chain link at eye level for every 20 linear feet of fencing, minimum 8”X11” size each, plastic laminated or printed with waterproof ink on waterproof paper, with wordage that includes the Town Code section that refers to tree fence protection requirements (wordage can be adjusted):

TREE PROTECTION ZONE FENCE
ZONA DE PROTECCION PARA ARBOLES

-NO ENTRE SIN PERMISO-
-LLAME EL ARBOLISTA-

REMOVAL OF THIS FENCE IS SUBJECT TO PENALTY ACCORDING TO CITY OF SUNNYVALE CODE

PROJECT ARBORIST:
TELEFONO CELL: **EMAIL:**

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5. Chain Link Fencing Type I and/or Type II Root Protection Zone (RPZ):

Prior to demolition commencement, erect chain link fencing panels set on moveable concrete block footings (see sample image below right). Wire the fence panels to iron layout stakes pounded 24 inches into the ground at the ends of each fence panel to keep the fence route stabilized and in its correct position. Do not wire the fence panels to the trunks of the trees. These panels are available commonly for rent or purchase.

Alternative Fencing / Tube Posts and Rolled Chain Link: Using a professional grade post bounder, pound 7-foot long 2-inch diameter iron tube posts 24-inches into the ground, at 6 to 10-foot spacing maximum on-center, and hang steel chain link fencing material minimum 5-feet height on the tube posts. These materials are available for purchase at many retail and wholesale construction supply houses such as Home Depot, Lowe's, Grainger's, White Cap, Harbor Freight, etc.

Pre-construction fence routes:

As far as possible from the trunk edges of trees #69 and #70 (actual distances are to be determined during an on-site pre-construction meeting. It is possible that only tree #70 will be able to be fenced, given the location of tree #69 on the joint property line).

This fencing must be erected prior to any heavy machinery traffic or construction material arrival on site.

The protective fencing must not be temporarily moved during construction. No materials, tools, excavated soil, liquids, substances, etc. are to be placed or dumped, even temporarily, inside the root protection zone or "RPZ".

No storage, staging, work, or other activities will be allowed inside the RPZ except with PA monitoring.

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6. Irrigation Temporary with Straw Wattles (During Work Period):

Temporary supplemental irrigation water applications typically are performed to boost vigor and partially mitigate for the loss of roots during new construction. Also, irrigation water pipes are typically destroyed or at least shut off during construction, such that existing systems cannot be used during site work to provide any water to trees.

Temporary supplemental irrigation water can be applied via any method available, such as soaker hoses, garden hoses, water tank spray apparatus, etc.

- **Palm #69**: Pin down straw wattles to force irrigation water downward into the root system percolating vertically. See photo at right.

  Apply 50 to 75 gallons of water per week if possible, applied on a single day.

- **Magnolia #70**: Existing irrigation system(s) should be kept active and running year-round. The tree may not require supplemental irrigation via water tank truck, unless the existing turf lawn sprinkler system is for some reason inactive and not running during the site work period (construction team will need to verify this with the neighbor commercial property manager/owner).

  If the system is not running, supplemental irrigation applications should be roughly **75 to 100 gallons per week**, applied on a single day.

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7. Root Pruning:

If roots greater than 1.0 inch diameter each are required to be pruned within 15 hoirizontal feet of trees #69 or #70, contact the project arborist to consult.

All root pruning cuts will need to be performed using a sawzall (reticulating saw) affixed with a green wood pruning blade specified for such purpose.

All root pruning cuts will need to be performed at a right angle (90 degrees) to the root growth direction, and the cut ends smeared with west mud to protect against desiccation.

Backfill ASAP, preferably within 24 hours. If the root pruning area cannot be backfilled within 24 hours, cover the roots with 3 layers of wet burlap sack material to protect against sunburn and desiccation (see images below and at right, showing burlap sun protection, correct blade type, and correct cut angle).

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5.0 Author's Qualifications

- Continued education through The American Society of Consulting Arborists, The International Society of Arboriculture (Western Chapter), and various governmental and non-governmental entities.

- Contract Town Arborist, Town of Los Gatos, California
  Community Development Department / Planning Division
  2015-present

- Tree Risk Assessment Qualified (ISA TRAQ Course Graduate, Palo Alto, California)

- Millbrae Community Preservation Commission (Tree Board)
  2001-2006

- ASCA Registered Consulting Arborist #401

- ASCA Arboriculture Consulting Academy graduate, class of 2000

- Associate Consulting Arborist
  Barrie D. Coate and Associates
  4/99-8/99

- Contract City Arborist, City of Belmont, California
  Planning and Community Development Department
  5/99-5/20 (21 years)

- ISA Certified Arborist #WE-3172A

- Peace Corps Soil and Water Conservation Extension Agent
  Chiangmai Province, Thailand 1991-1993

- B.A. Environmental Studies/Soil and Water Resources
  UC Santa Cruz, Santa Cruz, California 1990

  UCSC Chancellor's Award, 1990

  (My full curriculum vitae is available upon request)

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6.0 Assumptions and Limiting Conditions

Any legal description provided to the consultant/appraiser is assumed to be correct. Any titles and ownership to any property are assumed to be good and marketable. No responsibility is assumed for matters legal in character. Any and all property is appraised and evaluated as through free and clean, under responsible ownership and competent management.

It is assumed that any property is not in violation of any applicable codes, ordinance, statutes, or other government regulations.

Care has been taken to obtain all information from reliable sources. All data has been verified insofar as possible; however, the consultant/appraiser can neither guarantee nor be responsible for the accuracy of information provided by others.

The consultant/appraiser shall not be required to give testimony or to attend court by reason of this report unless subsequent contractual arrangements are made, including payment of an additional fee for such services as described in the fee schedule and contract of engagement.

Unless required by law otherwise, the possession of this report or a copy thereof does not imply right of publication or use for any other purpose by any other than the person to whom it is addressed, without the prior expressed written or verbal consent of the consultant/appraiser.

Unless required by law otherwise, neither all nor any part of the contents of this report, nor copy thereof, shall be conveyed by anyone, including the client, to the public through advertising, public relations, news, sales, or other media, without the prior expressed conclusions, identity of the consultant/appraiser, or any reference to any professional society or institute or to any initiated designation conferred upon the consultant/appraiser as stated in his qualifications.

This report and any values expressed herein represent the opinion of the consultant/appraiser, and the consultant's/appraiser's fee is in no way contingent upon the reporting of a specified value, a stipulated result, the occurrence of a subsequent event, nor upon any finding to be reported.

Sketches, drawings, and photographs in this report, being intended for visual aids, are not necessarily to scale and should not be construed as engineering or architectural reports or surveys unless expressed otherwise. The reproduction of any information generated by engineers, architects, or other consultants on any sketches, drawings, or photographs is for the express purpose of coordination and ease of reference only. Inclusion of said information on any drawings or other documents does not constitute a representation by Walter Levison to the sufficiency or accuracy of said information.

Unless expressed otherwise:
a. information contained in this report covers only those items that were examined and reflects the conditions of those items at the time of inspection; and
b. the inspection is limited to visual examination of accessible items without dissection, excavation, probing, or coring. There is no warranty or guarantee, expressed or implied, that problems or deficiencies of the plants or property in question may not arise in the future.

Loss or alteration of any part of this report invalidates the entire report.

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Arborist Disclosure Statement:

Arborists are tree specialists who use their education, knowledge, training, and experience to examine trees, recommend measures to enhance the beauty and health of trees, and attempt to reduce the risk of living near trees. Clients may choose to accept or disregard the recommendations of the arborist, or to seek additional advice.

Arborists cannot detect every condition that could possibly lead to the structural failure of a tree. Tree are living organisms that fail in ways we do not fully understand. Conditions are often hidden within trees and below ground. Arborist cannot guarantee that a tree will be healthy or safe under all circumstances, or for a specified period of time. Likewise, remedial treatments, like any medicine, cannot be guaranteed.

Treatment, pruning, and removal of trees may involve considerations beyond the scope of the arborist's services such as property boundaries, property ownership, site lines, disputes between neighbors, and other issues. Arborists cannot take such considerations into account unless complete and accurate information is disclosed to the arborist. An arborist should then be expected to reasonably rely upon the completeness and accuracy of the information provided.

Trees can be managed, but they cannot be controlled. To live near trees is to accept some degree of risk. The only way to eliminate all risk associated with trees is to eliminate the trees.

7.0 Certification

I hereby certify that all the statements of fact in this report are true, complete, and correct to the best of my knowledge and belief, and are made in good faith.

Signature of Consultant

Walter Levison

DIGITAL BADGES:

ISA CERTIFIED ARBORIST CREDENTIAL:
https://certificates.isa-arbor.com/f1918723-df46-48cc-ace2-c12625530fec?record_view=true

ISA TREE RISK ASSESSMENT QUALIFIED (TRAQ):
https://certificates.isa-arbor.com/d180515f-ab75-440b-9c66-106005e3cf10?record_view=true#gs.hpb30w

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8.0 Digital Images

Below: Digital Images by WLCA, archived 10/12/2021, prior to start of construction.

Tag #	Image	Tag #	Image
51		52	

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53		54	
55		56	

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57		58	
59		60	

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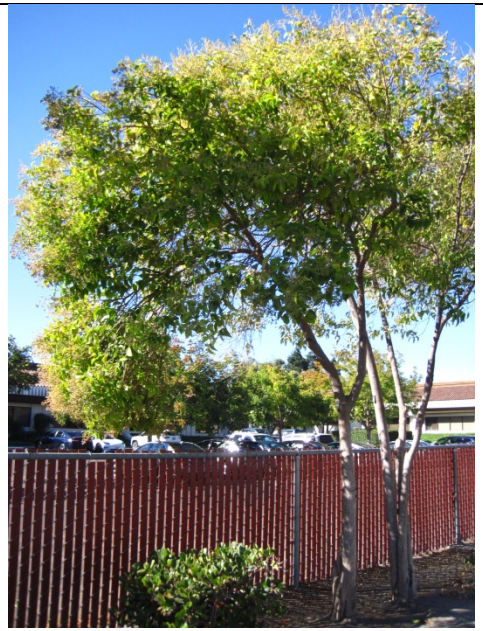
61		62	
63		64	

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65		66	
67		68	

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69		70	
69		70	

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9.0 Tree Data Table

Tree Tag Number	Genus & Species	Common Name	Trunk1 Diameter	Trunk2 Diameter	Trunk3 Diameter	Sum of All Trunk Diameters	Height & Canopy Spread (Ft.)	Health & Structural Rating (100% Each)	Overall Condition Rating (0 to 100%)	(R)emove Tree	(S)ave Tree	Tree Conservation Suitability Ratings (TCS)	Lopsided Canopy (note direction)	Trunk Lean (note direction)	Girdling Roots	Root Flares Buried in Fill Soil	Pests and Disease Presence, and Other Notes	MAINTENANCE AND PROTECTION
51	*Washingtonia robusta NEIGHBOR TREE*	Mexican fan palm	21.1	--	--	21.1	25/14	70/70	70% Good	X		Poor					This tree appears to be in a public right of way owned by City of Sunnyvale.	
52	*Magnolia grandiflora*	Southern magnolia	15.8	--	--	15.8	17/11	20/10	15% Very Poor	X		Poor					Root system damaged and sunburned on grade. Canopy consists of weakly-attached re-sprout growth that has arisen after excessive pruning was for some reason performed, resulting in the tree's original branch and limb architecture having been cut back to stubs (i.e. destroyed).	
53	*Magnolia grandiflora*	Southern magnolia	20.5	--	--	20.5	23/15	25/20	23% Poor	X		Poor					(Same notes as for tree #52 above)	
54	*Magnolia grandiflora*	Southern magnolia	28.3	--	--	28.3	20/15	25/10	17% Very Poor	X		Poor					(Same notes as for tree #52 above) Note also that roots are confined to a surface plate, with significant visible damage and sunburn desiccation noted.	

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Tree Tag Number	Genus & Species	Common Name	Trunk1 Diameter	Trunk2 Diameter	Trunk3 Diameter	Sum of All Trunk Diameters	Height & Canopy Spread (Ft.)	Health & Structural Rating (100% Each)	Overall Condition Rating (0 to 100%)	(R)emove Tree	(S)ave Tree	Tree Conservation Suitability Ratings (TCS)	Lopsided Canopy (note direction)	Trunk Lean (note direction)	Girdling Roots	Root Flares Buried in Fill Soil	Pests and Disease Presence, and Other Notes	MAINTENANCE AND PROTECTION
55	*Magnolia grandiflora*	Southern magnolia	21.5	--	--	21.5	16/11	15/10	13% Very Poor	X		Poor					(Same notes as for tree #52) Note that on this specimen, resprouting is only occurring on the north, south, and west sides of the remnant tree, but not on the east side.	
56	*Magnolia grandiflora*	Southern magnolia	20.8	--	--	20.8	17/13	25/10	17% Very Poor	X		Poor					(All same notes as for tree #52 above).	
57	*Pyrus kawakamii*	Evergreen pear (ornamental)	13.2	--	--	13.2	23/18	25/20	24% Poor	X		Poor					Trunk taper development good. Tree root system is confined inside a concrete curb bumpout. Shear pressure from trunk and root expansion is causing cracking of the existing curbwork. This tree was topped in the past, resulting in a profusion of new weakly-attached epicormics shoots as the new canopy. This species is susceptible to black spot and to bacterial fireblight.	

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Tree Tag Number	Genus & Species	Common Name	Trunk1 Diameter	Trunk2 Diameter	Trunk3 Diameter	Sum of All Trunk Diameters	Height & Canopy Spread (Ft.)	Health & Structural Rating (100% Each)	Overall Condition Rating (0 to 100%)	(R)emove Tree	(S)ave Tree	Tree Conservation Suitability Ratings (TCS)	Lopsided Canopy (note direction)	Trunk Lean (note direction)	Girdling Roots	Root Flares Buried in Fill Soil	Pests and Disease Presence, and Other Notes	MAINTENANCE AND PROTECTION
58	*Magnolia grandiflora*	Southern magnolia	15.3	--	--	15.3	16/13	25/10	17% Very Poor	X		Poor					Roots damaged on grade from years of turf mowing via machinery. Sunburn has damaged the upper surfaces of the woody roots. Tree was topped back to stubs (same as tree #52). It is not clear why this severe method of pruning was used, as it completely destroyed the aesthetics, structure, and long term viability of every magnolia specimen on site.	
59	*Ligustrum sp. NEIGHBOR TREE*	Privet species	11.3	--	--	11.3	25/17	30/25	27% Poor	X		Poor	South		GR on north side.		Tree's north side of canopy facing the parking lot was severely pruned back to clear the airspace of parking stalls.	
60	*Pyrus kawakamii*	Evergreen pear (ornamental)	11.7	--	--	11.7	20/25	50/30	37% Poor	X		Poor					Tree's north side of canopy facing the parking lot was severely pruned back to clear the airspace of parking stalls.	

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Tree Tag Number	Genus & Species	Common Name	Trunk1 Diameter	Trunk2 Diameter	Trunk3 Diameter	Sum of All Trunk Diameters	Height & Canopy Spread (Ft.)	Health & Structural Rating (100% Each)	Overall Condition Rating (0 to 100%)	(R)emove Tree	(S)ave Tree	Tree Conservation Suitability Ratings (TCS)	Lopsided Canopy (note direction)	Trunk Lean (note direction)	Girdling Roots	Root Flares Buried in Fill Soil	Pests and Disease Presence, and Other Notes	MAINTENANCE AND PROTECTION
61	*Ligustrum sp. NEIGHBOR TREE*	Privet species	3.7	--	--	3.7	13/8	20/15	17% Very Poor	X		Poor	South				Severely pruned to clear the parking lot airspace (north side of canopy). This tree is declining due to soil moisture deficit (drought stress). Note this tree may not technically be a "tree". Most planning staff don't consider trees <4" diameter as "trees". Contact staff to verify.	
62	*Ligustrum sp. NEIGHBOR TREE*	Privet species	3.4	3.3	2.5	9.2	15/13	15/15	15% Very Poor	X		Poor					Bark inclusion type fork (elevated risk of splitout) at 6 inches above grade. Decline of canopy noted, due to soil moisture deficit.	
63	*Ligustrum sp. NEIGHBOR TREE*	Privet species	11.4	--	--	11.4	25/20	15/15	15% Very Poor	X		Poor	South				Tree was severely pruned to remove the north side of canopy to clear parking lot.	
64	*Ligustrum sp. NEIGHBOR TREE*	Privet species	6	6	5	21 (four stems)	20/20	20/16	18% Very Poor	X		Poor	South				Bark inclusion at grade. Decline of canopy foliar density due to soil moisture deficit.	
65	*Ligustrum sp. NEIGHBOR TREE*	Privet species	4	3	3	10	18/12	20/10	15% Very Poor	X		Poor	South				Tree was severely pruned to remove north side of canopy (stems facing the subject lot parking lot). Decline of canopy due to soil moisture deficit.	

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Tree Tag Number	Genus & Species	Common Name	Trunk1 Diameter	Trunk2 Diameter	Trunk3 Diameter	Sum of All Trunk Diameters	Height & Canopy Spread (Ft.)	Health & Structural Rating (100% Each)	Overall Condition Rating (0 to 100%)	(R)emove Tree	(S)ave Tree	Tree Conservation Suitability Ratings (TCS)	Lopsided Canopy (note direction)	Trunk Lean (note direction)	Girdling Roots	Root Flares Buried in Fill Soil	Pests and Disease Presence, and Other Notes	MAINTENANCE AND PROTECTION
66	*Ligustrum sp.*	Privet species	9.2	--	--	9.2	20/18	30/20	25% Poor	X		Poor	South				Soil moisture deficit is causing canopy decline. Multiple 6" diameter pruning cut wounds were made to remove at least 50% of the original live biomass of this tree, which is considered severe pruning.	
67	*Pittosporum undulatum*	Victorian box	3	3	2	8	20/13	15/15	15% Very Poor	X		Poor					Advanced stage decay of twigs in canopy noted, likely due directly to soil moisture deficit (drought stress). Note however that there is a known issue called "Victorian box decline" that affects older (mature) specimens of this tree species, causing severe decline and/or death of the tree within a relatively short time frame. There is no cure or treatment for this decline syndrome.	

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Tree Tag Number	Genus & Species	Common Name	Trunk1 Diameter	Trunk2 Diameter	Trunk3 Diameter	Sum of All Trunk Diameters	Height & Canopy Spread (Ft.)	Health & Structural Rating (100% Each)	Overall Condition Rating (0 to 100%)	(R)emove Tree	(S)ave Tree	Tree Conservation Suitability Ratings (TCS)	Lopsided Canopy (note direction)	Trunk Lean (note direction)	Girdling Roots	Root Flares Buried in Fill Soil	Pests and Disease Presence, and Other Notes	MAINTENANCE AND PROTECTION
68	*Ligustrum sp.*	Privet species	8.4	--	--	8.4	22/18	40/25	29% Poor	X		Poor					Soil moisture deficit causing decline of canopy. The lowermost 50% of the canopy was removed by pruning, which has destroyed this tree's natural branch architecture (structure) permanently, raising its center of gravity to a higher elevation, and removing its ability to add sugars and starches to the lower mainstem area. As noted elsewhere, it is not clear as to why incredibly severe pruning was performed on many of the site trees in the first place, effectively destroying the safety of and value of most of the trees for the remainder of their lives in the landscape.	
69	*Washington robusta NEIGHBOR TREE*	Mexican fan palm	16.8	--	--	16.8	37/15	75/75	75% Good		X	Poor					Tree is actually on neighbor property. 27 feet of clear stem from base to frond initiation elevation. This is a tree species that performs well in the Bay Area with little maintenance.	Trunk buffer wrap and possibly chain link fencing barrier "where possible"

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Tree Tag Number	Genus & Species	Common Name	Trunk1 Diameter	Trunk2 Diameter	Trunk3 Diameter	Sum of All Trunk Diameters	Height & Canopy Spread (Ft.)	Health & Structural Rating (100% Each)	Overall Condition Rating (0 to 100%)	(R)emove Tree	(S)ave Tree	Tree Conservation Suitability Ratings (TCS)	Lopsided Canopy (note direction)	Trunk Lean (note direction)	Girdling Roots	Root Flares Buried in Fill Soil	Pests and Disease Presence, and Other Notes	MAINTENANCE AND PROTECTION
70	*Magnolia grandiflora NEIGHBOR TREE*	Southern magnolia	21.6	--	--	21.6	35/40	35/35	35% Poor		X	Poor					Located approximately 8 feet west of the property line on a neighbor site that has irrigated turf grass covering root zone. Roots are damaged on grade from both years of mechanical mowing, and from sunburn. Roots tend to grow on the surface of heavily compacted urban soils when they are irrigated frequently in a "shallow" manner. Extensive twig death noted in the upper 50% of the canopy, due likely to soil moisture deficit (drought), even though the tree appears to theoretically be well irrigated (the turf grass may be pulling most of the applied irrigation water before it reaches the tree's feeder root system).	Trunk buffer wrap, and install chain link fencing barrier at property line to protect root system.

Overall Tree Condition Ratings / Breakdown of Numeric Ranges (New, Per *Guide for Plant Appraisal, 10th Edition*):

00 - 05% = Dead
06 - 20% = Very Poor
21 – 40% = Poor
41 – 60% = Fair
61 – 80% = Good
81 – 100% = Exceptional

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Tree Conservation Suitability (TCS) Ratings[1]

A tree's suitability for conservation is determined based on its health, structure, age, species and disturbance tolerances, proximity to proposed cutting and filling, proximity to proposed construction or demolition, and potential longevity, using a scale of good, fair, or poor (Fite, K, and Smiley, E. T., 2016). The following list defines the rating scale. Note that if proposed site work can be offset to farther linear distances from a tree's trunk edge, a tree's TCS rating may be elevated by one rating tier, given that there would be a corresponding reduction in expected future root zone impacts.

TPS Ratings	Range of values	
Good	**80-100**	Trees with good health, good structural stability and good expected longevity after construction.
Moderate	**60-79**	Trees with fair health and/or structural defects that may be mitigated through treatment. These trees require more intense management and monitoring, before, during, and after construction, and may have shorter life expectancy after development.
Poor	**<59**	Trees are expected to decline during or after construction regardless of management. The species or individual may possess characteristics that are incompatible or undesirable in landscape settings or unsuited for the intended use of the site.

TCS Ratings Worksheet Factors (Total Possible: 100 Points)

Health (1-15)
Root Cut/Fill Distance from Trunk (1-15)
Structure Defects (1-15)
Construction Tolerance of the tree species (1-15)
Age relative to typical species lifespan (1-10)
Location of construction activity (1-10)
Soil quality/characteristics (1-10)
Species desirability (1-10)

[1] Derived from Fite and Smiley, 2016. *Best Management Practices: Managing Trees During Construction, 2nd Edition.* International Society of Arboriculture.

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Tree Maintenance and Protection Codes Used in Data Table:

RPZ: Root protection zone fence, chain link, with 2" diameter iron posts driven 24" into the ground, 6 to 8 feet on center max. spacing. Alternative material: chain link fence panels set over concrete block-type footings, with the fence panels wired to steel pins pounded 24 inches into the ground at both ends of each panel.

RB: Root buffer consisting of wood chip mulch lain over existing soil as a 12 inch thick layer, overlain with 1 inch or greater plywood strapped together with metal plates. This root buffer or soil buffer should be placed over the entire width of the construction corridor between tree trunks and construction.

RP: Root pruning. Prune woody roots measuring greater than or equal to 1 inch diameter by carefully back-digging into the soil around each root using small hand tools until an area is reached where the root is undamaged. Cleanly cut through the root at right angle to the root growth direction, using professional grade pruning equipment and/or a Sawzall with wood pruning blade. Backfill around the cut root immediately (same day), and thoroughly irrigate the area to saturate the uppermost 24 inches of the soil profile.

BDRP: Back-dig root pruning: Hand-dig around the broken root, digging horizontally into the open soil root zone until a clean, unbroken, unshattered section of the root is visible. Proceed as per ‘root pruning’.

RCX: Root crown excavation. Retain an experienced ISA-Certified arborist to perform careful hand-digging using small trowels or other dull digging tools to uncover currently-buried buttress root flares. Digging shall occur between trunk edge and at least two (2) feet horizontal from trunk edge. The final soil elevation will be at a level such that the tree’s buttress roots visibly flare out from the vertical trunk.

TB: Trunk buffer consists of 20-40 wraps of orange plastic snow fencing to create a 2 inch thick buffer over the lowest 8 feet of tree trunk (usually takes at least an entire roll of orange fencing per each tree). Lay 2X4 wood boards vertically, side by side, around the entire circumference of the trunk. Secure buffer using duct tape (not wires).

F: Fertilization with slow-release Greenbelt 22-14-14 tree formula, as a soil injection application using a fertilizer injection gun. This brand and formulation is commonly used by reputable tree care companies in the Bay Area. Apply at label rate and injection hole spacing.

M: 4-inch thick layer of chipper truck type natural wood chips (example source: Lyngso Garden Supply, self pick-up). Do not use bark chips or shredded redwood bark.

W: Irrigate using various methods to be determined through discussion with General Contractor. Irrigation frequency and duration to be determined through discussion and/or per directions in this report. Native oak species typically require 1x/month irrigation, while other tree species tend to prefer 2x/month or 4x/month moderate to heavy irrigation during construction.

P: Pruning per specifications noted elsewhere. All pruning must be performed only under direct site supervision of an ISA Certified Arborist, or performed directly by an ISA Certified Arborist, and shall conform to all current ANSI A300 standards.

MON: A Project Arborist must be present to monitor specific work as noted for each tree.

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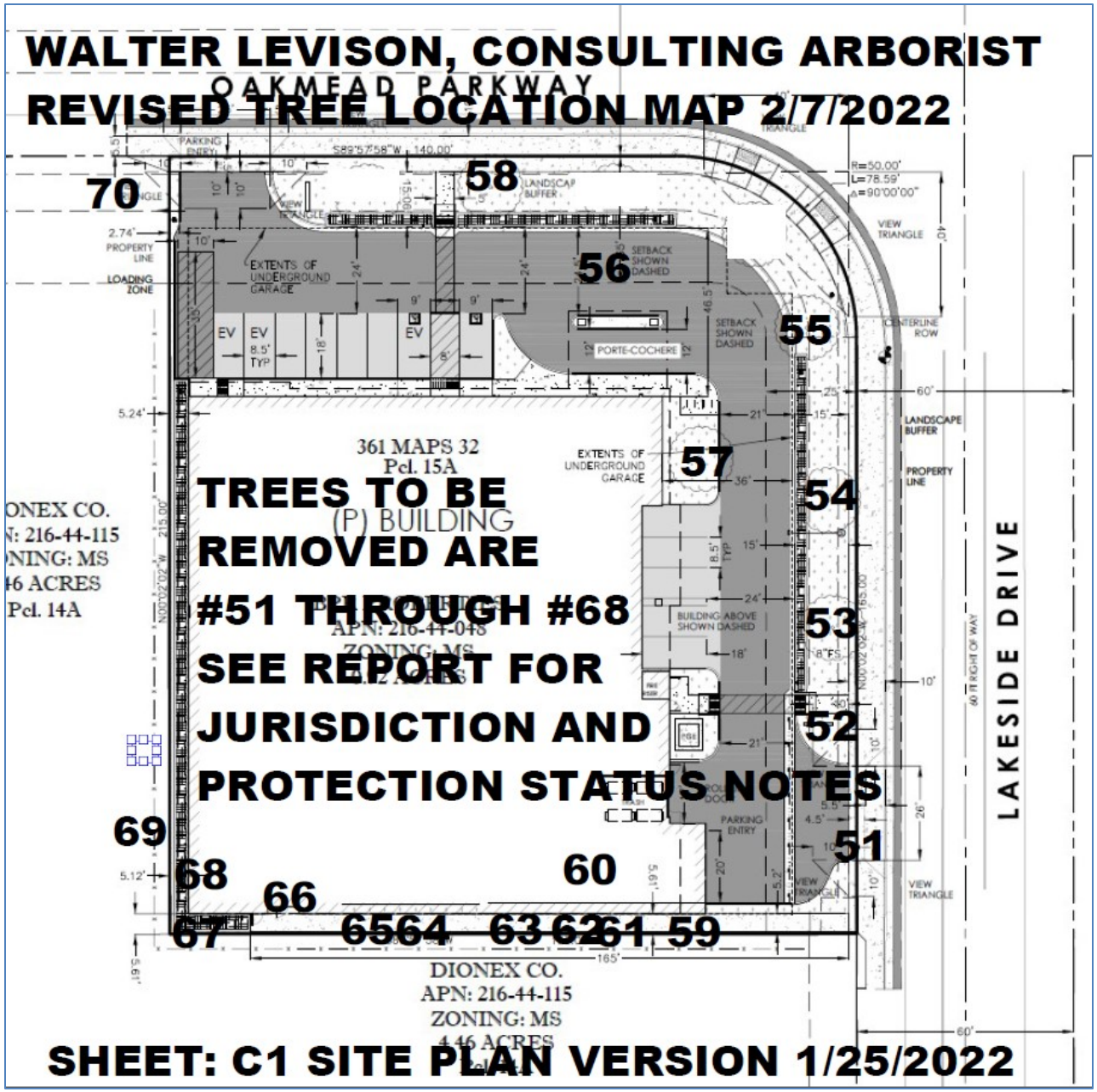
10.0 Tree Location Map Mark-ups

Map 1 on this page is sheet C1 proposed site plan, version 1/25/2022, overlaid with WLCA's tree tag numbers #51 through #70.

All trees are expected to be removed on site and off site, except for trees #69 and #70 west of the project, due to direct and indirect conflicts with proposed grading, utilities, building-related construction, and landscape renovation construction and planting.

Map 2 tree map markup on the following report page shows the actual civil surveyor plotted trunk base locations for most of the 20 trees included in the WLCA study population.



RIGHT: MAP 1

Registered Member, American Society of Consulting Arborists and Member of the International Society of Arboriculture
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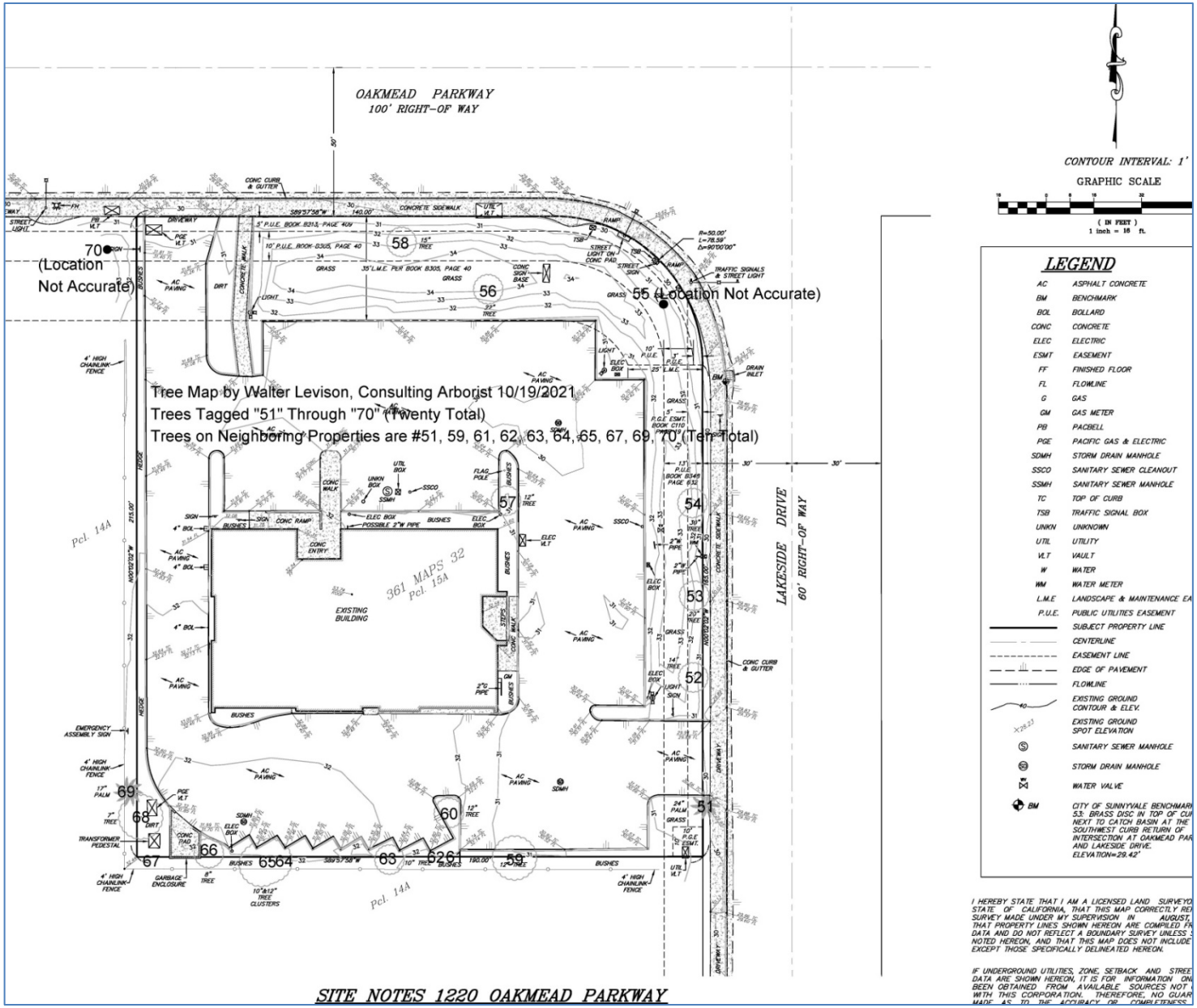

RIGHT: MAP 2

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11.0 Attached: Appraisal Worksheet

An appraisal worksheet detailing appraised values of all survey trees of all diameter size classes is a required component of all arborist reports being submitted to City of Sunnyvale, California planning division Staff.

Appraisal information was prepared using the 10th edition of the *Guide for Plant Appraisal, 2nd Printing* (2019). The dollar values of each survey tree derived from these calculations are indicated at the right hand edge of the worksheet attached to the end of this WLCA arborist report.

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Walter Levison
CONSULTING ARBORIST

Valuation Appraisal Worksheet Based on *Guide for Plant Appraisal, 10th Edition* (2019)
"Functional Replacement Method / Trunk Formula Technique"
Site: 1220 Oakmead, Sunnyvale, California. 10/20/2021

								Depreciation Factors					Line 9		Line 10	Line 11	
Tree Tag #	Name (Initials)	WCISA Speces Group Classification Booklet Page	Health (Weighted 0.15)	Structure (Weighted 0.70)	Form (Weighted 0.15)	Overall Condition Rating (OCR) "Weighted Method"	Diameter Inches at 4.5 ft. Above Grade	Functional Limitations	External Limitations	WCISA Species Group Number	Trunk Square Inches for Replacement-Size Specimen of This Species	Average SF Bay Area Cost of 24 Inch Box Tree (2019)	(UTC) Unit Tree Cost per Sq Inch (M Divided by L)	Trunk Area (TA) ((dia. x dia.) x 0.785)	Basic Functional Replacement Cost (BFRC) = (OxN)	Depreciated Functional Replacement Cost (DFRC) = PxGxIxJ	Rounded-off Appraised Values
51	Wr	37	3x ($25 per clear trunk foot x height) = 3 x ($25 X 18) = $1,350. $1,350 X condition = $1,350 X .70 = $945.														**$945**
52	Mg	21	0.2	0.1	0.3	15%	15.8	80%	90%	3	3.8	$250.00	$65.79	195.97	$ 12,893	$ 1,346	**$1,350**
53	Mg	21	0.25	0.2	0.3	22%	20.5	80%	90%	3	3.8	$250.00	$65.79	329.90	$ 21,704	$ 3,477	**$3,480**
54	Mg	21	0.25	0.1	0.3	15%	28.3	80%	90%	3	3.8	$250.00	$65.79	628.70	$ 41,362	$ 4,542	**$4,540**
55	Mg	21	0.15	0.1	0.3	14%	21.5	80%	90%	3	3.8	$250.00	$65.79	362.87	$ 23,873	$ 2,363	**$2,360**
56	Mg	21	0.25	0.1	0.3	15%	20.8	80%	90%	3	3.8	$250.00	$65.79	339.62	$ 22,344	$ 2,453	**$2,450**
57	Pk	30	0.25	0.2	0.5	25%	13.2	60%	90%	1	2.09	$250.00	$119.62	136.78	$ 16,361	$ 2,231	**$2,230**
58	Mg	21	0.25	0.1	0.3	15%	15.3	80%	90%	3	3.8	$250.00	$65.79	183.76	$ 12,090	$ 1,327	**$1,330**
59	Lsp.	19	0.3	0.25	0.6	31%	11.3	50%	90%	3	3.8	$250.00	$65.79	100.24	$ 6,595	$ 920	**$920**
60	Pk	30	0.5	0.3	0.6	38%	11.7	40%	90%	1	2.09	$250.00	$119.62	107.46	$ 12,854	$ 1,735	**$1,740**
61	Lsp.	19	0.2	0.15	0.6	23%	3.7	40%	90%	3	3.8	$250.00	$65.79	10.75	$ 707	$ 57	**$60**

Walter Levison, Consulting Arborist <walterslevisonjr@yahoo.com> Cell: (415) 203-0990

Walter Levison
CONSULTING ARBORIST

Valuation Appraisal Worksheet Based on *Guide for Plant Appraisal, 10th Edition* (2019)
"Functional Replacement Method / Trunk Formula Technique"
Site: 1220 Oakmead, Sunnyvale, California. 10/20/2021

								Depreciation Factors					Line 9		Line 10	Line 11	
Tree Tag #	Name (Initials)	WCISA Speces Group Classification Booklet Page	Health (Weighted 0.15)	Structure (Weighted 0.70)	Form (Weighted 0.15)	Overall Condition Rating (OCR) "Weighted Method"	Diameter Inches at 4.5 ft. Above Grade	Functional Limitations	External Limitations	WCISA Species Group Number	Trunk Square Inches for Replacement-Size Specimen of This Species	Average SF Bay Area Cost of 24 Inch Box Tree (2019)	(UTC) Unit Tree Cost per Sq Inch (M Divided by L)	Trunk Area (TA) ((dia. x dia.) x 0.785)	Basic Functional Replacement Cost (BFRC) = (OxN)	Depreciated Functional Replacement Cost (DFRC) = PxGxIxJ	Rounded-off Appraised Values
62	Lsp.	19	0.15	0.15	0.7	23%	**multi stem total**	40%	90%	3	3.8	$250.00	$65.79	23.00	$ 1,513	$ 127	**$130**
63	Lsp.	19	0.15	0.15	0.5	20%	11.4	40%	90%	3	3.8	$250.00	$65.79	102.02	$ 6,712	$ 489	**$490**
64	Lsp.	19	0.2	0.16	0.4	20%	**multi stem total**	40%	90%	3	3.8	$250.00	$65.79	89.00	$ 5,855	$ 426	**$430**
65	Lsp.	19	0.2	0.1	0.35	15%	**multi stem total**	40%	90%	3	3.8	$250.00	$65.79	27.00	$ 1,776	$ 98	**$100**
66	Lsp.	19	0.3	0.2	0.5	26%	9.2	40%	90%	3	3.8	$250.00	$65.79	66.44	$ 4,371	$ 409	**$410**
67	Pu	26	0.15	0.15	0.5	20%	**multi stem total**	40%	90%	1	2.09	$250.00	$119.62	17.00	$ 2,033	$ 148	**$150**
68	Lsp.	19	0.4	0.25	0.5	31%	8.4	40%	90%	3	3.8	$250.00	$65.79	55.39	$ 3,644	$ 407	**$410**
69	Washingtonia robusta (same as tree #51). 3x ($25 per clear trunk foot x height) = 3 x ($25 X 27) = $2,025. $2,025 X condition = $2,025 X 0.75 = $1,518.75. Rounded to nearest 10 is $1,520.																**$1,520**
70	Mg	21	0.35	0.35	0.8	42%	21.6	80%	90%	3	3.8	$250.00	$65.79	366.25	$ 24,095	$ 7,243	**$7,200**

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Walter Levison
CONSULTING ARBORIST

Valuation Appraisal Worksheet Based on *Guide for Plant Appraisal, 10th Edition* (2019)
"Functional Replacement Method / Trunk Formula Technique"
Site: 1220 Oakmead, Sunnyvale, California. 10/20/2021

								Depreciation Factors					Line 9		Line 10	Line 11	
Tree Tag #	Name (Initials)	WCISA Speces Group Classification Booklet Page	Health (Weighted 0.15)	Structure (Weighted 0.70)	Form (Weighted 0.15)	Overall Condition Rating (OCR) "Weighted Method"	Diameter Inches at 4.5 ft. Above Grade	Functional Limitations	External Limitations	WCISA Species Group Number	Trunk Square Inches for Replacement-Size Specimen of This Species	Average SF Bay Area Cost of 24 Inch Box Tree (2019)	(UTC) Unit Tree Cost per Sq Inch (M Divided by L)	Trunk Area (TA) ((dia. x dia.) x 0.785)	Basic Functional Replacement Cost (BFRC) = (OxN)	Depreciated Functional Replacement Cost (DFRC) = PxGxIxJ	Rounded-off Appraised Values
NOTES:																**Total Appraised Value of All Study Trees**	**$32,245**

1. OVERALL CONDITION RATING RANGE per the new 10th edition, 2nd Printing, of Guide for Plant Appraisal (2019):
Excellent: 81-100%
Good: 61-80%
Fair: 41-60%
Poor: 21-40%
Very Poor: 6-20%
Dead: 0-5%

ROUNDING: Values over $5,000 are rounded to nearest $100. Values below $5,000 are rounded to nearest $10.

2. MULTI STEM TREES: For trees with multiple mainstems, the total of all mainstem cross sectional areas was used as the "trunk area" calculation. This total cross sectional area is a numeric value in square inches (sq. in.).

3. CONDITION RATINGS / APPRAISAL TABLE VS. DATA TABLE: Because of the new appraisal methods outlined in the 2019 edition of the Guide for Plant Appraisal, 10th edition 2nd printing, the condition ratings calculated in the "Overall Condition Rating / Weighted Method" column, and the data noted in the health and structure columns of this spreadsheet (with calculations embedded), may in some cases be slightly different from data in the WLCA arborist report tree data table. WLCA attempted to keep overall condition rating values as consistent as possible between the two data tables (i.e. the appraisal data table and the tree data table in the arborist report).

Walter Levison, Consulting Arborist <walterslevisonjr@yahoo.com> Cell: (415) 203-0990

Statement of Qualifications and Relevant Experience
Walter S. Levison Jr.

23 years specializing in rapid response, rapid turnaround, high quality independent arboriculture consulting for municipalities, developers, architects, engineers, and government agencies throughout the greater San Francisco Bay Area.

Extensive consulting experience performing private and municipal tree assessment and tree management planning, including use of a microdrill decay detection device (RESI F300) and current U.S. standard tree risk assessment (TRAQ) protocols.

Speaker at California Tree Failure Report Program Annual Meetings (University of California Cooperative Extension), Western Chapter ISA certified arborist continuing education functions, Bay Area Landscape Supervisor Forum, City of Belmont Planning Commission and City Council meetings, and as a commissioner on the City of Millbrae Tree Board.

International leadership experience in a U.S. Peace Corps / Thailand agroforestry setting.

Education

- UC Santa Cruz, Bachelor of Arts Environmental Studies / Soil and Water Resources 1990
- Chancellor's Award 1990

Certifications & Registrations

- Tree Risk Assessment Qualification - TRAQ (International Society of Arboriculture) 2009
- Registered Consulting Arborist - RCA (American Society of Consulting Arborists) 2002
- Certified Arborist - CA (International Society of Arboriculture) 1996

Professional Associations

- American Society of Consulting Arborists (ASCA) – Registered Member since 2002
- International Society of Arboriculture (ISA) – Life Member since 1999
- International Society of Arboriculture Western Chapter United States (WCISA)

Relevant Municipal Experience (Partial)

City of Millbrae, On-Call Consulting Arborist
On-call contract-basis consulting arborist for the City of Millbrae Parks Department and other City Departments, from 2021 to present (2022). From 2021 to 2022, WLCA completed three (3) large scale consulting assignments involving tree assessment and TRAQ risk rating determination for over 200 large eucalyptus specimens on public park properties, including high-use facilities such as a City skate park and exercise facilities (jogging paths, etc.). The written reports, maps, and tree databases associated with these projects included color-coded long-term tree removal and tree pruning prioritization ratings that allowed City Staff to effectively prioritize their limited tree removal and maintenance budget to minimize the public's exposure to risk of tree and tree part failure and impact over a 3 to 5 year period.

City of San Mateo, Indian Springs Park, Tree Risk Analysis & Species Conversion Feasibility Study
Prepared full comprehensive arborist report package for Parks Department Staff in 2018, including tree risk rating determination for 58 eucalyptus specimens of various species ranging from 50 to 130 feet in height. Determined various potential failure modes, identified all static and mobile ground-based targets, and estimated occupancy rates for all targets. Prioritized tree maintenance, tree removal, and additional decay detection investigation needs. Analyzed changes to wind velocity and wind loading on park trees that might occur as a result of partial tree removal in the park. Prepared comprehensive replanting plan for the park, including special replacement tree species and cultivars, costs, irrigation best management practices, etc.

Town of Los Gatos, Contract Town Arborist
On-call contract planning arborist for the Town of Los Gatos Planning and Community Development Department continuously since November, 2015. Walter Levison prepares comprehensive site plan analysis-type arborist reports for use by Staff. Tree analysis is typically for complicated, steeply sloped hillside sites, and includes valuation appraisals of all trees.

City of Belmont, Contract City Arborist:
On-call contract planning arborist for the City of Belmont Planning and Community Development Department continuously between 1999 and 2020. Walter Levison prepared over 300 site plan analysis-type arborist reports for City Staff during that 21 year period. WLCA performed pre-construction tree protection signoffs, periodic construction monitoring, and code enforcement when necessary, and worked closely with City Staff, site plan project teams, and property owners to arrange compromise solutions that allowed site work to proceed while mitigating some negative impacts to key specimen trees.

San Francisco Public Utilities Commission (SFPUC):
On-call contract project arborist representing the SFPUC during pre-construction and construction phases of Bay Division Pipelines 3, 4, and 5 since 2010. Duties have included tree database creation, high risk tree analysis, prescribing tree impact mitigation measures to preserve key oak specimens along drinking water delivery pipeline right of ways, root pruning, setup of root protection fencing and trunk buffer wraps, monitoring big water infrastructure installation near trees being retained, and mitigation tree installation.

City of American Canyon:
Performed City-wide street tree and parks tree GPS survey and assessment over a three year period. Submitted comprehensive tree management plans to City Staff, complete with action priority rankings for tree removal, pruning, and other maintenance. Co-presented an in-depth tree risk assessment seminar and field day for Staff.

City of Menlo Park:
Assessed approximately 3,000 mature street trees using an innovative set of ten 'defects and hazards' parameters entered into the City digital tree inventory. Trees were assigned action priority ratings to effectively manage tree risk on a limited City budget. Prepared the official street tree management plan for Staff to accompany the updated digital tree inventory record. Sourced and delivered hard-to-find oak species for the City street tree replacement program.

Relevant Experience (1991-1999)

City of Millbrae Community Preservation Commission (Tree Board)
2001-2006

Barrie D. Coate & Associates
Associate Consulting Arborist for City of Saratoga site plan projects
1999

Bartlett Tree Expert Co. / San Francisco Division
Pruning, Fertilization, Spraying, Arborist Report Preparation
1998

Western Environmental Consultants, Inc.
(Pacific Gas & Electric Contract)
Consulting Utility Forester
1996-1998

U.S. Forest Service / Covelo Ranger District
Hydrotechnician and Tree Survey
1995

U.S. National Park Service / Golden Gate National Recreation Area
Habitat Restoration and Native Plant Propagation Volunteer
1994

U.S. Peace Corps / Thailand
Agroforestry, Soil Conservation Farming, and Primary School Environmental Education
1991-1993

Ecology Studies

Five-Week Rocky Mountain Wilderness Field Ecology Study
Wyoming, U.S.A.
7/86-8/86 (5-week backpack with university course credit)
University of California Santa Cruz Extension / Dr. Edward Grumbine

First-Ever Joint U.S./China Field Ecology Study
Xujiaba Forest Reserve, Yunnan Province, China, and other locations in Yunnan Province
9/89-12/89 (3 months)
Wildlands Studies Field Ecology Programs, Santa Cruz, CA / Dr. Christopher Carpenter

Principal Arboriculture Services and Specialties

Rapid response, rapid turnaround, high quality tree inventories with health and structural assessment.

Advanced decay detection (invasive using a RESI F300 microdrill device, or non-invasive).

Site plan impact analysis for municipal planning department staff.

Innovative tree protection and preservation planning.

Long-range tree management planning.

Tree valuations (plant appraisal).

TRAQ risk rating determination.

High-risk tree evaluation and management.

Tree species selection.

Construction monitoring.

Landscape problem solving.

Nursery stock grading and pre-installation girdling root mitigation.
Independent audits of pruning work to verify compliance with ANSI-A300 tree care standards.

2022 MUNICIPAL REFERENCE LIST / WALTER LEVISON, CONSULTING ARBORIST

1. John Gianoli, Parks Director
   City of Millbrae Parks Department
   621 Magnolia Avenue
   Millbrae, CA 94030
   Office (650) 259-2378
   Relationship: (2021-onward) retains Walter Levison on an as-needed, on-call basis to perform consulting services as the (unofficial) Contract City Arborist to City of Millbrae. In 2021, Levison performed multiple large-scale TRAQ tree risk assessments at public park and trail properties for the City, assessing over 200 eucalyptus specimens for risk, and preparing tree tables with color-coded numeric prioritization codes indicating specific removal or pruning prescriptions to reduce risk to high-value, high-occupancy type targets.

2. Joel Paulson, Director of Planning and Community Development
   Town of Los Gatos
   110 E. Main St.
   Los Gatos, CA 95030
   Office: (408) 354-6879
   Relationship: Oversight of Walter Levison as the Contract Town Arborist (Planning Division), 2015 to 2022 (current).

3. Damon DiDonato, Senior Planner
   City of Belmont Planning and Community Development Department
   1 Twin Pines Lane
   Belmont, CA 94002
   Office (650) 637-2908
   Relationship: Oversight of Walter Levison's duties as the Contract City Arborist.

4. Carlos Demelo, Director of Planning and Community Development
   City of Belmont Planning and Community Development Department
   1 Twin Pines Lane
   Belmont, CA 94002
   Office (650) 595-7440
   Relationship: Oversight of Walter Levison's duties as the Contract City Arborist.

5. Dorinda Himes, Environmental Compliance Manager Consultant Applied Technology & Science
   SFPUC WSIP Office
   200 Brown Road, Suite 306
   Fremont, CA 94539
   Cell (415) 233-2599
   Relationship: Oversight of Walter Levison, contract project arborist for the Hetch Hetchy Water System Improvement Program, Bay Division Pipeline 3, 4, and 5 projects.

6. Mike Gibbons Superintendent
   Certified Arborist / Municipal Specialist WE-10231A
   Public Works Department Municipal Services Center
   1400 Broadway Redwood City, CA 94063 (650) 780-7493
   Email: mgibbons@redwoodcity.org
   Relationship: Retained Walter Levison to perform in-depth tree risk studies of street tree oak specimens.

7. Chris Costanzo, Parks Maintenance Supervisor
   Hayward Area Recreation and Park District (HARD)
   1099 E Street
   Hayward, CA 94541
   Relationship: Oversight of Walter Levison during WLCA preparation of various investigative reports on the decline of redwood tree specimens throughout the HARD park system. Trees deemed beyond recovery were recommended for removal due to safety concerns. Trees deemed salvageable were recommended for tree-specific maintenance such as irrigation system upgrades and increased irrigation volume.

8. Matthew Fried, City Arborist
City of San Mateo Parks Department
330 W. 20th Avenue
San Mateo, CA 94403
Office: (650) 522-7422
Relationship: Retained Walter Levison to perform a very comprehensive, in-depth tree risk analysis and species conversion feasibility study of Indian Springs Park in San Mateo. The park contains a mature grove of fifty-eight (58) protected-size eucalyptus specimens, most of which are over 100 years of age and over 100 feet in height.

WALTLEV-01 RVANZANDT

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 5/7/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Assured Partners of CA Insurance Services, LLC dba: Wateridge Insurance Services
10717 Sorrento Valley Road
San Diego, CA 92121

CONTACT NAME:
PHONE (A/C, No, Ext): (858) 452-2200 FAX (A/C, No): (858) 452-6004
E-MAIL ADDRESS:

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Admiral Ins Company	24856
INSURER B :	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
Walter Levison dba Walter Levison Consulting Arborist
165 Linda Vista
Millbrae, CA 94030

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	$ 2,000,000
	CLAIMS-MADE X OCCUR			FEIECC2359904	5/6/2021	5/6/2022	DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 50,000
							MED EXP (Any one person)	$ 5,000
							PERSONAL & ADV INJURY	$ 2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$ 2,000,000
	POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$ 2,000,000
	OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO						BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS ONLY / NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB / OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB / CLAIMS-MADE						AGGREGATE	$
	DED / RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						PER STATUTE / OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y / N (Mandatory in NH)	N / A					E.L. EACH ACCIDENT	$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$
A	Professional Liabili			FEIECC2359904	5/6/2021	5/6/2022	Aggregate Limit	2,000,000
A	Pollution Legal Liab			FEIECC2359904	5/6/2021	5/6/2022	Aggregate Limit	2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
project site 681 Gateway Blvd South San Francisco, CA
Alexandria Real EstateEquiies, Inc as additional insureds with respects to General Liability when required by written contract per form ECC319(07-12) and CG2037(07-04).

Contractural Liability Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an insured contract

CERTIFICATE HOLDER

[redacted]

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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AGREEMENT FOR CONSULTANT SERVICES

THIS AGREEMENT is dated for identification this 1st day of July 2022 and is made by and between TOWN OF LOS GATOS, a California municipal corporation, ("Town") and Walter Levison ("Consultant"), whose address is 165 Linda Vista, Millbrae, CA 94030. This Agreement is made with reference to the following facts.

I. RECITALS

1.1 Town has a need for consulting arborist services for evaluation of trees on properties within the Town of Los Gatos.

1.2 Town desires to engage a certified arborist to review, analyze, and comment on development project plans; prepare technical analyses and reports; conduct peer review of outside arborist reports; and attend public meetings as needed.

1.3 Consultant represents and affirms that it is qualified and willing to perform the desired work pursuant to this Agreement.

II. AGREEMENTS

2.1 Scope of Services. Consultant shall provide the services listed below.

Administrative Duties

When needed by Town, assess the potential impacts to trees associated with proposed development and redevelopment projects. This shall include evaluating plans for development proposals, reviewing arborist reports and/or identifying mitigation measures, and recommending preservation measures and conditions of approval.

a. When needed by Town, work on special studies or projects including, but not limited to: preparation of a checklist for content of arborist reports for application packets; emergency response and coordination; review of tree removal permits that have been denied and appealed; and review of landscape plans for hillside homes, Planned Developments, and/or commercial projects.

b. When needed by Town, conduct field investigations, studies, and prepare reports related to tree removals and impacts from proposed construction, and develop recommendations for mitigation and preservation measures.

c. When needed by Town, assist in the establishment and subsequent modification of Town's tree and landscape related ordinances, design guidelines, policies, and development fees.

ATTACHMENT 2

d. When needed by Town, attend meetings with Town staff, public officials, community leaders, developers, contractors, and the general public.

e. When needed by Town, advise, support, and assist Town departments, committees, commissions, and Town Council. In addition, act as a liaison between Town and federal, state, and regional agencies.

f. When needed by Town, attend Town Council, Planning Commission, and special study session meetings when tree and/or landscaping issues and project applications with tree removals, impacts to trees, and/or landscape plans are being considered.

g. As requested by Town, provide copies of draft and final draft work products of reports and studies prepared for Town. Consultant shall provide electronic file copies of these documents as needed.

Other Miscellaneous Services

The Town may occasionally have the need for other services not specifically listed in this document that the Consultant has the necessary experience and capabilities to provide. Town may authorize Consultant to perform such selected services on an as-needed basis.

2.2 Time of Performance. The services of Consultant are fixed for a five-year period that will commence upon the execution of the contract. At the end of this period, should the Town not renew the contract, the contract shall automatically expire. The individual time of performance schedule for each project referred to the Consultant is required to be performed as outlined in the scope of services section of this Agreement.

2.3 Compliance with Laws. 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 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 the established hourly rates, as set forth in the Fee Schedule (Exhibit A), which is attached hereto and incorporated herein by reference. 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

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.

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 and 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: one million dollars ($1,000,000) 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 insuring 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 one million dollars ($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; and 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.

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. It is understood that Consultant currently has no employees. If employees are hired in the future, Consultant shall obtain and maintain Workers' Compensation insurance as required by California law and shall provide evidence of such policy to the Town. 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 officers, agent, 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:

To Town:

Joel Paulson
Community Development Director
Town of Los Gatos
110 E. Main Street
Los Gatos, CA 95030
Fax: (408) 354-7593
Phone: (408) 354-6879
E-mail: *jpaulson@losgatosca.gov*

To Consultant:

Walter Levison
165 Linda Vista
Millbrae, CA 94030

Phone: (408) 203-0990
E-mail: *walterslevisonjr@yahoo.com*

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 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 Exhibit A, 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

_____
Laurel Prevetti, Town Manager
Town of Los Gatos

Consultant:

_____
Walter Levison
Arborist Consultant

Department Approval:

_____
Joel Paulson
Community Development Director

Approved as to Form:

_____
Gabrielle Whelan, Town Attorney

Attest:

_____
Shelley Neis, MMC, CPMC
Town Clerk

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TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 06/21/2022
ITEM NO: 8

DATE: June 16, 2022

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Authorize the Town Manager to Execute an Agreement for Consultant Services with Larry Cannon, Cannon Design Group to Provide Services as Architectural Consultant to the Town.

RECOMMENDATION:

Authorize the Town Manager to execute an Agreement for Consultant Services with Larry Cannon, Cannon Design Group to provide services as Architectural Consultant to the Town.

BACKGROUND:

In 2005, the Town Council approved a contract with Larry Cannon of Cannon Design Group to serve as Architectural Consultant to the Town. Since that time, the architectural peer review consultant process continues to be a successful component of the planning process.

The Town distributed a Request for Qualifications in April 2022 and received three proposals from: Larry Cannon, Cannon Design Group (Attachment 1); Mammarella Architecture; and Lindsay Toscano Architect. Staff determined that Larry Cannon of Cannon Design Group is the most qualified to serve as the Architectural Consultant to the Town, based on the quality of the proposal and past services provided.

DISCUSSION:

The Architectural Consultant serves in a similar capacity to other Town development peer review consultants such as arborist, geotechnical, and environmental consultants. Typical tasks that the Architectural Consultant may provide include the following:

PREPARED BY: Tania Maheu
Administrative Analyst

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

DISCUSSION (continued):

- Architecture and site design peer review and critique for development applications, including residential and non-residential additions, remodels, and new buildings;
- Evaluation of architecture and site design for neighborhood compatibility and compliance with applicable design standards and guidelines, specific plans, and the General Plan;
- Development of design recommendations and preparation of reports summarizing findings and recommendations;
- Consultation with staff and/or applicants to discuss recommendations or project specific issues;
- Special studies or projects, including, but not limited to: preparation of a checklist for content of architectural plans for application packets; and
- Attendance at public meetings as needed.

CONCLUSION:

Cannon Design Group was determined to be the best candidate to continue serving as the Town's Architectural Consultant for the following reasons:

- Extensive experience and specialization providing architecture and site design peer review and preparing design guidelines;
- Successful provision of architectural review services to the Town since 2005;
- Strong use of graphics to make reports user-friendly and easy to understand;
- Larry Cannon, principal, is both a registered architect and a certified planner;
- Good understanding of the Town's codes, policies, and design guidelines (contributing author of the Commercial and Residential Design Guidelines); and
- Experience with historic preservation.

COORDINATION:

The draft Agreement for Consultant Services (Attachment 2) was prepared in coordination with the Town Attorney.

FISCAL IMPACT:

Architectural review for development proposals are paid for by the project applicant. The typical consultant review deposit for a single-family home is $2,500. The actual cost is based on the scope of work and the consultant's fee schedule (see Attachment 1). An administrative fee of 10 percent is also charged by the Town. The purpose of the administrative fee is to reimburse the Town's cost of administering the peer review.

ENVIRONMENTAL ASSESSMENT:

This action is not a project defined under CEQA, and no further action is required.

Attachments:
1. CDG Proposal
2. Draft Agreement for Consultant Services

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CDG
CANNON
DESIGN
GROUP

ARCHITECTURE PLANNING URBAN DESIGN

May 16, 2022

Ms. Jennifer Armer
Community Development Department
Town of Los Gatos
110 E. Main Street
Los Gatos, CA 95030

RE: PEER REVIEW DESIGN SERVICES STATEMENT OF QUALIFICATIONS

Dear Jennifer:

STATEMENT OF INTEREST

I am pleased to submit the following statement of qualifications to provide peer review services for the Town of Los Gatos. I have a twenty year history of continuously providing design review services to the Town, and would like to continue in that role.

INTRODUCTORY INFORMATION

I was retained in February 2002 as the Town Consulting Architect, and have to date provided 917 detailed reviews for projects including modest additions to single family homes, new single family homes, multifamily developments, retail stores and shopping centers, and many commercial projects including the two Netflix Campus Complexes. In the course of that time, I have worked closely with over 25 individual staff planners in the Community Development Department. When I was selected to provide these peer review services, the Town Council believed that the detailed design review process would benefit from some outside professional design review experience that would streamline the development review and approval process, and would free up time for the Planning Commission to deal with broader policy issues. The process I developed and the review letters that I have provided have resulted in clearly identifying for each project significant issues for planning staff and Planning Commission consideration, and in identifying one or more ways the applicant might address those issues to allow both staff and the Planning Commission to work with the applicant to achieve a project suitable to the applicant's goals and the Town's Community Expectations.

In providing design review services to the Town, I bring over forty-five years of active design review services for a great many Bay Area Communities as well as individual California Redevelopment Agencies (Pasadena, Los Angeles, Pleasant Hill and others) and U.S. and Canadian institutions of higher education (25 years as the Consulting Architect for the University of Victoria, BC). That experience has been enriched with the preparation of many design guidelines documents as well as the active planning of a great many California Downtowns and Transit-Oriented Developments.

700 LARKSPUR LANDING CIRCLE . SUITE 199 . LARKSPUR . CA . 94939
TEL: 415.331.3795
CDGPLAN@PACBELL.NET

EXPERIENCE.

Latry Cannon has provided design and planning review consultation services to cities, counties, redevelopment agencies and institutions of higher education for the past forty-five years. As a registered architect and an active urban planner/designer, he has extensive experience in working with planning staff, developers, and architects to arrive a mutually agreeable solutions which reflect community goals while respecting developers' reasonable expectations. CDG design review experience is enhanced by the firm's substantial experience in preparing comprehensive design guidelines documents, including signage guidelines, for the expression of community identity goals. He is currently providing on-going design review consultation to the following Bay

- **Town of Los Gatos** (20 years)
- **City of Brentwood** (18years)
- **City of Millbrae** (2 years)
- **City of San Mateo** (18 years)
- **City of Sunnyvale** (18 years)
- **City of Brisbane** (1 yerar)

Other design review clients have included the following:

- **City of Alameda**
- **City of Albany**
- **City of Campbell**
- **City of Cupertino** (18 years)
- **City of Dublin**
- **City of El Cerrito**
- **City of Lathrop**
- **City of Milpitas** (11 years)
- **City of Mountain View**
- **City of Napa**
- **City of Pasadena**
- **City of Pleasanton**
- **City of Pleasant Hill**
- **City of Redwood City** (2 years)
- **University of Victoria, BC**
- **California State University, Hayward**

DESIGN REVIEW EXPERIENCE BY CATEGORY

- **Single Family Homes**
- **Single Family Additions**
- **Multifamily Complexes**
- **Small Lot Subdivisions**
- **Mixed Use Buildings**
- **Downtown Stores**
- **Retail Pad Buildings**
- **Shopping Centers (New)**
- **Shopping Centers (Remodel)**
- **Markets and Drug Stores**
- **Restaurants**
- **Fast Food Restaurants**
- **Gas Stations**
- **Automobile Dealerships**
- **Small & Large Office Buildings**
- **Hotels**
- **Cinemas**
- **High Technology Campuses**
- **Home Improvement Centers**
- **Department Stores**
- **Large Format Retail Buildings**
- **Churches and Synagogues**
- **Libraries and Public Safety Buildings**
- **Parking Structures**
- **Day Care Centers**

QUALIFICATIONS

- Register Architect.
- Over 45 years of design review and design guidelines experience.
- Twenty years of design review services to the Town of Los Gatos.
- Several current design review clients have been clients for 18 years.
- Extensive knowledge of the Town of Los Gatos neighborhoods.
- Long term experience in working with individual Los Gatos planning staff.
- Thousands of digital images of Los Gatos neighborhoods and homes.
- Thousands of example images from other communities for use as examples in review letters.
- Design review experience in all project and building types.
- Experience and history of writing clear and concise review letters.
- Extensive experience in identifying design concerns and preparing specific design solutions for addressing them.
- Preparation of Los Gatos *How to Read Your Neighborhood Workbook*.
- Multi-year work with staff and the General Plan Committee in preparation of Residential, Multifamily and Commercial Design Guidelines. Having worked with staff and the committee over a period of three plus years on the guidelines, and having written the design guidelines, I have detailed knowledge of each guideline's intent.

TOTAL NUMBER OF STAFF PROVIDING SERVICES

Larry Cannon personally has provided all design review services to the Town of Los Gatos as well as to all other design review clients throughout his long career. This has provided objectivity and consistency to all reviews, with familiarity and easy access to the thousands of personal digital images of examples to clearly convey recommendations.

ABILITY TO PERFORM ON SHORT NOTICE AND UNDER TIME CONSTRAINTS

I have consistently provided review letters within two to three weeks of receiving drawings and authorization from staff to proceed. When projects are needed sooner. Los Gatos projects are given priority.

STATEMENT OF UNDERSTANDING

The Town of Los Gatos is a very special place with residents and elected and appointed officials who are acutely aware of the Town's unique scale and character. When I was selected to provide design review services in 2002, I met individually with each member of the Planning Commission and Town Council. Each told me that the two highest review priorities were in this order:

- Neighborhood Compatibility
- Design Excellence

I have been guided by those two priorities in all reviews since that time.

SERVICES APPROACH

I implement a disciplined and consistent approach for all projects that emphasizes neighborhood compatibility and design excellence. It is a highly graphic approach that utilizes a review and recommendations letter including the following:

- **Neighborhood Context**
  Aerial photo with identification of the site location and photos of the site and surrounding structures gathered from Google Earth Pro and other photos from previous project reviews.
- **Issues and Concerns**
  Annotated applicant drawings with issues and concerns graphically called out
- **Recommendations**
  Recommended changes over annotated applicant drawings showing recommendations along with photo images illustrating similar solutions within the Town of Los Gatos and other locations

ESTIMATED HOURS AND FEE ESTIMATES

$150 per hour for time actually spent plus limited actual expenses at cost plus 15% up to the Town's authorized maximum deposit. Most projects are accomplished within an intial authorization of $2,500. Follow up reviews utilize any funds left from the intial authorization plus addional hours billed at the hourly rate above.

CANNON DESIGN GROUP 700 LARKSPUR LANDING CIRCLE . SUITE 199 . LARKSPUR . CA . 94939

REFERENCES

TOWN OF LOS GATOS
Joel Paulson
Community Development Director
(408) 354-6879
jpaulson@losgatosca.gov

CITY OF MILLBRAE
Tom Williams
City Manager
(650) 784-3434 cell
TWilliams@ci.millbrar.ca.us

Darcy Smith
Community Development Director
Community Development Department
(650) 259-2341
dsmith@ci.millbrae.ca.us

CITY OF SAN MATEO
Rendell Bustos
Senior Planner
(650)-522-7211
rbustos@cityofsanmateo.org
(408) 730-7444

CITY OF BRISBANE
Mr. John A. Swiecki
Community Development Director
Community Development Department
City of Brisbane
50 Park Place
Brisbane, CA 94005
(415).508.2120
jswiecki@brisbaneca.org

CURRENT LITIGATION:

None

SINGLE FAMILY HOME

RESIDENTIAL DEVELOPMENT

REVIEW LETTER EXAMPLE

CDG
CANNON
DESIGN
GROUP

ARCHITECTURE PLANNING URBAN DESIGN

May 11, 2022

Mr. Ryan Safty
Community Development Department
Town of Los Gatos
110 E. Main Street
Los Gatos, CA 95031

RE: 14329 Mulberry Drive

Dear Ryan:

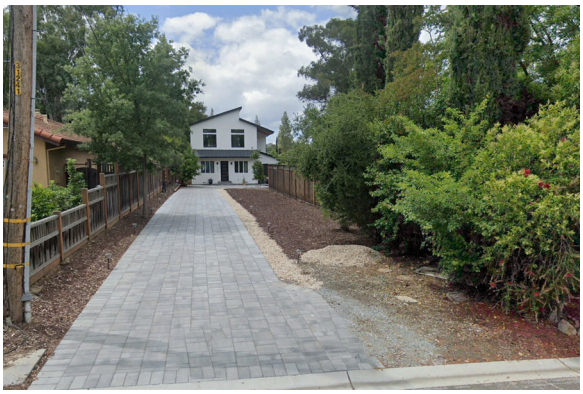
I reviewed the drawings and evaluated the site context. I have previously reviewed another proposed house on this site some eleven years ago, and have also reviewed several other homes on Mulberry Drive including the one immediately in front of this flag parcel. My comments and recommendations are as follows:

NEIGHBORHOOD CONTEXT

The site is located on a dead end street with a mix of old and newer homes designed in traditional styles. The homes are a mixture of one and two-stories in height. Photographs of the site and surrounding context are shown on the following page.

700 LARKSPUR LANDING CIRCLE . SUITE 199 . LARKSPUR . CA . 94939
TEL: 415.331.3795
CDGPLAN@PACBELL.NET

THE SITE



Entry drive to the site

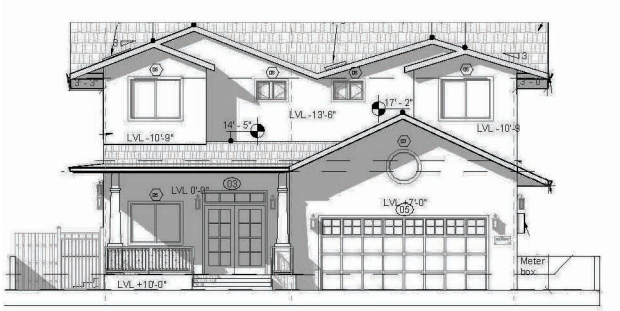
Mulberry Drive House in front of site

House immediately adjacent to the site

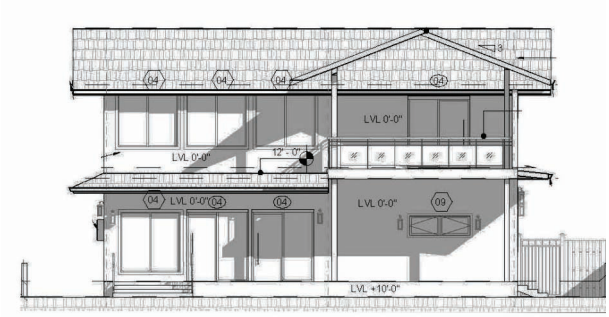
Nearby house on Mulberry Drive

PROPOSED PROJECT

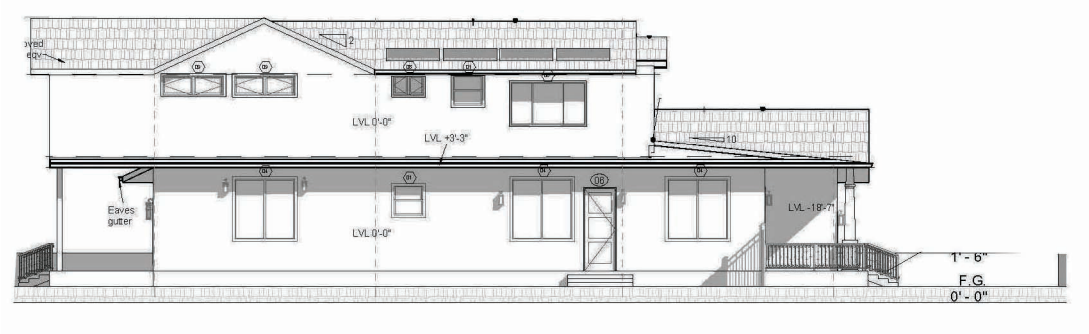
The existing home on the site will be removed and replaced by a two story new house with garage - see proposed elevations below.



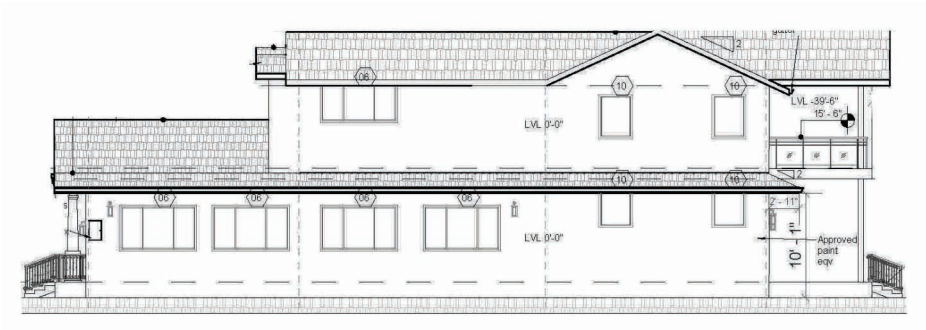
PROPOSED FRONT ELEVATION



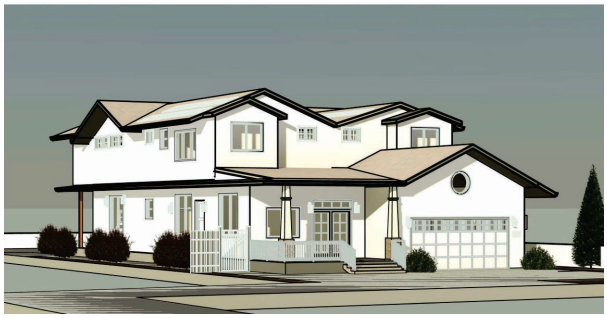
PROPOSED REAR ELEVATION



PROPOSED LEFT SIDE ELEVATION

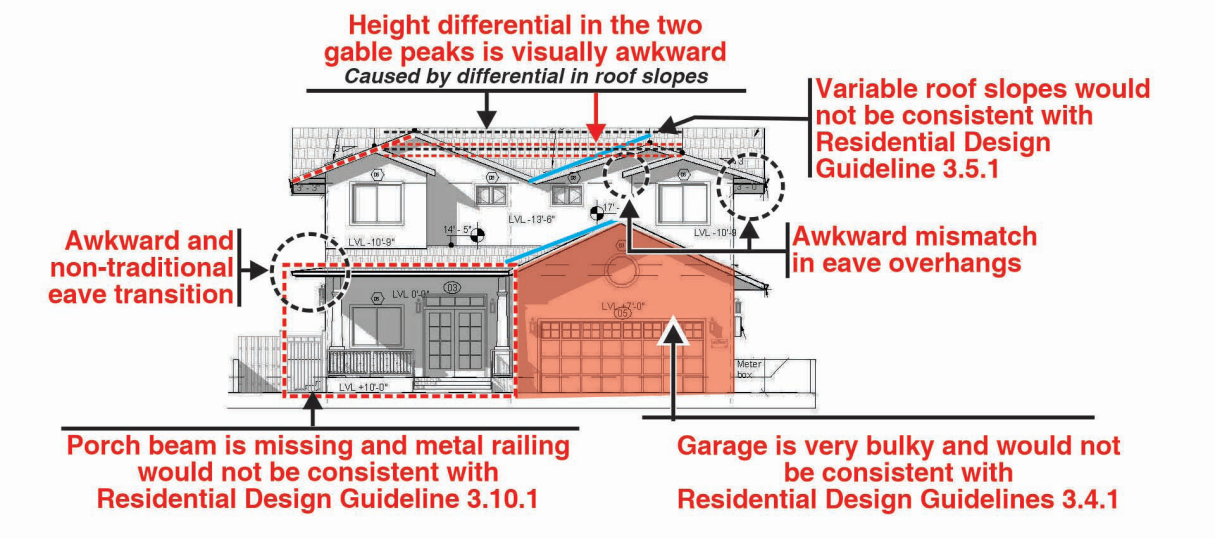


PROPOSED RIGHT SIDE ELEVATION



ISSUES AND CONCERNS

The proposed design is good from the standpoint that it is a recognizable traditional residential design style that would fit comfortably into the immediate neighborhood. But there are many issues that need to be addressed to bring it into better conformance with the Town's Residential Design Guidelines and traditional detailing.



1. The garage gable is quite large and dominates the front facade. It would not be consistent with Residential Design Guideline 3.4.1.

   3.4.1 Limit the prominence of garages

   - *Avoid designs that allow the garage to dominate the street facade.*
   - *Recess garage doors as much as possible from the garage facade.*
   - *Integrate the garage into the house forms in a manner that de-emphasizes the garage doors.*

2. The roof slopes are somewhat variable, and overly complex which would not be consistent with Residential Design Guidelines 3.5.1 and 3.5.2.

   3.5.1 Unify roof pitches

   - *Utilize the same slope for all primary roofs.*

   3.5.2 Avoid excessive roof form complexity

   - *Avoid multiple floor plan pop outs that produce multiple roof gables.*

3. The height differential between the gable peaks on the second floor projecting bay windows is visually awkward. The differential is caused by the lack of consistent roof slopes - see comment #2 above.

4. The first floor roof transition between the front porch roof and the left side facade is very awkward and non-traditional.

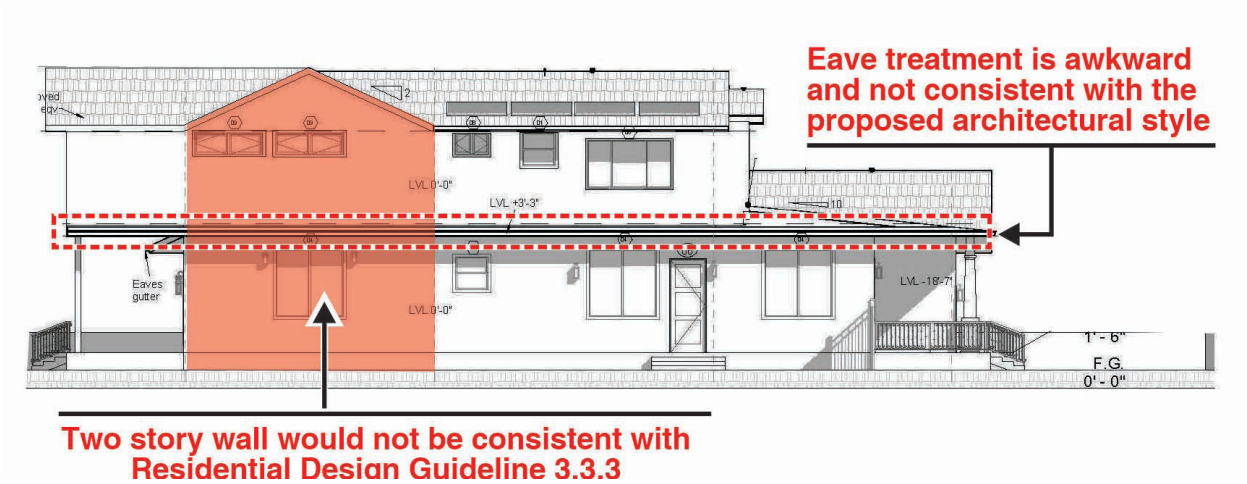
5. The lack of a beam at the front porch and a metal railing would not be consistent with Residential Design Guideline 3.10.1. Also, some porch elements need further refinement.

   3.10.1 Porches and Entries

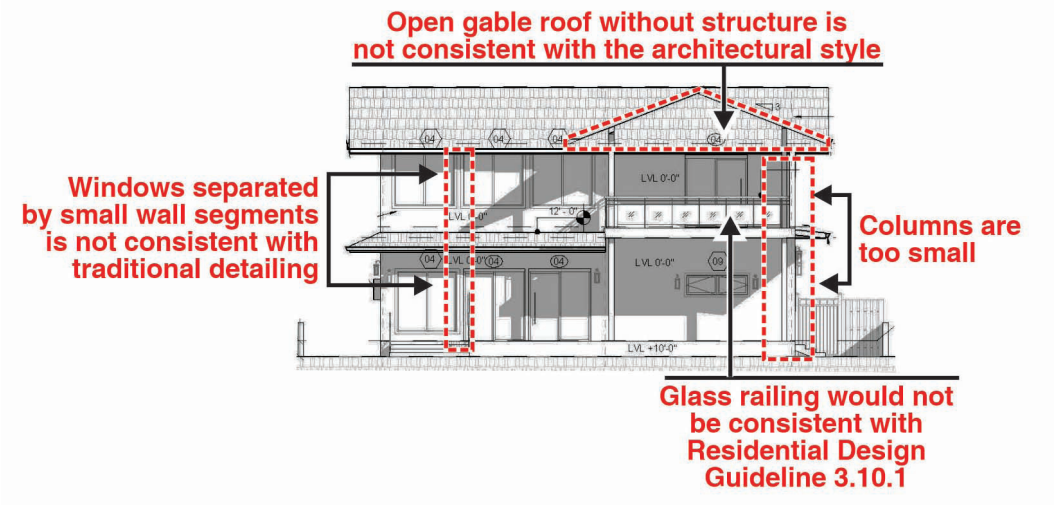
   - *Select columns that are traditional to the architectural style of the house. Take care in selecting columns with an appropriate width to height ratio for the style. Except for a very few styles, the columns should have appropriate caps and bases with proportions typical of the style.*
   - *Provide a well proportioned beam between the column caps and the roof. Size and detail the beam so that it looks like a convincing structural member. It should be visible both from inside and outside of the porch.*
   - *Railings should generally be constructed of wood unless the specific architectural style allows for metal or stone. Provide both top and bottom rails with the bottom rail raised above the porch floor level.*

6. The two story gable walls on the side elevations are adding unnecessary complexity to the roof form and, as currently designed, not consistent with Residential Design Guideline 3.3.3.

3.3.3 Provide visual relief for two story walls



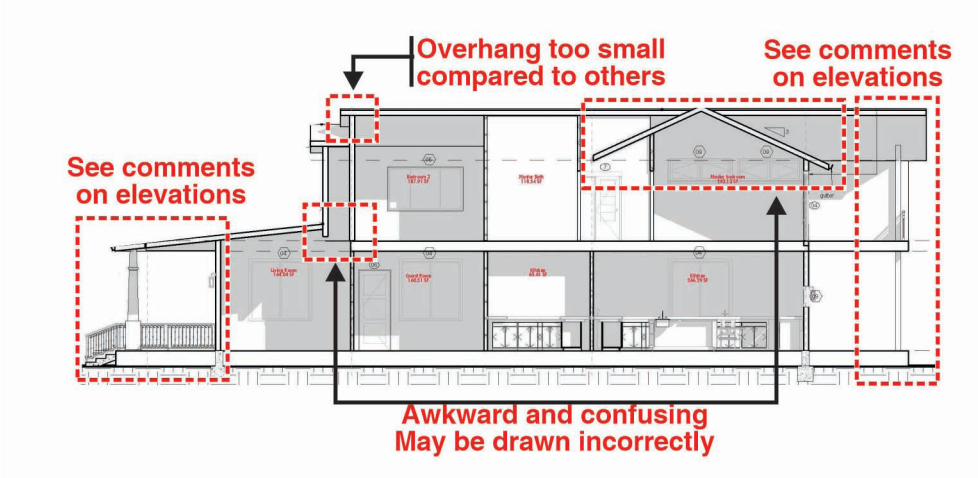
7. The open gable roof without supporting structure on the rear facade is not consistent with the architectural style.



8. The rear deck columns are too small and the proposed glass railings would not be consistent with the style.

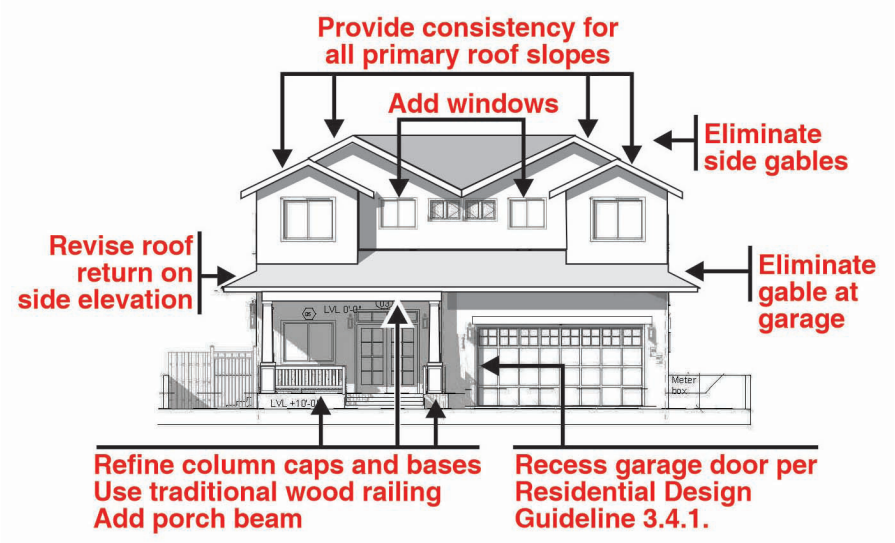
9. Note that the section shown below is quite incomplete and confusing. It does, however, highlight the issue that roof overhangs seem to vary which would not be consistent with the architectural style and Residential Design Guideline 3.5.3.

3.5.3 Relate roof overhangs to the architectural style and to the surrounding neighborhood



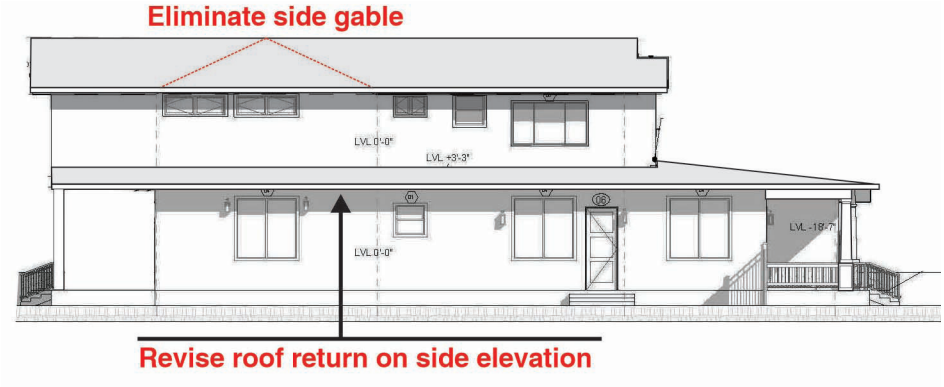
RECOMMENDATIONS

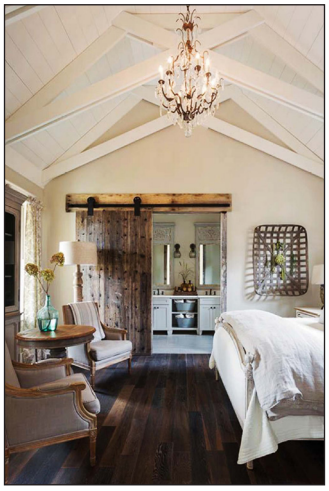
The recommendations below are intended to simplify the design, refine the details and improve conformance with the Residential Design Guidelines.



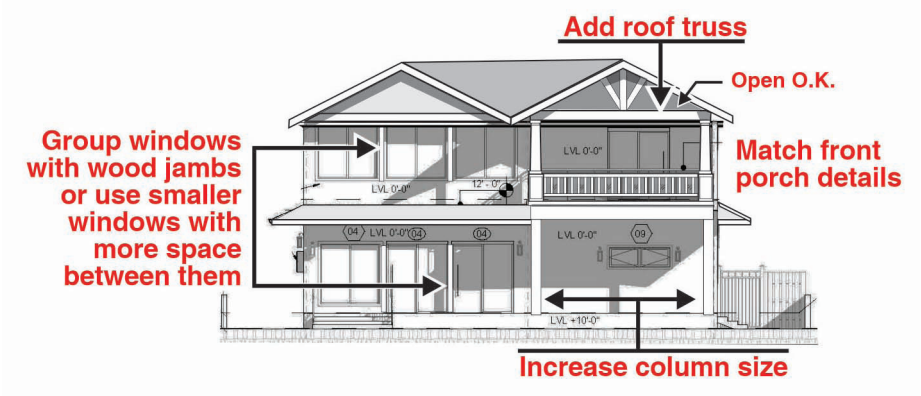
1. Eliminate the gable roof at the garage and extend the porch roof over the garage.
2. Increase the consistency of the roof slopes (6:12 shown), and provide more uniformity to the front facade roof gables and bay windows.
3. Revise the transition of the porch roof to the left side facade to reduce the tall wall expanse.
4. Add window on the second floor front facade which currently is quite blank.
5. Add a beam at the front entry porch, refine the column bases and caps, and use a wood railing rather than the proposed metal railing.

6. Eliminate the side facade gables/ This would still provide a generous, high ceiling in the Master Bedroom. Some examples are shown below.





7. Add a roof truss to the rear facade second floor deck. Two examples are shown below.



8. Refine the second floor deck columns, column bases and railings to match the front entry porch.
9. Group the windows on the rear facade (see example below), or use smaller windows to allow more wall space between them.

10. Provide consistency on all roof overhangs - see concern #9 and illustration on page 6
11. Recess the garage door per Residential Design Guideline 3.4.1.

Ryan, please let me know if there are any issues that I did not address.

Sincerely,
CANNON DESIGN GROUP

Larry L. Cannon

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COMMERCIAL DEVELOPMENT

REVIEW LETTER EXAMPLE

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CDG
CANNON
DESIGN
GROUP

ARCHITECTURE PLANNING URBAN DESIGN

May 3, 2022

Ms. Jocelyn Shoopman
Community Development Department
Town of Los Gatos
110 E. Main Street
Los Gatos, CA 95031

RE: 15600 & 15650 Los Gatos Blvd.

Dear Jocelyn:
This is the fourth round of site plan and architectural submittals that I have reviewed for this project in the past ten years, the last being in 2013. I have reviewed the revised project drawings. My comments and recommendations are as follows:

NEIGHBORHOOD CONTEXT

The site is a former auto dealership located at the corner of Los Gatos Boulevard and Los Gatos Almaden Road. The site is largely a paved parking area with now abandoned sales and service buildings. Nearby uses are mixed, and include shopping centers, commercial strip buildings, an auto dealership, and residences. Photos of the site and surrounding neighborhood are shown below.

700 LARKSPUR LANDING CIRCLE . SUITE 199 . LARKSPUR . CA . 94939
TEL: 415.331.3795
CDGPLAN@PACBELL.NET

Site with existing building

Adjacent auto dealership to the north

Los Gatos Blvd. site frontage

Los Gatos Almaden Road site frontage

Eastern parcel property edge

Shopping Center across Los Gatos Almaden Road

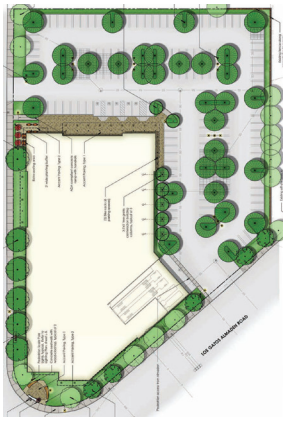
Commercial building across Los Gatos Blvd.

Commercial building across Los Gatos Blvd.

CONTEXT

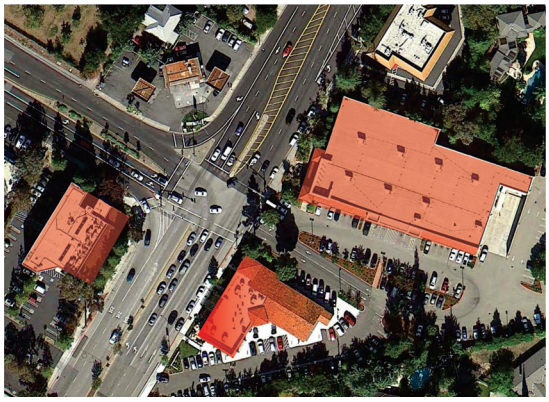
The site, as an important corner lot on two main streets, needs to be viewed in the broader context of Los Gatos Boulevard. Over the past twenty years or so, several other corner lots have seen new development, and the Town has worked hard to guide that development in a manner to reinforce those corners with strong architectural forms and landscaping. The site and the other most important corners are shown in the aerial photos below.

Some of the earlier project submittals for this site utilized site plans which separated the proposed structure from the Los Gatos Boulevard and Los Gatos Almaden Road frontages with parking lots. The current plan properly places the structure at the corner with parking to the side and behind it. This is much more desirable than allowing parking to dominate the street frontages. The proposed corner treatment is shown below with two other similar Los Gatos Blvd. intersections.



Proposed Site Plan

Proposed Corner Treatment



Lark Avenue Intersection

Blossom Hill Road Intersection

PROPOSED PROJECT

Proposed Los Gatos Blvd. Elevation

Proposed East Elevation (Entry and Parking Lot side)

Proposed North Elevation (Entry and Parking Lot side)

Proposed Los Gatos-Almaden Road Elevation

Los Gatos Blvd. Parking Lot Entry Corner

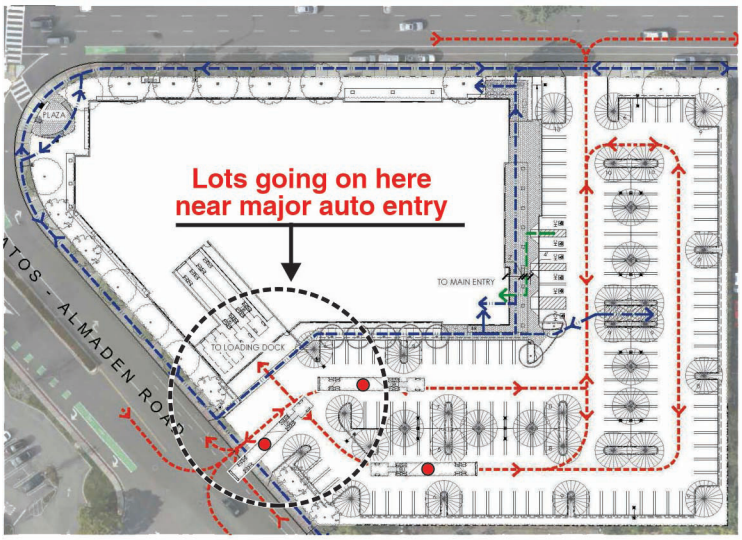
North Parking Lot Entry Corner

Los Gatos Blvd. Corner

ISSUES AND CONCERNS

The proposed design is contemporary in style with a mix of flat and sloping roofs. It would be substantially different in that regard from most of the newer commercial projects along Los Gatos Blvd. which have been largely modeled on traditional Mediterranean Styles. The closest in style would be the Market Hall in the North Forty project. That said, the project is very well designed and would, I believe, be in the spirit of the Town of Los Gatos and the Town's Commercial Design Guidelines. There are, however, a few issues which staff may wish to discuss further with the applicant.

1. The site plan works well with parking frontages along Los Gatos Blvd. and Los Gatos-Almaden Road limited in length. There could be an issue, however, with the truck loading area located at the project auto entry on Los Gatos-Almaden Road. Circulation conflicts between trucks and autos could be controlled by limiting the delivery time schedules. But, the truck maneuvering pattern to easily back into the truck bays is not clear.



2. Provisions for safe pedestrian circulation from parking at the northern edge of the parking lot to the building entry are well provided for, but similar accommodations have not been made for parking at the eastern edge of the site.

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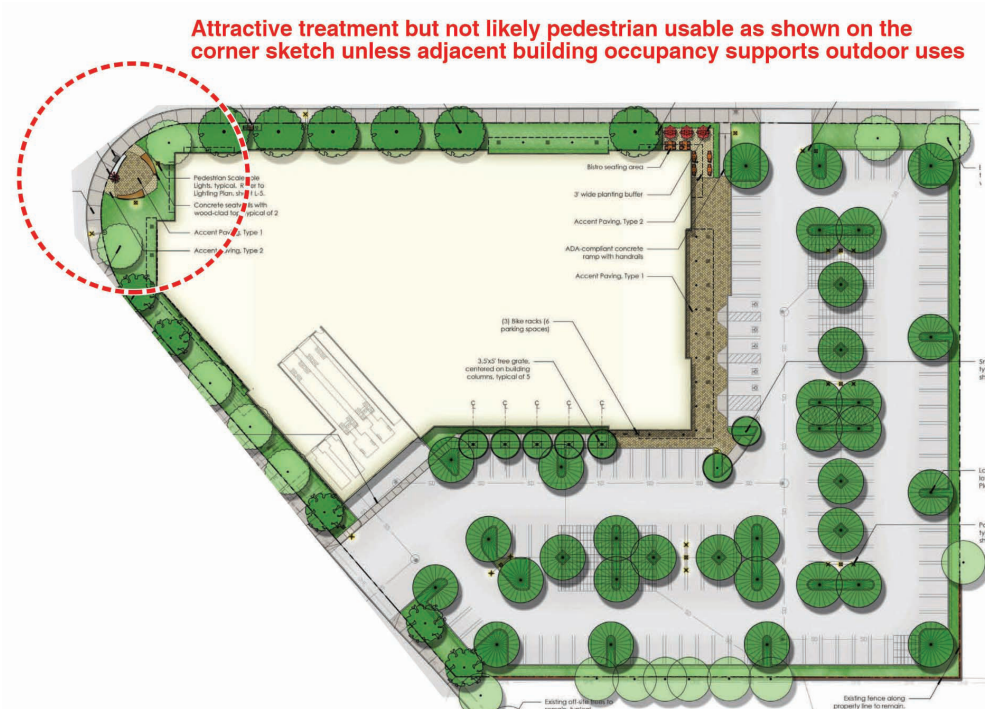
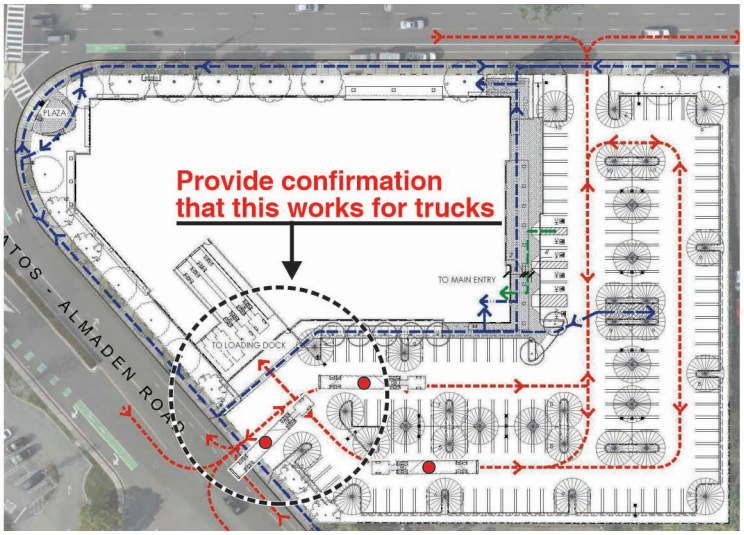
3. The proposed treatment at the intersection corner of the site appears attractive, but not likely pedestrian-usable as shown on the corner sketch below unless the adjacent building occupancy supports outdoor uses.



4. The strong contrast of color on the central portion of the Los Gatos Blvd., facade and on the truck loading dock area would draw the eye like a focal point, and would disrupt the well-done design unity of the rest of the structure. Likewise, the window treatments (i.e., transparency) will depend on the tenant's interior uses.

RECOMMENDATIONS

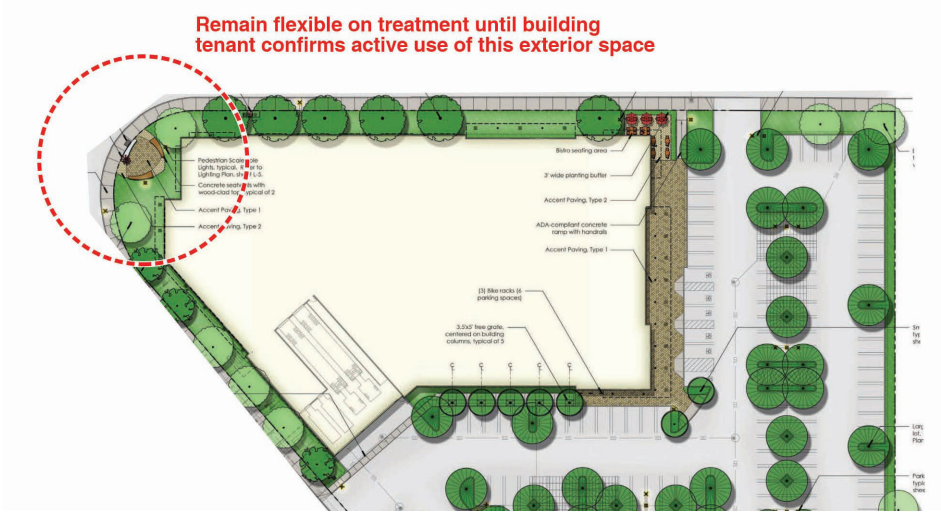
1. Ask applicant to provide verification that truck access to loading dock works and that provisions will be made to mitigate truck/auto conflicts.



2. Add a landscape divider at the Los Gatos-Almaden Road project entry if possible

3. Provide a protected pedestrian circulation path from the east parking lot to the entry similar to the one proposed from the north parking lot.

4. Remain flexible on the treatment of the Los Gatos Blvd /Los Gatos-Almaden Road intersection corner and the Los Gatos Blvd. facade fenestration until building tenant confirms potential interior uses. If not feasible as current;y shown, add landscaping to the corner and investigate alternative treatments for the window areas. Some examples are shown below.



5. Tone down the color contrast of the white stucco wall volumes on Los Gatos Blvd. and the truck loading area walls or change the material to wood siding or stone to improve the overall design unity of the facades.

Jocelyn, please let me know if you have any questions, or if there are specific issues of concern that I did not address.

Sincerely,
CANNON DESIGN GROUP

Larry Cannon

CANNON DESIGN GROUP 700 LARKSPUR LANDING CIRCLE . SUITE 199 . LARKSPUR . CA . 94939

AGREEMENT FOR CONSULTANT SERVICES

THIS AGREEMENT is made and entered into on July 1, 2022 by and between TOWN OF LOS GATOS, a California municipal corporation, ("Town") and Larry Cannon, CANNON DESIGN GROUP, ("Consultant"), whose address is 700 Larkspur Landing Circle, Suite 199, Larkspur, CA 94939. This Agreement is made with reference to the following facts.

I. RECITALS

1.1 The Town desires to engage Consultant to review architecture and site design for development applications; revise design standards and guidelines as needed; consult with and meet with staff, applicants, and decision makers; and attend public meetings as needed.

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 the certain services listed below.

Administrative Duties

When needed by Town, provide architecture and site design review for development applications and make recommended changes as needed based on the Town's approved design standards and guidelines. This shall include evaluating plans for development proposals, reviewing site layout and architectural plans, conducting site visits, and/or identifying design recommendations and conditions of approval.

a. When needed by Town, conduct site design review and review and critique the architecture for development applications, including additions, remodels, and new buildings.

b. When needed by Town, conduct field investigations and develop recommendations for compliance with applicable design standards and guidelines, specific plans, and the General Plan, and prepare reports summarizing findings and recommendations (typically with a 10 to 15 day turnaround).

ATTACHMENT 2

c. When needed by Town, consult with staff and/or applicants to discuss recommendations or project specific issues.

d. When needed by Town, conduct special studies or projects including but not limited to: updating the Town's design standards and guidelines; and preparation of a checklist for content of architectural plans for application packets.

e. When needed by Town, attend meetings with Town staff, public officials, community leaders, developers, contractors, and the general public.

f. When needed by Town, advise, support, and assist Town departments, committees, commissions, and Town Council. In addition, act as a liaison between Town and federal, state, and regional agencies.

g. When needed by Town, attend Town Council, Planning Commission, and special study session meetings when: project applications with architectural or design issues are being considered; and architectural review processes or a design related document is being discussed.

h. As requested by Town, provide copies of draft and final draft work products of reports and studies prepared for Town. Consultant shall provide electronic file copies of these documents as needed.

Other Miscellaneous Services

The Town may occasionally have the need for other services not specifically listed in this document that the Consultant has the necessary experience and capabilities to provide. Town may authorize Consultant to perform such selected services on an as-needed basis.

2.2 Term and Time of Performance. The services of Consultant are fixed for a five-year period that will commence upon the execution of the contract. At the end of this period, should the Town not renew the contract, the contract shall automatically expire. The individual time of performance schedule for each project referred to the Consultant is required to be performed as outlined in the scope of services section of this Agreement.

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 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 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 the established hourly rates, as set forth in the Fee Schedule (Exhibit A), which is attached hereto and incorporated herein by reference. 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

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.

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 and 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: one million dollars ($1,000,000) 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 one million dollars ($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; and 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.

3.2 All Coverages. Each insurance policy required in this item shall be endorsed to state that coverage shall not be suspended, voided, cancelled, or 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 officers, agent, 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 (15) days written notice of termination. In the event of termination, the Consultant shall deliver to the Town all plans, files, documents, and 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	Larry Cannon
Attn: Town Clerk	Cannon Design Group
110 E. Main Street	700 Larkspur Landing Circle, Suite 199
Los Gatos, CA 95030	Larkspur, CA 94939

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.

IN WITNESS WHEREOF, the Town and Consultant have executed this Agreement.

Town of Los Gatos by:

Laurel Prevetti, Town Manager

Recommended by:

Joel Paulson,
Community Development Director

Approved as to Form:

Gabrielle Whelan, Town Attorney

Attest:

Shelley Neis, MMC, CPMC
Town Clerk

Consultant, by:

Larry L. Cannon, AIA, AICP
Cannon Design Group

TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 6/21/2022
ITEM NO: 9

DATE: June 14, 2022

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Authorize the Town Manager to Submit Applications in the One Bay Area Grant Program

RECOMMENDATION:

Authorize the Town Manager to submit applications in the One Bay Area Grant Program.

BACKGROUND:

On June 2, 2022, the Santa Clara Valley Transportation Authority (VTA) approved the program and criteria of the One Bay Area Grant Program Cycle 3 (OBAG 3) and issued a Call-for-Projects. The OBAG program was created by the Metropolitan Transportation Commission (MTC) in 2012 to better integrate the region's discretionary Federal Highway Administration's funding program with the Plan Bay Area. The primary objective of the program is to strategically advance Plan Bay Area 2050 implementation through OBAG investments and policies. OBAG 3 covers the four-year period from Fiscal Year (FY) 2023 to 2026. Additional OBAG 3 program information can be found at: https://mtc.ca.gov/funding/federal-funding/federal-highway-administration-grants/one-bay-area-grant-obag-3

Compared to the previous grant cycles, MTC made significant changes in this OBAG cycle. The details are provided in the June 2, 2022, VTA Board memorandum (Attachment 1). The funding estimate for Santa Clara County is approximately $91 million. Funds are available for projects that meet the eligibility requirements for any of the four competitive program categories: (1) fix-it-first road preservation, (2) complete streets, (3) safe routes to school, and (4) planning.

OBAG 3 has a requirement that a minimum 70% of the proposed projects received must be located within or connected to a Priority Development Area (PDA) or be within one mile of a PDA boundary. The Town does not have a PDA and the closest PDA is in the City of Campbell. Most of the Town's projects will need to compete in the 30% non-PDA portion. This is an important requirement that affects the Town's projects' competitiveness.

PREPARED BY: Ying Smith
Transportation and Mobility Manager

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, Finance Director, and Interim Parks and Public Works Director

DISCUSSION:

Town staff and representatives to the VTA Committees have provided input to VTA over the last several months regarding the program criteria. Town staff reviewed the priority projects in the Town's 2020 Bicycle and Pedestrian Master Plan (BPMP) Update and the Fiscal Year (FY) 2022/23 Capital Improvement Program (CIP), and selected several projects based on an evaluation against the OBAG Selection Criteria (Attachment 2). Based on the evaluation and consideration of the Town's CIP funding projections, staff is recommending five candidate projects to be submitted in OBAG. These projects all potentially meet the eligibility requirements and are considered to be the Town's most competitive projects. Following is a summary of the recommended projects:

Highway 17 Bike/Pedestrian Overcrossing (BPOC)
Construct a bicycle and pedestrian bridge over Highway 17, to the south of Blossom Hill Road.

The project is currently in the final design phase. The schedule shows the completion of final design (Plans, Specifications, and Estimate) in 2024. The construction phase is currently unfunded. The grant application would request funding for the construction phase (see Table 1 in the Fiscal Impact section of this report for the costs).

Winchester Boulevard Complete Streets South Segment (Winchester South)
Design and construct complete streets improvements between Blossom Hill Road and Lark Avenue. This phase of the project will expand on the Class IV bike lanes project and add landscaped median, fill sidewalk gaps, and enhance pedestrian crossings.

In 2020, the Town completed the conceptual design, which recommended complete streets improvements, such as Class IV bike lanes with hard separations, a landscaped median, new sidewalk, and enhanced pedestrian crossings. The Class IV bike lanes between Blossom Hill Road and Albright Way were installed in 2021. The final design was awarded a Measure B capital grant in the amount of $1,734,250, which can be used as a local match to the OBAG grant.

The grant application would request funds for the final design and construction phases of complete streets improvements between Blossom Hill Road and Lark Avenue. This segment of Winchester Boulevard borders City of Monte Sereno and City staff is supportive of submitting a joint grant application. If both the Town and City Councils approve the authorization, Town staff will work with City staff on a joint application. Staff would discuss with the City of Monte Sereno combining Winchester north and south in one application to increase the projects competitiveness.

DISCUSSION (continued):

Barrier Crossing Enhancements for the Los Gatos Creek Trail/Winchester Boulevard Corridor (Winchester North)
Design and construct improvements on Los Gatos Creek Trail and Winchester Boulevard between Lark Avenue and the northern Town Limits.

Staff is taking a corridor approach and exploring options to enhance the State Route 85 crossing to improve active transportation safety and promote higher usage in a corridor that includes both Winchester Boulevard and the Los Gatos Creek trail. The project would evaluate and prioritize improvements on both the street and trail, including enhancements on Winchester crossing SR 85, trail improvements, and potential trail re-alignment to ensure this segment is flood-proof.

The Winchester Boulevard Complete Streets project was awarded a Measure B capital grant for final design. The Charter Oaks Trail Repair project is programmed in the FY 2022/23 CIP. This grant application would include a modified project definition based on the two existing capital projects. The grant application would request funds for the final design and construction phases. The Town could leverage the Measure B grant with the OBAG grant. This project is within one mile of a Campbell PDA boundary and would be eligible to compete in the 70% PDA portion.

Blossom Hill Road Safety Improvements (BHR)
Construction phase of safety improvements on Blossom Hill Road between Los Gatos Boulevard and Hillbrook Drive.

The *Blossom Hill Road Traffic Calming Feasibility Study* was completed in 2020. Staff will begin the design work this year.

The grant application would request funds for the construction phase. The project would include both safety improvements and street resurfacing components and therefore fits in multiple categories, road preservation, complete streets, and safe routes to school. The Town may allocate future formulaic dollars in the street resurfacing program as the local match.

Shannon Road Repair (Shannon)
This project would repair the roadway on Shannon Road between Santa Rosa Drive and Diduca Way, which was annexed from the County in 2018. The scope of work would include repair of the roadway, installation of guardrails, and stabilization of the embankment by installing a new retaining wall.

DISCUSSION (continued):

The project is programmed in the FY 2022/23 CIP and staff has completed the 65% design. Although the Town has allocated some local funds, a gap to fully fund the construction phase still remains. The grant application would request funds for the construction phase. The project is in the fix-it-first road preservation category.

CONCLUSION:

Staff is recommending authorizing submittal of applications for the above five candidate projects in the OBAG 3 Grant Program.

COORDINATION:

This report was coordinated with the Complete Streets and Transportation Commission. The Commission unanimously voted to support staff's recommendations at its May 12 and June 9 meetings. The Commission had discussions and comments on the Shannon Road Repair project at the June 9 meeting, provided valuable feedback to staff, and volunteered to conduct bicycle and pedestrian counts to support the applications.

Staff coordinated with City of Monte Sereno staff regarding the Winchester South project. At its meeting on June 21, the Monte Sereno City Council will consider a similar staff recommendation to submit a joint grant application.

FISCAL IMPACT:

There is currently no fiscal impact as a result of submitting OBAG applications; however, if the grant applications are awarded, the Council will have the opportunity to review the funding agreements, decide whether to accept the grant funds, and identify and commit to local match funds.

Compared to past grant applications, the Town is seeking construction funds for all projects. In should be noted that the funds requested and the local match amounts that would be required are substantial. A minimum local match of 11.47% is required in this program. The local match may come from local or other non-federal sources. Two of the projects, Winchester South and North, have received Measure B grant funds in the past, which may be considered as the local match. The Town Council may allocate future formulaic dollars in the street resurfacing program as the local match for the BHR project. The BPOC project would require a significant amount of local match, which could come from the General Fund Appropriated Reserve (GFAR) or other future grant funds. For reference, the project costs and local match amounts are provided in Table 1.

Table 1 - Candidate Projects: Costs and Local Match

Project	Cost	Match	Percent	Match Status	Funding Gap
Highway 17 Bicycle & Pedestrian Overcrossing (BPOC)	$ 38,819,000	$ 4,452,539	11.47%	Not secured	$ 4,452,539
Winchester Boulevard Complete Streets Southern Segment (Winchester South)	$ 30,260,000	$ 3,470,822	11.47%	Partially secured	$ 2,245,206
Barrier Crossing Enhancements (Winchester North)	$ 15,840,000	$ 1,816,848	11.47%	Partially secured	$ 834,214
Blossom Hill Road Safety Improvements (BHR)	$ 4,550,000	$ 682,500	15%	Future formulaic dollars	$ 682,500
Shannon Road Repair (Shannon)	$ 4,372,000	$ 874,400	20%	Budgeted	$ -
Total	**$ 93,841,000**	**$ 11,297,109**			**$ 8,214,459**

If all five projects were awarded OBAG grant funds, the Town would be required to provide a total of $11.3 million in matching funds over five years, $8.2 million of which has not been secured. However, this is a very unlikely outcome in a highly competitive grant program. A more realistic scenario is that the Town is successful with one to two applications and will be required to provide approximately $1.5 million as the local match.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:
1. VTA Board Memo - One Bay Area Grant Cycle 3 Program and Project Selection Criteria
2. OBAG 3 Santa Clara County Project Selection Criteria

Santa Clara Valley Transportation Authority

Date:	May 27, 2022
Current Meeting:	June 2, 2022
Board Meeting:	June 2, 2022

BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
Board of Directors

THROUGH: General Manager/CEO, Carolyn M. Gonot

FROM: Chief Planning and Programming Officer, Deborah Dagang

SUBJECT: One Bay Area Grant Cycle 3 Program and Project Selection Criteria

Policy-Related Action: No **Government Code Section 84308 Applies: No**

ACTION ITEM

RECOMMENDATION:

1. Approve the One Bay Area Grant Cycle 3 (OBAG 3) program and project selection criteria.
2. Approve $10 million for Congestion Management Agency (CMA)/ County Transportation Agencies (CTA) planning and programming activities to be implemented and managed for fiscal years 2023-2026.

EXECUTIVE SUMMARY:

- The One Bay Area Grant (OBAG) is a Metropolitan Transportation Commission (MTC) program that works closely with each county to distribute Federal Highway Administration funds to local projects and programs.
- Staff recommends the Board of Directors adopt the OBAG 3 program and project selection criteria.
- Adopting the criteria will allow for the release of the countywide call-for-projects in a timely manner and meet MTC's deadlines
- The programmatic recommendations should incentivize a higher rate of successfully delivered projects.
- The adoption of the OBAG 3 program includes allocation of $10 million for Congestion Management Agency planning and programming activities for fiscal years 2023-2026.

STRATEGIC PLAN/GOALS:

Implementation of the OBAG program falls under Business Line 2 of VTA's Strategic Plan:

th First Street
CA 95134-1927
Administration 408-321-5555
Customer Service 408-321-2300

Solutions that move you

Delivering Projects and Programs. Business Line 2 charges VTA to "Provide a comprehensive line of services, technical support, funding programs, and mobility solutions to the public and Member Agencies."

FISCAL IMPACT:

This action prioritizes federal programming for local Congestion Management Program Member Agency projects. Only funds programmed to VTA for its own projects will flow to VTA. The budget impacts of those projects will be addressed in a separate memorandum. The Member Agencies will obtain their funding through Caltrans. If adopted as proposed, $10 million will be made available for future VTA Congestion Management Program budgets covering fiscal years 2023 through 2026.

BACKGROUND:

The One Bay Area Grant program (OBAG) was created by the Metropolitan Transportation Commission (MTC) in May 2012 to better integrate the region's discretionary Federal Highway Administration's funding program with the Regional Transportation Plan and Sustainable Communities Strategy, collectively known as Plan Bay Area 2050. The primary objective of the program is to strategically advance Plan Bay Area 2050 implementation through OBAG investments and policies.

The OBAG program is divided into a Regional Program, managed by MTC, and a County & Local Program, managed by MTC in partnership with the nine Bay Area County Transportation Agencies (CTAs). VTA is the CTA for Santa Clara County. MTC is preparing for the third round of OBAG funding known as OBAG 3.

MTC adopted final OBAG 3 guidelines for the County & Local Program on March 23, 2022. The funding sources for the four-year program include Surface Transportation Block Grant Program (STP) and Congestion Mitigation and Air Quality (CMAQ) funds.

MTC OBAG 3 Program Changes

For this cycle, there are several major changes to the program. Most significantly, MTC has developed fund targets rather than providing a guaranteed funding amount for each county. In previous cycles, VTA issued a call-for-projects and developed a project list based on a guaranteed funding amount provided by MTC. For OBAG 3, counties are only provided with an estimated funding amount provided by MTC. The funding estimate for Santa Clara County is approximately $91 million. In addition, the CTA is expected to over program the project list to 120% of the base amount, which is approximately $109.2 million.

While VTA will still issue a call-for-projects and develop a list of projects, MTC will make the final project selection based on: a) CTA prioritization (75 points), b) regional impact (15 points), c) deliverability (10 points), and d) air quality for CMAQ-eligible projects only (10 points).

The second significant change is that MTC will no longer allow guaranteed funding amounts for specific types of projects. In prior cycles, the Santa Clara County OBAG program consisted of guaranteed funds for local streets and roads rehabilitation as well as competitive programs for Safe Routes to School, complete streets, and Priority Development Area (PDA) planning.

Therefore, all project types will compete with each other on both the local and regional level.

DISCUSSION:

To prepare for the call-for-projects and projects selection process, VTA has developed draft project selection criteria by assigning points to various categories on MTC's template application. The Technical Advisory Committee's Capital Improvements Program Working Group (CIPWG) requested aligning the criteria with the application.

After much consideration, the criteria points were chosen based on a) staff knowledge of the objectives of Plan Bay Area 2050 and the program guidelines; b) regional level discussions on program development with MTC and CTAs; and c) the unique needs of the county expressed by CIPWG members. Additionally, the criteria align well with MTC's goals which should allow for Santa Clara County projects to compete well within the region.

The criteria and corresponding evaluation points are shown in Attachment A - One Bay Area Grant (OBAG 3) - County & Local Program-Santa Clara County Project Selection Criteria.

Project Categories

As in prior cycles, MTC carried forward the investment policy that requires large populated counties to program seventy percent of the funds in Priority Development Areas. Therefore, once the 30 percent non-PDA threshold of ranked projects has been reached, the remaining projects must meet the PDA definition. With that restriction in mind, staff proposes the following project categories with approximate target percentages for the Santa Clara County OBAG 3 program.

Fix-it First Road Preservation (approximately 30%)

STP fund are available to local jurisdictions for road preservation on Federal-Aid eligible roads. While VTA supports and encourages the use of these funds within or supporting the PDAs, it is not required. Consistent with previous Board-adopted programs, the first expected use will be for rehabilitation and reconstruction of roadways with a pavement condition index (PCI) of 70 or less. Jurisdictions with PCI greater than 70 may submit applications if they meet MTC requirements for OBAG 3 preventive maintenance projects.

Complete Streets (approximately 51%)

The category rewards projects that are in or support a PDA by MTC definition. The predominate federal fund source is CMAQ but may include STP funds. It is open to all jurisdictions within the county and VTA to fund pedestrian, bicycle, and signal systems projects designed to support dense development and use of alternative transportation modes by installing complete streets elements.

Safe Routes to School - infrastructure only (approximately 6%)

The Safe Routes to School (SRTS) category is funded exclusively by federal CMAQ. CMAQ funds in this category focus on reducing greenhouse gases as well as the health and safety of school-aged children by promoting walking, biking, transit and carpooling to school, targeting grades K-12. Additional programming in the Complete Streets category would be available for SRTS projects.

Note that MTC has established an investment target of $25 million for SRTS at the regional level as well as $200 million for Active Transportation Projects.

Planning (approximately 2%)
Under OBAG 3, various planning exercises are available for STP funds. These may include local plans for "other new PBA 2050 Growth Geographies", PDA plans, safety, Vision Zero, community-based transportation plans, mobility hub, and regional advance mitigation planning.

CMA/CTA Planning (approximately 9%)
VTA recommends programming $10 million for Congestion Management Agency (CMA) planning and programming over the four-year period FY 2023-2026 to implement, develop and manage the program. This is a similar to OBAG 2 when the VTA Board allocated $10.9 million. Typically, CMA/CTA activities are funded through Member Agency fees, Planning, Programming & Monitoring (PPM) funds from the State Transportation Improvement Program (STIP) and the OBAG program STP Planning funds. The funds are not subject to the prioritization process.

Federal-Aid Secondary, county only (approximately 2%)
California Streets and Highways Code Section 182.6(d)(2) requires that a portion of STP funds be set aside and guaranteed for use by each unincorporated county area, and based on 110% of the apportionment of Federal-Aid Secondary (rural) funding. The funds are not subject to the prioritization process.

Schedule
MTC has developed an expedited five-month OBAG 3 timeline which will require VTA and Member Agencies to evaluate projects very quickly. During prior cycles, the county's program development and project submission spanned eleven months.

Based on MTC's timeline, VTA has developed the Santa Clara County OBAG 3 program schedule as shown in Table 1.

Table 1 - 2022 Santa Clara County OBAG 3 Program Schedule

Milestone	**Date**
MTC releases county/local program Call-for-Projects	5/01/2022
TAC/CAC/BPAC/PAC/CMPP review criteria	May 2022
Optional: Draft Compete Streets Checklist due to VTA	June 2022
VTA Board adopts criteria	6/02/2022
VTA releases Call-for-Projects	6/03/2022
VTA BPAC reviews Compete Streets Checklists	7/13/2022
Applications due to VTA	7/25/2022
VTA staff review applications	7/26-29/2022
CIPWG Scoring Committee reviews applications	8/1-12/2022
TAC/CAC/BPAC/PAC/CMPP review Prioritized list of Projects	September 2022
Board adopts Prioritized list of Projects	10/6/2022

Project Evaluation
Following board-adopted policy, the applications will be reviewed and ranked by a scoring committee drawn from CIPWG.

All VTA member agencies are represented in CIPWG. However, evaluation committee participation is voluntary. No agency may have more than one representative. The committee minimum size is three, and the maximum is ten. In addition, committee members may not evaluate their own project to avoid a conflict.

ALTERNATIVES:

The VTA Board may modify the program, the project selection criteria, and/or the criteria points. Any delay in adopting the criteria could lead to issues in delivering a project list to MTC within their expedited timeline.

CLIMATE IMPACT:

The projects identified in the OBAG program focus on transit, bicycle and pedestrian infrastructure. These improvements promote mode shift that can have a transformative impact on climate change by reducing vehicle miles traveled and greenhouse gas emissions.

ADVISORY COMMITTEE DISCUSSION/RECOMMENDATION:

The Technical Advisory Committee considered this item at their May 11, 2022 meeting and approved staff recommendations with suggested modifications, including: ability to apply in multiple program categories; remove the fix-it-first criterion and/or remove the PCI limit; and measure the merits of a project.

The Citizens Advisory Committee considered this item at their May 11, 2022 meeting and approved staff recommendations with suggested modifications, including: ability to apply in multiple program categories; create a non-PDA Complete Streets program category; prioritize complete streets projects; and more emphasis on non-policy housing issues.

The Bicycle & Pedestrian Advisory Committee considered this item at their May 11, 2022 meeting and approved staff recommendations deferring to staff for the best mechanism to: prioritize complete streets projects; prioritize safety and consider gap closure in the criteria; and encourage road preservation projects to include complete streets elements.

The Policy Advisory Committee considered this item at their May 12, 2022 meeting and approved staff recommendations with suggested modifications, including: ability to apply in multiple program categories; remove the fix-it-first criterion and/or remove the PCI limit; measure the merits of a project; and emphasize housing issues such as denser planned housing and transportation needs to address affordable housing.

STANDING COMMITTEE DISCUSSION/RECOMMENDATION:

The Congestion Management Program & Planning Committee considered this item at their May 19, 2022 meeting and approved staff recommendations unanimously.

Prepared by: Celeste Fiore
Memo No. 8179

ATTACHMENTS:

- Attach A_8179_Criteria (PDF)
- Attach B_8179_Acronyms (PDF)
- OBAG3 PPT_2022May17 (PDF)

ATTACHMENT A - One Bay Area Grant (OBAG 3) – County & Local Program – Santa Clara County Project Selection Criteria *Template Application Form (v1)*

Project Information	
Project Name:	*Project name*
Project Sponsor:	*Project sponsor*
Sponsor Single Point of Contact:	*Contact name*
	Contact phone
	Contact email
Project Location:	*Project location*
Brief Project Description:	*Project description*
Program Eligibility	
Federal Fund Eligibility *Is the project eligible for federal transportation funds?*	Select the OBAG 3 federal fund source(s) for which the project is eligible: ☐ Surface Transportation Block Grant (STP) Program (See FHWA fact sheet) ☐ Congestion Mitigation & Air Quality Improvement (CMAQ) Program (See FHWA fact sheet) *Note: projects eligible for CMAQ funding must provide inputs for air quality improvement calculations, using templates provided on the OBAG 3 webpage.*
Eligible Project Type *Is the project an eligible project type?*	Select the eligible project type(s) (refer to MTC Resolution No. 4505 for detailed eligibility guidelines): ***Growth Framework Implementation*** ☐ PDA Planning Grant ☐ Local Planning Grant (for other *Plan Bay Area 2050* Growth Geographies) ***Complete Streets & Community Choice*** ☐ Bicycle/Pedestrian Infrastructure ☐ Bicycle/Pedestrian Program ☐ Safe Routes to School (SRTS) Non-Infrastructure program ☐ SRTS Infrastructure ☐ Safety project ☐ Safety Planning efforts ☐ Complete Streets improvements ☐ Streetscape improvements ☐ Local Streets and Roads Preservation ☐ Rural Roadway Improvement ☐ Community-Based Transportation Plan (CBTP) or Participatory Budgeting (PB) Process in an Equity Priority Community (EPC) ☐ CBTP/PB Project Implementation ***Climate, Conservation, & Resilience*** ☐ Transportation Demand Management (TDM) Program ☐ Mobility Hub ☐ Parking/Curb Management ☐ Car/Bike Share Capital ☐ Open Space Preservation and Enhancement ☐ Bicycle/Pedestrian Access to Open Space/Parkland ☐ Regional Advance Mitigation Planning (RAMP) ***Multimodal Systems Operations & Performance*** ☐ Transit Capital Improvement ☐ Transit Station Improvement ☐ Transit Transformation Action Plan Project Implementation ☐ Active Operational Management ☐ Mobility Management and coordination

Max Points	Policy Alignment	
5	**Federal Performance Goals** *How does the project support federal performance measures?* **MAX 5 points**	Select the federal performance measures that are supported by the project: ☐ Safety (1): Significantly reduce traffic fatalities and serious injuries for all users on all public roads and improve the safety of all public transportation systems. ☐ Infrastructure Condition (1): Improve the pavement condition on the Interstate and National Highway System (NHS) and NHS bridges and maintain the condition of public transit assets in a state of good repair. ☐ Congestion Reduction (1): Significantly reduce congestion on the NHS in urbanized areas. ☐ System Reliability (1): Improve the reliability of the Interstate system and NHS. ☐ Freight Movement and Economic Vitality (1): Improve the reliability of the Interstate system for truck travel. ☐ Environmental Sustainability (1): Maximize emission reductions from CMAQ-funded projects. Describe how the project supports the selected federal performance measure(s): *Please describe*
10	**Plan Bay Area 2050 Strategies** *How does the project align with* Plan Bay Area 2050*?*	Describe how the project supports *Plan Bay Area 2050* Strategies and/or Implementation Plan: *Please describe which ones and how* **Supports Transportation strategies — pts** **Yes — 10** **Partially — 5** **No — 1**
5	**Regional Policy Alignment** *How does the project align with other regional policies and plans?*	Select the regional plans and policies with which the project is aligned: ☐ Regional Safety/Vision Zero Policy ☐ MTC's Equity Platform ☐ Regional Active Transportation Plan ☐ Transit Oriented Communities Policy ☐ Blue Ribbon Transit Transformation Action Plan Describe how the project aligns with the selected regional plans and/or policies: *Please describe*
10	**Regional Growth Geographies** *Does the project support PBA 2050 Growth Geographies?* **MAX 10 points** **Check all applicable boxes**	Indicate the project's relationship to *Plan Bay Area 2050* Growth Geographies: ***Priority Development Area (PDA)*** ☐ Meets the uniform definition of a PDA-supportive project (within one mile or less of a PDA boundary) (10) ☐ Does not meet the uniform definition of a PDA-supportive project, but otherwise has a clear and direct connection to PDA implementation (8) *Please describe* ☐ Included in a locally-adopted PDA plan (e.g. Specific Plan, PDA Investment and Growth Strategy) (4) *Locally-adopted PDA plan reference* ***Transit Rich Area (TRA)*** ☐ Within a TRA or otherwise supportive of a TRA (see Growth Geographies map) (10) *Please describe* ***Priority Production Area (PPA)*** ☐ Supports the preservation of a PPA (see Growth Geographies map) (10) *Please describe*

Max Points		
10	**Equity Priority Communities** *Does the project invest in historically underserved communities?* 10 5	Indicate how the project invests in historically underserved communities, including *Plan Bay Area 2050* Equity Priority Communities (EPCs): ☐ Located within and supportive of an EPC (see Equity Priority Communities map) ☐ Not located within an EPC, but is otherwise supportive of an EPC or other historically underserved community *Description of how project supports an EPC or other historically underserved community*
10	**Local Housing Policies** *Is the project located in a jurisdiction with policies that support affordable housing?* 3 3 4	Indicate if the project is locate in a jurisdiction that has adopted policies which support the "3Ps" approach to affordable housing by listing the relevant adopted policies for each element of the 3Ps. Additional guidance and resources on affordable housing policies are provided on the OBAG 3 webpage. ☐ Protect current residents from displacement (with emphasis on policies that have demonstrated effectiveness in community stabilization and anti-displacement). *List of applicable policies* ☐ Preserve existing affordable housing (with emphasis on policies that have demonstrated effectiveness in community stabilization and anti-displacement). *List of applicable policies* ☐ Produce new housing at all income levels. *List of applicable policies*
	Community Support	
10	**Community Support** *Does the project have community support, particularly if it is located in a historically underserved community?* 10 5 **MAX 10 points**	Indicate if the project has demonstrated community support through one or more of the following: ☐ Public outreach responses **specific to this project**, including comments received at public meetings or hearings, feedback from community workshops, or survey responses. *Summary of public outreach responses* ☐ Project is consistent with an adopted local transportation plan. *Description of project consistency with local plan*
10	**MAX 10 points** 10 5	Indicate if the project has demonstrated support from **communities disproportionately impacted by past discriminatory practices**, including redlining, racial covenants, urban renewal, and highway construction that divided low income and communities of color. Resources for identifying impacted communities are available on the OBAG 3 webpage. Community support may be demonstrated through one or more of the following: ☐ Prioritization of the project in a Community Based Transportation Plan (CBTP) or Participatory Budgeting (PB) process, *or a local plan that includes the proposed project.* *CBTP or PB reference* ☐ Endorsements from a Community-Based Organizations representing historically underserved and potentially impacted communities. *Description of CBO endorsement*

Max Points		
	Deliverability & Readiness	
10	**Project Readiness** *Is the project ready to be delivered?*	Describe the readiness of the project, including right-of-way impacts and the type of environmental document/clearance required: *Project readiness, right-of-way, environment* If the project touches Caltrans right-of-way, include the status and timeline of the necessary Caltrans approvals and documents, the status and timeline of Caltrans requirements, and approvals such as planning documents (PSR or equivalent) environmental approval, encroachment permit. *Caltrans approvals status and timeline*
5	**Deliverability** *Are there any barriers to on-time delivery?*	Describe the project's timeline and status, as well as the sponsor's ability to meet the January 31, 2027 obligation deadline: *Project timeline, status, and obligation deadline* Identify any known risks to the project schedule, and how the CTA and project sponsor will mitigate and respond to those risks: *Project risks and mitigation strategies*
	Project Cost & Funding	
	Grant Minimum *Does the project meet the minimum grant size requirements?*	☐ Project meets the minimum grant size requirements. Projects must be a minimum of $500,000 for counties with a population over 1 million (Alameda, Contra Costa, and Santa Clara counties) and $250,000 for counties with a population under one million (Marin, Napa, San Francisco, San Mateo, Solano, and Sonoma counties). *Exception request to minimum grant size*
5	**Local Match** *Does the project meet local match requirements?*	☐ Project sponsor will provide a local match of at least 11.47% of the total project cost. *Notes on local match, optional* **2 points for match up to 15%.** **5 points for match greater than or equal to 20%.**
	Additional Criteria	
5	**Fix-It First Road Preservation** *Preservation of the local streets and roads on federally eligible arterials and collectors*	☐ Project meets the requirements for federal-aid eligible system. Confirmation is required through the Highway Performance Monitoring System and attached to the application prior to award of funds. *Please describe and include location map(s) indicating segment(s).*
5	**Project Benefits** *What are the merits of the project beyond adherence to PBA 2050 policies?*	Describe the project's benefits, such as addressing safety, gap closure or connectivity, VMT reduction, planned housing density with a transportation nexus, transportation to housing and/or jobs.

TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 06/21/2022
ITEM NO: 10

DATE: June 2, 2022

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Authorize the Town Manager to Execute a Five-Year Agreement for Services with Brightview Landscape Services, Inc. for Landscape Maintenance Services in an Amount of $167,402 Annually, Plus an Additional Five Percent ($8,370) for Unforeseen Services for a Total Annual Amount Not to Exceed $175,772, and a Total Agreement Base Amount Valued at $878,860 Prior to Any Increase Adjustments Made for Consumer Price Index (CPI)

RECOMMENDATION:

Authorize the Town Manager to execute a five-year agreement for services (Attachment 1) with Brightview Landscape Services, Inc. in an amount of $167,402 annually, plus an additional five percent ($8,370) for unforeseen services for a total annual amount not to exceed $175,772, and a total agreement base amount valued at $878,860 prior to any increase adjustments made for Consumer Price Index (CPI).

BACKGROUND:

As part of the Operating Budget, landscape maintenance funds are provided for mowing, edging, and landscape maintenance in Town parks, median islands, facilities, right of ways, and special assessment districts.

The Town has utilized contractual landscape services for routine maintenance to supplement Town staff, allowing the Parks and Public Works staff to focus on providing day to day operational services within the parks system. Staff reviews such maintenance contracts routinely to ensure the contract services align with the Town's needs, the contracts are competitively priced, and the service provider continues to meet the Town's expectations and contract terms. The maintenance agreement with the Town's current service provider, Jensen Landscape, has been in place for five years and expires on June 30, 2022.

PREPARED BY: Jim Harbin
Superintendent

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, Finance Director, and Interim Director of Parks and Public Works

DISCUSSION:

Staff prepared a Request for Proposals (RFP) for the following landscape maintenance service categories:

- Median island and facilities maintenance
- Turf mowing
- Landscape and Lighting Assessment District (LLD) maintenance
- Additional as-needed services (e.g., irrigation repairs, turf aeration and fertilization)

As a result of the RFP process, two proposals were received on May 27, 2022. The results are summarized in Attachment 2.

Staff determined that Brightview Landscape Services, Inc. was the most cost competitive firm to provide the requested services. Brightview Landscape Services, Inc. provides landscape maintenance services to multiple Bay Area cities including the City of San Jose, City of Fremont, and the City of Milpitas and high-tech properties like Cisco, Apple, and Google. Brightview is the largest full-service landscape company in the United States.

The RFP included line-item costs for miscellaneous services for irrigation repairs and turf maintenance on an as-needed basis. Staff anticipates increased aeration and turf amenities as water reduction continues due to drought conditions the Bay Area is experiencing.

The agreement term for five years allows for continuity of service and maximizes savings by engaging the firm for multiple years. The contract language provides for cancellation should the Town desire to do so during the contract term. To accommodate the potential impacts of inflation on the service, the contract allows for annual increases based on the Consumer Price Index beginning year two.

CONCLUSION:

Authorize the Town Manager to execute a five-year agreement for services (Attachment 1) with Brightview Landscape Services, Inc. in an amount of $167,402 annually, plus an additional five percent ($8,370) for unforeseen services for a total annual amount not to exceed $175,772, for a total agreement base amount valued at $878,860 prior to any increase adjustments made for Consumer Price Index (CPI).

FISCAL IMPACT:

Multiple programs are budgeted for landscape maintenance services. 5301-63363 is the main operating budget program for the services and there are six Landscape and Lighting Assessment District (LLD) programs (5501, 5502, 5503, 5504, 5505, and 5506) which pay for the services

FISCAL IMPACT (continued):

within each district. Program 5301-63363 is budgeted to pay for two separate service agreements and during the preparation of the FY 2022/23 budget, staff programmed a 10% Consumer Price Index increase to $119,936. Of the $119,936, $104,686 is for the landscape maintenance services related to this service agreement; however, it does not include the amount for services within the LLDs.

The result of the proposals demonstrates cost increases for landscaping services above staff's estimated costs in the FY 2022/23 budget. The lowest submitted bid of $133,550 for non-LLD services (5301-63363) results in approximately $37,000 of additional costs above the amounts in the FY 2022/23 budget.

The bid amount of $33,852 for LLD services (5501, 5502, 5503, 5504, 5505, and 5506) results in approximately $9,600 of additional costs above the amounts in the FY 2022/23 budget, which is expected to be absorbed in the Kennedy Meadows, Santa Rosa, and Vasona Heights Assessment Districts.

There is no budget adjustment recommended at this time as staff anticipates asking Council to consider these increased costs during the FY 2022/23 Mid-Year budget review with recommendations on potential funding sources. Staff also anticipates recommending future adjustments to the local improvement districts annual assessments to prevent deficits from accumulating in these funds due to the increased costs.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:
1. Agreement for Services including Exhibit A – Brightview Landscape Services, Inc.
2. Bid Summary Sheet

AGREEMENT FOR SERVICES

THIS AGREEMENT is dated for identification this 21st of June 2022, and is made by and between TOWN OF LOS GATOS, a California municipal corporation, ("Town") and Brightview Landscape Services, Inc. ("Service Provider"), whose address is 450 Phelan Ave, San Jose, CA 95112. 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 Landscaping Services.

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 May 27, 2022, 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, 2022, and will continue through June 30, 2027, 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 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: shall be as follows, per the bid pricing sheet as described in Exhibit A.

Total Bid Pricing	
Medians & Facilities	$61,770
Add/Alt Locations	$4,724
Mowing	$67,056
Landscape & Lighting	$33,852
Total	$167,402

Preventative maintenance – shall not exceed $167,402 annually.
Unanticipated maintenance – shall not exceed $8,370 annually.

For a total amount not to exceed $175,772 annually, and a total agreement base amount valued at $878,860, prior to any increase adjustments for CPI.

Compensation for year one shall not exceed $175,772. Compensation for future years 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 will remain at the base amount. Payment shall be based upon Town approval of each task.

2.7 Failure to Perform:

It is mutually agreed by SERVICE PROVIDER and TOWN that in the event that performance of the work by SERVICE PROVIDER under this Agreement is not completed as scheduled, TOWN will suffer damages and will incur other costs and expenses of a nature and amount which is difficult or impractical to determine. The Parties agree that by way of ascertaining and fixing the amount of damages, costs and expenses, and not by way of penalty, SERVICE

PROVIDER shall pay to TOWN the sum of one hundred dollars ($100.00) per location per scheduled service in liquidated damages for every missed service in addition to reducing the monthly payment by the cost of that service. In the event that the liquidated damages are not paid, SERVICE PROVIDER agrees that TOWN may deduct the amount of unpaid damages from any money due or that may become due to SERVICE PROVIDER under this Agreement.

2.8 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

2.9 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.

2.10 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.

2.11 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 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.

2.12 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.

2.13 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: one million dollars ($1,000,000) 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.

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 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 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 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 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.

3.4 Indemnification. The Service Provider shall save, keep, hold harmless and indemnify and defend the Town its officers, agent, 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 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 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.

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

Brightview Landscape Service, Inc.
450 Phelan Ave.
San Jose, CA 95112

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.

IN WITNESS WHEREOF, the Town and Service Provider have executed this Agreement.

Town of Los Gatos by:

_____

Laurel Prevetti, Town Manager

Recommended by:

_____

Timm Borden, Interim Director of Parks and Public Works

Approved as to Form:

_____

Gabrielle Whelan, Town Attorney

Attest:

_____

Shelley Neis, MMC, CPMC, Town Clerk

Brightview Landscape Service, Inc., by:

_____

_____

Title

Landscape Maintenance Services

BUSINESS PROPOSAL – May 27, 2022

BrightView Landscape Services, Inc.
450 Phelan Ave, San Jose CA 95112
T:(775) 303-6412 E: Travis.Wilson@brightview.com

BrightView Landscape Services, Inc.
450 Phelan Ave
San Jose, CA 95112

TRANSMITTAL LETTER

May 27, 2022

Town of Los Gatos
41 Miles Avenue
Los Gatos, CA 95030

RE: Town of Los Gatos Request for Proposal for Landscape Maintenance Services

This proposal is in response to the Request for Proposal - **Landscape Maintenance Services.** As the current landscape provider for many local municipalities, our proven experience managing these sites make BrightView uniquely qualified to be selected as your landscape maintenance firm. We understand the expectation of a well thought out Landscape Management Program and will deliver a plan that affordably meets the City's requirements.

In submitting this proposal as herein described, the undersigned as a bidder, declares that he has thoroughly examined all of the contract documents herein contained in the RFP; and has carefully examined the locations of the proposed work, the plans, and specifications for Landscape Maintenance Services, and hereby proposes to furnish all materials and do all work necessary and/or required to complete the work in accordance with the plans, special provisions, and specifications for the lump sum prices or bid prices set forth in the schedule below and forming as part of this proposal.

BrightView Landscape Services, Inc. guarantees that this proposal will be in effect for sixty (60) calendar days from date of submittal.

Individual to contact regarding the proposal:

Travis Wilson
Business Development Executive
travis.wilson@brightview.com
C: 775-303-6412

Individual authorized to represent BrightView with contract negotiations and execution:

Karine Stuimer
Group Vice President
karine.stuimer@brightview.com
Office: 408-453-5904

We look forward for the opportunity to work with Town of Los Gatos on this project.

Sincerely,

Karine Stuimer

Karine Stuimer
Group Vice President

QUALIFICATIONS OF THE BIDDER

BrightView Landscape Services, Inc. Formerly ValleyCrest Companies and the Brickman Group were formed in 1949 by Burt Sperber in North Hollywood, CA. Starting with one nursery business, Burt expanded ValleyCrest into Landscape Nurseries, Development, Maintenance, Tree Care Services and Golf Course Maintenance. Today, BrightView is the largest full-service landscape company in the United States. In our Landscape Maintenance division, we employ over 20,000+ employees and have 121 branches in 32 states and Puerto Rico. We specialize in a large array of services.

BrightView's Maintenance Services segment delivers a full suite of recurring commercial landscaping services in both evergreen and seasonal markets, ranging from mowing, gardening, mulching and snow removal, to more horticulturally advanced services, such as water management, irrigation maintenance, tree care, golf course maintenance and specialty turf maintenance. Our maintenance division services customers including Fortune 500 corporate campuses and commercial properties, HOAs, public parks, leading international hotels and resorts, airport authorities, municipalities, hospitals and other healthcare facilities, educational institutions, restaurants and retail, and golf courses, among others.

We are the largest provider of commercial landscaping services in the United States, with revenues more than 10 times those of our next largest commercial landscaping competitor. We operate through a differentiated and integrated national service model which systematically delivers services at the local level by combining our network of over 200 branches with a qualified service partner network. Our branch delivery model underpins our position as a single-source end-to-end landscaping solution provider to our diverse customer base at the national, regional, and local levels, which we believe represents a significant competitive advantage.

BrightView has a highly trained staff that can develop a flexible and efficient plan to manage the Town of Los Gatos to successfully serve the citizens who use it. The key personnel we have assigned to this contract have over ten (10) years of training and experience. We will also place a full-time employee to the job as a dedicated Account Manager for the duration of the contract, who has over ten (20) years of experience in landscape maintenance supervision. In addition, our team includes an Irrigation Manager with over twenty-five (25) years of experience in irrigation installation and repairs and personnel with a California Qualified Applicator's License.

With over 75 years of landscape management, BrightView has experience with servicing high-end landscapes in the Bay area. With our multiple locations, we provide service to several government entities, including the City of San Jose, City of San Ramon, City of Hayward, City of Fremont, and City of Milpitas. Additionally, we provide services to multiple high-end properties for clients like Cisco, Apple, Google and Stanford Healthcare, which have locations in the Bay area. BrightView performs general landscape maintenance services for these clients, including turf management, water management, irrigation management, parkway maintenance sports field management, arbor care, plant health care, seasonal flower changes, and landscape upgrades including mulch applications.

Our management teams are the best in the industry and go through extensive training to ensure all contract guidelines are met for each customer, always delivering on our commitments. Our Bay area managers have all been with BrightView for over 15 years each, leading the maintenance and tree departments.

Our experienced, local teams ensure that your assets are more than simply maintained - they are enhanced to achieve maximum appeal and benefit. Whatever landscape challenges or opportunities you might have, BrightView's dedicated and friendly staff will partner with you to accomplish your goals.

rightView Landscape Services, Inc. is a corporation, which is publicly traded under BrightView

Holdings, Inc. In July 2018, we completed the initial public offering of our common stock. Our common stock trades on the New York Stock Exchange under the symbol “BV”. Our principal executive offices are located at 980 Jolly Road, Blue Bell, PA 19422, www.brightview.com.

BrightView Landscape Services, Inc. is registered with the California Secretary of State, entity no. 0597424, registration date: 4/30/1970.

Evidence of Insurance is provided in the supporting documents. Brightview will have no issue procuring insurance required by the contract.

BrightView will not be using subcontractors for this work. All required services provided in the Scope of Work will be completed in-house.

BrightView embraces environmental stewardship as a core component of our mission. This value is reflected in our people, our work and how we operate our business each day. Our essential purpose is to expand and enhance the presence of plants and trees in the world, and those endeavors inextricably link BrightView to the ongoing process of creating a more sustainable Planet. Environmentally responsible landscapes – ones that protect, support, and safeguard our natural resources – are the intrinsic result of our efforts to continually innovate and educate through the array of design, development, and maintenance services we offer.

SUSTAINABILITY

At BrightView, finding solutions for some of our pressing environmental issues is vital to the future health of our company and our world. We view our role as one of support, rather than imposition on the natural and built environment. As an established leader in the landscape industry, we realize it is our duty and responsibility to apply unmatched expertise and resources to the process of finding real-world solutions that encourage water conservation, minimize green waste, protect natural habitats, and advocate other environmentally friendly horticultural best practices.

BrightView is holistically committed to making constant improvements in all areas of our operations and to collaboratively support the communities in which we operate by offering real contributions that improve the quality of life for all.

Oil and Green Waste Recycling
We recycle all of our large equipment oil (e.g. mowers, trucks). Our green waste recycling Includes grass clippings, leaves, small branches, and other landscape generated debris is transported to a green waste facility where it is broken down into compost rather than taking up space at a conventional landfill.

Efficient Vehicles
We are currently transitioning over to more fuel-efficient vehicles for our staff, including Toyota Prius, Chevy Bolts, Ford Fusion Hybrids, Ford Escape Hybrids and Ford Rangers

Stewardship
Bring ideas and innovations that will help Napa County meet their goals for environmental stewardship. These may be related but not limited to water and energy conservation, improved indoor environmental health, and healthy material use

Electric Equipment
On-site power equipment will be battery powered electric equipment.

Pioneers in Energy Efficient Equipment in Landscape
BrightView is one of the nation’s largest users of zero-emission landscaping equipment, including electric line trimmers, electric blowers, and a fleet of electric mowers. Based on each mower running an average of 300 hours per year, each team of BrightView’s electric mowers eliminates

emissions equal to 1,500 cars averaging 12,000 miles per year. BrightView crews maintain landscapes at some sites such as, the University of Pennsylvania, using 100 percent electric mowers.

Bay Friendly Maintenance Practices

Bay-Friendly Landscape Maintenance practices shall be employed to minimize waste, protect air, and water quality, conserve energy and water, and protect natural ecosystems. All work shall be performed in a professional manner, using quality equipment, Bay-Friendly methods, and materials. The Branch Manager, William Carey, is Bay Friendly Qualified, and will ensure all Bay Friendly guidelines will be followed.

BrightView has been present in the Bay area for over 47 years. We are a respected full-service, maintenance company, with an average 15-year employee tenure. BrightView has significant operational capacity with in-house resources to include: Water Conservation experts, Irrigation Technicians, Certified Bay-Friendly Landscape Professionals, Certified Arborist, Pest Control and Safety Professional staff.

Project Team

Mike Ney, Vice President General Manager
KEY ROLE: Responsible for the successful operation of the San Jose Market and to support and develop Branch Managers. Ensures quality and efficient landscape management for clients. Inspects client properties to monitor performance and overall job quality
Employed with BrightView Landscape Services since 1999

- Employed with BrightView for 19 years / 23 years in the industry
- Environmental Horticulture Science, Cal Poly San Luis Obispo, CA
- IA Certified Landscape Irrigation Water Auditor
- AWWA Cross Connection specialist
- QAL – California Department of Pesticide Regulation
- Licensing / Certification Program (Category B) 15 years

Eric Santos – Vice President Irrigation
Eric Santos oversees Irrigation and Water Management Services for BrightView and leads BrightView Irrigation Advisory Network and BrightView Irrigation Training Program. Eric graduated from Cal Poly, San Luis Obispo, with a Bachelor of Science degree in Agricultural Engineering and has worked with BrightView Landscape Services (formerly ValleyCrest) since 1994.

- IA Certified Landscape Irrigation Auditor
- IA Certified Golf Irrigation Auditor
- IA Certified Irrigation Contractor
- IA Certified Irrigation Designer – Golf, Res, Comm. #002701
- IA Certified Landscape Water Manager
- IA Certified Irrigation Technician
- IA Certified Ag Irrigation Specialist
- US EPA WaterSense Partner
- AWWA - CA/NV Backflow Prevention Specialist #6881
- AWWA - CA/NV Cross Connection Specialist #903

Jay Jamison – Director of Operations
Constantly works to provide you with industry-leading value for the cost by improving BrightView's daily operations and value-added services, as well as creating innovative cost-reduction solutions. recruits and develops managers and field personnel that have a proven track record of industry success. Builds and maintains relationships with customers to ensure we are exceeding your expectations.

- Jay has an AS degree in Agronomy/Pest Management.
- He has worked in the golf and landscape industry since 1988 in both maintenance and construction.
- Been with BrightView since 2005 holding positions of Operations Manager, Account Manager and Branch Manager and promoted to Director of Operations in 2017.

Ryan Bolich, Branch Manager
20 years in the industry including working at some of the most prestigious golf facilities in the Bay Area including Stanford University and Los Altos Golf and Country Club.

- BA University of California, Santa Cruz 2003
- MA University of California, Santa Cruz 2005
- MA University of Western Ontario, London, Ontario Canada 2006
- Joined BrightView 5 years ago
- PGA Class "A" golf professional

Luis Valdovinos, Account Manager
Luis joined Brightview in 2020 as a Production manager after spending 15 years in the landscape industry at various positions. He comes from a large landscaping family, as all his family members are involved in the professional landscaping business. In early 2021 Luis was promoted to Account Manager and has proven to be very successful in this role. Luis holds a bachelor's degree in Business Administration and Marketing from San Francisco State University.

Daniel Arroyo, Production Manager
Daniel has been in the landscaping business for 25+ years. He has been with Brightview for over 20 years. Daniel brings a wealth of experience in all aspects of landscaping. In his career he has worked in maintenance running crews on site; worked as a Production Specialist, designing and creating new landscapes; and as an Irrigation lead running a team of irrigation technicians. In his current role Daniel is responsible for the quality of the landscaping on site as well as the training of the crews. He is our management team's eyes on the ground and will be inspecting the landscaping sites several times a week.

Transition

90 DAY START-UP

The landscape maintenance team at BrightView is prepared to make a positive impact on the existing landscape of the Town of Los Gatos within the first ninety-days. Our start up program will result in identifying those landscape elements that may not meet acceptable standards in plant health, safety, and aesthetics, and outline a plan of landscape management.

90 Day Plan

BrightView is committed to improvement through a systematic development of priorities for safety, bike path conditions, shrub care, tree care, water basin, medians and sidewalks planters and aesthetics.

- Maintain and improve the appearance of the property in general
- Start-up and complete summer maintenance cycle and prepare for winter as sections are turned over to the Town of Los Gatos.
- Work with you to further develop a horticultural sound long-term goal and assist with the creation of budgets.

START UP PROCESS

BrightView will prepare a landscape needs assessment (horticultural analysis of the existing landscape) using the objective of the landscape master plan. The first step includes photo documentation to illustrate existing conditions and assist with the determination of benchmarks for improvement. Improvement areas will be designated as those areas impacting site safety, shrubs, hedges, groundcover, and necessary weed abatement. Also included will be a safety inspection, a survey of the entire job site regarding possible hazards and safety concerns. A report on these concerns and recommendations for mitigation will follow. All dead or dying plant material will be removed following approval.

These initial efforts will result in a thorough knowledge and understanding of the sites' conditions, requirements, and needed areas of improvement. We feel an immediate, positive impact is possible on existing fertility, tree detail and weed control.

<u>WATER MANAGEMENT SERVICES AVAILABLE</u>
Experienced team trained and certified in the operation of leading Central Irrigation Systems and ET adjusting controllers.

- Application and administration of water rebate programs offered by local water agencies.
- Installation of water conservation devices such as pressure regulators, rain shut off devices, ET adjusting controllers, and MPR sprinkler nozzles.
- Water Auditing and Budgeting.
- Irrigation Design and Installation
- Backflow and Cross Connection Testing.
- Reclaimed Water Installation, Retrofit and Management.

<u>SEASONAL ACTIVITIES</u>
At BrightView, we utilize seasonal activities when lawn and plants are dormant. Seasonal Activities Include:

- Dead Heading Seed Head of Fescue and others
- Leaf Clean-Up
- Hard Pruning

MAINTENANCE ROUTINE BY AREA

In our 90 day start-up we will submit a maintenance route for the locations that are serviced by frequency. This will include a path of travel, pruning and mowing route. This is a helpful schedule for all city managers to find us in any location during the workweek.

ROUTING OUR TEAMS

Proper routing: reduces wasted time, inefficient service, lower use of fuel per truck and decreases accident rates.

The crew will be assigned a route that they will service per the requirements and agreed upon service frequencies. We will utilize a custom map that plots all the jobs for the city and is coded for frequency, included site notes, and can be used for scheduling.

PREVENTATIVE MAINTENANCE

- After hours shop services to minimize equipment downtime
- Scheduled oil and lube/grease changes based on equipment use and conditions
- Daily cleaning of equipment and checks for loose nuts and bolts
- Daily sharpening of mower blades to provide clean cuts
- Daily inspection of safety switches
- Monthly renovation of equipment by shop manager
- Extra equipment available for use when others are in the shop
- Mobile fleet mechanic
- Every property is different and thus has a unique set of maintenance needs. We will evaluate the areas of work in detail to create a maintenance plan that will fit into our new direction like the one below.

TASK SPECIFIC ITEMS

Pruning: Pruning will be performed at least three times per year at each site. Best horticultural practices will be followed when pruning. The Town of Los Gatos will be consulted if there are any questions on desired pruning in an area.

Chemical Applications: All field staff are trained annually on the safe and proper handling of pesticides. Though not every person is expected to spray, we want to ensure that the staff knows how to handle it in case of an emergency. The spray program will be overseen by a certified QAL and Edwin Cortez, Production Manager, is readily available to assist in creating unique spray programs, perform in-depth trainings or help diagnose plant health issues.

Fertilizer: Our team will be training with Edwin Cortez, Production Manager, to assist us in getting even coverage and proper application of our fertilizer.

Leaves: When leaf season hits it is all hands-on deck. We know how challenging leaf season can be and have the equipment and manpower to handle it in a timely manner. We have multiple leaf vacuums and large dump trucks for quick and efficient loading of the leaves. We have crews come ahead and prepare areas ahead of the leaf trucks so that we can fully use them when the leaf fall is intense. We have an extra truck on hand to rotate in while the first is on its way to the dump. At peak season we are taking multiple dumps per day to the green waste stations. We also have two tow behind blowers, which we use to help get the leaves out of the street or sidewalks; they are able to quickly move large amounts of leaves.

When possible, we mulch the leaves and return the clippings to bare planter beds to help build up a healthy layer of topsoil in the planter beds. Leaves are removed from the turf when there is a lot of buildup, when the leaf fall is not significant the mow crew mulches the leaves into the grass. This enlarges our ability to handle more sites per day.

Weed, Disease and Pest Control Plan: We will provide on a monthly basis our material data

safety sheets on all products used and provide a screen shot each month of our Contractor's State Pesticide Report.

Integrated Pest Management (IPM) is an environmentally sensitive approach to pest management that incorporates three phases of control: prevention, observation, and intervention. Through this approach, BrightView significantly reduces or eliminates the use of pesticides. We can manage pests below a tolerable population threshold without hindering the beneficial organisms that assist in maintaining the environment. Products are initially selected for their effectiveness and the Directors of Technical Services evaluate each product according to its performance (efficacy) and the plant's tolerance to the product**. Complete IPM program included in proposal.**

Products are also screened for their possible effects on the health of employees, clients, and the public. Healthy plants managed in the proper environment can tolerate more pests and disease. Pest control relies on good cultural practices, trapping, predators, biological controls, least toxic alternatives, as well as traditional pesticides when necessary. All these methods are used by BrightView to incorporate IPM into our projects.

Irrigation System Maintenance and Repair Plan: Primary goal will include an initial inspection of the irrigation system at all locations to identify any system failures and repair accordingly in addition to providing a report for the Town of Los Gatos for review. Reporting will be completed as outlined in the RFP scope of work**.**

A systematic approach will be utilized to maximize the use of controllers for seasonal irrigation including the frequency and duration to meet the water requirements of the plan serviced by the valve. Programming of the controllers will be done in accordance as directed by the City Account Manager. System checks will be performed weekly to identify maintenance repairs as specified in the RFP scope of work. Measures will be adhered to in the event drought conditions are mandated

TREE CARE

- Tree Pruning:
- Maintain site lines and clearance
- Prune as necessary to maintain open walkways, intersections, security cameras and stations, utility access etc.
- Trip and fall hazards
- Regularly remove dead, broken and hanging branches.
- Future tree structure
- Prune young trees for central leader and spaced branching

Disease Control:

- Reduce amount dead leaves and dieback on certain trees and shrubs
- Disease control program for sycamores, roses, oaks, and other woody plants

Insect Control:

- Reduce sticky honeydew and sooty mold
- Treat aphids and similar sucking insects that feed on sugary plant sap. Sometimes this sticky sap drips onto walkways and patios. Dark mold often grows on the sap. Dirt sticks to dripping sap blowing onto windows.

Staking and Guying Plan

- On a monthly basis, BrightView shall check and perform staking and guying of all trees if required
- Trees that are injured by stakes and/or girdled by ties will be replaced by BrightView.

STAFFING PLAN:

Quantity	Position
1	Project/Account Manager
1	Production Managers
2	Full time crew members with truck and trailer
1	Irrigation tech

- Production Manager support the Project/Account Managers to coordinate the crews, create quality control inspections (QI) and other field activities. Our Production Managers directly supervise the crews and quality of our services. They conduct regular spot checks of each crew and routine physical inspections of all job sites. They will also provide reports and updates as needed to the Town of Los Gatos Maintenance Managers.

- **Mowing:** The mowing is scheduled and geographically routed. Crews will provide turf care service by area, including mowing, leaf abatement, hazard checks, hardscape blowing, and all detailing. Porters will be working in the same geographical regions as the mowers.

Crew sizes will be dictated by areas and efficiencies. The mow crews are to police areas where they are pruning for trash and branches and are to communicate safety, irrigation or weed issues to Account Managers.

In the winter months when mowing services are reduced, the Account Manager will be sending written communication about any delays in mowing services due to rain, frost, or storms, as well as a written plan to get back in schedule.

- **Pruning:** We will be providing crews to complete the pruning at least three times per year. These crews will perform shrub pruning, ground cover edging, vine control where applicable, supplemental weed control, debris removal and trash pick-up. Priority will be given to safety clearance of corners, sidewalks, bike paths and other pedestrian or vehicle access/visibility issues.

Time has been scheduled in the annual schedule for pruning crews to assist with leaf drop in the winter and weeds in the spring as needed.

- **Irrigation manger:** We will have one irrigation manager who will work as the point of contact for the Town of Los Gatos irrigation. He will be responsible to organize tasks for the Irrigation Technicians; reporting and following up on work orders; updating Google Docs and overseeing quality control. He will also oversee the monitoring and adjustment of the stand-alone systems, as well as assist in performing repairs if needed.

- **Irrigation technicians:** Three irrigation technicians report to the irrigation manager. Our irrigation technicians are familiar with the contract and know the irrigation systems intimately. Their knowledge and work effort help set us apart from other contractors. One of the technicians will be devoted to the checking and basic repairs of the Town of Los Gatos controllers. He will conduct on-site irrigation system checks for maximum water efficiency and propose programming changes to the Town of Los Gatos for the centralized system. He will monitor and adjust stand-alone systems, as well as perform any repairs necessary. The other two technicians will work with the irrigation manager to repair contractual issues reported by the Town of Los Gatos. The irrigation technicians will also be point of contact with the field for any repairs or issues the field staff see in their areas. Any issues found by the technicians or field staff will be reported to the irrigation manger to be repaired or discussed as needed with the Town of Los Gatos. They will also be assisting with the

system checks on city controllers. Managers and field staff communicate with the irrigation team through phone

- calls, site walks and texts. Texts include photos of the issues as well as site locations and details of the issue.

- **Irrigation Repair Technicians**: Irrigation technician and crew focused on billable repairs that consist of a separate team so that your landscape does not fall behind.

- **Spray Technicians:** We have 3 experienced spray technicians who work independently, at the direction of the Production Manager, to perform chemical and non-chemical weed control efforts, and general hazard checks. The technicians are trained and will be supervised by a DPR Qualified Applicator. Prune crews, mow crews and porters will supplement post-emergent spraying while on site. Spray technicians will also perform all pre-emergents, turf post-emergents, and plant growth regulator applications. They can also apply chemical for aphid prevention, fruit reduction and other pest control activities if desired.

- **Enhancements Crews**: The Branch has an enhancement team for installation, and renovation projects or any large projects like weed abatement or large pruning projects that are outside of the scope of work. They are available as support to the Account Manager and Customer for consultation and design of renovation or water conservation projects. In addition, we have these enhancement crews separate from our maintenance crews to perform any billable work.

- **Staff**: BrightView currently has the management and field staff ready to devote to the contract, including experienced crew leaders, trained and efficient irrigation technicians and multiple spray technicians, we will hire on field staff as needed between being awarded the contract and the start of the contract so that we can be prepared to start the new contract off strong.

    - Each crew is supervised by an English-speaking Crew Leader and cross trained with another Crew Leader to provide consistent, quality service in the event of vacation or sick time. Generally, they will work in 2-man crews, but crews may work in tandem. This will allow for several staff to be familiar with all areas.

- Our Crew Leaders and Technicians are included in the planning and scheduling of the work, as well as given direct supervision and training from our Account Managers, Production Managers, Branch Manager and Regional Manager.

- Meetings will be conducted weekly with Crews, Technicians and Manager to review schedule and priorities. Adherence to the maintenance schedule will be strictly enforced through on-site physical checks and regular communication via telephone.

- All crews, technicians and managers are equipped with phones with email, camera, and text abilities to ensure timely and thorough communication from the field to both customer and internal parties.

- All BrightView employees are required to wear their assigned uniforms during their shift and maintain them in a clean, neat order. They vary by seasonal need, but will include long blue work pants, logoed work shirt or jacket, OSHA approved safety vest, work boots and other required safety equipment (PPE).

- Each vehicle is identified by fleet number. All drivers are screened and drivers that tow trailers are DOT certified and must meet stringent driving record requirements prior to employment.

- All waste materials will be transported and disposed of at a proper disposal facility. Chemicals and equipment will be applied or used in compliance with all local, state, and federal authorities and common-sense safety practices.

We have in-house mechanics which allow us to have quick turnaround on repairs and equipment set up so there is no down time in the field. The mechanics also assist the crews in preventative maintenance on their equipment and vehicles.

HOURS OF OPERATION:

Branch hours of operation: 6:30 am to 4 pm

EMERGENCY AFTER HOURS CONTACT INFORMATION

Emergencies are best managed through by contacting our Emergency Call Line at (650) 289-9324. A designated manager will be On-Call, ready to respond within 24 hours, 365 days a year, as needed.

- You will have 24/7 access to your Account Manager, by telephone and email. Our gardeners and irrigation specialists are also available around the clock.
- Emergencies that occur outside of regular business hours will be dealt with according to the severity of the situation.

- For minor irrigation issues, we will do everything possible to turn off the water supply within two hours or less of being notified and fix the problem the next business day.
- All safety hazards will be resolved at the time we are notified.
- You can expect a response and proposed solutions to after-hours emergencies within two hours or less.

Horticulture Calendar

TURF	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	OPTIONAL
Mow	●	●	●	●	●	●	●	●	●	●	●	●	
Blowing	●	●	●	●	●	●	●	●	●	●	●	●	
Edge	●	●	●	●	●	●	●	●	●	●	●	●	
Aeration			●										
Fertilizer			●					●					as needed
Pre-emergent Weed control		●											
Post-emergent Weed control	●		●	●	●	●	●	●	●	●	●	●	as needed
Disease Control	●	●	●	●	●	●	●	●	●	●	●	●	as needed
Insect Control	●	●	●	●	●	●	●	●	●	●	●	●	as needed
SHRUBS AND BEDS	**JAN**	**FEB**	**MAR**	**APR**	**MAY**	**JUN**	**JUL**	**AUG**	**SEP**	**OCT**	**NOV**	**DEC**	**OPTIONAL**
Weed control	●	●	●	●	●	●	●	●	●	●	●	●	
Pre-emergent weed control		●											
Post-emergent Weed control	●		●	●	●	●	●	●	●	●	●	●	
Spot Treatments	●	●	●	●	●	●	●	●	●	●	●	●	
Fertilization				●						●			as needed
Disease Control	●	●	●	●	●	●	●	●	●	●	●	●	as needed
Insect Control	●	●	●	●	●	●	●	●	●	●	●	●	as needed
Trail Maintenace	●	●	●	●	●	●	●	●	●	●	●	●	
TREES	**JAN**	**FEB**	**MAR**	**APR**	**MAY**	**JUN**	**JUL**	**AUG**	**SEP**	**OCT**	**NOV**	**DEC**	**OPTIONAL**
Detail Tree Rings	●	●	●	●	●	●	●	●	●	●	●	●	
Pruning up to 15' hgt.	●			●				●			●		
Insect Control	●	●	●	●	●	●	●	●	●	●	●	●	
MISCELLANEOUS	**JAN**	**FEB**	**MAR**	**APR**	**MAY**	**JUN**	**JUL**	**AUG**	**SEP**	**OCT**	**NOV**	**DEC**	**OPTIONAL**
Debris/ Litter Removal	●	●	●	●	●	●	●	●	●	●	●	●	
Fall Clean-up									●	●	●		
Spring Clean-up		●	●	●									
Curb/Gutter Weed Control	●	●	●	●	●	●	●	●	●	●	●	●	
IRRIGATION	**JAN**	**FEB**	**MAR**	**APR**	**MAY**	**JUN**	**JUL**	**AUG**	**SEP**	**OCT**	**NOV**	**DEC**	**OPTIONAL**
Inspection	●	●	●	●	●	●	●	●	●	●	●	●	
Controller Box Cleaning	●	●	●	●	●	●	●	●	●	●	●	●	

BrightView Landscape Maintenance IPM Program

The BrightView fertilizer and pest control programs are IPM programs. Pests are *identified and monitored*. Monitoring insects, mites and diseases means someone working in the landscape must see damaged ornamental plants from the insects or disease, be familiar with that damage, and observe the damage over time. Is it getting worse? Is it spreading? **And**, does it matter to the clients and people who live, work or recreate in the landscape. Location is important as well. Shrubs covered with sticky honeydew from sucking insects near a building entrance is a concern, shrubs covered with sticky honey, but in a parking lot perimeter bed, may not be an issue. However, these plants must be monitored to ensure the sucking insects are not causing the shrubs to decline.

The major landscape pest is weeds. Weeds are prevented by many management practices. BrightView only uses pesticides such as herbicides, insecticides, miticides where pests are degrading the landscape or causing unacceptable plant damage. This is often called an *Action Threshold,* and will vary by type of property and standards set the property manager. There is also business incentive minimize pesticide use. BrightView contracts include most pest control and BrightView does not charge for most pesticide applications. Consequently, labor and materials cost of pesticide applications are an expense - with no off-setting revenue.

Fertilizer products are chosen for both landscape plant needs and environmental goals of the client. Most fertilizer use is for fine turf that is expected to have few weeds. Nitrogen fertilizer maintains the turf density to keep weeds from establishing in soil exposed to sunlight. Turf that must tolerate wear like event lawns and sports turf requires enough nitrogen fertilizer to maintain enough active growth to replace plants damaged by objects placed on the turf, foot traffic and sports use. As with pesticides, fertilizer is usually a labor and material cost with no off-setting revenue. Minimizing turf fertilizer applications reduces mowing time, fuel use and equipment wear. These are all expenses that are reduced – a benefit of reduced fertilizer. However, as discussed above if the turf grows too slowly and becomes thin, weeds will invade much more easily. Weeds are the best adapted plants on the landscape, and they will invade. Consequently, if we use too little fertilizer, we will incur an increased expense for labor and herbicides to control the weeds – a cost of reduced fertilizer.

Fertilizer needs vary with types of plants. Many established woody plants need very little fertilizer. Plants mulched with chipped branches or “Arbor mulch” often need little fertilizer. As much as possible, branches from pruning and all woody plant material is chipped and spread on site. Besides fertilizer value, the decaying mulch creates a spongy layer that holds water longer, and runoff is reduced.

Nitrogen stimulates more growth and flowering. Roses and many flowering perennials will have more visual impact when fertilized regularly through the year. Potassium fertilizer may be needed to support the nitrogen stimulated growth. Certain soils supply very little phosphate, and this need is indicated by regular soil testing.

Weed Control

Avoid Soil Movement of Landscapes
Major pollutants in urban areas with up-to-date Agency regulations are air pollution, largely from internal combustion engines and soil that is washed or blown off landscapes. Anytime soil is disturbed it can then be moved by air or water. A key part of minimizing pollution from soil is protecting unpaved soil surfaces with vegetation and mulch, and not disturbing the soil by digging. A significant amount of soil disturbance can result from digging up weeds to keep them from re-sprouting from roots and other underground parts.

Weeds are Adapted to Commercial Landscapes
Most Western landscape soil, even though compacted and root aeration-deficit prone, is quite fertile and many landscapes receive some nitrogen fertility from air pollution and recycled water. Many weeds are adapted to these “disturbed” and fertile conditions and are consequently well adapted to the urban landscape. Short of extensive digging the only way to do this is with systemic herbicides. All “alternative” herbicides are contact materials and consequently are usually ineffective. Many hard to control weeds are:

- Adapted to fire - weeds are tolerant of losing their tops either by burning off using flaming or herbicidal soaps, or mechanically with hoes.
- Adapted to drought - many weeds quickly grow a large root system which makes them tolerant of losing their tops from flaming, hoeing or contact herbicides.
- Adapted to intense grazing by sheep and goats - which makes them tolerant of losing their tops from flaming, contact herbicides, or hoeing.
- Weeds from Europe have gone through intense selection from the ice ages that squeezed all life into small areas between the ice and the Mediterranean Sea.

Many weeds from continental four season climates do not have these adaptations
It is important to select competitive landscape plants that will shade the weeds. Shrubs are typically best for this.

Herbicides required to control landscape adapted weeds
There are no organic/natural selective, systemic or preemergent herbicides. There are many claims and anecdotal information but no scientific or evidence based information to back the claims. There are many organic/natural non-selective contact herbicides.

None of the herbicides used by BrightView will leave the landscape when used properly and pose negligible risk to trained workers. Exposure to the public is negligible because these herbicides do not significantly volatilize and are very difficult to dislodge once the applied herbicide has dried.
Ornamental landscapes are largely composed shrubs, trees and grasses. These plants exude a large amount of sugars and others organic compounds from their roots into the soil. This exudate supports a high level of biological activity that is part of the soil-plant-food web and rhizosphere. Herbicides and other chemicals are rapidly metabolized by the soil microbes. Glyphosate is the herbicide used the most commonly, and it binds tightly to soil and will not move unless the soil moves. The preemergent herbicides isoxaben, prodiamine, and dithiopyr, when needed, are used in high enough quantity to create a continuous barrier to weed seed germination near the soil surface. However, these herbicides are not very soluble and will not move, again, as long the soil does not move.

The selective, systemic broadleaf herbicides triclopyr, 2,4-D, dicamba, and MCPP are soluble and move into the soil where they are rapidly broken down by the very biologically active rhizosphere around turfgrass roots.

Safety

Driver safety is included in BrightPath Training and is a regular topic of safety tailgates. BrightView trains drivers using the Smith System - 5 Rules of Safe Driving. We perform daily inspections on all vehicles. BrightView utilizes an electronic Driver Vehicle Inspection Report tool to ensure all vehicles are checked daily, Federal DOT requirements are met and to keep our equipment properly maintained and operational.

Our crew vehicles are equipped with all the standard safety devices outlined above. Each morning , prior to the workday, crew leaders inspect all trucks and trailers. BrightView also has extensive driver safety certification program, mandatory weekly field crew safety meetings and weekly management safety calls.

Our vehicles are equipped with the following:

- Fire Extinguisher (charged / mounted / inspected within last 12 months)
- OSHA 10-person first aid kit
- Safety triangle kit
- Spill kit
- 16 oz eye wash kit
- Cones (Pickup = 3, Truck & Trailer = 5, Dump Bed Truck = 5)
- Annual DOT or inspection sticker is current
- Driver and vehicle documents present

Prior to any work being performed our team members must perform the Take 2 Pre-Job Safety Briefing to raise awareness around workplace hazards and reduce employee exposure to hazardous conditions. This process has been implemented in an electronic version where team members can complete the eTake 2 Pre-Job Safety Briefing through the WorkSpaces phone app.

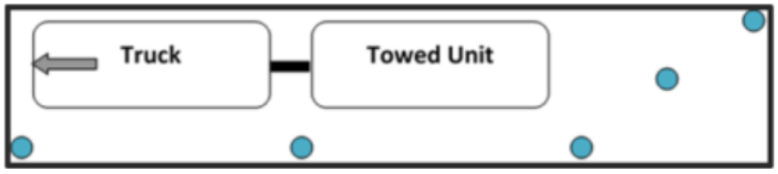
<u>Additional Information on Cones</u>
All Maintenance Truck and Trailer combos shall be inspected during dispatch/gate checks to ensure five (5) traffic cones are properly loaded and stored on the vehicles.

All Enhancement, Irrigation and Production Manager vehicles require three (3) traffic cones. Required: 28” minimum height, orange cone with two reflective stripes and black base.

<u>Positioning of Cones for Trucks and Towed Units:</u>

- Position cones behind the towed unit, angles toward the curb or side of the road (D.O.T or state guidelines may need to be used).
- One cone positioned in front of the vehicle.
- One cone positioned alongside between truck and towed unit. High visibility safety vests are required for all workers near traffic.

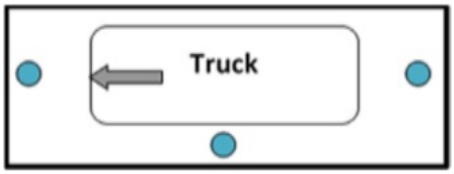
Example:



<u>Positioning of Cones for Vehicles without Towed Units:</u>

- One cone positioned behind the vehicle
- One cone positioned in front of the vehicle
- One cone positioned alongside the vehicle

Example:



Lastly, our team members have the right to stop work authority and that if any work cannot be performed safely…STOP…and contact Branch Management or Branch Safety Leader. Please do not hesitate to contact me with any questions.

Quality

The QSA System is BrightView's nationwide program that helps standardize the quality audit process. Implementing the QSA system will allow us to perform Landscape Quality Evaluations with efficiency and integrity while providing our customers and management a tool to monitor our performance. Our diversified training and communication methods allow us to manage client expectations proactively. One of the successful ways BrightView ensures quality performance is by utilizing a structured self-evaluation process. The QE system will set the standards for the Landscaping Industry.

Technology allows us to dispatch immediately if there is an issue and provide confirmation of completion through photos and prompt reporting. Photos, Quality Inspection Reports and Quality Site Assessments are also used daily to help identify issues and work order locations, as training tools using before and after shots, and to clarify expectations.

Quality Site Assessment - QSA

- Standard Operating Procedure

Quality Site Assessment (QSA)

Overview:
- An *EXTERNAL*, CLIENT-facing tool
- Easy to navigate application in ProntoForms
- Available on iOS or Windows platforms
- Used to drive regular client quality conversations
  - Client Priorities, Site Quality, Enhancement Opportunities

Objective:
- Enhance Client relationships
- Creates connection opportunity with Client
- Increase Ancillary sales
- Improve Client retention

Expectation and Execution:
- ACCOUNT MANAGER (AM) responsible for conducting QSA
- Conduct WITH Client and PM when possible
- **High Priority Clients:**12 QSA's per year / for properties $50k+ (*minimum requirement)*
- **Priority Clients:**6 QSA's per year / for properties $25 - $50k (*minimum requirement)*

In addition to the QSA program, BrightView has an internal quality assurance program called QI. This program is used to drive regular crew and team development conversations. The objective is to increase site quality, enhance crew leader and crew development and standardize branch operational practices. Your Account Manager and Branch Manager are responsible for conducting QI's and these are used as a tool to coach and develop the crews.

QI Example:

Procedure: **Gate Check**	Procedure #
Form: **Job Aid**	Implementation/Revision Date:

JOB AID

GATE CHECK TEAM ROLES & RESPONSIBILITIES

GATE CHECK LEADER: Stands at driver window and is the only person that can direct driver to proceed

- Daily, confirm driver is an authorized BrightView driver
- Minimum once per week, check that driver has a current driver's license and DOT medical card
- Minimum once per week, verify vehicle annual DOT/State inspections are compliant
- Ask driver and passengers "Is all of your equipment safe and operational?"
- Insure all passengers are wearing seatbelts
- Insure all passengers have proper and functional PPE for the day's tasks
- Inspect overall cleanliness of truck cab, including floorboards and dashboard.
- Have driver test the horn
- Collect previous day's DVIR (if applicable)
- Remind team members to report all injuries immediately
- Daily, thank team members for working hard and taking care of our clients
- Provide any other words of encouragement to the team members
- Ask "What can I do for you?"
- If necessary, direct driver to pull to the side or return to the shop area to correct any deficiencies
- Direct the driver to proceed once given the "all clear" from the Gate Check Inspectors

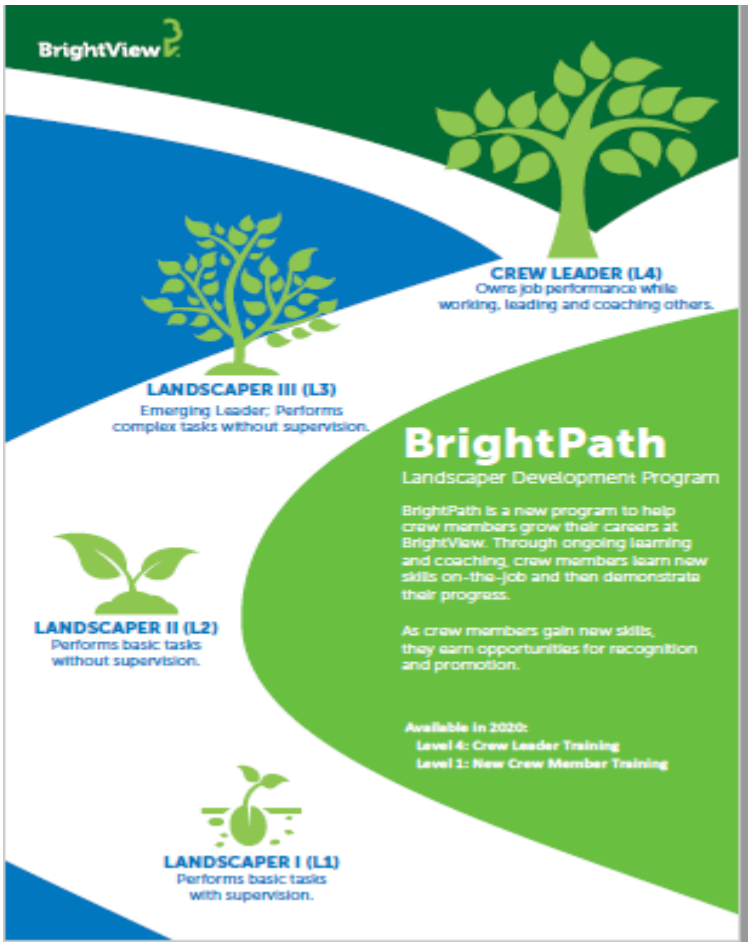
GATE CHECK INSPECTOR: Starts at front of truck, opposite of Gate Check Leader, and walks from front to back, across the back and resumes walking toward the front to the Gate Check Leader.

- Are all lights working? (including all marker lights)
- Is trailer properly secured to truck?
  - Chains properly crossed
  - Chains not dragging the ground
  - Pintle hitch bolts in good condition
- Is the breakaway cable for the trailer brakes properly connected?
- Breakaway cable and light connections are not tied, twisted or frayed
- Trailer break-away cable should be pulled during gate-check at minimum of one time per week to check proper trailer brake operations and to verify electric brake battery is functioning
- Do all tires appear safe for the day's operations?
  - No visual damage
  - low air pressure
  - tread depth (minimum 4/32, spot check with a tread depth gage)
  - Lug nuts in place and free from corrosion
- Ensure items (tools, coolers, fuel cans, mowers, etc.) in truck beds and open trailers secured with tie downs?
- Observe truck/trailer for recent damage
- Ensure truck beds and open trailers clean of debris
- Verify vehicles license plate are current and secured
- Verify minimum number of cones available (3 for truck or 5 for truck/trailer combo)
- Verify water cooler filled with fresh cool water. Minimum 2 gallons per team member.
- Verify disposable cups are available
- Report deficiencies to Gate Check Leader and Driver
- Notifies Gate Check Leader when clear of vehicle by stating "all clear!"

Training

Our employees are constantly trained in their individual areas and are fully capable of providing the highest quality of services. Through our "BRIGHTPATH PROGRAM" we offer training for entry level individuals and a career path for growth to all levels of employees. All Project Managers and Supervisors are supported by a new BrightView App which provides them with the tools they will need, such as a complete trainer guides and skills matrix.

This program not only Increases team member satisfaction and retention, it also ensures the delivery of ready, trained, safe and enabled crews who provide consistent, quality service to our customers. With ongoing training and coaching they will acquire new skills and develop professionally and grow in their careers at BrightView.



As part of BrightView's commitment to safeguard the health of its employees, it provides a safe place to work and to supply its customers with the highest quality service, the company has a clear policy on the use of alcohol, drugs and other controlled substances by its employees. Because substance abuse, either while at work or away from work, can seriously endanger the safety of employees, company property, and render it impossible to supply top-quality service, the company has established its program to detect and remove users or abusers of alcohol, drugs, and other controlled substances.

References

City of San Jose
Miguel Hernandez
404 Mabury Rd.
San Jose, CA 95133
(408) 590-0603
Miguel.hernandez@sanjoseca.gov
Annual Contract: $333,962
2/2019 to Present
Landscape services of city streets, medians, right of ways and parks

City of Milpitas
Joseph Aguilera
1265 N. Milpitas Blvd.,
Milpitas CA 95035
(408) 586-2647
jaguilera@ci.milpitas.ca.gov
Annual Contract: $1,601,699
11/2017 to Present
Landscape services of citywide parks

City of San Ramon
Gary Savell
5000 Crow Canyon Road, Public Services Dept.
San Ramon, CA 94582
(925) 973-2802
gsavell@sanramon.ca.gov
Annul Contract: $753,948
7/2017 to Present
Landscape services of city streets, medians, right of ways and parks

Certificate of Status

Secretary of State
Certificate of Status

I, SHIRLEY N. WEBER, PH.D., California Secretary of State, hereby certify:

Entity Name:	BRIGHTVIEW LANDSCAPE SERVICES, INC.
Entity No.:	0597424
Registration Date:	04/30/1970
Entity Type:	Stock Corporation - CA - General
Formed In:	CALIFORNIA
Status:	Active

The above referenced entity is active on the Secretary of State's records and is authorized to exercise all its powers, rights and privileges in California.

This certificate relates to the status of the entity on the Secretary of State's records as of the date of this certificate and does not reflect documents that are pending review or other events that may impact status.

No information is available from this office regarding the financial condition, status of licenses, if any, business activities or practices of the entity.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of May 19, 2022.

SHIRLEY N. WEBER, PH.D.
Secretary of State

Certificate No.: 013556317

To verify the issuance of this Certificate, use the Certificate No. above with the Secretary of State Certification Verification Search available at **biz**fileOnline.sos.ca.gov.

DIR Registration

Contractor Information

Legal Entity Name
BRIGHTVIEW LANDSCAPE SERVICES, INC.
Legal Entity Type
Corporation
Status
Active
Registration Number
1000005364
Registration effective date
7/1/2021
Registration expiration date
6/30/2022
Mailing Address
27001 Agoura Rd Ste 350 CALABASAS 91301 CA United States of A...
Physical Address
27001 Agoura Rd Ste 350 CALABASAS 91301 CA United States of A...
Email Address
Trade Name/DBA
License Number(s)
CSLB:266211
CSLB:266211

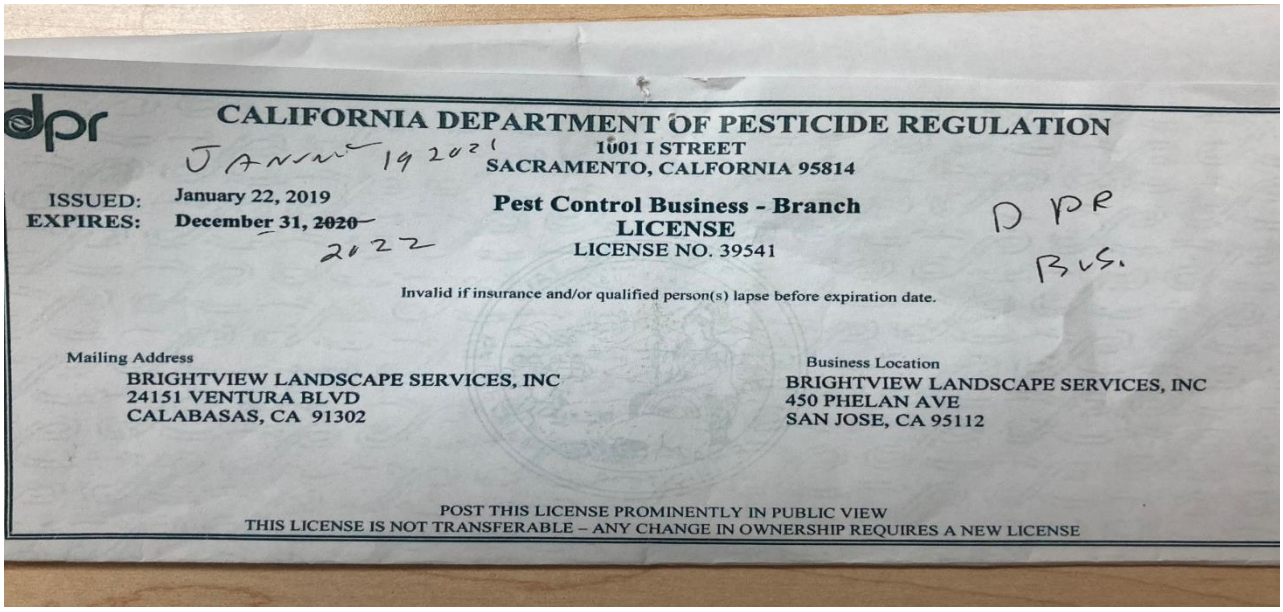
Registration History

Effective Date	Expiration Date
6/17/2018	6/30/2019
6/14/2017	6/30/2018
6/8/2016	6/30/2017
6/22/2015	6/30/2016
1/13/2015	6/30/2015
7/1/2019	6/30/2020
7/1/2020	6/30/2021
7/1/2021	6/30/2022

Licenses

DEPARTMENT OF PESTICIDE REGULATION
LICENSING/CERTIFICATION PROGRAM
QAL
QUALIFIED APPLICATOR LICENSE
LICENSE #: 102727
EXPIRES: 12/31/2023
Categories: B
Issued: 1/1/2022
MICHAEL R NEY
2983 CUSTER DR
SAN JOSE, CA 95124
This License must be shown to any representative of the Director or Commissioner upon request.

CONTRACTORS
STATE LICENSE BOARD
ACTIVE LICENSE
License Number 266211
Entity CORP
Business Name BRIGHTVIEW LANDSCAPE SERVICES INC DBA EMERALD LANDSCAPES
Classification(s) C27
Expiration Date 03/31/2024
www.cslb.ca.gov


CALIFORNIA DEPARTMENT OF PESTICIDE REGULATION
1001 I STREET
SACRAMENTO, CALFORNIA 95814
JANUARY 19 2021
ISSUED: January 22, 2019
EXPIRES: December 31, ~~2020~~ 2022
Pest Control Business - Branch
LICENSE
LICENSE NO. 39541
DPR BUS.
Invalid if insurance and/or qualified person(s) lapse before expiration date.
Mailing Address
BRIGHTVIEW LANDSCAPE SERVICES, INC
24151 VENTURA BLVD
CALABASAS, CA 91302
Business Location
BRIGHTVIEW LANDSCAPE SERVICES, INC
450 PHELAN AVE
SAN JOSE, CA 95112
POST THIS LICENSE PROMINENTLY IN PUBLIC VIEW
THIS LICENSE IS NOT TRANSFERABLE – ANY CHANGE IN OWNERSHIP REQUIRES A NEW LICENSE

Proof of Insurance

ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY) 09/28/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Aon Risk Services Northeast, Inc.
New York NY Office
One Liberty Plaza
165 Broadway, Suite 3201
New York NY 10006 USA

CONTACT NAME:
PHONE (A/C. No. Ext): (866) 283-7122 **FAX (A/C. No.):** (800) 363-0105
E-MAIL ADDRESS:

INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A:	ACE American Insurance Company	22667
INSURER B:	American Guarantee & Liability Ins Co	26247
INSURER C:		
INSURER D:		
INSURER E:		
INSURER F:		

INSURED
BrightView Landscape Services, Inc
980 Jolly Road Suite 300
Blue Bell PA 19422 USA

COVERAGES **CERTIFICATE NUMBER:** 570084218989 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS. **Limits shown are as requested**

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR X Contractual Liability X XCU Hazard GEN'L AGGREGATE LIMIT APPLIES PER: POLICY X PRO-JECT X LOC OTHER:			XSLG72473826 SIR applies per policy terms & conditions	10/01/2021	10/01/2022	EACH OCCURRENCE	$2,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$2,000,000
							MED EXP (Any one person)	$10,000
							PERSONAL & ADV INJURY	$2,000,000
							GENERAL AGGREGATE	$5,000,000
							PRODUCTS - COMP/OP AGG	$5,000,000
A	AUTOMOBILE LIABILITY X ANY AUTO OWNED AUTOS ONLY HIRED AUTOS ONLY SCHEDULED AUTOS NON-OWNED AUTOS ONLY			ISA H25581593	10/01/2021	10/01/2022	COMBINED SINGLE LIMIT (Ea accident)	$5,000,000
							BODILY INJURY (Per person)	
							BODILY INJURY (Per accident)	
							PROPERTY DAMAGE (Per accident)	
B	X UMBRELLA LIAB X OCCUR EXCESS LIAB CLAIMS-MADE DED RETENTION			AUC5085968-17	10/01/2021	10/01/2022	EACH OCCURRENCE	$3,000,000
							AGGREGATE	$3,000,000
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N			WLRC67804041 WC - AOS	10/01/2021	10/01/2022	X PER STATUTE OTH-ER	
A	ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N / A		SCFC67804089 WC - WI	10/01/2021	10/01/2022	E.L. EACH ACCIDENT	$2,000,000
							E.L. DISEASE-EA EMPLOYEE	$2,000,000
							E.L. DISEASE-POLICY LIMIT	$2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Evidence of Insurance.

CERTIFICATE HOLDER

BrightView Landscape Services,
Inc 980 Jolly Road Suite 300
Blue Bell PA 19422 USA

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
Aon Risk Services Northeast, Inc.

Holder Identifier :

Certificate No : 570084218989

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ACORD 25 (2016/03)

ATTACHMENT D
BID PRICE SHEET

For all services described below, unless excluded by the Town in description of services below, the Town shall consider unit prices below to include all labor, equipment, fees of any kind, overhead, insurance, fuel, materials, surcharges, disposal fees, and any other costs associated with and necessary for the Bidder to perform such service. No qualifications, exemptions, or alterations of services described below will be allowed. Failure to comply will result in disqualification of bid.

COST PROPOSAL

TABLE A - Base Bid Schedule Median and Facilities Maintenance

Bid Item	Description	Quantity	Services per year	Unit Price per service	Total price	Total Hours
01	September thru February (1 – 16)	2 services per month	24 *Actual services per year=12	$2,059	$24,708	540
02	March thru August (1 – 16)	3 services per month	36 *Actual services per year=18	$2,059	$37,062	810
				TABLE A Base bid total:	$61,770	1,350

TABLE B - ADD-ALT Median and Facilities Maintenance

03	ADD/ALT (17 – 29)	Quarterly	4	$1,181	$4,724	104

TABLE C - Base Bid Schedule Mowing

Bid Item	Location	# of services/year	Unit Price	Total Item Price	Total Hours
04	Oak Meadow Park	44	$208	$9,152	202
05	Live Oak Manor	44	$184	$8,096	177
06	Bachman Park	44	$173	$7,612	166
07	Plaza Park	44	$43	$1,892	42
08	Blossom Hill Park	44	$297	$13,068	286
09	Belgatos Park	44	$41	$1,804	40
10	Howes Play Lot	44	$139	$6,116	134
11	Pageant Grounds	44	$28	$1,232	26
12	Civic Center	44	$102	$4,488	98
13	Los Gatos Youth Rec	44	$26	$1,144	25
14	Oak Hill play Lot	44	$105	$4,620	102
15	La Rinconada Park	44	$178	$7,832	171
			Mowing Base Bid Total:	$67,056	1,469

TABLE D - Base Bid Schedule Landscape and Lighting Districts

Bid Item	Location	# of services/year	Unit Price	Total Item Price	Total Hours
16	Blackwell Dr.	26	$67	$1,742	39
17	Gemini Ct.	26	$46	$1,196	26
18	Kennedy Meadows	26	$457	$11,882	260
19	Santa Rosa Heights	26	$457	$11,882	260
20	Hillbrook	26	$69	$1,794	39
21	Vasona Heights	26	$206	$5,356	117
Landscape & Lighting District Base Bid Total:				$33,852	741

Total Bid Pricing

Bid Item	Description	Total Price	Total Hours
22	Table A - Medians & Facilities	$61,770	1,350
23	Table B - ADD/ALT Locations	$4,724	104
24	Table C - Mowing	$67,056	1,469
25	Table D - Landscape & Lighting	$33,852	741
	Grand Total:	$167,402	3,664

Miscellaneous Turf Services as needed:

Unless otherwise noted, rates shall include labor, equipment, and disposal

	Description	Unit	Unit Price	Total Price
1.	Turf aeration twice a year at all parks	Lump Sum	$5,650	$11,300
2.	Turf fertilization twice a year at all parks	Lump Sum	$4,486	$8,972
3.	Turf removal and replacement at Plaza Park	Sq. Ft.	$3.45	$51,750 based on 15,000 SqFt
4.	Repair ½" – 1" lateral PVC pipe	Each	$300	$300 each
5.	Replace 1¼" – 3" main line PVC pipe	Each	$450	$450 each
6.	Replace 1¼" – 2" inline valve	Each	$550	$550 each

Labor Rates for Emergency and After Hours Work as Required:

Labor rates must reflect prevailing wages.

Labor Category	Straight Time ($/hour)	Overtime ($/hour)
Foreman	$55	$82.50
Flagger	$105	$157.50
Laborer	$48.60	$73
Operator	$115	$175

Landscape Maintenance RFP Bid Proposal Results					6/2/2022
Brightview Landscape Services			**Monarch Landscape Companies**		
Table A	Base Bid Median & Facilities	$ 61,770.00	Table A	Base Bid Median & Facilities	$ 26,921.70
Table B	Add/Alt Median s	$ 4,724.00	Table B	Add/Alt Medians	$ 25,998.00
Table C	Base Bid Mowing	$ 67,056.00	Table C	Base Bid Mowing	$ 119,206.39
Table D	Base Bid LLDs	$ 33,852.00	Table D	Base Bid LLDs	$ 64,723.01
Total		**$ 167,402.00**			**$ 236,849.10**

ATTACHMENT 2

TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 6/21/2022
ITEM NO: 11

DATE: June 10, 2022

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Accept the Complete Streets and Transportation Commission's Recommendation to Not Proceed with a Pilot Program with Any Electric Scooter Providers

RECOMMENDATION:

Staff recommends that the Town Council accept the Complete Streets and Transportation Commission's (CSTC) recommendation to not proceed with a pilot program with any electric scooter providers.

BACKGROUND:

At its November 2, 2021, meeting the Town Council received a staff presentation on shared mobility devices and provided direction to forward the item to the CSTC for consideration.

Shared mobility devices, such as electric scooters and bikes, experienced a period of broad interest and deployment that has since consolidated back to a more controlled implementation in cities throughout the State. These mobility devices can be rented by the public via a smartphone application that unlocks the motorized devices and lets the user park it when the rider arrives at their chosen destination.

DISCUSSION:

The CSTC identified the Multi-Mobility Policy as one of the Commission's 2022 priorities. This priority would focus on motorized scooters, skateboards, and e-bikes. The CSTC assigned an Ad Hoc Committee to look specifically into the use of electric scooters in Los Gatos.

The CSTC prepared and approved a report titled Recommendation on E-Scooters (Attachment 1) for the Town Council's consideration. This report documents the Ad Hoc Committee's

PREPARED BY: Ying Smith
Transportation and Mobility Manager

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, Finance Director, and Interim Parks and Public Works Director

DISCUSSION (continued):

activities, describes the Commissioners' input, and provides the CSTC's recommendations. In addition, the report includes meeting notes and information on peer agency experience.

At the May 12 meeting, the CSTC voted to recommend to the Town Council not to move forward with a pilot with any shared mobility device providers and at its June 9 meeting, approved the Recommendation on E-Scooters report.

CONCLUSION:

Staff recommends the Town Council accept the recommendation from the Complete Streets and Transportation Committee of not proceeding with an electric scooter pilot program with any providers.

COORDINATION:

This report was coordinated with the CSTC.

FISCAL IMPACT:

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

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachment:
1. CSTC Report: Recommendation on E-Scooters

Recommendation on E-Scooters
Complete Streets and Transportation Commission
June 9 2022

Summary:

The Complete Streets and Transportation Commission has been reviewing our options for E-Scooters in Los Gatos. We do not see a compelling reason to move forward with a Pilot program for E-Scooters for Los Gatos.

1. Our belief is that rental scooters would not reduce the reliance on automobiles in Los Gatos.
2. E-Scooters would not be close enough to homes to be used for errands, coffee, or a meal, or for employees commuting to Los Gatos. Residents are more likely to use their own bikes or E-Bikes or buy their own E-Scooter to get to downtown.
3. E-Scooters would not be used to provide transportation for gaps in other mobility modes.
   a. Buses are not used very much and the one line goes all the way to Downtown LG.
   b. Campbell Light Rail is too far away to get much use for downtown Los Gatos.
   c. Downtown LG is not that large an area. Most people park their cars and walk where they need to go.
4. E-Scooters work best when there is robust infrastructure of bike lanes coming into Los Gatos and in the downtown area. Highway 9, Winchester/N Santa Cruz, University, and Los Gatos Blvd do not have robust bike lanes in various locations coming into Los Gatos.
5. The Commission has concerns regarding Rental E-Scooter parking, speeding, and riding on sidewalks. Some mitigations do exist for some of these potential problems.
6. In order to run a proper E-Scooter Pilot Program, significant work will be needed from Town Staff. The additional work could take away from other priorities that staff is working on.

Activities:

The Commission assigned an Ad Hoc Committee to look into the use of E-Scooters. The Ad-Hoc Committee participated in the following activities.

1. Met with a representative of Bird, an E-Scooter Rental Company. Attachment A.
2. Met with the person in charge of the E-Scooter program in downtown San Jose. Attachment B.
3. Reviewed Pilot Program Slides from Fairfax, VA, a city with somewhat similar demographics to Los Gatos. Thanks to Town Staff for finding these presentations. Helpful Slides included in Attachment C.

4. Reviewed the Mobility Section of the Plan 2040 for Los Gatos. For reference:

MOB-5	Support a non-driving Los Gatos by reducing reliance on the automobile and promoting alternative modes of transportation. SUS
MOB-5.1 SUS	**Prioritize Non-Driving Transportation Modes** Prioritize the use of non-driving transportation modes such as walking, bicycling, transit, a shuttle system, and other forms of personal mobility that are energy conserving and non-polluting.

5-8 Draft 2040 General Plan June 2021

Additional Thoughts:

1. E-Scooter Rental companies have some helpful features:
   a. "Geo-fencing" limits the rental E-Scooters to prevent riding outside a geographic area, limits speed in a geographic area, and in some instances prevents riding on a sidewalk.
   b. Rental E-Scooters have an overall programmable speed limit.
2. Designated parking areas would need to be created for E-Scooters to encourage proper parking.
3. The CSTC would not recommend riding rental E-Scooters on the Los Gatos Creek Trail due to the already heavy usage by pedestrians, bicycles, e-bikes, and privately owned e-scooters and e-skateboards. A fallback position would be to limit the speed of rental E-scooters to <10 mph while on the trail.
4. A few details of possible Town responsibilities for running a Pilot Program are included in attachment C.
5. Future Considerations:
   a. If south parking lots were full, maybe people would park in the north lots and use an E-Scooter to get to E Main St or Town Plaza Area.
   b. Scooters might be used to travel from the North 40 to Downtown.
   c. If light rail come to the Vasona Area, E-Scooters could be used from the Vasona Station to Downtown.

Attachment A: Bird Electric Scooters Meeting with Los Gatos CSTC Ad Hoc 3/3/2022

Summary

Benefits of Electric Scooters

1. Electric Scooters are an alternative to cars to reduce traffic congestion and car parking concerns.

2. Electric Scooters are faster than walking.

3. Bird appears well organized and experienced with Electric Scooters in 350+ cities/towns. They provide incentives for users to wear a helmet and park the scooter in a designated parking area. They employ fleet managers who re-distribute scooters several times per day.

4. Cost is $1.00 to unlock + ~$0.40 per minute

Concerns with Electric Scooters

1. Potential ugly crowded parking areas. This could discourage pedestrians.

2. Los Gatos is not being guaranteed side walk detection from Bird where the scooters would be prevented from operating on a sidewalk. This could be a big deal because a scooter going 15mph on the sidewalk downtown next to pedestrians where it is crowded would be dangerous.

3. Concerns of adding to the congestion of the creek trail via electric scooters.

4. Will Electric Scooters provide an overall net benefit to the town?

Next Steps

1. Talk with nearby towns with similar demographics to Los Gatos who have implemented Electric Scooters to get their experience and concerns.

2. Suggestions from the Commission?

Questions and Answers with Bird

Michael Covato – Bird - Territory Manager 16 States

Program Design

- How many scooters would you anticipate stocking in a town like Los Gatos?
    - Bird uses an algorithm that would predict 375-400. But actually practically start with 70-100.
    - No cost to city or business.
    - Dashboard available with location of scooters and tracking/heat map data.
    - How are scooters moved around: Use machine learning based on data tracking. Fleet managers collect scooters from wherever their end point ends up and place them dispersed where the best use location is. Rebalancing occurs multiple times per day.
    - Users should be 18 or older (legal age).
- Have other towns our size had problems with scooters blocking streets and sidewalks?
- Where are these scooters generally parked in an older town like Los Gatos? On the side walk? What does this look like for walkers?
    - Town can designate scooter parking areas. Bird will offer incentives to end a ride at a parking area.
    - Fleet managers can be contacted at 24/7 phone number with photos to resolve issues with improper parking quickly and easily.
- Can someone ride to other Cities?
    - Yes, depending on permission from neighboring cities. Programmable (geo-fencing) to limit travel locations.
    - Scooters can be programmed for locations they can be used for a specific event as well as speed limits.
- What are the Cities that have signed on? See Bird's website.
    - 350-400 cities.
- What kind of complaints do other similar older towns report?
    - New change: People not expecting scooters. Do press release to mitigate this issue.
    - Improperly parked scooters would probably be a complaint.
    - Limit speed to 15 mph? or slower?. Programmable per location (geo-fencing). Don't ride on sidewalk would be education issue. Need to consider reasonable limits on speeds relative to cars and bicycles. Newer scooters have sidewalk detection, but LG probably won't have this tech to start with.
    - Use of scooters Los Gatos Creek Trail? Programmable geo-fencing available, but restriction would be frustrating for scooter users.

- Is the business model centralized around making these work for a town or is this a fancy marketing for purchase items?
    - Primary business is scooters, Bird has to make this work for the town.
- What is the cost of a ride?
    - $1 to unlock + $0.39-0.42 / minute.
    - Incentives to reduce cost: helmet, parking in approved spots, etc.

Places You Can Ride

- What would prevent the scooters from being used on sidewalks esp. in downtown?
    - Preventing riding on sidewalk would be education issue.
    - Newer scooters have sidewalk detection, but LG probably won't have this tech to start with.
- Would scooters function like cars in downtown as there is no bike lane?
    - Paradigm would be to think that scooters can go where bikes go.

Safety

- Can you share safety statistics from a town comparable to the size of Los Gatos?
- Do you collect data on others (walkers) injured by Bird scooters? If so how often does this occur? What kind of injuries are most common?
    - About the same as a bicycle. Very low percentage of collisions/ride.
- Helmet safety has really taken off for bikes. How do helmets become feasible in this model?
    - Bird will provide helmet for $~10. Or provide for bulk helmets for town purchase and distribution.
- How do e-scooters safely pass bikers? Pass on side of cars?
    - All have running lights, bells. Same issues as bicycles. Lane splitting is however, legal in California.

Questions and Answers with Bird Ying Smith's notes in blue

Program Design

- How many scooters would you anticipate stocking in a town like Los Gatos?

375 to 400 to start. Would come in with a smaller number, 65 – 70 units.

Distribution: partner with the field manager, fleet managers.

deploy and rebalance are dynamic, based on machine learning. Rebalance multiple times per day.

- Have other towns our size had problems with scooters blocking streets and sidewalks?

Typically between the sidewalk and parkstrip (?).

If a user doesn't park properly to take a picture, they would incur a CC charge. Bird is responsible for removing Birds parked at the wrong places (24-hour contact number).

- Where are these scooters generally parked in an older town like Los Gatos? On the side walk? What does this look like for walkers?
- Can someone ride to other Cities?
- What are the Cities that have signed on? See Bird's website.
- What kind of complaints do other similar older towns report?

Not the same types of complaints as the older models. Most common: scooters parked in wrong places.

- Is the business model centralized around making these work for a town or is this a fancy marketing for purchase items?

The shared scooter side is much bigger than the retail scooter side.

- What is the cost of a ride? Estimated around $4.75 on average in LG.
- Parking: can designate parking area and restrict no parking areas (like sidewalk).

Management: real time dashboard to track usage

Special event deployment

Speed: capped at 15 mph, can be reduced at certain locations. For the most part, the State Laws treat it as a bicyclist.

Reservation function

Places You Can Ride

- What would prevent the scooters from being used on sidewalks esp. in downtown?

Some scooters have the sensor for sidewalk, but not all at the beginning. Can only promise a small number to Los Gatos at the beginning. Currently, the tools are education and fine.

- Would scooters function like cars in downtown as there is no bike lane?

<u>Safety</u>

- Can you share safety statistics from a town comparable to the size of Los Gatos?

City safety studies and an independent study, will send.

- ∉ Do you collect data on others (walkers) injured by Bird scooters? If so how often does this occur? What kind of injuries are most common?
- Helmet safety has really taken off for bikes. How do helmets become feasible in this model?

Provides an inexpensive helmet and free distribution.

Attachment B: Electric Scooters Meeting with San Jose and CSTC Ad Hoc 4/22/2022

Attending: Craig Dittmer (manages e-scooters for City of San Jose), Cheri Binkley, Gillian Verga, Jeff Thompson

How many rentable escooters are there from suppliers in San Jose.
6000 pre-pandemic, 2200 now.

What companies are you using?

Bird 2/3 and Lime 1/3. Spin for sidewalk detection trial, several other smaller companies.

What are the benefits San Jose sees from allowing electric scooters?

Stop gap solution, 15 minute solution. Escooters provide transportation between gaps in other modes. Ie. Gaps between transportation types.

What concerns do you see with Electric Scooters.

If bike infrastructure doesn't exist (eg. Bike lanes), then there can be problems. Eg. Riding on sidewalks.

Who uses escooters? Many locals use once, but may not be regular users. Occasional and tourist users. 3 tiered plan might be worth investigating: local, tourists, low income. Use the contact info on credit card.

What safety concerns do you have with escooters. Speeding? Running stop signs/stop lights?
Ongoing issue. Helmet not required for riders. Hard to mandate helmets. Biggest issue: additional scooters overwhelming infrastructure at an intersection. Collisions with Peds or cyclist are rare.

Do you allow escooters on sidewalks?, in bike lanes?, in car lane? Issues with any of these?

Not on sidewalks, not in SJSU,

Do you have problems with escooters being parked improperly ie. On sidewalks or in front of businesses or in parking places, etc.

Not normally, now that designated parking places are put in place.

What are the main resident complaints you receive?

Sidewalk riding is biggest complaint. Clearly defined parking areas help with complaints for parking escooters.

Do you have any issues with getting escooters distributed to where they are needed?
It works fairly well. The permit has provisions for $ Charges to the supplier if rebalancing gets out of whack. Ie $500 ticket.

What is the cost to rent an escooter? Do residents think this is reasonable?
OK for occasional users and tourists. Not OK for commuters.

Do you allow them on the Guadalupe Trail. How is this working?

They are allowed on GRT, but problem if they go 18 mph. Craig would not recommend escooters on LGCT. Maybe limit speed to 10 mph.

Do you use geo-fencing? How does this work out?

Yes, geofencing used. Spin has trial going on using sidewalk detection. Bird working on sidewalk detection by end of 2022. Lidar makes maps very accurate, GPS not so accurate.

Do incentives offered by suppliers effective? ie to wear helmets and park where directed?
Craig was not aware of incentives offered by suppliers to reduce cost.

How do you control private escooters vs supplier offered escooters.

No regulations for private escooters. Less likely to be reckless at $1500 per scooter. They are < 0.5% or lower of the total escooters.

Any recommendations on which escooters supplier to use?

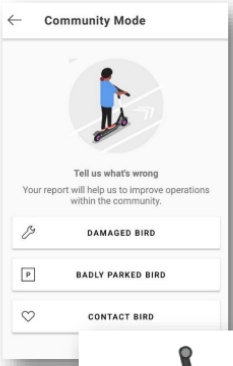
Moving target. Scalability can be an issue. Need 750 scooters on ground to make it work for a supplier. Bird is fine, not so sure about Lime. Spin is good but exclusive. Useful for LG, Sara, Campbell, Cupertino if they could share suppliers, it might work better. As far as Craig knows, other towns in the area are unregulated so far.

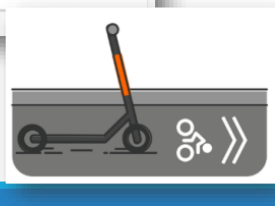
Final Thoughts: Think about feasibility. SJ barely big enough for 2 providers. Try a trial period to gage public interest. Craig is only staff member for escooters in San Jose: 1500 hours/year, ¾ FTE. $97/year/escooter permit fee. Consider per trip fee, although this would provide variable funding. Berkeley has 0.3 FTE on staff. Work with others who have done this before. Craig is willing to continue to be a resource for us. This is very much appreciated.

Attachment C: Key Details of an E-Scooter Pilot Program from City of Fairfax, VA

Pilot Program: Key Permit Requirements

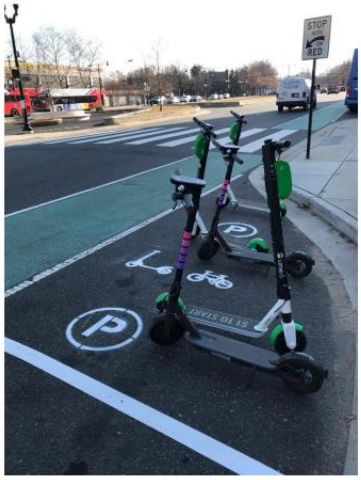
- Business License
- User Agreements
- Insurance and Indemnification
- Device Inspection and Safety Compliance
- Safety and Operations Response Plan
- Operations center and customer service resources
- Ongoing communication with City
- Community Engagement Plan
- Community Education
- Maintenance and Recharging Plan
- Data sharing & reporting requirements
- Regional coordination





City Responsibilities

- Review permit applications
- Test scooters and approve to deploy
- Respond to citizen comments
- Establish preferred parking corrals
- Monitor usage data
- Conduct neighborhood outreach
- Communicate with residents, businesses, vendors
- Approximately 0.25 FTE to maintain program



TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 06/21/2022
ITEM NO: 12

DATE: June 9, 2022

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Approve an Amendment to the Classification Plan to Create a Flexibly Staffed Police Records Specialist Job Series

RECOMMENDATION:

Approve an amendment to the Classification Plan to create a flexibly staffed Police Records Specialist job series.

BACKGROUND:

The Town of Los Gatos Personnel Rules and Regulations (Section 4.4) and the Municipal Code (Section 2.30.925) require that amendments and revisions to the classification plan are effective upon approval by Town Council. Changes must be presented to Council for approval as part of the formal budget adoption, through the labor negotiations process, or as needed.

DISCUSSION:

The Town has an existing Police Records Specialist classification that was last revised in September 2014. In the process of a recent review of the classification, it was determined that a flexibly staffed classification series would better meet the needs of the Police Department to provide a mechanism for succession planning and a career ladder for existing and future employees.
In accordance with the Town's existing Flexibly Staffed Classes procedure, flexible staffing is the alternate use of two or more classes in a designated series. Flexibly staffed classes allow Departments to hire at the entry-level and provide a career incentive as employees become proficient and gain more experience which ultimately benefits the Town through retention and reduced training time. Alternatively, Departments may hire new employees at the more

PREPARED BY: Salina Flores
Human Resources Director

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

DISCUSSION (continued):

advanced levels within the series depending on the complexity of assignments and experience needed when vacancies exist. The revised Police Records Specialist series would contain the following classifications: Police Records Specialist, Senior Police Records Specialist, and Police Records Specialist Lead. If approved, the Senior Police Records Specialist and Police Record Specialist Lead would be added to the Salary Schedule for TEA Classifications (Attachment 1). Appropriate advances in salary ranges have been calculated using external and internal compensation data and to ensure equity organizationally. The new classifications, if adopted by Council, would be effective July 10, 2022.
Since this is a Town Employees' Association (TEA) represented classification, staff has met its obligation to meet and confer regarding the proposed classification and salary range changes.

CONCLUSION:

Staff is requesting the approval of an amendment to the classification plan to create a flexibly staffed series for the Police Records Specialist classification that would result in the addition of Senior Police Records Specialist and Police Records Specialist Lead to the plan. The Town's Personnel Rules and Municipal Code require Council approval of classification plan amendments. The California Public Employees' Retirement System (CalPERS), that provides the Town's employee pension benefits, requires that any changes proposed to Town salary schedules are formally approved by a municipal agency governing body (Town Council).

FISCAL IMPACT:

If a vacancy occurs or the Department chooses to promote an existing staff member, the cost will be absorbed into the Department's existing operating budget.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachment:
1. Salary schedule for TEA Classifications Effective July 10, 2022, and proposed changes

Town of Los Gatos TEA Classifications
Salary Schedule for Fiscal Year 2022/23
Effective July 10, 2022

Class Code	Classification Title	Rate Type	Range TE1	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
4310	Account Technician	Hourly	08	$36.88	$38.72	$40.66	$42.69	$44.82	$47.64
3580	Administrative Assistant	Hourly	04	$30.87	$32.41	$34.03	$35.73	$37.52	$39.98
4620	Assistant Engineer	Hourly	25	$49.12	$51.58	$54.16	$56.87	$59.71	$63.28
4420	Assistant Planner	Hourly	12	$42.71	$44.85	$47.09	$49.44	$51.91	$55.09
4600	Associate Civil Engineer	Hourly	27	$55.88	$58.67	$61.60	$64.68	$67.91	$71.89
4661	Associate Engineering Technician	Hourly	14	$43.02	$45.17	$47.43	$49.80	$52.29	$55.48
4400	Associate Planner	Hourly	20	$49.70	$52.19	$54.80	$57.54	$60.42	$64.02
4410	Building Inspector	Hourly	24	$47.82	$50.21	$52.72	$55.36	$58.13	$61.62
4430	Code Compliance Officer	Hourly	10	$42.76	$44.90	$47.15	$49.51	$51.99	$55.17
4530	Communication Dispatcher	Hourly	17	$45.31	$47.58	$49.96	$52.46	$55.08	$58.41
4535	Communication Dispatcher Lead	Hourly	19	$57.24	$60.10	$63.11	$66.27	$69.58	$73.64
4540	Community Services Officer	Hourly	11	$36.36	$38.18	$40.09	$42.09	$44.19	$46.98
4615	Construction Project Manager	Hourly	26	$53.61	$56.29	$59.10	$62.06	$65.16	$69.00
4660	Engineering Technician	Hourly	13	$39.05	$41.00	$43.05	$45.20	$47.46	$50.41
4705	Environmental Programs Specialist	Hourly	08	$36.88	$38.72	$40.66	$42.69	$44.82	$47.64
4200	Events and Marketing Specialist	Hourly	06	$32.53	$34.16	$35.87	$37.66	$39.54	$42.10
3501	Executive Assistant	Hourly	08	$36.88	$38.72	$40.66	$42.69	$44.82	$47.64
4900	IT Systems Administrator	Hourly	23	$53.24	$55.90	$58.70	$61.64	$64.72	$68.54
4915	IT Technician	Hourly	07	$39.91	$41.91	$44.01	$46.21	$48.52	$51.53
4810	Librarian	Hourly	16	$40.81	$42.85	$44.99	$47.24	$49.60	$52.66
4830	Library Assistant	Hourly	03	$30.13	$31.64	$33.22	$34.88	$36.62	$39.03
4807	Library Customer Service Specialist	Hourly	01	$28.23	$29.64	$31.12	$32.68	$34.31	$36.61
4805	Library Customer Service Supervisor	Hourly	08	$36.88	$38.72	$40.66	$42.69	$44.82	$47.64
4825	Library Specialist	Hourly	06	$32.53	$34.16	$35.87	$37.66	$39.54	$42.10
4819	Library Tech Specialist	Hourly	15	$39.55	$41.53	$43.61	$45.79	$48.08	$51.06
3181	Office Assistant	Hourly	01	$28.23	$29.64	$31.12	$32.68	$34.31	$36.61
4640	Park Services Officer	Hourly	11	$36.36	$38.18	$40.09	$42.09	$44.19	$46.98
4560	Parking Control Officer	Hourly	01	$28.23	$29.64	$31.12	$32.68	$34.31	$36.61
4440	Permit Technician	Hourly	09	$35.53	$37.31	$39.18	$41.14	$43.20	$45.94

Town of Los Gatos TEA Classifications
Salary Schedule for Fiscal Year 2022/23
Effective July 10, 2022

Class Code	Classification Title	Rate Type	Range TE1	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
4425	Planning Technician	Hourly	11	$36.36	$38.18	$40.09	$42.09	$44.19	$46.98
4550	Police Records Specialist	Hourly	05	$31.60	$33.18	$34.84	$36.58	$38.41	$40.91
4555	Police Records Specialist Lead*	Hourly	31	$39.05	$41.00	$43.05	$45.20	$47.46	$50.41
4630	Public Works Inspector	Hourly	18	$44.47	$46.69	$49.02	$51.47	$54.04	$57.32
4450	Senior Building Inspector	Hourly	27	$55.88	$58.67	$61.60	$64.68	$67.91	$71.89
4525	Senior Communication Dispatcher	Hourly	29	$50.76	$53.30	$55.97	$58.77	$61.71	$65.38
4831	Senior Library Page	Hourly	02	$19.85	$20.84	$21.88	$22.97	$24.12	$25.91
4565	Senior Parking Control Officer	Hourly	11	$36.36	$38.18	$40.09	$42.09	$44.19	$46.98
4405	Senior Planner	Hourly	28	$57.24	$60.10	$63.11	$66.27	$69.58	$73.64
4552	Senior Police Records Specialist*	Hourly	30	$35.53	$37.31	$39.18	$41.14	$43.20	$45.94
4610	Senior Public Works Inspector	Hourly	26	$53.61	$56.29	$59.10	$62.06	$65.16	$69.00
4662	Sr. Engineering Technician	Hourly	24	$47.82	$50.21	$52.72	$55.36	$58.13	$61.62

Reflects General Increase of 8%

***New Position Added Effective July 10, 2022**

TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 6/21/2022
ITEM NO: 13

DATE: June 8, 2022

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Authorize the Following Actions Related to the Cal OES Pass Through Grant Subaward:

a. Accept a California Governor's Office of Emergency Services (Cal OES) Pass Through Grant Subaward in the Amount of $7,000,000 for Public Safety and Emergency Resiliency;
b. Authorize a Revenue and Expenditure Budget Adjustment in the Amount of $7,000,000 to Receive and Disburse the Subaward; and
c. Authorize the Town Manager to Execute Subrecipient Agreements with the Implementing Agencies to Disburse the Cal OES Pass Through Grant Subaward Based on the Original Grant Request

RECOMMENDATION:

Staff recommends that the Town Council authorize the following actions related to the Cal OES Pass Through Grant Subaward:

a. Accept a California Governor's Office of Emergency Services (Cal OES) Pass Through Grant Subaward in the amount of $7,000,000 for Public Safety and Emergency Resiliency;
b. Authorize a revenue and expenditure budget adjustment in the amount of $7,000,000 to receive and disburse the subaward; and
c. Authorize the Town Manager to execute subrecipient agreements with the implementing agencies to disburse the Cal OES Pass Through Grant Subaward based on the original grant request

BACKGROUND:

On May 7, 2021, the West Valley cities (Town of Los Gatos, City of Monte Sereno, City of Saratoga, City of Cupertino, and City of Campbell) together with Santa Clara County Fire Department (SCCFD) submitted a State Assembly budget request for public funds to enhance the public safety and emergency resiliency of the West Valley cities in the event of wildfire, earthquake, and other humanmade and natural disasters.

PREPARED BY: Stephen Conway
Finance Director

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

BACKGROUND (continued):

The request, in collaboration with Assemblymember Evan Low, was presented to the Assembly Budget Committee and was ultimately approved. Town of Los Gatos has been appointed by the California Governor's Office of Emergency Services (Cal OES) to be the subrecipient of the funds totaling $7,000,000 and is responsible for distributing the funds to the subrecipient West Valley cities listed in Attachment 1

DISCUSSION:

The full funding of $7.0 million was received this fiscal year. Below is a summary of the requested amounts and the associated programming:

The Defensible Space Wildland Fire Specialist Program will help the Town of Los Gatos along with the Cities of Monte Sereno, Saratoga, and Cupertino implement a pilot defensible space Wildland Fire Specialist Program for our communities to be implemented and overseen by Santa Clara County Fire Department (SCCFD). The amount requested for this program is $2.0 million.

The City of Campbell requested funding for a Resilient Emergency and Police Department Operations Center (EOC/DOC) project. The total amount requested for this is $3.9 million and would help them fund for the design and construction of the new Emergency and Police Department Operations Center. The initial plan for this project was to be funded through an approved Measure O obligation fund in 2018. Due to significant revenue declines caused by the COVID-19 pandemic, the projected Measure O bond proceeds were not met. With the help of this funding, the City can provide long-lasting and resilient benefit to the Campbell community and West Valley region.

Along with the projects previously mentioned, $1.0 million will be allocated to City of Cupertino. With this money, $500,000 will be appropriated towards a one-time Business Continuity and Resilience program and the other $500,000 will be appropriated for emergency coordination and communication enhancement in the Emergency Operations Center.

The remaining $100,000 will be allocated to City of Saratoga. With this allocation, the City will organize an incentive program that will encourage property owners to harden structures against fire in the Wildland Urban Interface (WUI). This program will prioritize older adults, people with disabilities, and individuals with economic hardships.

CONCLUSION:

Staff recommends that the Town Council authorize the Town Manager to execute agreements with the implementing cities and authorize the revenue and expenditure budget adjustments.

COORDINATION:

This report and the agreements were coordinated with the Town Attorney's and the Town Manager's Offices.

FISCAL IMPACT:

If Council approves this item, the Town will receive the subgrant and distribute the entire proceeds to the implementing cities based on their original requests.

ENVIRONMENTAL ASSESSMENT:

The requested actions are not considered a project defined under CEQA, and no further action is required.

Attachments:
1. Cal EOS Pass Through Grant Subaward for Public Safety and Emergency Resiliency
2. Agreement with City of Campbell
3. Agreement with Santa Clara County Fire Department
4. Agreement with City of Cupertino
5. Agreement with City of Saratoga

Cal OES
GOVERNOR'S OFFICE OF EMERGENCY SERVICES

Pass Through Grant Subaward

1. PASS THROUGH GRANT SUBAWARD #: LI2021-006

The California Governor's Office of Emergency Services (Cal OES) hereby makes a Grant Subaward of funds to the following:

2. SUBRECIPIENT: Town of Los Gatos

3. IMPLEMENTING AGENCY: Town of Los gatos, City of Campbell, City of Cupertino, City of Saratoga, Santa Clara County Fire District

4. PAYMENT MAILING ADDRESS: 110 E Main Street (Street) Los Gatos (City) 95030-6943 (Zip+4)

5. GRANT SUBAWARD PERFORMANCE PERIOD: July 1, 2021 - June 30, 2024

6. PURPOSE:

West Valley Cities wildfire and public safety response

7. FUND ALLOCATION, AUTHORITY, AND GRANT SUBAWARD TOTAL:

Enactment Year	Fund Source	Authorizing Legislation	Chapter	Statutes	Item Number	Provision	Total Award
2021	General	SB 129	69	2021	069-101-0001	11.1	$7,000,000

8. CERTIFICATION: I hereby certify I am vested with the authority to enter into this Grant Subaward, and have the approval of the City/County Financial Officer, City Manager, County Administrator, Governing Board Chair, or other Approving Body. The Subrecipient certifies that all funds received pursuant to this agreement will be spent exclusively on/for activities specified in the purpose section above in the Grant Subaward. The Subrecipient agrees to administer the Grant Subaward in accordance with all applicable state and federal laws.

9. CA PUBLIC RECORD ACT REQUEST: Grant Subaward applications/awards are subject to the California Public Records Act, Government Code section 6250 et seq. Do not put any personally identifiable information or private information on this application. If you believe that any of the information you are putting on this application is exempt from the Public Records Act, please attach a statement that indicates what portions of the application and the basis for the exemption. Your statement that the information is not subject to the Public Records Act will not guarantee that the information will not be disclosed.

10. AUTHORIZED SIGNER:

Name: Laurel Prevetti

Title: Town Manager

Signature: LPrevetti

Date: 11/04/2021

(FOR CAL OES USE ONLY)

I hereby certify upon my personal knowledge that budgeted funds are available for the Grant Subaward performance period and purposes of this expenditure stated above.

Cal OES Fiscal Officer **Date** **Cal OES Director or Designee** **Date**

ATTACHMENT 1

May 7, 2021

VIA: ELECTRONIC MAIL

The Honorable Evan Low
California State Assembly
State Capitol, Room 4126
Sacramento, CA 95814

RE: Assembly Budget Request – West Valley Cities Public Safety and Emergency Resiliency

Dear Assemblymember Low,

The West Valley Cities and our collaborating agency appreciate the overture to submit an Assembly Budget request. The Town of Los Gatos, City of Monte Sereno, City of Saratoga, City of Cupertino, City of Campbell, and the Santa Clara County Fire Department (SCCFD) respectfully submit the following request to enhance the public safety and emergency resiliency of the West Valley in the event of wildfire, earthquake, and other manmade and natural disasters.

While our communities have our own unique individual characteristics, we share many very real common threats. The magnitude of response required to effectively manage an earthquake, wildfire or other disasters will quickly overwhelm our individual communities and require a coordinated regional response. To that end, our collaborative budget request is for $7 million to increase wildfire preparedness, prepare our business community appropriately, and modernize our Emergency Operation and Police Department Operation Centers (EOC/DOC).

Los Gatos, Monte Sereno, Saratoga, and Cupertino all either encompass or abut Wildland Urban Interface (WUI) and Very High Fire Hazard Severity Zones (Attachment 1). We have all made great strides individually to address the risk of wildfire in our communities, but collectively we can have a greater impact for our residents. As the map illustrates, wildfire knows no boundaries and a risk for one is a risk to all (Attachment 1). This funding will help to implement a pilot defensible space Wildland Fire Specialist Program for our communities to be implemented and overseen by Santa Clara County Fire Department (SCCFD). The City of Montecito established a similar program in 1994 and it is widely credited with sparing the city from the ravages of the 2017 Thomas Fire, now the seventh largest wildfire in California history. The request would also provide funding to provide economic incentives to modernize structures in the WUI to current Fire Code standards, such as upgrading wood shake roofs to fire resistant Class A materials.

In addition, to ensure an effective regional response in any emergency situation, all our communities need state-of-the-art effective Emergency Operation Centers and Police Department Operations Centers (EOC/DOC). This request will help West Valley cities achieve safe, modern, and technologically advanced EOCs and DOCs capable of facilitating regional joint emergency training and operation activities when mutual aid is needed.

And lastly, the pandemic clearly illustrated that many of our small to medium-sized businesses were ill prepared to respond to a disaster. Many businesses either know little, or never prioritize, effective emergency planning. This funding request would provide a one-time Business Continuity and Resilience program to provide resiliency improvements and technical assistance to businesses in emergency planning.

As disasters have plagued our state over the years, never has the importance of a collaborative regional approach to emergency preparedness and planning been more apparent. Our budget request would provide SCCFD with the funding to pilot a Wildland Fire Specialist Program, create incentives to harden structures in the WUI, enhance the effectiveness of our EOCs and DOCs to respond to emergencies, provide critical mutual aid, and help our business community better prepare for the eventual next disaster. Even during these challenging budgetary times, there is nothing more important than safeguarding our residents and our communities. As such our West Valley Cities collaboration has chosen a selfless path to this budget request knowing that protecting one of our communities from the potential ravages of disasters protects all our communities.

Sincerely,

MAYOR MARICO SAYOC
Town of Los Gatos

MAYOR SHAUN LEUTHOLD
City of Monte Sereno

MAYOR YAN ZHAO
City of Saratoga

MAYOR DARCY PAUL
City of Cupertino

MAYOR ELIZABETH " LIZ" GIBBONS
City of Campbell

CHIEF TONY BOWDEN
Santa Clara County Fire Department

LAUREL PREVETTI
Town of Los Gatos Town Manager

STEVEN LEONARDIS
City of Monte Sereno City Manager

JAMES LINDSAY
City of Saratoga City Manager

DEBORAH FENG
City of Cupertino City Manager

BRIAN LOVENTHAL
City of Campbell City Manager

AGREEMENT BETWEEN TOWN OF LOS GATOS AND CITY OF CAMPBELL FOR THE Cal OES PASS THROUGH GRANT SUBAWARD

THIS AGREEMENT is made and entered into on _____(DATE) by and between the Town of Los Gatos, a California municipal corporation, ("Los Gatos") and the City of Campbell, a California municipal corporation (herein called "Campbell"). This Agreement is made with reference to the following facts.

I. RECITALS

1.1 Los Gatos, in conjunction with Campbell, submitted an Assembly Budget Request to the Assembly Budget Committee for the Resilient Emergency and Police Department Operations Center (EOC/DOC).

1.2 Los Gatos was awarded a $7,000,000 grant from the California Governor's Office of Emergency Services ("Cal OES") to be allocated between various entities as set forth in Exhibit A to this Agreement, and over which Los Gatos was appointed to be the administrator of this grant.

1.3 Campbell was awarded a $3,900,000 ("Campbell Funds" from the $7,000,000 grant from Cal OES to help Campbell achieve safe, modern, and technologically advanced EOCs and DOCs capable of facilitating regional joint emergency training and operation activities when mutual aid is needed.

II. AGREEMENTS

2.1 Scope of Services. Los Gatos will be responsible for administering the allocation to Campbell in a manner consistent with any standards required as a condition of providing these funds, which are hereby incorporated by reference and attached as Exhibit A. Campbell will be responsible for using the funds consistent with the grant application and approval and the standards set forth in Exhibit A. Los Gatos shall disburse the entire amount of the Campbell Funds to Campbell by June 30,2022.

2.2 Term and Time of Performance. Program performance may retroactively begin on July 1, 2021, for purposes of determining eligible expenses unless otherwise noted in Exhibit A. Accordingly, services of Campbell shall start on the 1st day of July 2021 and end on the 30th day of June 2024 but may be extended and remain in effect during any period that Campbell has control over the funds, if any. The term of this Agreement and the provisions herein may be extended by mutual agreement in writing to cover any additional time period consistent with grant requirements. Such extension may be based upon remaining initial funding under this Agreement or funding of which Los Gatos remains in control of from Cal OES funds or other assets.

2.3 Budget. Campbell will incorporate this grant funding in accordance with applicable Governmental Accounting and Auditing Standards and procedures as provided by Campbell's financial policies and procedures.

2.4 Payment. It is expressly agreed and understood that the total amount to be paid by Los Gatos under this Agreement shall not exceed the amount shown in Exhibit A.

2.5 Notices. Notices required by this Agreement shall be in writing and delivered via mail (postage prepaid), commercial courier, personal delivery, facsimile, or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery. Notices sent by mail are presumed delivered after (5) days. All written communications under this Agreement shall be addressed to the individuals in the capacities listed below, unless otherwise modified by subsequent written notice.

Communications and details concerning this Agreement shall be directed to the following representatives:

Los Gatos
Town of Los Gatos
Attention: Laurel Prevetti
Title: Town Manager
110 E. Main St
Los Gatos, CA 95030
lprevetti@losgatosca.gov

Campbell
City of Campbell
Attn: Will Fuentes
Title: Finance Director
70 N. First St.
Campbell, CA 95008
willf@campbellca.gov

2.6 Conditions.

A. "Independent Contractor"

Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. Campbell shall at all times remain an "independent contractor" with respect to the services to be performed under this Agreement.

B. Hold Harmless

Each party shall hold harmless, defend and indemnify the other party from any and all claims, actions, suits, charges and judgments whatsoever that arise out of its performance or nonperformance of the obligations set forth in this Agreement.

C. Indemnification

Each party shall indemnify, defend, and hold harmless the other party from any claim, liability, loss, injury or damage arising out of, or in connection with, its performance of this Agreement or the performance of its agents, employees or sub-contractors.

2.7 Administrative Requirements.

A. Financial Management

1. Accounting Standards & Cost Principles

Los Gatos agrees to comply with Governmental Accounting Standards Board (GASB) accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

B. Documentation and Record Keeping

1. Records to be Maintained

Campbell shall maintain all records required by Los Gatos and the State of California.

2. Close-outs

Campbell's obligation to Los Gatos shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to Subrecipient), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that Campbell has control over the funds, including program income.

C. Reporting

Campbell shall report on an annual basis for the Fiscal Year (FY) ending June 30th. All program expenses related to the funds received under this Agreement are due by September 30th of each FY during the term of this Agreement.

D. Procurement

1. Compliance with Regulations

Campbell shall procure all materials, property, or services in accordance with its Purchasing Policies and Procedures.

2.8 Assignability. Campbell shall not assign or transfer any interest in this Agreement without the prior written consent of Los Gatos: provided, however, that claims for money due or to become due to Campbell from Los Gatos under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to Los Gatos.

III. GENERAL TERMS

3.1 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.

3.2 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.

3.3 Amendment. No modification, waiver, mutual termination, or amendment of this Agreement is effective unless made in writing and signed by the parties.

3.4 Entire Agreement. This Agreement, including all Exhibits, constitutes the complete and exclusive statement of the Agreement between the Los Gatos and Campbell. 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. Unless otherwise prohibited by law or Campbell's policy, the parties agree that an electronic copy of a signed contract, or an electronically signed contract, has the same force and legal effect as a contract executed with an original ink signature. The term "electronic copy of a signed contract" refers to a transmission by facsimile, electronic mail, or other electronic means of a copy of an original signed contract in a portable document format. The term "electronically signed contract" means a contract that is executed by applying an electronic signature using technology approved by Campbell.

IN WITNESS WHEREOF, the parties have executed this Agreement.

Town of Los Gatos by:

Laurel Prevetti, Town Manager

Recommended by:

Department Head

Approved as to Form:

Gabrielle Whelan, Town Attorney

Campbell, by:

Printed Name and Title

[add approved as to form sig block for Campbell too]

[attestation not necessary if agreement will not be recorded]

AGREEMENT BETWEEN TOWN OF LOS GATOS AND SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT FOR THE Cal OES PASS THROUGH GRANT SUBAWARD

THIS AGREEMENT is made and entered into on _____(DATE) by and between the Town of Los Gatos, a California municipal corporation, ("Los Gatos") and the Santa Clara County Central Fire Protection District, a California special district (herein called "County Fire" or "Implementing Agency"). This Agreement is made with reference to the following facts.

I. RECITALS

1.1 Los Gatos, in conjunction with the Implementing Agency and the Cities of Cupertino, Monte Sereno, and Saratoga submitted an Assembly Budget Request to the Assembly Budget Committee for the Wildland Urban Interface (WUI) Structure Hardening Incentives.

1.2 Los Gatos was awarded a $7,000,000 grant from the California Governor's Office of Emergency Services ("Cal OES") to be allocated between various entities as set forth in Exhibit A to this Agreement, and over which Los Gatos was appointed to be the administrator of this grant.

1.3 Implementing Agency was awarded a $2,000,000 ("County Fire Funds") from the $7,000,000 grant from Cal OES to implement a pilot defensible space wildland fire mitigation program, ("Program") for our communities and to be implemented and overseen by County Fire, the Implementing Agency.

II. AGREEMENTS

2.1 Scope of Services. Los Gatos will be responsible for administering the allocation to Implementing Agency in a manner consistent with any standards required as a condition of providing these funds, which are hereby incorporated by reference and attached as Exhibit A. Implementing Agency will be responsible for using the funds consistent with the grant application and approval and the standards set forth in Exhibit A. Los Gatos shall disburse the entire amount of the County Fire Funds by June 30, 2022.

2.2 Term and Time of Performance. Program performance may retroactively begin on July 1, 2021, for purposes of determining eligible expenses unless otherwise noted in Exhibit A. Accordingly, services of Implementing Agency shall start on the 1st day of July 2021 and end on the 30th day of June 2024 but may be extended and remain in effect during any period that Implementing Agency has control over the funds. The term of this Agreement and the provisions herein may be extended by mutual agreement in writing to cover any additional time period consistent with grant requirements. Such extension may be based upon remaining initial funding under this Agreement or funding of which Los Gatos remains in control of from Cal OES funds or other assets.

2.3 Budget. Implementing Agency will incorporate this grant funding in accordance with applicable Governmental Accounting and Auditing Standards and procedures as provided by Implementing Agency's financial policies and procedures.

2.4 Payment. It is expressly agreed and understood that the total amount to be paid by Los Gatos under this Agreement shall not exceed the amount shown in Exhibit A.

2.5 Notices. Notices required by this Agreement shall be in writing and delivered via mail (postage prepaid), commercial courier, personal delivery, facsimile, or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery. Notices sent by mail are presumed delivered after (5) days. All written communications under this Agreement shall be addressed to the individuals in the capacities listed below, unless otherwise modified by subsequent written notice.

Communications and details concerning this Agreement shall be directed to the following representatives:

Los Gatos
Town of Los Gatos
Attn: Laurel Prevetti
Title: Town Manager
110 E. Main St
Los Gatos, CA 95030
lprevetti@losgatosca.gov

Implementing Agency
Santa Clara County Fire District
Attn: Veronica Niebla
Title: Director of Business Services
14700 Winchester Blvd.
Los Gatos, CA 95032

2.6 Conditions.

A. "Independent Contractor"

Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. Implementing Agency shall at all times remain an "independent contractor" with respect to the services to be performed under this Agreement.

B. Hold Harmless

Each party shall hold harmless, defend and indemnify the other party from any and all claims, actions, suits, charges and judgments whatsoever that arise out of its performance or nonperformance of the obligations set forth in this Agreement.

C. Indemnification

Each party shall indemnify, defend, and hold harmless the other party from any claim, liability, loss, injury or damage arising out of, or in connection with, its performance of this Agreement or the performance of its agents, employees or sub-contractors.

2.7 Administrative Requirements.

A. Financial Management

1. Accounting Standards & Cost Principles
Los Gatos agrees to comply with Governmental Accounting Standards Board (GASB) accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

B. Documentation and Record Keeping

1. Records to be Maintained
Implementing Agency shall maintain all records required by Los Gatos and the State of California.

2. Close-outs
Implementing Agency's obligation to Los Gatos shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to Subrecipient), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that Campbell has control over the funds, including program income.

C. Reporting

Implementing Agency shall report on an annual basis for the Fiscal Year (FY) ending June 30th. All program expenses related to the funds received under this Agreement are due by September 30th of each FY during the term of this Agreement.

D. Procurement

1. Compliance with Regulations
Implementing Agency shall procure all materials, property, or services in accordance with its Purchasing Policies and Procedures.

2.8 Assignability. Implementing Agency shall not assign or transfer any interest in this Agreement without the prior written consent of Los Gatos: provided, however, that claims for money due or to become due to Implementing Agency from Los Gatos under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to Los Gatos.

III. GENERAL TERMS

3.1 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.

3.2 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.

3.3 Amendment. No modification, waiver, mutual termination, or amendment of this Agreement is effective unless made in writing and signed by the parties.

3.4 Entire Agreement. This Agreement, including all Exhibits, constitutes the complete and exclusive statement of the Agreement between the Los Gatos and Implementing Agency. 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. Unless otherwise prohibited by law or County Fire policy, the parties agree that an electronic copy of a signed contract, or an electronically signed contract, has the same force and legal effect as a contract executed with an original ink signature. The term "electronic copy of a signed contract" refers to a transmission by facsimile, electronic mail, or other electronic means of a copy of an original signed contract in a portable document format. The term "electronically signed contract" means a contract that is executed by applying an electronic signature using technology approved by County Fire.

IN WITNESS WHEREOF, the parties have executed this Agreement.

Town of Los Gatos by:

_____

Laurel Prevetti, Town Manager

Recommended by:

_____

Department Head

Implementing Agency, by:

_____

By: Mike Wasserman, President
Board of Directors

Signed and certified that a copy of this document has been delivered by electronic or other means to the President, Board of Directors.

ATTEST:

_____

Tiffany Lennear
Clerk of the Board of Directors

Date: _____

APPROVED AS TO FORM AND LEGALITY

_____

Christopher R. Cheleden

Lead Deputy County Counsel

[add approved as to form sig block for Campbell too]

Approved as to Form:

_____

Gabrielle Whelan, Town Attorney

[attestation not necessary if agreement will not be recorded]

AGREEMENT BETWEEN TOWN OF LOS GATOS AND CITY OF CUPERTINO FOR THE Cal OES PASS THROUGH GRANT SUBAWARD

THIS AGREEMENT is made and entered into on _____(DATE) by and between the Town of Los Gatos, a California municipal corporation, ("Los Gatos") and the City of Cupertino, a California municipal corporation (herein called "Cupertino"). This Agreement is made with reference to the following facts.

I. RECITALS

1.1 Los Gatos, in conjunction with Cupertino, submitted an Assembly Budget Request to the Assembly Budget Committee for the Resilient Emergency Operations Center and Business Continuity Resilience Program.

1.2 Los Gatos was awarded a $7,000,000 grant from the California Governor's Office of Emergency Services ("Cal OES") to be allocated between various entities as set forth in Exhibit A to this Agreement, and over which Los Gatos was appointed to be the administrator of this grant.

1.3 Cupertino was awarded a $1,000,000 ("Cupertino Funds") from the $7,000,000 grant from Cal OES to help initiate the Business Continuity Resilience Program which will provide resiliency improvements and technical assistance to businesses in emergency planning. This funding will also help Cupertino to enhance their Emergency Operations Center to support city and regional response.

II. AGREEMENTS

2.1 Scope of Services. Los Gatos will be responsible for administering the allocation to Cupertino in a manner consistent with any standards required as a condition of providing these funds, which are hereby incorporated by reference and attached as Exhibit A. Cupertino will be responsible for using the funds consistent with the grant application and approval and the standards set forth in Exhibit A. Los Gatos shall disburse the entire amount of the Cupertino Funds to Cupertino by June 30, 2022.

2.2 Term and Time of Performance. Program performance may retroactively begin on July 1, 2021, for purposes of determining eligible expenses unless otherwise noted in Exhibit A. Accordingly, services of Cupertino shall start on the 1st day of July 2021 and end on the 30th day of June 2024 but may be extended and remain in effect during any period that Cupertino has control over the funds, if any. The term of this Agreement and the provisions herein may be extended by mutual agreement in writing to cover any additional time period consistent with grant requirements. Such extension may be based upon remaining initial funding under this Agreement or funding of which Los Gatos remains in control of from Cal OES funds or other assets.

2.3 Budget. Cupertino will incorporate this grant funding in accordance with applicable Governmental Accounting and Auditing Standards and procedures as provided by Cupertino's financial policies and procedures.

2.4 Payment. It is expressly agreed and understood that the total amount to be paid by Los Gatos under this Agreement shall not exceed the amount shown in Exhibit A.

2.5 Notices. Notices required by this Agreement shall be in writing and delivered via mail (postage prepaid), commercial courier, personal delivery, facsimile, or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery. Notices sent by mail are presumed delivered after (5) days. All written communications under this Agreement shall be addressed to the individuals in the capacities listed below, unless otherwise modified by subsequent written notice.

Communications and details concerning this Agreement shall be directed to the following representatives:

Los Gatos
Town of Los Gatos
Attn: Laurel Prevetti
Title: Town Manager
110 E. Main St
Los Gatos, CA 95030
lprevetti@losgatosca.gov

Cupertino
City of Cupertino
Attn: Kristina Alfaro
Title: Administrative Services Director
10300 Torre Ave
Cupertino, CA 95014
kristinaa@cupertino.org

2.6 Conditions.

A. "Independent Contractor"

Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. Cupertino shall at all times remain an "independent contractor" with respect to the services to be performed under this Agreement.

B. Hold Harmless

Each party shall hold harmless, defend and indemnify the other party from any and all claims, actions, suits, charges and judgments whatsoever that arise out of its performance or nonperformance of the obligations set forth in this Agreement.

C. Indemnification

Each party shall indemnify, defend, and hold harmless the other party from any claim, liability, loss, injury or damage arising out of, or in connection with, its performance of this Agreement or the performance of its agents, employees or sub-contractors.

2.7 Administrative Requirements.

A. Financial Management

1. Accounting Standards & Cost Principles

Los Gatos agrees to comply with Governmental Accounting Standards Board (GASB) accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

B. Documentation and Record Keeping

1. Records to be Maintained

Cupertino shall maintain all records required by Los Gatos and the State of California.

2. Close-outs

Cupertino's obligation to Los Gatos shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to Subrecipient), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that Cupertino has control over the funds, including program income.

C. Reporting

Cupertino shall report on an annual basis for the Fiscal Year (FY) ending June 30th. All program expenses related to the funds received under this Agreement are due by September 30th of each FY during the term of this Agreement.

D. Procurement

1. Compliance with Regulations

Cupertino shall procure all materials, property, or services in accordance with its Purchasing Policies and Procedures.

2.8 Assignability. Cupertino shall not assign or transfer any interest in this Agreement without the prior written consent of Los Gatos: provided, however, that claims for money due or to become due to Cupertino from Los Gatos under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to Los Gatos.

III. GENERAL TERMS

3.1 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.

3.2 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.

3.3 Amendment. No modification, waiver, mutual termination, or amendment of this Agreement is effective unless made in writing and signed by the parties.

3.4 Entire Agreement. This Agreement, including all Exhibits, constitutes the complete and exclusive statement of the Agreement between the Los Gatos and Cupertino. 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. Unless otherwise prohibited by law or Cupertino's policy, the parties agree that an electronic copy of a signed contract, or an electronically signed contract, has the same force and legal effect as a contract executed with an original ink signature. The term "electronic copy of a signed contract" refers to a transmission by facsimile, electronic mail, or other electronic means of a copy of an original signed contract in a portable document format. The term "electronically signed contract" means a contract that is executed by applying an electronic signature using technology approved by Cupertino.

IN WITNESS WHEREOF, the parties have executed this Agreement.

Town of Los Gatos by:

Laurel Prevetti, Town Manager

Recommended by:

Department Head

Approved as to Form:

Gabrielle Whelan, Town Attorney

Cupertino, by:

Printed Name and Title

[add approved as to form sig block for Cupertino too]

[attestation not necessary if agreement will not be recorded]

N:/MASTER/AGREEMENTS/AgreementTemplates/AgreementforConsultantServices.doc

AGREEMENT BETWEEN TOWN OF LOS GATOS AND CITY OF SARATOGA FOR THE Cal OES PASS THROUGH GRANT SUBAWARD

THIS AGREEMENT is made and entered into on _____(DATE) by and between the Town of Los Gatos, a California municipal corporation, ("Los Gatos") and the City of Saratoga, a California municipal corporation (herein called "Saratoga"). This Agreement is made with reference to the following facts.

I. RECITALS

1.1 Los Gatos, in conjunction with Saratoga, submitted an Assembly Budget Request to the Assembly Budget Committee for the Wildland Urban Interface (WUI) Structure Hardening Incentives.

1.2 Los Gatos was awarded a $7,000,000 grant from the California Governor's Office of Emergency Services ("Cal OES") to be allocated between various entities as set forth in Exhibit A to this Agreement, and over which Los Gatos was appointed to be the administrator of this grant.

1.3 Saratoga was awarded a $100,000 ("Saratoga Funds") from the $7,000,000 grant from Cal OES to initiate an incentive program to encourage property owners to bring their structures in the WUI of the City to harden their structures and them into compliance with current Fire Code standards.

II. AGREEMENTS

2.1 Scope of Services. Los Gatos will be responsible for administering the allocation to Saratoga in a manner consistent with any standards required as a condition of providing these funds, which are hereby incorporated by reference and attached as Exhibit A. Saratoga will be responsible for using the funds consistent with the grant application and approval and the standards set forth in Exhibit A. Los Gatos shall disburse the entire amount of the Saratoga Funds to Saratoga by July 15, 2022.

2.2 Term and Time of Performance. Program performance may retroactively begin on July 1, 2021, for purposes of determining eligible expenses unless otherwise noted in Exhibit A. Accordingly, services of Saratoga shall start on the 1st day of July 2021 and end on the 30th day of June 2024 but may be extended and remain in effect during any period that Saratoga has control over the funds, if any. The term of this Agreement and the provisions herein may be extended by mutual agreement in writing to cover any additional time period consistent with grant requirements. Such extension may be based upon remaining initial funding under this Agreement or funding of which Los Gatos remains in control of from Cal OES funds or other assets.

2.3 Budget. Saratoga will incorporate this grant funding in accordance with applicable Governmental Accounting and Auditing Standards and procedures as provided by Saratoga's financial policies and procedures.

2.4 Payment. It is expressly agreed and understood that the total amount to be paid by Los Gatos under this Agreement shall not exceed the amount shown in Exhibit A.

2.5 Notices. Notices required by this Agreement shall be in writing and delivered via mail (postage prepaid), commercial courier, personal delivery, facsimile, or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery. Notices sent by mail are presumed delivered after (5) days. All written communications under this Agreement shall be addressed to the individuals in the capacities listed below, unless otherwise modified by subsequent written notice.

Communications and details concerning this Agreement shall be directed to the following representatives:

Los Gatos
Town of Los Gatos
Attn: Laurel Prevetti
Title: Town Manager
110 E. Main St
Los Gatos, CA 95030
lprevetti@losgatosca.gov

Saratoga
City of Saratoga
Attn: Nick Pegueros
Title: Finance Director
13777 Fruitvale Avenue
Saratoga, CA 95014
npegueros@saratoga.ca.us

2.6 Conditions.

A. "Independent Contractor"

Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. Saratoga shall at all times remain an "independent contractor" with respect to the services to be performed under this Agreement.

B. Hold Harmless

Each party shall hold harmless, defend and indemnify the other party from any and all claims, actions, suits, charges and judgments whatsoever that arise out of its performance or nonperformance of the obligations set forth in this Agreement.

C. Indemnification

Each party shall indemnify, defend, and hold harmless the other party from any claim, liability, loss, injury or damage arising out of, or in connection with, its performance of this Agreement or the performance of its agents, employees or sub-contractors.

2.7 Administrative Requirements.

A. Financial Management

1. Accounting Standards & Cost Principles
Los Gatos agrees to comply with Governmental Accounting Standards Board (GASB) accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

B. Documentation and Record Keeping

1. Records to be Maintained
Saratoga shall maintain all records required by Los Gatos and the State of California.

2. Close-outs
Saratoga's obligation to Los Gatos shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to Subrecipient), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that Saratoga has control over the funds, including program income.

C. Reporting

Saratoga shall report on an annual basis for the Fiscal Year (FY) ending June 30th. All program expenses related to the funds received under this Agreement are due by September 30th of each FY during the term of this Agreement.

D. Procurement

1. Compliance with Regulations
Saratoga shall procure all materials, property, or services in accordance with its Purchasing Policies and Procedures.

2.8 Assignability. Saratoga shall not assign or transfer any interest in this Agreement without the prior written consent of Los Gatos: provided, however, that claims for money due or to become due to Saratoga from Los Gatos under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to Los Gatos.

III. GENERAL TERMS

3.1 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.

3.2 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.

3.3 Amendment. No modification, waiver, mutual termination, or amendment of this Agreement is effective unless made in writing and signed by the parties.

3.4 Entire Agreement. This Agreement, including all Exhibits, constitutes the complete and exclusive statement of the Agreement between the Los Gatos and Saratoga. 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. Unless otherwise prohibited by law or Saratoga's policy, the parties agree that an electronic copy of a signed contract, or an electronically signed contract, has the same force and legal effect as a contract executed with an original ink signature. The term "electronic copy of a signed contract" refers to a transmission by facsimile, electronic mail, or other electronic means of a copy of an original signed contract in a portable document format. The term "electronically signed contract" means a contract that is executed by applying an electronic signature using technology approved by Saratoga.

IN WITNESS WHEREOF, the parties have executed this Agreement.

Town of Los Gatos by:

Laurel Prevetti, Town Manager

Saratoga, by:

Recommended by:

Department Head

Printed Name and Title

[add approved as to form sig block for Saratoga too]

Approved as to Form:

[attestation not necessary if agreement will not be recorded]

Gabrielle Whelan, Town Attorney

N:/MASTER/AGREEMENTS/AgreementTemplates/AgreementforConsultantServices.doc

TOWN OF LOS GATOS

COUNCIL AGENDA REPORT

MEETING DATE: 6/21/2022

ITEM NO: 14

DATE: June 10, 2022

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Authorize the Town Manager to Execute a Five-Year Agreement with Tyler Technologies to Provide Enterprise Resource Planning (ERP) Software Implementation and Ongoing Support for the Town of Los Gatos for $1,147,328 plus a 10% contingency for a Total Agreement Amount Not to Exceed $1,262,061

RECOMMENDATION:

Staff recommends that the Council authorize the Town Manager to execute a Five-Year Agreement with Tyler Technologies to provide enterprise resource planning (ERP) software implementation and ongoing support for the Town of Los Gatos for $1,147,328 plus a 10% contingency for a total agreement amount not to exceed $1,262,061.

BACKGROUND:

The current ERP system was implemented in 2008 and has become outdated. Staff determined that a modern system was required to meet the demands for advanced functionalities, improved efficiencies, fiscal transparency, better customer service, and enhanced systems integration all in a single platform. Staff initially engaged with the current software provider for potential upgrade of the existing software. The current software provider CentralSquare (formerly Sungard, Pentamation) was not able to provide an update for the current system due to organizational restructuring from multiple acquisitions.

DISCUSSION:

The Town of Los Gatos issued a Request for Proposal (RFP) to solicit responses from qualified firms offering proven, integrated solutions to replace the Town's current CentralSquare FinancePlus Enterprise Resource Planning system, specifically in the areas of Finance, Human Resources, Payroll, and Miscellaneous Billing.

PREPARED BY: Gitta Ungvari
Finance and Budget Manager

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

DISCUSSION (continued):

The RFP was listed on the Town website and was sent to vendors who had reached out to staff prior to the release of the RFP. These companies included WorkDay, Oracle, Tyler Technologies, OpenGov, and CentralSquare.

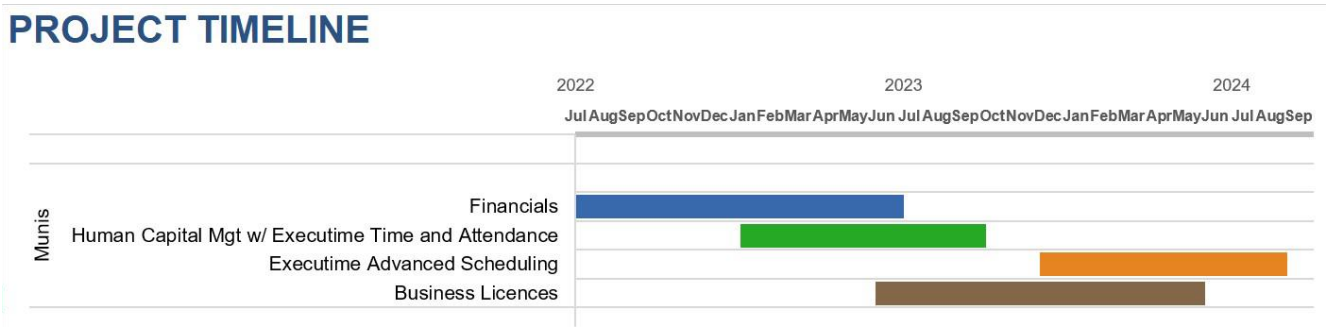
The Town received only one proposal from Tyler Technologies. During the initial meetings with WorkDay and Oracle, both companies commented that their solution was geared towards significantly larger organizations. OpenGov only provided limited services and our current provider did not submit a proposal with its most current software package.

After the RFP submittal, Tyler Technologies provided a demonstration of their Tyler Munis system both to the executive management staff and to particular Town staff power users. The response to the RFP was reviewed by an inter-disciplinary Town team, evaluating the submittal based on enhanced reporting capabilities, streamlined process workflows, and self-service online services for residents, customers, and vendors. The reviewers also assessed the proposer's demonstration of organizational, functional, and technical capabilities, as well as the experience, expertise, and qualifications necessary to provide a fully integrated and proven ERP solution to include both implementation and ongoing maintenance and support.

The proposed ERP system would include the implementation of the following functional areas.

- Financial Management
- Human Capital Management
- Executive Time and Attendance and Advanced Scheduling
- Business Licenses

The various modules for each functional area will be implemented through a phased approach spanning a two-year period as detailed in the Statement of Work (Attachment 1).



DISCUSSION (continued):

The proposed ERP system will be SaaS based solution and meets all the following project objectives:

- Consolidate information, link processes and functions, and eliminate separate Departmental spreadsheets/Excel databases in favor of a single system that integrates the Town's financial and non-financial applications through a common database;
- Streamline business processes to take advantage of best practices through automation, integration, and enhanced workflows;
- Provide a user-friendly and intuitive user interface to promote system use and productivity;
- Eliminate the need for redundant data entry;
- Eliminate the need for manual input when preparing the annual budget and financial statements;
- Improve and/or provide necessary reports and reporting capabilities, and access to data through inquiry or drilldown capabilities; and
- Provide interface capabilities with third-party systems.

Tyler Technologies currently has over 2,000 customers nationwide and over 150 in California. Forty former CentralSquare customers have migrated over successfully to Tyler's Munis solution in California (Attachment 2). Staff also performed reference checks with other surrounding municipalities who currently utilize the Tyler Munis solution and received positive feedback. Based on staff's overall assessment, it was decided to enter negotiations with Tyler Technologies for the draft contract.

It should be noted that during contract discussions, there was one area of disagreement between the parties. Tyler has proposed to indemnify the Town for claims "arising out of its negligence or willful misconduct." Staff did ask Tyler for a more general indemnification for any personal injury or property damage claims arising out of its performance – regardless of whether or not Tyler was negligent or engaged in willful misconduct. Tyler declined to make that change, citing its needs to be consistent with other city contracts. While staff would have preferred the Town's language, given the totality of the product staff is recommending that the Town accept Tyler's proposed indemnification language.

CONCLUSION:

Authorize the Town Manager to execute a five-year agreement with Tyler Technologies to provide ERP software implementation and ongoing support services for the Town of Los Gatos for $1,147,328 plus a 10% contingency for a total agreement amount not to exceed $1,262,061.

COORDINATION:

The preparation of the RFP, review of the proposal, and negotiation of the contract was coordinated between the Town Manager's Office (including IT), Finance Department, Human Resources Department, and the Town Attorney's Office.

FISCAL IMPACT:

Sufficient funds for the implementation including the first two years of the annual SaaS fees and augmented staff cost are incorporated into the Town's Proposed FY 2022/23 – FY 2027/28 Capital Program Budget.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:
1. Agreement with Tyler Technologies to provide ERP Implementation and Ongoing Maintenance and Support Services
2. Account Success Replacing CentralSquare.pdf

SOFTWARE AS A SERVICE AGREEMENT

This Software as a Service Agreement is made between Tyler Technologies, Inc. and Client.

WHEREAS, Client selected Tyler to provide certain products and services set forth in the Investment Summary, including providing Client with access to Tyler's proprietary software products, and Tyler desires to provide such products and services under the terms of this Agreement;

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants and promises set forth in this Agreement, Tyler and Client agree as follows:

SECTION A – DEFINITIONS

- **"Agreement"** means this Software as a Service Agreement.
- **"Business Travel Policy"** means our business travel policy. A copy of our current Business Travel Policy is attached as Schedule 1 to Exhibit B.
- **"Client**" means the Town of Los Gatos, California.
- **"Data"** means your data necessary to utilize the Tyler Software.
- **"Data Storage Capacity"** means the contracted amount of storage capacity for your Data identified in the Investment Summary.
- **"Defect"** means a failure of the Tyler Software to substantially conform to the functional descriptions set forth in our written proposal to you, or their functional equivalent. Future functionality may be updated, modified, or otherwise enhanced through our maintenance and support services, and the governing functional descriptions for such future functionality will be set forth in our then-current Documentation.
- **"Defined Users"** means the number of users that are authorized to use the SaaS Services. The Defined Users for the Agreement are as identified in the Investment Summary. If Exhibit A contains EnerGov labeled software, defined users mean the maximum number of named users that are authorized to use the EnerGov labeled modules as indicated in the Investment Summary.
- **"Developer"** means a third party who owns the intellectual property rights to Third Party Software.
- **"Documentation"** means any online or written documentation related to the use or functionality of the Tyler Software that we provide or otherwise make available to you, including instructions, user guides, manuals and other training or self-help documentation.
- **"Effective Date"** means the date by which both your and our authorized representatives have signed the Agreement.
- **"Force Majeure"** means an event beyond the reasonable control of you or us, including, without limitation, governmental action, war, riot or civil commotion, fire, natural disaster, or any other cause that could not with reasonable diligence be foreseen or prevented by you or us.
- **"Investment Summary"** means the agreed upon cost proposal for the products and services attached as Exhibit A.

- **"Invoicing and Payment Policy"** means the invoicing and payment policy. A copy of our current Invoicing and Payment Policy is attached as Exhibit B.
- **"Order Form"** means an ordering document that includes a quote or investment summary and specifying the items to be provided by Tyler to Client, including any addenda and supplements thereto.
- **"SaaS Fees"** means the fees for the SaaS Services identified in the Investment Summary.
- **"SaaS Services"** means software as a service consisting of system administration, system management, and system monitoring activities that Tyler performs for the Tyler Software, and includes the right to access and use the Tyler Software, receive maintenance and support on the Tyler Software, including Downtime resolution under the terms of the SLA, and Data storage and archiving. SaaS Services do not include support of an operating system or hardware, support outside of our normal business hours, or training, consulting or other professional services.
- **"SLA"** means the service level agreement. A copy of our current SLA is attached hereto as Exhibit C.
- **"Statement of Work"** means the industry standard implementation plan describing how our professional services will be provided to implement the Tyler Software, and outlining your and our roles and responsibilities in connection with that implementation. The Statement of Work is attached as Exhibit E.
- **"Support Call Process"** means the support call process applicable to all of our customers who have licensed the Tyler Software. A copy of our current Support Call Process is attached as Schedule 1 to Exhibit C.
- **"Third Party Hardware"** means the third party hardware, if any, identified in the Investment Summary.
- **"Third Party Products"** means the Third Party Software and Third Party Hardware.
- **"Third Party SaaS Services"** means software as a service provided by a third party, if any, identified in the Investment Summary.
- **"Third Party Services"** means the third party services, if any, identified in the Investment Summary.
- **"Third Party Software"** means the third party software, if any, identified in the Investment Summary.
- **"Third Party Terms"** means, if any, the end user license agreement(s) or similar terms for the Third Party Products or other parties' products or services, as applicable, and attached or indicated at Exhibit D.
- **"Tyler"** means Tyler Technologies, Inc., a Delaware corporation.
- **"Tyler Software"** means our proprietary software, including any integrations, custom modifications, and/or other related interfaces identified in the Investment Summary and licensed by us to you through this Agreement.
- **"we", "us", "our"** and similar terms mean Tyler.
- **"you"** and similar terms mean Client.

SECTION B – SAAS SERVICES

1. Rights Granted. We grant to you the non-exclusive, non-assignable limited right to use the SaaS Services solely for your internal business purposes for the number of Defined Users only. The Tyler Software will be made available to you according to the terms of the SLA. You acknowledge that we have no delivery obligations and we will not ship copies of the Tyler Software as part of the SaaS Services. You may use the SaaS Services to access updates and enhancements to the Tyler Software,

as further described in Section C(9). The foregoing notwithstanding, to the extent we have sold you perpetual licenses for Tyler Software, if and listed in the Investment Summary, for which you are receiving SaaS Services, your rights to use such Tyler Software are perpetual, subject to the terms and conditions of this Agreement including, without limitation, Section B(4). We will make any such software available to you for download.

2. SaaS Fees. You agree to pay us the SaaS Fees. Those amounts are payable in accordance with our Invoicing and Payment Policy. The SaaS Fees are based on the number of Defined Users and amount of Data Storage Capacity. You may add additional users or additional data storage capacity on the terms set forth in Section H(1). In the event you regularly and/or meaningfully exceed the Defined Users or Data Storage Capacity, we reserve the right to charge you additional fees commensurate with the overage(s).

3. Ownership.

   3.1 We retain all ownership and intellectual property rights to the SaaS Services, the Tyler Software, and anything developed by us under this Agreement. You do not acquire under this Agreement any license to use the Tyler Software in excess of the scope and/or duration of the SaaS Services.

   3.2 The Documentation is licensed to you and may be used and copied by your employees for internal, non-commercial reference purposes only.

   3.3 You retain all ownership and intellectual property rights to the Data. You expressly recognize that except to the extent necessary to carry out our obligations contained in this Agreement, we do not create or endorse any Data used in connection with the SaaS Services.

4. Restrictions. You may not: (a) make the Tyler Software or Documentation resulting from the SaaS Services available in any manner to any third party for use in the third party's business operations; (b) modify, make derivative works of, disassemble, reverse compile, or reverse engineer any part of the SaaS Services; (c) access or use the SaaS Services in order to build or support, and/or assist a third party in building or supporting, products or services competitive to us; or (d) license, sell, rent, lease, transfer, assign, distribute, display, host, outsource, disclose, permit timesharing or service bureau use, or otherwise commercially exploit or make the SaaS Services, Tyler Software, or Documentation available to any third party other than as expressly permitted by this Agreement.

5. Software Warranty. We warrant that the Tyler Software will perform without Defects during the term of this Agreement. If the Tyler Software does not perform as warranted, we will use all reasonable efforts, consistent with industry standards, to cure the Defect in accordance with the maintenance and support process set forth in Section C(9), below, the SLA and our then current Support Call Process.

6. SaaS Services.

   6.1 Our SaaS Services are audited at least yearly in accordance with the AICPA's Statement on Standards for Attestation Engagements ("SSAE") No. 18. We have attained, and will maintain, SOC 1 and SOC 2 compliance, or its equivalent, for so long as you are timely paying for SaaS Services. The scope of audit coverage varies for some Tyler Software solutions. Upon execution of a mutually agreeable Non-Disclosure Agreement ("NDA"), we will provide you with a

summary of our compliance report(s) or its equivalent. Every year thereafter, for so long as the NDA is in effect and in which you make a written request, we will provide that same information. If our SaaS Services are provided using a 3rd party data center, we will provide available compliance reports for that data center.

6.2 You will be hosted on shared hardware in a Tyler data center or in a third-party data center. In either event, databases containing your Data will be dedicated to you and inaccessible to our other customers.

6.3 Our Tyler data centers have fully-redundant telecommunications access, electrical power, and the required hardware to provide access to the Tyler Software in the event of a disaster or component failure. In the event of a data center failure, we reserve the right to employ our disaster recovery plan for resumption of the SaaS Services. In that event, we commit to a Recovery Point Objective ("RPO") of 24 hours and a Recovery Time Objective ("RTO") of 24 hours. RPO represents the maximum duration of time between the most recent recoverable copy of your hosted Data and subsequent data center failure. RTO represents the maximum duration of time following data center failure within which your access to the Tyler Software must be restored.

6.4 We conduct annual penetration testing of either the production network and/or web application to be performed. We will maintain industry standard intrusion detection and prevention systems to monitor malicious activity in the network and to log and block any such activity. We will provide you with a written or electronic record of the actions taken by us in the event that any unauthorized access to your database(s) is detected as a result of our security protocols. We will undertake an additional security audit, on terms and timing to be mutually agreed to by the parties, at your written request. You may not attempt to bypass or subvert security restrictions in the SaaS Services or environments related to the Tyler Software. Unauthorized attempts to access files, passwords or other confidential information, and unauthorized vulnerability and penetration test scanning of our network and systems (hosted or otherwise) is prohibited without the prior written approval of our IT Security Officer.

6.5 We test our disaster recovery plan on an annual basis. Our standard test is not client-specific. Should you request a client-specific disaster recovery test, we will work with you to schedule and execute such a test on a mutually agreeable schedule. At your written request, we will provide test results to you within a commercially reasonable timeframe after receipt of the request.

6.6 We will be responsible for importing back-up and verifying that you can log-in. You will be responsible for running reports and testing critical processes to verify the returned Data.

6.7 We provide secure Data transmission paths between each of your workstations and our servers.

6.8 Tyler data centers are accessible only by authorized personnel with a unique key entry. All other visitors to Tyler data centers must be signed in and accompanied by authorized personnel. Entry attempts to the data center are regularly audited by internal staff and external auditors to ensure no unauthorized access.

6.9 Where applicable with respect to our applications that take or process card payment data, we

are responsible for the security of cardholder data that we possess, including functions relating to storing, processing, and transmitting of the cardholder data and affirm that, as of the Effective Date, we comply with applicable requirements to be considered PCI DSS compliant and have performed the necessary steps to validate compliance with the PCI DSS. We agree to supply the current status of our PCI DSS compliance program in the form of an official Attestation of Compliance, which can be found at https://www.tylertech.com/about-us/compliance, and in the event of any change in our status, will comply with applicable notice requirements.

SECTION C – PROFESSIONAL SERVICES

1. Professional Services. We will provide you the various implementation-related services itemized in the Investment Summary and described in the Statement of Work. After the Effective Date, and in coordination with the Project kickoff activities identified in the Statement of Work, we will make our project staffing assignments. Upon request, Tyler will provide you with project resumes that will demonstrate relevant experience with past projects for project team members that are allocated for onsite services. You agree that those resumes are for your information and planning purposes only.

   Once our key project team members are assembled and your counterparts have been identified, both parties agree that, except for reasons outside of their control, the parties will not remove staff and personnel from their assigned project roles without reasonable advance notice and good cause, and that they will work together to mitigate project impacts after any such removal. The parties will also work together to manage the project impact resulting from the temporary unavailability of project staff from either party. We agree to use commercially reasonable efforts to maintain consistency of project personnel and commit to replacement resources having sufficient project knowledge, without additional cost to you, in order to render services in accordance with contractual requirements. If any staff turnover occurs on the Tyler project team, Client will not be responsible for any additional costs related to the aforesaid turnover.

   In the event Tyler personnel are not providing services consistent with our services warranty or are otherwise negatively impacting the project, you will notify us of that deficiency and give us a reasonable opportunity to address the issue(s). In the event the deficiency persists, we will replace that project member, upon written request and demonstration of good cause. Replacement staff will be assigned following the same processes set forth above and shall have reasonably sufficient experience and project knowledge to fulfill applicable obligations under the Agreement. The foregoing notwithstanding, if the replacement personnel is providing services onsite, you shall remain liable for travel expenses incurred by such personnel, to be invoiced in accordance with the Business Travel Policy.

2. Professional Services Fees. You agree to pay us the professional services fees in the amounts set forth in the Investment Summary. Those amounts are payable in accordance with our Invoicing and Payment Policy. You acknowledge that the fees stated in the Investment Summary are good-faith estimates of the amount of time and materials required for your implementation. We will bill you the actual fees incurred based on the in-scope services provided to you. Any discrepancies in the total values set forth in the Investment Summary will be resolved by multiplying the applicable hourly rate by the quoted hours.

3. Additional Services. The Investment Summary contains, and the Statement of Work describes, the scope of services and related costs (including programming and/or interface estimates) required for the project based on our understanding of the specifications you supplied. If additional work is required, or if you use or request additional services, we will provide you with an addendum or change order, as applicable, outlining the costs for the additional work. The price quotes in the addendum or change order will be valid for thirty (30) days from the date of the quote.

4. Cancellation. If travel is required, we will make all reasonable efforts to schedule travel for our personnel, including arranging travel reservations, at least two (2) weeks in advance of commitments. Therefore, if you cancel services less than two (2) weeks in advance (other than for Force Majeure or breach by us), you will be liable for all (a) non-refundable expenses incurred by us on your behalf, and (b) daily fees associated with cancelled professional services if we are unable to reassign our personnel. We will make all reasonable efforts to reassign personnel in the event you cancel within two (2) weeks of scheduled commitments.

5. Services Warranty. We will perform the services in a professional, workmanlike manner, consistent with industry standards. In the event we provide services that do not conform to this warranty, we will re-perform such services at no additional cost to you.

6. Site Access and Requirements. At no cost to us, you agree to provide us with full and free access to your personnel, facilities, and equipment as may be reasonably necessary for us to provide implementation services, subject to any reasonable security protocols or other written policies provided to us as of the Effective Date, and thereafter as mutually agreed to by you and us.

7. Background Checks. For at least the past twelve (12) years, all of our employees have undergone criminal background checks prior to hire. All employees sign our confidentiality agreement and security policies.

8. Client Assistance. You acknowledge that the implementation of the Tyler Software is a cooperative process requiring the time and resources of your personnel. You agree to use all reasonable efforts to cooperate with and assist us as may be reasonably required to meet the agreed upon project deadlines and other milestones for implementation. This cooperation includes at least working with us to schedule the implementation-related services outlined in this Agreement. We will not be liable for failure to meet any deadlines and milestones when such failure is due to Force Majeure or to the failure by your personnel to provide such cooperation and assistance (either through action or omission).

9. Maintenance and Support. For so long as you timely pay your SaaS Fees according to the Invoicing and Payment Policy, then in addition to the terms set forth in the SLA and the Support Call Process, we will:

   9.1 perform our maintenance and support obligations in a professional, good, and workmanlike manner, consistent with industry standards, to resolve Defects in the Tyler Software (subject to any applicable release life cycle policy);

   9.2 provide support during our established support hours;

   9.3 maintain personnel that are sufficiently trained to be familiar with the Tyler Software and Third

Party Software, if any, in order to provide maintenance and support services;

9.4 make available to you all releases to the Tyler Software (including updates and enhancements) that we make generally available without additional charge to customers who have a maintenance and support agreement in effect; and

9.5 provide non-Defect resolution support of prior releases of the Tyler Software in accordance with any applicable release life cycle policy.

We will use all reasonable efforts to perform support services remotely. Currently, we use a third-party secure unattended connectivity tool called Bomgar, as well as GotoAssist by Citrix. Therefore, you agree to maintain a high-speed internet connection capable of connecting us to your PCs and server(s). You agree to provide us with a login account and local administrative privileges as we may reasonably require to perform remote services. We will, at our option, use the secure connection to assist with proper diagnosis and resolution, subject to any reasonably applicable security protocols. If we cannot resolve a support issue remotely, we may be required to provide onsite services. In such event, we will be responsible for our travel expenses, unless it is determined that the reason onsite support was required was a reason outside our control. Either way, you agree to provide us with full and free access to the Tyler Software, working space, adequate facilities within a reasonable distance from the equipment, and use of machines, attachments, features, or other equipment reasonably necessary for us to provide the maintenance and support services, all at no charge to us. We strongly recommend that you also maintain your VPN for backup connectivity purposes.

For the avoidance of doubt, SaaS Fees do not include the following services: (a) onsite support (unless Tyler cannot remotely correct a Defect in the Tyler Software, as set forth above); (b) application design; (c) other consulting services; or (d) support outside our normal business hours as listed in our then-current Support Call Process. Requested services such as those outlined in this section will be billed to you on a time and materials basis at our then current rates. You must request those services with at least one (1) weeks' advance notice.

SECTION D – THIRD PARTY PRODUCTS

1. Third Party Hardware. We will sell, deliver, and install onsite the Third Party Hardware, if you have purchased any, for the price set forth in the Investment Summary. Those amounts are payable in accordance with our Invoicing and Payment Policy.

2. Third Party Software. As part of the SaaS Services, you will receive access to the Third Party Software and related documentation for internal business purposes only. Your rights to the Third Party Software will be governed by the Third Party Terms.

3. Third Party Products Warranties.

   3.1 We are authorized by each Developer to grant access to the Third Party Software.

   3.2 The Third Party Hardware will be new and unused, and upon payment in full, you will receive free and clear title to the Third Party Hardware.

   3.3 You acknowledge that we are not the manufacturer of the Third Party Products. We do not

warrant or guarantee the performance of the Third Party Products. However, we grant and pass through to you any warranty that we may receive from the Developer or supplier of the Third Party Products.

4. Third Party Services. If you have purchased Third Party Services, those services will be provided independent of Tyler by such third-party at the rates set forth in the Investment Summary and in accordance with our Invoicing and Payment Policy.

SECTION E - INVOICING AND PAYMENT; INVOICE DISPUTES

1. Invoicing and Payment. We will invoice you the SaaS Fees and fees for other professional services in the Investment Summary per our Invoicing and Payment Policy, subject to Section E(2).

2. Invoice Disputes. If you believe any delivered software or service does not conform to the warranties in this Agreement, you will provide us with written notice within thirty (30) days of your receipt of the applicable invoice. The written notice must contain reasonable detail of the issues you contend are in dispute so that we can confirm the issue and respond to your notice with either a justification of the invoice, an adjustment to the invoice, or a proposal addressing the issues presented in your notice. We will work with you as may be necessary to develop an action plan that outlines reasonable steps to be taken by each of us to resolve any issues presented in your notice. You may withhold payment of the amount(s) actually in dispute, and only those amounts, until we complete the action items outlined in the plan. If we are unable to complete the action items outlined in the action plan because of your failure to complete the items agreed to be done by you, then you will remit full payment of the invoice. We reserve the right to suspend delivery of all SaaS Services, including maintenance and support services, if you fail to pay an invoice not disputed as described above within fifteen (15) days of notice of our intent to do so.

SECTION F – TERM AND TERMINATION

1. Term. The initial term of this Agreement is five (5) years, commencing on the first day of the first month following the Effective Date, unless earlier terminated as set forth below. Upon expiration of the initial term, this Agreement will renew automatically for additional one (1) year renewal terms at our then-current SaaS Fees unless terminated in writing by either party at least sixty (60) days prior to the end of the then-current renewal term. Your right to access or use the Tyler Software and the SaaS Services will terminate at the end of this Agreement.

2. Termination. This Agreement may be terminated as set forth below. In the event of termination, you will pay us for all undisputed fees and expenses related to the software, products, and/or services you have received, or we have incurred or delivered, prior to the effective date of termination. Disputed fees and expenses in all terminations other than your termination for cause must have been submitted as invoice disputes in accordance with Section E(2).

   2.1 Failure to Pay SaaS Fees. You acknowledge that continued access to the SaaS Services is contingent upon your timely payment of SaaS Fees. If you fail to timely pay the SaaS Fees, we may discontinue the SaaS Services and deny your access to the Tyler Software. We may also terminate this Agreement if you don't cure such failure to pay within forty-five (45) days of receiving written notice of our intent to terminate.

2.2 For Cause. If you believe we have materially breached this Agreement, you will invoke the Dispute Resolution clause set forth in Section H(3). You may terminate this Agreement for cause in the event we do not cure, or create a mutually agreeable action plan to address, a material breach of this Agreement within the thirty (30) day window set forth in Section H(3).

2.3 Force Majeure. Either party has the right to terminate this Agreement if a Force Majeure event suspends performance of the SaaS Services for a period of forty-five (45) days or more.

2.4 Lack of Appropriations. If you should not appropriate or otherwise make available funds sufficient to utilize the SaaS Services, you may unilaterally terminate this Agreement upon thirty (30) days written notice to us. You will not be entitled to a refund or offset of previously paid, but unused SaaS Fees. You agree not to use termination for lack of appropriations as a substitute for termination for convenience.

SECTION G – INDEMNIFICATION, LIMITATION OF LIABILITY AND INSURANCE

1. Intellectual Property Infringement Indemnification.

1.1 We will defend you against any third party claim(s) that the Tyler Software or Documentation infringes that third party's patent, copyright, or trademark, or misappropriates its trade secrets, and will pay the amount of any resulting adverse final judgment (or settlement to which we consent). You must notify us promptly in writing of the claim and give us sole control over its defense or settlement. You agree to provide us with reasonable assistance, cooperation, and information in defending the claim at our expense.

1.2 Our obligations under this Section G(1) will not apply to the extent the claim or adverse final judgment is based on your use of the Tyler Software in contradiction of this Agreement, including with non-licensed third parties, or your willful infringement.

1.3 If we receive information concerning an infringement or misappropriation claim related to the Tyler Software, we may, at our expense and without obligation to do so, either: (a) procure for you the right to continue its use; (b) modify it to make it non-infringing; or (c) replace it with a functional equivalent, in which case you will stop running the allegedly infringing Tyler Software immediately. Alternatively, we may decide to litigate the claim to judgment, in which case you may continue to use the Tyler Software consistent with the terms of this Agreement.

1.4 If an infringement or misappropriation claim is fully litigated and your use of the Tyler Software is enjoined by a court of competent jurisdiction, in addition to paying any adverse final judgment (or settlement to which we consent), we will, at our option, either: (a) procure the right to continue its use; (b) modify it to make it non-infringing; or (c) replace it with a functional equivalent. This section provides your exclusive remedy for third party copyright, patent, or trademark infringement and trade secret misappropriation claims.

2. General Indemnification.

2.1 We will indemnify and hold harmless you and your agents, officials, and employees from and against any and all third-party claims, losses, liabilities, damages, costs, and expenses (including reasonable attorney's fees and costs) for (a) personal injury or property damage to the extent

caused by our negligence or willful misconduct; or (b) our violation of PCI-DSS requirements or a law applicable to our performance under this Agreement. You must notify us promptly in writing of the claim and give us sole control over its defense or settlement. You agree to provide us with reasonable assistance, cooperation, and information in defending the claim at our expense.

2.2 To the extent permitted by applicable law, you will indemnify and hold harmless us and our agents, officials, and employees from and against any and all third-party claims, losses, liabilities, damages, costs, and expenses (including reasonable attorney's fees and costs) for personal injury or property damage to the extent caused by your negligence or willful misconduct; or (b) your violation of a law applicable to your performance under this Agreement. We will notify you promptly in writing of the claim and will give you sole control over its defense or settlement. We agree to provide you with reasonable assistance, cooperation, and information in defending the claim at your expense.

3. **DISCLAIMER. EXCEPT FOR THE EXPRESS WARRANTIES PROVIDED IN THIS AGREEMENT AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, WE HEREBY DISCLAIM ALL OTHER WARRANTIES AND CONDITIONS, WHETHER EXPRESS, IMPLIED, OR STATUTORY, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES, DUTIES, OR CONDITIONS OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. CLIENT UNDERSTANDS AND AGREES THAT TYLER DISCLAIMS ANY LIABILITY FOR ERRORS THAT RELATE TO USER ERROR.**

4. **LIMITATION OF LIABILITY. EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT, OUR LIABILITY FOR DAMAGES ARISING OUT OF THIS AGREEMENT, WHETHER BASED ON A THEORY OF CONTRACT OR TORT, INCLUDING NEGLIGENCE AND STRICT LIABILITY, SHALL BE LIMITED TO YOUR ACTUAL DIRECT DAMAGES, NOT TO EXCEED (A) DURING THE INITIAL TERM, AS SET FORTH IN SECTION F(1), TOTAL FEES PAID AS OF THE TIME OF THE CLAIM; OR (B) DURING ANY RENEWAL TERM, THE THEN-CURRENT ANNUAL SAAS FEES PAYABLE IN THAT RENEWAL TERM. THE PARTIES ACKNOWLEDGE AND AGREE THAT THE PRICES SET FORTH IN THIS AGREEMENT ARE SET IN RELIANCE UPON THIS LIMITATION OF LIABILITY AND TO THE MAXIMUM EXTENT ALLOWED UNDER APPLICABLE LAW, THE EXCLUSION OF CERTAIN DAMAGES, AND EACH SHALL APPLY REGARDLESS OF THE FAILURE OF AN ESSENTIAL PURPOSE OF ANY REMEDY. THE FOREGOING LIMITATION OF LIABILITY SHALL NOT APPLY TO CLAIMS THAT ARE SUBJECT TO SECTIONS G(1) AND G(2).**

5. **EXCLUSION OF CERTAIN DAMAGES. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL WE BE LIABLE FOR ANY SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES WHATSOEVER, EVEN IF WE HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.**

6. Insurance. During the course of performing services under this Agreement, we agree to maintain the following levels of insurance: (a) Commercial General Liability of at least $1,000,000; (b) Automobile Liability of at least $1,000,000; (c) Professional Liability of at least $1,000,000; (d) Workers Compensation complying with applicable statutory requirements; and (e) Excess/Umbrella Liability of at least $5,000,000. We will add you as an additional insured to our Commercial General Liability and Automobile Liability policies, which will automatically add you as an additional insured to our Excess/Umbrella Liability policy as well. We will provide you with copies of certificates of insurance upon your written request.

SECTION H – GENERAL TERMS AND CONDITIONS

1. Additional Products and Services. You may purchase additional products and services at the rates set forth in the Investment Summary for twelve (12) months from the Effective Date by executing a mutually agreed addendum. If no rate is provided in the Investment Summary, or those twelve (12) months have expired, you may purchase additional products and services at our then-current list price, also by executing a mutually agreed addendum. The terms of this Agreement will control any such additional purchase(s), unless otherwise specifically provided in the addendum.

2. Optional Items. Pricing for any listed optional products and services in the Investment Summary will be valid for twelve (12) months from the Effective Date.

3. Dispute Resolution. You agree to provide us with written notice within thirty (30) days of becoming aware of a dispute. You agree to cooperate with us in trying to reasonably resolve all disputes, including, if requested by either party, appointing a senior representative to meet and engage in good faith negotiations with our appointed senior representative. Senior representatives will convene within thirty (30) days of the written dispute notice, unless otherwise agreed. All meetings and discussions between senior representatives will be deemed confidential settlement discussions not subject to disclosure under Federal Rule of Evidence 408 or any similar applicable state rule. If we fail to resolve the dispute, then the parties shall participate in non-binding mediation in an effort to resolve the dispute. If the dispute remains unresolved after mediation, then either of us may assert our respective rights and remedies in a court of competent jurisdiction. Nothing in this section shall prevent you or us from seeking necessary injunctive relief during the dispute resolution procedures.

4. Taxes. The fees in the Investment Summary do not include any taxes, including, without limitation, sales, use, or excise tax. If you are a tax-exempt entity, you agree to provide us with a tax-exempt certificate. Otherwise, we will pay all applicable taxes to the proper authorities and you will reimburse us for such taxes. If you have a valid direct-pay permit, you agree to provide us with a copy. For clarity, we are responsible for paying our income taxes, both federal and state, as applicable, arising from our performance of this Agreement.

5. Nondiscrimination. We will not discriminate against any person employed or applying for employment concerning the performance of our responsibilities under this Agreement. This discrimination prohibition will apply to all matters of initial employment, tenure, and terms of employment, or otherwise with respect to any matter directly or indirectly relating to employment concerning race, color, religion, national origin, age, sex, sexual orientation, ancestry, disability that is unrelated to the individual's ability to perform the duties of a particular job or position, height, weight, marital status, or political affiliation. We will post, where appropriate, all notices related to nondiscrimination as may be required by applicable law.

6. E-Verify. We have complied, and will comply, with the E-Verify procedures administered by the U.S. Citizenship and Immigration Services Verification Division for all of our employees assigned to your project.

7. Subcontractors. We will not subcontract any services under this Agreement without your prior written consent, not to be unreasonably withheld.

8. Binding Effect; No Assignment. This Agreement shall be binding on, and shall be for the benefit of, either your or our successor(s) or permitted assign(s). Neither party may assign this Agreement without the prior written consent of the other party; provided, however, your consent is not required for an assignment by us as a result of a corporate reorganization, merger, acquisition, or purchase of substantially all of our assets.

9. Force Majeure. Except for your payment obligations, neither party will be liable for delays in performing its obligations under this Agreement to the extent that the delay is caused by Force Majeure; provided, however, that within ten (10) business days of the Force Majeure event, the party whose performance is delayed provides the other party with written notice explaining the cause and extent thereof, as well as a request for a reasonable time extension equal to the estimated duration of the Force Majeure event.

10. No Intended Third Party Beneficiaries. This Agreement is entered into solely for the benefit of you and us. No third party will be deemed a beneficiary of this Agreement, and no third party will have the right to make any claim or assert any right under this Agreement. This provision does not affect the rights of third parties under any Third Party Terms.

11. Entire Agreement; Amendment. This Agreement represents the entire agreement between you and us with respect to the subject matter hereof, and supersedes any prior agreements, understandings, and representations, whether written, oral, expressed, implied, or statutory. Purchase orders submitted by you, if any, are for your internal administrative purposes only, and the terms and conditions contained in those purchase orders will have no force or effect. This Agreement may only be modified by a written amendment signed by an authorized representative of each party.

12. Severability. If any term or provision of this Agreement is held invalid or unenforceable, the remainder of this Agreement will be considered valid and enforceable to the fullest extent permitted by law.

13. No Waiver. In the event that the terms and conditions of this Agreement are not strictly enforced by either party, such non-enforcement will not act as or be deemed to act as a waiver or modification of this Agreement, nor will such non-enforcement prevent such party from enforcing each and every term of this Agreement thereafter.

14. Independent Contractor. We are an independent contractor for all purposes under this Agreement.

15. Notices. All notices or communications required or permitted as a part of this Agreement, such as notice of an alleged material breach for a termination for cause or a dispute that must be submitted to dispute resolution, must be in writing and will be deemed delivered upon the earlier of the following: (a) actual receipt by the receiving party; (b) upon receipt by sender of a certified mail, return receipt signed by an employee or agent of the receiving party; (c) upon receipt by sender of proof of email delivery; or (d) if not actually received, five (5) days after deposit with the United States Postal Service authorized mail center with proper postage (certified mail, return receipt requested) affixed and addressed to the other party at the address set forth on the signature page hereto or such other address as the party may have designated by proper notice. The consequences for the failure to receive a notice due to improper notification by the intended receiving party of a change in address will be borne by the intended receiving party.

16. Client Lists. You agree that we may identify you by name in client lists, marketing presentations, and promotional materials.

17. Confidentiality. Both parties recognize that their respective employees and agents, in the course of performance of this Agreement, may be exposed to confidential information and that disclosure of such information could violate rights to private individuals and entities, including the parties. Confidential information is nonpublic information that a reasonable person would believe to be confidential and includes, without limitation, personal identifying information (*e.g.*, social security numbers) and trade secrets, each as defined by applicable state law. To the extent permitted by the state Public Records Act, eachparty agrees that it will not disclose any confidential information of the other party and further agrees to take all reasonable and appropriate action to prevent such disclosure by its employees or agents. The confidentiality covenants contained herein will survive the termination or cancellation of this Agreement. This obligation of confidentiality will not apply to information that:
    (a) is in the public domain, either at the time of disclosure or afterwards, except by breach of this Agreement by a party or its employees or agents;
    (b) a party can establish by reasonable proof was in that party's possession at the time of initial disclosure;
    (c) a party receives from a third party who has a right to disclose it to the receiving party; or
    (d) is the subject of a legitimate disclosure request under the open records laws or similar applicable public disclosure laws governing this Agreement; provided, however, that in the event you receive an open records or other similar applicable request, you will give us prompt notice and otherwise perform the functions required by applicable law.

18. Quarantining of Client Data. Some services provided by Tyler require us to be in possession of your Data. In the event we detect malware or other conditions associated with your Data that are reasonably suspected of putting Tyler resources or other Tyler clients' data at risk, we reserve the absolute right to move your Data from its location within a multi-tenancy Tyler hosted environment to an isolated "quarantined" environment without advance notice. Your Data will remain in such quarantine for a period of at least six (6) months during which time we will review the Data, and all traffic associated with the Data, for signs of malware or other similar issues. If no issues are detected through such reviews during the six (6) month period of quarantine, we will coordinate with you the restoration of your Data to a non-quarantined environment. In the event your Data must remain in quarantine beyond this six (6) month period through no fault of Tyler's, we reserve the right to require payment of additional fees for the extended duration of quarantine. We will provide an estimate of what those costs will be upon your request.

19. Business License. In the event a local business license is required for us to perform services hereunder, you will promptly notify us and provide us with the necessary paperwork and/or contact information so that we may timely obtain such license.

20. Governing Law and Venue. This Agreement will be governed by and construed in accordance with the laws of your state of domicile, without regard to its rules on conflicts of law. In the event of litigation, venue will be in the state or federal courts located in County of Santa Clara.

21. Multiple Originals and Authorized Signatures. This Agreement may be executed in multiple originals, any of which will be independently treated as an original document. Any electronic, faxed, scanned, photocopied, or similarly reproduced signature on this Agreement or any amendment

hereto will be deemed an original signature and will be fully enforceable as if an original signature. Each party represents to the other that the signatory set forth below is duly authorized to bind that party to this Agreement.

22. Cooperative Procurement. To the maximum extent permitted by applicable law, we agree that this Agreement may be used as a cooperative procurement vehicle by eligible jurisdictions. We reserve the right to negotiate and customize the terms and conditions set forth herein, including but not limited to pricing, to the scope and circumstances of that cooperative procurement.

23. Socrata Solution Terms. Your use of certain Tyler solutions includes Tyler's Socrata data platform. Your rights, and the rights of any of your end users, to use Tyler's Socrata data platform is subject to the Socrata SaaS Services Terms of Service, available at https://www.tylertech.com/terms/socrata-saas-services-terms-of-service. By signing a Tyler Agreement or Order Form, or accessing, installing, or using any of the Tyler solutions listed at the linked terms, you certify that you have reviewed, understand, and agree to said terms.

24. Contract Documents. This Agreement includes the following exhibits:

Exhibit A	Investment Summary
Exhibit B	Invoicing and Payment Policy
	Schedule 1: Business Travel Policy
Exhibit C	Service Level Agreement
	Schedule 1: Support Call Process
Exhibit D	Third Party Terms
	Schedule 1: Hyperlinked Terms
	Schedule 2: DocOrigin Terms
Exhibit E	Statement of Work

IN WITNESS WHEREOF, a duly authorized representative of each party has executed this Agreement as of the date(s) set forth below.

Tyler Technologies, Inc.

By:_____

Name:_____

Title:_____

Date:_____

Address for Notices:
Tyler Technologies, Inc.
One Tyler Drive
Yarmouth, ME 04096
Attention: Chief Legal Officer

Town of Los Gatos, CA

By:_____

Name:_____

Title:_____

Date:_____

Address for Notices:
Town of Los Gatos
110 E Main St
Los Gatos, CA 95030
Attention: _____

Exhibit A
Investment Summary

The following Investment Summary details the software and services to be delivered by us to you under the Agreement. This Investment Summary is effective as of the Effective Date. Capitalized terms not otherwise defined will have the meaning assigned to such terms in the Agreement.

Tyler sales quotation to be inserted prior to Agreement execution.

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Quoted By:	Jennifer Wahlbrink
Quote Expiration:	06/17/22
Quote Name:	Town of Los Gatos-ERP-Munis
Quote Description:	4-5-22 Town of Los Gatos, CA v.5
Saas Term	5.00

Sales Quotation For:
Town of Los Gatos
110 E Main St Lbby
Los Gatos CA 95030-6945
Phone: +1 (408) 354-6828

Tyler SaaS and Related Services

Description	Qty	Imp. Hours	Annual Fee
Financial Management			
Accounting	1	136	$ 22,798.00
Accounts Payable	1	40	$ 6,306.00
Bid Management	1	32	$ 2,491.00
Budgeting	1	56	$ 6,306.00
Capital Assets	1	48	$ 5,262.00
Cash Management	1	40	$ 3,943.00
Contract Management	1	32	$ 2,473.00
Project & Grant Accounting	1	40	$ 4,297.00
Purchasing	1	100	$ 9,350.00
Vendor Access	1	32	$ 3,898.00
Human Resources Management			
Advanced Scheduling	1	56	$ 10,362.00
Advanced Scheduling Mobile Access	1	0	$ 2,352.00
Employee Expense Reimbursement	1	40	$ 2,662.00
Human Resources & Talent Management	1	88	$ 4,843.00
Payroll w/ESS	1	168	$ 5,921.00

Time & Attendance	1	80	$ 7,014.00
Time & Attendance Mobile Access	1	0	$ 2,553.00
Revenue Management			
Accounts Receivable	1	80	$ 4,646.00
Business Licenses	1	128	$ 4,890.00
Cashiering	1	48	$ 8,394.00
Central Property File	1	8	$ 1,518.00
General Billing	1	40	$ 3,019.00
Civic Services			
Resident Access	1	52	$ 4,646.00
Content Management			
Content Manager Core	1	40	$ 8,865.00
Data Insights			
Enterprise Analytics and Reporting w Executive Insights	1	88	$ 13,186.00
Additional			
Enterprise Forms Processing (including Common Form Set)	1	0	$ 4,818.00

Sub-Total:		$ 156,813.00
Less Discount:		$ 15,682.00
TOTAL	**1472**	**$ 141,131.00**

Professional Services

Description	Quantity	Unit Price	Extended Price	Maintenance
40/60 Work Split - Tyler 40%, Remote	474	$ 185.00	$ 87,690.00	$ 0.00
Enterprise Forms Processing Configuration	1	$ 2,000.00	$ 2,000.00	$ 0.00
Project Management	240	$ 185.00	$ 44,400.00	$ 0.00
Conversions			$ 21,700.00	$ 0.00
Onsite Implementation	400	$ 210.00	$ 84,000.00	$ 0.00
Remote Implementation	1072	$ 185.00	$ 198,320.00	$ 0.00

TOTAL	**$ 438,110.00**	**$ 0.00**

3rd Party Hardware, Software and Services

Description	Qty	Unit Price	Unit Discount	Total Price	Unit Maint/SaaS	Unit Maint/SaaS Discount	Total Maint/SaaS
Cash Drawer	1	$ 260.00	$ 0.00	$ 260.00	$ 0.00	$ 0.00	$ 0.00
Hand Held Scanner - Model 1950GSR	1	$ 450.00	$ 0.00	$ 450.00	$ 0.00	$ 0.00	$ 0.00
Hand Held Scanner Stand	1	$ 30.00	$ 0.00	$ 30.00	$ 0.00	$ 0.00	$ 0.00
Printer (TM-S9000II)	1	$ 1,623.00	$ 0.00	$ 1,623.00	$ 0.00	$ 0.00	$ 0.00
Secure Signature System with 2 Keys	1	$ 1,650.00	$ 0.00	$ 1,650.00	$ 0.00	$ 0.00	$ 0.00
TOTAL				**$ 4,013.00**			**$ 0.00**

Summary	**One Time Fees**	**Recurring Fees**
Total Tyler Software	$ 0.00	$ 0.00
Total Annual	$ 0.00	$ 141,131.00
Total Tyler Services	$ 438,110.00	$ 0.00
Total Third-Party Hardware, Software, Services	$ 4,013.00	$ 0.00
Summary Total	**$ 442,123.00**	**$ 141,131.00**
Contract Total	**$ 1,147,778.00**	
Estimated Travel Expenses excl in Contract Total	**$ 25,500.00**	

Unless otherwise indicated in the contract or amendment thereto, pricing for optional items will be held
For six (6) months from the Quote date or the Effective Date of the Contract, whichever is later.

Customer Approval: _____ Date: _____

Print Name: _____ P.O.#: _____

All Primary values quoted in US Dollars

Detailed Breakdown of Conversions (Included in Summary Total)

Description	Qty	Unit Price	Unit Discount	Extended Price
Accounts Payable				
AP - Checks up to 5 years	1	$ 2,600.00	$ 0.00	$ 2,600.00
AP - Invoice up to 5 years	1	$ 3,400.00	$ 0.00	$ 3,400.00
AP Standard Master	1	$ 1,600.00	$ 0.00	$ 1,600.00
Capital Assets				
CA - History	1	$ 1,800.00	$ 0.00	$ 1,800.00
CA Std Master	1	$ 3,000.00	$ 0.00	$ 3,000.00
General Billing				
GB Std CID	1	$ 1,500.00	$ 0.00	$ 1,500.00
Payroll				
PR Payroll - Accumulators up to 5 years	1	$ 1,400.00	$ 0.00	$ 1,400.00
PR Payroll - Check History up to 5 years	1	$ 1,200.00	$ 0.00	$ 1,200.00
PR Payroll - Earning/Deduction Hist up to 5 years	1	$ 2,500.00	$ 0.00	$ 2,500.00
Purchasing				
Purchasing - Standard	1	$ 2,700.00	$ 0.00	$ 2,700.00
	TOTAL			**$ 21,700.00**

Optional Tyler SaaS and Related Services

Description	Qty	Imp. Hours	Annual Fee
Data Insights			
Capital Projects Explorer	1	0	$ 6,400.00
Open Finance	1	0	$ 12,800.00
Subscription Fees			
ACFR Statement Builder	1	32	$ 6,280.00

TOTAL:	**32**		**$ 25,480.00**

Optional Professional Services

Description	Quantity	Unit Price	Extended Price	Maintenance
50/50 Work Spilt - Added to the proposed 40%, Remote	474	$ 185.00	$ 87,690.00	$ 0.00
Install Fee - Capital Projects Explorer	1	$ 2,800.00	$ 2,800.00	$ 0.00
Install Fee - Open Finance	1	$ 5,600.00	$ 5,600.00	$ 0.00
Conversion			$ 16,100.00	$ 0.00
Onsite Implementation	8	$ 210.00	$ 1,680.00	$ 0.00
Remote Implementation	24	$ 185.00	$ 4,440.00	$ 0.00
TOTAL			**$ 118,310.00**	**$ 0.00**

Optional 3rd Party Hardware, Software and Services

Description	Qty	Unit Price	Unit Discount	Total Price	Unit Maint/SaaS	Unit Maint/SaaS Discount	Total Maint/SaaS
Koa Hills - Chart of Accounts (COA) Design Leadership	1	$ 40,680.00	$ 0.00	$ 40,680.00	$ 0.00	$ 0.00	$ 0.00
Pattern Stream Automated Document System - Implementation	48	$ 185.00	$ 0.00	$ 8,880.00	$ 0.00	$ 0.00	$ 0.00
Pattern Stream Automated Document System - SaaS	1	$ 0.00	$ 0.00	$ 0.00	$ 16,740.00	$ 0.00	$ 16,740.00
TOTAL				**$ 49,560.00**			**$ 16,740.00**

Optional Conversion Details (Prices Reflected Above)

Description	Quantity	Unit Price	Discount	Total
Business License				
Business Licenses Opt 1 - Bills	1	$ 4,400.00	$ 0.00	$ 4,400.00
Business Licenses Std Master	1	$ 5,000.00	$ 0.00	$ 5,000.00

General Billing				
GB - Bills up to 5 years	1	$ 4,000.00	$ 0.00	$ 4,000.00
GB - Recurring Invoices	1	$ 2,700.00	$ 0.00	$ 2,700.00
TOTAL				**$ 16,100.00**

Tyler Annual Discount Detail (Excludes Optional Products)

Description	Annual Fee	Annual Fee Discount	Annual Fee Net
Financial Management			
Accounting	$ 22,798.00	$ 2,280.00	$ 20,518.00
Accounts Payable	$ 6,306.00	$ 631.00	$ 5,675.00
Bid Management	$ 2,491.00	$ 249.00	$ 2,242.00
Budgeting	$ 6,306.00	$ 631.00	$ 5,675.00
Capital Assets	$ 5,262.00	$ 526.00	$ 4,736.00
Cash Management	$ 3,943.00	$ 394.00	$ 3,549.00
Contract Management	$ 2,473.00	$ 247.00	$ 2,226.00
Project & Grant Accounting	$ 4,297.00	$ 430.00	$ 3,867.00
Purchasing	$ 9,350.00	$ 935.00	$ 8,415.00
Vendor Access	$ 3,898.00	$ 390.00	$ 3,508.00
Human Resources Management			
Advanced Scheduling	$ 10,362.00	$ 1,036.00	$ 9,326.00
Advanced Scheduling Mobile Access	$ 2,352.00	$ 235.00	$ 2,117.00
Employee Expense Reimbursement	$ 2,662.00	$ 266.00	$ 2,396.00
Human Resources & Talent Management	$ 4,843.00	$ 484.00	$ 4,359.00
Payroll w/ESS	$ 5,921.00	$ 592.00	$ 5,329.00
Time & Attendance	$ 7,014.00	$ 701.00	$ 6,313.00
Time & Attendance Mobile Access	$ 2,553.00	$ 255.00	$ 2,298.00
Revenue Management			
Accounts Receivable	$ 4,646.00	$ 465.00	$ 4,181.00
Business Licenses	$ 4,890.00	$ 489.00	$ 4,401.00
Cashiering	$ 8,394.00	$ 839.00	$ 7,555.00
Central Property File	$ 1,518.00	$ 152.00	$ 1,366.00
General Billing	$ 3,019.00	$ 302.00	$ 2,717.00

Civic Services			
Resident Access	$ 4,646.00	$ 465.00	$ 4,181.00
Content Management			
Content Manager Core	$ 8,865.00	$ 887.00	$ 7,978.00
Data Insights			
Enterprise Analytics and Reporting w Executive Insights	$ 13,186.00	$ 1,319.00	$ 11,867.00
Additional			
Enterprise Forms Processing (including Common Form Set)	$ 4,818.00	$ 482.00	$ 4,336.00
TOTAL	**$ 156,813.00**	**$ 15,682.00**	**$ 141,131.00**

Comments

Tyler's quote contains estimates of the amount of services needed, based on our preliminary understanding of the scope, level of engagement, and timeline as defined in the Statement of Work (SOW) for your project. The actual amount of services required may vary, based on these factors.

Tyler's pricing is based on the scope of proposed products and services contracted from Tyler. Should portions of the scope of products or services be altered by the Client, Tyler reserves the right to adjust prices for the remaining scope accordingly.

Unless otherwise noted, prices submitted in the quote do not include travel expenses incurred in accordance with Tyler's then-current Business Travel Policy.

Tyler's prices do not include applicable local, city or federal sales, use excise, personal property or other similar taxes or duties, which you are responsible for determining and remitting. Installations are completed remotely but can be done onsite upon request at an additional cost.

In the event Client cancels services less than two (2) weeks in advance, Client is liable to Tyler for (i) all non-refundable expenses incurred by Tyler on Client's behalf; and (ii) daily fees associated with the cancelled services if Tyler is unable to re-assign its personnel.

The Implementation Hours included in this quote assume a work split effort of 70% Client and 30% Tyler.

Implementation Hours are scheduled and delivered in four (4) or eight (8) hour increments.

Tyler provides onsite training for a maximum of 12 people per class. In the event that more than 12 users wish to participate in a training class or more than one occurrence of a class is needed, Tyler will either provide additional days at then-current rates for training or Tyler will utilize a Train-the-Trainer approach whereby the client designated attendees of the initial training can thereafter train the remaining users.

As a new Tyler client, you are entitled to a 30-day trial of the Tyler Detect cybersecurity service. Please reference https://www.tylertech.com/services/tyler-detect for more information on the service and contact CybersecuritySales@tylertech.com to initiate the trial.

Tyler Content Manager SE includes up to 1TB of storage. Should additional storage be needed it may be purchased as needed at an annual fee of $5,000 per TB.

The SaaS fees for products that are not named users are based on 50 concurrent users. Should the number of concurrent users be exceeded, Tyler reserves the right to re-negotiate the SaaS fees based upon any resulting changes in the pricing categories.

Financial library includes: standard A/P check, standard EFT/ACH, standard Purchase order, standard Contract, 1099M, 1099INT, 1099S, 1099NEC and 1099G.

Business license library includes: standard business license and standard renewal application.

General Billing library includes: standard invoice, standard statement, standard general billing receipt and standard miscellaneous receipt.

Personnel Actions Forms Library includes: standard Personnel Action form - New and standard Personnel Action Form - Change.

Payroll library includes: standard PR check, standard direct deposit, standard vendor from payroll check, standard vendor from payroll direct deposit, W2, W2c, ACA 1095B, ACA 1095C and 1099 R.

Standard Project Management responsibilities include project plan creation, initial stakeholder presentation, bi-weekly status calls, updating of project plan task statuses, and go-live planning activities.

Your rights, and the rights of any of your end users, to use Tyler’s Data & Insights SaaS Services, or certain Tyler solutions which include Tyler’s Data & Insights data platform, are subject to the Terms of Services, available at https://www.tylertech.com/terms/socrata-saas-services-terms-of-service. By signing this sales quotation, or accessing, installing, or using any of the Tyler solutions listed at the linked terms, you certify that you have reviewed, understand, and agree to said terms.

In the event Client acquires from Tyler any edition of Tyler Content Manager software other than Enterprise Edition, the license for Content Manager is restricted to use with Tyler applications only. If Client wishes to use Tyler Content Manager software with non-Tyler applications, Client must purchase or upgrade to Tyler Content Manager Enterprise Edition.

Tyler's form library prices are based on the actual form quantities listed, and assume the forms will be provided according to the standard Enterprise ERP form template. Any forms in addition to the quoted amounts and types, including custom forms or forms that otherwise require custom programming, are subject to an additional fee. Please also note that use of the Tyler Forms functionality requires the use of approved printers as well. You may contact Tyler's support team for the most current list of approved printers. Any forms included in this quote are based on the standard form templates provided. Custom forms, additional forms and any custom programming are subject to additional fees not included in this quote. The additional fees would be quoted at the time of request, generally during the implementation of the forms. Please note that the form solution provided requires the use of approved printers. You may contact Tyler's support team for the most current list of approved printers.

Tyler Secure Signature System includes digitizing two signatures, additional charges will apply for additional signatures.

Payer Electronic Payment Costs If passing transaction costs to the payer	

Payer Card Cost – Service Fee - per card transaction with Visa, MasterCard, Discover, and American Express for transactions.
 	
Applied to:
• Munis – online and over the counter
  ○ Business License
  ○ Miscellaneous
  ○ Rental Mediation
	3.50%
	$2.50 minimum

Payer eCheck Cost – per electronic check transaction	$1.95
Miscellaneous Costs	
Credit Card Chargebacks – if a card payer disputes a transaction at the card issuing bank (e.g. stolen card)	$15.00
eCheck Rejects – when an eCheck transaction comes back as declined (e.g. bounced check)	$5.00
Card Terminal Rental – Annual recurring fee per device. Covers cost of PCI compliance, service, maintenance, real-time integration and support	Lane 3000: $396 (annual recurring) Lane 5000: $456 (annual recurring)
Card Terminal Purchase – Maintenance fee is an annual fee per device. Covers cost of PCI compliance, service, maintenance, real-time integration and support	Lane 3000: $419 (one-time fee) Lane 5000: $529 (one-time fee) Plus $180 Device Annual Support
IVR - per transaction on top of Card fee passed to the payer or absorbed	$0.50

Exhibit B
Invoicing and Payment Policy

We will provide you with the software and services set forth in the Investment Summary of the Agreement. Capitalized terms not otherwise defined will have the meaning assigned to such terms in the Agreement.

Invoicing: We will invoice you for the applicable software and services in the Investment Summary as set forth below. Your rights to dispute any invoice are set forth in the Agreement.

1. SaaS Fees. Your annual Saas Fees for the initial five (5) year term are set forth in the Investment Summary and shall be due in the amounts as set forth below.

Payment Due	SaaS Fee Payment Amount
7/1/2022	$27,391.61
10/1/2022	$27,391.61
1/1/2023	$31,271.92
4/1/2023	$31,271.92
7/1/2023	$33,137.17
10/1/2023	$35,282.73
1/1/2024	$35,282.73
4/1/2024	$35,282.73
7/1/2024	$141,131.00
7/1/2025	$141,131.00
7/1/2026	$141,131.00

Upon expiration of the initial term, your annual SaaS Fees will be paid annually, in advance, at our then-current rates, subject to the following annualized caps on increases to the annual SaaS fees for the time periods indicated:

- Year 6 – 3%
- Year 7 – 4%
- Year 8 – 5%
- Year 9 – 5%
- Year 10 – 5%

Thereafter, your annual SaaS Fees will be at our then-current rates.

2. Other Tyler Software and Services.

2.1 *VPN Device*: The fee for the VPN device will be invoiced upon installation of the VPN.

2.2 *Implementation and Other Professional Services (including training)*: Implementation and other professional services (including training) are billed and invoiced as delivered, at the rates set forth in the Investment Summary.

2.3 *Consulting Services*: If you have purchased any Business Process Consulting services, if they have been quoted as fixed-fee services, they will be invoiced 50% upon your acceptance of the Best Practice Recommendations, by module, and 50% upon your acceptance of custom desktop procedures, by module. If you have purchased any Business Process Consulting services and they are quoted as an estimate, then we will bill you the actual services delivered on a time and materials basis.

2.4 *Conversions*: Fixed-fee conversions are invoiced 50% upon initial delivery of the converted Data, by conversion option, and 50% upon Client acceptance to load the converted Data into Live/Production environment, by conversion option. Where conversions are quoted as estimated, we will bill you the actual services delivered on a time and materials basis.

2.5 *Requested Modifications to the Tyler Software*: Requested modifications to the Tyler Software are invoiced 50% upon delivery of specifications and 50% upon delivery of the applicable modification. You must report any failure of the modification to conform to the specifications within thirty (30) days of delivery; otherwise, the modification will be deemed to be in compliance with the specifications after the 30-day window has passed. You may still report Defects to us as set forth in this Agreement.

2.6 *Other Fixed Price Services*: Other fixed price services are invoiced as delivered, at the rates set forth in the Investment Summary. For the avoidance of doubt, where "Project Planning Services" are provided, payment will be due upon delivery of the Implementation Planning document.

3. Third Party Products.

3.1 *Third Party Software License Fees*: License fees for Third Party Software, if any, are invoiced when we make it available to you for downloading.

3.2 *Third Party Software Maintenance*: The first year maintenance for the Third Party Software is invoiced when we make it available to you for downloading.

3.3 *Third Party Hardware*: Third Party Hardware costs, if any, are invoiced upon delivery.

3.4 *Third Party Services:* Fees for Third Party Services, if any, are invoiced as delivered, along with applicable expenses, at the rates set forth in the Investment Summary.

3.5 *Third Party SaaS*: Third Party SaaS Services fees, if any, are invoiced annually, in advance, commencing with availability of the respective Third Party SaaS Services. Pricing for the first year of Third Party SaaS Services is indicated in the Investment Summary. Pricing for subsequent years will be at the respective third party's then-current rates.

4. Transaction Fees. Unless paid directly by an end user at the time of transaction, per transaction (call, message, etc.) fees are invoiced on a quarterly basis. Fees are indicated in Schedule A and

may be increased by Tyler upon notice of no less than thirty (30) days.

5. Expenses. The service rates in the Investment Summary do not include travel expenses. Expenses for Tyler delivered services will be billed as incurred and only in accordance with our then-current Business Travel Policy, plus a 10% travel agency processing fee. Our current Business Travel Policy is attached to this Exhibit B as Schedule 1. Copies of receipts will be provided upon request; we reserve the right to charge you an administrative fee depending on the extent of your requests. Receipts for miscellaneous items less than twenty-five dollars and mileage logs are not available.

Payment. Payment for undisputed invoices is due within forty-five (45) days of the invoice date. We prefer to receive payments electronically. Our electronic payment information is available by contacting AR@tylertech.com.

Exhibit B
Schedule 1
Business Travel Policy

1. Air Travel

A. Reservations & Tickets

The Travel Management Company (TMC) used by Tyler will provide an employee with a direct flight within two hours before or after the requested departure time, assuming that flight does not add more than three hours to the employee's total trip duration and the fare is within $100 (each way) of the lowest logical fare. If a net savings of $200 or more (each way) is possible through a connecting flight that is within two hours before or after the requested departure time and that does not add more than three hours to the employee's total trip duration, the connecting flight should be accepted.

Employees are encouraged to make advanced reservations to take full advantage of discount opportunities. Employees should use all reasonable efforts to make travel arrangements at least two (2) weeks in advance of commitments. A seven (7) day advance booking requirement is mandatory. When booking less than seven (7) days in advance, management approval will be required.

Except in the case of international travel where a segment of continuous air travel is six (6) or more consecutive hours in length, only economy or coach class seating is reimbursable. Employees shall not be reimbursed for "Basic Economy Fares" because these fares are non-refundable and have many restrictions that outweigh the cost-savings.

B. Baggage Fees

Reimbursement of personal baggage charges are based on trip duration as follows:

- Up to five (5) days = one (1) checked bag
- Six (6) or more days = two (2) checked bags

Baggage fees for sports equipment are not reimbursable.

2. Ground Transportation

A. Private Automobile

Mileage Allowance – Business use of an employee's private automobile will be reimbursed at the current IRS allowable rate, plus out of pocket costs for tolls and parking. Mileage will be calculated by using the employee's office as the starting and ending point, in compliance with IRS regulations. Employees who have been designated a home office should calculate miles from their home.

B. Rental Car

Employees are authorized to rent cars only in conjunction with air travel when cost, convenience, and the specific situation reasonably require their use. When renting a car for Tyler business, employees should select a "mid-size" or "intermediate" car. "Full" size cars may be rented when three or more employees are traveling together. Tyler carries leased vehicle coverage for business car rentals; except for employees traveling to Alaska and internationally (excluding Canada), additional insurance on the rental agreement should be declined.

C. Public Transportation

Taxi or airport limousine services may be considered when traveling in and around cities or to and from airports when less expensive means of transportation are unavailable or impractical. The actual fare plus a reasonable tip (15-18%) are reimbursable. In the case of a free hotel shuttle to the airport, tips are included in the per diem rates and will not be reimbursed separately.

D. Parking & Tolls

When parking at the airport, employees must use longer term parking areas that are measured in days as opposed to hours. Park and fly options located near some airports may also be used. For extended trips that would result in excessive parking charges, public transportation to/from the airport should be considered. Tolls will be reimbursed when receipts are presented.

3. Lodging

Tyler's TMC will select hotel chains that are well established, reasonable in price, and conveniently located in relation to the traveler's work assignment. Typical hotel chains include Courtyard, Fairfield Inn, Hampton Inn, and Holiday Inn Express. If the employee has a discount rate with a local hotel, the hotel reservation should note that discount and the employee should confirm the lower rate with the hotel upon arrival. Employee memberships in travel clubs such as AAA should be noted in their travel profiles so that the employee can take advantage of any lower club rates.

"No shows" or cancellation fees are not reimbursable if the employee does not comply with the hotel's cancellation policy.

Tips for maids and other hotel staff are included in the per diem rate and are not reimbursed separately.

Employees are not authorized to reserve non-traditional short-term lodging, such as Airbnb, VRBO, and HomeAway. Employees who elect to make such reservations shall not be reimbursed.

4. Meals and Incidental Expenses

Employee meals and incidental expenses while on travel status within the continental U.S. are in accordance with the federal per diem rates published by the General Services Administration. Incidental expenses include tips to maids, hotel staff, and shuttle drivers and other minor travel expenses. Per diem rates are available at www.gsa.gov/perdiem.

Per diem for Alaska, Hawaii, U.S. protectorates and international destinations are provided separately by the Department of State and will be determined as required.

A. Overnight Travel

For each full day of travel, all three meals are reimbursable. Per diems on the first and last day of a trip are governed as set forth below.

Departure Day

Depart before 12:00 noon	Lunch and dinner
Depart after 12:00 noon	Dinner

Return Day

Return before 12:00 noon	Breakfast
Return between 12:00 noon & 7:00 p.m.	Breakfast and lunch
Return after 7:00 p.m.*	Breakfast, lunch and dinner

*7:00 p.m. is defined as direct travel time and does not include time taken to stop for dinner.

The reimbursement rates for individual meals are calculated as a percentage of the full day per diem as follows:

Breakfast	15%
Lunch	25%
Dinner	60%

B. Same Day Travel

Employees traveling at least 100 miles to a site and returning in the same day are eligible to claim lunch on an expense report. Employees on same day travel status are eligible to claim dinner in the event they return home after 7:00 p.m.*

*7:00 p.m. is defined as direct travel time and does not include time taken to stop for dinner.

5. Internet Access – Hotels and Airports

   Employees who travel may need to access their e-mail at night. Many hotels provide free high speed internet access and Tyler employees are encouraged to use such hotels whenever possible. If an employee's hotel charges for internet access it is reimbursable up to $10.00 per day. Charges for internet access at airports are not reimbursable.

6. International Travel

   All international flights with the exception of flights between the U.S. and Canada should be reserved through TMC using the "lowest practical coach fare" with the exception of flights that are six (6) or more consecutive hours in length. In such event, the next available seating class above coach shall be reimbursed.

   When required to travel internationally for business, employees shall be reimbursed for photo fees, application fees, and execution fees when obtaining a new passport book, but fees related to passport renewals are not reimbursable. Visa application and legal fees, entry taxes and departure taxes are reimbursable.

   The cost of vaccinations that are either required for travel to specific countries or suggested by the U.S. Department of Health & Human Services for travel to specific countries, is reimbursable.

   Section 4, Meals & Incidental Expenses, and Section 2.b., Rental Car, shall apply to this section.

Exhibit C
Service Level Agreement

I. Agreement Overview

This SLA operates in conjunction with, and does not supersede or replace any part of, the Agreement. It outlines the information technology service levels that we will provide to you to ensure the availability of the application services that you have requested us to provide. This SLA does not apply to any Third Party SaaS Services. All other support services are documented in the Support Call Process.

II. Definitions. Except as defined below, all defined terms have the meaning set forth in the Agreement.

Actual Attainment: The percentage of time the Tyler Software is available during a calendar quarter, calculated as follows: (Service Availability – Downtime) ÷ Service Availability.

Client Error Incident: Any service unavailability resulting from your applications, content or equipment, or the acts or omissions of any of your service users or third-party providers over whom we exercise no control.

Downtime: Those minutes during Service Availability, as defined below, when all users cannot launch, login, search or save primary data in the Tyler Software. Downtime does not include those instances in which only a Defect is present.

Emergency Maintenance: (1) maintenance that is required to patch a critical security vulnerability; (2) maintenance that is required to prevent an imminent outage of Service Availability; or (3) maintenance that is mutually agreed upon in writing by Tyler and the Client.

Planned Downtime: Downtime that occurs during a Standard or Emergency Maintenance window.

Service Availability: The total number of minutes in a calendar quarter that the Tyler Software is capable of receiving, processing, and responding to requests, excluding Planned Downtime, Client Error Incidents, denial of service attacks and Force Majeure.

Standard Maintenance: Routine maintenance to the Tyler Software and infrastructure. Standard Maintenance is limited to five (5) hours per week.

III. Service Availability

a. Your Responsibilities

Whenever you experience Downtime, you must make a support call according to the procedures outlined in the Support Call Process. You will receive a support case number.

b. Our Responsibilities

When our support team receives a call from you that Downtime has occurred or is occurring, we will work with you to identify the cause of the Downtime (including whether it may be the result of Planned

Downtime, a Client Error Incident, Denial of Service attack or Force Majeure). We will also work with you to resume normal operations.

c. Client Relief

Our targeted Attainment Goal is 100%. You may be entitled to credits as indicated in the Client Relief Schedule found below. Your relief credit is calculated as a percentage of the SaaS fees paid for the calendar quarter.

In order to receive relief credits, you must submit a request through one of the channels listed in our Support Call Process within fifteen days (15) of the end of the applicable quarter. We will respond to your relief request within thirty (30) day(s) of receipt.

The total credits confirmed by us will be applied to the SaaS Fee for the next billing cycle. Issuing of such credit does not relieve us of our obligations under the Agreement to correct the problem which created the service interruption.

Client Relief Schedule	
Actual Attainment	**Client Relief**
99.99% - 99.50%	Remedial action will be taken
99.49% - 98.50%	2%
98.49% - 97.50%	4%
97.49% - 96.50%	6%
96.49% - 95.50%	8%
Below 95.50%	10%

* Notwithstanding language in the Agreement to the contrary, Recovery Point Objective is one (1) hour.

IV. Maintenance Notifications

We perform Standard Maintenance during limited windows that are historically known to be reliably low-traffic times. If and when maintenance is predicted to occur during periods of higher traffic, we will provide advance notice of those windows and will coordinate to the greatest extent possible with you.

Not all maintenance activities will cause application unavailability. However, if Tyler anticipates that activities during a Standard or Emergency Maintenance window may make the Tyler Software unavailable, we will provide advance notice, as reasonably practicable that the Tyler Software will be unavailable during the maintenance window.

Exhibit C
Schedule 1
Support Call Process

Support Channels

Tyler Technologies, Inc. provides the following channels of software support for authorized users*:

(1) On-line submission (portal) – for less urgent and functionality-based questions, users may create support incidents through the Tyler Customer Portal available at the Tyler Technologies website. A built-in Answer Panel provides users with resolutions to most "how-to" and configuration-based questions through a simplified search interface with machine learning, potentially eliminating the need to submit the support case.
(2) Email – for less urgent situations, users may submit emails directly to the software support group.
(3) Telephone – for urgent or complex questions, users receive toll-free, telephone software support.

** Channel availability may be limited for certain applications.*

Support Resources

A number of additional resources are available to provide a comprehensive and complete support experience:

(1) Tyler Website – www.tylertech.com – for accessing client tools, documentation, and other information including support contact information.
(2) Tyler Search -a knowledge based search engine that lets you search multiple sources simultaneously to find the answers you need, 24x7.
(3) Tyler Community –provides a venue for all Tyler clients with current maintenance agreements to collaborate with one another, share best practices and resources, and access documentation.
(4) Tyler University – online training courses on Tyler products.

Support Availability

Tyler Technologies support is available during the local business hours of 8 AM to 5 PM (Monday – Friday) across four US time zones (Pacific, Mountain, Central and Eastern). Tyler's holiday schedule is outlined below. There will be no support coverage on these days.

New Year's Day	Labor Day
Martin Luther King, Jr. Day	Thanksgiving Day
Memorial Day	Day after Thanksgiving
Independence Day	Christmas Day

For support teams that provide after-hours service, we will provide you with procedures for contacting support staff after normal business hours for reporting Priority Level 1 Defects only. Upon receipt of

such a Defect notification, we will use commercially reasonable efforts to meet the resolution targets set forth below.

We will also make commercially reasonable efforts to be available for one pre-scheduled Saturday of each month to assist your IT staff with applying patches and release upgrades, as well as consulting with them on server maintenance and configuration of the Tyler Software environment.

Incident Handling

Incident Tracking

Every support incident is logged into Tyler's Customer Relationship Management System and given a unique case number. This system tracks the history of each incident. The case number is used to track and reference open issues when clients contact support. Clients may track incidents, using the case number, through Tyler's Customer Portal or by calling software support directly.

Incident Priority

Each incident is assigned a priority level, which corresponds to the Client's needs. Tyler and the Client will reasonably set the priority of the incident per the chart below. This chart is not intended to address every type of support incident, and certain "characteristics" may or may not apply depending on whether the Tyler software has been deployed on customer infrastructure or the Tyler cloud. The goal is to help guide the Client towards clearly understanding and communicating the importance of the issue and to describe generally expected response and resolution targets in the production environment only.

References to a "confirmed support incident" mean that Tyler and the Client have successfully validated the reported Defect/support incident.

Priority Level	Characteristics of Support Incident	Resolution Targets*
1 Critical	Support incident that causes (a) complete application failure or application unavailability; (b) application failure or unavailability in one or more of the client's remote location; or (c) systemic loss of multiple essential system functions.	Tyler shall provide an initial response to Priority Level 1 incidents within one (1) business hour of receipt of the incident. Once the incident has been confirmed, Tyler shall use commercially reasonable efforts to resolve such support incidents or provide a circumvention procedure within one (1) business day. For non-hosted customers, Tyler's responsibility for lost or corrupted data is limited to assisting the Client in restoring its last available database.

Priority Level	Characteristics of Support Incident	Resolution Targets*
2 High	Support incident that causes (a) repeated, consistent failure of essential functionality affecting more than one user or (b) loss or corruption of data.	Tyler shall provide an initial response to Priority Level 2 incidents within four (4) business hours of receipt of the incident. Once the incident has been confirmed, Tyler shall use commercially reasonable efforts to resolve such support incidents or provide a circumvention procedure within ten (10) business days. For non-hosted customers, Tyler's responsibility for loss or corrupted data is limited to assisting the Client in restoring its last available database.
3 Medium	Priority Level 1 incident with an existing circumvention procedure, or a Priority Level 2 incident that affects only one user or for which there is an existing circumvention procedure.	Tyler shall provide an initial response to Priority Level 3 incidents within one (1) business day of receipt of the incident. Once the incident has been confirmed, Tyler shall use commercially reasonable efforts to resolve such support incidents without the need for a circumvention procedure with the next published maintenance update or service pack, which shall occur at least quarterly. For non-hosted customers, Tyler's responsibility for lost or corrupted data is limited to assisting the Client in restoring its last available database.
4 Non-critical	Support incident that causes failure of non-essential functionality or a cosmetic or other issue that does not qualify as any other Priority Level.	Tyler shall provide an initial response to Priority Level 4 incidents within two (2) business days of receipt of the incident. Once the incident has been confirmed, Tyler shall use commercially reasonable efforts to resolve such support incidents, as well as cosmetic issues, with a future version release.

**Response and Resolution Targets may differ by product or business need*

Incident Escalation

If Tyler is unable to resolve any priority level 1 or 2 defect as listed above or the priority of an issue has elevated since initiation, you may escalate the incident to the appropriate resource, as outlined by each product support team. The corresponding resource will meet with you and any Tyler staff to establish a mutually agreeable plan for addressing the defect.

Remote Support Tool

Some support calls may require further analysis of the Client's database, processes or setup to diagnose a problem or to assist with a question. Tyler will, at its discretion, use an industry-standard remote support tool. Tyler's support team must have the ability to quickly connect to the Client's system and view the site's setup, diagnose problems, or assist with screen navigation. More information about the remote support tool Tyler uses is available upon request.

Exhibit D
Third Party Terms

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Exhibit D
Schedule 1
Hyperlinked Terms

Pattern Stream Terms. Your use of Pattern Stream software and services is subject to the terms found here: https://www.tylertech.com/terms/finite-matters-ltd-consolidated-terms. By signing a Tyler Agreement or Order Form, or accessing, installing, or using Pattern Stream software or services, you agree that you have read, understood, and agree to such terms.

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- Electronic Warrants
- Modria
- Odyssey Notifications Add On (text notifications)
- ReadySub
- Tyler Notify
- Tyler Jury Manager
- Tyler Supervision
- Virtual Court

Exhibit D
Schedule 2
DocOrigin Terms

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DocOrigin

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A. **Per-CPU.** The total number of CPUs on a computer used to operate the Software may not exceed the licensed quantity of CPUs. For purposes of this license metric: (a) CPUs may contain more than one processing core, each group of two (2) processing cores is consider one (1) CPU., and any remaining unpaired processing core, will be deemed a CPU. (b) all CPUs on a computer on which the Software is installed shall be deemed to operate the Software unless You configure that computer (using a reliable and verifiable means of hardware or software partitioning) such that the total number of CPUs that actually operate the Software is less than the total number on that computer. Virtual Machines ("VM's") are considered as a server. Installing and configuring the software on multiple VM's requires one license per VM server. An enterprise license is available upon request. Pricing varies based on the size of the company.

B. **Per-Document.** This is defined as a fee per document based on the total number of documents generated annually by merging data with a template created by the Software. The combined data and template produce documents of one or more pages. A document may contain 1 or more pages. For instance, a batch of invoices for 250 customers may contain 1,000 pages, this will be counted as 250 documents which should correspond to 250 invoices.

C. **Per-Surface.** This is defined as a fee per surface based on the total number of surfaces generated annually by merging data with a template created by the Software. The combined data and template produce documents of one or more pages, the pages may be printed one side (one surface) or duplexed (2 surfaces). The documents may be rendered to a computer file (i.e. PDF), each page placed in the file is considered a surface. A document may contain 1 or more surfaces. For instance, a batch of invoices for 250 customers may contain 500 pages duplexed, this will be counted as 1000 surfaces.

1.5 **Disaster Recovery License.** You may request a Disaster Recovery license of the Software for each production license You have purchased as a failover in the event of loss of use of the production server(s). This license is for disaster recovery purposes only and under no circumstance may the disaster recovery license be used for production simultaneously with a production license with which it is paired.

1.6 **Backup Copies.** After installation of the Software pursuant to this EULA, you may store a copy of the installation files for the Software solely for backup or archival purposes. Except as expressly provided in this EULA, you may not otherwise make copies of the Software or the printed materials accompanying the Software.

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In certain jurisdictions, some or all of the provisions in this Section may not be effective or the applicable law may mandate a more extensive warranty in which case the applicable law will prevail over this Agreement.

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6.1 Eclipse Corporation shall defend and/or settle at its expense, any claims, actions, allegations or proceedings against You to the extent arising out of or relating to misappropriation or infringement by the Software of any third party's proprietary or intellectual property right ("**Claims**"), and Eclipse Corporation shall pay all damages finally awarded by a court of competent jurisdiction to such third party against You, or any settlement amounts agreed by Eclipse Corporation; subject to the conditions that, You shall notify Eclipse Corporation promptly of any You Claims, permit Eclipse Corporation to control the defense and settlement of such Claims and assist Eclipse Corporation, at Eclipse Corporation's expense, in defending or settling such Claims. Eclipse Corporation shall not be liable for any settlement amounts entered into by You without Eclipse Corporation's prior written approval. If Eclipse Corporation has reason to believe that it would be subject to an injunction or continuing damages based on the Software, then Eclipse Corporation may (and if Eclipse Corporation or any of its customers or third party software suppliers is subject to an injunction or continuing damages based on the Software), then notwithstanding any other provision in this Agreement, Eclipse Corporation shall be entitled to either modify the Software to make it non-infringing and/or remove the misappropriated material, replace the Software or portion thereof with a service or materials that provide substantially the same functionality or information, or, if neither of the foregoing is commercially practicable, require You to cease using the Software and refund to You (a) a pro rata portion of any one (1) time fees (based on a three (3) year, straight-line depreciation schedule from the date of payment), and (b) any fees that have been pre-paid by You but are unused. The foregoing notwithstanding, Eclipse Corporation shall have no liability for a claim of infringement or misappropriation to the extent caused by (i) the combination of the Software with any other service, software, data or products not provided or approved by Eclipse Corporation; or (ii) the use of any material provided by You or any end users, (iii) any breach by You of this Agreement. THE FOREGOING IS ECLIPSE CORPORATION'S SOLE AND EXCLUSIVE LIABILITY, AND YOUR SOLE AND EXCLUSIVE REMEDY FOR ANY INFRINGEMENT OR MISAPPROPRIATION OF ANY THIRD-PARTY INTELLECTUAL PROPERTY RIGHTS.

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6.3 THE DISCLAIMER OF REPRESENTATIONS, WARRANTIES AND CONDITIONS AND LIMITATION OF LIABILITY CONSTITUTE AN ESSENTIAL PART OF THIS AGREEMENT. YOU ACKNOWLEDGE THAT BUT FOR THE DISCLAIMER OF REPRESENTATIONS, WARRANTIES AND CONDITIONS AND LIMITATION OF LIABILITY, NEITHER ECLIPSE CORPORATION NOR ANY OF ITS LICENSORS OR SUPPLIERS WOULD GRANT THE RIGHTS GRANTED IN THIS AGREEMENT.

7. TERM AND TERMINATION

7.1 The term of this Agreement will begin on download of the Software and, in respect of an Evaluation License, shall continue for the Evaluation Period, and in respect of all other license types defined in Section 1, shall continue for as long as You use the Software, unless earlier terminated sooner under this section 7.

7.2 Eclipse Corporation may terminate this Agreement in the event of any breach by You if such breach has not been cured within thirty (30) days of notice to You. No termination of this Agreement will entitle You to a refund of any amounts paid by You to Eclipse Corporation or its applicable distributor or reseller or affect any obligations You may have to pay any outstanding amounts owing to Eclipse Corporation or its distributor.

7.3 Your rights to use the Software will immediately terminate upon termination or expiration of this Agreement. Within thirty (30) days of termination or expiration of this Agreement, You shall purge all Software and all copies thereof from all computer systems and storage devices on which it was stored, and certify such to Eclipse Corporation

8. GENERAL PROVISIONS

8.1 **No Waiver.** No delay or failure in exercising any right under this Agreement, or any partial or single exercise of any right, will constitute a waiver of that right or any other rights under this Agreement. No consent to a breach of any express or implied term set out in this Agreement constitutes consent to any subsequent breach, whether of the same or any other provision.

8.2 **Severability.** If any provision of this Agreement is, or becomes, unenforceable, it will be severed from this Agreement and the remainder of this Agreement will remain in full force and effect.

8.3 **Assignment.** You may not transfer or assign this Agreement (whether voluntarily, by operation of law, or otherwise) without Eclipse Corporation 's prior written consent. Eclipse Corporation may assign this Agreement at any time without notice. This Agreement is binding upon and will inure to the benefit of both parties, and their respective successors and permitted assigns.

8.4 **Governing Law and Venue if You are located in the USA.** This Agreement shall be governed by the laws of the State of Texas if You are located in the USA. No choice of laws rules of any jurisdiction shall apply to this Agreement. You consent and agree that the courts of the State of Texas shall have jurisdiction over any legal action or proceeding brought by You arising out of or relating to this Agreement, and You consent to the jurisdiction of such courts for any such action or proceeding.

8.5 Governing Law and Venue if You are not located in the USA. This Agreement shall be governed by the laws of the Province of Ontario in Canada if You are not located in the USA . No choice of laws rules of any jurisdiction shall apply to this Agreement. You consent and agree that the courts of the Province of Ontario in Canada shall have jurisdiction over any legal action or proceeding brought by You arising out of or relating to this Agreement, and You consent to the jurisdiction of such courts for any such action or proceeding.

8.6 **Entire Agreement.** This Agreement is the entire understanding and agreement between You and Eclipse Corporation with respect to the subject matter hereof, and it supersedes all prior negotiations, commitments and understandings, verbal or written, and purchase order issued by You. This Agreement may be amended or otherwise modified by Eclipse Corporation from time to time and the most recent version of the Agreement will be available on the Eclipse Corporation website www.docorigin.com.

Last Updated: July 22, 2017

Exhibit E
Statement of Work

Statement of Work to be inserted prior to Agreement execution.

Tow of Los Gatos

SOW from Tyler Technologies, Inc.

1/11/2022

Presented to:

110 E Main St Lbby
Los Gatos, CA 5030-6945

Contact:
Katharina Howard
Email: Katharina.Howard@TylerTech.com
One Tyler Drive, Yarmouth, ME 04096

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Part 1: Executive Summary

1. Project Overview

1.1 Introduction

Tyler Technologies ("Tyler") is the largest and most established provider of integrated software and technology services focused solely on the public sector. Tyler's end-to-end solutions empower public sector entities including local, state, provincial and federal government, to operate more efficiently and connect more transparently with their constituents and with each other. By connecting data and processes across disparate systems, Tyler's solutions transform how clients gain actionable insights that solve problems in their communities.

1.2 Project Goals

This Statement of Work ("SOW") documents the methodology, implementation stages, activities, and roles and responsibilities, and project scope listed in the Investment Summary of the Agreement between Tyler and the Los Gatos (collectively the "Project").

The overall goals of the project are to:

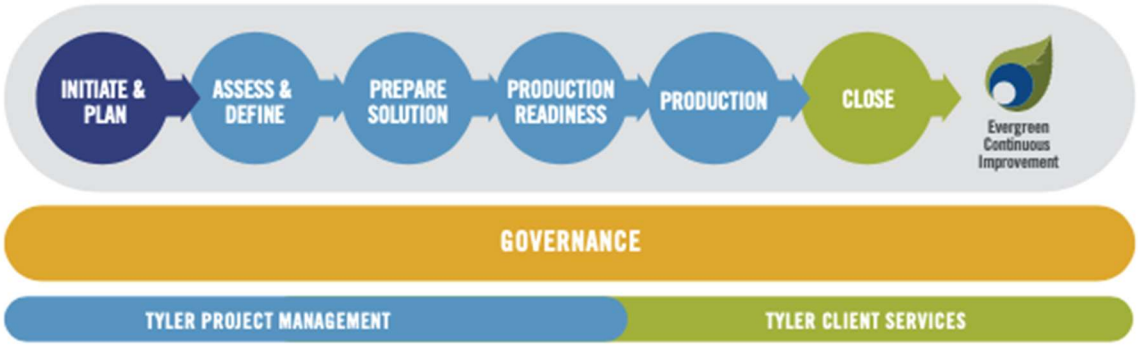
- Successfully implement the contracted scope on time and on budget
- Increase operational efficiencies and empower users to be more productive
- Improve accessibility and responsiveness to external and internal customer needs
- Overcome current challenges and meet future goals

1.3 Methodology

This is accomplished by the Los Gatos and Tyler working as a partnership and Tyler utilizing its depth of implementation experience. While each Project is unique, all will follow Tyler's six-stage methodology. Each of the six stages is comprised of multiple work packages, and each work package includes a narrative description, objectives, tasks, inputs, outputs/deliverables, assumptions, and a responsibility matrix.

Tailored specifically for Tyler's public sector clients, the project methodology contains Stage Acceptance Control Points throughout each Phase to ensure adherence to scope, budget, timeline controls, effective communications, and quality standards. Clearly defined, the project methodology repeats consistently across Phases, and is scaled to meet the Los Gatos's complexity and organizational needs.

Tyler's Six Stage Project Methodology



The methodology adapts to both single-phase and multiple-phase projects.

To achieve Project success, it is imperative that both the Los Gatos and Tyler commit to including the necessary leadership and governance. During each stage of the Project, it is expected that the Los Gatos and Tyler Project teams work collaboratively to complete tasks. An underlying principle of Tyler's Implementation process is to employ an iterative model where the Los Gatos's business processes are assessed, configured, validated, and refined cyclically in line with the project budget. This approach is used in multiple stages and work packages as illustrated in the graphic below.

Iterative Project Model

The delivery approach is systematic, which reduces variability and mitigates risks to ensure Project success. As illustrated, some stages, along with work packages and tasks, are intended to be overlapping by nature to complete the Project efficiently and effectively.

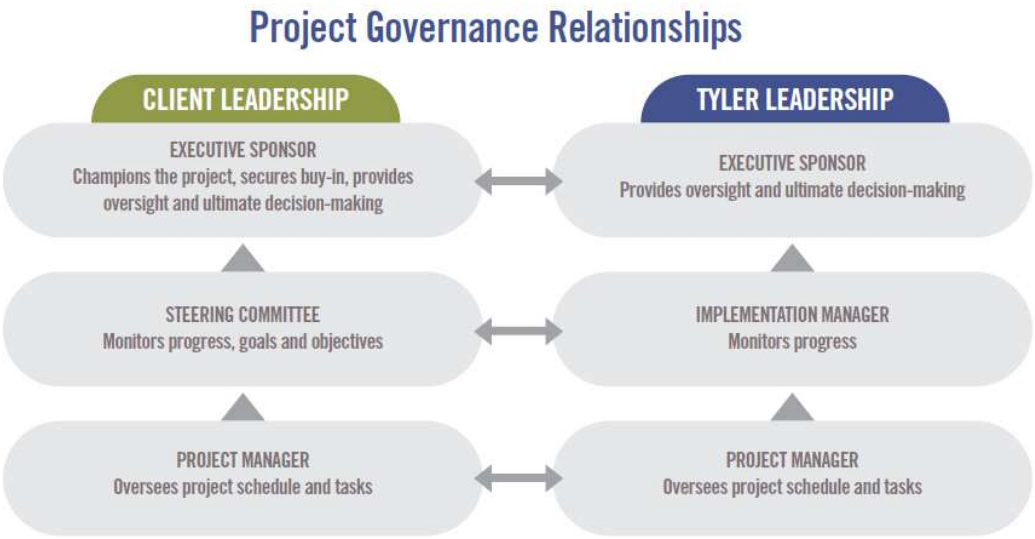
Part 2: Project Foundation

2. Project Governance

Project governance is the management framework within which Project decisions are made. The role of Project governance is to provide a decision-making approach that is logical, robust, and repeatable. This allows organizations to have a structured approach for conducting its daily business in addition to project related activities.

This section outlines the resources required to meet the business needs, objectives, and priorities for the Project, communicate the goals to other Project participants, and provide support and guidance to accomplish these goals. Project governance defines the structure for escalation of issues and risks, Change Control review and authority, and Organizational Change Management activities. Throughout the Statement of Work Tyler has provided RACI Matrices for activities to be completed throughout the implementation which will further outline responsibilities of different roles in each stage. Further refinement of the governance structure, related processes, and specific roles and responsibilities occurs during the Initiate & Plan Stage.

The chart below illustrates an overall team perspective where Tyler and the Los Gatos collaborate to resolve Project challenges according to defined escalation paths. If project managers do not possess authority to determine a solution, resolve an issue, or mitigate a risk, Tyler implementation management and the Los Gatos Steering Committee become the escalation points to triage responses prior to escalation to the Los Gatos and Tyler executive sponsors. As part of the escalation process, each Project governance tier presents recommendations and supporting information to facilitate knowledge transfer and issue resolution. The Los Gatos and Tyler executive sponsors serve as the final escalation point.



3. Project Scope Control

3.1 Managing Scope and Project Change

Project Management governance principles contend that there are three connected constraints on a Project: budget, timeline, and scope. These constraints, known as the "triple constraints" or project management triangle, define budget in terms of financial cost, labor costs, and other resource costs. Scope is defined as the work performed to deliver a product, service or result with the specified features and functions, while time is simply defined as the schedule. The Triple Constraint theory states that if you change one side of the triangle, the other two sides must be correspondingly adjusted. For example, if the scope of the Project is increased, cost and time to complete will also need to increase. The Project and executive teams will need to remain cognizant of these constraints when making impactful decisions to the Project. A simple illustration of this triangle is included here, showing the connection of each item and their relational impact to the overall Scope.

A pillar of any successful project is the ability to properly manage scope while allowing the appropriate level of flexibility to incorporate approved changes. Scope and changes within the project will be managed using the change control process outlined in the following section.

3.2 Change Control

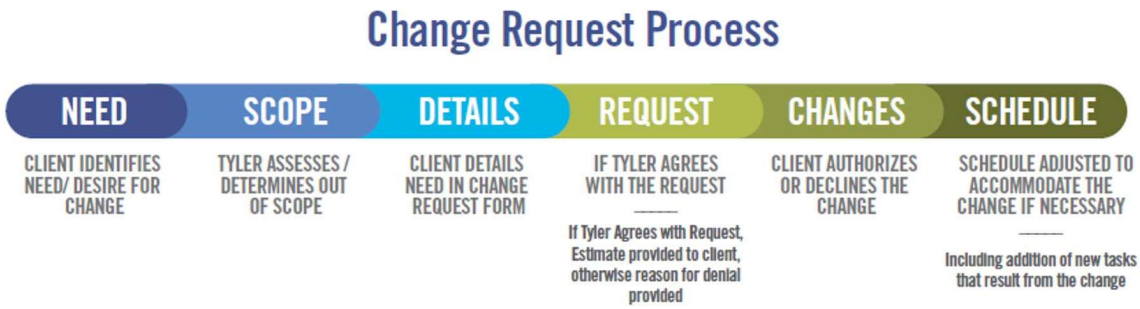
It may become necessary to change the scope of this Project due to unforeseeable circumstances (e.g., new constraints or opportunities are discovered). This Project is being undertaken with the understanding that Project scope, schedule, and/or cost may need to change to produce optimal results for stakeholders. Changes to contractual requirements will follow the change control process specified in the final contract, and as described below.

3.3 Change Request Management

Should the need for a change to Project scope, schedule, and/or cost be identified during the Project, the change will be brought to the attention of the Steering Committee and an assessment of the change will occur. While such changes may result in additional costs and delays relative to the schedule, some changes may result in less cost to the Los Gatos; for example, the Los Gatos may decide it no longer needs a deliverable originally defined in the Project. The Change Request will include the following information:

- The nature of the change.
- A good faith estimate of the additional cost or associated savings to the Los Gatos, if any.
- The timetable for implementing the change.
- The effect on and/or risk to the schedule, resource needs or resource responsibilities.

The Los Gatos will use its good faith efforts to either approve or disapprove any Change Request within ten (10) Business Days (or other period as mutually agreeable between Tyler and the Los Gatos). Any changes to the Project scope, budget, or timeline must be documented and approved in writing using a Change Request form. These changes constitute a formal amendment to the Statement of Work and will supersede any conflicting term in the Statement of Work.



4. Acceptance Process

The implementation of a Project involves many decisions to be made throughout its lifecycle. Decisions will vary from higher level strategy decisions to smaller, detailed Project level decisions. It is critical to the success of the Project that each Los Gatos office or department designates specific individuals for making decisions on behalf of their offices or departments.

Both Tyler and the Los Gatos will identify representative project managers. These individuals will represent the interests of all stakeholders and serve as the primary contacts between the two organizations.

The coordination of gaining Los Gatos feedback and approval on Project deliverables will be critical to the success of the Project. The Los Gatos project manager will strive to gain deliverable and decision approvals from all authorized Los Gatos representatives. Given that the designated decision-maker for each department may not always be available, there must be a designated proxy for each decision point in the Project. Assignment of each proxy will be the responsibility of the leadership from each Los Gatos department. The proxies will be named individuals that have the authorization to make decisions on behalf of their department.

The following process will be used for accepting Deliverables and Control Points:

- The Los Gatos shall have five (5) business days from the date of delivery, or as otherwise mutually agreed upon by the parties in writing, to accept each Deliverable or Control Point. If the Los Gatos does not provide acceptance or acknowledgement within five (5) business days, or the otherwise agreed upon timeframe, not to be unreasonably withheld, Tyler deems the Deliverable or Control Point as accepted.
- If the Los Gatos does not agree the Deliverable or Control Point meets requirements, the Los Gatos shall notify Tyler project manager(s), in writing, with reasoning within five (5) business days, or the otherwise agreed-upon timeframe, not to be unreasonably withheld, of receipt of the Deliverable.
- Tyler shall address any deficiencies and redeliver the Deliverable or Control Point. The Los Gatos shall then have two (2) business days from receipt of the redelivered Deliverable or Control Point to accept or again submit written notification of reasons for rejecting the milestone. If the Los Gatos does not provide acceptance within two (2) business days, or the otherwise agreed upon timeframe, not to be unreasonably withheld, Tyler deems the Deliverable or Control Point as accepted.

5. Roles and Responsibilities

The following defines the roles and responsibilities of each Project resource for the Los Gatos and Tyler. Roles and responsibilities may not follow the organizational chart or position descriptions at the Los Gatos, but are roles defined within the Project. It is common for individual resources on both the Tyler and Los Gatos project teams to fill multiple roles. Similarly, it is common for some roles to be filled by multiple people.

5.1 Tyler Roles & Responsibilities

Tyler assigns a project manager prior to the start of each Phase of the Project (some Projects may only be one Phase in duration). Additional Tyler resources are assigned as the schedule develops and as needs arise.

5.1.1 Tyler Executive Manager

Tyler executive management has indirect involvement with the Project and is part of the Tyler escalation process. This team member offers additional support to the Project team and collaborates with other Tyler department managers as needed to escalate and facilitate implementation Project tasks and decisions.

- Provides clear direction for Tyler staff on executing on the Project Deliverables to align with satisfying the Los Gatos 's overall organizational strategy.
- Authorizes required Project resources.
- Resolves all decisions and/or issues not resolved at the implementation management level as part of the escalation process.
- Acts as the counterpart to the Los Gatos 's executive sponsor.

5.1.2 Tyler Implementation Manager

- Tyler implementation management has indirect involvement with the Project and is part of the Tyler escalation process. The Tyler project managers consult implementation management on issues and outstanding decisions critical to the Project. Implementation management works toward a solution with the Tyler Project Manager or with Los Gatos management as appropriate. Tyler executive management is the escalation point for any issues not resolved at this level.
- Assigns Tyler Project personnel.
- Provides support for the Project team.
- Provides management support for the Project to ensure it is staffed appropriately and staff have necessary resources.
- Monitors Project progress including progress towards agreed upon goals and objectives.

5.1.3 Tyler Project Manager

- The Tyler project manager(s) provides oversight of the Project, coordination of Tyler resources between departments, management of the Project budget and schedule, effective risk, and issue management, and is the primary point of contact for all Project related items. As requested by the Los Gatos, the Tyler Project Manager provides regular updates to the Los Gatos Steering Committee and other Tyler governance members. Tyler Project Manager's role includes responsibilities in the following areas:

5.1.3.1 Contract Management

- Validates contract compliance throughout the Project.
- Ensures Deliverables meet contract requirements.
- Acts as primary point of contact for all contract and invoicing questions.
- Prepares and presents contract milestone sign-offs for acceptance by the Los Gatos project manager(s).
- Coordinates Change Requests, if needed, to ensure proper Scope and budgetary compliance.

5.1.3.2 Planning

- Delivers project planning documents.
- Defines Project tasks and resource requirements.
- Develops initial Project schedule and Project Management Plan.

- Collaborates with the Los Gatos project manager(s) to plan and schedule Project timelines to achieve on-time implementation.

5.1.3.3 Implementation Management

- Tightly manages Scope and budget of Project to ensure Scope changes and budget planned versus actual are transparent and handled effectively and efficiently.
- Establishes and manages a schedule and Tyler resources that properly support the Project Schedule and are also in balance with Scope/budget.
- Establishes risk/issue tracking/reporting process between the Los Gatos and Tyler and takes all necessary steps to proactively mitigate these items or communicate with transparency to the Los Gatos any items that may impact the outcomes of the Project.
- Collaborates with the Los Gatos 's project manager(s) to establish key business drivers and success indicators that will help to govern Project activities and key decisions to ensure a quality outcome of the project.
- Collaborates with the Los Gatos 's project manager(s) to set a routine communication plan that will aide all Project team members, of both the Los Gatos and Tyler, in understanding the goals, objectives, status, and health of the Project.

5.1.3.4 Resource Management

- Acts as liaison between Project team and Tyler manager(s).
- Identifies and coordinates all Tyler resources across all applications, Phases, and activities including development, forms, installation, reports, implementation, and billing.
- Provides direction and support to Project team.
- Manages the appropriate assignment and timely completion of tasks as defined in the Project Schedule, task list, and Go-Live Checklist.
- Assesses team performance and adjusts as necessary.
- Consulted on in Scope 3rd party providers to align activities with ongoing Project tasks.

5.1.4 Tyler Implementation Consultant

- Completes tasks as assigned by the Tyler project manager(s).
- Documents activities for services performed by Tyler.
- Guides the Los Gatos through software validation process following configuration.
- Assists during Go-Live process and provides support until the Los Gatos transitions to Client Services.
- Facilitates training sessions and discussions with the Los Gatos and Tyler staff to ensure adequate discussion of the appropriate agenda topics during the allotted time.
- May provide conversion review and error resolution assistance.

5.1.5 Tyler Sales

- Supports Sales to Implementation knowledge transfer during Initiate & Plan.
- Provides historical information, as needed, throughout implementation.
- Participates in pricing activities if additional licensing and/or services are needed.

5.1.6 Tyler Technical Services

- Maintains Tyler infrastructure requirements and design document(s).
- Involved in system infrastructure planning/review(s).
- Provides first installation of licensed software with initial database on servers.

- Supports and assists the project team with technical/environmental issues/needs.
- Deploys Tyler products.

5.1.7 Tyler SaaS Technicians

- Sets up Tyler-hosted servers.
- Provides maintenance of hosted server hardware, operating system, and software upgrades.
- Provides IT-related services for server environment.
- Provides remote technical assistance and tracks issues.
- Provides system management and disaster recovery services within hosting services.
- Performs Tyler software upgrades through coordination with the Los Gatos.

5.2 Los Gatos Roles & Responsibilities

Los Gatos resources will be assigned prior to the start of each Phase of the Project. One person may be assigned to multiple Project roles.

5.2.1 Los Gatos Executive Sponsor

The Los Gatos executive sponsor provides support to the Project by providing strategic direction and communicating key issues about the Project and its overall importance to the organization. When called upon, the executive sponsor also acts as the final authority on all escalated Project issues. The executive sponsor engages in the Project, as needed, to provide necessary support, oversight, guidance, and escalation, but does not participate in day-to-day Project activities. The executive sponsor empowers the Los Gatos steering committee, project manager(s), and functional leads to make critical business decisions for the Los Gatos.

- Champions the project at the executive level to secure buy-in.
- Authorizes required project resources.
- Actively participates in organizational change communications.

5.2.2 Los Gatos Steering Committee

The Los Gatos steering committee understands and supports the cultural change necessary for the Project and fosters an appreciation for the Project's value throughout the organization. The steering committee oversees the Los Gatos project manager and Project through participation in regular internal meetings. The Los Gatos steering committee remains updated on all Project progress, Project decisions, and achievement of Project milestones. The Los Gatos steering committee also serves as primary level of issue resolution for the Project.

- Works to resolve all decisions and/or issues not resolved at the project manager level as part of the escalation process.
- Attends all scheduled steering committee meetings.
- Provides support for the project team.
- Assists with communicating key project messages throughout the organization.
- Prioritizes the project within the organization.
- Ensures the project staffed appropriately and that staff have necessary resources.
- Monitors project progress including progress towards agreed upon goals and objectives.
- Has the authority to approve or deny changes impacting the following areas:
    - Cost

- Scope
- Schedule
- Project Goals
- Los Gatos Policies
- Needs of other client projects

5.2.3 Los Gatos Project Manager

The Los Gatos shall assign project manager(s) prior to the start of this project with overall responsibility and authority to make decisions related to Project Scope, scheduling, and task assignment. The Los Gatos Project Manager should communicate decisions and commitments to the Tyler project manager(s) in a timely and efficient manner. When the Los Gatos project manager(s) do not have the knowledge or authority to make decisions, he or she engages the necessary resources to participate in discussions and make decisions in a timely fashion to avoid Project delays. The Los Gatos project manager(s) are responsible for reporting to the Los Gatos steering committee and determining appropriate escalation points.

5.2.3.1 Contract Management

- Validates contract compliance throughout the project.
- Ensures that invoicing and Deliverables meet contract requirements.
- Acts as primary point of contact for all contract and invoicing questions. Collaborates on and approves Change Requests, if needed, to ensure proper scope and budgetary compliance.

5.2.3.2 Planning

- Reviews and accepts project planning documents.
- Defines project tasks and resource requirements for the Los Gatos project team.
- Collaborates in the development and approval of the project schedule.
- Collaborates with Tyler project manager(s) to plan and schedule project timelines to achieve on-time implementation.

5.2.3.3 Implementation Management

- Tightly manages project budget and scope.
- Collaborates with Tyler project manager(s) to establish a process and approval matrix to ensure that scope changes and budget (planned versus actual) are transparent and handled effectively and efficiently.
- Collaborates with Tyler project manager to establish and manage a schedule and resource plan that properly supports the project schedule as a whole and is also in balance with scope and budget.
- Collaborates with Tyler project manager(s) to establish risk and issue tracking and reporting process between the Los Gatos and Tyler and takes all necessary steps to proactively mitigate these items or communicate with transparency to Tyler any items that may impact the outcomes of the project.
- Collaborates with Tyler project manager(s) to establish key business drivers and success indicators that will help to govern project activities and key decisions to ensure a quality outcome of the project.
- Routinely communicates with both the Los Gatos staff and Tyler, aiding in the understanding of goals, objectives, current status, and health of the project by all team members.
- Manages the requirements gathering process and ensure timely and quality business requirements are being provided to Tyler.

5.2.3.4 Resource Management

- Acts as liaison between project team and stakeholders.
- Identifies and coordinates all Los Gatos resources across all modules, phases, and activities including data conversions, forms design, hardware and software installation, reports building, and satisfying invoices.
- Provides direction and support to project team.
- Builds partnerships among the various stakeholders, negotiating authority to move the project forward.
- Manages the appropriate assignment and timely completion of tasks as defined.
- Assesses team performance and takes corrective action, if needed.
- Provides guidance to Los Gatos technical teams to ensure appropriate response and collaboration with Tyler Technical Support Teams to ensure timely response and appropriate resolution.
- Owns the relationship with in-Scope 3rd party providers and aligns activities with ongoing project tasks.
- Ensures that users have appropriate access to Tyler project toolsets as required.
- Conducts training on proper use of toolsets.
- Validates completion of required assignments using toolsets.

5.2.4 Los Gatos Functional Leads

- Makes business process change decisions under time sensitive conditions.
- Communicates existing business processes and procedures to Tyler consultants.
- Assists in identifying business process changes that may require escalation.
- Contributes business process expertise for Current & Future State Analysis.
- Identifies and includes additional subject matter experts to participate in Current & Future State Analysis.
- Validates that necessary skills have been retained by end users.
- Provides End Users with dedicated time to complete required homework tasks.
- Acts as an ambassador/champion of change for the new process and provide business process change support.
- Identifies and communicates any additional training needs or scheduling conflicts to the Los Gatos project manager.
- Actively participates in all aspects of the implementation, including, but not limited to, the following key activities:
    - Task completion
    - Stakeholder Meeting
    - Project Management Plan development
    - Schedule development
    - Maintenance and monitoring of risk register
    - Escalation of issues
    - Communication with Tyler project team
    - Coordination of Los Gatos resources
    - Attendance at scheduled sessions
    - Change management activities
    - Modification specification, demonstrations, testing and approval assistance
    - Data analysis assistance
    - Decentralized end user training
    - Process testing

- Solution Validation

5.2.5 Los Gatos Power Users

- Participate in project activities as required by the project team and project manager(s).
- Provide subject matter expertise on the Los Gatos business processes and requirements.
- Act as subject matter experts and attend Current & Future State Analysis sessions as needed.
- Attend all scheduled training sessions.
- Participate in all required post-training processes as needed throughout project.
- Test all application configuration to ensure it satisfies business process requirements.
- Become application experts.
- Participate in Solution Validation.
- Adopt and support changed procedures.
- Complete all deliverables by the due dates defined in the project schedule.
- Demonstrate competency with Tyler products processing prior to Go-live.
- Provide knowledge transfer to the Los Gatos staff during and after implementation.
- Participate in conversion review and validation.

5.2.6 Los Gatos End Users

- Attend all scheduled training sessions.
- Become proficient in application functions related to job duties.
- Adopt and utilize changed procedures.
- Complete all deliverables by the due dates defined in the project schedule.
- Utilize software to perform job functions at and beyond Go-live.

5.2.7 Los Gatos Technical Lead

- Coordinates updates and releases with Tyler as needed.
- Coordinates the copying of source databases to training/testing databases as needed for training days.
- Coordinates and adds new users, printers and other peripherals as needed.
- Validates that all users understand log-on process and have necessary permission for all training sessions.
- Coordinates interface development for Los Gatos third party interfaces.
- Develops or assists in creating reports as needed.
- Ensures on-site system meets specifications provided by Tyler.
- Assists with software installation as needed.
- Extracts and transmits conversion data and control reports from the Los Gatos's legacy system per the conversion schedule set forth in the project schedule.

5.2.7.1 Los Gatos Upgrade Coordination

- Becomes familiar with the software upgrade process and required steps.
- Becomes familiar with Tyler's releases and updates.
- Utilizes Tyler resources to stay abreast of the latest Tyler releases and updates, as well as the latest helpful tools to manage the Los Gatos's software upgrade process.
- Assists with the software upgrade process during implementation.
- Manages software upgrade activities post-implementation.
- Manages software upgrade plan activities.

- Coordinates software upgrade plan activities with Los Gatos and Tyler resources.
- Communicates changes affecting users and department stakeholders.
- Obtains department stakeholder acceptance to upgrade production environment.

5.2.8 Los Gatos Change Management Lead

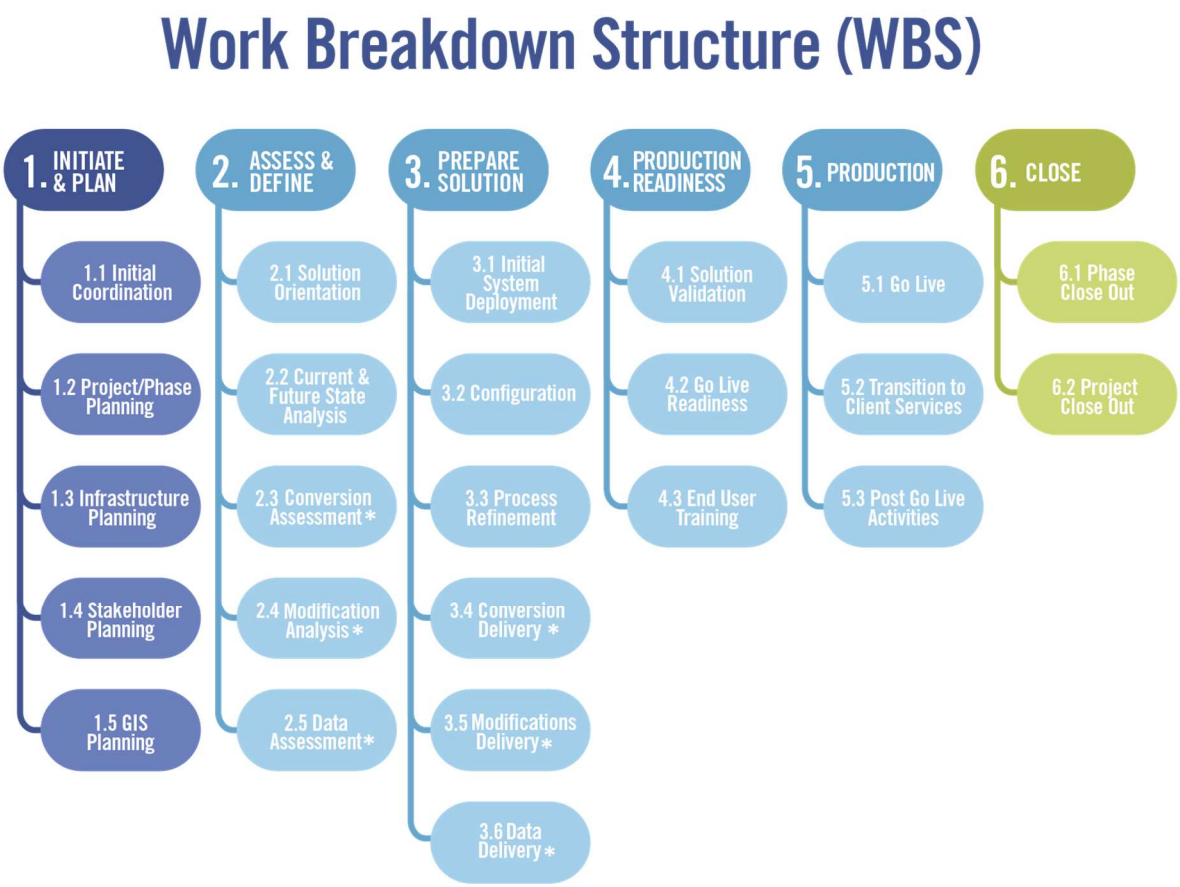
- Validates that users receive timely and thorough communication regarding process changes.
- Provides coaching to supervisors to prepare them to support users through the project changes.
- Identifies the impact areas resulting from project activities and develops a plan to address them proactively.
- Identifies areas of resistance and develops a plan to reinforce the change.
- Monitors post-production performance and new process adherence.

Part 3: Project Plan

6. Project Stages

Work Breakdown Structure

The Work Breakdown Structure (WBS) is a hierarchical representation of a Project or Phase broken down into smaller, more manageable components. The top-level components are called "Stages" and the second level components are called "Work Packages". The work packages, shown below each stage, contain the high-level work to be done. The detailed Project Schedule, developed during Project/Phase Planning and finalized during subsequent stages, lists the tasks to be completed within each work package. Each stage ends with a "Control Point", confirming the work performed during that stage of the Project has been accepted by the Los Gatos.



Items noted with an asterisk in the graphic above relate to specific products and services. If those products and services are not included in the scope of the contract, these specific work packages will be noted as "Intentionally Left Blank" in Section 6 of the Statement of Work.

6.1 Initiate and Plan

The Initiate and Plan stage involves Project initiation, infrastructure, and planning. This stage creates a foundation for the Project by identifying and establishing sequence and timing for each Phase as well as verifying scope for the Project. This stage will be conducted at the onset of the Project, with a few unique items being repeated for the additional Phases as needed.

6.1.1 Initial Coordination

Prior to Project commencement, Tyler management assigns project manager(s). Additional Project resources will be assigned later in the Project as a Project schedule is developed. Tyler provides the Los Gatos with initial Project documents used to gather names of key personnel, their functional role as it pertains to the Project, as well as any blackout dates to consider for future planning. the Los Gatos gathers the information requested by the provided deadline ensuring preliminary planning and scheduling can be conducted moving the Project forward in a timely fashion. Internally, the Tyler Project Manager(s) coordinate with sales to ensure transfer of vital information from the sales process prior to scheduling a Project Planning Meeting with the Los Gatos's team. During this step, Tyler will work with the Los Gatos to establish the date(s) for the Project and Phase Planning session.

Objectives:

- Formally launch the project.
- Establish project governance.
- Define and communicate governance for Tyler.
- Identify Los Gatos project team.

STAGE 1	Initial Coordination																
	Tyler								Los Gatos								
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power	Department Heads	End Users	Technical Leads
Tyler project team is assigned	A	R	C	I	I	I	I		I		I						
Los Gatosproject team is assigned									A	I	R	I	I	I			
Provide initial project documents to the Los Gatos		A	R	C			C		I		I						
Gather preliminary information requested			I						A		R	C		C		C	C
Sales to implementation knowledge transfer		A	R	I	I	I	I				I						
Create Project Portal to store project artifacts and facilitate communication		A	R								I						

Inputs	Contract documents
	Statement of Work

Outputs/Deliverables	Completed initial project documents
	Project portal

Work package assumptions:

- Project activities begin after the agreement has been fully executed.

6.1.2 Project/Phase Planning

Project and Phase planning provides an opportunity to review the contract, software, data conversions and services purchased, identify applications to implement in each Phase (if applicable), and discuss implementation timeframes.

During this work package Tyler will work with the Los Gatos to coordinate and plan a formal Project planning meeting(s). This meeting signifies the start of the Project and should be attended by all Los Gatos Project team members and the Tyler Project Manager. The meeting provides an opportunity for Tyler to introduce its implementation methodology, terminology, and Project management best practices to the Los Gatos's Project Team. This will also present an opportunity for project managers and Project sponsors to begin to discuss Project communication, metrics, status reporting and tools to be used to measure Project progress and manage change.

Tyler will work with the Los Gatos Project Team to prepare and deliver the Project Management Plan as an output of the planning meeting. This plan will continue to evolve and grow as the Project progresses and will describe how the project will be executed, monitored, and controlled.

During project planning, Tyler will introduce the tools that will be used throughout the implementation. Tyler will familiarize the Los Gatos with these tools during project planning and make them available for review and maintenance as applicable throughout the project. Some examples are Solution validation plan, issue log, and go-live checklist.

STAGE 1	Project/Phase Planning																
	Tyler								Los Gatos								
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power	Department Heads	End Users	Technical Leads

Schedule and conduct planning session(s)		A	R						I		C	C	I				
Develop Project Management Plan		A	R						I		C	C	I				
Develop initial project schedule		A	R	I	I	I	I		I	I	C	C	I	I	C		I

Inputs	Contract documents
	Statement of Work
	Guide to Starting Your Project

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Project Management Plan	Delivery of document
	Project Operational Plan	Delivery of document
	Initial Project Schedule	Los Gatos provides acceptance of schedule based on resource availability, project budget, and goals.

Work package assumptions:

- Los Gatos has reviewed and completed the Guide to Starting Your Project document.

6.1.3 Infrastructure Planning

Procuring required hardware and setting it up properly is a critical part of a successful implementation. This task is especially important for Tyler-hosted/SaaS deployment models. Tyler will be responsible for building the environments for a hosted/SaaS deployment, unless otherwise identified in the Agreement. Tyler will install Licensed Software on application server(s) or train the Los Gatos to install License Software. The Los Gatos is responsible for the installation and setup of all peripheral devices.

Objectives:

- Ensure the Los Gatos's infrastructure meets Tyler's application requirements.
- Ensure the Los Gatos's infrastructure is scheduled to be in place and available for use on time.

STAGE 1	Infrastructure Planning																
	Tyler								Los Gatos								
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts	Department Heads	End Users	Technical Leads

Provide Infrastructure Requirements and Design Document		A	R		C		C				I						I
Initial Infrastructure Meeting		A	R		C		C				C						C
*Schedule SaaS Environment Availability		A	R				C				I						
*Schedule Hardware to be Available for Installation			I				I		A		R						C
Schedule Installation of All Licensed Software		A	R				C				I						I
Infrastructure Audit		A	R				C				I						C

Inputs	1. Initial Infrastructure Requirements and Design Document

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	1. Completed Infrastructure Requirements and Design Document	Delivery of Document
	2. Infrastructure Audit	System Passes Audit Criteria

6.1.4 Stakeholder Meeting

Communication of the Project planning outcomes to the Los Gatos Project team, executives and other key stakeholders is vital to Project success. The Stakeholder meeting is a strategic activity to inform, engage, gain commitment, and instill confidence in the Los Gatos team. During the meeting, the goals and objectives of the Project will be reviewed along with detail on Project scope, implementation methodology, roles and responsibilities, Project timeline and schedule, and keys to Project success.

Objectives:

- Formally present and communicate the project activities and timeline.
- Communicate project expectations.

STAGE 1	Stakeholder Meeting																
	Tyler								Los Gatos								
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power	Department Heads	End Users	Technical Leads
Create Stakeholder Meeting Presentation	I	A	R	I	I				I	I	C		I				

Review Stakeholder Meeting Presentation		I	C						A		R		C				
Perform Stakeholder Meeting Presentation	I	A	R	I	I				I	I	C	I	I	I	I	I	I

Inputs	Agreement
	SOW
	Project Management Plan

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Stakeholder Meeting Presentation	

Work package assumptions:

- None

6.1.5 Intentionally left blank.

6.1.6 Control Point 1: Initiate & Plan Stage Acceptance

Acceptance criteria for this stage includes completion of all criteria listed below.

Note: Advancement to the Assess & Define stage is not dependent upon Tyler's receipt of this stage acceptance.

Initiate & Plan Stage Deliverables:

- Project Management Plan
- Initial Project Schedule

Initiate & Plan stage acceptance criteria:

- All stage deliverables accepted based on acceptance criteria previously defined
- Project governance defined
- Project portal made available to the Los Gatos
- Stakeholder meeting complete

6.2 Assess & Define

The Assess & Define stage will provide an opportunity to gather information related to current Los Gatos business processes. This information will be used to identify and define business processes utilized with Tyler software. The Los Gatos collaborates with Tyler providing complete and accurate information to Tyler staff and assisting in analysis, understanding current workflows and business processes.

6.2.1 Solution Orientation

The Solution Orientation provides the Project stakeholders a high-level understanding of the solution functionality prior to beginning the current and future state analysis. The primary goal is to establish a foundation for upcoming conversations regarding the design and configuration of the solution.

Tyler utilizes a variety of tools for the Solution Orientation, focusing on Los Gatos team knowledge transfer such as: eLearning, documentation, or walkthroughs. The Los Gatos team will gain a better understanding of the major processes and focus on data flow, the connection between configuration options and outcome, integration, and terminology that may be unique to Tyler's solution.

Objectives:

- Provide a basic understanding of system functionality.
- Prepare the Los Gatos for current and future state analysis.

STAGE 2	Solution Orientation																
	Tyler								Los Gatos								
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power	Department Heads	End Users	Technical Leads
Provide pre-requisites			A	R							I	I		I	I		I
Complete pre-requisites											A	R		C			C
Conduct orientation			A	R							I	I		I	I		I

Inputs	Solution orientation materials
	Training Plan

6.2.2 Current & Future State Analysis

The Current & Future State Analysis provides the Project stakeholders and Tyler an understanding of process changes that will be achieved with the new system.

The Los Gatos and Tyler will evaluate current state processes, options within the new software, pros and cons of each based on current or desired state and make decisions about the future state configuration and processing. This may occur before or within the same timeframe as the configuration work package. The options within the new software will be limited to the scope of this implementation and will make use of standard Tyler functionality.

The Los Gatos will adopt the existing Tyler solution wherever possible to avoid project schedule and quality risk from over customization of Tyler products. It is the Los Gatos's responsibility to verify that in-scope requirements are being met throughout the implementation if functional requirements are defined as part of the contract. The following guidelines will be followed when evaluating if a modification to the product is required:

- A reasonable business process change is available.
- Functionality exists which satisfies the requirement.
- Configuration of the application satisfies the requirement.
- An in-scope modification satisfies the requirement.

Requirements that are not met will follow the agreed upon change control process and can have impacts on the project schedule, scope, budget, and resource availability.

STAGE 2	Current & Future State Analysis																
	Tyler								Los Gatos								
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power	Department Heads	End Users	Technical Leads
Current State process review			A	R	I	I	I				C	C	C	C			C
Discuss future-state options			A	R	C	C	C				C	C	C	C			C
Make future-state decisions (non-COTS)			C	C	C	C	C				A	R	I	C			C
Document anticipated configuration options required to support future state			A	R	C	C	C				I	I	I	I			I

Inputs	Los Gatoscurrent state documentation
	Solution Orientation completion

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Documentation that describes future-state decisions and configuration options to support future-state decisions.	Delivery of document

Work package assumptions:

- Los Gatos attendees possess sufficient knowledge and authority to make future state decisions.
- The Los Gatos is responsible for any documentation of current state business processes.
- The Los Gatos can effectively communicate current state processes.

6.2.3 Conversion Assessment

Data Conversions are a major effort in any software implementation. Tyler's conversion tools facilitate the predictable, repeatable conversion process that is necessary to support a successful transition to the Tyler system. The first step in this process is to perform an assessment of the existing ("legacy") system(s), to better understand the source data, risks, and options available. Once the data has been analyzed, the plan for data conversion is completed and communicated to the appropriate stakeholders.

Objectives:

- Communicate a common understanding of the project goals with respect to data.
- Ensure complete and accurate source data is available for review/transfer.
- Map the data from the source to the Tyler system.
- Document the data conversion/loading approach.

STAGE 2	Data Conversion Assessment																
	Tyler								Los Gatos								
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power	Department Heads	End Users	Technical Leads
Extract Data from Source Systems			I		C						A						R
Review and Scrub Source Data			I	I	I						A	R		C			I
Build/Update Data Conversion Plan			R	C	C						C	I	I	I			I

Inputs	Los Gatos Source data
	Los Gatos Source data Documentation (if available)

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Data Conversion Plan built/updated	Los Gatos Acceptance of Data Conversion Plan, if Applicable

Work package assumptions:

- Tyler will be provided with data from the Legacy system(s) in a mutually agreed upon format.
- Tyler will work with the Los Gatos representatives to identify business rules before writing the conversion.
- Los Gatos subject matter experts and resources most familiar with the current data will be involved in the data conversion planning effort.

6.2.4 Intentionally left blank.

6.2.5 Intentionally left blank.

6.2.6 Control Point 2: Assess & Define Stage Acceptance

Acceptance criteria for this Stage includes completion of all criteria listed below.

Note: Advancement to the Prepare Solution Stage is dependent upon Tyler's receipt of the Stage Acceptance.

Assess & Define Stage Deliverables:

- Documentation of future state decisions and configuration options to support future state decisions.
- Modification specification document.
- Assess & Define Stage Acceptance Criteria:
- All stage deliverables accepted based on criteria previously defined.
- Solution Orientation is delivered.
- Conversion data extracts are received by Tyler.
- Data conversion plan built.

6.3 Prepare Solution

During the Prepare Solution stage, information gathered during the Initiate & Plan and Assess & Define stages will be used to install and configure the Tyler software solution. Software configuration will be validated by the Los Gatos against future state decisions defined in previous stages and processes refined as needed to ensure business requirements are met.

6.3.1 Initial System Deployment

The timely availability of the Tyler Solution is important to a successful Project implementation. The success and timeliness of subsequent work packages are contingent upon the initial system deployment of Tyler Licensed Software on an approved network and infrastructure. Delays in executing this work package can affect the project schedule.

Objectives:

- All licensed software is installed and operational.
- The Los Gatos can access the software.

STAGE 3	Initial System Deployment (Hosted/SaaS)*																
	Tyler								Los Gatos								
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power Users)	Department Heads	End Users	Technical Leads
Prepare hosted environment			A				R				I						C
Install Licensed Software with Initial Database on Server(s) for			A				R				I						C

Included Environments																	
Install Licensed Software on Los Gatos Devices (if applicable)			I				C				A						R
Tyler System Administration Training (if applicable)			A				R				I						C

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Licensed Software is Installed on the Server(s)	Software is accessible
	Licensed Software is Installed on Los Gatos Devices (if applicable)	Software is accessible
	Installation Checklist/System Document	System Passes
	Infrastructure Design Document (C&J – If Applicable)	

Work package assumptions:

- The most current available version of the Tyler Licensed Software will be installed.
- The Los Gatos will provide network access for Tyler modules, printers, and Internet access to all applicable Los Gatos and Tyler Project staff.

6.3.2 Configuration

The purpose of Configuration is to prepare the software product for validation.

Tyler staff collaborates with the Los Gatos to complete software configuration based on the outputs of the future state analysis performed during the Assess and Define Stage. The Los Gatos collaborates with Tyler staff iteratively to validate software configuration.

Objectives:

- Software is ready for validation.
- Educate the Los Gatos Power User how to configure and maintain software.
- Prepare standard interfaces for process validation (if applicable).

STAGE 3	Configuration	
	Tyler	Los Gatos

RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power	Department Heads	End Users	Technical Leads
Conduct configuration training			A	R							I	C		C			
Complete Tyler configuration tasks (where applicable)			A	R							I	I		I			
Complete Los Gatos configuration tasks (where applicable)			I	C							A	R		C			
Standard interfaces configuration and training (if applicable)			A	R			C				I	C		C			C
Updates to Solution Validation testing plan			C	C							A	R		C			C

Inputs	Documentation that describes future state decisions and configuration options to support future state decisions.

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Configured System	N/A

Work package assumptions:

- Tyler provides guidance for configuration options available within the Tyler software. The Los Gatos is responsible for making decisions when multiple options are available.

6.3.3 Process Refinement

Tyler will educate the Los Gatos users on how to execute processes in the system to prepare them for the validation of the software. The Los Gatos collaborates with Tyler staff iteratively to validate software configuration options to support future state.

Objectives:

- Ensure that the Los Gatos understands future state processes and how to execute the processes in the software.
- Refine each process to meet the business requirements.
- Validate standard interfaces, where applicable.
- Validate forms and reports, where applicable.

STAGE 3	Process Refinement																
	Tyler								Los Gatos								
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power Users)	Department Heads	End Users	Technical Leads
Conduct process training			A	R							I	C	I	C			
Confirm process decisions			I	C						A	R	C	I	C			
Test configuration			I	C							A	R		C			
Refine configuration (Los Gatos Responsible)			I	C							A	R		C			
Refine configuration (Tyler Responsible)			A	R							I	I		I			
Validate interface process and results			I	C			C				A	R		C			C
Update Los Gatos-specific process documentation (if applicable)			I	C							A	R		C			
Updates to Solution Validation testing plan			C	C							A	R		C			C

Inputs	Initial Configuration
	Documentation that describes future state decisions and configuration options to support future state decisions.
	Solution validation test plan

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Updated solution validation test plan	
	Completed Los Gatos-specific process documentation (completed by Los Gatos)	

Work package assumptions:

- None

6.3.4 Conversion Delivery

The purpose of this task is to transition the Los Gatos's data from their source ("legacy") system(s) to the Tyler system(s). The data will need to be mapped from the legacy system into the new Tyler system format. A well-executed data conversion is key to a successful cutover to the new system(s).

With guidance from Tyler, the Los Gatos will review specific data elements within the system and identify / report discrepancies. Iteratively, Tyler will collaborate with the Los Gatos to address conversion discrepancies. This process will allow for clean, reconciled data to transfer from the source system(s) to the Tyler system(s). Reference Conversion Appendix for additional detail.

Objectives:

- Data is ready for production (Conversion).

STAGE 3	Data Delivery & Conversion																
	Tyler								Los Gatos								
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power Users)	Department Heads	End Users	Technical Leads
Provide data crosswalks/code mapping tool			A	C	R						I	I		I			

Populate data crosswalks/code mapping tool			I	C	C						A	R		C			
Iterations: Conversion Development			A	C	R						I						I
Iterations: Deliver converted data			A		R		I				I						I
Iterations: Proof/Review data and reconcile to source system			C	C	C						A	R		C			C

Inputs	
	Data Conversion Plan
	Configuration

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Code Mapping Complete / Validated	N/A
	Conversion Iterations / Reviews Complete	Conversion complete, verified, and ready for final pass

Work package assumptions:

- The Los Gatos will provide a single file layout per source system as identified in the investment summary.
- The Los Gatos subject matter experts and resources most familiar with the current data will be involved in the data conversion effort.
- The Los Gatos project team will be responsible for completing the code mapping activity, with assistance from Tyler.

6.3.5 Intentionally left blank.

6.3.6 Intentionally left blank.

6.3.7 Control Point 3: Prepare Solution Stage Acceptance

Acceptance criteria for this Stage includes all criteria listed below in each Work Package.

Note: Advancement to the Production Readiness Stage is dependent upon Tyler's receipt of the Stage Acceptance.

Prepare Solution Stage Deliverables:

- Licensed software is installed.
- Installation checklist/system document.
- Conversion iterations and reviews complete.

Prepare Solution Stage Acceptance Criteria:

- All stage deliverables accepted based on criteria previously defined.
- Software is configured.
- Solution validation test plan has been reviewed and updated if needed.

6.4 Production Readiness

Activities in the Production Readiness stage will prepare the Los Gatos team for go-live through solution validation, the development of a detailed go-live plan and end user training. A readiness assessment will be conducted with the Los Gatos to review the status of the project and the organizations readiness for go-live.

6.4.1 Solution Validation

Solution Validation is the end-to-end software testing activity to ensure that the Los Gatos verifies all aspects of the Project (hardware, configuration, business processes, etc.) are functioning properly, and validates that all features and functions per the contract have been deployed for system use.

Objectives:

- Validate that the solution performs as indicated in the solution validation plan.
- Ensure the Los Gatos organization is ready to move forward with go-live and training (if applicable).

STAGE 4	Solution Validation																
	Tyler								Los Gatos								
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power	Department Heads	End Users	Technical Leads
Update Solution Validation plan			A	R	C						C	C		C			
Update test scripts (as applicable)			C	C	C						A	R		C			
Perform testing			C	C	C						A	R		C			
Document issues from testing			C	C	C						A	R		C			
Perform required follow-up on issues			A	R	C						C	C		C			

Inputs	Solution Validation plan
	Completed work product from prior stages (configuration, business process, etc.)

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables

	Solution Validation Report	Los Gatos updates report with testing results

Work package assumptions:

- Designated testing environment has been established.
- Testing includes current phase activities or deliverables only.

6.4.2 Go-Live Readiness

Tyler and the Los Gatos will ensure that all requirements defined in Project planning have been completed and the Go-Live event can occur, as planned. A go-live readiness assessment will be completed identifying risks or actions items to be addressed to ensure the Los Gatos has considered its ability to successfully Go-Live. Issues and concerns will be discussed, and mitigation options documented. Tyler and the Los Gatos will jointly agree to move forward with transition to production. Expectations for final preparation and critical dates for the weeks leading into and during the Go-Live week will be planned in detail and communicated to Project teams.

Objectives:

- Action plan for go-live established.
- Assess go-live readiness.
- Stakeholders informed of go-live activities.

STAGE 4	Go-Live Readiness																
	Tyler								Los Gatos								
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power	Department Heads	End Users	Technical Leads
Perform Readiness Assessment	I	A	R	C	C	I	C	I	I	I	I		I				I
Conduct Go-Live planning session		A	R	C							C	C	C	C	C		C
Order peripheral hardware (if applicable)			I							A	R						C
Confirm procedures for Go-Live issue reporting & resolution		A	R	I	I	I	I				C	C	I	I	I	I	I
Develop Go-Live checklist		A	R	C	C						C	C	I	C			C
Final system infrastructure review (where applicable)			A				R				C						C

Inputs	Future state decisions

	Go-live checklist

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Updated go-live checklist	Updated Action plan and Checklist for go-live delivered to the Los Gatos

Work package assumptions:

- None

6.4.3 End User Training

End User Training is a critical part of any successful software implementation. Using a training plan previously reviewed and approved, the Project team will organize and initiate the training activities.

Train the Trainer: Tyler provides one occurrence of each scheduled training or implementation topic. Los Gatos users who attended the Tyler sessions may train additional users. Additional Tyler led sessions may be contracted at the applicable rates for training.

Tyler will provide standard application documentation for the general use of the software. It is not Tyler's responsibility to develop Los Gatos specific business process documentation. Los Gatos-led training labs using Los Gatos specific business process documentation if created by the Los Gatos can be added to the regular training curriculum, enhancing the training experiences of the end users.

Objectives:

- End users are trained on how to use the software prior to go-live.
- The Los Gatos is prepared for on-going training and support of the application.

STAGE 4	End User Training																
	Tyler								Los Gatos								
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power	Department Heads	End Users	Technical Leads
Update training plan		A	R	C							C		I		C		
End User training (Tyler-led)		A	R	C							C	C	I	C	C	C	
Train-the-trainer		A	R	C							C	C	I	C			
End User training (Los Gatos-led)			C	C							A	R	I	C	C	C	

Inputs	Training Plan
	List of End Users and their Roles / Job Duties
	Configured Tyler System

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	End User Training	Los Gatos signoff that training was delivered

Work package assumptions:

- The Los Gatos project team will work with Tyler to jointly develop a training curriculum that identifies the size, makeup, and subject-area of each of the training classes.
- Tyler will work with the Los Gatos as much as possible to provide end-user training in a manner that minimizes the impact to the daily operations of Los Gatos departments.
- The Los Gatos will be responsible for training new users after go-live (exception—previously planned or regular training offerings by Tyler).

6.4.4 Control Point 4: Production Readiness Stage Acceptance

Acceptance criteria for this stage includes all criteria listed below. Advancement to the Production stage is dependent upon Tyler's receipt of the stage acceptance.

Production Readiness stage deliverables:

- Solution Validation Report.
- Update go-live action plan and checklist.
- End user training.

Production Readiness stage acceptance criteria:

- All stage deliverables accepted based on criteria previously defined.
- Go-Live planning session conducted.

6.5 Production

Following end user training the production system will be fully enabled and made ready for daily operational use as of the scheduled date. Tyler and the Los Gatos will follow the comprehensive action plan laid out during Go-Live Readiness to support go-live activities and minimize risk to the Project during go-live. Following go-live, Tyler will work with the Los Gatos to verify that implementation work is concluded, post go-live activities are scheduled, and the transition to Client Services is complete for long-term operations and maintenance of the Tyler software.

6.5.1 Go-Live

Following the action plan for Go-Live, defined in the Production Readiness stage, the Los Gatos and Tyler will complete work assigned to prepare for Go-Live.

The Los Gatos provides final data extract and Reports from the Legacy System for data conversion and Tyler executes final conversion iteration, if applicable. If defined in the action plan, the Los Gatos manually enters any data added to the Legacy System after final data extract into the Tyler system.

Tyler staff collaborates with the Los Gatos during Go-Live activities. The Los Gatos transitions to Tyler software for day-to day business processing.

Some training topics are better addressed following Go-Live when additional data is available in the system or based on timing of applicable business processes and will be scheduled following Go-Live per the Project Schedule.

Objectives:

- Execute day to day processing in Tyler software.
- Los Gatos data available in Production environment.

STAGE 5	Go-Live																
	Tyler								Los Gatos								
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power	Department Heads	End Users	Technical Leads
Provide final source data extract, if applicable			C		C						A						R
Final source data pushed into production environment, if applicable			A	C	R						I	C		C			C
Proof final converted data, if applicable			C	C	C						A	R		C			
Complete Go-Live activities as defined in the Go-Live action plan			C	C	C					A	R	C	I	C			
Provide Go-Live assistance			A	R	C	C		I			C	C	I	C		I	C

Inputs	Comprehensive Action Plan for Go-Live
	Final source data (if applicable)

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Data is available in production environment	Los Gatos confirms data is available in production environment

Work package assumptions:

- The Los Gatos will complete activities documented in the action plan for Go-Live as scheduled.
- External stakeholders will be available to assist in supporting the interfaces associated with the Go-Live live process.
- The Los Gatos business processes required for Go-Live are fully documented and tested.

- The Los Gatos Project team and subject matter experts are the primary point of contact for the end users when reporting issues during Go-Live.
- The Los Gatos Project Team and Power User's provide business process context to the end users during Go-Live.
- The Tyler Go-Live support team is available to consult with the Los Gatos teams as necessary.
- The Tyler Go-Live support team provides standard functionality responses, which may not be tailored to the local business processes.

6.5.2 Transition to Client Services

This work package signals the conclusion of implementation activities for the Phase or Project with the exception of agreed-upon post Go-Live activities. The Tyler project manager(s) schedules a formal transition of the Los Gatos onto the Tyler Client Services team, who provides the Los Gatos with assistance following Go-Live, officially transitioning the Los Gatos to operations and maintenance.

Objectives:

- Ensure no critical issues remain for the project teams to resolve.
- Confirm proper knowledge transfer to the Los Gatos teams for key processes and subject areas.

STAGE 5	Transition to Client Services																
	Tyler								Los Gatos								
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power	Department Heads	End Users	Technical Leads
Transfer Los Gatos to Client Services and review issue reporting and resolution processes	I	I	A	I	I			R	I	I	C	C		C			
Review long term maintenance and continuous improvement			A					R			C	C		C			

Inputs	Open item/issues List

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Client Services Support Document	

Work package assumptions:

- No material project issues remain without assignment and plan.

6.5.3 Post Go-Live Activities

Some implementation activities are provided post-production due to the timing of business processes, the requirement of actual production data to complete the activities, or the requirement of the system being used in a live production state.

Objectives:

- Schedule activities that are planned for after Go-Live.
- Ensure issues have been resolved or are planned for resolution before phase or project close.

STAGE 5	Post Go-Live Activities																
	Tyler								Los Gatos								
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power	Department Heads	End Users	Technical Leads
Schedule contracted activities that are planned for delivery after go-live		A	R	C	C	C	C	I			C	C	I	C			C
Determine resolution plan in preparation for phase or project close out		A	R	C	C	C		I			C	C	I	C			

Inputs	List of post Go-Live activities

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Updated issues log	

Work package assumptions:

- System is being used in a live production state.

6.5.4 Control Point 5: Production Stage Acceptance

Acceptance criteria for this Stage includes completion of all criteria listed below:

- Advancement to the Close stage is not dependent upon Tyler's receipt of this Stage Acceptance.
- Converted data is available in production environment.

Production Stage Acceptance Criteria:

- All stage deliverables accepted based on criteria previously defined.
- Go-Live activities defined in the Go-Live action plan completed.
- Client services support document is provided.

6.6 Close

The Close stage signifies full implementation of all products purchased and encompassed in the Phase or Project. The Los Gatos transitions to the next cycle of their relationship with Tyler (next Phase of implementation or long-term relationship with Tyler Client Services).

6.6.1 Phase Closeout

This work package represents Phase completion and signals the conclusion of implementation activities for the Phase. The Tyler Client Services team will assume ongoing support of the Los Gatos for systems implemented in the Phase.

Objectives:

- Agreement from Tyler and the Los Gatos teams that activities within this phase are complete.

STAGE 6	Phase Close Out																
	Tyler								Los Gatos								
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power	Department Heads	End Users	Technical Leads
Reconcile project budget and status of contract Deliverables	I	A	R						I	I	C						
Hold post phase review meeting		A	R	C	C	C	C				C	C	C	C			C
Release phase-dependent Tyler project resources	A	R	I								I						

Participants	Tyler	Los Gatos
	Project Leadership	Project Manager
	Project Manager	Project Sponsor(s)
	Implementation Consultants	Functional Leads, Power Users, Technical Leads
	Technical Consultants (Conversion, Deployment, Development)	
	Client Services	

Inputs	Contract
	Statement of Work
	Project artifacts

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Final action plan (for outstanding items)	
	Reconciliation Report	
	Post Phase Review	

Work package assumptions:

- Tyler deliverables for the phase have been completed.

6.6.2 Project Closeout

Completion of this work package signifies final acceptance and formal closing of the Project.

At this time the Los Gatos may choose to begin working with Client Services to look at continuous improvement Projects, building on the completed solution.

Objectives:

- Confirm no critical issues remain for the project teams to resolve.
- Determine proper knowledge transfer to the Los Gatos teams for key processes and subject areas has occurred.
- Verify all deliverables included in the Agreement are delivered.

STAGE 6	Project Close Out																
	Tyler								Los Gatos								
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power	Department Heads	End Users	Technical Leads
Conduct post project review		A	R	C	C	C	C				C	C	C	C			C
Deliver post project report to Los Gatos and Tyler leadership	I	A	R						I	I	C						
Release Tyler project resources	A	R	I								I						

Inputs	Contract
	Statement of Work

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Post Project Report	Los Gatos acceptance; Completed report indicating all project Deliverables and milestones have been completed

Work package assumptions:

- All project implementation activities have been completed and approved.
- No critical project issues remain that have not been documented and assigned.
- Final project budget has been reconciled and invoiced.
- All Tyler deliverables have been completed.

6.6.3 Control Point 6: Close Stage Acceptance

Acceptance criteria for this Stage includes completion of all criteria listed below.

Close Stage Deliverables:

- Post Project Report.

Close Stage Acceptance Criteria:

- Completed report indicating all Project deliverables and milestones have been completed.

7. General Assumptions

Tyler and the Los Gatos will use this SOW as a guide for managing the implementation of the Tyler Project as provided and described in the Agreement. There are a few assumptions which, when acknowledged and adhered to, will support a successful implementation. Assumptions related to specific work packages are documented throughout the SOW. Included here are general assumptions which should be considered throughout the overall implementation process.

7.1 Project

- Project activities will begin after the Agreement has been fully executed.
- The Los Gatos Project Team will complete their necessary assignments in a mutually agreed upon timeframe to meet the scheduled go-live date, as outlined in the Project Schedule.
- Sessions will be scheduled and conducted at a mutually agreeable time.
- Additional services, software modules and modifications not described in the SOW or Agreement will be considered a change to this Project and will require a Change Request Form as previously referenced in the definition of the Change Control Process.
- Tyler will provide a written agenda and notice of any prerequisites to the Los Gatos project manager(s) ten (10) business days or as otherwise mutually agreed upon time frame prior to any scheduled on-site or remote sessions, as applicable.
- Tyler will provide guidance for configuration and processing options available within the Tyler software. If multiple options are presented by Tyler, the Los Gatos is responsible for making decisions based on the options available.

- Implementation of new software may require changes to existing processes, both business and technical, requiring the Los Gatos to make process changes.
- The Los Gatos is responsible for defining, documenting, and implementing their policies that result from any business process changes.

7.2 Organizational Change Management

Unless otherwise contracted by Tyler, Los Gatos is responsible for managing Organizational Change. Impacted Los Gatos resources will need consistent coaching and reassurance from their leadership team to embrace and accept the changes being imposed by the move to new software. An important part of change is ensuring that impacted Los Gatos resources understand the value of the change, and why they are being asked to change.

7.3 Resources and Scheduling

- Los Gatos resources will participate in scheduled activities as assigned in the Project Schedule.
- The Los Gatos team will complete prerequisites prior to applicable scheduled activities. Failure to do so may affect the schedule.
- Tyler and the Los Gatos will provide resources to support the efforts to complete the Project as scheduled and within the constraints of the Project budget.
- Abbreviated timelines and overlapped Phases require sufficient resources to complete all required work as scheduled.
- Changes to the Project Schedule, availability of resources or changes in Scope will be requested through a Change Request. Impacts to the triple constraints (scope, budget, and schedule) will be assessed and documented as part of the change control process.
- The Los Gatos will ensure assigned resources will follow the change control process and possess the required business knowledge to complete their assigned tasks successfully. Should there be a change in resources, the replacement resource should have a comparable level of availability, change control process buy-in, and knowledge.
- The Los Gatos makes timely Project related decisions to achieve scheduled due dates on tasks and prepare for subsequent training sessions. Failure to do so may affect the schedule, as each analysis and implementation session is dependent on the decisions made in prior sessions.
- The Los Gatos will respond to information requests in a comprehensive and timely manner, in accordance with the Project Schedule.
- The Los Gatos will provide adequate meeting space or facilities, including appropriate system connectivity, to the project teams including Tyler team members.
- For on-site visits, Tyler will identify a travel schedule that balances the needs of the project and the employee.

7.4 Data

- Data will be converted as provided and Tyler will not create data that does not exist.
- The Los Gatos is responsible for the quality of legacy data and for cleaning or scrubbing erroneous legacy data.
- Tyler will work closely with the Los Gatos representatives to identify business rules before writing the conversion. The Los Gatos must confirm that all known data mapping from source to target have been identified and documented before Tyler writes the conversion.
- All in-scope source data is in data extract(s).

- Each legacy system data file submitted for conversion includes all associated records in a single approved file layout.
- The Los Gatos will provide the legacy system data extract in the same format for each iteration unless changes are mutually agreed upon in advance. If not, negative impacts to the schedule, budget and resource availability may occur and/or data in the new system may be incorrect.
- The Los Gatos Project Team is responsible for reviewing the converted data and reporting issues during each iteration, with assistance from Tyler.
- The Los Gatos is responsible for providing or entering test data (e.g., data for training, testing interfaces, etc.)

7.5 Facilities

- The Los Gatos will provide dedicated space for Tyler staff to work with Los Gatos resources for both on-site and remote sessions. If Phases overlap, Los Gatos will provide multiple training facilities to allow for independent sessions scheduling without conflict.
- The Los Gatos will provide staff with a location to practice what they have learned without distraction.

8. Glossary

Word or Term	Definition
Acceptance	Confirming that the output or deliverable is suitable and conforms to the agreed upon criteria.
Accountable	The one who ultimately ensures a task or deliverable is completed; the one who ensures the prerequisites of the task are met and who delegates the work to those responsible. [Also see RACI]
Application	A computer program designed to perform a group of coordinated functions, tasks, or activities for the benefit of the user.
Application Programming Interface (API)	A defined set of tools/methods to pass data to and received data from Tyler software products
Agreement	This executed legal contract that defines the products and services to be implemented or performed.
Business Process	The practices, policy, procedure, guidelines, or functionality that the client uses to complete a specific job function.
Business Requirements Document	A specification document used to describe Client requirements for contracted software modifications.
Change Request	A form used as part of the Change Control process whereby changes in the scope of work, timeline, resources, and/or budget are documented and agreed upon by participating parties.
Change Management	Guides how we prepare, equip and support individuals to successfully adopt change in order to drive organizational success & outcomes
Code Mapping [where applicable]	An activity that occurs during the data conversion process whereby users equate data (field level) values from the old system to the values available in the new system. These may be one to one or many to one. Example: Old System [Field = eye color] [values = BL, Blu, Blue] maps to New Tyler System [Field = Eye Color] [value = Blue].
Consulted	Those whose opinions are sought, typically subject matter experts, and with whom there is two-way communication. [Also see RACI]
Control Point	This activity occurs at the end of each stage and serves as a formal and intentional opportunity to review stage deliverables and required acceptance criteria for the stage have been met.
Data Mapping [where applicable]	The activity determining and documenting where data from the legacy system will be placed in the new system; this typically involves prior data analysis to understand how the data is currently used in the legacy system and how it will be used in the new system.
Deliverable	A verifiable document or service produced as part of the Project, as defined in the work packages.
Go-Live	The point in time when the Client is using the Tyler software to conduct daily operations in Production.
Informed	Those who are kept up-to-date on progress, often only on completion of the task or deliverable, and with whom there is just one-way communication. [Also see RACI]

Infrastructure	The composite hardware, network resources and services required for the existence, operation, and management of the Tyler software.
Interface	A connection to and potential exchange of data with an external system or application. Interfaces may be one way, with data leaving the Tyler system to another system or data entering Tyler from another system, or they may be bi-directional with data both leaving and entering Tyler and another system.
Integration	A standard exchange or sharing of common data within the Tyler system or between Tyler applications
Legacy System	The software from which a client is converting.
Modification	Custom enhancement of Tyler's existing software to provide features or functions to meet individual client requirements documented within the scope of the Agreement.
On-site	Indicates the work location is at one or more of the client's physical office or work environments.
Organizational Change	The process of changing an organization's strategies, processes, procedures, technologies, and culture, as well as the effect of such changes on the organization.
Output	A product, result or service generated by a process.
Peripheral devices	An auxiliary device that connects to and works with the computer in some way. Some examples: scanner, digital camera, printer.
Phase	A portion of the Project in which specific set of related applications are typically implemented. Phases each have an independent start, Go-Live and closure dates but use the same Implementation Plans as other Phases of the Project. Phases may overlap or be sequential and may have different Tyler resources assigned.
Project	The delivery of the software and services per the agreement and the Statement of Work. A Project may be broken down into multiple Phases.
RACI	A matrix describing the level of participation by various roles in completing tasks or Deliverables for a Project or process. Individuals or groups are assigned one and only one of the following roles for a given task: Responsible (R), Accountable (A), Consulted (C), or Informed (I).
Remote	Indicates the work location is at one or more of Tyler's physical offices or work environments.
Responsible	Those who ensure a task is completed, either by themselves or delegating to another resource. [Also see RACI]
Scope	Products and services that are included in the Agreement.

Solution	The implementation of the contracted software product(s) resulting in the connected system allowing users to meet Project goals and gain anticipated efficiencies.
Stage	The top-level components of the WBS. Each Stage is repeated for individual Phases of the Project.
Standard	Software functionality that is included in the base software (off-the-shelf) package; is not customized or modified.
Statement of Work (SOW)	Document which will provide supporting detail to the Agreement defining Project-specific activities, services, and Deliverables.
System	The collective group of software and hardware that is used by the organization to conduct business.
Test Scripts	The steps or sequence of steps that will be used to validate or confirm a piece of functionality, configuration, enhancement, or Use Case Scenario.
Training Plan	Document(s) that indicate how and when users of the system will be trained relevant to their role in the implementation or use of the system.
Validation (or to validate)	The process of testing and approving that a specific Deliverable, process, program, or product is working as expected.
Work Breakdown Structure (WBS)	A hierarchical representation of a Project or Phase broken down into smaller, more manageable components.
Work Package	A group of related tasks within a project.

Part 4: Appendices

9. Conversion

9.1 Munis Conversion Summary

9.1.1 Accounts Payable Master

- Vendor Master file including names, addresses, SSN/FID, contacts, phone numbers
- Multiple remittance addresses
- Year-to-date 1099 amounts

9.1.2 Accounts Payable - Checks

- Check header data including vendor, warrant, check number, check date, overall check amount, GL cash account and clearing information
- Check detail data including related document and invoice numbers for each check
- Up to 5 years

9.1.3 Accounts Payable - Invoices

- Invoice header data containing general information for the invoice
- Invoice detail data containing line-specific information for the invoice
- Up to 5 years

9.1.4 Capital Assets Master

- Asset description, status, acquisition quantity, date and amount, codes for asset class, subclass, department, custodian, flags for capitalization and depreciation, estimated life, serial number, model, model year, depreciation method, life-to-date depreciation amount, last depreciation date, disposal information (if any), purchase information, if any (vendor, PO, Invoice)

9.1.5 General Billing CID

- Customer information

9.1.6 Purchase Orders

- Open purchase orders header data including vendor, buyer, date, accounting information, etc.
- Open purchase orders detail data including line item descriptions, quantities, amounts, etc.

9.1.7 Payroll

- Payroll Employee Master data including data such as name, address, SSN, legacy employee ID, date of birth, hire date, activity status (such as active/inactive), leave/termination code and date, phone(s), e-address, marital status, gender, race, personnel status (such as full-time, part-time, etc.), highest degree, advice-delivery (print/email/both) and check location, plus primary group, job, location, and account information

9.1.8 Payroll – Accumulators

- YTD, QTD, MTD amounts for employee pay and deductions
- Needed for mid-calendar-year go-live
- May not be needed if converting earnings/deductions history
- Up to 5 years

9.1.9 Payroll – Check History

- Up to 5 years, additional years must be quoted. We convert amounts for earnings and deductions in employee check history, check number and date.

9.1.10 Payroll – Earning/Deduction Hist.

- Up to 5 years, additional years must be quoted. Earning and deduction history broken down my individual codes (earnings and deduction) and amounts per pay period, the detail of these lines, sums the check history in opt 4.

10. Additional Appendices

10.1 EnerGov Definitions

10.1.1 "Template Business Transactions"

- A pre-defined and pre-configured EnerGov business process from EnerGov's "Best Management Template".
- The following modifications to Template Business Transactions are considered within scope:
  - Any changes to required inspections within the workflow
  - Any changes to the required plan reviews within the workflow
  - Adding up to 2 additional actions to the workflow
  - Configuration of fees, allowing creation of up to 3 new fees to accommodate
  - Any changes to custom field layouts that are directly related to fees or included reports
- Customization/Configuration of any of these parameters beyond the scope listed above will require the respective business process to be considered a "Unique Business Transaction", as described below.

Note: All transaction counts are quantified in the comments of the Investment Summary.

10.1.2 "Unique Business Transactions"

- Unique configuration of workflow or business process steps & actions, including output actions
- Unique Fee configuration
- Unique Custom field configuration

10.1.3 "Geo-Rules"

- An automation event that references GIS data. Current geo-rule action types are:

Alert	Displays a pop-up with a custom message to the user, notifying them of certain spatial data (i.e., noise abatement zones; flood zones; etc.).
Block	Places a block on the case and prevents any progress or updates from occurring on the record (i.e., no status changes can be completed, no fees can be paid, the workflow cannot be managed, etc.)
Block with Override	Places a block on the case and prevents any progress or updates from occurring on the record (i.e., no status changes can be completed, no fees can be paid, the workflow cannot be managed, etc.) However, the block can be overridden by end-users who have been given the proper securities.
Fee Date	Populates the CPI vesting date on the record if vesting maps are used by the jurisdiction.
Field Mapping	A custom field or any field inherent in the EnerGov application can automatically populate with information based on spatial data.
Required Action	A workflow action can automatically populate in the workflow details for the particular record (i.e., plan, permit, code case, etc.) that requires the action based on certain spatial data related to the case.
Required Step	A workflow step can automatically populate in the workflow details for the particular record (i.e., plan, permit, code case, etc.) that requires the step based on certain spatial data related to the case.
Zone Mapping	The zone(s) automatically populate on the "Zones" tab of the record (i.e., plan, permit, code case, etc.).

10.1.4 "Automation Events"

10.1.4.1 "Intelligent Objects (IO)"

- Key components for automatically and reactively triggering geo-rules, computing fees, and generating emails, alerts, and other notifications.

10.1.4.2 "Intelligent Automation Agents (IAA)"

- A tool designed to automate task in a proactive manner by setting values and generating emails and other tasks. On a nightly basis, a Windows service sweeps the EnerGov system looking for IAA tasks that need to be run, then the associated actions are performed. The IAA does not generate alerts or errors. Custom SQL queries are not Tyler deliverables.

10.1.5 "EnerGov SDK/API (Toolkits)"

- APIs developed by Tyler Technologies for extending the EnerGov Framework and functionality to external agencies and systems. Full documentation is available for each toolkit upon request.

  Note: The EnerGov toolkits and related documentation are simply tools that allow clients to create applications and integrations. The purchase of a toolkit/API does not imply any development related services from Tyler Technologies. The Los Gatos is responsible for working with their IT staff and VARs to develop any necessary applications and integrations except as otherwise noted in the Investment Summary or for any "in-scope" integrations.

10.2 Tyler and Client Work Split Assumptions

10.2.1 Increased Work Split Hours

Additional hours were purchased in this contract to increase the work split from the standard 30% Tyler work effort. Clients have different needs and there are different ways the allocation of these hours can benefit the project. We will work with the client project manager during the planning sessions and project plan development to determine the best use of these hours. Common areas additional hours are used are:

- Configuration
  - Setting and Code configuration
  - Security and Workflow Building
- Data Conversion
  - Conversion Mapping
  - Conversion Proofing
  - Conversion Testing
  - Imports in lieu of conversion
    - Formatting files
    - Building custom templates
    - Testing imports/Data validation
- Training/Documentation
  - Additional repeat process training
  - Post Live Assistance
    - Bank Reconciliation assistance for additional months
    - Month-end assistance for additional months

        - Year-end assistance for multiple years
        - W-2/1099 processing for multiple years
    - Job aides/quick reference guides
    - End user training documentation
- Testing
    - Additional parallel processing
    - Test script building
    - Integration Testing
        - Import/Export template building
        - Import testing
        - Process validation/documentation

All clients have unique needs on a project. By defining the use of these hours during project planning, we have the flexibility to determine the greatest needs of your organization and plan accordingly. At any point in the project, we can revisit the use of these hours and adjust content as needed to support the success of the project.

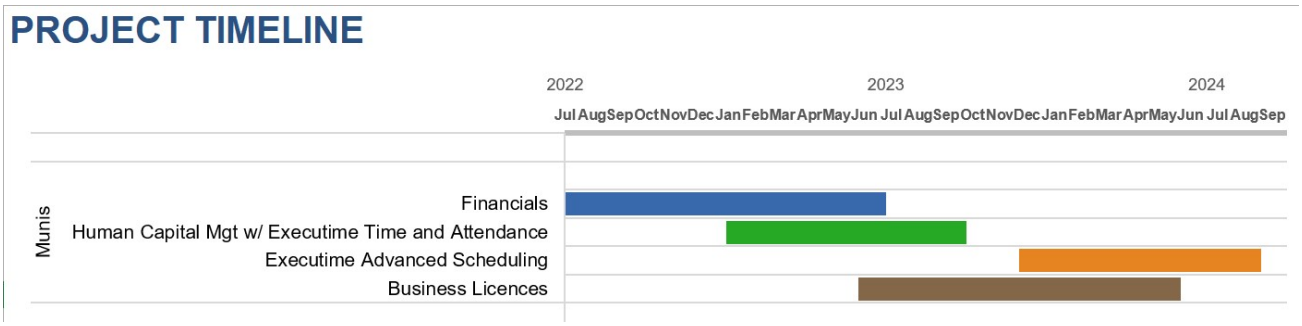
10.3 Intentionally left blank.

11. Project Timeline

11.1 ERP Project Timeline

The Project Timeline establishes a target start and end date for each Phase of the Project. The timeline needs to account for resource availability, business goals, size and complexity of the Project, and task duration requirements. These will be reviewed and adjusted, if needed, during the Initiate and Plan Stage. Refer to the Project Stages section of this SOW for information on work packages associated with each stage of the implementation.

The following dates may be revised based on the date the Agreement is signed and further refined during the course of the project. Tyler requires up to forty-five (45) days to move from Agreement signing to the Initiate & Plan Stage.



Phase	Functional Areas	Modules	Start Date	Go-Live Date
1	**Financials**	• Accounting General Ledger • Accounts Payable • Bid Management • Budgeting • Capital Assets • Cash Management • Contract Management • Project & Grant Accounting • Purchasing • eProcurement • Accounts Receivable • General Billing • Tyler Cashiering	July 2022	July 2023

	System Wide	• Munis Analytics & Reporting
		  ○ Tyler Reporting Services
		  ○ Munis Office
		  ○ HUB		

Phase	Functional Areas	Modules	Start Date	Go-Live Date
		• Tyler ReadyForms Processing • Tyler Content Manager SE		
2	**Human Capital Management**	• Payroll w/Employee Self Service • HR & Talent Management • Employee Expense Reimbursement • Executime Time and Attendance • Employee Expense Reimbursement	January 2023	October 2023
3	**Executime Advanced Scheduling**	• Executime Advanced Scheduling	December 2023	September 2024
4	**Business Licenses and Citizen Self Service**	• Business Licenses • Citizen Self-Service	June 2023	June 2024

CentralSquare-to-Munis Account Success

For communities, schools, and special districts, maintaining fiscal responsibility and providing timely customer-centric services is paramount to success. Many managing operations with CentralSquare have now chosen the industry's leading, functionally-robust ERP solution: Tyler.

Clients who have switched to Tyler across the United States (click to jump to):

- West
- East
- Midwest
- South

West

- **Matanuska-Susitna Borough Schools, AK**
- **City of Kingman, AZ**
- **City of Sierra Vista, AZ**
- **Coconino County, AZ**
- **City of Alameda, CA**
- **City of Benicia, CA**
- **City of Berkeley, CA**
- **City of Beverly Hills, CA**
- **City of Carson, CA**
- **City of Chino Hills, CA**
- **City of Chula Vista, CA**
- **City of Coronado, CA**
- **City of Covina, CA**
- **City of Diamond Bar, CA**
- **City of El Cajon, CA**
- **City of Encinitas, CA**
- **City of Fontana, CA**
- **City of Fremont, CA**
- **City of Fullerton, CA**
- **City of Gilroy, CA**
- **City of Hanford, CA**
- **City of Indio, CA**
- **City of Merced, CA**
- **City of Mission Viejo, CA**
- **City of Napa, CA**
- **City of Newport Beach, CA**
- **City of Oxnard, CA**
- **City of Palm Springs, CA**
- **City of Perris, CA**
- **City of Poway, CA**
- **City of Rancho Mirage, CA**
- **City of Rancho Palos Verdes, CA**
- **City of Redlands, CA**
- **City of San Ramon, CA**
- **City of Solano Beach, CA**
- **City of Stockton, CA**
- **City of Watsonville, CA**
- **Cucamonga Valley Water Dist, CA**
- **Nevada Irrigation District, CA**
- **Plumas County, CA**
- **Santa Margarita Water District, CA**
- **San Diego Association of Governments, CA**
- **Vallejo Flood and Wastewater District, CA**
- **West Contra Costa Unified School Dist, CA**
- **City of Centennial, CO**
- **City of Greenwood, CO**
- **City of Pueblo, CO**
- **City of Alamogordo, NM**
- **City of Roswell, NM**
- **City of Boulder City, NV**
- **City of Carson City, NV**
- **City of Broken Arrow, OK**
- **City of Norman, OK**
- **City of Bend, OR**
- **City of Corvallis, OR**
- **City of Gresham, OR**
- **City of Grants Pass, OR**
- **Deschutes County, OR**
- **City of Clearfield, UT**
- **City of Murray City, UT**
- **City of West Jordan, UT**
- **Bellevue School District 405, WA**
- **City of Kirkland, WA**
- **Cheyanne Board of Public Utilities, WY**
- **City of Gillette, WY**
- **City of Laramie, WY**
- **Laramie County, WY**
- **Laramie County School District 1, WY**
- **Sweetwater County, WY**

East

- **City of Hoover, AL**
- **City of New London, CT**
- **Town of Groton, CT**
- **Town and Schools of Madison, CT**
- **Town of Orange, CT**
- **Town of Simsbury, CT**
- **Town of Windham, CT**
- **City of Dover, DE**
- **Queen Anne's County, MD**
- **City of Lewiston, ME**
- **City of Portland, ME**
- **Portland Public Schools, ME**
- **City of Keene, NH**
- **Essex County, NY**
- **Ontario County, NY**
- **Steuben County, NY**
- **City of Titusville, PA**
- **Eire Water Works, PA**
- **Radnor Township, PA**
- **York County, PA**
- **City of Pawtucket, RI**
- **Alleghany County, VA**
- **City & Schools of Waynesboro, VA**
- **City of Colonial Heights, VA**
- **City of Manassas, VA**
- **Prince George County, VA**
- **Stafford County Public Schools, VA**
- **Town of Herndon, VA**
- **Town of Vienna, VA**
- **Williamsburg-James City County Public Schools, VA**
- **Wythe County, VA**

ATTACHMENT 2

"A proposal was received from the City's current software vendor to upgrade to their new product ONESolution. However … **Tyler Technologies' Munis provides the most functionality**." *City of Sanibel, FL*

CentralSquare-to-Munis Account Success

For communities, schools, and special districts, maintaining fiscal responsibility and providing timely customer centric services is paramount to success. Many managing operations with CentralSquare have now chosen the industry's leading, functionally-robust ERP Solution: Tyler.

Clients who have switched to Tyler across the United States (click to jump to):

- West
- East
- Midwest
- South

Midwest

- **City of Dubuque, IA**
- **City of Bloomington, IL**
- **City of Elmhurst, IL**
- **City of Joliet, IL**
- **City of Naperville, IL**
- **City of Peoria, IL**
- **City of Quincy, IL**
- **Village of Elk Grove, IL**
- **Village of Gurnee, IL**
- **Village of Orland Park, IL**
- **Village of Woodridge, IL**
- **City of Dodge City, KS**
- **City of Hutchinson, KS**
- **City of Lenexa, KS**
- **City of Paducah, KY**
- **City of Bloomington, MN**
- **City of Mankato, MN**
- **Crow Wing County, MN**
- **City of Belton, MO**
- **City of Columbia, MO**
- **Waynesville R-VI School District, MO**
- **City of Minot, ND**
- **City of Rapid City, SD**
- **City of Sioux Falls, SD**
- **City of Dublin, OH**
- **City of Gahanna, OH**
- **Columbus Metropolitan Library, OH**

South

- **City of Opelika, AL**
- **City of Bentonville, AR**
- **City of Fort Smith, AR**
- **City of Altamonte Springs, FL**
- **City of Coral Springs, FL**
- **City of Dunedin, FL**
- **City of Fort Pierce, FL**
- **City of Hallandale Beach, FL**
- **City of Jacksonville Beach, FL**
- **City of Kissimmee, FL**
- **City of Miramar, FL**
- **City of Naples, FL**
- **City of New Port Richey, FL**
- **City of Ormond Beach, FL**
- **City of Pembroke Pines, FL**
- **City of Sanibel, FL**
- **City of Sunrise, FL**
- **City of Winter Park, FL**
- **Emerald Coast Utilities Authority, FL**
- **Flagler County, FL**
- **Flagler County Sheriff's Office, FL**
- **Marion County, FL**
- **St Johns County Sheriff's Office, FL**
- **Town of Jupiter, FL**
- **Village of Wellington, FL**
- **Walton County, FL**
- **Chatham County, GA**
- **City of Alpharetta, GA**
- **City of Johns Creek, GA**
- **City of Roswell, GA**
- **City of Sandy Springs, GA**
- **City of Smyrna, GA**
- **Hall County, GA**
- **Henry County, GA**
- **City and Parish of Baton Rouge – East Baton Rouge, LA**
- **City of Bossier City, LA**
- **Chatham County, NC**
- **City of Asheville, NC**
- **City of Greenville, NC**
- **City of Hickory, NC**
- **City of Monroe, NC**
- **City of New Bern, NC**
- **City of Wilmington, NC**
- **Craven County, NC**
- **Harnett County, NC**
- **Rowan County, NC**
- **Scotland County, NC**
- **Town of Morrisville, NC**
- **Orangeburg County, SC**
- **Hamilton County School District, TN**
- **Alvin Independent School Dist, TX**
- **City of Allen, TX**
- **City of Burleson, TX**
- **City of College Station, TX**
- **City of Duncanville, TX**
- **City of Farmers Branch, TX**
- **City of Irving, TX**
- **City of League City, TX**
- **City of Missouri City, TX**
- **City of North Richland Hills, TX**
- **City of Odessa, TX**
- **City of Port Arthur, TX**
- **City of Richardson, TX**
- **City of Rowlett, TX**
- **City of Sugar Land, TX**
- **City of Waco, TX**
- **City of Wichita Falls, TX**
- **Collin County, TX**
- **Lewisville Independent School Dist, TX**
- **Round Rock Independent School Dist, TX**
- **Socorro Independent School Dist, TX**

"A proposal was received from the City's current software vendor to upgrade to their new product ONESolution. However … **Tyler Technologies' Munis provides the most functionality**." *City of Sanibel, FL*

TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 06/21/2022
ITEM NO: 15

DATE: June 10, 2022

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Authorize the Town Manager to Execute a Second Amendment to the Agreement for Audit Services with Badawi and Associates to Increase Compensation by $5,400 for a Total Contract Amount Not to Exceed $173,385

RECOMMENDATION:

Authorize the Town Manager to execute a second amendment (Attachment 1) to the agreement for audit services with Badawi and Associates to increase compensation by $5,400 for a total contract amount not to exceed $173,385.

BACKGROUND:

In 2017, the Town of Los Gatos issued a Request for Proposals (RFP) for qualified independent certified public accounting firms to audit the Town's financial statements for three fiscal years, with an option to extend the agreement an additional two years with Town Council approval. A review committee selected Badawi and Associates, Certified Public Accountants as the firm to provide the Town auditing and other optional services. In 2020, the Council approved a first amendment to exercise the option to extend the agreement for an additional two fiscal years (Attachment 2).

DISCUSSION:

For the past five years, Badawi and Associates has provided the following services for the Town:

- The annual audit of the basic financial statements in accordance with Governmental Accounting Standards and preparation of the Town's Comprehensive Annual Financial Report;

PREPARED BY: Stephen Conway
Finance Director

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

DISCUSSION (continued):

- A report communicating information related to the audit to those in charge of governance (Town Council) at the conclusion of the audit;
- A management letter containing any comments or recommendations resulting from the review of systems of internal controls in connection with the financial audit;
- A Single Audit for grant funding if required under the Title 2 U.S. Code of Federal Regulations; and
- Optional services including the preparation of the annual report of financial transactions to the State Controller.

In addition to Badawi and Associates completing the aforementioned services, the Town has asked Badawi for a complete review of Measure G revenues and expenditures for the period from March 1, 2019 to June 30,2021 per Measure A. Attachment 3 contains the agreed upon procedures for the Measure G engagement.

CONCLUSION:

Authorize the Town Manager to execute a second amendment to the agreement for Measure G audit services with Badawi and Associates to increase compensation by $5,400 for a total contract amount not to exceed $173,385.

FISCAL IMPACT:

Funds for this amendment are included in the Town's proposed Fiscal Year 2021/22 Operating and Capital Budget.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:
1. Second Amendment to provide auditing and optional services with Badawi and Associates.
2. First Amendment and Original Agreement with Badawi and Associates.
3. Measure G Agreed-Upon Procedures

SECOND AMENDMENT TO AGREEMENT

This SECOND AMENDMENT TO AGREEMENT is dated for identification this 21st day of June 2022 and amends that certain agreement for audit services dated May 24, 2017, made by and between the Town of Los Gatos, ("Town,") and Badawi & Associates. ("Consultant")

RECITALS

A. Town and Consultant entered into an auditing services Agreement on May 24, 2017, ("Agreement"), a copy of which is attached hereto and incorporated by reference as Exhibit A to this Second Amendment.

B. Town and Consultant entered into a First Amendment to the Agreement on March 6, 2020, ("Agreement"), a copy of which is attached hereto and incorporated by reference as Exhibit B to this Second Amendment.

AMENDMENT

1. Section 2.6 – Compensation is hereby amended to add $5,400 for a total Agreement amount not to exceed $173,385.

2. All other terms and conditions of the Agreement remain in full force and effect.

IN WITNESS WHEREOF, the Town and Consultant have executed this Amendment.

Town of Los Gatos

By: _____
Laurel Prevetti, Town Manager

Approved as to Consent:

By:_____
Ahmed Badawi, CPA

Department Approval:

_____
Stephen Conway
Finance Director

Approved as to Form:

_____
Gabrielle Whelan, Town Attorney

Attest:

_____
Shelley Neis, MMC, Town Clerk

AMENDMENT TO AGREEMENT

This AMENDMENT TO AGREEMENT is dated for identification this 6th day of March, 2020 and amends that certain agreement for audit services dated May 24, 2017, made by and between the Town of Los Gatos, ("Town,") and Badawi & Associates. ("Consultant")

RECITALS

A. Town and Consultant entered into an auditing services Agreement on May 24, 2017, ("Agreement"), a copy of which is attached hereto and incorporated by reference as Exhibit A to this Amendment.

AMENDMENT

1. Section 2.2 – Term and Time of Performance is hereby amended to state this contract will remain in effect from June 1, 2017 to June 30, 2022.

2. Section 2.6 – Compensation is hereby amended to add professional services for fiscal year ending June 30, 2021 which shall not exceed $34,265; for fiscal year ending June 30, 2022 which shall not exceed $34,265.

2. All other terms and conditions of the Agreement remain in full force and effect.

IN WITNESS WHEREOF, the Town and Consultant have executed this Amendment.

Town of Los Gatos

DocuSigned by:
By: Laurel Prevetti
853FEEA2EB39470...
Laurel Prevetti, Town Manager

Approved as to Consent:

By:
Ahmed Badawi, CPA

Department Approval:

DocuSigned by:
Stephen Conway
BB783C2D2B2243B...
Stephen Conway
Finance Director

Approved as to Form:

DocuSigned by:
Robert W. Schultz
2FE0938555B744C...
Robert Schultz, Town Attorney

Attest:

DocuSigned by:
Shelley Neis
B9000F03B1F34F0...
Shelley Neis, MMC, Town Clerk

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AGR 17.087
IHH

AGREEMENT FOR CONSULTANT SERVICES

THIS AGREEMENT is made and entered into on May 24, 2017 by and between TOWN OF LOS GATOS, a California municipal corporation, ("Town") and Badawi & Associates, ("Consultant"), whose address is 180 Grand Avenue, Suite 1500, Oakland CA. This Agreement is made with reference to the following facts.

I. RECITALS

1.1 The Town desire to engage Consultant to provide professional auditing services.

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 Technical proposal for professional auditing services sent to the Town on March 31, 2017, 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 June 1, 2017 to June 30, 2020. 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, unless proprietary in nature, 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 individual or organization not employed by the Consultant or

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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 for fiscal year ending June 30, 2017 shall not exceed $32,015; for fiscal year ending June 30, 2018 shall not exceed $33,175; and for fiscal year ending June 30, 2019 shall not exceed $34,265, inclusive of all costs, as described in that certain "Sealed Dollar Cost Bid for professional auditing services" submitted to the Town on March 31, 2017, which is hereby incorporated as Exhibit B. 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~~. Billing shall be made as follows; 45 percent of the contract after the interim phase, 45 percent after the year-end phase and 10 percent after all work is completed and final reports are issued. KWS

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

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

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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: one million dollars ($1,000,000) 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

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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.

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 officers, agent, employees and volunteers from all damages, liabilities,

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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 sub consultant.

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:

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

Badawi & Associates
Attn: Ahmed Badawi, CPA
180 Grand Avenue, Suite 1500
Oakland, CA 94612

or personally delivered to Consultant to such address or such other address as Consultant designates in writing to Town.

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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.

IN WITNESS WHEREOF, the Town and Consultant have executed this Agreement.

Town of Los Gatos by:

Laurel Prevetti, Town Manager

Consultant, by:

Ahmed Badawi, CPA

Recommended by:

Stephen Conway, Finance Director

Approved as to Form:

Robert Schultz, Town Attorney

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Town of Los Gatos

TECHNICAL PROPOSAL

For Professional Auditing Services for the Town of Los Gatos

For the fiscal years ending June 30, 2017 to 2019 with the option to extend for two subsequent one-year terms

March 31, 2017

Contact Person:

Ahmed Badawi, CPA
Badawi & Associates
Certified Public Accountants
180 Grand Avenue, Suite 1500
Oakland, CA 94612
Phone: (510) 768-8244
Fax: (510) 768-8249
E-mail: abadawi@b-acpa.com

BADAWI & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

Exhibit A

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Town of Los Gatos

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BADAWI & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

March 9, 2017

Mr. Stephen Conway
Director of Finance
Town of Los Gatos
110 East Main Street
Los Gatos, CA 95030

Dear Mr. Conway,

Badawi & Associates (B&A), Certified Public Accountants (the "Firm") is pleased to have the opportunity to respond to your request for a proposal to provide external audit services and to submit its qualifications to perform an independent audit of the financial statements of the Town of Los Gatos (the "Town") for the fiscal years ending June 30, 2017 to 2019 with option to extend for two subsequent one-year terms. The objective of our audits is to issue opinions regarding the fairness of presentation of the financial position of the Town in accordance with generally accepted accounting principles. These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the General Accounting Office's (GAO) *Government Auditing Standards*, the provisions of the federal Single Audit Act of 1984, as amended in 1996), and the Uniform Guidance, *Audits of States, Local Governments and Non-Profit Organizations*, Uniform Administrative Requirements, as well as any other applicable federal, state, local or programmatic audit requirements.

We will also perform the following as part of our engagement:

- Single Audit (*if required)*
- GANN Limit
- Audit Pension Trust Fund (*optional)*
- Annual State Controller's Reports (*optional*)

We will also apply limited audit procedures to Management's Discussion and Analysis (MD&A) and required supplementary information. In addition, we will prepare the management letter containing comments and recommendations regarding our review and evaluation of the systems of internal control and accounting procedures.

This proposal will highlight the background of the partners and staff assigned to the engagement, summarize our experience in the governmental area, and describe our approach to auditing the Town.

This proposal demonstrates our ability to render the quality examination and to perform the necessary accounting and auditing services requested by the Town on a timely basis.

As a partner of the Firm, I will be the primary contact for negotiation of the contract. Additionally, I have been authorized to legally bind the Firm. You may contact me at the following address and phone number:

Mr. Ahmed Badawi, CPA
Badawi & Associates
Certified Public Accountants
180 Grand Ave. Suite 1500
Oakland, CA 94612
Telephone: (510)768-8244
E-mail: abadawi@b-acpa.com

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We are committed to performing the required work, completing the audit, and issuing the necessary auditors' reports prior to the Town's published time frames and commit to you that we will perform the work within the time frames required.

We believe we are the best qualified to perform the audit because our audit staff includes individuals well versed in municipal auditing and reporting requirements. We have performed auditing and consulting engagements for numerous cities throughout California. We will be responsive to the needs of the Town, we understand the Town's operational environment, and pledge to you our complete commitment to providing a quality product that meets the Town's requirements.

The approach to the audit has been designed to meet the audit requirements of the various authorities with the least disruption to the Town's office operations. The foundation of the audit approach is based on communication coupled with a strong knowledge of Town operations and detailed planning at the initial stages of the audit. Open communication lines with all parties of the Engagement Team and Town Management and staff throughout the engagement eliminate "surprises". Initial planning and proper assignment of duties to experienced personnel provide for an effective and efficient audit process. Consequently, inefficiencies and disruptions are kept to a minimum. In addition, we perform almost half of the audit tasks during the interim phase to minimize any unforeseen delays during the year-end phase and to ensure a smooth and timely audit process.

The Firm maintains liability insurance coverage for professional liability, Workers' Compensation, Comprehensive General Liability and Auto as part of our comprehensive insurance policy.

The Firm is an Equal Opportunity employer and complies with all Federal and State hiring requirements. The Firm also supports Affirmative Action philosophies and works hard to provide disadvantaged groups with opportunities for self enhancement.

This proposal is a firm and irrevocable offer for 180 days.

We are confident that you will find our organization offers the required expertise, technical knowledge, and business understanding to perform an audit of the Town. Our past experience provides us with a thorough understanding of the needs and requirements of the Town, as well as the technical knowledge to perform such services in accordance with the accounting and auditing guidelines as published by the various authoritative entities.

We welcome your inquiries and look forward to further discussions with you.

Sincerely,

Ahmed Badawi
Partner
Badawi & Associates
Certified Public Accountants

Exhibit A

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Independence

Independence

The Firm is independent of the Town of Los Gatos as defined by the GAO's *Standards for Audit of Governmental Organizations, Programs, Activities and Functions*, and the AICPA and California State Society of Certified Public Accountants as promulgated in various auditing and professional standards.

Firm Qualifications and Experience

Insurance

The Firm maintains professional liability insurance and other coverage as part of our comprehensive insurance policy. Upon selection as Town's independent auditor, the Firm and our insurance provider will provide a certificate of insurance to Town which shows the minimum requirements identified by Town have been met.

License to Practice in California

The Firm and all key professional staff assigned to Town's audit are properly licensed to practice as Certified Public Accountants in the State of California and comply with GAO *Government Auditing Standards*.

The Firm is registered with the California State Board of Accountancy. Its State number is COR6823.

The Firm has met all required State and local laws, rules, and regulations.

Firm Qualifications

Badawi & Associates was founded by Mr. Ahmed Badawi. Mr. Badawi has over 20 years of experience working with state and local government with a special focus on cities. Prior to founding B&A, Mr. Badawi was a partner with several local and national firms, where he headed their government practice in Northern California. Mr. Badawi founded Badawi & Associates to serve the fast-paced needs of California's local governments. The goal is to build a proactive, client-focused culture from the ground up and to eliminate the entrenched bureaucratic culture and intrinsic limitations of the big audit firms.

Located in Oakland, CA, the Firm serves a variety of cities throughout California as well as conducting financial related services for numerous special districts and authorities. Names and phone numbers of several of our current and past clients and other references are provided for your inquiries. We encourage you to contact these individuals to obtain information on the quality of the audit and the ability of the audit staff.

Our Oakland office will be the Engagement Office assigned to the Town.

In addition to specific city financial statements, the Firm members have also audited numerous redevelopment agencies, public financing authorities, hospitals, housing authorities, transportation authorities, special districts, water districts, OCJP grants, self-insurance pools, joint power authorities and has also performed numerous compliance audits in accordance with the Single Audit Act, childcare regulations, TOT regulations, AQMD regulations, franchise requirements, RDA compliance, and other special projects. Additionally, the Firm has significant experience in bond offerings, post closure landfill costs, and recent changes to redevelopment agency reporting requirements.

The Engagement Partner assigned to the Town, Mr. Ahmed Badawi. Mr. Badawi has over 20 years of government audit experience. He is a member of various governmental committees, has actively participated in the development of accounting and audit guidelines for the governmental sector, and is an instructor for the California Society of Municipal Finance Officers.

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The professional staffs assigned to the Engagement are qualified and experienced. Each individual of the Engagement Team has several years of experience and has conducted or participated in numerous municipal audits of various sizes. Their understanding of governmental operations and the various authoritative guidelines will provide the where-with-all to perform the audit in an efficient and effective manner with minimal disruption to the Town's finance department.

Technical Approach

The approach to the audit has been designed to meet the audit requirements of the various authorities with the least disruption to the Town's operations. The foundation of the audit approach is based on communication coupled with a strong knowledge of Town operations and detailed planning at the initial stages of the audit. Open communication lines with all parties of the Engagement Team and Town Management and staff throughout the engagement eliminate "surprises". Initial planning and proper assignment of duties to experienced personnel provide for an effective and efficient audit process. Consequently, inefficiencies, disruptions, and lack of understanding are kept to a minimum.

The audit approach will consist of four phases:

Initial Planning Meeting:

The Engagement Partner and Manager will meet with Town Management to discuss the audit approach, identify specific needs of Town Management, and familiarize themselves with Town policies and practices.

Interim:

The Engagement Team members including the Engagement Team Partner will perform the internal control reviews, test transactions, evaluate compliance with Single Audit Act requirements, identify potential audit issues that need to be addressed, perform limited confirmation procedures, and develop a clear understanding between the Engagement Team and Town Management of the year end audit responsibilities and assignments. **In addition, we strive to complete many of the year-end audit tasks during the interim phase to ensure a smoother audit process. We will work with the Town on providing a list of those tasks that we will target to complete during interim and work with the Town on how to complete them to minimize the amount of effort and time needed at year-end which in turn will assist the Town in meeting its goal of issuing the CAFR by the desired deadline.**

Year end:

The Engagement Team members including the Engagement Team Partner will conduct validation procedures on general ledger account balances, complete confirmation procedures, perform analytical procedures on revenue and expenditures, perform search for unrecorded liabilities, complete compliance work on Federal Assistance, and wrap up audit field work.

Reporting:

Auditor's reports for all Town reporting entities and compliance requirements will be finalized along with Single Audit Reports and Management Letter comments. The Partner and Manager will be available to make presentations to the Town Council and/or designated bodies.

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Firm Experience

The Firm is located in Oakland, and provides a full range of accounting services to governmental agencies throughout California, including audit, tax and accounting. The Firm's professional staff members provide the financial background and specific experience to meet the Town's operational needs. Additionally, this situation provides the Town with an auditing firm that has depth in capabilities to address any financial issue the Town may need assistance with, and the quality audit approach that you expect.

Our Oakland office will be the Engagement Office assigned to the Town.

Firm policy requires that the Engagement Partner, during the first year of the engagement, be actively involved in the daily fieldwork. This means to the Town that Mr. Badawi will actually be on-site during the audit coordinating the audit process, supervising the audit staff, gaining a hands-on understanding of Town processes, and benefiting the Town with his broad municipal experience. We have found that this effort benefits the Town and the Firm through developing a thorough knowledge of the Town's practices and issues and establishing a close working relationship with the Town's Management. Additionally, continuity of audit personnel is assured because of the hands on involvement of the Partner.

We are committed to providing appropriate and related experience, personal involvement, and a broad business perspective to produce a quality end product within the time frames required.

The Firm provides financial and compliance auditing services to governmental agencies throughout California. We are a governmental agency auditing firm and our professional staff members have been performing these services for many years. As a result, we have performed financial and compliance audits on most, if not all, types of governmental agencies and operations including:

- Cities
- Redevelopment Agencies
- Financing Authorities
- Housing Authorities
- Special Districts
- Water Districts
- Waste Management Authorities and Operations
- Pension Plans
- Child Care Operations
- Joint Power Authorities
- Investment Activities
- Landfills
- Enterprise Funds
- Airports
- Transportation Operations
- Federal and State Grants

Additional Activities

We offer a full range of accounting and finance services to the governmental sector. These services include:

- Financial audits
- Compliance audits
- Tax advice
- Development of financial and accounting policies and procedures
- Investment review and compliance evaluation
- Operational reviews
- Technical guidance on existing and upcoming accounting issues
- Training seminars
- Pension/profit-sharing plans
- Performance audits
- Business consulting

Consequently, Firm personnel are well qualified to perform the services expected by the Town.

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Client Training Seminar

The Firm hosts an annual update on recent technical accounting and finance issues affecting the governmental area. This all day session reviews new and anticipated pronouncements from GASB, discusses future issues under consideration by GASB, reviews accounting treatment of various transactions where issues may arise, and provides a general overview of state and federal compliance issues. All of our clients are invited to attend, free of charge. The one day session qualifies for CPE under the rules of the State Board of Accountancy and is held in locations throughout the Bay Area.

CSMFO Training

The Firm provides a one-day training session entitled "Introduction to Governmental Accounting" to members of CSMFO. Firm personnel developed the class materials and teach the sessions. Approximately 10 sessions are held annually at various locations throughout the State. The Firm provides these sessions for only the cost of materials to CSMFO in keeping with its philosophy to support the industry in which it serves.

GASB 68 Firm Developed Tools and Assistance

The Firm has developed tools to assist our clients with GASB 68 implementation or preparation of journal entries for the CalPERS' Plans. In addition to providing our clients with these tools and instructions on how to use them, we are available to answer any questions on how to prepare and complete your GASB 68 journal entries.

Quality Control Review

According to Government Auditing Standards, firms who perform audits under the Yellow Book are required to have a peer review once every three years. We received a report with a rating of pass with no deficiencies which we attached for your review.

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GYL Decauwer LLP
Certified Public Accountants Business Consultants

John Leeras, CPA
Stephen C. Williams, CPA
Joseph O. Romero, CPA

System Review Report

Badawi & Associates
Oakland, California;
and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Badawi & Associates (the firm) in effect for the year ended February 29, 2016. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*.

In our opinion, the system of quality control for the accounting and auditing practice of Badawi & Associates in effect for the year ended February 29, 2016, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass, pass with deficiency(ies)* or *fail*. Badawi & Associates has received a peer review rating of *pass*.

GYL Decauwer LLP
Ontario, California
May 20, 2016

4120 Concours
Suite 100
Ontario, CA 91764

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your Success is our DESTINATION

CPAMERICA INTERNATIONAL
Crowe Horwath International

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B&A have policies and procedures to ensure it hires only qualified people, that it properly supervises them and provides professional training, that it advances them to responsibilities they are capable of handling, and that it provides them with necessary technical resources. All members of B&A are very familiar with the stringent quality control standards established by the AICPA.

The Firm is a member of the AICPA Government Audit Quality Center.

The Firm is a member of the AICPA Private Companies Practice Section.

Federal or State Desk Reviews

The Firm has had no negative federal or state reviews in the past three (3) years.

Disciplinary Action

There has not been any state or federal disciplinary actions taken or pending against the Firm nor any findings to report.

Lost Clients and Pending Litigations:

The Firm has not experienced termination of any contracts before completion, and has not experienced any lawsuits or legal actions that have been resolved or are currently pending in the prior five years.

Conflict of Interest :

The Firm does not have a conflict of interest with any officials or employees of the Town of Los Gatos. If a conflict of interest were to become known, the firm would immediately divulge such facts to the Town.

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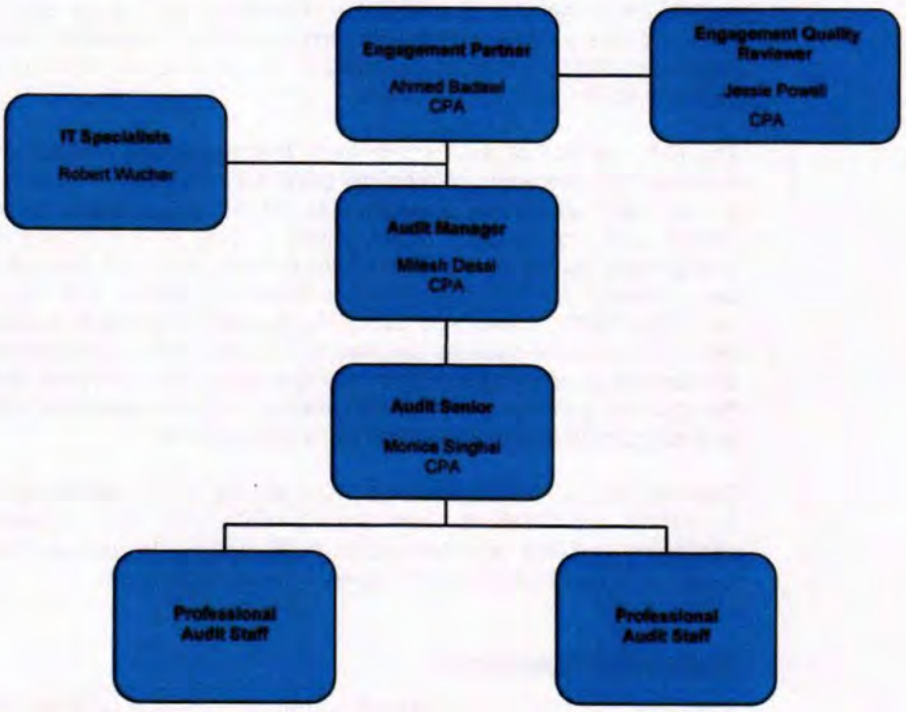
Partner, Supervisory, and Staff Qualifications and Experiences

The Engagement Team will normally consist of seven individuals who provide a broad business perspective and significant experience in governmental auditing. This team will provide access to a wide range of technical capabilities which will provide the Town with not only the technical support necessary to perform the audit, but also the broad business background to interpret findings and observations to offer effective solutions to issues, and the personal involvement of the Engagement and Compliance Partners of the Firm.



The Engagement Team will be led by Ahmed Badawi, CPA. Mr. Badawi's background includes over twenty years of municipal auditing and accounting experience with a special focus on cities. He is the instructor of the CSMFO "Introduction to Governmental Accounting" training classes. Mr. Badawi is a member of the Government Accounting and Auditing Committee, the Accounting Principles and Auditing Standards Committee and the State Technology Committee of the California Society of Certified Public Accountants. He has participated in the audits of numerous city, county and special district governments, as well as non-profit entities. His diversified background offers the technical qualities required of the governmental and non-profit areas and the necessary wherewithal to properly evaluate the entire accounting process, develop opportunities to improve the accounting process, and to offer practical business recommendations. Mr. Badawi is licensed as a CPA with the ability to attest an opinion on an audit.

The second member of the Engagement Team is Mitesh Desai, CPA. Mr. Desai's background includes ten years of experience in municipal auditing with a special focus on cities. Mr. Desai has participated in the audits of numerous governmental agencies, assisted in their efforts to publish their CAFRs in compliance with GASB 34, and a volunteer member of the GFOA Special Review Committee. Mr. Desai has also achieved the Advanced Single Audit Certificate offered by the AICPA. He will serve as the Audit Manager.

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The third member of the Engagement Team is Monica Singhai, CPA. Mrs. Singhai's background includes over fourteen years of experience in municipal auditing experience. She has participated in the audits of numerous governmental agencies and assisted in their efforts to publish their financial statements in compliance with various regulations. Mrs. Singhai will be the Senior of this engagement.

The fourth member of the Engagement Team is Robert Wucher. Mr. Wucher has 30 years of experience in the field of Information Technology (IT) at the senior and executive management level. He has worked extensively with government agencies, private organizations and public companies. Industry experience includes the public sector, banking, manufacturing, Internet, health care and not-for-profit organizations.

The fifth member of the Engagement Team is Jessie Powell, CPA. Ms. Powell background includes thirty five years of accounting and auditing experience. She has an extensive background in audit and accounting engagements for small businesses and specializing in governmental entities and not-for-profit organizations. She also performs second partner reviews and engagement quality control reviews for several CPA firms throughout California and is an active peer reviewer for the CalCPA Peer Review Program. She has participated in the audits of numerous district, and city governments, as well as non-profit entities. Her diversified background offers the technical qualities required of the governmental and non-profit areas and the necessary wherewithal to properly evaluate the entire accounting process, develop opportunities to improve the accounting process, and to offer practical business recommendations. Ms. Powell will serve as an Engagement Quality Reviewer of this engagement.

Each member of the Engagement Team participates in continuing education programs offered by the AICPA and California State Society of Certified Public Accountants, and each has met the continuing education requirements for municipalities. In addition, the firm offers at least 60 hours of in-house CPE annually focused mainly on municipal audits.

Professional Development:

The Firm maintains a comprehensive training program targeted at appropriate professional staff levels. It utilizes in-house developed educational programs, AICPA and California CPA Foundation educational programs, and on-the-job training.

The Firm's annual training schedule which officially begins in April for all professional staff and administrative staff includes comprehensive in-house training sessions on such topics as:

- Review of principles of accounting and financial reporting for state and local governments.
- Review of governmental fund types and account groups.
- Review of newly issued generally accepted auditing standards and GAO auditing standards.
- Review of Internal Control evaluation approaches including COSO principles.
- Updates on recent governmental accounting and reporting guidelines.
- Review of Single Audit requirements and approaches.
- Review of financial audit approaches.
- Overview of audit and internal control work paper techniques.
- Review of GASB reporting requirements.
- Review of current issues facing the governmental community.

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During the year, professional staff members are sent to various educational sessions sponsored by the AICPA and California State Society of CPAs, as considered appropriate for the level and need of the individual. These classes include, among others:

- Governmental Financial Reporting Standards and Practices.
- Yellow Book: Government Auditing Standards.
- Financial Accounting Standards: Comprehensive Review.
- Single Audit.
- Governmental Auditing & Accounting Update.
- Governmental Accounting Principles.
- Comprehensive Review of Generally Accepted Auditing Standards

The result of the Firm's training program is the production of a highly educated and competent municipal audit group capable of performing an efficient and effective audit for the Town.

The Team members will continue their professional development efforts.

Staff Retention and Continuity:

The Firm's policy on providing service to our clients includes a commitment to maintaining continuity of audit personnel. We cannot guarantee that our staff will remain with the Firm. However, to encourage our staff to remain with us, we pay competitive wage rates; offer promotional opportunities; provide state-of-the-art equipment and excellent working conditions; and offer various benefits, such as retirement plans, medical plans, profit sharing programs, educational benefits, and other such benefits. Additionally, we will guarantee that any staff member assigned to this engagement will return to the Town in subsequent years if he or she is still with the Firm. We can also guarantee that the partner will be involved in future years. Continuity of audit staff is of prime concern to us and because of the hands-on involvement of the partner; we can assure you that future years' audits will be conducted in an efficient and effective manner with qualified and experienced professionals.

The Firm is an Equal Opportunity employer and complies with all Federal and State hiring requirements. The Firm also supports Affirmative Action philosophies and works hard to provide disadvantaged groups with opportunities for self enhancement.

Resumes of each member of the Engagement Team are as follows.

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Resumes of Engagement Team

Ahmed Badawi, *Certified Public Accountant* – Engagement Partner

Length of Career

- Twenty years' experience in municipal auditing and accounting with a special focus on cities.
- Certified Public Accountant for the State of California.

Professional Experience

- Partial listing of clients served:

	Services Provided					
	Financial Audit	Single Audit	RDA Audit	PFA Audit	Enterprise Fund	Other
Cities:						
Antioch	X	X		X	X	X
Albany	X	X	X			X
Berkeley	X	X	X		X	X
Burlingame	X				X	X
Dublin	X	X				X
Fremont	X	X	X			X
Pleasanton	X	X		X		X
Redwood City	X	X	X		X	X
Richmond	X	X	X	X	X	X
San Bruno	X	X	X		X	X
San Leandro	X	X	X			X
San Mateo	X	X	X		X	X
Turlock	X	X	X	X	X	X
Union City	X	X	X		X	X
Walnut Creek	X	X	X		X	X
Counties:						
Santa Cruz County	X	X	X	X	X	X
Contra Costa County	X	X	X	X	X	X
County of Lassen	X	X			X	X
Special Districts and Other:						
Port of Redwood City	X	X				X
Marin Municipal Water District	X					X
Coastside Fire Protection District	X					X
Alameda County Water District	X				X	X
Cosumnes Community Services District	X					X
East Bay Regional Park District	X	X				X
Metropolitan Transportation Commission						X
South Bayside System Authority	X					X
Stanislaus County Childcare	X					X
West County Wastewater District	X					X
Health Care:						
Alameda County Medical Center	X	X				X
Family HealthCare Network	X					X

- Has performed numerous financial audits, Single Audits, Transportation Development Act audits, housing audits, electrical utility audits, RDA audits, PFA audits, and Trust Fund audits, and has prepared numerous CAFRs.

Education

- BS Degree in Accounting from the University of Alexandria, Egypt.

Professional Activities

- Instructor, CSMFO's "Introduction to Governmental Accounting" training class.
- Member, CALCPA Government Accounting and Auditing Committee
- Member, American Institute of Certified Public Accountants.
- Member, California Society of Certified Public Accountants.
- Member, Government Finance Officers Association.
- Member, California Society of Municipal Finance Officers.
- Chair, Audit Committee, San Francisco SPCA, a CA nonprofit organization

Continuing Education

Has met the current CPE educational requirements to perform audits on governmental agencies

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Mitesh Desai, *Certified Public Accountant* – Professional Audit Manager

Length of Career

- Ten years' experience in municipal auditing with a special focus on cities.
- Certified Public Accountant for the State of California.

Professional Experience

- Has participated in several financial audits, Single Audits, RDA audits, PFA audits, Transportation Development Act audits, and housing audits

	Services Provided					
	Financial Audit	Single Audit	RDA Audit	PFA Audit	Enterprise Fund	Other
Cities:						
Antioch	X				X	X
Albany	X					
Barstow	X	X			X	X
Berkeley	X	X	X		X	X
Buena Park	X	X			X	X
Foster City	X	X	X		X	X
Fremont	X	X	X		X	X
East Palo Alto	X	X			X	X
Lemon Grove	X				X	
Newark	X	X	X			X
Menlo Park	X				X	X
Oakdale	X	X			X	X
Pittsburg	X	X	X		X	X
Placerville,	X	X			X	X
Redwood City	X	X			X	X
Rio Vista	X		X		X	X
San Mateo	X	X	X		X	X
Susanville	X					
Turlock	X				X	X
Union City	X				X	X
Vacaville	X	X	X	X		X
Yountville	X				X	X
Counties:						
Contra Costa	X	X	X	X	X	X
Glenn		X				
Santa Cruz	X	X	X	X	X	X
Other:						
Alameda County Water District	X					X
Alameda County Medical Center	X	X				X
Castro Valley Sanitary District	X					
Cosumnes Community Services District	X					
Golden Valley Health Centers	X					X
Marin Municipal Water District	X					
West County Wastewater District	X					X
Contra Costa Child Development Programs	X					X
Stanislaus County Childcare	X					X

Education

- BS Degree in Business Economics with an emphasis in Accounting from University of California, Santa Barbara

Professional Activities

- Member, American Institute of Certified Public Accountants.
- Member, California Society of Certified Public Accountants.
- Volunteer Member, GFOA Special Review Committee

Continuing Education

- Various municipal accounting courses offered by the California Society of CPAs and local universities including:
  - Governmental Financial Reporting Standards and Practices
  - Yellow Book: Government Auditing Standards
  - Municipal Accounting
  - Single Audit
- Has met the current CPE educational requirements to perform audits on governmental agencies.

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Monica Singhai, *Certified Public Accountant* – Professional Audit Senior

Length of Career

- Fourteen years' experience in auditing with special focus on municipalities.
- One year experience in accounting related position.
- Certified Public Accountant for the State of California.

Professional Experience

- Has participated in several financial audits, Single Audits, RDA audits and PFA audits

	Services Provided				
	Financial Audit	Single Audit	RDA Audit	PFA Audit	Enterprise Fund
Cities:					
City of Berkeley	X	X			X
City of East Palo Alto	X				X
City of Menlo Park	X	X			X
City of Redwood City	X	X			X
Special District:					
Alameda County Fire District	X				
Alameda County Law Library	X				
Burbank Sanitary District	X				X
Lions Gate Community Service District	X				
Los Medanos Community Health Care District	X				
Oakland-Alameda County Coliseum Authority	X				
School District:					
Bayshore Elementary School District	X				
Belmont-Redwood Shores School District	X	X		X	
Brisbane School District	X				
Jefferson Elementary School District	X	X			
La Honda-Pescadero Unified School District	X	X		X	
Pacifica School District	X	X			
Ravenswood City School District	X	X			X
Redwood City School District	X	X			
San Mateo-Foster City School District	X	X			X
Charter schools:					
Oakland Military Institute College Preparatory Academy	X	X			
Sacramento Valley Charter School	X				
West Sacramento College Prep Charter School	X				
First 5:					
First 5 Alameda County	X	X			
First 5 Inyo County	X				
First 5 Marin County	X				
First 5 Monterey County	X				
First 5 Santa Cruz County	X				
Others:					
Alameda County Housing Community Development Agency	X	X			X
Alameda County Redevelopment Agency	X		X		
Alameda County Successor Agency	X				
City of Oakland - Measure C	X				
City of Oakland - Measure Y	X				
City of Oakland - Child Care and Development Program	X				
City of Oakland - Wildfire Prevention Assessment District	X				

Education

- Bachelor of Science in Accounting from Jabalpur University, India.

Professional Activities

- Member, California Society of Certified Public Accountants.
- Member, Institute of Chartered Accountants of India.

Continuing Education

- Various local governments and not for profit accounting courses offered by the California Society of CPAs and AICPA including:
  - Governmental Financial Reporting Standards and Practices
  - Yellow Book: Government Auditing Standards
  - Single Audit

Has met the current CPE educational requirements to perform audits on governmental agencies.

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Robert Wucher – Information Technology Specialist

Length of Career

- Thirty years' experience in information technology (IT)
- Worked extensively with government agencies, private organizations and public companies
- Industry experience includes public sector, banking, manufacturing, internet, healthcare, and not-for profit organizations

Areas of Expertise

- Systems Auditing and Controls Review (SEC AU-314, SAS-109, SAS-94)
- Sarbanes-Oxley, Section 404 IT Compliance Consulting and Auditing
- Journal Entry Analysis in Support of SAS-99 using IDEA by Caseware
- SSAE-16 (SOC 1, 2 & 3), Type I & II Reporting (Formerly SAS-70)
- ERP/MRP System Reviews and Workflow Analysis
- Software as a Service (SaaS) Cloud Computing Technologies
- International and Multinational Company IT Audit Expertise
- Forensic Data Analysis and Litigation Support in Support of Fraud Auditing
- Systems Selection and Request-for-Proposal (RFP) Development
- Systems Programming and Data Conversion
- Systems Failure Analysis and Quality Improvement
- E-Commerce and EDI Systems
- Information Technology Strategic Planning
- System Process/Procedures Development and Implementation
- Disaster Recovery and Business Continuity Planning

Publications

- Author, The Top Five Tips Every Technology Executive Needs to Know About Sarbanes-Oxley, Published 2007, Aspatore Books
- Author, Winning Legal Strategies for Technology & E-Business, An Overview of IT Controls Under Sarbanes-Oxley Published 2005, Aspatore Books

Presentations

- IT Security Trends
- Data Privacy and Cloud Computing
- IT Trends and Red Flag Rule
- IT Controls for NFP Organizations

Education

- B.S. degree in Business Administration, Finance, Old Dominion University, Norfolk, VA.

Professional and Civic Associations

- Member, Information Systems Audit and Control Association (IASCA)
- MAS-90 Accounting Application Suite Qualified Installer, SAGE Systems
- Former Board Member, Pets are Wonderful Support (PAWS), San Francisco, CA

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Jessie Powell, CPA – Engagement Quality Reviewer

Length of Career

- Thirty-five years of accounting and auditing experience.
- Extensive background in audit and accounting engagements for small businesses and specializes in governmental entities and not-for-profit organizations
- Performs second partner reviews and engagement quality control reviews
- Active peer reviewer for the CalCPA Peer Review Program
- Participates in the audits of numerous district, and city governments, as well as non-profit entities.

Education

- B.S, Business Administration, California State University, Long Beach

Professional Activities

- Board Member, Kimberly-Shirk Association
- Board Member, YMCA of the East Valley
- Member, American Institute of Certified Public Accountants
- Member, California Society of Certified Public Accountants
- Member, CalCPA Governmental Accounting & Auditing Committee
- Committee Member, CalCPA Accounting Principles and Auditing Standards Committee
- Member, Redlands Chapter of the American Association of University Women
- Former Member, CalCPA Peer Review Committee
- Former team captain, AICPA Peer Review Program
- Former President, Inland Empire Chapter of CalCPA
- Former President, YMCA of the East Valley
- Former President, Soroptimist International of Redlands
- Former Treasurer, Kimberly-Shirk Association
- Former Treasurer, CalCPA Group Insurance Trust
- Former Treasurer, Redlands Community Music Association
- Former Treasurer, Family Service Association of Redland
- Former Treasurer, Soroptimist International of Redlands
- Former Committee Chair, CalCPA Accounting Principles and Auditing Standards Committee
- Former Member, California State Board of Accountancy Administrative Committee
- Former Lecturer on Governmental and Non-Profit Accounting at university level

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Similar Engagements with Other Governmental Entities

The table on the following page is a partial listing of our clients similar to the Town, and illustrates the many different types of components involved in each audit engagement that present very difficult and complex auditing and accounting challenges.

* Indicates cities with population over 50,000

** Indicates cities with governmental revenues over 100 million and population over 50,000

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	City	Client Since	Hours	Engagement Partner	Principal Contact	CAFR	GFOA Award	RDA/ Successor Agency	Single Audit	TDA	Child Care Audit	Housing Authority	Enterprise Funds
**	Berkeley	2008	1800	Ahmed Badawi	Mr. Henry Oyekanmi Finance Director (510)981-7300 hoyekanmi@ci.berkeley.ca.us	Yes	Yes	X	X	X			X
**	Redwood City	2006	600	Ahmed Badawi	Mr. Derek Rampone Financial Services Manager (650)780-7071 drampone@redwoodcity.org	Yes	Yes	X	X	X			X
**	San Mateo	2004	500	Ahmed Badawi	Mr. Drew Corbett Finance Director (650)522-7104 dcorbett@cityofsanmateo.org	Yes	Yes	X	X	X			X
**	Vacaville	2008	600	Ahmed Badawi	Mrs. Davina Hatfield Accounting Manager (707)449-5104 dhatfield@cityofvacaville.com	Yes	Yes	X	X	X		X	X
*	Union City	2006	600	Ahmed Badawi	Ms. Gayle Okada Supervising Accountant (510)675-5352 gayleo@unioncity.org	Yes	Yes	X	X	X			X
*	Antioch	2005	470	Ahmed Badawi	Ms. Dawn Merchant Finance Director (925)779-6135 Dmerchant@ci.antioch.ca.us	Yes	Yes	X	X	X			X
	Menlo Park	2014	514	Ahmed Badawi	Mr. Rosendo Rodriguez Finance Director (650)330-6640 RRodriguez@menlopark.org	Yes	Yes	X	X	X	X		X
	Newark	2009	550	Ahmed Badawi	Ms. Susie Woodstock Director of Administrative Services (510)578-4604 susie.woodstock@newark.org	Yes	Yes	X	X	X			
	Albany	2008	380	Ahmed Badawi	Mr. David Glasser Finance & Administrative Service Director (510)528-5730	Yes	Yes	X		X			X
	Rio Vista	2009	480	Ahmed Badawi	Ms. Mary Lee Sharer Finance Manager (707)374-6451 Ext. 1118 msharer@ci.rio-vista.ca.us	No	N/A	X	X	X			X
	Barstow	2012	550	Ahmed Badawi	Ms. Cindy Prothro Finance Director (760)255-5115 cprothro@barstowca.org	Yes	Yes	X	X				X
	Buena Park	2013	500	Ahmed Badawi	Mr. Sung Hyun Finance Director (714)562-3717 shuyn@buenapark.com	Yes	Yes	X	X				X
	Susanville	2013	450	Ahmed Badawi	Mr. Jared Hancock City Administrator (530)252-5100 jhancock@cityofsusanville.org	Yes	CSMFO						X
	East Palo Alto	2014	450	Ahmed Badawi	Ms. Brenda Olwin Finance Director (650)853-3122 bolwin@cityofepa.org	Yes	Yes	X	X				X
	Millbrae	2015	400	Ahmed Badawi	Mr. Kenneth Spray Finance Director (650)259-2433 kspray@ci.millbrae.ca.us	Yes	N/A	X					X
	Calimesa	2013	350	Ahmed Badawi	Ms. Bonnie Johnson Finance Director (909)795-9801 ext 231 bjohnson@cityofcalimesa.net	No	N/A						
	Yountville	2015	300	Ahmed Badawi	Mrs Maria Ojeda Finance Director (707)944-8851 rarrow @yville.com	No	N/A						X
	Lemon Grove	2013	350	Ahmed Badawi	Mr. Gilbert Rojas Finance Director (619)825-3803 grojas@lemongrove.ca.gov	No	N/A	X					X
	Crescent City	2014	300	Ahmed Badawi	Ms. Linda Leaver Finance Director (707)464-7483 x224 lleaver@crescentcity.org	No	N/A	X	X			X	X

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The table below lists all special district engagements:

Special District	Client Since	Hours	Engagement Partner	Principal Contact	CAFR	GFOA Award	Single Audit	Enterprise Funds
Florin Resource Conservation District/ Elk Grove Water District	2015	350	Ahmed Badawi	Mr. Jim Malberg Finance Manager/Treasurer (916)685-3556 jmalberg@egwd.org	Yes	Yes		X
Marin Municipal Water District	2010	350	Ahmed Badawi	Mrs. Mikyung Pustelnik Finance Manager (415)945-1410 mpustelnik@marinwater.org	Yes	Yes	X	X
Cosumnes Community Services District	2008	350	Ahmed Badawi	Mr. Jeff Ramos General Manager (916)405-7150 jefframos@yourcsd.com	Yes	Yes		
Monterey Bay Unified Air Pollution Control District	2016	200	Ahmed Badawi	Ms. Joyce Giuggre Administrative Services Manager (831)-718-8019 jgiuffre@mbard.org	No	N/A		
Port of Redwood City	2006	200	Ahmed Badawi	Mr. Rajesh Sewak Manager of Finance & Admin. (650)306-4150 rsewak@redwoodcityport.com	No	N/A	X	X
Central County Fire Department	2012	150	Ahmed Badawi	Ms. Jan Cooke Finance Director (650)375-7408 jcooke@hillsborough.net	Yes	Yes		
Aptos La Selva Fire District	2016	120	Ahmed Badawi	Ms. Tracy New Director of Business Services 6934 Soquel Drive Aptos, CA 95003 (831)-685-6690	No	N/A		

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What Our Clients Say About Us

In addition to the references provided in Appendix A, we have also provided contact information for all our clients on the previous page if you would like to speak to any of them about their experience with us. These are some of the things our clients have said about us.

"I would recommend Badawi & Associates to anyone seeking professional and knowledgeable audit services"

Sung Hyun
Finance Director
City of Buena Park

"This was the District's first year with Badawi & Associates and I found the entire to team to be responsive, thorough, detailed and professional. Not only was this a first year audit, but we also implemented GASB 68 and completed a major restatement of the District's Capital Assets. With all of those moving pieces, this was by far the smoothest first year audit that I have ever participated in."

Jim Malberg
Finance Manager
Florin Resource Conservation District/
Elk Grove Water District

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Understanding of Services to be Provided

The Town desires an audit of the financial records for the Town and an expression of an opinion in accordance with generally accepted accounting principles on the fairness of presentation of financial statements for the fiscal years ending June 30, 2017 to 2019 with option to extend for two subsequent one-year terms.

The Firm will:

- Express an opinion on the fair presentation of its basic financial statement which includes but is not limited to the financial statements of governmental activities, the business-type activities, each major fund and all aggregate remaining fund information in conformity with generally accepted accounting principles in the United States of America.
- Express an opinion on the fair presentation of its combining and individual non-major and fiduciary fund financial statements and schedules in conformity with generally accepted accounting principles. The Firm will provide an "in-relation-to" report on the supporting schedules contained in the comprehensive annual financial report based on the auditing procedures applied during the audit of the basic financial statements and schedules.
- Provide an "in-relation-to" report on the schedule of federal financial assistance based on the auditing procedures applied during the audit of the financial statements.
- Perform the audit in accordance with generally accepted auditing standards accepted in the United States of America, applicable to the financial audit contained in the Government Auditing Standards issued by the Comptroller General of the United States and the provisions of the Uniform Guidance, Audits of States, Local Governments and Non-Profit Organizations.
- Perform limited procedures on supplementary information required by the Government Accounting Standards Board.
- Issue the following reports, following the completion of the audit of the fiscal year's financial statements:
    - Independent Auditor's Report on Financial Statements and Schedule of Expenditure of Federal awards
    - Town's Comprehensive Annual Financial Report
    - Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards
    - Management Letter comments on Internal Controls
    - Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with the Uniform Guidance
    - Schedule of findings and questioned costs
    - Auditor's Communication with Those Charged with Governance
    - Single Audit (*if required*)
    - GANN Limit Report
    - Audit Report for Pension Trust Fund (*optional*)
    - Annual State Controller's Reports (*optional*)
- Provide special assistance to the Town as needed.
- Retain all working papers and reports at the audit firm's expense for a minimum of 7 years. In addition, make working papers available to the Town and/or any government agency as appropriate.

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Should any conditions be discovered requiring corrective action, the Firm will provide a detailed description of the findings and recommended actions as to their resolution.

The Firm will submit a report to the Town Council and management detailing auditor's responsibility under generally accepted auditing standards, significant accounting policies, management judgments and accounting statements, significant audit adjustments, other information in documents containing audited financial statements, disagreements with management, management consultations with other accountants, major issues discussed with management prior to retention, difficulties encountered during the audit, and any significant deficiencies or material weaknesses found during the audit. Non-material instances of noncompliance will be reported in a separate management letter, if appropriate, along with any other observations or recommendations determined to be informative to Town management.

The Firm will be available to provide advice and counsel regarding significant matters during the year.

The Firm's Partner and Staff welcome the opportunity to make presentations to the Town Council and will be ready to respond to questions from the Council and citizens of the Town.

Specific Audit Approach

Objectives of Our Services

The basic objective of our audit of the Town is to conduct an examination of the financial statements in accordance with generally accepted auditing standards and to express our opinion on the fairness of presentation of such financial statements in conformity with generally accepted accounting principles.

Additionally, we believe that another real value of our audit lies in meeting other objectives at no additional cost. The following are other objectives of our services that have important benefits to the Town:

- To offer substantive observations and recommendations relating to accounting and operating control policies and procedures.
- To identify opportunities for operating efficiencies and isolate candidate activities for cost reduction opportunities.
- To perform a professional audit in an efficient and effective way to minimize disruption to the office operations.
- To offer ongoing advisory services to assist in the running of the operation and implementation of improved operating procedures.

The engagement will be conducted within the framework of the Firm's quality control program which includes the use of audit programs, careful planning, use of computerized audit software and internal control evaluation & documentation software, and objective review procedures. On-site staff will use Firm supplied portable computers and printers.

Audit Approach

The specific audit approach has been designed to efficiently and effectively address the audit requirements of the Town, to perform the audit of the Town's financial records in a timely manner with minimal disruptions to office operations, and to meet the Town's timeline.

The audit will be conducted in accordance with:

1) Generally accepted auditing standards established by the AICPA.
2) The standards contained in Government Auditing Standards issued by the GAO.
3) Provisions of the Single Audit Act and the Uniform Guidance.
4) Requirements issued by the California State Controller's office.
5) Other requirements as required.

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We will conduct the necessary audit steps to perform:

- Planning of the engagement.
- Evaluation of the existing internal control environment to determine degree of risk of material misstatement.
- Determination of degree of compliance with laws, regulations, grant provisions, and Town approved policies.
- Assessment of potential fraudulent issues.
- Validation of account balances.
- Verification of reasonableness of management estimates.

Technical Approach

We use an industry specific audit approach tailored to governmental entities. Our governmental audit approach addresses the special risks and circumstances of local governments. As a result, the audit is conducted efficiently and effectively with minimal disruption to your staff.

The core of our governmental technical audit approach can be summarized as follows:

1. **Planning, Understanding and Communication:**
   Based on our previous audit experience, using the budget, organizational charts, manuals and other financial information systems and our knowledge of how governments work, we will obtain an insight to the specific concerns and sensitivities of the Town. Our understanding is updated continuously through our year-round contact and communication efforts. We will agree on common audit objectives and expectations with management before audit work begins and, throughout the audit, will meet regularly with management to discuss audit issues and to gather feedback.

2. **In-Depth Review of Systems and Controls:**
   We have developed diagnostic reviews which enable us to evaluate your systems and controls, and to provide management with constructive feedback. Combined with our knowledge of the Town and understanding and experience with the Town's accounting software, our control review will form the basis of our audit risk assessment. We will utilize the COSO approach in our evaluation of the Town's internal processes to identify potential control deficiencies. In future years, we will update our understanding through similar procedures.

3. **Risk-Based Customized Testing Program:**
   Our audit approach is tailored to governmental applications. We will use audit programs specifically designed to address the operational environment of governmental entities. Our approach will identify potential control risks and the opportunities for risk of material misstatements and fraud. We will evaluate the various risk assessments and identify the potential risks relating to the:

   - Balance Sheets/ Statement of Net Position
   - Statement of Revenues and Expenditures / Statement of Activities
   - Presentation
   - Disclosure

   Our audit procedures will then be developed to address these risk areas.

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4. **Expanded Interim Fieldwork:**
Timeliness and audit efficiency is enhanced by performing extensive interim work. Partners, managers and senior staff work with Town staff to identify and resolve potential audit issues early. Accordingly, the amount of audit work to perform at year end is minimized. Because our audit staff is familiar with the operations before year-end fieldwork begins, disruption of accounting staff is minimized.

5. **Smooth Transition:**
Our testing program focuses on audit risks identified by our understanding of the Town's operations. We will work with the accounting staff to identify the most effective ways to address our objectives. Communication between the members of the audit engagement team and Town staff will be fluid and continuous.

6. **Sample Size and Sampling Techniques:**
Our audit approach will include sampling activities. Population size and the level of assurance to be derived from a particular test will dictate the sample size. We use sampling in our audit approach to compliment skilled judgment and knowledge of the particular situation. Our sample size will range normally from 25 to 60 items.

7. **Automated Systems:**
We will evaluate controls over the IT functions to assess control risk. We intend to test controls for purposes of reliance. Our review procedures will evaluate controls over:
   - Security Management
   - Logical and Physical Access
   - Configuration Management
   - Segregation of Duties
   - Contingency Planning

   In addition, we will review controls over:
   - Input, processing, output, master data
   - Application interface
   - Data management system interface

   Our Information Technology Specialists Group will evaluate the IT operating control environment.

8. **Analytical Procedures:**
We use analytical procedures in several aspects of our audit. Extensive knowledge and industry background are required for effective analytics, and our staff possesses the appropriate experience and knowledge for the Town to benefit from these procedures.

9. **Approach to be Taken in Determining Laws and Regulations Subject to Audit Test Work:**
We continuously refer to specific regulations, compliance supplements, state guidelines and contracts currently in force. We perform the procedures required related to laws and regulations, using inquiries, observations and sampling techniques. Some of the laws and regulations that we believe may be applicable to the Town are the requirements of the California Public Utilities Commission, Single Audit Act and other applicable laws and regulations, including the California Government Code, provisions of applicable Grant guidelines, California Constitution GANN Limit requirements, requirements of local measures, Child Care Program compliance requirements, etc.

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10. **Report Format:**
We will meet with Town Management to review report formats. Any report format changes will be made in conjunction with approval from the Town's management.

11. **Work Plans:**
The detailed work plans will be designed to efficiently and effectively address the audit requirements of the Town in accordance with generally accepted auditing standards, to perform the audit of the Town's financial records in a timely manner with minimal disruptions to office operations, and to meet the Town's timeline.

12. **Adjusting Journal Entries:**
We will discuss and explain proposed audit adjusting entries with the Town's designated Finance Department personnel prior to recording. Audit adjusting entries will be provided in a format showing the lowest level of posting detail needed for data entry on the Town's general ledger system.

13. **Listing of Schedules and Tables (anticipated to be prepared by the Town):**
Based on preliminary inquiries made with management and Town staff and review of documents, we will tailor a list of schedules, tables, and other reconciliations required for the audit. We will take into account as much as possible reconciliations already prepared by the Town for day to day operations and reporting, as well as any reports that are system generated to limit the need for additional Town staff hours.

The following is a listing of significant reconciliations that we would normally expect the Town to provide to us in assisting us in conducting our fieldwork.

- Trial Balance
- CAFR and Account Roll Up Schedule
- Budget to Actual Reports
- Bank Reconciliations
- Listing of manually prepared journal entries posted
- Summary of Investments held by the Town
- Capital Asset Schedules
- Long Term Debt Schedules
- Debt amortization schedules & Calculations of deferred amounts
- Calculations of any debt covenants amounts or percentages
- Schedule of Operating Leases
- Schedule of Expenditures of Federal Awards
- Analysis of Deferred Inflows of Resources an Deferred Outflows of Resources
- Reconciliation of Receivables to subsidiary ledgers
- Calculations for estimate of allowance for uncollectible accounts
- Loans Receivable Schedules
- Reconciliation of Significant Revenue Accounts
- Utility billing Registers and Fee schedules
- Compensated Absences and Early Retirement Obligation Schedules and Copies of Related Policies
- Claims Payable schedules
- Pension and OPEB Roll Forward & Supporting Schedules
- GASB 54 Fund Balance Roll Forward Schedule
- Interfund Transaction Schedules

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14. **Computer Software:**

The firm maintains a variety of software packages in the audit and financial statement compilation process, which include MS Office (Word, Excel, etc.), Prosystem fx Engagement, PPC Checkpoint and Checkpoint Tools, and Single Audit SMART Tool. Our I.T. Specialist also has the ability to run reports using IDEA (data analysis software).

Our audit software enables us to link our audit trial balance to the financial statements, for efficient financial statement compilation. It also allows us to create various analytical reports easily (e.g. year to year comparisons, budget to actual comparisons, trend analysis, ratio analysis, etc.).

Our research tools are always kept up to date to ensure compliance with accounting and auditing standards, and are also a resource for us to provide guidance to our clients.

We also use Prosystem electronic portal, which allows our clients to easily upload requested audit schedules and testing selections. The portal is very helpful in the audit process as it reduces duplicated audit requests, and allows our engagement team to review uploaded schedules prior to beginning audit fieldwork.

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Audit Schedule

2017 Period	Audit Tasks
	Award of Contract
	Interim Audit Procedures:
June	***- Planning and Administration***
	▸ Review and obtain copies of key work papers of prior audit firm. ▸ Entrance conference with Town Management to discuss audit approach, timing, assistance, and issues ▸ Review and evaluate the Town 's accounting and financial reporting. Prepare an overall memo of recommendations, potential issues, and suggestions for improvements. ▸ Prepare overall memo to Town confirming audit procedures, timing, and assistance. ▸ Prepare detailed audit work plan and audit programs, audit budget and staffing schedule, and list of schedules to be prepared by Town staff, and provide it to Town Management.
June	***- Internal Control Evaluation***
	▸ Meeting with key Finance Division personnel. ▸ Obtain and document understanding of key internal control systems through walk-throughs, interviews of staff, and review of supporting documentation: General ledger system. Budgeting system. Revenue, utility billing, accounts receivable, and cash collections. Purchasing, expenditures, accounts payable, and cash disbursements. Payroll. Federal Financial Assistance. Other systems. ▸ Identify control risks. ▸ Evaluate IT control environment. ▸ Perform testing of the internal control system and evaluate the effectiveness of the Town 's systems. Select large dollar and random samples of transactions in key operating systems. Sample size to meet required level for determined degree of risk. Review supporting documentation of selected transactions, evaluate adequacy of support and approvals, and conclude on degree of adherence to accuracy and compliance with Town policies. ▸ Conduct fraud assessment procedures. ▸ Assess degree of risk for material misstatement. ▸ Provide to the Town 's management a memo concerning management letter points and identify issues, if any.

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2017 Period	Audit Tasks
June	***- Other Tasks***

- Review minutes of Town Council meetings and other key committees.
- Preliminary testing,verify and validate account balances by reviewing supporting documentation including invoices, vouchers, council resolutions, minutes, and other documents, as required.
- Preliminary Single Audit and other compliance testing
- Coordinate with Town staff and prepare of all appropriate confirmation requests including:

  Bank accounts.
  Investment pool accounts.
  Accounts receivable.
  Federal grants.
  Revenue from governmental agencies.
  Bond and other debts.
  Pension plan.
  Attorney letters.
  Others, as required.
- Provide Town with audit plan and list of year end audit schedules.
- Hold progress conference with Town Management.
- Hold exit conference with Town Management.

September - October ***- Final Field work***

- Entrance conference with Town Management.
- Follow-up on all outstanding confirmations.
- Verify and validate account balances by reviewing supporting documentation including invoices, vouchers, council resolutions, minutes, and other documents, as required.
- Perform analytical review of revenue and expenditures. Determine reason for material differences between budget and actual.
- Perform a search for unrecorded liabilities by reviewing disbursements subsequent to June 30, testing terms of contractual obligations, and interviewing Town staff.
- Perform review of subsequent events by discussions with Town Management and update all minutes of Town Council and key committees.

September - October ***- Single Audit Compliance***

- Entrance conference with Town Management.
- Obtain Federal Financial Assistance Schedule.
- Determine grants to be considered as major programs including clusters.
- Perform audit tests of major grant programs and compliance with Federal Law and Regulations.
- Review grant documents, select sufficient number of transactions to test for compliance of Federal Requirements.
- Coordinate Single Audit efforts with the Financial Audit efforts.
- Communicate findings to Town Management.
- Other Compliance

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Audit Schedule, Continued

2017 Period	Audit Tasks
October - November	***- Audit Reports*** • Prepare draft of the Town's financial statements • Prepare draft of Single Audit Reports concerning internal control structure, compliance with laws and regulations, and administering of federal financial assistance programs. (if required) • Prepare other reports as required. • Provide drafts of reports to Town Management for review. • Provide revised final drafts of all required reports to the Town for approval
December	***- Final Audit Reports, Financial Statements, Single Audit, and Other Reports delivered***

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Discussion of Relevant Accounting Issues

Identification of Anticipated Potential Audit Problems

We do not anticipate that there will be any audit problems at the Town. However, the following are some areas that we will carefully investigate and monitor during our audit procedures:

- Financial Reporting:
  - Review and evaluate that the Town's Annual Financial Reports are in compliance with current reporting and disclosures requirements issued by the GASB and GFOA.
  - Review Annual Financial Reports for financial reporting conformance awards issued by CSMFO and GFOA.
  - Review and evaluate degree of compliance with the various GASBs in effect.
  - Review degree of compliance with infrastructure obligations and regulatory provisions.
- Internal Control Structure:
  - Review and evaluate the Town's internal control functions and ascertain compliance with proper internal control philosophies.
  - Review computer system processes and controls and evaluate adequacy of the control environment.

Several new GASB pronouncements will become effective over the time period of this proposal. As such, specific attention will be provided to determine the proper implementation of these new pronouncements. A list of known new pronouncements with implementation dates that fall within this proposal period are as follows:

2017

- Statement 74 – Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans
- Statement 77 – Tax Abatement Disclosures
- Statement 78 – Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans
- Statement 80 – Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14
- Statement 82 - Pension Issues, an amendment of GASB Statements No. 67, No. 68, and No. 73

2018

- Statement 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pension
- Statement 81 – Irrevocable Split-Interest Agreements
- Statement 85 – Omnibus 2017

2019

- Statement 83 – Certain Asset Retirement Obligations

2020

- Statement 84 – Fiduciary Activities

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Conclusion

A client relationship with the Town will be of great value to our Firm and we welcome the opportunity to develop a long-term relationship with the Town. We are committed to:

- Rendering the highest standard of service.
- Developing a long-term working relationship dedicated to meeting the needs of the Town.
- Assisting the Town in operational issues.
- Producing a quality end-product.

We have the technical qualifications and experience to provide the level of service desired and expected by the Town and stand ready to provide our knowledge and experience for the benefit of your organization.

We would like to express our appreciation to the Town and to its Staff for allowing us the opportunity to submit a proposal to perform professional auditing services. We are available, at your convenience, to discuss any aspects of our proposal.

Thank you for allowing us to present our Firm to you.

****

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Appendix A

References

1) City of Berkeley
   - Scope of Work: Comprehensive Annual Financial Report, Gann Limit, SAS114, Measure B (Alameda County), Vehicle Registration Fee Audit (Alameda County), Due Diligence Reviews for the RDA Successor Agency
   - Contract Amount: $188,000
   - Engagement Partner: Ahmed Badawi
   - Principal Contact:
     Mr. Henry Oyekanmi
     Finance Director
     (510)981-7300
     hoyekanmi@ci.berkeley.ca.us

2) City of Newark
   - Scope of Work: Comprehensive Annual Financial Report, Single Audit, Gann Limit, SAS114, Utility Users Tax, Vehicle Registration Fee Audit (Alameda County), Measure B (Alameda County), Transportation Development Act, Newark Betterment Corporation Audit, Newark Betterment Corporation 990 Tax Return, Due Diligence Reviews for the RDA Successor Agency
   - Contract Amount: $55,000
   - Engagement Partner: Ahmed Badawi
   - Address: 37101 Newark Blvd, Newark, CA 94560
   - Principal Contact:
     Mrs. Susie Woodstock
     Director of Administrative Services
     Phone: (510)578-4804
     Fax: (510)578-4358
     susie.woodstock@newark.org

3) City of San Mateo
   - Scope of Work: Comprehensive Annual Financial Report, Gann Limit, SAS114, Measure A (San Mateo County), Due Diligence Reviews for the RDA Successor Agency
   - Contract Amount: $60,000
   - Engagement Partner: Ahmed Badawi
   - Address: 330 W 20th Avenue, San Mateo, CA 94403
   - Principal Contact:
     Mr. Drew Corbett
     Director of Finance
     Phone: (650)522-7102

4) City of East Palo Alto
   - Scope of Work: Comprehensive Annual Financial Report, Single Audit, Gann Limit, SAS114, Measure C, Measure A Report (San Mateo County),
   - Contract Amount: $60,000
   - Engagement Partner: Ahmed Badawi
   - Address: 2415 University Avenue, East Palo Alto, CA 94303
   - Principal Contact:
     Mrs. Brenda Olwin
     Finance Director
     Phone: (650) 853-3122
     bolwin@cityofepa.org

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5) City of Buena Park
   - Scope of Work: Comprehensive Annual Financial Report, Single Audit, Gann Limit, SAS 114, Buena Park Foundation
   - Contract Amount: $30,735
   - Engagement Partner: Ahmed Badawi
   - Address: 6650 Beach Boulevard, 1st Floor, Buena Park, CA 90622
   - Principal Contact:
     Mr. Sung Hyun
     Finance Director
     Phone: (714)562-3713
     shyun@buenapark.com

6) City of Calimesa
   - Scope of Work: Basic Financial Statements, Gann Limit, SAS 114
   - Contract Amount: $25,462
   - Engagement Partner: Ahmed Badawi
   - Address: 908 Park Avenue, Calimesa, CA 92320
   - Principal Contact:
     Ms. Bonnie Johnson
     City Manager
     Phone: (909)795.9801
     bjohnson@cityofcalimesa.net

7) City of Barstow
   - Scope of Work: Comprehensive Annual Financial Report, Single Audit, Gann Limit, SAS 114, Barstow Fire Protection District, Odessa Water District
   - Contract Amount: $71,152
   - Engagement Partner: Ahmed Badawi
   - Address: 220 E. Mountain View Street, Ste. A, Barstow, CA 92311
   - Principal Contact:
     Mrs. Cindy Prothro
     Finance Director
     Phone: (760)255-5115
     cprothro@barstowca.org

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Appendix B

PROPOSER WARRANTIES

The proposer warrants that it can and will provide and make available, at a minimum, all of the services and deliverables set forth in this RFP.

The proposer warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts or omissions of any officers, employees, or agents in conjunction with the services to be provided. Coverage limits shall be $2,000,000 or more per occurrence, without reduction for claims paid during the policy period. The carrier should be duly insured and authorized to issue similar insurance policies for this nature in the State of California.

The proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of the Town.

The proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature: Ahmed Badawi

Printed Name: Ahmed Badawi

Title: President

Firm: Badawi & Associates

Date: March 31, 2017

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Town of Los Gatos

SEALED DOLLAR COST BID

For Professional Auditing Services for the Town of Los Gatos

For the fiscal years ending June 30, 2017 to 2019 with the option to extend for two subsequent one-year terms.

March 31, 2017

Contact Person:

Ahmed Badawi, CPA
Badawi & Associates
Certified Public Accountants
180 Grand Avenue, Suite 1500
Oakland, CA 94612
Phone: (510) 768-8244
Fax: (510) 768-8249
E-mail: abadawi@b-acpa.com

BADAWI & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

Exhibit B

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Exhibit B

DocuSign Envelope ID: F2D2A397-6CF8-4229-AC76-0B3B0F69DF00

Name of Firm and Certification

The undersigned declares that he or she has carefully examined the Request for Proposal document and is thoroughly familiar with its contents and is authorized to represent the proposing firm; and hereby agrees to perform the specified work for the cost quoted below in full.

Firm Name: Badawi & Associates

Firm Address: 180 Grand Avenue, Suite 1500
Oakland, CA 94612

Contact Name: Ahmed Badawi

Contact Title: President

Contact Phone: (510) 768-8244

Contact E-mail: abadawi@b-acpa.com

Signature of Authorized Representative:

Signature: AhmedBad

Print Name: Ahmed Badawi

Title: President

Date: March 31, 2017

Schedule of All-Inclusive Maximum Price by Report

All-Inclusive Maximum Price by Report	June 30, 2017	June 30, 2018	June 30, 2019	Optional Years June 30, 2020	Optional Years June 30, 2021
Town Audit*	$ 24,040	$ 25,590	$ 26,115	$ 26,115	$ 26,115
Single Audit	2,420	2,730	2,940	2,940	2,940
CAFR Preparation	2,690	1,640	1,745	1,745	1,745
Gann limit	395	440	475	475	475
Management Letter	325	360	390	390	390
Total Requested Services	29,870	30,760	31,665	31,665	31,665
Optional Services:					
State Controllers Report	2,145	2,415	2,600	2,600	2,600
Audit of Pension Trust Fund*	-	-	-	-	-
Total All Services	**$ 32,015**	**$ 33,175**	**$ 34,265**	**$ 34,265**	**$ 34,265**

*Audit of the Pension Trust Fund (if created by the Town) will be included as part of our audit of the Town's financial statements.

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Schedule of Professional Fees and Expenses by Deliverable for FY2017 to FY2019

Town Audit (FY2017)

	Hours	Quoted Hourly Rate	Quoted Total
Partners	28	$ 135	$ 3,780
Managers	61	105	6,405
Supervisory staff	85	85	7,225
Staff	91	70	6,370
I.T. Specialist	2	100	200
Clerical	1	60	60
Out-of-pocket expenses:			
Meals & lodging			-
Transportation			-
Other (specify):			-
Total all-inclusive maximum			$ 24,040

268

Town Audit (FY2018)

	Hours	Quoted Hourly Rate	Quoted Total
Partners	27	$ 155	$ 4,185
Managers	58	110	6,380
Supervisory staff	83	95	7,885
Staff	86	80	6,880
I.T. Specialist	2	100	200
Clerical	1	60	60
Out-of-pocket expenses:			
Meals & lodging			-
Transportation			-
Other (specify):			-
Total all-inclusive maximum			$ 25,590

Town Audit (FY2019)

	Hours	Quoted Hourly Rate	Quoted Total
Partners	25	$ 170	$ 4,250
Managers	54	115	6,210
Supervisory staff	77	105	8,085
Staff	86	85	7,310
I.T. Specialist	2	100	200
Clerical	1	60	60
Out-of-pocket expenses:			
Meals & lodging			-
Transportation			-
Other (specify):			-
Total all-inclusive maximum			$ 26,115

Single Audit (FY2017)

	Hours	Quoted Hourly Rate	Quoted Total
Partners	2	$ 135	$ 270
Managers	2	105	210
Supervisory staff	8	85	680
Staff	18	70	1,260
I.T. Specialist	-	100	-
Clerical	-	60	-
Out-of-pocket expenses:			
Meals & lodging			-
Transportation			-
Other (specify):			-
Total all-inclusive maximum			$ 2,420

30

Single Audit (FY2018)

	Hours	Quoted Hourly Rate	Quoted Total
Partners	2	$ 155	$ 310
Managers	2	110	220
Supervisory staff	8	95	760
Staff	18	80	1,440
I.T. Specialist	-	100	-
Clerical	-	60	-
Out-of-pocket expenses:			
Meals & lodging			-
Transportation			-
Other (specify):			-
Total all-inclusive maximum			$ 2,730

Single Audit (FY2019)

	Hours	Quoted Hourly Rate	Quoted Total
Partners	2	$ 170	$ 340
Managers	2	115	230
Supervisory staff	8	105	840
Staff	18	85	1,530
I.T. Specialist	-	100	-
Clerical	-	60	-
Out-of-pocket expenses:			
Meals & lodging			-
Transportation			-
Other (specify):			-
Total all-inclusive maximum			$ 2,940

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Schedule of Professional Fees and Expenses by Deliverable for FY2017 to FY2019 (Continued)

CAFR (FY2017)

	Hours	Quoted Hourly Rate	Quoted Total
Partners	2	$ 135	$ 270
Managers	3	105	315
Supervisory staff	7	85	595
Staff	19	70	1,330
I.T. Specialist	-	100	-
Clerical	3	60	180
Out-of-pocket expenses:			
Meals & lodging			-
Transportation			-
Other (specify):			-
Total all-inclusive maximum			$ 2,690

CAFR (FY2018)*

	Hours	Quoted Hourly Rate	Quoted Total
Partners	1	$ 155	$ 155
Managers	2	110	220
Supervisory staff	3	95	285
Staff	10	80	800
I.T. Specialist	-	100	-
Clerical	3	60	180
Out-of-pocket expenses:			
Meals & lodging			-
Transportation			-
Other (specify):			-
Total all-inclusive maximum			$ 1,640

CAFR (FY2019)*

	Hours	Quoted Hourly Rate	Quoted Total
Partners	1	$ 170	$ 170
Managers	2	115	230
Supervisory staff	3	105	315
Staff	10	85	850
I.T. Specialist	-	100	-
Clerical	3	60	180
Out-of-pocket expenses:			
Meals & lodging			-
Transportation			-
Other (specify):			-
Total all-inclusive maximum			$ 1,745

*CAFR preparation estimated hours for 2018 and 2019 are assuming this service was provided in FY2017

Gann Limit (FY2017)

	Hours	Quoted Hourly Rate	Quoted Total
Partners	1	$ 135	$ 135
Managers	1	105	105
Supervisory staff	1	85	85
Staff	1	70	70
I.T. Specialist	-	100	-
Clerical	-	60	-
Out-of-pocket expenses:			
Meals & lodging			-
Transportation			-
Other (specify):			-
Total all-inclusive maximum			$ 395

Gann Limit (FY2018)

	Hours	Quoted Hourly Rate	Quoted Total
Partners	1	$ 155	$ 155
Managers	1	110	110
Supervisory staff	1	95	95
Staff	1	80	80
I.T. Specialist	-	100	-
Clerical	-	60	-
Out-of-pocket expenses:			
Meals & lodging			-
Transportation			-
Other (specify):			-
Total all-inclusive maximum			$ 440

Gann Limit (FY2019)

	Hours	Quoted Hourly Rate	Quoted Total
Partners	1	$ 170	$ 170
Managers	1	115	115
Supervisory staff	1	105	105
Staff	1	85	85
I.T. Specialist	-	100	-
Clerical	-	60	-
Out-of-pocket expenses:			
Meals & lodging			-
Transportation			-
Other (specify):			-
Total all-inclusive maximum			$ 475

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Schedule of Professional Fees and Expenses by Deliverable for FY2017 to FY2019

Management Letter (FY2017)

	Hours	Quoted Hourly Rate	Quoted Total
Partners	1	$ 135	$ 135
Managers	1	105	105
Supervisory staff	1	85	85
Staff	-	70	-
I.T. Specialist	-	100	-
Clerical	-	60	-
Out-of-pocket expenses:			
Meals & lodging			-
Transportation			-
Other (specify):			-
Total all-inclusive maximum			$ 325

Management Letter (FY2018)

	Hours	Quoted Hourly Rate	Quoted Total
Partners	1	$ 155	$ 155
Managers	1	110	110
Supervisory staff	1	95	95
Staff	-	80	-
I.T. Specialist	-	100	-
Clerical	-	60	-
Out-of-pocket expenses:			
Meals & lodging			-
Transportation			-
Other (specify):			-
Total all-inclusive maximum			$ 360

Management Letter (FY2019)

	Hours	Quoted Hourly Rate	Quoted Total
Partners	1	$ 170	$ 170
Managers	1	115	115
Supervisory staff	1	105	105
Staff	-	85	-
I.T. Specialist	-	100	-
Clerical	-	60	-
Out-of-pocket expenses:			
Meals & lodging			-
Transportation			-
Other (specify):			-
Total all-inclusive maximum			$ 390

3

State Controllers Report (FY2017)

	Hours	Quoted Hourly Rate	Quoted Total
Partners	1	$ 135	$ 135
Managers	2	105	210
Supervisory staff	8	85	680
Staff	16	70	1,120
I.T. Specialist	-	100	-
Clerical	-	60	-
Out-of-pocket expenses:			
Meals & lodging			-
Transportation			-
Other (specify):			-
Total all-inclusive maximum			$ 2,145

State Controllers Report (FY2018)

	Hours	Quoted Hourly Rate	Quoted Total
Partners	1	$ 155	$ 155
Managers	2	110	220
Supervisory staff	8	95	760
Staff	16	80	1,280
I.T. Specialist	-	100	-
Clerical	-	60	-
Out-of-pocket expenses:			
Meals & lodging			-
Transportation			-
Other (specify):			-
Total all-inclusive maximum			$ 2,415

State Controllers Report (FY2019)

	Hours	Quoted Hourly Rate	Quoted Total
Partners	1	$ 170	$ 170
Managers	2	115	230
Supervisory staff	8	105	840
Staff	16	85	1,360
I.T. Specialist	-	100	-
Clerical	-	60	-
Out-of-pocket expenses:			
Meals & lodging			-
Transportation			-
Other (specify):			-
Total all-inclusive maximum			$ 2,600

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Manner of Payment:

Billing Sequence:

We will submit our bill for services on a progress basis:

- Interim fieldwork (Progress Billing 1)
- Year-end fieldwork (Progress Billing 2)
- Report issuance (Final Billing)

Rates for Additional Professional Services:

Any services outside the scope of our engagement will be promptly identified before the services are rendered. Upon mutual agreement, the out-of-scope services will be separately billed at our standard hourly rates. While it can be difficult to simply state hourly rates, as often times the needs of the client and the specific tasks directly impact the billing rates for our services, we want to provide the following information regarding our published billing rates:

Position	Hourly Rate
Partner	$ 200
EQR	200
Manager	150
Senior	125
Staff	100
IT	150
Admin.	75

Our Standard Hourly Rates are adjusted annually by 3% for Cost of Living and Inflation Adjustments

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A client relationship with the Town will be of great value to our Firm and we welcome the opportunity to develop a long-term relationship with the Town. We are committed to:

- Rendering the highest standard of service.
- Developing a long-term working relationship dedicated to meeting the needs of the Town.
- Assisting the Town in operational issues.
- Producing a quality end-product.

We have the technical qualifications and experience to provide the level of service desired and expected by the Town and stand ready to provide our knowledge and experience for the benefit of your organization.

We would like to express our appreciation to the Town and to its Staff for allowing us the opportunity to submit a proposal to perform professional auditing services. We are available, at your convenience, to discuss any aspects of our proposal.

Thank you for allowing us to present our Firm to you.

****

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TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 03/17/2020
ITEM NO: 5

DATE: March 11, 2020

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Authorize the Town Manager to execute a first amendment to the agreement for financial auditing services with Badawi and Associates to extend the contract for two years for a total contract amount not to exceed $167,985.

RECOMMENDATION:

Authorize the Town Manager to execute a first amendment to the agreement for financial auditing services with Badawi and Associates to extend the contract for two years for a total contract amount not to exceed $167,985.

BACKGROUND:

In 2017, the Town of Los Gatos issued a Request for Proposals (RFP) for qualified independent certified public accounting firms to audit its annual financial statement for three fiscal years (FY 2016/17, 2017/18, and 2018/19), with an option to extend the agreement an additional two fiscal years with Town Council approval. After a thorough review of the RFP responses, the review committee selected Badawi and Associates, Certified Public Accountants as the firm to provide the Town with auditing and other optional services.

DISCUSSION:

For the past three years, Badawi and Associates have provided the following services for the Town:

- The annual audit of the basic financial statements in accordance with Governmental Accounting Standards and preparation of the Town's Comprehensive Annual Financial Report (CAFR);
- A report communicating information related to the audit to the Town Manager and Town Council at the conclusion of the audit;

PREPARED BY: Stephen Conway
Finance Director

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

110 E. Main Street Los Gatos, CA 95030 • (408) 354-6832
www.losgatosca.gov

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DISCUSSION (continued):

- A management letter containing any comments or recommendations resulting from the review of systems of internal controls in connection with the financial audit;
- A Single Audit for grant funding if required under the Title 2 U.S. Code of Federal Regulations; and
- Optional services including the preparation of the annual report of financial transactions to the State Controller.

CONCLUSION:

Authorize the Town Manager to execute a first amendment to the agreement for audit services with Badawi and Associates to extend the contract for two years for a total contract amount not to exceed $167,985.

FISCAL IMPACT:

Funds for this amendment will be included in the Town's proposed FY 2020/21 Operating and Capital Budget.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:
1. Agreement with Badawi and Associates
2. First Amendment to provide auditing and optional services with Badawi and Associates.

BADAWI & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

June 6, 2022

To the Honorable Mayor and Members of the Town Council
of the Town of Los Gatos
c/o Mr. Stephen Conway, Finance Director
110 East Main Street
Los Gatos, California 95030

Dear Mr. Conway:

This letter sets forth our understanding for applying agreed-upon procedures to the Measure G revenues and expenditures of the Town of Los Gatos (Town) for the period from March 1, 2019 to June 30, 2021. The Town is responsible for the Measure G revenues and expenditures.

This engagement is solely for the purpose of assisting the Town with respect to determining whether Measure G sales taxes were used and accounted for in accordance with specified laws, regulations, and recommendations of the Finance Commission. This report is intended for use by the Town (specified party) and is expected to be restricted to the use of this specified party.

Prior to the completion of the engagement, you agree to provide us with written agreement and acknowledgment that the procedures performed are appropriate for the intended purpose of the engagement as noted above.

We will apply the following procedures:

1. Obtain and review Town Ordinance 2274, Amending Chapter 2.60 of the Town's Municipal Code, "'Transactions and Use Tax' to Extend the One-Eighth Cent Transactions and Use Tax Term for Twenty Years".
2. Obtain and review Town Ordinance 2314, adding Article 5 to Chapter Two and amending Chapter 25.60.140 of the Town's Municipal Code.
3. Obtain a schedule of Measure G revenues and expenditures for the fiscal year(s) and agreed totals reported on the schedule to the Town's audited trial balance.
4. Compare Measure G revenues reported to monthly sales tax reports from the California Department of Tax and Fee Administration (CDTFA).
5. Inquire if the Finance Commission reviewed and recommended use of Measure G revenues to the Town Council to meet the following objectives.
    a. Maintaining and enhancing neighborhood police patrols and local crime prevention programs;
    b. Improving Traffic Flow to Reduce Congestion;
    c. Repairing potholes and maintaining the Town's streets, roads, and sidewalks; and
    d. Maintaining the Town's long-term financial stability.

Address: 2855 Telegraph Avenue, Suite 312 Berkeley, CA 94705 • Phone: 510.768.8251 • Fax: 510.768.8249

6. Inquire if the Town Council received the Finance Commission's recommendation and adopted a Council authorized expenditure plan directing the use of Measure G revenues for the period under reported thereupon.
7. Select a sample of 25 Measure G expenditures to verify if they were for allowable purposes. Per Measure A Ordinance 2314 eligible expenditures include:
    a. Maintaining and enhancing neighborhood police patrols and local crime prevention programs;
    b. Improving traffic flow to reduce congestion;
    c. Repairing potholes and maintaining the Town's streets, roads. and sidewalks; and
    d. Maintaining the Town's long-term financial stability.
8. Agree amounts held in the General Fund Reserve sub-fund for Measure G agree to Measure G sales tax collections from first receipt of revenues to report date less any amounts reduced for Town Council authorized uses as reported on the auditor's review of tests of expenditures.

We will conduct our engagement in accordance with the attestation standards for agreed-upon procedures engagements established by the AICPA. We are responsible for carrying out the procedures and reporting findings in accordance with these standards. We have no responsibility to determine the differences between the procedures to be performed and the procedures that we would have determined to be necessary had we been engaged to perform another form of attestation engagement.

Our report will list the procedures performed and our findings. Our report will be addressed to the Town and will be intended for use by and restricted to the use of the specified party as identified above. Our report will contain such restricted-use language.

Should we have any reservations with respect to the subject matter, we will discuss them with you before the report is issued.

We have no responsibility to update our report for events and circumstances occurring after the date of our report.

As part of our engagement, we will request from *management and, when appropriate, those charged with governance*, written confirmation concerning representations made to us in connection with the agreed upon procedures. You agree to provide such confirmation.

During the course of the engagement, we may communicate with you or with your personnel via e-mail and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

We expect to begin our engagement in approximately June 2022 and to issue our report no later than July 2022.

Ahmed Badawi, CPA, is the engagement partner for the services specified in this letter. His responsibilities include supervising Badawi & Associates' services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the agreed-upon procedures report.

Our fee for these services will be as follows:

Position	Hourly Rate	Hours	Fee Amount
Partner	$ 200	5	$ 1,000
Senior	125	10	1,250
Staff	100	30	3,000
Admin.	75	2	150
	Total		$ 5,400

We will submit our bill for services on a progress basis, and billings are due upon submission.

We will maintain the confidentiality of your personal information and will apply procedures to protect against any unauthorized release of your personal information to third parties.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our engagement including our respective responsibilities. If you have any questions, please let us know.

We appreciate the opportunity to be of service to you and look forward to working with you and your staff.

Respectfully,

Badawi & Associates

Badawi & Associates, CPAs
Berkeley, California

****

RESPONSE:

This letter correctly sets forth our understanding.

Town of Los Gatos

Acknowledged and agreed on behalf of the Town of Los Gatos by:

Signature: _____

Title: _____

Date: _____

TOWN OF LOS GATOS

COUNCIL AGENDA REPORT

MEETING DATE: 06/21/2022

ITEM NO: 16

DATE: June 15, 2022

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Operating and Capital Budgets

a. Adopt a Resolution Approving the Town of Los Gatos Fiscal Year (FY) 2022/23 Operating Budget and FY 2022/23 – 2026/27 Capital Improvement Program (CIP), New Appropriations, Additional Council Actions on May 17, 2022 and Revisions Related to Salary and Benefit Costs as Presented in the Labor Agreements Agenda Reports on June 7, 2022; American Rescue Plan Act Budget Adjustment, Minor Corrections, and Carry-Forward Appropriations.
b. Adopt a Resolution Approving Commitment of Fund Balances under GASB 54.
c. Approve FY 2021/22 Budget Adjustments:
    1) Major Revenue Adjustments to Match Year-End Estimated Revenues as Directed by the Town Council on May 17, 2022; and as Determined from Updated Information
        i. Property Tax Revenue Increase in the Amount of $582,609,
        ii. Sales Tax Revenue Increase in the Amount of $428,828 ($361,806 in regular Sales Tax and $67,022 in Measure G Sales Tax)
        iii. Business License Tax Revenue Increase in the Amount of $175,000,
        iv. Transient Occupancy Tax Increases in the Amount of $75,000, and
        v. Recognize $36,308 General Fund Salary Reimbursement for Capital Improvement Staff Work.
    2) Expenditure Increases to Reflect Past Actions:
        i. In the Amount of $300,000 to expense the $300,000 available General Fund Pension/OPEB Reserve to the CEPPT Trust.
        ii. In the Amount of $136,308 General Fund Salary Reimbursement for Capital Improvement Staff Work.
    3) Approve American Rescue Plan Act Budget Adjustments.

PREPARED BY: Arn Andrews
Assistant Town Manager

Reviewed by: Town Manager and Interim Finance Director

RECOMMENDATION:

Operating and Capital Budgets

a. Adopt a Resolution Approving the Town of Los Gatos Fiscal Year (FY) 2022/23 Operating Budget and FY 2022/23 – 2026/27 Capital Improvement Program (CIP), New Appropriations, additional Council Actions on May 17,2022 and Revisions Related to Salary and Benefit Costs as Presented in the Labor Agreements Agenda Reports on June 7, 2022, American Rescue Plan Act (ARPA) Budget Adjustments, Minor Corrections, and Carry-Forward Appropriations
b. Adopt a Resolution Approving Commitment of Fund Balances under GASB 54.
c. Approve FY 2021/22 Budget Adjustments:
    1) Major Revenue Adjustments to Match Year-End Estimated Revenues as Directed by the Town Council on May 17, 2022; and as Determined from Updated Information
        i. Property Tax revenue Increase in the Amount of $582,609,
        ii. Sales Tax Revenue Increase in the Amount of $428,828 ($361,806 in regular Sales Tax and $67,022 in Measure G Sales Tax)
        iii. Business License Tax Revenue Increase in the Amount of $175,000,
        iv. Transient Occupancy Tax Increases in the Amount of 75,000, and
        v. Recognize $36,308 General Fund Salary Reimbursement for Capital Improvement Staff Work.
    2) Expenditure Increases to Reflect Past Actions:
        i. In the Amount of $300,000 to expense the $300,000 available General Fund Pension/OPEB Reserve to the CEPPT Trust.
        ii. In the Amount of $136,308 General Fund Salary Reimbursement for Capital Improvement Staff Work.
    3) Approve American Rescue Plan Act (ARPA) Budget Adjustments.

BACKGROUND:

On June 7, 2022, staff presented a report to the Town Council which included Resolutions for adoption of Operating and Capital budgets and approval of GASB 54 fund balances (Attachment 1). The budget adoption resolution included recommended changes from the May 17 budget meeting, revenue adjustments, capital transfers, carry-forward appropriations, and minor corrections. In addition, the budget resolution included expenditure adjustments associated with recent labor agreements and corresponding revenue adjustments. At the June 7th Town Council meeting, staff also recommended administrative American Rescue Plan Act (ARPA) budget adjustments to comport with final Treasury guidance and audit documentation.

Given that the recommended budget adjustments associated with the successful completion of labor agreements had not previously been reviewed by the Finance Commission, the Council voted to refer the item back to the Finance Commission and continue the item to June 21, 2022.

DISCUSSION:

On June 13, 2022, staff presented the Finance Commission with a budget update which included a summary of the terms and costing associated with the labor agreements. Staff also presented the recommended corresponding revenue adjustments to offset the additional salary and benefit expense. And lastly, staff provided a detailed discussion of the recommended ARPA administrative procedures. Attachments 2 through 4 are supplemental materials provided to the Finance Commission to facilitate the review of the budget.

The Finance Commission asked numerous questions of staff to understand the changes pertaining to the labor agreements. The Commission also requested an updated Five-Year Forecast to assist with the work ahead to evaluate potential cost savings and revenue enhancements. At the conclusion of the Finance Commission discussion, members voted unanimously to accept the staff's budget balancing approach to pay for the labor agreements, including use of Measure G funds and OPEB (utilizing the OPEB 115 Trust to fund budgeted retiree Pay Go healthcare expenses) as presented in the June 7, 2022 staff report to Council.

CONCLUSION:

Staff recommends approval of FY 2021/22 budget adjustments, adoption of a Resolution approving the Town of Los Gatos Fiscal Year (FY) 2022/23 Operating Budget and FY 2022/23 – 2026/27 Capital Improvement Program (CIP), approve American Rescue Plan Act Budget Adjustments for FY 2021/22 and 2022/23, and adoption of a Resolution approving commitment of Fund Balances under GASB 54.

COORDINATION:

The preparation of the budget documents involved the participation of all Town Departments and the Finance Commission.

FISCAL IMPACT:

The fiscal impact is presented in summary form in the Financial Summaries chapter of the Proposed Operating and Capital Budget for FY 2022/23.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:
1. June 7 2022 Council Staff Report and Resolutions
2. Labor Agreements
3. Labor Agreement Summary
4. FY 2020/21 and 2021/22 Budget Balancing Options
5. ARPA Administration

TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 06/07/2022
ITEM NO: 11

DATE: June 2, 2022

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Operating and Capital Budgets

a. Adopt a Resolution Approving the Town of Los Gatos Fiscal Year (FY) 2022/23 Operating Budget and FY 2022/23 – 2026/27 Capital Improvement Program (CIP), New Appropriations, Additional Council Actions on May 17, 2022 and Revisions Related to Salary and Benefit Costs as Presented in the Labor Agreements Agenda Reports on June 7, 2022; American Rescue Plan Act Budget Adjustment, Minor Corrections, and Carry-Forward Appropriations
b. Adopt a Resolution Approving Commitment of Fund Balances under GASB 54.
c. Approve FY 2021/22 Budget Adjustments:
    1) Major Revenue Adjustments to Match Year-End Estimated Revenues as Directed by the Town Council on May 17, 2022; and as Determined from Updated Information
        i. Property Tax revenue Increase in the Amount of $582,609,
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        iii. Business License Tax Revenue Increase in the Amount of $175,000,
        iv. Transient Occupancy Tax Increases in the Amount of $75,000, and
        v. Recognize $36,308 General Fund Salary Reimbursement for Capital Improvement Staff Work.
    2) Expenditure Increases to Reflect Past Actions:
        i. In the Amount of $300,000 to expense the $300,000 available General Fund Pension/OPEB Reserve to the CEPPT Trust.
        ii. In the Amount of $36,308 General Fund Salary Reimbursement for Capital Improvement Staff Work.
    3) Approve American Rescue Plan Act Budget Adjustments.

PREPARED BY: Stephen Conway
Finance Director

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

RECOMMENDATION:

Operating and Capital Budgets

a. Adopt a Resolution Approving the Town of Los Gatos Fiscal Year (FY) 2022/23 Operating Budget and FY 2022/23 – 2026/27 Capital Improvement Program (CIP), New Appropriations, additional Council Actions on May 17,2022 and Revisions Related to Salary and Benefit Costs as Presented in the Labor Agreements Agenda Reports on June 7, 2022, American Rescue Plan Act (ARPA) Budget Adjustments, Minor Corrections, and Carry-Forward Appropriations
b. Adopt a Resolution Approving Commitment of Fund Balances under GASB 54.
c. Approve FY 2021/22 Budget Adjustments:
   1) Major Revenue Adjustments to Match Year-End Estimated Revenues as Directed by the Town Council on May 17, 2022; and as Determined from Updated Information
      i. Property Tax revenue Increase in the Amount of $582,609,
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      iii. Business License Tax Revenue Increase in the Amount of $175,000,
      iv. Transient Occupancy Tax Increases in the Amount of 75,000, and
      v. Recognize $36,308 General Fund Salary Reimbursement for Capital Improvement Staff Work.
   2) Expenditure Increases to Reflect Past Actions:
      i. In the Amount of $300,000 to expense the $300,000 available General Fund Pension/OPEB Reserve to the CEPPT Trust.
      ii. In the Amount of $36,308 General Fund Salary Reimbursement for Capital Improvement Staff Work.
   3) Approve American Rescue Plan Act (ARPA) Budget Adjustments

BACKGROUND:

On April 18, 2022, the Proposed FY 2022/23 Operating and Capital Budgets were posted to the Town's website. Per Measure A, the Finance Commission received the Proposed Budgets 21 business days before May 17, 2022, which is the first meeting at which the Proposed Budgets will be considered by the Town Council. The Finance Commission held three public meetings at which Commissioners discussed the Proposed Budgets and provided recommendations to the Town Council per Measures A and G. On May 17, 2022, the Town Council conducted public hearings to discuss the proposed FY 2022/23 Operating and Capital Summary Budget and Proposed FY 2022/23 – 2026/27 Capital Improvement Program. The Town Council considered public testimony, discussed both documents, considered the Finance Commission recommendations, and directed staff to bring back the documents for final approval incorporating the Council recommendations.

DISCUSSION:

The draft resolution (Attachment 1) incorporates the budget direction provided by the Council at the May 17, 2022 budget hearing and the expenditure adjustments associated with labor agreements and corresponding revenue adjustments. Since the adoption of the Proposed Operating Budget on May 17, 2022, the Town successfully completed negotiations with all bargaining units. In order to facilitate the terms of those agreements the Resolution provides additional funding in the amount of $902,579 from the OPEB 115 Trust to fund retiree pay go medical payments directly and allocating the remaining residual Measure G balance of $679,433 previously allocated to the General Fund.

In addition, Attachment 3 illustrates budget adjustments related to the necessary American Rescue Plan Act (ARPA) and General Fund revenue and expense adjustments and recaps the total ARPA grant award of $7,229,744 and the Council directed uses approved or proposed through June 7, 2022. Upon Treasury's release of the simplified reporting process for entities awarded less than $10 million in ARPA funding and additional guidance received through staff review of federal compliance issues, staff recommends that the Town recognize the $3.4M of FY 2021/22 and the anticipated $3.6M FY 2022/23 cash collections of ARPA revenues as qualified revenue loss under the Treasury provisions for use in providing essential government services. To further aid in compliance with federal uniform guidance and Single Audit requirements, staff is intending to claim the lost revenue for use in providing essential government services and eligible public safety payroll costs for both FY 2021/22 and FY 2022/23.

This recommended action will allocate all ARPA "replacement" revenues to the General Fund which in turn will unencumber other General Fund operating revenues which were previously dedicated for public safety costs. The newly unencumbered General Fund revenues can then be allocated to the ARPA pandemic responses as identified, approved and allocated by Town Council in Attachment 3.

Attachment 2 contains the resolution to formally move General Fund balances based on the Town Council General Fund Reserve Policy and additional Council direction consistent with General Accounting Standards Board (GASB) 54.

CONCLUSION:

Staff recommends approval of FY 2021/22 budget adjustments, adoption of a Resolution approving the Town of Los Gatos Fiscal Year (FY) 2022/23 Operating Budget and FY 2022/23 – 2026/27 Capital Improvement Program (CIP), approve American Rescue Plan Act Budget Adjustments for FY 201/22 and 2022/23, and adoption of a Resolution approving commitment of Fund Balances under GASB 54.

COORDINATION:

The preparation of the budget documents involved the participation of all Town Departments.

FISCAL IMPACT:

The fiscal impact is presented in summary form in the Financial Summaries chapter of the Proposed Operating and Capital Budget for FY 2022/23.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:
1. Resolution of the Town Council Approving FY 2022/23 Operating Budget and FY 2022/23 – 2026/27 Capital Improvement Program (with Exhibit A)
2. Resolution of the Town Council of the Town of Los Gatos Approving Commitments of Fund Balance under GASB 54
3. ARPA Worksheet

DRAFT RESOLUTION 2022-

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS APPROVING THE FISCAL YEAR (FY) 2022/23 OPERATING BUDGET AND FY 2022/23 – 2026/27 CAPITAL BUDGET; NEW APPROPRIATIONS; OTHER ADJUSTMENTS; AMERICAN RESCUE PLAN ACT RECOGNITION; EMPLOYEE COMPENSATION ITEMS CONSIDERED ON JUNE 7, 2022; MINOR CORRECTIONS; AND CARRY-FORWARD APPROPRIATIONS

WHEREAS, Section 2.30.295(b) of the Los Gatos Town Code requires the Town Manager to annually prepare and submit a budget to the Town Council and be responsible for its administration; and

WHEREAS, the Town Manager submitted to the Town Council and Finance Commission a Proposed Operating Budget for FY 2022/23 on April 18, 2022; and

WHEREAS, the Town Manager submitted to the Town Council and Finance Commission a Proposed Five-Year Capital Improvement Program for FY 2022/23 – 2026/27 on April 18, 2022; and

WHEREAS, the Town Council conducted a noticed public hearing on the Proposed Operating Budget and Capital Improvement Program on May 17, 2022; and

WHEREAS, per Measure A, the Town Council has considered and reviewed the Finance Commission written recommendations to the Town Council on the said proposed Budget and Capital Improvement Program during the public hearing on May 17, 2022; and

WHEREAS, per Measures G and A, the Town Council has considered and reviewed the Finance Commission written recommendations to the Town Council regarding the potential allocation of Measure G proceeds during its public hearing on May 17, 2022; and

WHEREAS, the Town Council previously allocated residual unallocated Measure G revenues for budget balancing and $679,443 will be used to balance the FY 2022/23 budget; and

ATTACHMENT 1

WHEREAS, the Town Council has determined the use of Measure G proceeds in the remainder of the forecast (FY 2022/23 - FY 2026/27) to be 50% for operating expenditures and 50% for capital purposes; and

WHEREAS, the estimated FY 2022/23 business license tax revenue increased by $100,000 based on current trends; and

WHEREAS, the Town Council has determined that to further balance the budget, the Town should reimburse $902,579 from available Other Post-Employment Benefits (OPEB) 115 Trust assets for retiree pay-as-you go expenses in FY 2022/23.

WHEREAS, the Town Council has determined the use of American Rescue Plan Act (ARPA) for FY 2021/22 and FY 2022/23 as illustrated in Exhibit B entitled "ARPA Worksheet" including the allocation of $2.9 Million in ARPA proceeds for capital purposes; and

WHEREAS, the Town Council has determined that a portion of the proceeds of the ARPA up to the amount of $1,645,281 will be used for Revenue Replacement and balancing the FY 2022/23 budget; and

WHEREAS, on June 7, 2022, Town Council considered and reviewed the proposed Budget and Capital Improvement Program making final determinations.

NOW, THEREFORE, BE IT RESOLVED: that the Town Council hereby adopts as the Operating Budget for the Town of Los Gatos for the 2022/23 fiscal year as depicted in Exhibit A entitled "Total Town Revenues and Expenditures by Fund" including the first year (FY 2022/23) of the Town's Capital Improvement Program budget as contained in the Town's FY 2022/23 – 2026/27 Capital Improvement Program.

BE IT FURTHER RESOLVED, that the final adopted Budget documents include minor corrections and approved appropriations for unspent prior year allocations, and that they be carried forward from prior years in a Reserve for Encumbrances whereby within each fund there is an amount sufficient to cover approved outstanding encumbrances as of June 30, 2022.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos, California, held on the 7th day of June, 2021 by the following vote:

COUNCIL MEMBERS:

AYES:

NAYS:

ABSENT:

ABSTAIN:

SIGNED:

MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: _____

ATTEST:

TOWN CLERK OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: _____

TOTAL TOWN REVENUES AND EXPENDITURES BY FUND

	2022/23 Proposed Budget	Estimated Budget Revision		2022/23 Recommended Budget	
REVENUES					
General Fund	$48,378,548	$ 1,626,919	(1)	$ 50,005,467	
Special Revenue Funds	1,775,576	-		1,775,576	
Internal Service Funds	4,125,957	-		4,125,957	
Capital Project Funds (does not include carryforwards)	12,753,575	2,900,000	(2)	15,653,575	
Successor Agency Funds	3,799,926	-		3,799,926	
TOTAL REVENUES	**$70,833,582**	**$ 4,526,919**		**$ 75,360,501**	
OTHER FUNDING SOURCES					
Designated One-Time Use of General Fund Reserves	2,350,000	$ 679,443		3,029,443	(3)
TOTAL TOWN REVENUES & OTHER FUNDING SOURCES	**$73,183,582**	**$ 5,206,362**		**$ 78,389,944**	
TOTAL TOWN EXPENDITURES, TRANSFERS OUT & CARRYFORWARD APPROPRIATION					
General Fund	$50,338,548	$ 2,306,362	(4)	$ 52,644,910	
Special Revenue Funds	1,705,178	12,246	(4)	1,717,424	
Internal Service Funds	6,427,499	-		6,427,499	
Capital Project Funds (does not include carryforwards)	13,081,287	2,900,000	(2)	15,981,287	
Successor Agency Funds	3,799,752	125	(4)	3,799,877	
TOTAL TOWN EXPENDITURE & OTHER FUNDING USES	**$75,352,264**	**$ 5,218,733**		**$ 80,570,997**	
GENERAL FUND SOURCE(USE) OF FUND BALANCES	$ 390,000			$ 390,000	
OTHER FUNDS SOURCE(USE) OF FUND BALANCES	(2,558,682)			(2,571,053)	(5)
TOTAL SOURCE(USE) OF FUND BALANCES	$ (2,168,682)	$ (12,371)		$ (2,181,053)	

(1) Additional General Fund Revenues

$902,579 OPEB Trust Reimbursement for Retiree Medical

$624,340 Additional ARPA Proceeds for Revenue Replacement

$100,000 Additional Business License Tax

(2) Additional Transfer to Capital Projects (GFAR)

$2,900,000 General Fund Reimbursement Revenues (ARPA)

(3) Designated One-Time Use of the General Fund Reserves during FY 2022/23

$2,350,000 - Transfer to Capital Projects (GFAR)

$679,443 - Measure G Residual for Operation

(4) General fund Expenditures

$2,318,733 - Increases to Negotioated Salary Increases

(5) Other Funds Source (Use) represents planned one-time uses of Internal Service Funds, Special Revenue Funds, Trust Funds, and Capital Project Funds primary for infrastructure and equipment investment.

Numbers may differ between exhibits due to rounding.

EXHIBIT A

AMERICAN RESCUE PLAN ACT (ARPA) SUMMARY WORKSHEET

	FY 2020/21 ACTUALS	FY 2021/22 BUDGET ADJ. ACTUAL/ESTIMATED	FY 2022/23 ESTIMATED	GRAND TOTAL
ARPA FUNDS REVENUE RECOGNIZED	$ 200,911	$ 3,413,961	$ 3,614,872	$ 7,229,744
GOV SERVICES (WAIVERS,CUP&ADA,DIRECT GRANTS)	200,911			200,911
REVENUE LOSS -GOV SERVICES (PUBLIC SAFETY)		3,413,961	3,614,872	7,028,833
	$ 200,911	$ 3,413,961	$ 3,614,872	$ 7,229,744
GENERAL FUND ARPA REPLACEMENT REVENUES AVAILABLE	200,911	3,413,961	3,614,872	7,229,744
LESS APPROVED USES TO BE BUDGETED:				
PARKLETS (DOWNTOWN IMPVTS PROJECT)		680,000	250,000	930,000
RENT WAIVERS	121,255	341,452	283,756	746,463
CUP/ADA FEE WAIVERS	19,656	27,672	27,672	75,000
DESTINATION MARKETING		55,000		55,000
K-RAILS (DOWNTOWN IMPVTS PROJECT)		68,000		68,000
PROMENADES		80,000	120,000	200,000
DIRECT GRANTS	60,000	50,000		110,000
ENHANCED SENIOR SERVICES		500,000		500,000
CAPITAL IMPROVEMENT PROGRAM SUPPORT TRANSFERS			2,900,000	2,900,000
REQUIRED FOR GF BALANCING OF OPERATING REV_EXP	-		1,645,281	1,645,281
TOTAL ALLOCATIONS OF GENERAL FUND ARPA REPLACEMENT REVENUES	$ 200,911	$ 1,802,124	$ 5,226,709	$ 7,229,744
GENERAL FUND ARPA REPLACEMENT REVENUE UNCOMMITTED	$ -	$ 1,611,837	$ (1,611,837)	$ -

EXHIBIT B

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RESOLUTION 2022-

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS APPROVING COMMITMENTS OF FUND BALANCE UNDER GASB 54

WHEREAS, the Governmental Accounting Standards Board (GASB) has issued its Statement No. 54, Fund Balance and Governmental Fund Type Definitions with the intent of improving financial reporting by providing fund balance categories that will be more easily understood and to improve the comparability of governmental fund financial statements; and

WHEREAS, GASB 54 provides that the Town Council of the Town of Los Gatos classify governmental fund balances as restricted, assigned, or committed fund balances; and

WHEREAS GASB 54 provides that restricted reserves are funds that are restricted for externally imposed constraints such as legal contracts or state law, assigned amounts are constrained by the Town's intent to use them for specific purposes, and committed amounts are dedicated for specific purposes under constraints and formal action taken by the Town Council and these committed amounts cannot be used for any other purposes unless the Town Council of the Town of Los Gatos removes or changes the specific use through the same formal action to establish the commitment; and

WHEREAS, there exists a Restricted General Fund Pension Reserve in the form of an IRS 115 Pension Trust; and

WHEREAS, there exists a balance of $690,000 as of June 30, 2022 in the restricted Pension Reserve; and

WHEREAS, the Town Council of the Town of Los Gatos has established a General Fund Reserve Policy providing for minimum fund balance dollar target amounts for Budget Stabilization and Catastrophic Reserve fund balances and outlines policies and procedures for use and restoration of these balances; and

WHEREAS, there exists an assigned General Fund Compensated Absences Reserve allocated to fund 50% of all vested hours of sick leave, compensation, and vacation time with the actual reserve amount to be determined at the close of FY 2021/22; and

ATTACHMENT 2

WHEREAS, there exists an assigned Capital/Special Projects Reserve to fund key infrastructure and capital/special projects as identified in the Town's five-year Capital Improvement Plan, and/or other Council priorities; and

WHEREAS, there exists an assigned authorized Carry Forward Reserve for materials and services on approved purchase order and contracts which were issued but not finalized or fulfilled as of the end of the fiscal year but for which funds will be carried forward to the following fiscal year. Actual reserve balance will be established at the close of FY 2021/22; and

WHEREAS, in June 2016, the Town Council established the committed Pension/OPEB Reserve to provide funding toward pension and Other Post-Employment Benefits (OPEB) unfunded obligations by placing discretionary amounts to the reserve with formal Council action and transferring available year-end surpluses based on the General Fund Reserve Policy; and

WHEREAS, on November 6, 2018, the Town Council provided direction to establish an unassigned Surplus Property Revenue General Fund Reserve that any monies received from the sale of the property located on Winchester Boulevard and any monies received from the sale of future surplus property be placed in this reserve, and the provisions for the reserve specifically indicate that Council may, at its discretion, distribute those funds as it deems appropriate; and

WHEREAS, The Town Council established the assigned Sustainability Reserve in FY 2008/09 by closing the Solid Waste Management fund and placing the initial residual balance dedicated for conservation, recycling, and sustainability; and

WHEREAS, there exists an excess balance of $140,553 as of June 30, 2022 in the assigned Sustainability Reserve; and

WHEREAS, there exists an assigned Market Fluctuation Reserve that represent fund balance amounts for unrealized investment gains that have been recorded as investment income in the financial statements in accordance with the requirements of GASB 31 in the amount of $438,333, actual reserve balance will be established at the close of FY 2021/22; and

WHEREAS, there exists an assigned Measure G 2018 District Sales Tax Reserve to track receipt and use of the 1/8 cent district tax funds collected by the Town; and

WHEREAS, the Town Council has determined the use of Measure G accumulated and future proceeds to be 50% for operating expenditures and 50% for capital purposes; and

WHEREAS, the residual balance of $679,443 that was set aside for operating purposes in FY 2020/21 and/or FY 2021/22 should be used for operating expenses in FY 2022/23; and

WHEREAS, the $2,350,000 transfer from the Capital/Special Project Reserve to the General Fund Appropriated Reserve provides funding to the five-year capital plan; and

WHEREAS, $2,900,000 of ARPA General Fund Reimbursement Revenue will transfer from the Capital/Special Project Reserve provides funding for capital project; and

WHEREAS, the Town Council established the assigned Open Space reserve in the FY 1998/99 to be used for the preservation of open space, connection of open space trails, the definition of the southern boundary of the Town with passive open space, and protection of unique natural features; and

WHEREAS, there exists an excess balance of $410,000 as of June 30, 2022 in the assigned Open Space Reserve; and

WHEREAS, there exists a need for an assigned General Fund Reimbursement Revenue (ARPA) Reserve to collect the anticipated General Fund ARPA reimbursement proceeds less Council authorized use of these proceeds for pandemic response including economic recovery and business support, enhanced senior services, capital program augmentations, and other one-time uses, the estimated balance of which at June 30, 2022 balance is $1,611,837, with the actual reserve balance being determined at the close of the FY 2021/22 fiscal year; and

WHEREAS, the General Fund Reimbursement Revenue (ARPA) Reserve is now established.

NOW, THEREFORE, THE TOWN COUNCIL OF THE TOWN OF LOS GATOS DOES HEREBY RESOLVE that the following estimated Pension, Budget Stabilization, Catastrophic, Pension/OPEB, Capital/Special Projects, Compensated Absences; Measure G District Sales Tax, Surplus Property Revenue, Market Fluctuations, Sustainability, Open Space, and ARPA Reserves as of June 30, 2022 and as of June 30, 2023 as restricted, assigned, unassigned or formally committed as follows:

	Actual General Fund Reserves June 30, 2021	FY 2021/22 Budget, GF Reserve Policy, and this Resolution Approved Increase	FY 2021/22 Budget, GF Reserve Policy, and this Resolution Approved (Decrease)	Estimated General Fund Reserves June 30, 2022	FY 2022/23 Budget Resolution Approved Increase	FY 2022/23 Budget Resolution Approved (Decrease)	Estimated General Fund Reserves June 30, 2023
Restricted Fund Balances							
Pension	$ -	$ 690,000	$ -	$ 690,000	$ 390,000	$ -	$ 1,080,000
Committed Fund Balances							-
Budget Stabilization	5,460,485	$ 531,081	-	5,991,566	-	-	5,991,566
Catastrophic	5,460,485	531,081	-	5,991,566	-	-	5,991,566
Pension/OPEB	300,000	-	(300,000)	-		-	-
Assigned Fund Balances					-		-
Capital/Special Projects	6,965,356	329,258	(1,612,162)	5,682,452	-	(2,350,000)	3,332,452
Compensated Absences	1,649,917	-	-	1,649,917		-	1,649,917
Open Space	410,000	-	-	410,000	-	-	410,000
Sustainability	140,553	-	-	140,553	-	-	140,553
Market Fluctuations	438,333	-	-	438,333	-	-	438,333
Measure G District Sale Tax	1,730,490	-	(1,051,047)	679,443	-	(679,443)	-
Carryover Encumbrances	-	-	-	-	-	-	-
Surplus Property Revenue Reserve	1,200,000	-	(1,200,000)	-	-	-	-
GF Reimbursement Revenue (ARPA)	-	1,611,837	-	1,611,837	-	-	1,611,837
Rehab Loan Reserve (Nonspendable)	159,000	-	-	159,000	-	-	159,000

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos held on the 7th day of June 2022 by the following vote:

COUNCIL MEMBERS:

AYES:

NAYS:

ABSENT:

ABSTAIN:

SIGNED:

MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: _____

ATTEST:

TOWN CLERK OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: _____

AMERICAN RESCUE PLAN ACT (ARPA) SUMMARY WORKSHEET

	FY 2020/21 ACTUALS	FY 2021/22 BUDGET ADJ. ACTUAL/ESTIMATED	FY 2022/23 ESTIMATED	GRAND TOTAL
ARPA FUNDS REVENUE RECOGNIZED	$ 200,911	$ 3,413,961	$ 3,614,872	$ 7,229,744
GOV SERVICES (WAIVERS,CUP&ADA,DIRECT GRANTS)	200,911			200,911
REVENUE LOSS -GOV SERVICES (PUBLIC SAFETY)		3,413,961	3,614,872	7,028,833
	$ 200,911	$ 3,413,961	$ 3,614,872	$ 7,229,744
GENERAL FUND ARPA REPLACEMENT REVENUES AVAILABLE	200,911	3,413,961	3,614,872	7,229,744
LESS APPROVED USES TO BE BUDGETED:				
PARKLETS (DOWNTOWN IMPVTS PROJECT)		680,000	250,000	930,000
RENT WAIVERS	121,255	341,452	283,756	746,463
CUP/ADA FEE WAIVERS	19,656	27,672	27,672	75,000
DESTINATION MARKETING		55,000		55,000
K-RAILS (DOWNTOWN IMPVTS PROJECT)		68,000		68,000
PROMENADES		80,000	120,000	200,000
DIRECT GRANTS	60,000	50,000		110,000
ENHANCED SENIOR SERVICES		500,000		500,000
CAPITAL IMPROVEMENT PROGRAM SUPPORT TRANSFERS			2,900,000	2,900,000
REQUIRED FOR GF BALANCING OF OPERATING REV_EXP	-		1,645,281	1,645,281
TOTAL ALLOCATIONS OF GENERAL FUND ARPA REPLACEMENT REVENUES	$ 200,911	$ 1,802,124	$ 5,226,709	$ 7,229,744
GENERAL FUND ARPA REPLACEMENT REVENUE UNCOMMITTED	$ -	$ 1,611,837	$ (1,611,837)	$ -

ATTACHMENT 3

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TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 06/07/2022
ITEM NO: 19

DATE: June 2, 2022

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Approve a Labor Agreement Between the Town of Los Gatos and the Police Officers' Association and Authorize the Town Manager to Execute the Memorandum of Understanding

RECOMMENDATION:

Staff recommends that the Town Council approve a Labor Agreement Between the Town of Los Gatos and the Police Officers' Association (POA) and authorize the Town Manager to execute the Memorandum of Understanding (Attachment 1).

BACKGROUND:

In accordance with the Town's Employer-Employee Relations Resolution No. 1974-41, representatives of the Town and POA have met and conferred in good faith and within the scope of representation in an effort to reach agreement for a successor Memorandum of Understanding (MOU). The revised agreement will be distributed and posted on June 3, 2022 as an Addendum. The MOU is a labor agreement that identifies specific terms and conditions of employment applicable to the employees represented by that agreement.

DISCUSSION:

The Town's current agreement with POA expired on September 30, 2021. On June 11, 2021, the Town and POA began negotiating for a successor agreement. A tentative agreement for a three-year term was reached in May which POA membership ratified on May 11, 2022.

Major provisions of the agreement are:

1. **Term:** October 1, 2021 to June 30, 2024

PREPARED BY: Salina Flores
Human Resources Director

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

DISCUSSION (continued):

2. **Salary:**
    a. Effective the first full pay period of July 2022 or the first full pay period after Council approval of the MOU, whichever is later, all employees shall receive a one-time non-pensionable lump sum payment of $5,000.
    b. Effective the first full pay period after Council approval of this MOU, or as soon as practical thereafter, the salary rate for all classifications shall be increased by 2% (effective June 12, 2022) (Attachment 1).
    c. Effective the first full pay period in July 2022 (effective July 10, 2022), the salary rate for all classifications shall be increased by 5.25% (Attachment 2).
    d. The parties agree that the combined 2022 increases represent a 3% cost of living adjustment, a market increase of 3.15% and an additional 1.1% to address the passage of time since October 2021.
    e. Effective in the first full pay period of July 2023, the Town will provide a 3% cost of living increase.
3. **Pandemic Related Bonus:** Effective the first full pay period of July 2022, or the first full pay period after Council approval, whichever is later, all employees who worked for the Town in 2021, who are employed at the Town as of the last day of the pay period will receive a one-time, lump sum payment of $2,500.
4. **Juneteenth Holiday:** Effective the first pay period of July 2022 or the first pay period after Council approval of the MOU, whichever is later, in recognition of Juneteenth, holiday in lieu pay will be increased by 0.4%. to total 4.4%. Effective the first pay period of July 2022 or the first pay period after Council approval of the MOU, whichever is later, employees will receive a one-time non-pensionable lump sum payment of $1,000.00 for foregoing the Juneteenth holiday prior to 2023.

The Town and POA have also agreed to various MOU language updates. The red-lined MOU will be distributed and posted on Friday, June 3, 2022 as an Addendum. These updates clarify existing language, delete obsolete language, and ensure compliance related to the Town's contract for retirement and medical benefits provided under the California Public Employees' Retirement System (CalPERS) and the Public Employees' Medical and Hospital Care Act (PEMHCA).

CONCLUSION:

The POA agreement has been prepared within the parameters provided to Town's negotiators by the Town Council and has been ratified by the POA membership. It is recommended that the proposal be approved, and the Town Manager be authorized to execute the MOU.

FISCAL IMPACT:

The anticipated FY 2022/23 impact for the 3.00% COLA ($252,000), 3.15% market rate adjustment ($265,000), and the 1.1% COLA ($85,000) for a total 7.25% salary increase is $602,000. The anticipated fiscal impact of a $1,000 non-pensionable one-time payment, the one-time, lump sum pandemic related bonus payment of $2,500, and the $5,000 non-pensionable FY 2021/22 make whole payment in FY 2022/23 is $289,000.

The total cost impact for FY 2022/23 will be absorbed in the Town's existing operating budget. Funding to support the FY 2023/24 ongoing cost each year will be incorporated into the proposed future year budgets for Council approval

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:
1. Salary Schedule for POA effective June 12, 2022
2. Salary Schedule for POA effective July 10, 2022

Town of Los Gatos POA Classifications
Salary Schedule for Fiscal Year 2021/22
Effective June 12, 2022
Adopted by Town Council June 7, 2022

Class Code	Classification Title	Range	Step	Hourly Rate
2520	**Police Sergeant (Prior)**	04-0721	1	$66.43
	Appointment before 03/01/2015		2	$69.75
			3	$73.24
			4	$76.90
			5	$80.75

Class Code	Classification Title	Range	Step	Hourly Rate
2521	**Police Sergeant (New)**	05-0721	1	$66.43
	Appointment after 03/01/2015		2	$69.75
			3	$73.24
			4	$76.90

Class Code	Classification Title	Range	Step	Hourly Rate
7500	**Police Corporal**	03-0715	1	$55.12
			2	$57.88
			3	$60.77
			4	$63.81
			5	$67.00

Class Code	Classification Title	Range	Step	Hourly Rate
7510	**Police Officer**	02-0711	1	$52.50
			2	$55.13
			3	$57.89
			4	$60.78
			5	$63.82

Class Code	Classification Title	Range	Step	Hourly Rate
9519	**Police Trainee ***	01-0710	1	$49.88
	** 95% of Step 1 of Police Officer Classification (Provisional Employee with Misc PERS)*			

Reflects General Increase of 2%.

ATTACHMENT 1

Town of Los Gatos POA Classifications
Salary Schedule for Fiscal Year 2022/23
Effective July 10, 2022
Adopted by Town Council June 7, 2022

Class Code	Classification Title	Range	Step	Hourly Rate
2520	**Police Sergeant (Prior)**	04-0721	1	$69.92
	Appointment before 03/01/2015		2	$73.42
			3	$77.09
			4	$80.94
			5	$84.99

Class Code	Classification Title	Range	Step	Hourly Rate
2521	**Police Sergeant (New)**	05-0721	1	$69.92
	Appointment after 03/01/2015		2	$73.42
			3	$77.09
			4	$80.94

Class Code	Classification Title	Range	Step	Hourly Rate
7500	**Police Corporal**	03-0715	1	$58.01
			2	$60.91
			3	$63.96
			4	$67.16
			5	$70.52

Class Code	Classification Title	Range	Step	Hourly Rate
7510	**Police Officer**	02-0711	1	$55.26
			2	$58.02
			3	$60.92
			4	$63.97
			5	$67.17

Class Code	Classification Title	Range	Step	Hourly Rate
9519	**Police Trainee ***	01-0710	1	$52.50
	** 95% of Step 1 of Police Officer Classification (Provisional Employee with Misc PERS)*			

Reflects General Increase of 5.25%.

ATTACHMENT 2

TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 06/07/2022
ITEM NO: 19
ADDENDUM

DATE: June 3, 2022

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Approve a Labor Agreement Between the Town of Los Gatos and the Police Officers' Association and Authorize the Town Manager to Execute the Memorandum of Understanding

REMARKS:

This Addendum transmits the draft Memorandum of Understanding (see Attachment 3).

Attachments Distributed with Staff Report:
1. Salary Schedule for POA effective June 12, 2022
2. Salary Schedule for POA effective July 10, 2022

Attachment Distributed with this Addendum:
3. Draft Memorandum of Understanding

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

TOWN OF LOS GATOS

AND

LOS GATOS POLICE OFFICERS' ASSOCIATION

MEMORANDUM OF UNDERSTANDING

October 1, 2021~~18~~ – ~~September~~ June 30, 2024~~1~~

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MEMORANDUM OF UNDERSTANDING
BETWEEN
THE TOWN OF LOS GATOS
AND
THE LOS GATOS POLICE OFFICERS ASSOCIATION

THIS AGREEMENT IS ENTERED INTO AS OF October 1, 2021~~18~~, BETWEEN THE TOWN OF LOS GATOS, HEREINAFTER REFERRED TO AS THE "TOWN", AND THE LOS GATOS POLICE OFFICERS ASSOCIATION, HEREINAFTER REFERRED TO AS "POA".

Pursuant to Town Resolution 1974-41 of the Town of Los Gatos and Section 3500 et. seq. of the Government Code, the duly authorized representatives of the Town and POA, having met and conferred in good faith concerning the issues of wages, hours, and terms and conditions of employment, as herein set forth, declare their agreement to the provisions of this Memorandum of Understanding.

FOR THE TOWN:

_____
Laurel Prevetti, Town Manager

_____
Arn Andrews, Assistant Town Manager

_____
~~Lisa Velasco~~Salina Flores, Human Resources Director

_____
~~Donna Williamson~~Lisa S. Charbonneau~~,~~
Liebert Cassidy Whitmore

APPROVED AS TO FORM:

_____
~~Robert Schultz~~Gabrielle Whelan
Town Attorney

FOR POA:

_____
~~Bill Hoyt~~Bryan Paul, President~~Police Corporal~~

_____
Kevin Elliott, Police Sergeant

_____
Kevin Baughn, Police Officer

_____
John Alldredge, Police Officer

_____
Peter Hoffmann, Rains Lucia Stern St. Phalle Silver, PC~~Attorney for POA~~

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Salary Schedule Exhibit A

Town of Los Gatos and Los Gatos Police Officers Association
Comprehensive Memorandum of Understanding
On Salaries, Fringe Benefits and Working Conditions

Preamble

The authorized representatives of the Town of Los Gatos, hereinafter referred to as the "Town" and the authorized representatives of the Town of Los Gatos Police Officers Association hereinafter referred to as "Association" do jointly accept and agree to all the terms and conditions of employment set forth in this comprehensive memorandum of understanding pursuant to Town Resolution 1974-41 of the Town of Los Gatos.

This understanding shall apply to represented employees assigned to those classifications listed on Exhibit A when classifications are created which fall under the representation of POA, this understanding shall also apply.

The terms and conditions of employment set forth in this understanding have been discussed in good faith by the authorized representatives of the Town and the authorized representatives of the Police Officers Association. They agree to recommend acceptance by the employees of all terms and conditions set forth herein. Following said acceptance by the Association, authorized representatives of the Town agree to recommend to the Town Council that all terms and conditions set forth herein be approved by resolution. Upon adoption of said resolution, all terms and conditions so incorporated shall become effective without further action by either party.

Term

The term of this Memorandum of Understanding shall be three years, commencing on October 1, 2021~~18~~, and terminating on ~~September~~ June 30, 2024~~1~~.

Section 1. Employer-Employee Relations

The Association recognizes the existence of Town Resolution 1974-41, and its successor if any, during the term of this MOU. Recognition of any amendments to this resolution does not imply POA has agreed to the changes.

Section 2. Savings Clause

If any provision or the application of any provision of this agreement as implemented should be rendered or declared invalid by any court action or decree or by reasons of any preemptive legislation, the remaining sections of this agreement shall remain in full force and effect for the duration of this agreement

Section 3. Payroll Deduction

Any employee may sign and deliver to the Association an authorization for payroll deduction of membership dues. The Town agrees to remit to the Association all monies deducted accompanied by a list of workers for whom such deductions have been made and indicating any changes in personnel from the list previously furnished.

The Association shall certify in writing to the Town any changes in the amount of membership dues. The Town shall not be obligated to put into effect any new, changed, or discontinued deduction until the pay period commencing thirty (30) days or longer after such submission.

The Association shall indemnify and hold harmless the Town against any and all suits, claims, demands, and liabilities that may arise out of, or by reason of, any action or omission of the Town in complying with this Section.

Section 4. Non-Discrimination

The Town and Association agree that all provisions of this agreement shall be applied equally to all employees covered herein without favor or discrimination because of race, religious creed, color, sex (including pregnancy, childbirth, and related medical conditions), age (over 40), gender, gender identity, gender expression, sexual orientation, national origin, ancestry, political or religious affiliation, Association membership or activity on behalf of the Association, marital status, military or veteran status, or physical disability, mental disability, medical condition, or genetic information or any other basis prohibited by applicable federal, State or Town law. Association and Town support equal employment opportunity in hiring, and will support all State and Federal regulations regarding equal employment opportunity.

4.1 General Provision regarding Americans with Disabilities Act

A. Because the ADA requires accommodations for individuals protected under the Act, the Association recognizes the Town's obligation to comply with all provisions of the ADA on a case-by-case basis.
B. The Association recognizes that the Town has the legal obligation to meet with the individual employee to be accommodated before any adjustment is made in working conditions. The Association will be notified of these proposed accommodations.
C. Any accommodation provided to an individual protected by the ADA shall not establish a past practice.

Section 5. Salary

5.1 Intent

It is the intent of the Town to maintain salaries and benefits at a level that attracts and retains quality employees. The parties agree that surveys of the wages and benefits of police officers performing comparable work for comparable agencies provide information useful in ensuring that the Town continues to meet this goal.

~~5.2 Effective 2018~~

~~Effective in the first full pay period of October 2018 the Town will provide a two and a half percent (2.5%) salary adjustment for all bargaining unit members.~~

~~5.3 Effective 2019~~

~~Effective in the first full pay period of October 2019 the Town will provide a two and one-half percent (2.5%) salary increase for all bargaining unit members. Effective in the first full pay period of October 2019 bargaining unit members shall receive an additional increase of 1.5%.~~

~~5.4 Effective 2020~~

~~The parties agree to re-open on the subject of wages only.~~

~~5.5 Market Equity~~

~~Effective in the first full pay period in October 2018 market equity adjustments as follows:~~

~~Police Officer - 5.0%~~
~~Corporal – 5.0%~~
~~Sergeant – 5.5%~~

5.2 Effective Upon Approval

Effective the first full pay period after Council approval of this MOU, or as soon as practical thereafter, the salary rate for all classifications shall be increased by two percent (2%).

5.3 Effective 2022

Effective the first full pay period in July 2022, the salary rate for all classifications shall be increased by five and one-quarter percent (5.25%).

The parties agree that the combined 2022 increases represent a three percent (3%) cost of living adjustment, a market increase of three and fifteen hundredths percent (3.15%), and an additional one and one tenths percent (1.1%) to address the passage of time since October 2021.

5.4 Effective 2023

Effective the first full pay period in July 2023, the salary rate for all classifications shall be increased by three percent (3%).

~~5.5 6 Salary Range~~

~~Effective October 1, 2014, the Sergeant rank became a 4-step range. Any new Sergeant appointed after that date is appointed to the 4-step range. Acting Sergeant pay will be paid at the top of the new range.~~

5.~~6~~5 One-Time Lump Sum

Effective the first full pay period of July 2022 or the first full pay period after Council approval of the MOU, whichever is later, all employees shall receive a one-time non-pensionable lump sum payment of five thousand dollars ($5,000).

5.~~7~~6 Pandemic Related Bonus

Effective the first full pay period of July 2022 or the first full pay period after Council approval of the MOU, whichever is later, all employees who worked for the Town in 2021 who are employed at the Town through ~~as of~~ the last day of the pay period the bonus is paid, will receive a one-time, non-pensionable lump sum payment of $2,500.

Section 6. PERS Benefits

~~6.1 Town Contribution~~

~~Effective December 13, 1998, the Town ceased its participation in the Public Employee Retirement System "Employer Paid Member Contributions" (EPMC) provision. Concurrently, the Town began paying in salary to the employees covered by this memorandum of understanding the equivalent dollar amount of the former EPMC (9% of salary). These employees were then responsible for making their own member contributions. The POA acknowledged that implementation of this change had a cost impact to the Town which was equivalent to approximately 1.6% of total compensation.~~

~~Substantially concurrent with the adoption of the 1998-2000 memorandum of understanding, the Town Council adopted a Resolution materially the same as that recommended by the Public Employee Retirement System to implement the provisions of 414 (h) (2) of the Internal Revenue Code (IRC). The POA accepted the terms of this Resolution and acknowledged that the Resolution will apply to all current and future members of the POA during the term of this agreement.~~

The Town contracts with the California Public Employees' Retirement System (CalPERS or PERS) to provide Town employees with retirement benefits.

6.~~2~~1 PERS 3% at 50 Retirement Option Classic Members

For employees that are not "New Members" as defined under Government Code section 7522.04(f), commonly referred to as "Classic Members," ~~hired with reciprocity or CalPERS membership prior to 1/1/13 without a break in CalPERS service of six months or more or hired and enrolled in CalPERS membership prior to 9/15/12~~, the Town provides the ~~Effective June 24, 2001, the Town amended its contract with the California Public Employees' Retirement System to include the~~ 3% at 50 option for members of the bargaining unit. ~~This retirement formula is applicable to employees hired prior to January 1, 2013 or Classic Members (as defined in the California Public Employees' Pension Reform Act or 2013 (PEPRA) and CalPERS guidance) hired on or after January 1, 2013 with reciprocity in the PERS retirement system.~~

The Town's contract with CalPERS for the 3% at 50 option also includes the following optional benefits:

- Single Highest Year
- 1959 Survivor Benefit Level 4
- Conversion of Unused Sick Leave to Service Credit

~~Effective October 1, 2019 or as soon as administratively feasible following that date,~~ Classic Members ~~will~~ contribute 12~~3~~% ~~more~~ towards PERS (3% more than required by statute) in accordance with ~~the requirements of~~ Government Code section 20516(a).

6.3 PERS 2.7% at 57 Retirement Option for New Member Employees Hired on or After January 1, 2013

For employees hired on or after January 1, 2013, who meet the definition of New Member under Government~~'t~~ Code 7522.04(f), the Town ~~will~~ provides the 2.7% at 57 retirement benefit.

The Town's contract with CalPERS for the 2.7% at 57 option also includes the following optional benefits:

- ~~For employees hired on or after January 1, 2013 will use the~~ 36-month final average compensation (Gov't Code 20037)~~.~~
- 1959 Survivor Benefit Level 4
- Conversion of Unused Sick Leave to Service Credit

New Members contribute toward CalPERS ~~hired on or after January 1, 2013 shall pay~~ an amount that is equal to one half (1/2) the normal cost of ~~his/her~~~~his/her/~~their CalPERS pension as determined annually by CalPERS, or the current contribution rate of similarly situated employees, whichever is greater (Government~~'t~~ Code 7522.30(c)).

~~Employees eligible for this retirement formulae retain the option of conversion of unused sick leave to service credit.~~

Section 7. Education Incentive Pay

7.1 Four-Year Degree Incentive Pay

~~Two and one-half percent (2.5%) of base salary shall be paid for any member who possesses a four-year degree.~~
The Town shall pay two and one-half percent (2.5%) of base salary to any member who possesses a four-year degree that enhances their ability to do their job. Employees must submit proof of the four-year degree to Human Resources in order to be eligible for the payment.

7.2 ~~Grandfather Clause~~Two-Year Degree Incentive Pay

For employees hired prior to June 30, 2008, the Town shall pay two and one-half percent (2.5%) of base salary to any member who possesses a two-year degree or meets the minimum requirements to obtain an Associates of Arts Degree that enhances their ability to do their job. Employees must submit proof of the two-year degree or completion of the

minimum requirements to obtain an Associates of Arts Degree in a related field to Human Resources in order to be eligible for the payment. The incentive pay for a two-year degree does not stack with incentive pay for a four-year degree; the maximum education incentive pay any member may receive under this section 7 is two and one-half percent (2.5%) of base salary

~~7.2.1~~

~~For employees hired prior to January 1, 2008, who qualify to participate in the Town's Education Incentive program prior to July 1, 2008; served a minimum of fifteen years with the Town of Los Gatos; and possess an Associates of Arts Degree or meet the minimum requirements to obtain an Associates of Arts Degree in a related field, shall be eligible for an additional 2.5% increase in base salary effective the first full pay period following their fifteenth anniversary date from his/her hire date (members with a four year degree are not eligible for this benefit).~~

~~7.2.2~~

~~For employees who are in the process of being hired prior to January 1,2008; who qualify to participate in the Town's Education Incentive program within six months of hire; served a minimum of fifteen years with the Town of Los Gatos; and possess an Associates of Arts Degree or meet the minimum requirements to obtain an Associates of Arts Degree in a related field, shall be eligible for an additional 2.5% increase in base salary effective the first full pay period following their fifteenth anniversary date from his/her hire date (members with a four-year degree are not eligible for this benefit).~~

~~7.2.3~~

~~Eliminate Retention Incentive pay for ten and fifteen years for members hired after January 1, 2008.~~

7.3 Commencement of Educational Incentive Pay

Educational Incentive Pay is effective the first full pay period after the employee provides Human Resources with sufficient proof that the employee has obtained the requisite degree or education for Educational Incentive Pay.

7.4 Re-Opener

If the law changes on the education requirements for California police officers, the Town has the right to reopen this section 7.

Section 8. POST Certificate Pay

Qualified employees shall receive one of the following payment amounts in accordance with Exhibit A:

A. Employees in their represented classifications who have been awarded an Intermediate POST Certificate: An additional 5% of base salary.

B. Employees in their represented classifications who have been awarded an Advanced POST Certificate: An additional 2.5% of base salary for a total of 7.5%.

Section 9. Special Pays

Officers are limited to one special assignment pay or canine pay. Officers who qualify for bilingual pay may receive bilingual pay in addition to a special assignment pay or canine.

9.1 Special Assignment Pay

Town shall provide a 5% special assignment pay to Association represented personnel who are routinely and consistently assigned as follows:

9.1.1
Motorcycle Patrol Premium- for unit members who operate and/or patrol on motorcycle.

9.1.2
School Resource Officer Duty Pay – For unit members who are assigned to School Resource Officer duty.

9.1.3
Detective Division Premium- for unit members who are routinely assigned to a detective or investigative division.

9.1.4
Police Administrative Officer-for unit members who are assigned to police administration to provide support for the Police Chief and Command Staff in the operation of the Police Department.

Assignment for special pay purposes shall be done using Town Personnel Action Forms.

Association represented personnel removed from specialty positions on a temporary basis for departmental purposes and through no fault or request of their own shall continue to receive specialty pay for a maximum of 30 calendar days.

The parties agree that special assignment premiums are pensionable as determined by CalPERS.

9.2 Bilingual Pay
The Town will pay an additional 2.5% above base pay for employees who are routinely and consistently assigned to communicate in languages other than English. Bilingual pay will be for Spanish, Russian, Arabic, Chinese, Vietnamese and any other language designated by the Chief of Police. The Town will determine the qualifying criteria including the test and the application to the specific job assignment.

9.3 Canine Pay
Officers who are routinely and consistently assigned to handle, train and board a canine in accordance with this section are eligible for Canine Officer/Animal Premium. Officers assigned to the canine unit are required to care for, train, groom, feed, and bathe their assigned dog. The parties agree that two hours per week is a reasonable amount of time to care for the canine. The Town compensates Canine officers a total of five (5) hours per week for additional time spent caring for the canine. Two (2) hours of this additional time is outside of the regular shift. The remaining three (3) hours is provided as release time.

Call-back as defined in the MOU shall not apply for the purposes of caring for the dog. Compensation provided during the additional paid time and release time is mutually acknowledged to compensate for additional time required to care for, train, groom, feed, and bathe the assigned canine.

9.3.1 Canine Pay Premium
Compensation for the 2 hours outside of the regular shift is paid as a 5% premium on all hours worked.

9.3.2 Canine Release Time
Canine Officers on a 4-10 schedule shall be released in a paid capacity for 0.75 hours prior to the "normal" conclusion of each regularly scheduled shift (4 shifts per week equaling 3 hours per week) for the normal care of the canine, including but not limited to training, grooming, feeding, bathing, and routine veterinarian care.

Canine Officers on a 12-hour schedule shall be released in a paid capacity for 1.0 hours prior to the "normal" conclusion of each regularly scheduled shift (3 shifts per week equaling 3 hours per week) for the normal care of the canine, including but not limited to training, grooming, feeding, bathing, and routine veterinarian care.

In the event that a Canine Officer is not released in sufficient time prior to the conclusion of his or her shift, the officer will be paid for additional time after the end of shift to compensate them for 0.75 or 1.0 hours of Canine care time as appropriate. The Town recognizes that this may result in overtime.

9.3.3 Commute Time with Canine

Commute time with the canine shall not be considered working time. If there is an event requiring emergency veterinarian care, travel to the veterinarian will be compensable work time.

9.4 Field Training Officer Training Premium

In addition to the above special pays, officers assigned by the Chief of Police as Field Training Officers shall also receive the 5% incentive whenever providing training to a Department member for which a training observation report is required or when completing special assignments directly related to the Field Training Officer Program with prior approval of the Chief of Police. Attendance at FTO meetings, training provided at briefings, or other training provided in conjunction with the Department's annual Advanced Officer Training or other on-going general training to Department members does not qualify for the 5% incentive.

9.5 Trailing Canine Pay

Officers that personally own a certified and properly equipped Trailing Canine and have been identified as a Department Trailing Canine Handler will provide the Los Gatos-Monte Sereno Police Department with the use of the Trailing Canine when tracking, trailing and related canine services are required. Deployment of the Trailing Canine Team may be requested for location of missing persons, fugitive apprehension and evidence recovery. With the approval of the Chief of Police, the Trailing Canine Team may also be deployed to other jurisdictions. Trailing Canine Handlers are responsible for the maintenance and care of the canine, in addition to recurring in-service training, at no cost to the Town.

9.5.1 Trailing Canine Premium

Officers will receive a five percent (5%) specialty pay premium only during approved deployment and use of services and will submit an approved time sheet noting the specialty pay during the pay period in which the services were rendered. Special assignment premiums are pensionable as determined by CalPERS.

The Town will reimburse Officers up to, but not to exceed, $150.00 per month premium for private pet insurance. Officers will submit receipts for payment on a quarterly basis to Finance — Accounts Payable for reimbursement. The Town will also reimburse Officers for insurance deductible payments up to $250.00 per injury/illness incurred to canine while deployed for use on Town assignments.

9.5.2 Trailing Canine Training

Trailing Canine Handlers will maintain required recurring in-service training and associated records, within the scope of policies and procedures of the Los Gatos-Monte Sereno Police Department. Officers will be reimbursed for annual canine recertification course registration fees not to exceed $800.00 per year. Officers are responsible for cost of travel, lodging, and per-diem related to the annual re¬certification course.

Up to 40-hours of paid release time annually will be allowed to attend re-certification course. The approved re-certification course constitutes scheduled Department training for which the release time will be honored.

9.6 Posting for Special Assignments

Any opening for a special assignment shall be posted for a minimum of two weeks, unless extraordinary circumstances warrant otherwise.

Section 10. Acting Sergeant Pay

Police Officers working as acting supervisors shall be compensated at Step "4" of the Sergeant's rate of pay. Town shall periodically review the actual time use of acting supervisor designations in order to determine the necessity of additional permanent supervisory personnel.

Section 11. Reimbursement of Expenses

The Town shall pay claims for reimbursement within 30 days following the complete and accurate submission of claims as approved by the Finance Director.

Section 12. Tuition Reimbursement

Town will reimburse 100% of the cost of books, university/school fees (except parking) and tuition. Tuition and school fees shall be reimbursed up to the full-time rates of San Jose State University at applicable Undergraduate or Graduate rates per school term. The maximum reimbursement per employee per fiscal year is equivalent to two (2) semesters. The reimbursement shall be only for courses that are directly related to the employee's position as determined by the Town Manager, including general education courses that are generally related to attainment of a job-related degree or certification. General education courses not generally related to the employee's position will not be eligible for reimbursement. Reimbursement shall be taxed pursuant to the State and Federal Regulations.

Application for Tuition Reimbursement shall be made to the Town before the course begins. Prior to reimbursement of costs, all course work must be completed with a passing grade of "C" or equivalent when numerical score or pass/fail is given. Individuals requesting reimbursement must currently be employed by the Town to be eligible for reimbursement.

Any employee who terminates employment with the Town within one year from the completion of a class or classes, for which tuition reimbursement was paid, shall refund all tuition paid under this provision, unless required to attend by the appointing authority.

Section 13. Health and Welfare Benefits and Rate of Town Contribution

The Town contracts with CalPERS for the purpose of providing employees and their eligible dependents with medical insurance benefits. ~~During calendar year 2018, the Town will pay a maximum contribution of $133 per month to CalPERS for each eligible active employee towards the purchase of medical insurance for those employees who enroll in and receive such insurance through the Town. Beginning January 1, 2019, t~~The Town's maximum monthly contribution for each eligible active employee shall be equal to the minimum employer contribution required under Public Employees' Medical and Hospital Care Act (PEMHCA), currently $149 per month, as may be adjusted by CalPERS from year to year.

13.1 Cafeteria Plan

During the term of the MOU, the Town agrees to maintain a Cafeteria Plan, pursuant to Section 125 of the Internal Revenue Code, for the purpose of providing eligible active employees with access to various health and welfare benefits. Benefits available through the Cafeteria Plan include medical insurance, dental insurance, vision insurance and life insurance benefits.

13.2 Dental

Employees choosing this option instead of Cash-in-Lieu will be provided 100% of the Delta Dental DPO Plan premium less a $15.00 employee contribution. If the premium cost of the dental plan exceeds the Town contribution, the employee shall pay through payroll deductions the difference between the monthly premium and the amount contributed by the Town. The Town will pay 100% of the premium for employees choosing to participate in the DeltaCare USA Plan.

13.3 Medical

The Town will provide active employees with a medical allowance equal to 100% of the cost of the Kaiser Bay Area Medical Insurance Program premium offered by the Public Employees' Retirement System Health Benefit Medical Program at ~~for~~ the Employee Only level of participation. ~~for all active employees.~~ For dependents, the Town will pay 90% of the difference between Kaiser Employee Only and Kaiser level of participation (Employee Plus One or Employee Family, depending on family status). If the employee chooses medical coverage under a program more expensive than Kaiser Bay Area, the employee will pay the difference between the Town-provided medical allowance and the cost of the more expensive program through payroll deduction.

The Town's contribution towards medical insurance set forth in Section 13 (the PEMHCA minimum) will be deducted from the amount of contribution provided by this Section.

13.4 Vision

The Town shall pay for employee-only coverage under the Town's Vision Service Plan (VSP). Employees may enroll eligible dependents at their own cost.

13.5 Cash-In-Lieu Plan

Employees have the option of choosing all available coverages or, upon providing proof of other medical coverage, may choose to opt out of the Town's coverage and be provided with cash-in-lieu.

Employees who choose to receive the cash-in-lieu must first show proof of alternative minimum essential medical coverage for the employee and employee's tax family (individuals for whom the employee expects to claim a personal exemption deduction). Individual coverage, and individual coverage from Covered California does not qualify as alternative minimum essential coverage under this section. Employees must provide reasonable evidence of alternative minimum essential coverage each plan year, during open enrollment. The Town will not make the cash payment if it knows or has reason to know that the employee or tax family does not have alternative minimum essential coverage. Any amount received in cash is taxable. Employees choosing to receive taxable cash will have the option of receiving it in two equal amounts in December and June, or the first two paychecks of each month (24 times a year).

- For employees hired before January 1, 2006, the Town contribution to the Cash-In-Lieu program will be equal to Nine Hundred and Twenty-two Dollars ($922) per month.

- For employees hired after January 1, 2006, the Town contribution to the Cash-In-Lieu program will be Four Hundred Dollars ($400) per month.

The parties agree to meet and confer at the Town's request on any changes that are within the mandatory scope of bargaining related to its Town sponsored Medical Insurance and Cash In-Lieu Plan that may be related to the compliance and implementation of the Affordable Care Act or the Fair Labor Standards Act as it relates to the regular rate of pay for overtime.

13.6 Supplemental Health and Welfare Benefits

A. **Life:** Coverage of $50,000 plus $50,000 accidental death: Town to pay for premium. Additional life insurance may be purchased by the employee equal to once or twice the employee's base salary, not to exceed $200,000.

B. **Disability:** Short Term Disability Policy effective 8th calendar day; coverage of 60% of weekly earnings up to maximum of $1,300/week for 13 weeks. Long Term Disability benefits begin on the 91st day of disability; coverage of 60% of monthly earnings up to a maximum of $6,000/month.

C. Employee Assistance Program: Premiums shall be paid by the Town.

D. Unemployment Insurance: Premiums shall be paid by the Town to provide State coverage.

Section 14. Retiree Health

The Town provides retiree health benefits in accordance with the PEMHCA for employees who qualify as eligible PERS retirees who receive a PERS retirement allowance and are PEMHCA annuitants entitled to such benefits under the PEMHCA.

~~Beginning October 1, 2018, the Town will pay a maximum contribution of $133 per month to CalPERS for each eligible annuitant towards the purchase of medical insurance. Beginning January 1, 2019, t~~The Town's maximum monthly contribution for each eligible annuitant shall be equal to the minimum employer contribution required under the PEMHCA, currently $149 per month, as may be adjusted by CalPERS from year to year. The provisions of PEMHCA will govern medical insurance coverage for annuitants.

14.1 Retiree Health ~~Health Reimbursement Account (HRA)~~ Benefit for Eligible Retirees Hired On or ~~before~~ Before October 1, 2018

An employee hired on or prior to October 1, 2018, or provided with a final offer confirmation of employment prior to October 1, 2018~~ratification and approval of the 2018-2021 Memorandum of Understandingis agreement~~, is eligible for Health Reimbursement Account (HRA) retiree health benefits in accordance with this Section.

14.1.1~~2~~

The employee retired from the Town taking a service or disability retirement from CalPERS as a retiree receiving a PERS retirement allowance and is a PEMHCA annuitant; and,

14.1.2~~3~~

The employee must actually draw a CalPERS pension within ninety (90) days of separation from the Town, provided the employee remains with the Town's health plan through COBRA.

14.~~4~~1.3

The amount of the supplemental retiree health benefit allowance will be equal to 100% of the cost of the premium for Kaiser Bay Area Retiree Only and 90% of the difference between the Kaiser Employee Only and Kaiser level of participation (Employee Plus One or Employee Family, depending on family status)~~Bay Area Retiree Plus One level of participation~~. ~~For dependents, t~~The Town will pay $~~1,443.45 per month towards a Retiree Plus One plan and~~ $1,9~~5~~47.16 per month towards a Retiree Plus One or More plan, as of the 2022 plan year~~October 1, 2018~~. This amount will increase by $100.00 each year until it is equal to the active employee contribution.

14.~~5~~1.4

The Town's contribution towards retiree health insurance set forth in Section 14 (the PEMHCA minimum) will be deducted from the amount of contribution provided by this Section (14.1~~4~~).

14.~~6~~1.5

Employees retiring on or after February 1, 2016 and upon becoming eligible for Medicare will cease to receive any retiree health benefit allowance under this Section (14.~~4~~1) and will become eligible for Supplemental Medicare equal to the cost of Kaiser Senior Advantage Bay Area Medicare rates up to a maximum of 100% Retiree Only, 90% for Retiree Plus One or 90% for Retiree Plus One or More less the amount of the employee contribution provided under Section 14 (the PEMHCA minimum). This benefit is available to the eligible retired employee only after he or she has

reached the age of 65 and is Medicare eligible or as otherwise specified by law.

14.~~7~~1.6

The benefits described by this Section (14.1~~4.4~~) will be provided to annuitants through CalPERS by means of a Health Reimbursement Account (HRA).

14.~~8~~2 Retiree Health Benefit for Eligible Retirees Hired After October 1, 2018

~~The parties agree to add the PORAC Trust option requiring bargaining unit employees to contribute at least $100 per month subject to reaching mutual agreement on the language. The parties agree that administrative fees required by the PORAC trust shall be split 50/50 by the Town and the POA.~~

The Association will establish participation in a retiree medical plan administered by the PORAC Retiree Medical Trust (PORAC RMT). This agreement to participate will apply to every employee, represented by the Association, hired by the Town after October 1, 2018. The cost of establishing and maintaining the Trust shall be at no cost to the Town, including administrative fees. The Town is not a party to the Trust, aside from transferring funds, and has no obligations to the management, regulatory compliance or performance of the trust. In the event the Trust becomes insolvent or unable to pay, the Town has no financial obligation to the Trust or the contributing members of the Association.

The Town will transfer a monthly employee contribution of one hundred dollars ($100.00) for each Association member deducted in fifty dollars ($50.00) increments from the first two paychecks of each month (24 times per year). These contributions shall be on a pre-tax basis if permitted by law. As each member will contribute the same predetermined dollar amount, no member election forms designating the amount will be needed, allowed or requested; and there shall be no member election available to take the member contribution amount in cash, or to determine the member contribution amount. These contributions shall be included as salary for purpose of calculating retirement benefits as determined by the California Public Employees Retirement System (CalPERS).

The Town will comply with reasonable procedures set by the Trust Office with regard to reporting and depositing the required contributions set forth above, typically involving providing the Trust Office with the name, social security number and amount paid for each Association member. In the event that the reporting requirement of the Trust requires reporting beyond that which the Town typically provides, the Town may require the Association to pay for any costs related to programing or producing such reports. Prior to engaging in any activity that could result in such an expense, the Town will secure the Association's authorization

The Association agrees to defend, indemnify, and hold the Town harmless from any liabilities of any nature which may arise as a result of the operating of the PORAC RMT, except for the obligation of the Town to make and report the non-elective transfer of Association member contributions as described above.

The monies contributed to the Trust fund shall only be used for retiree health insurance premiums or health care expenses, as allowed by law. There shall be no Association member election/option available to take such amount in unrestricted cash.

The purpose of this Trust shall be to provide for retiree health care expense reimbursement benefits. The Trust shall be and remain separate and apart from any Town health insurance funding program, unless changed by mutual written agreement of the parties. The contributions set forth above, unless otherwise dictated by law or rules set forth by CalPERS, shall be included as salary for purpose of calculating pension benefits.

The Town hereby acknowledges receipt of the Trust Agreement governing the Trust. The Town will cooperate with the Trust in allowing a payroll audit only for the purpose of ascertaining if the proper amount of contributions have been made.

Section 15. Uniforms

The Town will provide a full set of uniforms and equipment (per Department Uniform Policy) to each new employee. The Town will replace authorized uniform items damaged in the performance of duty as approved by the Chief of Police.

~~Effective upon ratification and approval by the Council of this Agreement, t~~The Town will pay bargaining unit employees a uniform allowance of One Hundred Fifteen Dollars ($115) per month (paid the first two pay periods of each month) for the repair, maintenance, and replacement of uniforms.

Section 16. Mileage Reimbursement

Employees using personal vehicles on official Town business shall be reimbursed at the mileage rate established by the I.R.S. Private vehicles used for Town business shall comply with the California Vehicle Code.

Mileage reimbursement requests must be submitted within 30 days of the date accrued.

Section 17. Payroll Periods

The Town and Association agree to the continuation of a biweekly payroll period. The following conditions are in effect:

A. Employee pay shall not be withheld more than seven (7) calendar days from the end of the payroll period, however, a maximum of two days overtime may appear on the next payroll period if it is worked following the submittal of time sheets, or during a pay period with a Town holiday which requires early submittal of time sheets and early distribution (before Friday) of pay checks. This may also occur at the end of the fiscal or calendar year.

B. The Town shall provide an optional electronic check deposit system for use by employees.

Section 18. Paychecks

Payroll deductions and accruals shall appear on all paychecks.

Section 19. Deferred Compensation

The Town shall continue to offer a program of deferred compensation to its members in the represented classifications. The Town makes no representation on the merit of the plan nor any of the investment products or instruments which may be offered by the plan. The responsibility for evaluating the options within the plan is the responsibility of the individual participant. The Town shall not be obligated to offer more than one Deferred Compensation carrier.

Section 20. Overtime

Overtime is time worked beyond any scheduled work shift.

All overtime worked shall be compensated at time and one-half. The employee may choose whether overtime ~~worked~~ shall be paid in cash or accumulated as Compensatory Time Off (CTO), subject to a maximum accumulated CTO of one hundred and forty (140) hours.

On or before the pay period which includes December 15 of each calendar year, an employee may make an irrevocable election to cash out up to 40 hours of CTO twice per year (paid at the regular rate of pay in whole hour increments) which will be earned in the following calendar year. In the first full pay period of June and December in the following year, the employee will receive cash for the amount of CTO the employee elected to cash out in the prior year. However, if the employee's CTO balance is less than the amount the employee elected to cash out (in the prior calendar year) the employee will receive cash for the amount of the CTO the employee has accrued at the time of the cash out.

Annual review of the impact of those changes will occur to determine if there is any adverse impact on scheduling.

For private duty contracts, officers may only receive pay.

Overtime is to be approved by a supervisor as soon as practical. Overtime payroll sheets are the responsibility of the employee to have approved and forwarded to the division commander by the appropriate payroll deadline.

Section 21. Duty Extension

Compensation is made for actual time worked and shall be computed in minimum quarter-hour blocks.

Personnel whose work hours would normally terminate within one hour or less from the time of the scheduled court, meeting, or training commencement will be compensated from the termination of their normal work hour through the termination of the scheduled event.

Duty extension is paid at time and one half.

Section 22. Call Back

Requests that personnel return to duty, attend mandatory meetings, court appearances and training classes are call backs and compensated at a 3 hour minimum or actual time, whichever is greater. Mandatory meetings where a minimum of two weeks' notice has been given are not a call back and will be compensated at a one (1) hour minimum or actual time worked whichever is greater.

Call backs for officers assigned to Watch I (midnight shift) who have worked the night before shall receive a minimum of 4 hours.

Personnel are considered on duty for the duration of a call back.

Court appearances-hearings-depositions: Required off duty attendance at judicial or administrative hearings is compensated at a 3-hour minimum (4 hours for midnight if shift worked the night before appearance), or actual time, whichever is greater. Should there be more than one appearance, including separate court locations, within the 3 or 4 hour time period, only one minimum will be granted.

Call back is paid at time and one half.

Section 23. Vacation Schedule

The following vacation schedule shall apply to all employees:

Months of Employment	Accrual Days Per Year	Accrual Hours Per Pay Period
0 to 36	10	3.08
37 to 60	15	4.62

61 to 120	20	6.46
121 to 180	23	7.08
181 months	25	7.70

Maximum accrual of vacation hours shall be 344 hours.

On or before the pay period which includes December 15 of each calendar year, an employee may make an irrevocable election to cash out up to 80 hours of vacation twice per year (in whole hour increments) which will be earned in the following calendar year. In the first full pay period of June and December in the following year, the employee will receive cash for the amount of vacation the employee irrevocably elected to cash out in the prior year. However, if the employee's vacation balance is less than the amount the employee elected to cash out (in the prior calendar year) the employee will receive cash for the amount of vacation the employee has accrued at the time of the cash out.

Section 24. Vacation and ~~Overtime~~ Compensatory Time Off Cash-out

Employees who terminate from Town service shall have all accrued vacation and compensatory time off ~~overtime~~ cashed-out. This will terminate their status as an employee of the Town.

Section 245. Shift and Vacation Selection Procedures

Patrol shift selection and vacation bidding shall commence approximately ten weeks prior to shift change, unless circumstances require otherwise.

The Town agrees to continue efforts to transition to an online mechanism for shift and vacation selection.

Due to the Association's concerns regarding changes to the vacation selection procedure that arose due to sworn staffing shortages and its effect on officer access to vacation, the parties agree to meet to discuss shift and vacation selection procedures during the month of July 2022. Upon request by the Union, the parties will promptly meet and confer on the limited issue of the Department's vacation selection procedure. Any changes to the existing vacation selection procedure will be by mutual agreement.

Section 26. Holidays and Holiday Pay

The following holidays will be observed by non-uniform personnel:

- January 1.
- the third Monday in January.
- the third Monday in February.
- the last Monday in May.
- Juneteenth.
- July 4.
- the first Monday in September.
- Thanksgiving Day.
- the Friday following Thanksgiving Day.
- December 25.
- Four hours on December 24 and December 31
- Every day declared a Holiday by the Mayor as a result of a national holiday declared by the President or State Governor.

Holidays which fall on Saturday shall be observed on the Friday prior and holidays which fall on Sunday shall be observed on the following Monday.

Uniform personnel assigned to shift work (Patrol and Traffic) shall receive compensation in-lieu of holiday time off equal to eighty (80) hours of base pay annually. Employees shall have the option of taking Holiday leave off equal to eighty hours (80) or receive in-lieu compensation. If the employee selects to receive in-lieu compensation, forty (40) hours of holiday pay will be received in the last payroll of November and the second forty (40) hours will be received in the last payroll of May, and will be included on the regular check. In-lieu holiday pay shall cease whenever an employee is reassigned to other than shift work. The employee shall observe holidays as described above. In the event that an additional holiday is observed by the Town during the term of this agreement, the in-lieu compensation shall be increased by the additional hours holiday time made available to non-uniform personnel (the language of this paragraph becomes null and void effective January 1, 2019).

~~Effective beginning January 1, 2019, the parties agree to pay holidays for bargaining unit employees through Holiday In-Lieu pay of 4.0%.~~

Effective the first full pay period of July 2022 or the first full pay period after Council approval of the MOU, whichever is later, in recognition of Juneteenth, holiday in-lieu pay will be increased by 0.4%, to total 4.4%.

Effective the first full pay period of July 2022 or the first full pay period after Council approval of the MOU, whichever is later, employees will receive a one-time, non-pensionable lump sum payment of one thousand dollars ($1,000) for foregoing the Juneteenth holiday prior to 2023.

Section 27~~6~~. Personal Leave

Employees shall have the option of either taking personal leave off equal to twenty-four (24) hours of base pay annually, or receiving in-lieu compensation equal to same if the personal leave is not used by the end of November. Employees may use personal leave hours during the month of December; however, employees desiring to receive compensation for those hours shall do so in conjunction with the annual cash out in November.

Section 27~~8~~. Sick Leave

Accumulation rate shall be 8 hours per month (3.70 hours per pay period) with a maximum accrual of 1180 hours. The Town may require association represented employees to provide a doctor statement of proof of illness for any use of sick leave beyond one working day.

Section 29~~8~~. Sick Leave Cash-Out Program

29~~8~~.1 Annual Sick Leave Cash-Out for Employees Hired Prior to October 1, 2018

On or before the pay period which includes December 15 of each calendar year, employees eligible to cash out under this section may make an irrevocable election to cash out up to 40 hours of their accumulated sick leave at 50% of current salary two times per year (in whole hour increments) which will be earned in the following calendar year. In the first full pay period of June and December in the following year, the employee will receive cash for the amount of sick leave the employee irrevocably elected to cash out in the prior year. However, if the employee's sick leave balance is less than the amount the employee elected to cash out (in the prior calendar year) the employee will receive cash for the amount of sick leave the employee has accrued at the time of the cash out.

29~~8~~.2 Sick Leave Cash-Out Upon Termination for Employees Hired Prior to October 1, 2018

Employees who terminate employment with the Town for any reason other than retirement or disciplinary termination, may cash-out their accumulated sick leave as follows:

Months of Employment	
1-59 months	25%

60-119 months	37.5%
120 months or more	50%

In order to be eligible for the sick leave cash-out program, an employee must have a sick leave accrual balance of at least 200 hours at the time of termination.

29~~8~~.3 Unused Sick Leave Upon Retirement

Upon retirement, eligible employees may choose from the following options:

1. **Eligible employees may convert unused sick time to service credit in accordance with provisions established by CalPERS.**

2. **Sick Leave Cash Out for Employees Hired Prior to October 1, 2018**

All eligible employees who retire with a sick leave accrual balance of at least 200 hours may elect to be paid in cash in accordance with the same provisions as Section 28.2 Sick Leave Cash-Out Upon Termination.

3. **Sick Leave Conversion for Employees Hired Prior to January 1, 2009**

All employees who retire with a sick leave accrual balance of at least 200 hours may convert 100% of this accumulated sick leave to a dollar equivalent at their hourly rate of pay at the time of retirement. This amount shall be held in an account. The employee's portion of the medical insurance premium payment will be withheld from their monthly retirement payment by PERS.

The Town agrees to pay the retiree quarterly in advance on the first pay period of January, April, July, and October of each year after retirement. The first payment will be pro-rated to the nearest quarter.

Retiree's (including dependents of the retiree) portion of medical payments will be paid from this account by the Town until all monies are depleted from the account.

This account will not accrue interest and will not be paid in cash to the retiree or any beneficiaries. The retirees shall be responsible for 100% of their share of future medical insurance premiums once the account is exhausted.

Section 30~~29~~. Military Leave

Military leave and benefits shall be granted in accordance with State and Federal Law, including the continuation of employee salary and benefits if applicable.

Generally, employees with more than one year service will receive up to thirty (30) calendar days of paid military leave annually while engaged in military duty ordered for purposes of active military training.

Section 31~~0~~. Bereavement/Compassion Leave

Up to 40 hours available per occurrence – use limited to spouse, parent, grandparent, child, or sibling by blood or marriage. It is recognized that bereavement/compassion leave is separate from employee's accumulated sick leave, vacation or CTO.

Section 32~~1~~. Leave Without Pay

Leave without pay shall be subject to approval of the Chief of Police and the Town Manager.

An employee who is on leave without pay shall not earn any employment benefits (including, but not limited to, such benefits as vacation leave, medical benefits, sick leave, retirement, credit for time employed or seniority entitlement of any kind) for the duration of such leave.

Vacation or sick leave or time worked shall not be used intermittently during an extended leave to interrupt a determination that an employee is on leave without pay.

The Town may, at its discretion, approve leave beyond the specific amount provided above.

Section 33~~2~~. Accrual of Benefits

Benefits shall not accrue to employees on unauthorized leave, suspension without pay, or leave without pay.

Section 34~~3~~. Workers' Compensation

Employees shall be provided benefits in compliance with State law.

Section 35~~4~~. Jury Duty

Employee salary and benefits shall be continued during jury duty; employee turns over to the Town any compensation from the courts or other source of jury duty on regular work days.

Section 36~~5~~. Outside Employment

Outside employment shall be subject to approval of the Chief of Police and the Town Manager, subject to the following limitations: no security work within Town limits; no use of Los Gatos uniform, badge, ID, or Los Gatos issued items; vacation or CTO to be used for court appearances resulting from private employment. Approval must be obtained prior to engaging in the outside employment and shall be renewed prior to July 1 of each year.

Section 37~~6~~. Residency Requirement

There is no residency requirement for represented employees.

Section 38~~7~~. Layoff Policy

Association recognizes the right of the Town to determine the resources to be made available to the police department. Although a reduction in force (layoff) is not anticipated, it is recognized that it is the sole right of the Town to determine when such reductions in force are necessary.

Reductions in force shall be by classification with the determination of affected employees by the Town based on seniority counted as total time employed by the Town. Affected employees shall be provided a minimum thirty (30) calendar days' notice of layoff.

Employees in the classification of Police Sergeant and designated for layoff shall have the right to return to positions previously held with the Town and represented by the Association.

Section 39~~8~~. Vehicles

Town shall advise POA no later than sixty days prior to Town development of vehicle specifications for patrol vehicles. POA shall submit recommended specifications for vehicle purchase no later than thirty (30) days after receiving the notice from the Town.

Section ~~39~~40. Promotions

The Town and Association agree that it is in the best interest of both the Town and its employees to foster promotion of incumbent employees.

The Town and Association recognize the Town's sole right to determine the examination process for the selection of Town employees. Qualified employees who are invited to participate in the examination process shall be allowed up to two (2) hours of time-off from regularly scheduled work in order to participate in the examination process if the examination process is scheduled during the employee's normal work period.

To the best of its ability, the Town shall maintain a current promotional list for the positions of Police Corporal and Police Sergeant.

Any opening for Police Corporal or Police Sergeant positions shall be posted for a minimum of three weeks, unless extraordinary circumstances warrant otherwise.

Section 41~~0~~. Probationary Period

The Town and the Association agree that all original appointments to the rank of Police Officer will include a probationary period of 18 months from date of hire to allow the department to fully evaluate the officer following the academy and FTO training.

Individuals hired as a lateral transfer must have a valid P.O.S.T. Basic Certificate at the time of hire and will be subject to a 12-month probationary period.

Any individual on an 18-month probationary period will be eligible to receive a step increase after 12 months.

All promotional appointments to the positions of Corporal and Sergeant shall be subject to satisfactory completion by the employee of a 12-month probationary period.

The Chief of Police may extend the probationary period of an employee for a period not to exceed an additional six (6) months.

Section 42~~1~~. Performance Evaluations

Performance evaluations shall take place at least every three (3) months for all probationary employees and shall take place at least annually thereafter on the anniversary of an employee's employment with the Town. Employees eligible for step increases shall receive their performance evaluation no later than fifteen (15) days prior to their employment anniversary date.

All performance evaluations shall be discussed with the employee prior to the evaluation being completed. Employees may sign their individual performance evaluations as evidence of discussion having taken place; employee signature does not necessarily imply agreement with the evaluation. If an employee chooses not to sign an evaluation, the supervisor will note that the employee has read the evaluation and chooses not to sign. An employee may attach separate written comments to ~~his/her~~~~his/her/~~their evaluation.

Section 4~~2~~3. Reinstatement

Subject to the approval of the Town Manager, a permanent employee who has resigned from employment with the Town may be reinstated within two (2) years of ~~his/her~~~~his/her/~~their resignation to ~~his/her~~~~his/her/~~their former position, if vacant. Upon reinstatement, the employee shall be considered as though ~~he/she/~~they had received an original appointment, unless other conditions are made a part of the reinstatement by the Town Manager.

Section 4~~3~~4. Re-Employment

The names of employees affected by layoff shall be placed on appropriate re-employment lists in the order of total continuous cumulative time served in paid status. Such names shall remain thereon for a period of eighteen (18) months unless such persons are sooner re-employed. When a re-employment list is to be used to fill vacancies, the Personnel Officer shall certify from the top of such list the number of names equal to the number of vacancies to be filled, and the appointing power shall appoint such persons to fill the vacancies.

Section 4~~4~~5. Grievance Procedures

Grievances shall be defined as alleged violations of this agreement or disputes regarding interpretations, application, or enforcement of this agreement to Town ordinances, resolutions, and written policies related to personnel policies and working conditions. Grievances shall not include disagreements, disputes, or activities regarding or pertaining to examinations for employment or promotion, disciplinary action, performance evaluations, and probationary terminations.

No act or activity which may be grievable may be considered for resolution unless a grievance is filed in accordance with the procedure contained herein within sixty (60) calendar days of the date the grievable activity occurred or the date the employee could reasonably have known such activity occurred. The provision for the sixty (60) days "statute of limitations" shall not apply to probationary employees.

The parties agree that all grievances will be processed in accordance with the following procedure:

Any employee who has a grievance shall first try to get it settled through discussion with ~~his/her~~~~his/her/~~their immediate supervisor without undue delay. Every effort shall be made to find an acceptable solution at the lowest possible level of supervision. If after such discussion the employee does not believe the grievance has been satisfactorily resolved, ~~he/she/~~they may file a formal appeal in writing to the command officer responsible for supervision of the employee's immediate supervisor within ten (10) calendar days after receiving the informal decision of ~~his/her~~~~his/her/~~their immediate supervisor. The command officer shall respond within ten (10) calendar days of the filing of the appeal.

If the employee does not believe the grievance has been satisfactorily resolved by the command officer, the employee may then file a formal appeal in writing to the Chief of Police within ten (10) calendar days after receiving the informal decision of the command officer. The Chief of Police shall render his written decision within ten (10) calendar days after receiving the appeal.

If after receipt of the written decision of the Chief of Police, the employee is still dissatisfied, ~~he/she/~~they may appeal the decision of the Chief to the Town Manager. Such appeal shall be made by filing a written appeal to the Town Manager within five (5) days after the receipt of the written decision of the Chief. The Town shall render a written decision within twenty (20) working days after the appeal is made.

If after receipt of the written decision of the Town Manager the employee is still dissatisfied, he/she/they may appeal the decision of the Town Manager to the Personnel Board. Such appeal shall be made by filing a written appeal to the Chair of the Personnel Board within five (5) days after receipt of the written decision of the Town Manager.

The Personnel Board shall establish a hearing date within 30 days of receipt of the written appeal. The Personnel Board shall conduct a closed hearing giving opportunity for presentation by the employee or ~~his/her~~his/her/their representative and the Town Manager. The Personnel Board shall render a written decision within 30 days after the appeal is made. If after receipt of the written decision of the Personnel Board, the employee is still dissatisfied, ~~he/she/~~they may appeal the decision of the Personnel Board to the Town Council. Such appeal shall be made by filing a written appeal with the Mayor. The Mayor shall schedule a closed hearing with the Town Council within 30 days after receipt of the appeal. At this hearing, the employee and the Town Manager may make presentations. The Town Council decision shall be final. The Town Council shall render a decision within 30 days after the hearing. An open hearing may be conducted by the Personnel Board or Town Council with mutual consent of the Town and person(s) filing the grievance.

The time limitations for filing and responding to grievances may be waived or extended by mutual agreement of the parties. If either party to the grievance so requests, an informal hearing shall be conducted at the Chief of Police or Town Manager appeal levels. Employees may be represented by counsel or other person at any stage in the grievance process.

Section 4~~5~~6. Attendance

Employees shall be in attendance at their work in accordance with the rules regarding hours of work, holidays and leave.

An employee whose absence is not authorized will not receive pay or benefits for the absent period and shall be subject to discipline. Failure on the part of an employee absent without leave to return to duty shall be grounds for discharge. It shall be the responsibility of an employee absent without leave to notify the department head of the reason the employee is absent and of the employee's availability for duty.

Section 47~~6~~. Completeness of MOU

The Town and the Association acknowledge and agree to abide by the provisions of the Meyers-Milias-Brown Act.

Section 4~~7~~8. Association Notification or Communications

The Town and the ~~d~~Department will make every reasonable effort to keep the Association President informed on issues related to the working conditions of the Association members.

Section 49. Labor-Management Committee

As part of a continuing effort to promote healthy labor relations, the Department and the Association shall establish a Police Labor-Management Committee to meet on at least a quarterly basis to promote open communication and the sharing of information. It is the intent of the parties that the Chief or designee and the Association President or designee will attend these meetings.

Section ~~48~~50. Catastrophic Time Bank

If an employee is catastrophically ill or injured, or if the spouse or child of such employee becomes catastrophically ill or injured, the employee may request of the Town Manager that a catastrophic time bank be established. This request should be in writing. The catastrophic time bank will enable other employees to donate accrued CTO, holiday credits, or vacation credits to the requesting employee in accordance with departmental policies.

Specific procedures for the administration of the catastrophic time bank will be developed by the department.

~~Section 49. Reopener~~

~~If, for any reason, the Chief of Police decides it is in the best interest of the Department to discontinue the 4-10 Plan within the term of this agreement, the Town of Los Gatos agrees to reopen negotiations within 30 days on all provisions of the MOU.~~

Section 51~~0~~. Me Too Clause

The Town shall not enter into an agreement with another bargaining unit, local union or management unit so that unit, local or bargaining unit can receive any compensation related to any salary or total compensation increase obtained by the POA.

~~Section 51. Update of Personnel Rules~~

~~The Town will be updating the Personnel Rules during the term of this agreement. The Town will provide notice and an opportunity to meet and negotiate any negotiable changes to the Personnel Rules. The parties agree to this process for this update.~~

Town of Los Gatos POA Classifications
Salary Schedule for Fiscal Year 2021/22
Effective June 12, 2022
Adopted by Town Council June 7, 2022

Class Code	Classification Title	Range	Step	Hourly Rate
2520	**Police Sergeant (Prior)**	04-0721	1	$66.43
	Appointment before 03/01/2015		2	$69.75
			3	$73.24
			4	$76.90
			5	$80.75

Class Code	Classification Title	Range	Step	Hourly Rate
2521	**Police Sergeant (New)**	05-0721	1	$66.43
	Appointment after 03/01/2015		2	$69.75
			3	$73.24
			4	$76.90

Class Code	Classification Title	Range	Step	Hourly Rate
7500	**Police Corporal**	03-0715	1	$55.12
			2	$57.88
			3	$60.77
			4	$63.81
			5	$67.00

Class Code	Classification Title	Range	Step	Hourly Rate
7510	**Police Officer**	02-0711	1	$52.50
			2	$55.13
			3	$57.89
			4	$60.78
			5	$63.82

Class Code	Classification Title	Range	Step	Hourly Rate
9519	**Police Trainee ***	01-0710	1	$49.88
	** 95% of Step 1 of Police Officer Classification (Provisional Employee with Misc PERS)*			

Reflects General Increase of 2%.

ATTACHMENT 1

Town of Los Gatos POA Classifications
Salary Schedule for Fiscal Year 2022/23
Effective July 10, 2022
Adopted by Town Council June 7, 2022

Class Code	Classification Title	Range	Step	Hourly Rate
2520	**Police Sergeant (Prior)**	04-0721	1	$69.92
	Appointment before 03/01/2015		2	$73.42
			3	$77.09
			4	$80.94
			5	$84.99

Class Code	Classification Title	Range	Step	Hourly Rate
2521	**Police Sergeant (New)**	05-0721	1	$69.92
	Appointment after 03/01/2015		2	$73.42
			3	$77.09
			4	$80.94

Class Code	Classification Title	Range	Step	Hourly Rate
7500	**Police Corporal**	03-0715	1	$58.01
			2	$60.91
			3	$63.96
			4	$67.16
			5	$70.52

Class Code	Classification Title	Range	Step	Hourly Rate
7510	**Police Officer**	02-0711	1	$55.26
			2	$58.02
			3	$60.92
			4	$63.97
			5	$67.17

Class Code	Classification Title	Range	Step	Hourly Rate
9519	**Police Trainee ***	01-0710	1	$52.50
	** 95% of Step 1 of Police Officer Classification (Provisional Employee with Misc PERS)*			

Reflects General Increase of 5.25%.

ATTACHMENT 2

TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 06/07/2022
ITEM NO: 20

DATE: June 2, 2022

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Approve a Labor Agreement Between the Town of Los Gatos and the Town Employees' Association and Authorize the Town Manager to Execute the Memorandum of Understanding

RECOMMENDATION:

Staff recommends that the Town Council approve a Labor Agreement Between the Town of Los Gatos and the Town Employees' Association (TEA) and Authorize the Town Manager to Execute the Memorandum of Understanding .

BACKGROUND:

In accordance with the Town's Employer-Employee Relations Resolution No. 1974-41, representatives of the Town and TEA have met and conferred in good faith and within the scope of representation in an effort to reach agreement for a successor Memorandum of Understanding (MOU). The revised agreement will be posted as an Addendum on June 3, 2022. The MOU is a labor agreement that identifies specific terms and conditions of employment applicable to the employees represented by that agreement.

DISCUSSION:

The Town's current MOU with TEA expires on June 30, 2022. In April 2022, the Town and TEA began negotiating for a successor agreement. A tentative agreement for a two-year term was reached in April and TEA membership ratified on June 2, 2022.

Major provisions of the agreement include and are not limited to:

1. **Term:** July 1, 2022 to June 30, 2024

PREPARED BY: Salina Flores
Human Resources Director

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

DISCUSSION (continued):

2. **Salary:**
    a. Effective the first full pay period of July 2022 (Effective July 10, 2022), or the first full pay period after Council approval, whichever is later, the Town will provide a 3% cost of living adjustment (COLA) and a 5% market increase for a total of 8%. The market increase is intended to bring TEA classifications to or near market median based on data in a compensation survey of the relevant labor market completed by outside consultant Bryce & Associates in April 2022 .
    b. Effective in the first full pay period of July 2023, the Town will provide a 3% cost of living salary increase.
3. **Pandemic Related Bonus:** Effective the first full pay period of July 2022, or the first full pay period after Council approval, whichever is later, all employees who worked for the Town in 2021, who are employed at the Town as of the last day of the pay period will receive a one-time, lump sum payment of $2,500.00.
4. **Juneteenth Holiday:** Effective after Council approval of this MOU, June 19th (Juneteenth) shall be added to Section 29 of the MOU as an observed paid eight (8) hour holiday for employees represented by TEA.
5. **Market Adjustments:** On one occasion during the term of the MOU, upon request by the Union, the Parties agree to meet to discuss elements of future compensation surveys for TEA and ways to collaborate to obtain the best market data for TEA classifications. The parties agree this is not a reopener and any changes to the MOU on this issue would be by mutual agreement of the parties.
6. **Compensatory Time Off (CTO) for Non-Dispatchers**: Increase CTO accrual limit by twenty (20) hours to maximum of eight (80) hours.
7. **Bereavement Leave:** Add Stepchildren, foster children, stepparents/parents in law, and grandchildren.

The Town and TEA have also agreed to various MOU language updates. The red-lined MOU will be posted on Friday, June 3, 2022 as an Addendum. These updates clarify existing language, delete obsolete language, and ensure compliance related to the Town's contract for retirement and medical benefits provided under the California Public Employees' Retirement System (CalPERS) and the Public Employees' Medical
and Hospital Care Act (PEMHCA).

CONCLUSION:

The TEA agreement has been prepared within the parameters provided to Town's negotiators by the Town Council and has been ratified by the TEA membership. It is recommended that the proposal be approved, and the Town Manager be authorized to execute the MOU.

FISCAL IMPACT:

The anticipated fiscal impact for the 3% salary increase ($215,000) and 5% market increase ($290,000) in FY 2022/23 is $505,000. The anticipated fiscal impact of the $1,000 non-pensionable one-time payment and the one-time, lump sum pandemic related bonus payment of $2,500.00 in FY 2022/23 is $210,000.

The total cost impact for FY 2022/23 will be absorbed in the Town's existing operating budget. Funding to support the FY 2023/24 ongoing cost each year will be incorporated into the proposed future year budgets for Council approval.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachment:
1. Salary Schedule for TEA effective July 10, 2022

Town of Los Gatos TEA Classifications
Salary Schedule for Fiscal Year 2022/23
Effective July 10, 2022
Adopted by Town Council June 7, 2022

Class Code	Classification Title	Rate Type	Range TE1	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
4310	Account Technician	Hourly	08	$36.88	$38.72	$40.66	$42.69	$44.82	$47.64
3580	Administrative Assistant	Hourly	04	$30.87	$32.41	$34.03	$35.73	$37.52	$39.98
4620	Assistant Engineer	Hourly	25	$49.12	$51.58	$54.16	$56.87	$59.71	$63.28
4420	Assistant Planner	Hourly	12	$42.71	$44.85	$47.09	$49.44	$51.91	$55.09
4600	Associate Civil Engineer	Hourly	27	$55.88	$58.67	$61.60	$64.68	$67.91	$71.89
4661	Associate Engineering Technician	Hourly	14	$43.02	$45.17	$47.43	$49.80	$52.29	$55.48
4400	Associate Planner	Hourly	20	$49.70	$52.19	$54.80	$57.54	$60.42	$64.02
4410	Building Inspector	Hourly	24	$47.82	$50.21	$52.72	$55.36	$58.13	$61.62
4430	Code Compliance Officer	Hourly	10	$42.76	$44.90	$47.15	$49.51	$51.99	$55.17
4530	Communication Dispatcher	Hourly	17	$45.31	$47.58	$49.96	$52.46	$55.08	$58.41
4535	Communication Dispatcher Lead	Hourly	19	$57.24	$60.10	$63.11	$66.27	$69.58	$73.64
4540	Community Services Officer	Hourly	11	$36.36	$38.18	$40.09	$42.09	$44.19	$46.98
4615	Construction Project Manager	Hourly	26	$53.61	$56.29	$59.10	$62.06	$65.16	$69.00
4660	Engineering Technician	Hourly	13	$39.05	$41.00	$43.05	$45.20	$47.46	$50.41
4705	Environmental Programs Specialist	Hourly	08	$36.88	$38.72	$40.66	$42.69	$44.82	$47.64
4200	Events and Marketing Specialist	Hourly	06	$32.53	$34.16	$35.87	$37.66	$39.54	$42.10
3501	Executive Assistant	Hourly	08	$36.88	$38.72	$40.66	$42.69	$44.82	$47.64
4900	IT Systems Administrator	Hourly	23	$53.24	$55.90	$58.70	$61.64	$64.72	$68.54
4915	IT Technician	Hourly	07	$39.91	$41.91	$44.01	$46.21	$48.52	$51.53
4810	Librarian	Hourly	16	$40.81	$42.85	$44.99	$47.24	$49.60	$52.66
4830	Library Assistant	Hourly	03	$30.13	$31.64	$33.22	$34.88	$36.62	$39.03
4807	Library Customer Service Specialist	Hourly	01	$28.23	$29.64	$31.12	$32.68	$34.31	$36.61
4805	Library Customer Service Supervisor	Hourly	08	$36.88	$38.72	$40.66	$42.69	$44.82	$47.64
4825	Library Specialist	Hourly	06	$32.53	$34.16	$35.87	$37.66	$39.54	$42.10
4819	Library Tech Specialist	Hourly	15	$39.55	$41.53	$43.61	$45.79	$48.08	$51.06
3181	Office Assistant	Hourly	01	$28.23	$29.64	$31.12	$32.68	$34.31	$36.61
4640	Park Services Officer	Hourly	11	$36.36	$38.18	$40.09	$42.09	$44.19	$46.98
4560	Parking Control Officer	Hourly	01	$28.23	$29.64	$31.12	$32.68	$34.31	$36.61
4440	Permit Technician	Hourly	09	$35.53	$37.31	$39.18	$41.14	$43.20	$45.94

Town of Los Gatos TEA Classifications
Salary Schedule for Fiscal Year 2022/23
Effective July 10, 2022
Adopted by Town Council June 7, 2022

Class Code	Classification Title	Rate Type	Range TE1	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
4425	Planning Technician	Hourly	11	$36.36	$38.18	$40.09	$42.09	$44.19	$46.98
4550	Police Records Specialist	Hourly	05	$31.60	$33.18	$34.84	$36.58	$38.41	$40.91
4630	Public Works Inspector	Hourly	18	$44.47	$46.69	$49.02	$51.47	$54.04	$57.32
4450	Senior Building Inspector	Hourly	27	$55.88	$58.67	$61.60	$64.68	$67.91	$71.89
4525	Senior Communication Dispatcher	Hourly	29	$50.76	$53.30	$55.97	$58.77	$61.71	$65.38
4831	Senior Library Page	Hourly	02	$19.85	$20.84	$21.88	$22.97	$24.12	$25.91
4565	Senior Parking Control Officer	Hourly	11	$36.36	$38.18	$40.09	$42.09	$44.19	$46.98
4405	Senior Planner	Hourly	28	$57.24	$60.10	$63.11	$66.27	$69.58	$73.64
4610	Senior Public Works Inspector	Hourly	26	$53.61	$56.29	$59.10	$62.06	$65.16	$69.00
4662	Sr. Engineering Technician	Hourly	24	$47.82	$50.21	$52.72	$55.36	$58.13	$61.62

Reflects General Increase of 8%

TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 06/07/2022
ITEM NO: 20
ADDENDUM

DATE: June 3, 2022

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Approve a Labor Agreement Between the Town of Los Gatos and the Town Employees' Association and Authorize the Town Manager to Execute the Memorandum of Understanding

REMARKS:

Attachment 2 contains the Memorandum of Understanding (redline).

Attachment Distributed with Staff Report:
1. Salary Schedule for TEA effective July 10, 2022

Attachment Distributed this Addendum:
2. Memorandum of Understanding (redline)

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

TOWN OF LOS GATOS

AND

LOS GATOS TOWN EMPLOYEES' ASSOCIATION

MEMORANDUM OF UNDERSTANDING

JULY 1, 2022 – JUNE 30, 2024~~41~~

ATTACHMENT 2

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MEMORANDUM OF UNDERSTANDING
BETWEEN
THE TOWN OF LOS GATOS
AND
THE TOWN EMPLOYEES' ASSOCIATION (T.E.A.)

THIS AGREEMENT IS ENTERED INTO AS OF JULY 1, 2022~~18~~, BETWEEN THE TOWN OF LOS GATOS, HEREINAFTER REFERRED TO AS THE "TOWN", AND THE LOS GATOS "TOWN EMPLOYEES' ASSOCIATION", HEREINAFTER REFERRED TO AS "T.E.A."

Pursuant to Town Resolution 1974-41 of the Town of Los Gatos and Section 3500 et. seq. of the Government Code, the duly authorized representatives of the Town and T.E.A., having met and conferred in good faith concerning the issues of wages, hours, and terms and conditions of employment, as herein set forth, declare their agreement to the provisions of this Memorandum of Understanding.

FOR TOWN EMPLOYEES' ASSOCIATION:

_____
Christine Crosson
Communications Dispatcher Lead

_____
~~Judy Coughlin~~
~~Library Specialist~~Sean Mullin
Senior Planner

_____
Daniel Keough~~Jennifer Armer~~

Librarian
~~Senior Planner~~

_____
Beca Muniz
~~Network Administrator~~IT Systems Administrator

_____
~~Mike Weisz~~
~~Associate Civil Engineer~~

TOWN OF LOS GATOS:

_____
Laurel Prevetti
Town Manager

_____
Arn Andrews
Assistant Town Manager

_____
~~Lisa Velasco~~Salina Flores
Human Resources Director

_____
~~Donna Williamson~~Lisa S. Charbonneau
Liebert Cassidy Whitmore

APPROVED AS TO FORM:

_____
~~Robert Schultz~~Gabrielle Whelan
Town Attorney

_____
~~Catherine Gildea~~
~~Librarian~~

_____
Cheryl Schiele
Employee Representation Services, Inc.

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Appendix A – T.E.A. Salary Schedule
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TOWN OF LOS GATOS
AND THE TOWN OF LOS GATOS EMPLOYEES' ASSOCIATION
MEMORANDUM OF UNDERSTANDING
ON SALARIES, FRINGE BENEFITS AND WORKING CONDITIONS

Preamble

The authorized representatives of the Town of Los Gatos hereafter referred to as the "Town" and the authorized representatives of the Town of Los Gatos Employees' Association hereafter referred to as "T.E.A." do jointly accept and agree to all the terms and conditions of employment set forth in this Memorandum of Understanding pursuant to Town Resolution 1974-41 of the Town of Los Gatos and the Meyers-Milias-Brown Act, Section 3500 et. seq. of the Government Code.

This understanding shall apply to represented employees assigned to those classifications listed on Appendix A. When classifications are created which fall under the representation of T.E.A., this understanding shall also apply. This agreement supersedes all previous agreements between the Town and T.E.A.

The terms and conditions of employment set forth in this understanding have been discussed in good faith by the authorized representatives of the Town and the authorized representatives of the ~~employees.~~T.E.A T.E.A. agrees to recommend acceptance by the employees of all terms and conditions set forth herein. Following said acceptance by T.E.A., authorized representatives of the Town agree to recommend to the Town Council that all terms and conditions set forth herein be approved by resolution. Upon adoption of said resolution, all terms and conditions so incorporated shall become effective without further action by either party.

Term

This Memorandum of Understanding shall commence on July 1, 2022 and terminate on June 30, 2024~~1~~.

Goal

This Memorandum of Understanding (MOU) has been prepared in a spirit of cooperation between T.E.A. and the Town. The purpose of this MOU is to define all presently known issues concerning employment, foster a sense of ~~team work~~teamwork between T.E.A. and the Town, and create conditions under which the highest quality of public service is delivered.

Section 1. Scope of Representation

Employees represented by T.E.A. are those in permanent positions in the classifications listed in Appendix A.

If it should become necessary to reduce the hours of any employee whose classification is listed in Appendix A, such employee's representation by T.E.A. will not be affected. The Town agrees to notify T.E.A. before filling a vacated represented position with an hourly employee.

Section 2. Town Employer-Employee Relations

2.1 T.E.A. Rights

The Town recognizes the employees' right to join and participate in T.E.A. T.E.A. shall provide the Town with a list of T.E.A. officers and department representatives. T.E.A. shall distribute to all new unit employees materials furnished for such purposes by T.E.A.

Upon request of any employee represented by this Agreement, a T.E.A. representative shall be present during meetings involving the individual employee in disciplinary matters. Oral reprimands and performance evaluations are not included in the above. To the extent possible, disciplinary and grievance matters shall be considered during normal working hours and with pay.

T.E.A. representatives shall have access to its members, bulletin boards, and Town mail system on Town time.

During the term of the agreement, ~~as long as~~if there is no disruption in work, up to five (5) T.E.A. members shall be allowed up to two (2) hours of release time off each month with pay for meeting and conferring, meeting and consulting, or the processing of grievances in accordance with the grievance procedure, Section 19 of this MOU. The T.E.A. President shall be allowed up to eight (8) hours for these same purposes. T.E.A. general membership meetings will continue to be held during lunch or after work. Town initiated meetings are not subject to release time limits. Such T.E.A. members shall first obtain permission from Department Directors before leaving their work or work locations.

2.2 Town Employer-Employee Relations Resolution

T.E.A. and the Town recognize the existing language in Town Resolution 1974-41, or its successor as it governs all aspects of labor relations in the Town. Any changes in Resolution 1974-41 which apply to T.E.A. will be made after meeting and consulting with T.E.A.

2.3 Employee Rights

The Town adopts, in principle, the following rights, duties and responsibilities of its employees:

2.3.1

Organize and select leaders and representatives.

2.3.2

Employee and Town actions shall be governed by the MOU, Personnel Rules and Town policies.

2.3.3

At T.E.A.'s request the Town Manager shall meet twice during the term of this Agreement with T.E.A. to discuss matters of employee interest.

2.3.4

Utilization of the Disciplinary Procedure (see Resolution 1974-41 or its successor, if any during the term of this MOU, and Ordinance No. 1593).

2.3.5

Right to request a review of his/her/their classification and receive a response to the request.

2.4 Management Rights

The rights of the Town include, but are not limited to the exclusive right to:

2.4.1

Determine the mission of its constituent departments, commissions and boards;

2.4.2

Set the standards of service;

2.4.3

Determine the procedures and standards of selection for employment and promotion;

2.4.4

Direct its employees;

2.4.5
Take disciplinary action in accordance with adopted disciplinary procedures, recognizing the employee's right to due process;

2.4.6
Relieve its employees from duty because of lack of work or for other legitimate reasons;

2.4.7
Maintain the efficiency of governmental operations;

2.4.8
Determine the methods, means and personnel by which government operations are to be conducted;

2.4.9
Determine the content of job classifications;

2.4.10
Take all necessary action to determine when an emergency exists and to carry out its mission in emergencies including the requirement that employees work overtime. Any question regarding the existence of an emergency is determined by the Town Manager, whose decision shall be final;

2.4.11
Exercise control over its organization and the technology of performing its work;

2.4.12
Refer any question regarding implementation or interpretation of the MOU to the Town Manager or the Human Resources Director for a determination.

Section 3. Comprehensiveness of Agreement

3.1
The Town and T.E.A. agree that this Agreement represents all wages, hours, and working conditions subject to the meet and confer process and available to employees.

3.2
In the event that a local, State or Federal law significantly impacts the terms of this MOU, the Town will meet and consult with T.E.A. regarding its implementation. In some cases, this may occur after the law or rule has been adopted.

Section 4. Savings Clause
If any provision or the application of any provision of this Agreement as implemented should be rendered or declared invalid by any final court action or decree or by reasons of any preemptive legislation, the remaining sections of this Agreement shall remain in full force and effect for the duration of this Agreement.

Section 5. Association Membership

5.1

The Town recognizes the exclusive right of T.E.A. to represent members of the bargaining unit on all matters relating to employment conditions and employer-employee relations subject to an individual employee's right to self-representation as provided by Government Code Sections 3502 and 3503.

5.1.1 Check-Off

T.E.A. shall have the sole and exclusive right to have membership dues deducted from the pay of employees covered by this MOU.

The Town will deduct from the bi-weekly ~~pay check~~paycheck and remit to T.E.A., the normal and regular T.E.A. membership dues. Every effort will be made to remit dues to T.E.A. within two (2) weeks of deduction from members' wages. T.E.A. agrees to indemnify, ~~defend~~defend, and hold the Town harmless against any claims made of any nature and against any suit instituted against the Town arising from the check-off for the dues, ~~insurance~~insurance, or benefit programs of T.E.A.

5.1.2 Maintenance of Membership

T.E.A. membership is not a mandatory condition of employment for any employee covered by this Agreement. However, any employee covered by this Agreement who is a T.E.A. member on or after the date this Agreement is ratified by the T.E.A. membership, shall continue to pay to T.E.A. those dues regularly charged members of T.E.A. in good standing while covered by this Agreement. Employees wishing to withdraw from T.E.A. membership may do so by giving written notice to T.E.A. during the thirty (30) days ~~immediately~~ prior to the expiration of this agreement.

Upon return from leaves of absence, the Town shall reinstate the payroll deduction of T.E.A. dues.

Enforcement of this Section shall be the responsibility of T.E.A., utilizing appropriate civil procedures. T.E.A. shall indemnify and hold the Town harmless from any and all claims, demands or suits, or any other action arising from this Section.

5.1.3 Disclosure and Reporting

T.E.A. shall provide financial documents to the Town as required by law.

5.1.4 Hold Harmless

T.E.A. shall promptly refund to the Town any amounts paid to T.E.A. in error under this Section. T.E.A. expressly agrees to indemnify and hold the Town, ~~it's~~its officers, agents, and employees harmless from any and all claims, demands, costs (including any costs incurred by the Town in defense of a lawsuit) attorneys' fees, expenses, damages, or other monetary losses arising out of or in any way connected with the administration of Section 5. This hold harmless and Indemnity Agreement shall include but not be limited to legal actions of any sort or nature against the Town based upon or related to this Section, including but not limited to actions by employees or former employees.

5.1.5 Duty of Fair Representation

T.E.A. shall accord fair representation in all matters to all employees in the unit without regard to whether the ~~particular employee~~employee is a member of T.E.A. The duty of fair representation shall include but not be limited to all matters related to collective bargaining, contract administration and contractual grievance processing.

5.1.6 Change of Law

In the event there is a change of law whereby any provision contained herein becomes invalid, or for any reason any provision of this Section is rendered unlawful by any published Appellate Court Decision, this Section shall be amended to comply with the change or decision in question.

5.1.7 Non-Discrimination Against T.E.A. Activities

Town and T.E.A. agree not to discriminate against any employee for activity on behalf of, or for membership or lack thereof in T.E.A., provided however, such activity is conducted in accordance with this MOU. This shall not affect the right of the Town to discipline employees for cause in accordance with the Town Code and this MOU. It is understood that Town employees are accountable first and foremost for their duties of employment and T.E.A. activities are not to interfere with the carrying out of those obligations.

Section 6. Non-Discrimination

The Town and T.E.A. agree that all provisions of this Agreement shall be applied equally to all employees covered herein without favor or discrimination because of any protected class including but not limited to race, creed, color, ancestry, sex (sex, gender based pregnancy/childbirth), gender identity and expression, age (over 40), national origin, political or religious affiliation, military and veteran status, marital status, sexual orientation, medical condition or physical or mental disability or any other basis prohibited by applicable federal, State or Town law.

6.1

General Provision Regarding Americans with Disabilities Act (ADA).

6.1.1

Because the ADA requires accommodations for individuals protected under the Act, T.E.A. recognizes the Town's obligation to comply with all provisions of the ADA on a case–by-case basis.

6.1.2

T.E.A. recognizes that the Town has the legal obligation to meet with the individual employee to be accommodated through the interactive process before any adjustment is made in working conditions. T.E.A. will be notified of these proposed accommodations prior to implementation by the Town.

6.1.3

Any accommodation provided to an individual protected by the ADA shall not establish a past practice.

Section 7. Employment

7.1 Step Placement for New Hires

T.E.A. recognizes the sole right of the Town to determine the salary and wage rate for new hires.

7.2 Probationary Period

7.2.1

Probation for New Hires: The probationary period shall be twelve (12) months for all newly hired employees.

7.2.2

Probation for promoted employees: Promoted employees can be considered for satisfactory completion of the probationary period after twelve (12) or six (6) months at the discretion of the Department Director. Promoted probationary employees shall have all rights under this Agreement, full and complete access to the grievance procedure, including instances of suspension, ~~demotion~~demotion, and termination. Any permanent employee not satisfactorily completing the probationary period following a promotion will be reinstated to their previous classification in accordance with the Town Personnel Rules.

7.2.3

All probationary employees will be evaluated quarterly.

7.3 Performance Evaluations

The Town-authorized employee performance evaluation document and program shall be used for all employee evaluations.

7.3.1

It is intended that performance evaluations take place at least annually as follows:

(a) For employees below top step: no later than 15 days prior to the anniversary date of the employee's date of hire or the date the employee entered their classification.

(b) For employees at top step: between June 1st and October 1st of each year.

7.3.2

Employee evaluation forms shall include a section to be checked indicating whether an employee agrees or disagrees with his/her/their evaluation.

7.3.3

All performance evaluations shall be discussed with the employee prior to the evaluation being completed. Employees shall sign their individual performance evaluations as evidence of discussion having taken place; employee signature does not imply agreement with the evaluation. An employee may attach separate written comments to his/her/their evaluation.

7.3.4

If an employee does not receive an evaluation on the date it is due and the supervisor subsequently finds that the employee would have been entitled to a merit increase as of the anniversary date, the merit increase will become effective as of the first day of the pay period in which the anniversary date occurs.

7.3.5

The Town will make every attempt to see that performance evaluations are completed in a timely manner.

7.4 Pay and Classification System

7.4.1

Consideration for advancement from step-to-step within a range shall occur at intervals of one (1) year in length effective on each anniversary date. Each employee shall receive an annual performance evaluation. This evaluation will be the basis for step advancement. Such advancement to the next step shall be authorized if the supervisor and Department Director finds that the employee is satisfactorily performing the duties of their position as reflected on the annual evaluation form.

7.4.2

If the employee's performance is not satisfactory as determined by the supervisor's annual evaluation, the Department Director shall deny advancement to the next step. The Department Director has the option, at their discretion, based on a recommendation by the supervisor, to recognize improving performance by granting or denying a half-step increase in lieu of denying the advancement to the next step for unsatisfactory performance.

7.4.3

If the employee's performance is exceptional as determined by the annual evaluation of the supervisor on the performance evaluation form, the Department Director, with the approval of the Town Manager, has the discretion to grant a two-step or one-and-one-half step increase. It is intended that this be used sparingly so that it can be reserved to recognize the truly exceptional employee who is achieving journey-level status in their classification (i.e., fully capable of performing all duties of the position) and can perform at the same level as an employee with the years of experience required to achieve advancement to the new step if they had advanced one step each year.

7.5 Promotions

7.5.1

The Town and T.E.A. agree that it is in the best interest of both the Town and its employees to foster promotion of incumbent employees. The Town will consider the qualifications of incumbent personnel prior to determining whether an open or promotional examination shall be used to fill a vacancy in T.E.A. represented classifications.

7.5.2

The Town and T.E.A. recognize the Town's sole right to determine the method for the selection of Town employees through either an open or promotional examination process. If a determination is made by the Town that a promotional examination will be used to fill a vacant position, ~~any~~ all qualified employees who participate in the examination process shall be allowed time off from regularly scheduled work ~~in order to~~to participate in the examination process if the examination process is scheduled during the employee's normal work period. There shall be no overtime paid for participation in the examination process.

7.6 Work Day/Week

7.6.1

The normal ~~work day~~workday is defined as no more than eight (8), nine (9), ten (10), eleven (11), or twelve (12) consecutive hours of work time, with a single lunch break. A normal ~~work day~~workday shall be followed by a minimum of ten (10) hours off.

7.6.2

The work week is defined as forty (40) hours of work during any consecutive seven (7) day period. A minimum of one (1) forty-eight (48) hour period without scheduled work shall be provided to each employee during any consecutive seven (7) day period with the exception that employees employed in the Town Library shall not be scheduled less than two (2) consecutive days off within a seven (7) day period more than thirteen (13) times in a calendar year.

7.6.3

Flex-time work schedules consistent with the definitions of normal ~~work day~~workday and normal work week may be assigned by the Town at its sole discretion. Flex scheduling is defined as an occasional adjustment to an employee's work schedule which does not alter the total number of hours scheduled to be worked per week, but simply alters the time of day those hours are worked. The Town shall provide no less than fourteen (14) calendar days' notice to affected employees regarding a change in regular work schedules. Flex-days shall be identified and approved by the Department Director and Town Manager as part of the approval of a flex-time work schedule as well as the designation of the forty-eight (48) hour period without scheduled work. (For holiday refer to 7.7.5.)

7.6.4

Employees may also make requests for temporary changes to their normal work schedule. In those cases, the employee's schedule may change with the approval of the employee's Department Director (e.g. an earlier start and end of shift or a change in the number of hours per day), so long as that change does not result in overtime liability to the Town.

7.6.5

The Town has the discretionary right to alter work schedules without notice during emergency situations.

7.7 Alternative Work Schedule

As an alternative to the normal schedule described in the above section, employees may be granted the option to participate in an Alternative Work Schedule under the following terms and conditions:

7.7.1

An Alternative Work Schedule (AWS) is defined as:

(a) 9/80 Alternate Work Schedule: An employee schedule of nine separate work days for a total of 80 hours during a Town-designated fourteen-day pay period, for which the schedule includes working four 9-hour days and one 8-hour day in one week and working four 9-hour days in the other week. For payroll purposes, the work week will begin and end between 11:00 a.m. and at 1:00 p.m. on each alternating day off in the fourteen-day pay period.

(b) 4/10 Alternate Work Schedule: An employee schedule of eight separate work days for a total of 80 hours during a Town-designated fourteen-day pay period, for which the schedule includes working four 10-hour days in one week and working four 10-hour days in the other week. For payroll purposes, the work week will begin and end at midnight Saturday.

(c) 3/12 Alternative Work Schedule: An employee schedule of seven separate work days for a total of 80 hours during a Town-designated fourteen-day pay period, for which the schedule includes 3 twelve-hour days and 1 four-hour day in one week and 3 twelve-hour days and 1 four-hour day in the other week. For payroll purposes, each employee has a designated start and end time to begin and end their work week.

7.7.2

The Department Director, with the approval of the Town Manager, has the exclusive authority to designate positions eligible to participate in the AWS. The decision of the Department Director regarding designation of eligible positions is final and is not subject to any grievance procedure.

7.7.3

The Department Director and the Town Manager have the exclusive right to terminate the AWS for T.E.A represented employees, individually and/or collectively. The Town is in no way required to meet and confer with the T.E.A. prior to terminating the AWS and termination of the AWS is not subject to any grievance procedure. Participating employees will be provided written notification at least one (1) full pay period prior to termination of the AWS.

7.7.4

Employees who elect to participate in the AWS must receive authorization from their supervisor prior to working any regularly scheduled day off.

7.7.5

An employee assigned to an AWS may use accrued vacation time, accrued compensatory time off, floating holiday or personal leave to make up the difference between the provided eight (8) hours of holiday pay and the actual number of regularly scheduled working hours on a designated holiday. For example, if a holiday falls on a day the employee is scheduled to work nine (9) or ten (10) hours, ~~s/he~~the employee shall receive eight (8) hours of holiday pay and be required to use other accrued leaves to make up the extra one (1) or two (2) hours for that day to fulfill the regularly assigned schedule.

(a) If a holiday occurs on a day that an employee is not scheduled to work, ~~s/he~~the employee shall receive eight (8) hours of floating holiday, which is not subject to cash-out.

(b) An employee who elects to take a regularly scheduled AWS day off shall use accrued leave time (vacation time, accrued compensatory time off, floating holiday, or personal leave) for the number of hours they are regularly scheduled to work (nine (9) hours for 9/80 schedules and ten (10) hours for 4/10 schedules.)

(c) There will be no change in the accrual schedule of maximum accrual level of any paid leaves.

(d) Employees on an AWS will be provided 40 hours of Bereavement Leave, pursuant to the T.E.A. MOU.

(e) A scheduled ~~work day~~workday will include an unpaid meal break of at least one-half hour.

(f) T.E.A.-represented employees are integral to the success of the AWS and understand the ongoing need to meet the operational needs of the Town.

7.7.6

A participating employee may request that their AWS be discontinued by providing written notification to their supervisor at least one (1) full pay period in advance of the termination of the AWS. Changes to an employee's AWS will coincide with the beginning of a pay period.

7.8 Exempt Employees

7.8.1

"Exempt Employee" shall be defined as any executive, administrative, or professional employee as defined by Fair Labor Standards Act (FLSA) that are exempt from the provisions described in Section 11.3 (Overtime). Federal standards concerning exemptions from federal wage and hour laws shall be used as a guide in determining such exemptions.

7.8.2

Exempt Employees shall be designated by the Town.

7.8.3

Employees with the following job titles shall be designated Exempt Employees:

Senior Planner

7.8.4

Exempt Employees shall not be subject to the terms and conditions described in Sections 7.6 (Work Day/Week) and 7.7 (Alternative Work Schedule) or to any provisions of this MOU that are preempted by the Fair Labor Standards Act.

7.8.5

Notwithstanding this provision, exempt employees are eligible to work a flexible schedule including a 9/80 or 4/10 schedule subject to the approval of their supervisor.

7.8.6

The Fair Labor Standards Act (FLSA) allows exempt employees to track time on an hourly basis without disqualifying their exempt status. Therefore, exempt employees who work less than a minimum of 50% of their regularly scheduled hours in a given day shall utilize leave time for those hours not worked.

7.8.7

Exempt employees are expected to work whatever hours necessary in order to meet the performance expectations of their Supervisor or Department Head. With the express approval of the Department Head, employees may be permitted to flex their schedule within the same pay period when a ~~work day~~workday significantly exceeds normal working hours. Flex time is not to be considered compensatory time off. The Town shall not deduct from an exempt employee's accrued leave balances for infrequent partial day absences of less than 4 hours (other than this taken for FSLA intermittent leave purposes).

Section 8. Layoff Policy

8.1 Definitions

For the purposes of this section:

8.1.1
Layoff: Separation of employees from the active work force due to change in the duties, change in the organization or shortage of work or funds.

8.1.2
Temporary/Seasonal/Consultant Employee: An at-will non-benefitted employee who is hired on a temporary basis, usually not to exceed 180 days.

8.1.3
Hourly Employee: An at-will non-benefitted employee who works less than 20 hours per week and not more than 1,000 hours in a fiscal year.

8.1.4
Probationary Employee: Any employee tentatively appointed to a position who is continuing the testing process to determine his/her/their fitness for duty. Probationary employees are new employees of the Town or employees under probationary status because of promotion.

8.1.5
Regular Employee: Benefited employees who successfully complete their probationary period and who regularly work a minimum of 20 to 40 hours per week.

8.1.6
Displaced Employee: A regular employee who is displaced by a more senior regular employee.

8.1.7
Service seniority: Consecutive time served (based upon number of hours worked) as a regular employee of the Town without the employee being reinstated as defined in the Town of Los Gatos Personnel Rules and Regulations, Section 10.6 "Reinstatement". Service seniority will not be earned for standby duty, overtime work, during periods of suspension without pay as a result of disciplinary action, or for non-medical leave without pay. Service Seniority for unpaid military leave will be considered in the manner prescribed by State and Federal law.

8.1.8
Classification Seniority: The length of time (based upon the number of hours worked) the employee has served as a regular employee in a classification including any time spent in a higher classification. Classification seniority will not be earned for standby duty, overtime work, during periods of suspension without pay as a result of disciplinary action, or for non-medical leave without pay. Classification Seniority for unpaid military leave will be considered in the manner prescribed by State and Federal law.

8.1.9
Higher classification: A job classification in the same classification series in which the maximum rate of pay is greater than the maximum rate of pay of the employee's current job classification.

8.2 Town - T.E.A. Cooperative Efforts

8.2.1
When the Town determines that layoffs are imminent, it shall provide written notification to T.E.A. Further, in the spirit of cooperation, the Town or the T.E.A. may request a meeting to jointly discuss alternatives to layoff, including, but not limited to, attrition or a reduction in work hours. Every effort shall be made to fill any vacant position(s) in the Town with qualified laid-off employee(s).

8.2.2

Notwithstanding the effort to work cooperatively, the Town has the exclusive right to determine the methods, means, numbers and kinds of personnel by which services are to be provided. The Town's decision to make a reduction in force and/or layoff an employee(s) is not subject to the duty to meet and confer.

8.3 Order of Layoff & Procedure

8.3.1

Whenever it is determined that a layoff must occur within a job classification, the order of layoff shall be:

(1) temporary/seasonal at-will
(2) hourly at-will
(3) probationary
(4) regular employee

8.3.2

In each type of employment, the employee(s) with the least classification seniority in the affected job classification(s) shall be laid-off first.

8.3.3

In the event that two or more employees in a job classification have the same level of classification seniority, then the employee with the least service seniority with the Town shall be laid-off. If there is no distinction between the service seniority of two or more employees, then the employee with the lowest score on the eligibility list for the current classification shall be laid-off first.

8.4 Displacement Rights

8.4.1

An employee may displace any other employee in a lower classification which they previously occupied if they have more service seniority. For a job classification lower than that in which the employee holds regular status, seniority shall be calculated by adding: (1) classification seniority in higher classifications; (2) classification seniority in the job classification in which the employee previously worked, and (3) present time spent in the job classification in which the employee is currently working.

8.4.2

Employees who are designated for layoff or displacement may elect, in lieu of layoff or displacement, to be reassigned to a position in a lower classification. In order to displace an employee with less classification seniority, the employee noticed for layoff must have held regular status in the classification into which he/she/they is being reassigned. An employee who chooses to exercise their displacement rights must accept the salary, hours and working conditions of their new position. An employee will be allowed only one displacement.

8.4.3

An employee who exercises their displacement rights shall be paid in the new job classification the salary range step closest to the salary range step received immediately prior to displacement, providing there is no increase in salary. If the salary range step in the lower job classification is Step 5 or lower, future salary step adjustment opportunities shall be made in accordance with the Town's Personnel Rules. Time served in the job classification from which the displacement occurred shall count toward the interval required for consideration of salary step advancement.

8.4.4

If an employee with regular status is unable to displace an employee in a lower job classification in which he/she/they held a regular status, he/she/they shall be laid-off.

8.4.5

An employee may request layoff in lieu of the opportunity to displace by notifying the Human Resources Department in writing or email within ten (10) business days after receiving the Town's certified mailing of notice of layoff. If an employee requests layoff in lieu of displacement, he/she/they shall forfeit all recall rights except to a vacancy in the same classification from which the employee was laid-off. In this case, the employee shall be entitled to recall rights for a period of one (1) year from the effective date of the layoff.

8.4.6

A probationary employee who held regular status in his/her/their previous position, and is affected by a layoff or is displaced by an employee exercising his/her/their displacement rights, shall return to his/her/their former job classification where he/she/they held regular status. If a probationary employee does not have regular status in another job classification or has regular status in another job classification which no longer exists, he/she/they will be laid-off without any right of recall.

8.5 Seniority List

At least ten (10) business days prior to mailing a written notice of layoff, the Town shall provide a seniority list notice to affected employee(s) and the current President of the T.E.A. bargaining unit. The seniority list notice shall show the names, classification, classification seniority, service seniority, and the process for reporting discrepancies. The seniority list shall be deemed correct unless an employee or the T.E.A. notifies the Human Resources Director to the contrary in writing within ten (10) business days of the delivery and/or mailing of the seniority list.

8.6 Notification of Layoff

The Town shall send by certified mail, return receipt requested, written notice of layoff to all affected employee(s). Such notice shall be postmarked at least thirty (30) calendar days in advance of the effective date of layoff. The layoff notice shall be mailed to the employee's address currently on file in the Human Resources Department and shall be deemed appropriate notice. Any employee who is on a paid or unpaid leave shall be affected by the layoff in accordance with the provisions of this section and in the same manner as all other employees. With such notice, the employee shall be informed of the rights to which she/he is entitled and the procedure to be followed. A copy of the notice shall also be provided to the current President of T.E.A.

8.7 Re-Employment Following Layoff/Displacement

8.7.1

When a vacancy occurs in a job classification, the laid-off or displaced employee(s) eligible to return to that job classification shall be recalled in the inverse order of layoff. Employees with regular status who were laid-off or displaced are eligible to return to the job classification in which regular status is held, but shall have no recall rights to any job classification in which probationary status was held at the time of layoff or displacement.

8.7.2

Employee(s) shall be entitled to re-employment rights for a period of one (1) year from the effective date of layoff or displacement. To expedite re-employment, more than one (1) laid-off/displaced employee may be notified when an opening occurs. The laid-off/displaced employee(s) will be re-hired in inverse order of layoff. A laid-off/displaced employee shall be required to meet the qualifications of the classification to which he/she/they is recalled.

8.7.3

An employee who exercises their re-employment rights shall be paid the salary range step they received immediately prior to layoff/displacement. Future salary step adjustment opportunities shall be made in accordance with the Town's Personnel Rules. Time served in the job classification since the most recent step increase prior to when the layoff/displacement occurred, shall count toward the interval required for consideration of salary step advancement.

8.7.4

A laid-off/displaced employee shall lose their re-employment rights for: 1) resignation; 2) retirement; 3) failure to return to work when recalled by the Town; 4) when the Town has not recalled an employee to work for a period of one (1) year; or 5) termination for cause.

8.7.5 Laid-off Employees

The effective date of layoff shall be the employee's last day working at the Town. When a vacancy exists and employees are to be re-employed, notice of the opening(s) shall be sent by certified mail, return receipt requested, to the last known address on file in the Human Resources Department. It shall be incumbent upon the laid-off employee to advise the Human Resources Department in writing, via certified mail, return receipt requested, of any change in address. The laid-off employee shall have ten (10) business days, following the certified mailing to notify the Town in writing, via certified mail, return receipt requested, of their intent to return to work.

8.7.6

The laid-off employee shall have a reasonable period of time to return to work, not to exceed thirty (30) calendar days. If the laid-off employee fails to respond to the notice of re-employment within ten (10) business days, or fails to report to work within the reasonable time period as set forth above, he/she/they will forfeit all re-employment rights.

8.7.7 Displaced Employees

The effective date of displacement shall be the employee's last day of work in the classification from which he/she/they is displaced. When a vacancy exists and displaced employees are to be re-employed, notice of the opening(s) shall be sent by certified mail, return receipt requested, to the last known address on file in the Human Resources Department or by hand delivery. It shall be incumbent upon the displaced employee to advise the Human Resources Department in writing of any change in address. The displaced employee shall have five (5) business days, following receipt of certified mailing or hand delivery of notice, to advise the Town in writing of their intent to return to their former position. If the displaced employee fails to respond to the notice of re-employment to former position within five (5) business days of receipt of notice, he/she/they will forfeit all re-employment rights to his/her/their former position.

8.8 Fringe Benefits

Laid-off/displaced employees shall be paid accrued leaves and related benefits in accordance with this Memorandum of Understanding and applicable Town policies and rules. Employees being re-employed who received a sick leave pay off at the time of layoff/displacement, shall have the uncompensated portion of their sick leave balance restored; provided, however, that only those sick leave hours accrued after re-employment shall be applied to sick leave payoff or retiree medical related to a subsequent termination.

Section 9. Outside Employment

The Town and T.E.A. agree that outside employment of full time T.E.A.-represented employees shall be governed by California Government Code Sections 1125 -1128 and that the Town shall develop and apply regulations to assure compliance. Outside employment shall be reviewed and approved by the Department Director and Town Manager on an annual basis.

Section 10. Reclassification

T.E.A. recognizes the sole right of the Town to reclassify positions.

Section 11. Salary and Other Compensation

11.1 Equity Adjustments

In previous contracts, the Town has provided equity adjustments for classifications that were still below market median after providing across-the-board cost of living increases. Eligible classifications received market adjustment effective in the first full pay period of the new contract term.

Effective the first full pay period in July 2022, or the first full pay period after Council approval of this MOU, whichever is later, all classifications will receive an across-the-board market increase of five percent (5.0%), in addition to the cost of living increase described below in Section 11.3.

11.2 Town Compensation Policies

Town and T.E.A. agree that ~~this Agreement has been negotiated to provide equity increases to bring positions that were below market median to the market median. P~~prior contracts were negotiated consistent with ~~Town compensation policies. The~~the following ~~specific~~ Town compensation policies ~~are~~:

11.2.1

Total compensation to be utilized in the analysis of all Town compensation.

11.2.2

Marketplace consideration in establishing compensation.

11.2.3

Average or above-average total compensation for all Town classifications.

11.2.4

No reduction in individual employee total compensation levels.

11.2.5

On one occasion during the term of this MOU, upon request by ~~the Union~~T.E.A., the Parties agree to meet to discuss elements of future compensation surveys for ~~TEA~~T.E.A. and ways to collaborate to obtain the best market data for ~~TEA~~T.E.A. classifications. The parties agree this is not a reopener and any changes to the MOU on this issue would be by mutual agreement of the parties.

11.3 Compensation

T.E.A. salaries are reflected in the salary schedules listed in Appendix A.

Effective the first full pay period in July 2022, or the first full pay period after Council approval of this MOU, whichever is later, the salary rate for all classifications shall be increased by a three percent (3%) cost of living adjustment (COLA).

Effective the first full pay period in July 2023, the salary rate for all classifications shall be increased by three percent (3%).

11.3.1 Contract Ratification Bonus

Effective the first full pay period in July 2022, or the first full pay period after Council approval of this MOU, whichever is later, all employees shall receive a one-time, non-pensionable lump sum payment of one thousand dollars ($1,000).

11.3.2 Pandemic Related Bonus

Effective the first full pay period of July 2022 or the first full pay period after Council approval of the MOU, whichever is later, all employees who worked for the Town in 2021 who are employed at the Town as of last day the pay period will receive a one-time, lump sum payment of $2,500.

11.4 Overtime

11.4.1

When necessary to perform essential work, a Department Director may require an employee to work at any time other than during regular working hours until such work is completed. Overtime is scheduled solely at the discretion of the Town.

11.4.2

An employee directed by his/her/their Department Director or the Town Manager to work in excess of forty (40) hours in a designated work week, shall be compensated at the rate of one and one-half times the employee's regular hourly rate. Hours charged to available paid leave, shall be counted as time worked for computation of overtime payments. Compensatory time cannot be used in the pay period in which it is earned. Compensatory time off shall not be regarded as hours worked for the purposes of overtime calculation.

11.4.3

The Department Director may permit an employee to take compensatory time in lieu of paid overtime. With Department Director approval, employees shall be permitted to accumulate compensatory time only to a maximum of eighty (80) hours. The maximum accumulated compensatory time for Communication Dispatchers only shall be one hundred (100) hours. When the maximum level of compensatory time is reached, overtime shall be paid.

11.4.4

The Town will attempt to avoid scheduling overtime that conflict with an employee's personal plans unless it cannot be avoided.

11.4.5

On or before the pay period which includes December 15 of each calendar year, an employee may make an irrevocable election to cash out up to 40 hours of CTO (in whole hour increments) which will be earned in the following calendar year at one and one half times (1.5) the employee's base rate of pay. On the pay day for the pay period which includes Thanksgiving in the following year, the employee will receive cash for the amount of CTO the employee irrevocably elected to cash out in the prior year. However, if the employee's CTO balance is less than the amount the employee elected to cash out (in the prior calendar year) the employee will receive cash for the amount of CTO the employee has accrued at the time of the cash out.

11.5 Call Back

11.5.1

A minimum of three (3) hours pay or its equivalent in compensatory time off, at the rate of time and one-half, shall be guaranteed for every employee, who, after leaving his/her/their place of duty, is required to return to duty without advance notice of at least fourteen (14) calendar days.

11.5.2

There will be a three (3) hour minimum at the call back overtime rate for Town commission/council meetings which begin (2) two hours or more than either the start of or end of the employee's regularly scheduled shift. At the employee's option but with Department Director's approval, employees may flex their schedule at the straight-time rate in-lieu of the call back provision of this paragraph.

11.6 Deferred Compensation

A Town program of deferred compensation shall be available to T.E.A. represented employees. The Town makes no representation on the merit of the plan or any of the investment products or instruments which may be offered by the plan. The responsibility for evaluating the investment options within the plan is the responsibility of the individual participant. The Town shall not be obligated to offer more than one Deferred Compensation carrier.

11.7 Out-of-Classification Pay

11.7.1

The Town and T.E.A. agree that it is the intent of Town management, whenever possible, to avoid working an employee out of classification for a prolonged period of time. Compensation for out-of-classification work shall be an additional 5% of the regular pay of the employee's permanent classification or the first step of the higher classification, whichever is greater. Out-of-Classification Pay applies only to actual time worked and does not apply to paid leaves.

11.7.2
Employees appointed to work out-of-class will receive out-of-classification pay beginning the first day of the out-of-classification assignment. Performance of duties as a vacation relief does not automatically qualify as out-of-classification.

11.7.3
For purposes of this section, an out-of-classification assignment is defined as the full time performance of the essential functions of an authorized, funded, permanent position in another classification by a qualified employee. "Essential functions" shall be as defined in the Essential Functions section of the appropriate job specification.

11.7.4
Any employee who believes they are working out-of-class may request a review of their classification.

11.7.5
Training programs mutually agreed to by the Town and T.E.A. which are designed to enhance and/or provide career development opportunities shall not be subject to this provision.

11.8 Tuition Reimbursement Program

11.8.1
The Town will reimburse T.E.A. employees up to $3,000 per fiscal year toward the cost of books, university/school fees (except parking) and tuition.

11.8.2
The reimbursement shall be only for courses that are directly related to the employee's position as determined by the Town Manager, including general education courses that are generally related to attainment of a job-related degree or certification. General education courses not generally related to the employee's position will not be eligible for reimbursement. Reimbursement shall be taxed pursuant to State and Federal regulations.

11.8.3
Application for tuition reimbursement shall be made to the Town before the course begins. Prior to reimbursement of costs, all course work must be completed with a passing grade of "C" or equivalent when numerical score or pass/fail is given.

11.8.4
Any employee who terminates employment with the Town within one (1) year from the completion of a class or classes, for which tuition reimbursement was paid shall refund all tuition paid under this provision, unless required to attend by the appointing authority. This section shall not apply in cases involving disability, layoff, or death of the employee, or other unforeseen circumstances as approved by the Appointing Authority on a case-by-case basis.

11.9 Bilingual Incentive Pay

11.9.1
Employees filling classifications specifically requiring bilingual ability and passing the Town's certified examination shall be compensated at 2.5% above the normal compensation range for the regular classification.

11.9.2
The provision of bilingual pay will be evaluated annually in a manner prescribed by the Town, and continued or discontinued based on operational need. The decision as to whether bilingual pay will continue or be discontinued shall be made by the Town Manager, is final and is not subject to grievance or appeal. If bilingual pay is discontinued, the effective date shall be the beginning of the first full pay period in January.

11.10 Uniform Allowance

11.10.1

An initial uniform consisting of all items on the Town-approved list shall be supplied by the Town to new Park Services Officer and Town-designated Community Services Officer and Parking Control Officer employees; thereafter the Town shall provide incumbent Park Services Officer employees with a uniform allowance of $500 per year and designated Community Service Officer and Parking Control Officer employees with a uniform allowance of $400 per year to be paid in the payroll check during January of each year.

The Town shall provide the Building Inspectors and Code Compliance Officers with five (5) polo style shirts bearing an approved Town logo in a brand and color approved by the Town. The Building Inspectors and Code Compliance Officers shall wear the supplied shirts each day at work with pants such as khakis or appropriate jeans.

11.10.2

The uniform allowance will be prorated for new employees, except that new employees shall receive a minimum of one-half (1/2) of the year's uniform allowance if hired after July 1.

In the event that the Police Department requires Communication Dispatchers to wear a uniform, the parties agree to meet and confer over the impacts and effects of this decision.

11.10.3

T.E.A. recognizes the Town's right to specify uniform and demand that employees be in proper uniform at all times.

11.10.4

In the event that an employee who does not receive a uniform allowance damages his/her/their clothing in the performance of his/her/their duties, the employee may submit a claim for reimbursement to his/her/their Department Director for the repair/replacement of damaged articles to the Town.

11.11 POST Certificate

~~Effective beginning in the first full pay period following ratification and approval,~~ Dispatchers who attain the Dispatcher Advanced POST certification shall be eligible for five percent (5%) POST certificate pay. This certificate pay shall be PERSable or not PERSable as determined by PERS.

Section 12. Payroll/Pay Checks

12.1 Payroll Periods

The Town and T.E.A. agree that a biweekly payroll period shall be utilized subject to the following conditions:

12.1.1

Employee pay shall not be withheld more than seven (7) calendar days following the end of the payroll period; however, overtime may appear on the next payroll period if it is worked following the submittal of time sheets, or during a pay period with a Town holiday which requires early submittal of time sheets and early distribution (before Friday) of pay checks.

12.1.2

All Town employees shall be compensated on a biweekly basis.

12.2 Pay Checks

(a) The Town shall provide an optional direct deposit system for use by employees.

(b) Every effort will be made to make pay checks available to employees as soon as checks are signed and ready for distribution.

Section 13. Holidays

13.1

The following shall be observed as eight (8) hour holidays for members of the unit:

January 1st (New Year's Day)
The 3rd Monday in January (Martin Luther King's Birthday)
The 3rd Monday in February (President's Day)
The last Monday in May (Memorial Day)
July 19 (Juneteenth)*
July 4th (Independence Day)
The first Monday in September (Labor Day)
Thanksgiving Day
The Friday following Thanksgiving Day
December 25th (Christmas Day)
Four (4) hours each on December 24 and 31

Every day declared a holiday by the President or Governor, subject to the Mayor also proclaiming the day as a holiday.

*The Juneteenth holiday will go into effect in calendar year 2023. In recognition of Juneteenth 2022, employees in all classifications except Communications Dispatchers and Park Services Officers will receive a one-time, non-pensionable $500 lump sum payment in the first full pay period in July 2022, or the first full pay period after Council approval of this MOU, whichever is later.

13.2

Holidays which fall on Saturday shall be observed on the Friday prior, and holidays which fall on Sunday shall be observed on the following Monday.

13.3 Holiday Compensation

13.3.1

Employees will receive eight (8) hours of regular pay on a Town-recognized holiday. If the employee's scheduled day off occurs on a Town- recognized holiday, the employee will receive eight (8) hours of straight-time holiday pay. In lieu of receiving eight (8) hours of straight-time holiday pay, an employee may elect to receive eight (8) hours of floating holiday hours. This provision will apply to the Juneteenth holiday beginning in calendar year 2023.

13.3.2 Employees Assigned to Work on a Holiday

Employees who are required to work on a Town-recognized holiday will receive their regular salary, plus compensation of one and one-half (1.5) times their regular rate of pay. Employees shall have the option of accepting salary or compensatory time off. This provision will apply to the Juneteenth holiday beginning in calendar year 2023.

13.3.3 Communications Dispatchers and Park Services Officers

Effective the first full pay period of July 2022 or the first full pay period after Council approval of this MOU, whichever is later, Communications Dispatchers and Park Services Officers shall receive compensation in-lieu of holiday time off equal to four and six tenths percent (4.6%) of base salary.

Section 14. Insurance Programs

14.1 Life Insurance

Town to pay premiums on minimum coverage of $50,000 Life and $50,000 Accidental Death benefit. Additional life insurance may be purchased by the employee.

14.2 Disability Insurance

The Town will provide a Short Term Disability policy effective the 8th calendar day unless hospitalized; coverage of 60% of weekly earning up to maximum of $1,300/week for 12 weeks. Long Term Disability benefits begin on the 91st day of disability; coverage of 60% of monthly earnings up to a maximum of $6,000/month.

14.3 Workers' Compensation

Workers' Compensation benefits shall be provided in accordance with State and Federal law. Effective the 31st day of disability, the employee may elect to supplement the State mandated benefits with the Town's Short Term/Long Term Disability Insurance (STD/LTD). STD/LTD benefits will be reduced by the amount of periodic payments the employee is entitled to through Worker's Compensation.

14.4 Liability Insurance

The Town shall continue to maintain a public officials' liability insurance policy covering all Town employees in the execution of their official duties.

14.5 Employee Assistance Program

Premium shall be paid by the Town.

14.6 Unemployment Insurance

The Town will provide State mandated benefits as required by law.

Section 15. Family Medical Insurance and Cash In Lieu Plan

Employees may participate in either the Family Medical Insurance Plan or the Cash In Lieu Plan. Employees shall select either the Family Medical Insurance Plan or the Cash In Lieu Plan annually during the Town's open enrollment period, or at any other time permitted by the Public Employees' Medical and Hospital Care Act (PEMHCA), such as a qualifying event (e.g., birth of a child, marriage, spouse losing medical insurance, etc.).

15.1 Health and Welfare Benefits and Rate of Town Contribution

The Town contracts with CalPERS for the purpose of providing employees and their eligible dependents with medical insurance benefits. The Town's maximum monthly contribution for each eligible active employee shall be equal to the minimum employer contribution required under PEMHCA, currently $149 per month, as may be adjusted by CalPERS from year to year.

15.2 Cafeteria Plan

During the term of the MOU, the Town agrees to maintain a Cafeteria Plan, pursuant to Section 125 of the Internal Revenue Code, for the purpose of providing eligible active employees with access to various health and welfare benefits. Benefits

available through the Cafeteria Plan include medical insurance, dental insurance, and vision insurance.

15.3 Town Contribution to Medical Insurance

The Town will provide active employees with a medical allowance equal to 100% of the cost of the "Employee Only" Kaiser ~~Bay Area~~Region 1 Medical Insurance Program premium offered by PEMHCA. For dependents, Town will pay 90% of the difference between Kaiser Employee Only and Kaiser level of participation (Employee ~~Plus~~ & One Dependent or Employee & Two+ Dependents~~Family~~, depending on family status). If the employee chooses medical coverage under a program more expensive than Kaiser Region 1~~Bay Area~~, the employee will pay the difference between the Town-provided medical allowance and the cost of the more expensive program through payroll deduction.

The Town's contribution towards medical insurance set forth in Section 15.1 (the PEMHCA minimum) will be deducted from the amount of contribution provided by this Section (15.3).

15.4 Dental Insurance

For employees choosing this option in lieu of the cash in lieu plan, the Town will pay 100% of the Delta Dental ~~DPO~~ PPO Plan premium less a $15.00 employee contribution. If the premium cost of the dental plan exceeds the Town contribution, the employee shall pay through payroll deduction the difference between the monthly premium and the amount contributed by the Town. The Town will pay 100% of the premium for employees choosing to participate in the DeltaCare USA Plan.

15.5 Vision Insurance

Vision insurance is available through Vision Service Plan (VSP). Employees shall be enrolled in the Town's vision care health plan. The Town shall pay for employee-only coverage. At their own cost, employees may enroll eligible dependents upon hire, during open enrollment and/or when a qualifying event occurs.

15.6 Cash In Lieu Plan

Employees have the option of choosing all available coverages or, upon providing proof of other medical coverage, may choose to opt out of the Town's coverage and be provided with cash in lieu.

Employees who choose to receive the cash in lieu must first show proof of alternative minimum essential medical coverage for the employee and employee's tax family (individuals for whom the employee expects to claim a personal exemption deduction). Individual coverage, and individual coverage from Covered California does not qualify as alternative minimum essential coverage under this section. Employees must provide reasonable evidence of alternative minimum essential coverage each plan year, during open enrollment. The Town will not make the cash payment if it knows or has reason to know that the employee or tax family does not have alternative minimum essential coverage. Any amount received in cash is taxable. Employees choosing to receive taxable cash will have the option of receiving it in two equal amounts in December and June, or the first two paychecks of each month (24 times a year).

15.6.1 Amounts

(a) Employees hired prior to November 15, 2004 shall be provided cash in lieu of medical benefits in the amount of $800 per month ($9,600 annually).

(b) Employees hired on November 15, 2004 or later shall be provided cash in lieu of medical benefits in the amount of $400 per month ($4,800 annually).

15.7 Retiree Health

The Town provides retiree health benefits in accordance with the PEMHCA for employees who qualify as eligible PERS retirees who receive a PERS retirement allowance and are PEMHCA annuitants entitled to such benefits under the PEMHCA.

The Town's maximum monthly contribution for each eligible annuitant shall be equal to the minimum employer contribution required under the PEMHCA, currently $149 per month, as may be adjusted by CalPERS from year to year. The provisions of PEMHCA will govern medical insurance coverage for annuitants.

15.8 ~~Health Reimbursement Account (HRA)~~Retiree Health Benefit for Eligible Retirees Hired before August 22, 2018

An employee hired prior to August 22, 2018 (this includes employees ~~, or~~ provided with a final offer and confirmation of employment prior to August 22, 2018)~~ratification and approval of this agreement~~, is eligible for HRA retiree health benefits in accordance with this Section.

15.8.1

The employee completed at least five years of continuous service with the Town; and

15.8.2

The employee retired from the Town taking a service or disability retirement from CalPERS as a retiree receiving a PERS retirement allowance and is a PEMHCA annuitant; and,

15.8.3

The employee must actually draw a CalPERS pension within ninety (90) days of separation from the Town, provided the employee remains with the Town's health plan through COBRA.

15.8.4

The amount of the supplemental retiree health benefit allowance will be equal to 100% of the cost of the premium for Kaiser ~~Bay Area~~Region 1 Retiree Only and 90% of the difference between the Kaiser ~~Bay Area~~Region 1 Retiree Only and Kaiser ~~Bay Area~~Region 1 Retiree & ~~Plus~~ One Dependent level of participation.. For the Retiree & Two Plus Dependents~~One or More~~ Plan, the Town will pay $1,947.16 per month, as of the 2022 plan~~y~~ year. This amount will increase by $100.00 each year until it is equal to the active employee contribution. ~~dependents, the Town will pay $1,443.45 per month towards a Retiree Plus One plan and $1,547.16 per month towards a Retiree Plus One or More plan, as of August 22, 2018. This amount will increase by $100.00 each year until it is equal to the active employee contribution~~.

15.8.5

The Town's contribution towards retiree health insurance set forth in Section 15.7 (the PEMHCA minimum) will be deducted from the amount of contribution provided by this Section (15.8.4).

15.8.6

Employees retiring on or after February 1, 2016 and upon becoming eligible for Medicare will cease to receive any retiree health benefit allowance under this Section (15.8.4) and will become eligible for Supplemental Medicare equal to the cost of Kaiser Senior Advantage ~~Bay Area~~Region 1 Medicare rates up to a maximum of 100% Retiree Only, 90% for Retiree & ~~Plus~~ One Dependent or 90% for Retiree & Two Plus ~~One or More~~Dependents less the amount of the employee contribution provided under Section 15.7 (the PEMHCA minimum). This benefit is available to the eligible retired employee only after he or she has reached the age of 65 and is Medicare eligible or as otherwise specified by law.

15.8.7

The benefits described by this Section (15.8) will be provided to annuitants through CalPERS by means of a Health reimbursement Account (HRA).

Section 16. Public Employees' Retirement System (PERS)

16.1 Retirement Formulas

16.1.1

Effective December 16, 1992, the Town's contract with the Public Employees' Retirement System (PERS) provided the 2% at 55 retirement formula for eligible Miscellaneous Town employees (regular employees).

16.1.2 Tier 1

Effective July 1, 2008, the Town amended its contract with PERS to include a 2.5% at 55 PERS retirement benefit (Gov't Code 21354.4).

Employees in Tier 1 shall:

Contribute 8% towards the employee share of the PERS retirement benefit.
Use PERS single highest year compensation.

- Be eligible for PERS Fourth Level 1959 Survivor Benefits.

16.1.3 Tier 2

For employees hired on or after September 15, 2012, including employees hired after January 1, 2013 who do not meet the definition of "new member" under Gov't Code 7522.04(f) the Town will provide Tier 2 retirement benefits to include the 2% at 60 retirement benefit (Gov't Code 21353).

Employees in Tier 2 shall:

Contribute 7% towards the employee share of the PERS retirement benefit.

- Use PERS 36-month final average compensation.
- Be eligible for PERS Fourth Level of 1959 Survivor benefits.

16.1.4 Tier 3

For employees hired on or after January 1, 2013, who meet the definition of new member under Gov't Code 7522.04(f), the Town will provide Tier 3 benefits to include the 2% at 62 retirement benefit.

Employees in Tier 3 shall:

Contribute an amount that is equal to one half (1/2) the normal cost of ~~his/her~~his/her/their CalPERS pension, or the current contribution rate of similarly situated employees, whichever is greater (Gov't Code 7522.30(c)).

- Use the 36-month final average compensation (Gov't Code 20037).
- Be eligible for PERS Fourth Level of 1959 Survivor benefits.

16.2

The Town has adopted a Resolution materially the same as that recommended by the Public Employees' Retirement System to implement the provisions of 414 (h)(2) of the Internal Revenue Code (IRC). T.E.A. accepts the terms of this Resolution and acknowledges that this Resolution will apply to all current and future members of T.E.A.

Section 17. Benefits Accrual/Payment

There shall be no accrual or payment of benefits during unauthorized leave, suspension without pay, or leave without pay except as mandated by the state or federal law.

Section 18. Vacation and Leaves

18.1 Vacation Scheduling

All vacation scheduling is subject to the approval of the Town. Employees are required to request time off in advance. The earlier requests are submitted, the greater likelihood the request will be honored.

Every attempt will be made by the Town to honor pre-approved vacations. If a pre-approved vacation is canceled due to the scheduling needs of the Town, the Town will reimburse the employee for verified deposits for non-reimbursable reservations. All verifications must be submitted prior to the vacation formally being canceled.

18.2 Vacation Accrual

All employees hired by the Town and represented by T.E.A. during the term of this agreement shall accrue vacation hours as follows:

0 to 36 months	10 days per year (3.08 hours per pay period)
37 to 60 months	16 days per year (4.92 hours per pay period)
61 to 120 months	21 days per year (6.46 hours per pay period)
121 to 180 months	23 days per year (7.08 hours per pay period)
181 months & over	25 days per year (7.70 hours per pay period)

18.2.1

Maximum accrual shall be 310 hours. If an employee has reached the maximum accrual level, no more vacation will be accrued until the accrual level is reduced below the maximum amount.

18.2.2 Vacation Cash-Out

On or before the pay period which includes December 15 of each calendar year, an employee may make an irrevocable election to cash out up to one hundred and sixty (160) hours of accrued vacation (in whole hour increments) which will be earned in the following calendar year at the employee's base rate of pay. On the pay day for the pay period which includes Thanksgiving in the following year, the employee will receive cash for the amount of the vacation the employee irrevocably elected to cash out in the prior year. However, if the employee's vacation leave balance is less than the amount the employee elected to cash out in the prior calendar year the employee will receive cash for the amount of vacation leave the employee has accrued at the time of the cash out.

18.3 Sick Leave

Sick leave shall accumulate at the rate of eight (8) hours per month (3.70 hours per pay period); to a maximum of one-thousand (1,000) hours. The Town may require T.E.A. represented employees to provide a doctor's statement as proof of illness for any use of sick leave beyond one (1) working day.

18.4 Sick Leave Cash-Out Program

This program applies only to employees hired before August 22, 2018 or provided with a final offer confirmation of employment prior to ratification and approval of this agreement.

18.4.1

Employees who terminate employment with the Town, or once a year in the first payroll check of December, following compliance with this contract and the cash-out process for active employees may cash-out their accumulated sick leave as follows:

1 - 59 months of service at 25%
60 - 119 months of service at 37.5%
120 months or more of service at 50%

Cash out process for active employees: On or before the pay period which includes December 15 of each calendar year, an employee may make an irrevocable election to cash out sick leave in accordance with the above amounts and the requirements of section 18.4.2 below. Eligible cash out hours will be cashed out in whole hour increments which will be earned in the following calendar year at the employee's base rate of pay. In the first payroll check of December in the following year, the employee will receive cash for the amount of the eligible sick leave the employee irrevocably elected to cash out in the prior year. However, if the employee's sick leave balance is less than the amount the employee elected to cash out in the prior calendar year the employee will receive cash for the amount of sick leave the employee has accrued at the time of the cash out contingent upon compliance with 18.4.2.

18.4.2

In order to be eligible for the sick leave cash-out program, an employee must have a sick leave accrual balance of at least 150 hours after the annual cash-out. Employees working less than full-time shall have the 150 hour balance pro-rated, based on hours worked. Employees who terminate with a sick leave balance of at least 150 hours may cash-out their entire balance pursuant to the schedule above.

18.4.3

All employees hired prior to November 15, 2004 who retire may convert up to 100% of this accumulated sick leave to a dollar equivalent at their hourly rate of pay at the time of retirement. This amount shall be held in an account. The employee's portion of medical payment will be withheld from their monthly retirement payment by PERS. The Town agrees to pay the retiree quarterly on the first pay period of January, April, July, and October of each year after retirement. The first payment will be prorated to the nearest quarter. The retiree's portion of medical payments will be paid from this account by the Town until all monies are depleted from the account or the retiree dies, whichever occurs first.

18.4.4

This account will not accrue interest and will not be paid in cash to the retiree or any beneficiaries. The retiree shall be responsible for 100% of their share of future medical insurance payments once the account is exhausted.

18.5 Personal Leave

Twenty-four (24) hours will be available per calendar year. Personal leave may not be accumulated from year-to-year nor is it subject to cash-out at any time.

Exempt employees are eligible for an additional twenty-four (24) hours of personal leave for (a maximum of forty-eight (48) hours) each calendar year.

18.6 Medical/Maternity/FMLA/CFRA

The Town recognizes that State Government Code 12945 requires the recognition of maternity as a bona fide non-job-related disability with applicable leave benefits. The Town also recognizes State Government Code 12945.2 and Federal Government Code 29 regarding the Family and Medical Leave Act. The Town may, at its discretion, approve leave beyond the specific amount provided by the law.

18.7 Bereavement Leave

A maximum of forty (40) hours is available for death of each member of the immediate family. Immediate family is defined as parent, step-parent, parent in law, spouse/domestic partner, child, step-child, foster child, dependent, sibling, grandparent, step-grandparent, and grandchild.

18.8 Disaster Leave

Leave will be available for employees for disasters declared by Federal, State, County, or Town officials if those disasters affect all or a portion of the area within twenty (20) miles of Town Hall. Leave is subject to scheduling by the Town. Employees shall be allowed to charge time off to any accrued leaves.

18.9 Military Leave

Military leave and benefits shall be granted in accordance with State and Federal law, including the continuation of employee salary and benefits.

18.10 Jury Duty

Employee salary and benefits are to be continued during periods of Court-assigned jury duty. If an employee receives compensation from the Courts, the employee shall return to the Town all compensation received for jury duty, except mileage or travel related compensation.

18.11 Leave Without Pay

18.11.1

Leave without pay shall be subject to approval of the Department Director.

18.11.2

An employee who is on leave without pay for more than two (2) pay periods shall not earn any employment benefits (including, but not limited to such benefits as vacation leaves, medical benefits, sick leaves, retirement credits for time employed or seniority entitlement of any kind) for the duration of such leave. An employee who is on leave without pay for more than (2) pay periods will have the ability to continue medical, dental and vision coverage at their own expense in accordance with the Town's Administrative Policy on benefit retention.

18.11.3

Vacation, sick leave or time worked shall not be used intermittently during an extended leave to interrupt a determination that an employee is on leave with no pay. In accordance with State Government Code 12945 and 12945.2 and Federal Government Code 29, Section 26.01, 26.54, no employee on maternity or family leave will be disadvantaged with respect to seniority entitlement.

18.12 Leave Balances

18.12.1

Vacation, and compensatory time off will be paid ~~off~~ upon resignation, retirement, or dismissal at 100% value effective the last full work-day with the Town. This will terminate the employee's status as an employee of the Town. Sick leave shall be cashed out per Section 18.4.1.

18.12.2

In the event of an employee's death, accrued vacation and compensatory time leave balances shall be paid to the employee's estate. Sick leave shall be paid to the estate per Section 18.4.1.

18.13 Catastrophic Time Bank

If an employee, or an employee's spouse/domestic partner, or child becomes catastrophically ill or injured, the employee may request that a catastrophic time bank be established. If the employee is not capable, a Department Director, after consulting with and receiving approval from an employee's family member, may request that a catastrophic time bank be established. The request shall be in writing and shall be directed to the Human Resources Director. The bank will enable other employees to donate accrued CTO or vacation to the requesting employee. All donations must be made in writing on a form prescribed by the Town and shall be limited to no more than four (4) hours per donation, in one (1) hour increments. Time donated will be calculated at the donor's hourly rate of pay. Donations to an established catastrophic time bank are final and shall not be returned to the donor.

Section 19. Grievance Procedure

Grievances shall be defined as alleged violations of this Agreement or disputes regarding interpretations, application, or enforcement of this Agreement.

No act or activity which may be grievable may be considered for resolution unless a grievance is filed in accordance with the procedure contained herein within thirty (30) calendar days of the date the grievable activity occurred or the date the employee could reasonably have known such activity occurred.

19.1

The parties agree that all grievances will be processed in accordance with the following procedure:

Step 1

Any employee who has a grievance shall first try to get it settled informally through discussion with his/her/their immediate supervisor without undue delay. Every effort shall be made to find an acceptable solution at the lowest possible level of supervision. If the employee is not satisfied with the informal resolution, then a formal grievance must be filed within thirty (30) calendar days of the date the grievable activity occurred or the date the employee could reasonably have known such activity occurred.

Step 2

If, after such discussion the employee does not believe the grievance has been satisfactorily resolved, he/she/they may file a formal appeal in writing to his/her/their Department Director within ten (10) calendar days after receiving the informal decision of his/her/their immediate supervisor.

The Department Director receiving the formal appeal shall enter his/her/their written decision within ten (10) calendar days after receiving the appeal.

Step 3

If, after receipt of the written decision of the Department Director the employee is still dissatisfied, he/she/they may appeal the decision of the Department Director to the Town Manager. Such appeal shall be made by filing a written appeal to the Town Manager within fourteen (14) calendar days after receipt of the written decision of the Department Director. The Town Manager shall review the decision of the Department Director, and render his/her/their decision within thirty (30) calendar days after the appeal is made.

Step 4

If, after receipt of the written decision of the Town Manager the employee is still dissatisfied, he/she/they may appeal the decision of the Town Manager to the Personnel Board. Such appeal shall be made by filing a written appeal to the Chair of the Personnel Board within fourteen (14) calendar days after receipt of the written decision of the Town Manager.

The Personnel Board shall establish a hearing date within thirty (30) calendar days of receipt of the written appeal. The Personnel Board shall conduct a closed hearing giving opportunity for presentation by the employee or his/her/their representative and the Town Manager. The Personnel Board shall render a written decision within thirty (30) calendar days after the appeal is made. If, after receipt of the written decision of the Personnel Board, the employee is still dissatisfied, he/she/they may appeal the decision of the Personnel Board to the Town Council. Such appeal shall be made by filing a written appeal with the Mayor. The Mayor shall schedule a closed hearing with the Town Council within thirty (30) calendar days after receipt of the appeal. At this hearing, the employee and the Town Manager may make presentations. The Town Council decision shall be final. The Town Council shall render a decision within thirty (30) calendar days after the hearing. An open hearing may be conducted by the Personnel Board or Town Council with mutual consent of the Town and person(s) filing the grievance.

19.2

The time limitations for filing and responding to grievances may be waived or extended by written mutual agreement of the parties. If either party to the grievance so requests, an informal hearing shall be conducted at the Department Director or Town Manager appeal levels. Employees may be represented by counsel or other person at any stage in the grievance process.

19.3

If the employee does not receive a response from the supervisor or Department Director within the time limits specified in steps 1 and 2 above, the grievance will proceed for review to the next level in the grievance procedure.

Section 20. Miscellaneous Issues

20.1 Benefit Application

Employee benefits shall be prorated to a level equal to the regularly scheduled hours. For example, an employee working a regular schedule of 32 hours per week will earn 80% of the benefits provided to an employee working a regular schedule of 40 hours per week.

20.2 Personnel Rules

It is the Town's intent to make the Personnel Rules readily available. In this regard the Rules will be available on line and in the Town Clerk's Office.

20.3 Disciplinary Rules

In regard to Disciplinary Rules, refer to Sections 12 and 13 of the Town's Personnel Rules.

20.4 Mileage Reimbursement

Employees using personal vehicles on official Town business shall be reimbursed at the mileage rate established by the I.R.S. Private vehicles used for Town business shall comply with all applicable California Vehicle Code Sections commencing with Section 16430 through 16484 pertaining to "Insurance or Proof of Ability to Respond to Damages."

Section 21. Terms Specific to Communications Dispatcher

Training pay: Communication Dispatchers assigned to train and evaluate newly hired Communication Dispatchers will receive a premium pay of 5% for the actual hours worked while providing authorized training.

In addition, sections in the agreement specific to Communications Dispatchers include (1) Overtime section 11.4.3 and (2) Holiday Compensation section 13.3.3.

Section 22. Town Vehicles

Town vehicles are not to be taken home.

Section 23. Closure Days with Paid Leave Allowed

T.E.A. understands that the Town Manager, for budgetary constraints or for operational efficiency, may close all nonessential services and permit employees to use paid leaves. For example, the Town Manager may institute the closure of nonessential services between the Christmas and New Years' holidays. The Town Manager shall provide at least six-months advance notice prior to making the decision to institute closure of non-essential services between the Christmas and New Years' holidays. However, nothing in this section shall restrict the Town Manager's right to make the decision to institute the closure of non-essential services between Christmas and New Year's with less notice where unforeseen circumstances occur.

In regards to these closure days:

23.1

Employees performing essential services and scheduled to work on the Closure Days will receive straight-time pay for hours worked, unless the hours worked represent overtime (more than forty [40] hours per week).

23.2

At their election, employees who are not scheduled to work may utilize accrued paid vacation, compensatory time off, or personal leave to cover the closure hours. Leave must be requested in the manner provided in the MOU. Employees who use paid leave will accrue sick leave, vacation and CalPERS credit while on leave.

23.3

While employees have the option to utilize paid vacation, compensatory time off, or personal leave, they are also permitted to take leave without pay (LWOP). Employees who take LWOP will maintain their health, life and disability insurance, as well as any medical cash allocations. Employees who utilize LWOP will not accrue sick leave, vacation or CalPERS credit while on LWOP.

23.4

If an employee requests to work during the closure days due to hardship (e.g., the employee is out of leave and is financially unable to take time without pay), the Department Director will first try to assign the employee in their own department. If a suitable assignment is not available in the employee's own department, the Town Manager maintains the management right to place the employee in an alternative assignment for the closure period.

If an employee requests to work during the closure days the Department Director will approve the request to work in their regular assignment unless there is a concern about the safety of the employee that cannot be adequately addressed. However, the Town Manager maintains the management right to place the employee in an alternative assignment for the closure period.

23.5

The Town Manager maintains the management right to determine essential and nonessential services.

Section 24. Complete Agreement

The parties acknowledge that during the negotiations that resulted in this MOU, each had the unlimited right and opportunity to make proposals with regard to the terms and conditions of employment, and that the understandings and agreements contained in this MOU were arrived at after that full opportunity. This MOU may only be amended during its term by the parties' mutual agreement in writing unless compelled by State or Federal law. This MOU is intended to encompass all matters subject to meeting and conferring between the Town and T.E.A., and it supersedes and replaces any and all past practices, whether directly referred to or otherwise addressed in any way in this MOU.

Section 25. Successor MOU

The Town and T.E.A. agree that an initial meet and confer regarding the negotiations for a successor MOU shall take place no later than 120 days prior to the termination date of the current Memorandum of Understanding.

The Town will pay for training in interest-based bargaining for the negotiating teams and to provide a neutral third-party facilitator, mutually agreed to by the parties.

Town of Los Gatos TEA Classifications
Salary Schedule for Fiscal Year 2022/23
Effective July 10, 2022
Adopted by Town Council June 7, 2022

Class Code	Classification Title	Rate Type	Range TE1	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
4310	Account Technician	Hourly	08	$36.88	$38.72	$40.66	$42.69	$44.82	$47.64
3580	Administrative Assistant	Hourly	04	$30.87	$32.41	$34.03	$35.73	$37.52	$39.98
4620	Assistant Engineer	Hourly	25	$49.12	$51.58	$54.16	$56.87	$59.71	$63.28
4420	Assistant Planner	Hourly	12	$42.71	$44.85	$47.09	$49.44	$51.91	$55.09
4600	Associate Civil Engineer	Hourly	27	$55.88	$58.67	$61.60	$64.68	$67.91	$71.89
4661	Associate Engineering Technician	Hourly	14	$43.02	$45.17	$47.43	$49.80	$52.29	$55.48
4400	Associate Planner	Hourly	20	$49.70	$52.19	$54.80	$57.54	$60.42	$64.02
4410	Building Inspector	Hourly	24	$47.82	$50.21	$52.72	$55.36	$58.13	$61.62
4430	Code Compliance Officer	Hourly	10	$42.76	$44.90	$47.15	$49.51	$51.99	$55.17
4530	Communication Dispatcher	Hourly	17	$45.31	$47.58	$49.96	$52.46	$55.08	$58.41
4535	Communication Dispatcher Lead	Hourly	19	$57.24	$60.10	$63.11	$66.27	$69.58	$73.64
4540	Community Services Officer	Hourly	11	$36.36	$38.18	$40.09	$42.09	$44.19	$46.98
4615	Construction Project Manager	Hourly	26	$53.61	$56.29	$59.10	$62.06	$65.16	$69.00
4660	Engineering Technician	Hourly	13	$39.05	$41.00	$43.05	$45.20	$47.46	$50.41
4705	Environmental Programs Specialist	Hourly	08	$36.88	$38.72	$40.66	$42.69	$44.82	$47.64
4200	Events and Marketing Specialist	Hourly	06	$32.53	$34.16	$35.87	$37.66	$39.54	$42.10
3501	Executive Assistant	Hourly	08	$36.88	$38.72	$40.66	$42.69	$44.82	$47.64
4900	IT Systems Administrator	Hourly	23	$53.24	$55.90	$58.70	$61.64	$64.72	$68.54
4915	IT Technician	Hourly	07	$39.91	$41.91	$44.01	$46.21	$48.52	$51.53
4810	Librarian	Hourly	16	$40.81	$42.85	$44.99	$47.24	$49.60	$52.66
4830	Library Assistant	Hourly	03	$30.13	$31.64	$33.22	$34.88	$36.62	$39.03
4807	Library Customer Service Specialist	Hourly	01	$28.23	$29.64	$31.12	$32.68	$34.31	$36.61
4805	Library Customer Service Supervisor	Hourly	08	$36.88	$38.72	$40.66	$42.69	$44.82	$47.64
4825	Library Specialist	Hourly	06	$32.53	$34.16	$35.87	$37.66	$39.54	$42.10
4819	Library Tech Specialist	Hourly	15	$39.55	$41.53	$43.61	$45.79	$48.08	$51.06
3181	Office Assistant	Hourly	01	$28.23	$29.64	$31.12	$32.68	$34.31	$36.61
4640	Park Services Officer	Hourly	11	$36.36	$38.18	$40.09	$42.09	$44.19	$46.98
4560	Parking Control Officer	Hourly	01	$28.23	$29.64	$31.12	$32.68	$34.31	$36.61
4440	Permit Technician	Hourly	09	$35.53	$37.31	$39.18	$41.14	$43.20	$45.94

Town of Los Gatos TEA Classifications
Salary Schedule for Fiscal Year 2022/23
Effective July 10, 2022
Adopted by Town Council June 7, 2022

Class Code	Classification Title	Rate Type	Range TE1	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
4425	Planning Technician	Hourly	11	$36.36	$38.18	$40.09	$42.09	$44.19	$46.98
4550	Police Records Specialist	Hourly	05	$31.60	$33.18	$34.84	$36.58	$38.41	$40.91
4630	Public Works Inspector	Hourly	18	$44.47	$46.69	$49.02	$51.47	$54.04	$57.32
4450	Senior Building Inspector	Hourly	27	$55.88	$58.67	$61.60	$64.68	$67.91	$71.89
4525	Senior Communication Dispatcher	Hourly	29	$50.76	$53.30	$55.97	$58.77	$61.71	$65.38
4831	Senior Library Page	Hourly	02	$19.85	$20.84	$21.88	$22.97	$24.12	$25.91
4565	Senior Parking Control Officer	Hourly	11	$36.36	$38.18	$40.09	$42.09	$44.19	$46.98
4405	Senior Planner	Hourly	28	$57.24	$60.10	$63.11	$66.27	$69.58	$73.64
4610	Senior Public Works Inspector	Hourly	26	$53.61	$56.29	$59.10	$62.06	$65.16	$69.00
4662	Sr. Engineering Technician	Hourly	24	$47.82	$50.21	$52.72	$55.36	$58.13	$61.62

Reflects General Increase of 8%

TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 06/07/2022
ITEM NO: 21

DATE: June 2, 2022

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Approve a Labor Agreement Between the Town of Los Gatos and the American Federation of State, County, and Municipal Employees and Authorize the Town Manager to Execute the Memorandum of Understanding

RECOMMENDATION:

Staff recommends that the Town Council approve a Labor Agreement between the Town of Los Gatos and the American Federation of State, County, and Municipal Employees (AFSCME) and authorize the Town Manager to execute the Memorandum of Understanding.

BACKGROUND:

In accordance with the Town's Employer-Employee Relations Resolution No. 1974-41, representatives of the Town and AFSCME have met and conferred in good faith and within the scope of representation in an effort to reach agreement for a successor Memorandum of Understanding (MOU). The revised agreement will be distributed and posted on June 3, 2022 as an Addendum to this report. The MOU is a labor agreement that identifies specific terms and conditions of employment applicable to the employees represented by that agreement.

DISCUSSION:

The Town's current MOU with AFSCME expires on June 30, 2022. In March 2022, the Town and AFSCME began negotiating for a successor agreement. A tentative agreement for a two-year term was reached in April and AFSCME membership ratified on April 29, 2022.

PREPARED BY: Salina Flores
Human Resources Director

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

DISCUSSION (continued):

Major provisions of the agreement include and are not limited to:

1. **Term:** July 1, 2022 to June 30, 2024
2. **Salary:**
    a. Effective the first full pay period of July 2022 (effective July 10, 2022), or the first full pay period after Council approval, whichever is later, the Town will provide a 3% cost of living adjustment (COLA) and a 4.5% market increase for a total of 7.5%. The market increase is intended to bring AFSCME classifications to or near market median.
    b. Effective in the first full pay period of July 2023, the Town will provide a 3% salary increase.
3. **Pandemic Related Bonus:** Effective the first full pay period of July 2022, or the first full pay period after Council approval, whichever is later, all employees who worked for the Town in 2021, who are employed at the Town as of the last day of the pay period will receive a one-time, lump sum payment of $2,500.
4. **Juneteenth Holiday:** Effective after Council approval of this MOU, June 19th (Juneteenth) shall be added to Section 29 of the MOU as an observed paid eight (8) hour holiday for employees represented by AFSCME.
5. **Tuition Reimbursement:** The Town will reimburse AFSCME employees up to $3,000 per fiscal year toward the cost of books, university/school fees (except parking) and tuition for courses directly related to the employee's position as determined by the Town Manager. Prior to reimbursement, all course work must be completed with a passing grade of "C" or equivalent

The Town and AFSCME have also agreed to various MOU language updates. The MOU will be distributed and posted on June 3, 2022 as an Addendum to this report. These updates clarify existing language, delete obsolete language, and ensure compliance related to the Town's contract for retirement and medical benefits provided under the California Public Employees' Retirement System (CalPERS) and the Public Employees' Medical and Hospital Care Act (PEMHCA).

CONCLUSION:

The AFSCME agreement has been prepared within the parameters provided to Town's negotiators by the Town Council and has been ratified by the AFSCME membership. It is recommended that the proposal be approved, and the Town Manager be authorized to execute the MOU.

FISCAL IMPACT:

The anticipated fiscal impact for the 3% cost of living increase ($46,000) and, 4.5% market increase ($133,000) in FY 2022/23 is $179,000. The anticipated fiscal impact of $1,000 non-pensionable one-time payment and the one-time, lump sum pandemic related bonus payment of $2,500 in FY 2022/23 is $38,500.

FISCAL IMPACT (continued):

The total cost impact for FY 2022/23 will be absorbed in the Town's existing operating budget. Funding to support the FY 2023/24 ongoing cost each year will be incorporated into the proposed future year budgets for Council approval.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachment:

1. Salary Schedule for AFSCME effective July 10, 2022

Town of Los Gatos AFSCME Classifications
Salary Schedule for Fiscal Year 2022/23
Effective July 10, 2022
Adopted by Town Council June 7, 2022

Class Code	Classification Title	Rate Type	Range AF1	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
6619	Assistant Equipment Mechanic	Hourly	09	$33.37	$35.04	$36.79	$38.63	$40.56	$42.59
6620	Equipment Mechanic	Hourly	03	$38.38	$40.30	$42.32	$44.44	$46.66	$48.99
6618	Supervising Equipment Mechanic	Hourly	08	$44.14	$46.35	$48.67	$51.10	$53.66	$56.34
6670	Facility Technician	Hourly	02	$35.71	$37.50	$39.38	$41.35	$43.42	$45.59
6600	Lead Parks & Maintenance Worker	Hourly	07	$40.75	$42.79	$44.93	$47.18	$49.54	$52.02
6650	Parks & Maintenance Worker	Hourly	05	$32.79	$34.43	$36.15	$37.96	$39.86	$41.85
6660	Parks & Maintenance Worker Trainee	Hourly	04	$26.78	$28.12	$29.53	$31.01	$32.56	$34.19
6605	Senior Parks & Maintenance Worker	Hourly	06	$35.68	$37.46	$39.33	$41.30	$43.37	$45.54
6610	Town Arborist	Hourly	03	$38.92	$40.87	$42.91	$45.06	$47.31	$49.68

Reflects General Increase of 7.5%.

TOWN OF LOS GATOS

COUNCIL AGENDA REPORT

MEETING DATE: 06/07/2022

ITEM NO: 21

ADDENDUM

DATE: June 3, 2022

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Approve a Labor Agreement Between the Town of Los Gatos and the American Federation of State, County, and Municipal Employees and Authorize the Town Manager to Execute the Memorandum of Understanding

REMARKS:

Attachment 3 contains the draft Memorandum of Understanding.

Attachment Distributed with the Staff Report:

1. Salary Schedule for AFSCME effective July 10, 2022

Attachment Distributed with this Addendum:

2. Memorandum of Understanding (redline)

PREPARED BY: Salina Flores
Human Resources Director

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

TOWN OF LOS GATOS

AND

AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES (AFSCME)

MEMORANDUM OF UNDERSTANDING

JULY 1, 2022 - JUNE 30, 2024

ATTACHMENT 2

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MEMORANDUM OF UNDERSTANDING
BETWEEN
THE TOWN OF LOS GATOS
AND
AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES (AFSCME)

THIS AGREEMENT IS ENTERED INTO AS OF JULY 1, 2022, BETWEEN THE TOWN OF LOS GATOS, HEREINAFTER REFERRED TO AS THE "TOWN", AND THE LOS GATOS "AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES", HEREINAFTER REFERRED TO AS "AFSCME".

Pursuant to Town Resolution 1974-41 of the Town of Los Gatos and Section 3500 et. seq. of the Government Code, the duly authorized representatives of the Town and AFSCME, having met and conferred in good faith concerning the issues of wages, hours, and terms and conditions of employment, as herein set forth, declare their agreement to the provisions of this Memorandum of Understanding.

FOR AFSCME:

_____
Carol McEwan
Business Agent

_____
Sherrie Olsen
Parks & Maintenance Worker
AFSCME President

_____
Thomas Lettiere
AFSCME Secretary Treasurer

TOWN OF LOS GATOS:

_____
Laurel Prevetti
Town Manager

_____
Arn Andrews
Assistant Town Manager

_____
Salina Flores
Human Resources Director

_____
Lisa S. Charbonneau
Liebert Cassidy Whitmore

APPROVED AS TO FORM:

_____
Gabrielle Whelan
Town Attorney

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(to be updated with correct sections and page numbers after Town Council consideration)

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Appendix A – AFSCME Salary Schedule

TOWN OF LOS GATOS
AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES
MEMORANDUM OF UNDERSTANDING
ON SALARIES, FRINGE BENEFITS AND WORKING CONDITIONS

Section 1. Purpose

The Town and the Union agree that the purpose of this Memorandum of Understanding is to promote and provide harmonious relations, cooperation, and understanding between the Town and the employees represented by the Union; to provide an orderly and equitable means of resolving disputes that may arise concerning this Agreement; and to set forth the full agreements of the parties reached as a result of meeting and conferring in good faith regarding matters within the scope of representation pursuant to the State Government Code and the Town Employer-Employee Relations Resolution.

Section 2. Term

This Memorandum of Understanding shall commence on July 1, 2022 and terminate on June 30, 2024.

Section 3. Union Rights

3.1 Advance Notice

Except in cases of emergency as provided in this subsection the Union, if affected, shall be given reasonable advance written notice, normally thirty (30) calendar days of any ordinance, policy resolution, rule or regulation directly relating to matters within the scope of representation proposed to be adopted or amended by the Town and shall be given the opportunity to meet and confer as required by the Meyers Milias Brown Act with the appropriate management representatives prior to adoption.

In cases of emergency when the foregoing procedure is not practical or in the best public interest, the Town may adopt or put into practice immediately such measures as are required. At the earliest practicable date thereafter the Union shall be provided with the notice described in the preceding paragraph and be given an opportunity to meet with the appropriate management representatives. The Union shall timely raise any issues arising under this subsection

3.2 No Discrimination

The Town and Union agree that neither will discriminate in any way against employees covered by this Agreement because of their membership and/or activities on behalf of the Union.

3.3 Stewards

The Town agrees to recognize two (2) duly appointed Union Stewards and two (2) duly appointed alternate Stewards for purposes of Union representation. The Union shall provide the Town with a list of those duly appointed individuals. The Steward or Union Officer shall distribute to all new unit employees material(s) furnished for such purpose by the Union.

3.4 Representation

Upon request of an employee covered by this Agreement, the Steward and/or Union representative shall be present during meetings which the employee reasonably anticipates will involve that individual employee in disciplinary matters. To the extent possible, disciplinary and grievance matters affecting employees shall be considered during normal working hours and with pay.

3.5 Access to Premises

The designated Union business representative, for performance of official duties, shall not be denied access to Town premises subject to that representative first advising Town management that he/she/they/they is on the premises and subject to not interfering with the work duties of Town employees. The Union will be allowed reasonable use of Town facilities with advance notice and approval from the Town for meetings in accordance with Town policies and procedures.

3.6 Bulletin Boards and Union Literature

The Union shall have the right to use the Corporation Yard Bulletin Board and employee mailboxes for posting and distribution of Union materials.

3.7 Release Time

As long as there is no disruption of work, the Town shall provide two (2) AFSCME-authorized union representatives with up to 20 hours of release time each year for the purpose of attending Union conventions, conferences and union-sponsored training programs. The use of release time will have no impact on accrual of paid leave, seniority, completion of probation and eligibility for health and welfare benefits, or pension benefits.

3.8 New Hire Information

The Town will notify the Union of the name, classification, unit and work location of all new hires into the positions in the classifications represented by AFSCME within the first full pay period of the new hire's starting date.

3.9 Orientation

An AFSCME Union representative will be allowed 15 minutes of release time for the purpose of providing new member information to individuals newly-hired into classifications represented by AFSCME.

Section 4. Savings Clause

If any provision or the application of any provision of this agreement as implemented should be rendered or declared invalid by any final court action or decree or by reasons of any preemptive legislation, the remaining sections of this agreement shall remain in full force and effect for the duration of this agreement.

Section 5. Union Dues

5.1 Certification

The Town shall withhold Union dues from employees' salary transmit such dues to the Union, provided the Union certifies in writing to the City that the Union has and will maintain each employee's voluntary authorization for such deductions.

5.2 Payroll Deduction

The Town shall not be obligated to put into effect any new, changed, or discontinued deduction until the pay period commencing thirty (30) days or longer after the Union certifies such new, changed or discontinued deduction.

5.3 Indemnification and Hold Harmless

The Union shall indemnify and hold harmless the Town against any and all suits, claims, demands, and liabilities that may arise out of, or by reason of, any action or omission of the Town in complying with this Section.

Section 6. Management Rights

The Union recognizes that the rights of the Town include, but are not limited to, the exclusive right to determine the mission of its constituent departments, commissions and boards; set the standards of service; determine the procedures and standards of selection for employment and promotion; direct its employees; take disciplinary action; relieve its employees from duty because of lack of work or other legitimate reasons; maintain the efficiency of governmental operations; determine the methods, means, and personnel by which government operations are to be conducted; determine the content of job classifications; take all necessary action to determine when an emergency exists and to carry out its mission in emergencies including the requirement that employees work overtime; and exercise complete control and discretion over its organization and the technology of performing its work.

Section 7. Town Employer-Employee Relations Resolution

The Union and the Town recognize the existing language in Town Resolution 1974-41 as it governs all aspects of labor relations in the Town. Any changes in Resolution 1974-41 which apply to AFSCME Local 101 will be made after meeting and conferring when required by the Meyers Milias Brown Act with the Union.

Section 8. Equal Employment Opportunity

The Union and Town support equal employment opportunity programs.

Section 9. Non-Discrimination

The Town and Union agree that all provisions of this Agreement shall be applied equally to all employees covered herein without favor or discrimination because of any protected class including but not limited to race, color, national origin, ancestry, religion, religious creed, physical disability, mental disability, medical condition, genetic information, marital status, sex, sexual orientation, gender, gender based pregnancy/childbirth, gender identity, gender expression, age (over 40), or political affiliation or any other basis prohibited by applicable Federal, State or Town law. The parties further agree that Section 9 and 9.1 shall not be subject to the Grievance Procedure provided in this Agreement.

9.1 General Provisions Regarding Americans with Disabilities Act

Because the ADA requires accommodations for individuals protected under the Act, the Union recognizes the Town's obligation to comply with all provisions of the ADA on a case by case basis.

9.1.1

The Union recognizes that the Town has the legal obligation to meet with the individual employee to be accommodated through the interactive process before any adjustment is made in working conditions. The Union will be notified of these proposed accommodations prior to implementation by the Town.

9.1.2

Any accommodation provided to an individual protected by the ADA shall not establish a past practice.

9.2 Non-Discrimination for Union Activity

The Town and Union agree that they, and each of them, shall not discriminate against any employee because of membership or lack of membership in the Union, or because of any authorized activity on behalf of the Union. The parties further agree that this Section 9.2 may be subject to the Grievance Procedure provided in this Agreement.

Section 10. Salary

10.1

Employees will receive pay adjustments as follows:

10.1.1

Effective the first full pay period in July 2022, or the first full pay period after Council approval of this MOU, whichever is later, the Town will provide a three percent (3%) cost of living adjustment (COLA) and a four and one half (4.5%) market increase, totaling a seven and one half percent (7.5%) salary adjustment for all bargaining unit members. The market increase is intended to bring AFSCME classifications to or near the market median based on data in a compensation survey of the relevant labor market completed by outside consultant Bryce & Associates in April 2022.

In addition, effective in the first full pay period of July 2022, or the first full pay period after Council approval of this MOU, whichever is later, bargaining unit employees shall receive a one-time (non-PERSable) payment of one thousand dollars ($1000).

10.1.2

Effective the first full pay period of July 2023, the Town will provide a three percent (3%) salary increase for all bargaining unit members.

10.2 Pandemic Related Bonus

Effective the first full pay period of July 2022, or the first full pay period after Council approval of this MOU, whichever is later, the Town will provide a one-time, non-pensionable, lump sum payment of $2,500 to all employees who worked for the Town in 2021 who are employed at the Town as of the last day of the pay period the payment is issued.

Section 11. Other Compensation

11.1 Out-of-Classification Pay

Out-of-Classification pay is defined as employees who by written assignment perform the essential functions of a position with a higher salary classification than in which they are regularly employed shall receive higher compensation as set forth below. The Town and the Union agree that it is the intent of Town management, whenever possible, to avoid working an employee out of-classification for a prolonged period of time.

An employee assigned to work out-of-classification shall be compensated from the first day of the out-of-classification assignment. Out-of-classification pay shall be a minimum of five percent (5%), above the employee's regular salary; or the lowest rate of the higher classification, whichever is greater.

Training programs mutually agreed to by the Town and the Union which are designed to enhance and/or provide career development opportunities shall not be subject to this provision.

Any employee who believes they are working out of classification may request a review of their classification.

11.2 Street-Sweeper Specialty Pay

Employees assigned to operate the street sweeper shall be paid a $5 per hour differential above their base hourly rate. This special assignment pay shall be paid for actual time worked and does not apply to non-worked hours such as vacation, holidays, personal or sick leave.

In accordance with CalPERS regulations, this special assignment pay is reported as PERSable income for those employees who are assigned to operate the street sweeper on a routine and consistent basis. Thus, employees who operate the street sweeper on back-up basis shall be paid the premium in accordance with this agreement but the premium will not be reported as PERSable income.

The Department Director retains the right to determine street sweeper assignments in accordance with the needs of the department. Employees assigned to operate the street sweeper must meet the qualifications of the job and demonstrate proficiency to operate the equipment.

11.3 Class A Driver’s License Pay and Tanker Endorsement Pay

Employees who maintain a valid California Commercial Class A Driver’s License shall be paid $30 per month.

Employees who maintain both a valid California Commercial Class A Driver's License and a Tanker Endorsement shall be paid $75 per month.

11.4 Certificate Pay

Employees in the classifications of Parks and Maintenance Worker and Lead Parks and Maintenance Worker who possess a current Certified Pest Control Applicator Certificate shall receive $50 per month in certificate pay. Employees in the classifications of Parks and Maintenance Worker and Lead Parks and Maintenance Worker who possess a current Backflow Tester Certification Certificate shall receive $50 per month in certificate pay.

11.5 Cellphones

The Town's cellphone stipend program applies to AFSCME bargaining unit employees.

Section 12. Payroll Practices

12.1 Payroll Periods and Availability of Checks

Employees shall be compensated on a biweekly basis.

Employee pay shall not be withheld more than seven (7) days following end of payroll period; however, overtime may appear on the next payroll period if it is worked following the submittal of time sheets, or during a pay period with a Town holiday which requires early submittal of time sheets and early distribution (before Friday) of paychecks. This may also occur at the end of the fiscal and calendar year.

Every effort will be made to make paychecks available to employees as soon as checks are signed and ready for distribution.

12.2 Automatic Deposit

The Town shall provide an optional direct deposit system for use by employees.

12.3 Deduction and Accrual Information

Payroll deductions and leave balances shall appear on paychecks and be current to the latest payroll period.

Section 13. Retirement Benefits

The Town contracts with the California Public Employees' Retirement System (CalPERS or PERS) to provide Town employees with retirement benefits.

13.1 2.5% at 55 (Classic Tier One Retirement)

For employees hired with reciprocity or CalPERS membership prior to 1/1/13 without a break in CalPERS service of six months or more or hired and enrolled in CalPERS membership prior to 9/15/12, the Town provides the 2.5% at 55 PERS retirement benefit (Gov't Code 21354.4).

Employees in this tier shall contribute 8% towards the retirement benefit.

Employees in this tier are subject to the CalPERS Single Highest Year compensation formula (Gov't Code 20042).

13.2 2% at 60 (Classic Tier Two Retirement)

For employees hired and enrolled on or after 9/15/12 with reciprocity or membership prior to 1/1/13 without a break in CalPERS service of six months or more, the Town provides the 2% at 60 retirement benefit (Gov't Code 21353).

Employees in this tier shall contribute 7% towards the retirement benefit.

Employees in this tier are subject to the CalPERS 36-month final average compensation (Gov't Code 20037).

13.3 2% at 62 (Public Employees' Pension Reform Act of 2013 [PEPRA])

For employees hired on or after January 1, 2013, who meet the definition of new member under Gov't Code 7522.04(f), the Town provides the 2% at 62 retirement benefit.

For new members hired on or after January 1, 2013, the Town will use the 36-month final average compensation (Gov't Code 7522.32(a)).

New members hired on or after January 1, 2013 shall pay an amount that is equal to one half (1/2) the normal cost of his/her/their CalPERS pension, or the current contribution rate of similarly situated employees, whichever is greater. (Gov't Code 7522.30(c)).

13.4 EPMC, 414(h)(2) IRC

Effective June 24, 2001, the Town ceased its participation in the Public Employees' Retirement System "Employer Paid Member Contribution" (EPMC) provision. Concurrently, the Town began paying in salary to the employees covered by this MOU the equivalent dollar amount of the former EPMC (7% of salary).
The Town has adopted a Resolution materially the same as that recommended by the Public Employees' Retirement System to implement the provisions of 414 (h) (2) of the Internal Revenue Code (IRC). AFSCME accepts the terms of this Resolution and acknowledges that this Resolution will apply to all current and future members of AFSCME.

13.5 Military Service Purchase

The Town shall permit employees to purchase PERS credit for military service time.

13.6 Retiree Health Benefit for Eligible Retirees Hired on or after July 1, 2018

The Town provides retiree health benefits in accordance with the Public Employees' Medical and Hospital Care Act (PEMHCA) for employees who qualify as eligible PERS retirees who receive a PERS retirement allowance and are PEMHCA annuitants entitled to such benefits under the PEMCHA.

The Town's maximum monthly contribution for each eligible annuitant shall be equal to the minimum employer contribution required under the PEMHCA, currently $149 per month, as may be adjusted by CalPERS from year to year. The provisions of the PEMHCA will govern medical insurance coverage for annuitants.

13.7 Retiree Health Benefit For Eligible Retirees Hired before July 1, 2018.

An employee hired prior to July 1, 2018 is eligible for Health Reimbursement Account (HRA) retiree health benefits in accordance with this Section.

13.7.1

The employee completed at least five years of continuous service with the Town; and

13.7.2

The employee retired from the Town taking a service or disability retirement from CalPERS as a retiree receiving a PERS retirement allowance and is a PEMHCA annuitant; and

13.7.3

The employee must actually draw a CalPERS pension within ninety (90) days of separation from the Town, provided the employee remains with the Town's health plan through COBRA.

13.7.4

The amount of the supplemental retiree health benefit allowance will be equal to 100% of the cost of the premium for Kaiser Bay Area Retiree Only and 90% of the difference between the Kaiser Bay Area Retiree Only Plus One levels of participation. The Town will pay up to $1,947.16 per month as of the 2022 plan year. This amount will increase by $100.00 each year until it is equal to the active employee contribution.

13.7.5

The Town's contribution towards retiree health insurance set forth in Section 13.6 (the PEMHCA minimum) will be deducted from the amount of contribution provided by this Section (13.7.)

13.7.6

Employees retiring on or after February 1, 2016 and upon becoming eligible for Medicare will cease to receive any retiree health benefit allowance under this Section (13.7) and will become eligible for Supplemental Medicare equal to the cost of Kaiser Senior Advantage Bay Area Medicare rates up to a maximum of 100% Retiree Only, 90% for Retiree Plus One or 90% for Retiree Plus One or More, less the amount of the employer contribution provided under section 13.6 above (the PEMHCA minimum). This benefit is available to the eligible retired employee only after he or she has reached the age of 65 and is Medicare eligible or as otherwise specified by law.

13.7.7

The benefits described by this Section (13.7) will be provided to annuitants through CalPERS by means of a Health Reimbursement Account (HRA).

13.7.8

Employees hired on and after July 1, 2018, who retire from the Town are not eligible to receive an HRA retiree health benefit allowance from the Town.

Section 14. Health and Welfare Benefits and Rate of Town Contribution

The Town contracts with CalPERS for the purpose of providing employees and their eligible dependents with medical insurance benefits. The Town's maximum monthly contribution for each eligible active employee shall be equal to the minimum employer contribution required under PEMHCA, currently $149 per month, as may be adjusted by CalPERS from year to year.

14.1 Cafeteria Plan

During the term of the MOU, the Town agrees to maintain a Cafeteria Plan, pursuant to Section 125 of the Internal Revenue Code, for the purpose of providing eligible active employees with access to various health and welfare benefits. Benefits available through the Cafeteria Plan include medical insurance, dental insurance, vision insurance and life insurance benefits.

14.1.1 Dental

Employees choosing this option instead of Cash In Lieu will be provided 100% of the Delta Dental PPO Plan premium less a $15.00 employee contribution. If the premium cost of the dental plan exceeds the Town contribution, the employee shall pay through payroll deduction the difference between the monthly premium and the amount contributed by the Town. The Town will pay 100% of the premium for employees choosing to participate in the DeltaCare USA Plan.

14.1.2 Medical

The Town will provide active employees with a medical allowance equal to 100% of the cost of Kaiser Bay Area Medical Insurance Program premium at the Employee Only level of participation, offered by the Public Employees' Retirement System Health Benefit Medical Program. For dependents, Town will pay 90% of the cost for dependents at the level of Kaiser Bay Area and employee will pay 10% of the dependent cost.

As such, Town will pay 90% of the difference between Kaiser Bay Area Employee Only and Kaiser level of participation (Employee Plus One or Employee Plus One/More, depending on family status.)

Example: Employee Only Premium is $800; and Employee Plus One Premium is $1,400

Employee Plus One Premium ($1400) minus Employee Only Premium ($800) = $600
Town pays 90% of $600 = $540
Employee pays 10% of $600 = $60

If the employee chooses medical coverage under a program more expensive than Kaiser Bay Area, the employee will pay the difference between the Town-provided medical allowance and the cost of the more expensive program through payroll deduction.

The Town's contribution towards medical insurance set forth in Section 13.6 (the PEMHCA minimum) will be deducted from the amount of contribution provided by this Section (14).

14.1.3 Vision

The Town shall pay for employee-only coverage under the Town's Vision Service Plan (VSP). Employees may enroll eligible dependents at their own cost.

14.1.4 Cash In Lieu

Employees have the option of choosing all available coverages or, upon providing proof of other medical coverage, may choose to opt out of the Town's coverage and be provided with a cash allocation equal to Four Hundred Twenty Dollars ($420) per month.

Employees who choose to receive the cash must first show proof of alternative minimum essential medical coverage for the employee and employee's tax family (individuals for whom the employee expects to claim a personal exemption deduction). Individual coverage, and individual coverage from Covered California does not qualify as alternative minimum essential coverage under this section. Employees must provide reasonable evidence of alternative minimum essential coverage each plan year, during open enrollment. The Town will not make the cash payment if it knows or has reason to know that the employee or tax family does not have alternative minimum essential coverage. Any amount received in cash is taxable. Employees choosing to receive taxable cash will have the option of receiving it in two equal amounts in December and June, or the first two paychecks of each month (24 times a year).

14.2 ACA Reopener

The union agrees at the Town's request, to meet and confer on any changes that are within the mandatory scope of bargaining related to the Town's sponsored Family Medical Insurance and Cash In Lieu benefits that may be related to the compliance and implementation of the Affordable Care Act (ACA).

14.3 Supplemental Health and Welfare Benefits

14.3.1 Life Insurance

Coverage of $50,000 plus $50,000 accidental death: Town to pay for premium. Additional life insurance may be purchased by the employee equal to one to five times the employee's base salary, not to exceed $300,000. Dependent life insurance is available at the employee's cost.

14.3.2 Disability Insurance

Short Term Disability Policy effective 8th calendar day; coverage of 60% of weekly earnings up to maximum of $1,300 per week for 12 weeks. Long Term Disability benefits begin on the 91st day of disability; coverage of 60% of monthly earnings up to a maximum of $6,000/month.

14.3.3 Employee Assistance Program

Premiums shall be paid by the Town.

14.3.4 Unemployment Insurance

The Town will provide State-mandated benefits as required by law.

Section 15. Workers' Compensation

The Town and Union agree that employees who sustain illness or injury arising out of and in the course of their Town employment shall receive benefits equal to those mandated by the State of California, and the California Labor Code. Any difference between State mandated benefits and the individual's regular Town salary, if any, shall be charged to the employee's accrued sick leave balance. If sick leave is not available, other accrued leave balances shall be charged. If an employee does not have accrued leave balances, the employee shall receive only the State-mandated benefits.

The policies and procedures affecting the use of workers compensation will be developed and administered by the Town Personnel Officer in accordance with State law. There is a three day (calendar) waiting period to receive benefits, unless the employee is hospitalized or out for more than two weeks. In the event of a non-hospitalized on-the-job injury verified as such and eligible for worker's compensation disability payments, the Town will compensate employees for the first three day waiting period.

Section 16. Deferred Compensation

The Town shall continue to make a Deferred Compensation program available to employees. The Town makes no representation on the merit of the plan or any of the investment products or instruments which may be offered by the plan. The responsibility for evaluating the investment options within the plan is the responsibility of the individual participant. The Town shall not be obligated to offer more than one Deferred Compensation carrier.

Section 17. Uniforms

Uniform shirts shall be provided to employees at the expense of the Town and shall be required to be worn during working hours. The Town shall determine appropriate shirt colors. Employees shall wear denim jeans as part of their uniform. Employees shall purchase jeans at their own expense. Employees are to report to work in uniforms that are neat, clean, and in good repair. In the event an employee's uniform is damaged or in need of replacement as determined by the supervisor, the item may be replaced in advance of the annual schedule.

17.1 Uniform Items for All Employees

On an annual basis, the Town will supply each employee with seven (7) shirts, one standard rain jacket, rain pants, rain boots and cold-weather jackets. Cold weather jackets will be replaced if needed as determined by the employee's supervisor. Uniform items will be provided annually by November 1. Employees shall be responsible to launder uniform items.

17.1.1 Optional Shorts

Upon employee request and supervisor approval, the Town will furnish each employee up to (2) pairs of shorts per year. Employees are permitted to wear shorts only when shorts do not pose a safety hazard. The supervisor has the authority to determine when shorts are acceptable.

17.1.2 Optional Weather-Protective Headwear

Upon request by the employee, the Town will supply up to two (2) approved caps or hats per year. No other type of headwear is permitted to be worn during work hours.

17.2 Uniform Items for Mechanics

In addition to the items listed above, the Town will provide coveralls to each mechanic. The coveralls will be laundered by the Town.

Section 18. Safety Equipment

The Town shall retain the right to establish minimum safety and quality standards for safety equipment, clothing and steel-toed safety shoes to be used while performing assigned tasks. If an employee is at work without the required clothing or safety equipment, that employee will not be paid until s/he is at the worksite with the required clothing and safety equipment.

18.1 Steel-Toed Safety Shoes

On an annual basis, the Town will provide one pair of steel-toed safety shoes per employee. The steel-toed safety shoes must be worn at all times except for classroom training or administrative assignments. In the event an employee's safety shoes are damaged, worn, or unsafe as determined by the supervisor, the shoes may be replaced in advance of the annual schedule. The not-to-exceed amount will be $350 for AFSCME employees. If the safety shoe selected by the employee is less than the amount provided by the Town, the employee may apply the difference toward shoelaces, socks, ergonomic insoles, or other safety-shoe related accessories at the time of purchase.

Section 19. Mileage

Employees using personal vehicles on official Town business shall be reimbursed at the mileage rate established by the I.R.S. Private vehicles used for Town business shall comply with the California Vehicle Code.

Section 20. Work Schedule

20.1 Standard Work Day

The standard workday shall be 8.5 consecutive hours including a 15-minute morning and a 15-minute afternoon work break, and a forty (40) minute lunch break, which shall include any wash-up time. The standard workday shall begin at 7:00 AM and end at 3:30 PM, the last ten (10) minutes of which shall be available for wash-up time. Minimum seventy-two (72) hours' notice will be provided by the Town for non-emergency changes in schedule.

20.2 Use of Town Vehicle

An employee whose lunch or break period begins at a work location other than the Corporation Yard may use the job site Town vehicle to go to lunch or obtain food. Travel time in connection with this privilege shall not extend the lunch period beyond the forty (40) minutes including wash-up time, nor extend a break period beyond fifteen (15) minutes.

20.3 Early Start Pay

Non-overtime work begun prior to 7:00 AM shall receive additional compensation of 5% above the employee's base hourly rate for the entire shift.

The Early Start premium will not apply if the employee's start time is adjusted at the request of the employee under a flexible work arrangement authorized by the department.

20.4 Work Week

The Town has no intention of changing existing work weeks at the present time.

The Town's decision to change existing work weeks will involve but not be limited to the following considerations:
(a) Failure to meet the performance objectives of the work unit.
(b) Change in service level.

Prior to a change in work week (except in the event of an emergency) the Town will give a minimum two weeks' notice to affected employees. Further, the Town agrees to meet in good faith to attempt to resolve any hardships caused by a change in work week.

20.5 4-10 Schedule for Vehicle Maintenance Shop

The Town agrees to maintain a 4/10 (4 day per week/10 hours per day) plan for the vehicle maintenance shop as long as Monday and Friday in each workweek can be covered by a mechanic. In addition, this program shall be evaluated quarterly to determine if productivity and coverage meet the Town's repair needs. This will determine if the program will continue.

20.6 Work Schedule and Holidays

Represented employees are entitled to eight (8) hours of paid time off in observation of each holiday listed in Section 29.

20.6.1 Hours Worked on an Observed Holiday

Employees assigned to work on an observed holiday shall be paid time-and-a-half for hours worked.

20.6.2 Hours Worked on the Actual Holiday

Employees assigned to work on an actual holiday that is different than the observed holiday shall be paid double time for the hours worked.

20.7 Flex Schedule

As an alternative to the normal schedule described in the above section, employees may be granted the option to participate in a Flex Schedule under the following terms and conditions:

The Department Director, with the approval of the Town Manager, has the exclusive authority to approve an employee's request for a flex schedule. The decision to implement or terminate a flex schedule is final and is not subject to meet and confer or any grievance procedure. Participating employees will be provided notification at least one (1) full pay period prior to termination of a flex schedule.

Employees on a flex schedule will receive no more than eight (8) hours of pay on a City observed holiday and will be required to use other accrued leaves or to re-arrange their schedule to maintain 80-hours of pay per pay period.

Section 21. Overtime

21.1 Scheduling

All overtime will be scheduled pursuant to the needs of the Town. Overtime shall be scheduled provided the individual is capable of performing the assignment. In the absence of volunteers, the Town shall assign overtime in rotation based on reverse seniority. Seniority for the purpose of this section is defined by total continuous service to the Town.

21.1.1

Overtime for work in progress shall be assigned to the employee(s) responsible for the assignment.

21.1.2

Overtime for special events shall be offered on a rotational basis in accordance with seniority.

21.2 Compensation

Overtime shall be compensated at the rate of time and one-half based upon either hours in excess of eight (8) per day or hours in excess of forty (40) per week. Overtime compensation shall accumulated as Compensatory Time Off or be paid in cash at the employee's option, subject to the scheduling needs of the Town. If an employee elects to receive compensatory time off in lieu of overtime pay, for each hour of overtime work they will receive one and one-half hour of compensatory time credit.

21.3 Use of Compensatory Time Off

Use of compensatory time off will be at the Town's discretion based on scheduling needs. The Town shall, to the best of its ability and subject to scheduling needs of the Town, make every effort to accommodate employee requests for compensatory time off.

21.4 Compensatory Time Off Cap

The maximum accrued compensatory time accumulation shall be eighty (80) hours. When an employee has reached the eighty (80) hour maximum accrual of compensatory time off, all overtime must be paid in cash until the employee's compensatory time off bank is reduced below the maximum cap.

Section 22. Call Back

Call back overtime is defined as Town-required return to work after an employee has completed his/her/their normal work shift and before his/her/their next scheduled normal workday. An employee notified of call back overtime that is not contiguous to his/her/their shift less than 72 hours in advance will be paid at the call back rate. An employee called back to work shall be reimbursed for mileage.

22.1

A subsequent call-back shall be considered to be within the initial call-back if the employee is notified within the original three-hour period. If two hours and forty-five minutes of the original three-hour period expires before the employee is notified, then a new three-hour minimum shall go into effect. This section also applies to employees on stand-by duty as provided in Sec. 23.

22.2

When additional assistance is needed on a call-back event, supervisor approval is required to call back in more than one additional employee.

Section 23. Standby

23.1 Assignment and Scheduling

The Union recognizes the Town right to schedule standby assignments for employees at Town discretion. Standby assignments shall be made in order to provide services outside the regular work schedule. Standby shall be assigned for the months of November through March, with additional standby periods to be determined on an as-needed basis at the discretion of the Department Director.

Standby assignments shall be scheduled on a volunteer basis, using a list of all employees and offered by rotation based on seniority. Each rotation will last for seven (7) days. Seniority for the purpose of this section is defined as total continuous service to the Town. In the absence of volunteers, the Town shall schedule standby. To the best of its ability, the Town shall schedule standby assignments as far in advance as possible. The Union recognizes the need for standby provision of services and further recognizes that employee failure to respond when assigned standby duty may be cause for disciplinary action including termination.

23.2 Compensation

Standby assignments shall be compensated at the rate of four (4) hours straight time pay for every twenty-four (24) hours of assignment. Assignments of standby duty for more or less than twenty-four (24) hours shall be compensated on a pro-rated basis (4 hours for each 24 hours). Specific call out of employees on standby assignments shall be compensated at the regular overtime rate. Town shall provide a cell phone to employees or those employees electing to receive a stipend may use their own cellphone while on standby assignment.

23.3

For an employee on standby: Minimum call-back pay shall be three (3) hours at the overtime rate with such three-hour period defined beginning with the time of the initial call and concluding thirty (30) minutes after the employee calls in to the Police Department dispatcher that the assignment has been completed.

23.4

For an employee not on standby: Minimum call-back pay shall be four (4) hours at the overtime rate with such three-hour period defined beginning with the time of the initial call and concluding thirty (30) minutes after the employee calls in to the Police Department dispatcher that the assignment has been completed.

23.5 Eligibility

Employees who can respond within a reasonable time period (i.e., 40 minutes on average) shall be eligible for standby duty regardless of where they reside. The Department Director shall qualify employees for standby duty by ascertaining that travel to standby assignments can be accomplished safely.

An employee who meets the above requirement, and whose work would not normally involve assignment to standby duty, may volunteer for such duty and will be assigned to the list of volunteer employees from which standby duty is assigned, at such time as he/she/they has received the necessary training in standby duties and skills. It is the intent of the parties that employees be notified by the Department as soon as possible after the execution of this Agreement that new volunteers will be accepted for training together with information for potential volunteers. If there are volunteers, the Labor-Management Committee shall be convened to discuss implementation of the appropriate training at the earliest practicable date.

23.6 Stand-By Training

The Town will provide additional training in stand-by duties for newly hired employees. Duration of training shall be evaluated by the employee's supervisor during the first year.

Section 24. Emergency Work

If an emergency work situation (as defined by the Supervisor) does not permit an employee to take their meal period and/or breaks, the missed meal period and/or breaks will be credited as compensatory time at time-and-a-half.

Section 25. Work Furlough Program

25.1 Town Participation

AFSCME recognizes the right of the Town to participate in the Work Furlough Program coordinated by the County of Santa Clara. The purpose of the program is to provide public service for local government through a sentencing alternative program for individuals to perform clean-up and maintenance-type duties.

25.2 Responsibilities

25.2.1

A regular Town employee at the level of Maintenance Worker or higher will be responsible to oversee work related to the Work Furlough Program.

25.2.2

An hourly employee at the level of Maintenance Assistant or higher will be assigned to assist the regular Town employee as necessary, at the discretion of the Department Director or designee.

25.3 Assignment and Scheduling

25.3.1

AFSCME employees will be provided ten (10) calendar days' notice prior to a Work Furlough Program assignment except when a fill-in is necessary due to an emergency or unusual circumstance.

25.3.2

Work Furlough Program assignments shall be first made on a voluntary basis. In the absence of volunteers, the Town will assign employees with the least seniority from employees hired on or after July 1, 2007.

25.4 Compensation

Maintenance Workers will receive a 5% out-of-class premium for supervision duties when assigned to the Work Furlough Program. This premium will be applied to the entire shift and is in addition to any overtime compensation.

25.5 Evaluation

Work performed by Town employees related to the Work Furlough Program is subject to inclusion in the employees' annual review.

25.6 Liability

Town employees assigned to the Work Furlough Program are covered for liability purposes by the Town of Los Gatos while performing duties within the scope of his/her/their job.

Section 26. Vacation Schedule

The following vacation schedule shall apply to all employees:

0 to 36 months	10 days per year - 3.08 hours per pay period
37 to 60 months	16 days per year - 4.92 hours per pay period
61 to 120 months	21 days per year - 6.46 hours per pay period
121 to 180 months	23 days per year - 7.08 hours per pay period
181 months and over	25 days per year - 7.70 hours per pay period

Maximum accrual of vacation hours shall be 320 hours.

Section 27. Vacation Cash-Out

27.1

Employees who terminate from Town service shall have all accrued vacation leave and compensatory time cashed out effective the last full work-day with the Town. This will terminate the employee's status as an employee of the Town.

27.2

On or before the pay period which includes December 15 of each calendar year, an employee may make an irrevocable election to cash out up to eighty (80) hours of accrued vacation (in whole hour increments) earned in the following calendar year at the employee's base rate of pay. On the pay day for the pay period which includes Thanksgiving in the following year, the employee will receive cash for the amount of vacation the employee irrevocably elected to cash out in the prior year. However, if the employee's vacation leave balance is less than the amount the employee elected to cash out (in the prior calendar year) the employee will receive cash for the amount of leave the employee has accrued that year that is remaining at the time of the cash out.

27.3

All employees may apply vacation time cash-out to deferred compensation, so long as applicable law permits.

Section 28. Sick Leave

28.1 Accrual Rate

Accumulation rate shall be eight (8) hours per month (3.70 hours per pay period). Maximum accrual of sick leave hours shall be 1200 hours.

28.2 Sick Leave and Other Accrued Leaves

When an employee is absent for any of the purposes for which sick leave may be used, he/she/they may use other accrued leaves when sick leave has been exhausted, unless he/she/they has received a second consecutive written notice of counseling within an eighteen (18) month period regarding excessive or abusive use of sick leave with the exception of protected leave situations.

28.3 Sick Leave Cash-Out Program For Employees Hired Before July 1, 2018

Employees hired before July 1, 2018 who terminate employment with the Town for any reason other than retirement may cash out their accumulated sick leave as follows:

Months of Employment
1- 59 months at 25%
60 - 119 months at 37.5%
120 months or more at 50%

If an employee is terminated due to a layoff, the employee shall be eligible to cash out 100% of accrued sick leave at time of layoff. In order to be eligible for the terminating sick leave cash-out program, an employee must have a sick leave accrual balance of at least 150 hours at the time of termination. Employees who terminate employment with the Town after a prolonged period of illness or injury, may apply to the Town Manager for a waiver of the 150 hours requirement.

Employees hired on or after July 1, 2018 may not participate in the sick leave cash out program and are not eligible to cash out sick leave.

28.4 Sick Leave Conversion at Retirement to Town Trust

All employees hired prior to July 1, 2007 who retire may convert 100% of their accumulated sick leave to a dollar equivalent at their hourly rate of pay at the time of retirement. Employees hired after July 1, 2007 are not eligible for this Sick Leave Conversion option under this provision.

This amount shall be held in an account. The employee's portion of medical insurance premium payment will be withheld from their monthly retirement payment by PERS. The Town agrees to pay the retiree quarterly in advance on the first pay period of January, April, July, and October of each year after retirement. The first payment will be prorated to the nearest quarter. The retiree's portion of medical payments will be paid from this account by the Town until all monies are depleted from the account or the retiree dies, whichever occurs first.

This account will not accrue interest and will not be paid in cash to the retiree or any beneficiaries, except that upon the death of a retiree whose sick leave account has not been exhausted, the retiree's spousal survivor shall be paid the full cash value of the remaining sick leave in the retiree's account.

The retiree shall be responsible for 100% of their share of future medical insurance payments once the account is exhausted, exclusive of the PEMCHA minimum.

Section 29. Holidays

The following shall be observed as paid eight (8) hour holidays:

- January 1st (New Year's Day)
- 3rd Monday in January (Martin Luther King's Birthday)
- the 3rd Monday in February (President's Birthday)
- the last Monday in May (Memorial Day)
- Juneteenth*
- July 4th (Independence Day)
- the first Monday in September (Labor Day)
- Thanksgiving Day
- the Friday following Thanksgiving Day.
- December 25th (Christmas Day)
- four (4) hours each on December 24 and December 31.
- every day declared a holiday by the President or Governor, subject to the Mayor also proclaiming the day as a holiday.

Holidays which fall on Saturday shall be observed on the Friday prior, and holidays which fall on Sunday shall be observed on the following Monday.

*The Juneteenth holiday will go into effect in calendar year 2023. In recognition of Juneteenth 2022, all employees will receive a one-time, non-pensionable $500 lump sum payment in the first full pay period in July 2022, or the first full pay period after Council approval of this MOU, whichever is later.

Section 30. Personal Leave

The employee shall be entitled to twenty-four (24) hours of personal leave per calendar year; such leave shall be non-cumulative with no cash value. Of the twenty-four (24) hours annually, the employee may take twelve (12) hours without prior notice and twelve (12) hours with prior notice. If an employee's use of Personal Leave without prior notice results in the Town having to change another employee's schedule without 72 hours' notice, the situation will be considered an emergency under Section 20 (Work Schedule) and will not result in penalty to the Town.

Section 31. Maternity Leave/Family Leave/Medical Leave

The Town recognizes State and Federal law regarding Maternity Leave and Family and Medical Leave. The Town will take action to inform employees of the current provisions of laws affecting these leaves. The Town may, at its discretion, approve leave beyond the specific amount provided above.

Section 32. Catastrophic Time Bank

If an employee, spouse or significant other, or child becomes catastrophically ill or injured, the employee may request in writing of the Town Manager that a catastrophic time bank be established. The bank will enable employees to donate accrued CTO or vacation to the requesting employee in accordance with Departmental policies to be developed.

Section 33. Bereavement Leave

A maximum of 40 hours of bereavement leave shall be provided to each employee for a death in his/her/their immediate family or the immediate family of their spouse/registered domestic partner. Immediate family for the purpose of this section includes spouse/registered domestic partner, parent, grandparent, child, or sibling.

Section 34. Military Leave

Military leave and benefits shall be granted in accordance with State and Federal Law, including the continuation of employee salary and benefits and employees will receive up to thirty (30) calendar days of pay.

Section 35. Personal Emergency Leave

Leave will be available for employees for disasters declared by Federal, State, County, or Town officials if those disasters affect all or a portion of the Town "urban service area". Leave is subject to scheduling by the Town. Employees shall be allowed to charge time off to accumulated Personal Leave, CTO, vacation hours, and sick leave hours (in that order). In the event of a Town emergency (e.g., flood, earthquake) employees are required to remain at work until released by their Supervisor.

Section 36. Jury Duty

An employee required to serve as a trial juror or an expert witness (expertise related to Town employment) shall have his/her/their salary and benefits continue; the employee shall turn over to the Town any compensation (other than travel related) from the courts or other source for jury duty.

Section 37. Leave Without Pay

Leave without pay shall be subject to approval of the Town Manager or designee.

An employee who is on leave without pay shall not earn any employment benefits (including, but not limited to such benefits as vacation sick leave, medical benefits, dental and other insurance benefits, retirement credits for time employed or seniority entitlements of any kind) for the duration of such leave. An employee who is on leave without pay will have the ability to continue all eligible COBRA benefits at their own expense in accordance with the Town's administrative policy on benefit retention.

Vacation, sick leave, or time worked shall not be used intermittently during an extended leave to interrupt a determination that an employee is on leave with no pay.

37.1 Voluntary Unpaid Time Off

Employee participation in this plan is contingent on the Town's agreement and understanding that employee participation cannot be interpreted as anything other than a temporary and limited good faith effort being made by the employee to do his/her/their part to help ease the Town's budget shortfall. This is not to be construed as a representation of employee commitment to a permanent program or an admission of any kind that the employee would not become harmed by such a plan becoming mandatory.

Employees may request voluntary unpaid time off under the following circumstances:

A. No impact on accrual of paid leave, seniority, and completion of probation.
B. No impact on benefit eligibility and Town contributions.
C. Employees may cancel participation in the program at any time.

Section 38. Accrual of Benefits

There shall be no accrual of benefits during unauthorized leave, suspension, or leave without pay.

Section 39. Notice of Vacancies

Town job vacancies shall be posted on the Corporation Yard Bulletin Board for the duration of the recruitment period.

Section 40. Promotions

Subject to the needs of the Town, promotional examinations shall be used whenever possible to fill vacancies in the Town service.

Employees promoted to higher paying classifications shall receive a minimum five (5%) percent increase in salary or an amount which shall not exceed the highest step in the range of the higher classification.

Section 41. Probationary Period

The probationary period shall be twelve (12) months for all newly hired employees and six (6) months for employees receiving promotions. If at the end of a six month probationary period a promoted employee who has been routinely evaluated, trained and counseled is not meeting required performance standards, then the Town may extend the probationary period in three month increments, for a total maximum probationary period of 12 months.

An employee who is rejected during a promotional probation period shall have the right to return to his/her/their former classification, and the same right shall apply to an employee who is displaced as a result of such return, provided, however, that no such right shall apply - and no additional right shall be conferred hereby - to an employee who is serving his/her/their initial probationary period with the Town unit.

Section 42. Outside Employment

No full-time paid employee in the classified service shall hold any job other than employment by the Town without the written recommendation of his/her/their department manager and the written approval of the Town Manager. A copy of such approval shall be filed with the Personnel Officer. No employee, whether in the classified service or not, shall engage in other employment or activity which in any way involves a conflict with the interests of the Town or his/her/their responsibilities or duties as an employee.

Outside employment shall be reviewed and re-approved by the Department Director and Town Manager on a yearly basis.

Section 43. Attendance

Employees shall be in attendance at their work in accordance with the rules regarding hours of work, holidays and leaves.

An employee whose absence is not authorized will not receive pay or benefits for the absent period and shall be subject to discipline. Failure on the part of an employee absent without leave to return to duty shall be grounds for discharge. It shall be the responsibility of an employee absent without leave to notify the Department Director of the reason the employee is absent and of the employee's availability for duty.

Section 44. Personnel Files

Employees shall have the right to review materials in their individual personnel files in accordance with State law.

Section 45. Performance Evaluations

45.1 Evaluations

Performance evaluations shall take place at least every three (3) months for all probationary employees and shall take place at least annually thereafter on the anniversary of an employee's employment with the Town. Employees eligible for step increases shall receive their performance evaluation no later than fifteen (15) days prior to their employment anniversary date. Employee evaluation forms shall include a section with a box to be checked indicating whether an employee agrees or disagrees with his/her/their evaluation. Employees granted step increases shall receive those increases effective the closest pay period in which they are eligible.

All performance evaluations shall be discussed with the employee prior to the evaluation being completed. Employees shall sign their individual performance evaluations as evidence of discussion having taken place; employee signature does not necessarily imply agreement with the evaluation. An employee may attach separate written comments to his/her/their evaluation.

Performance evaluations shall be conducted annually from the employee's (1) date of hire, (2) date of last merit increase, or (3) date the employee entered his/her/their classification. The classification date shall supersede the hire date, and the date of the last merit increase shall supersede both the hire date and the classification date.

Performance evaluations shall be completed by an employee's immediate supervisor (i.e., PW Maintenance Supervisor or Parks Maintenance Supervisor). Written comments made by any other supervisor, superintendent or management personnel shall not change the numerical rating of the immediate supervisor.

The Town agrees to provide employees with a copy of both the initial and final versions of their quarterly and annual performance evaluations.

Sick leave usage shall not be directly evaluated on the performance evaluation. Performance categories that are affected by excessive or abusive use of sick leave shall be evaluated.

45.2 Counseling

In the event that a worker's performance or conduct appears to be unsatisfactory or needing improvement, informal verbal or written counseling shall be provided by the workers immediate supervisor. Counseling should be separate from ongoing work site dialogue and should address performance or conduct which, if not improved, may eventually result in a negative evaluation or disciplinary action. Documentation of such counseling shall be given to the worker at the time of the counseling and will not be placed in a worker's personnel file. When the situation allows counseling, counseling shall be used prior to any unfavorable reports being issued. Counseling should normally take place between the worker and the immediate supervisor.

45.3 Unfavorable Reports On Performance Or Conduct

If upon such counseling a worker's performance or conduct does not improve and a negative evaluation or disciplinary action could result, the supervisor shall prepare a written report that includes specific suggestions for corrective action, if appropriate. A copy shall be given to the worker and a copy filed in his/her/their personnel file. Workers shall have the right to attach a written rebuttal to the report for inclusion in their personnel file.

Section 46. Seniority

Unpaid leaves of absence and breaks in continuous service shall not be credited to employee seniority.

Seniority will be a factor in determining vacation use.

Section 47. Layoff Policy

47.1 Definitions

As used in this Section, the following words and phrases shall be defined as follows:

47.1.1

Service Seniority shall be defined as the length of time an employee has served as a regular employee of the Town. Service seniority shall not be earned for standby duty, overtime work, during periods of suspension without pay as a result of disciplinary action, or for non-medical leave without pay. Service Seniority for unpaid military leave will be considered in the manner prescribed by State and Federal law.

47.1.2

Classification Seniority shall be defined as the length of time the employee has served as a regular employee in a classification including anytime spent in a higher classification. A higher classification shall mean a job classification with a higher salary range.

47.1.3
A lower class shall mean a job classification with a lower salary range.

47.2 Order of Layoff
When one or more employees in the same class are to be laid off for lack of work, purposes of economy, curtailment of positions or other reason, the order of layoff shall be as follows:

(1) Temporary employees in the order to be determined by the appointing authority.
(2) Probationary employees in the order to be determined by the appointing authority.
(3) Permanent employees in inverse order of classification seniority.

47.3 Notice of Layoff
Employees subject to the provisions of this Section shall be given a minimum 30 calendar day notice in writing prior to the effective date of layoff. The Union shall receive concurrent notice, and upon written request within seven calendar days after the notice is given shall be afforded an opportunity to meet with the appropriate Town representatives to discuss the circumstances necessitating the layoff and any proposed alternatives to such layoff. Notwithstanding the effort to work cooperatively, the Town has the exclusive right to determine the methods, means, numbers and kinds of personnel by which by services are to be provided. The Town's decision to make a reduction in force or layoff an employee(s) is not subject to the duty to meet and confer.

47.4 Reassignment in Lieu of Layoff
In the event of layoff, any employee so affected may elect to:

(1) Accept a position in a lower class in which the employee has attained permanent status, provided the employee is otherwise qualified and has more service seniority than other employee(s) in such lower class.

(2) Accept a vacant position in a lower class for which the employee has the necessary education, experience, and training as determined by the Director of Human Resources or designee.

(3) Any employee entitled to the options noted above, which involve assignment to a lower classification, may elect to be placed on layoff in lieu of accepting such assignment to the lower class. In the event the employee elects to be placed on layoff, such employee will only be recalled to the classification from which the employee elected to be placed on layoff.

Section 48. Layoff Reinstatement

48.1
The names of such persons who are laid off or who elect reassignment in lieu of layoff in accordance with the provisions of Section 47 of this Memorandum of Understanding shall be placed upon a Reinstatement Eligible List in inverse order of Service Seniority, i.e., the person with the greatest Service Seniority on the Reinstatement Eligible List for the classes affected shall be offered reinstatement when a vacancy exists in the affected class. Prior to reinstatement, an employee shall be required to meet the qualifications of the positions to which he/she/they is reinstated.

48.2
In the event an employee accepts reinstatement to a lower class to which the employee is entitled, such person's name shall remain on the Reinstatement Eligible List for reinstatement to higher class, provided such a person, except for lack of seniority, would have been otherwise entitled to such higher class at the time of the most recent layoff.

48.3
Any person who is reinstated to a class which is the highest class to which they would have been entitled at the time of the layoff shall have the employee's name removed from the Reinstatement Eligible List.

48.4

In the event a laid off employee cannot be contacted by the Town through usual and customary channels within 10 working days, such person's name shall be removed from the Reinstatement List, providing, however, that such person within the twenty-four month period specified herein may request that his/her/their name be returned to the Reinstatement Eligible List and such person's name may the at sole discretion of the Personnel Officer, or designee, be returned to the Reinstatement Eligible List. In this case, the decision of the Personnel Officer or designee shall be final and not subject to any grievance procedure contained herein.

48.5

In no event shall the names of any person laid off pursuant to the provisions of this Section remain on Reinstatement Eligible List for a period longer than twenty-four months from the effective date of such person's most recent layoff.

48.6

Upon reinstatement to any classification to which the employee is entitled pursuant to the provision of this Section, all benefits acquired by the employee prior to layoff shall also be reinstated. An employee shall not receive credit for time spent on layoff in computing time for any benefit entitlement.

48.7

A laid-off employee shall lose their reinstatement rights for:(1) failure to return to work within 30 days of notice of reinstatement; (2) retirement; and (3) termination for cause.

48.8

Laid-off/displaced employees shall be paid accrued leaves and related benefits in accordance with this Memorandum of Understanding and applicable Town policies and rules. Employees being re-employed who received a sick leave pay off at the time of layoff/displacement, shall have the uncompensated portion of their sick leave balance restored; provided, however, that only those sick leave hours accrued after re-employment shall be applied to sick leave payoff or retiree medical related to a subsequent termination.

Section 49. Contracting Out

No bargaining unit employees shall be laid off as a result of the Town entering into a contract with any outside party.

Section 50. Safety Committee

Union shall encourage its member's participation in the Town-wide Safety Committee.

Section 51. Safety

The Town shall continue to comply with all applicable State rules and regulations relative to safety. The Town and Union agree to maintain a joint committee to investigate and make recommendations on safety issues identified by the Union and the Town.

Section 52. Physical Examinations and Tests

The Town agrees to provide full cost reimbursement for physical examinations and job-related tests that may be required of employees as a condition of continued employment with the Town.

Section 53. Grievance Procedure

Grievances shall be defined as alleged violations of this agreement or disputes regarding interpretations, application, or enforcement of this agreement or Town ordinances, resolutions, and written policies related to personnel policies and working conditions. Grievances shall not include disagreements, disputes, or activities regarding or pertaining to examinations for employment or promotion, disciplinary action, performance evaluations, probationary terminations and items subject to meet and confer. Nothing in these definitions shall be construed to limit "permanent" employees from appealing decisions affecting their employment to the Town Personnel Board.

No act or activity which may be grievable may be considered for resolution unless a grievance is submitted in accordance with the procedure contained herein within thirty (30) calendar days of the date the grievable activity occurred or the date the grievant could reasonably have known such activity occurred. This statute of limitations shall not apply to probationary employees.

The parties agree that all grievances will be processed in accordance with the following procedure:

Step 1

Any employee who has a grievance shall first try to get it settled through discussion with his/her/their immediate supervisor without undue delay. Every effort shall be made to find an acceptable solution at the lowest possible level of supervision. If after such discussion the employee does not believe the grievance has been satisfactorily resolved, he/she/they may file a formal appeal in writing to his/her/their Department Director within ten (10) calendar days after receiving the informal decision of his/her/their immediate supervisor.

Step 2

The Department Director receiving the formal appeal shall render his/her/their written decision within ten (10) calendar days after receiving the appeal. If after receipt of the written decision of the Department Director the employee is still dissatisfied, he/she/they may appeal the decision of the Department Director to the Town Manager. Such appeal shall be made by filing a written appeal to the Town Manager within five (5) days after receipt of the written decision of the Department Director. The Town Manager shall review the decision of the Department Director and render a decision within twenty (20) working days after the appeal is made. The Town Manager's decision shall be final unless appealed to the Personnel Board by either the employee or the Department Director.

Step 3

The appealing party may file a written appeal of the decision, findings and conclusions of the Town Manager to the Personnel Board within ten (10) working days of the Town Manager's decision. Within sixty (60) calendar days of the filing of the appeal, the Personnel Board shall review the decision of the Town Manager and the appeal filed. The Personnel Board may ratify, modify or reverse the Town Manager's decision. The decision of the Personnel Board shall be final.

The time limitations for filing and responding to grievances may be waived or extended by mutual agreement of the parties. If either party to the grievance so requests, an informal hearing shall be conducted at the Department Director or Town Manager appeal levels. Employees may be represented by counsel, Union representative, Union steward or other person at any stage in the grievance process

Section 54. Disciplinary Procedure

54.1 Suspension

Suspension shall be a temporary separation (without pay) from Town service without pay for disciplinary purposes. The Department Director, with notice to the Personnel Officer, may suspend an employee without pay for disciplinary purposes.

54.2 Reduction in Pay

Reduction in pay is a decrease in compensation paid to an employee for a fixed period of time for disciplinary purposes. The Department Director, with notice to the Personnel Officer, may impose a reduction in pay to an employee for disciplinary purposes.

54.3 Demotion

The Department Director, with notice to the Personnel Officer, may demote an employee whose performance of his/her/their required duties is below standard, or for other disciplinary purposes. Demotion may be made to vacant position, if approved by the Personnel Officer, in lieu of layoff. No employee shall be demoted to a position for which he/she/they does not possess the minimum qualifications. Written notice of the demotion shall be given by the Department Director to the employee no less than three (3) days prior to the effective date of the demotion, and a copy filled with the Personnel Officer within the same period.

54.4 Termination

The Department Director, with notice to the Personnel Officer, may terminate an employee whose performance of his/her/theirrequired duties is below standard, or for other disciplinary purposes. Written notice of the termination shall be given by the Department Director to the employee no less than ten (10) days prior the effective date of the termination, and a copy filed with the Personnel Officer within the same period.

54.5 Grounds for Discipline

Employees may be disciplined for, including but not limited to, any of the following grounds for discipline:

1. Fraud in securing employment or making a false statement on an application for employment.
2. Incompetency, i.e. inability to comply with the minimum standard of an employee's position for a significant period of time.
3. Inefficiency or inexcusable neglect of duty, i.e., failure to perform duties required of an employee within his/her/their position.
4. Willful disobedience and insubordination, a willful failure to submit to duly appointed and acting supervision or to conform to duly established orders or directions of persons in a supervisory position.
5. Dishonesty, involving employment.
6. Being under the influence of alcohol or dangerous drugs or narcotics while on duty.
7. Excessive absenteeism.
8. In excusable absence without leave.
9. Abuse of sick leave, i.e., taking sick leave without a doctor's certificate when one is required, or misuse of sick leave.
10. The conviction of either a misdemeanor or a felony involving moral turpitude shall constitute grounds for dismissal of any employee. The record of conviction shall be conclusive evidence only of the fact that the conviction occurred. The Personnel Officer may inquire into the circumstances surrounding the commission of the crime in order to fix the degree of discipline, or the determination if such conviction is an offense involving moral turpitude. A pleas or verdict of guilty, of a conviction showing a plea of nolo contendere made to charge a felony or any offense involving moral turpitude, is deemed to be a conviction within the meaning of this Section. The Personnel Officer may suspend or dismiss said employee when the time for appeal has elapsed or the judgment of the conviction has been affirmed on appeal, or when an order granting probation is made suspending the imposition of sentence, irrespective of a subsequent order under the provisions of Section 1203.4 of the Penal Code of the State of California allowing such person to withdraw his plea of guilty and enter a plea of not guilty, or setting side a verdict of guilty, or dismissing the accusation or indictment.
11. Discourteous treatment of the public or other employees.
12. Improper or unauthorized use of agency property.
13. Refusal to subscribe to any oath or affirmation which is required by law in connection with agency employment.
14. Any willful act of conduct undertaken in bad faith, either during or outside of duty hours which is of such a nature that it causes discredit to the agency, the employee's department of division.
15. Inattention to duty, tardiness, indolence, carelessness or negligence in the care and handling of agency property.
16. Violation of the rules and regulations published by the employee's department.
17. Outside employment not specifically authorized by the appointing authority in accordance with Town procedures.
18. Acceptance from any source of a reward, gift, or other form of remuneration in addition to regular compensation to an employee for the performance of official duties in accordance with policy on Gifts, "Gratuities Or Rewards".
19. The refusal of any officer or employee of the agency to testify under oath before any Grand Jury having jurisdiction over any then pending cause of inquiry in which the investigation of government bribery or misconduct in agency office is involved shall constitute of itself sufficient ground for the immediate discharge of such officer or employee.
20. Willful violation of any of the provisions of the ordinances, resolutions or any rules, regulations or policies which may be prescribed by the agency.

21. Improper political activity. Example: Those campaigning for or espousing the election or non-election of any candidate in national, state, county or municipal elections while on duty and/or during working hours or in an agency uniform on or off duty; or the dissemination of political material of any kind while on duty and/or working hours or in uniform.

54.6 Procedures for Taking Disciplinary Action

Disciplinary action shall be taken in compliance with the following procedures:

54.6.1 Notice of Intent

Whenever the Department Director intends to suspend an employee, demote the employee, reduce employee pay, o=r dismiss the employee, the Department Director shall give the employee a written notice of discipline which sets forth the following:

a. The disciplinary action intended;
b. The specific charges upon which the action is based;
c. A factual summary of the grounds upon which the charges are based;
d. A copy of all written materials, reports, or documents upon which the discipline is based;
e. Notice of the employee's right to respond to the charges either orally or in writing to the appropriate authority;
f. The date, time and person before whom the employee may respond in no less than (3) working days;
g. Notice that failure to respond at the time specified shall constitute a waiver of right to respond prior to final discipline being imposed.

54.6.2 Response by Employee

The employee shall have the right to respond to the Department Director orally or in writing. The employee shall have a right to be represented at any meeting set by the appropriate authority to hear the employee's response. Such meeting will only be permitted once and continued for no more than two days. In cases of suspensions for three (3) days or more, demotions, reductions in pay or dismissal, the employee's response will be considered before final action is taken.

54.6.3 Final Notice

After the response or the expiration of the employee's time to respond to the notice of intent, the appropriate authority shall: (1) dismiss the notice of intent and take no disciplinary action against the employee, (2) modify the intended disciplinary action, or (3) implement the intended disciplinary action. If discipline is to be issued, the appropriate authority shall prepare and serve upon the employee a final notice of disciplinary action. The final notice of disciplinary action shall include the following:

a. The disciplinary action taken;
b. The effect of the disciplinary action taken;
c. Specific charges upon which the action is based;
d. A factual summary of the grounds upon which the charges are based;
e. The written materials, reports and documents upon which the disciplinary action is based;
f. The employee's right to appeal if any.

54.6.4 Termination

The Department Director, with permission from the Personnel Officer, may terminate an employee immediately if it is found that the employee is guilty of gross misconduct.

54.7 Disciplinary Appeals Hearing Procedure

The appeal procedure described herein shall apply only to cases of disciplinary suspensions, reductions-in pay, demotions and dismissals affecting regular part-time and fill-time classified service employees.

1. An employee has five (5) working days after receipt of the Final Notice of Discipline, to appeal the decision by filing a written request for an appeal hearing with the Personnel Officer.
2. If, within the five-day (5) appeal period, the employee involved does not file said appeal, unless good cause for the failure is shown, the action of the Department Head shall take effect as prescribed.
3. If, within the five-day (5) appeal period, the employee involved requests an appeal hearing by filing a written request with the Personnel Officer, the Personnel Officer shall submit the appeal to the Town Manager.

4. A time for an appeal hearing shall be established which shall not be less than twenty (20) working days, from the date of the filing of the appeal. All interest parties shall be notified in writing of the date, time, and place of the hearing at least ten (10) working days prior to the hearing.
5. All hearings shall be private; provided, however, that the appellant may request a hearing open to the public. Any request for an open hearing shall be submitted (5) days prior to the hearing date or the hearing will be closed.
6. Five (5) working days prior to the date set for the hearing each party shall serve upon the other party and submit to the Town Manager list of all witnesses and all exhibits to the Personnel Officer.
7. The employer's exhibits shall be designated by number. The employee's exhibits shall be designated by alphabetical letter. Neither party will be permitted to call during the hearing a witness not identified pursuant to this section nor use any exhibit not provided pursuant to this section unless that party can show that they could no reasonably have anticipated the prior need for such witness or exhibit.
8. The hearing will not be conducted in accordance with technical rules related to evidence and witnesses but hearings hall be conducted in a manner most conducive to determination of the truth. Any relevant evidence may be admitted if it is the type of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rules which might make improper the admission of such evidence over objection in civil actions. Hearsay evidence may be used for the purpose of supplementing or explain any direct evidence but shall not be sufficient in itself to support a finding unless it would be admissible over the objection in civil actions. The rules dealing with privileges shall be effective to the same extent that they are now or hereafter may be recognized in civil actions, and irrelevant and unduly repetitious evidence may be excluded. Decisions made by the Town Manager shall not be invalidated by any informality in the proceedings.
9. The Town Manager shall rule on the admission or exclusion of evidence.
10. Each party shall have these rights: To be represented by legal counsel or other person of his or her choice; to call and examine witnesses; to introduce evidence; to cross-examine opposing witnesses on any matter relevant to the issues; to impeach any witness regardless of which party first called him or her to testify; and to rebut the evidence against him/her. If the employee does not testify in his or her own behalf, he/she/they may be called and examined as if under cross-examination.
11. Oral evidence shall be taken only on oath or affirmation.
12. The hearing shall proceed in the following order, unless the Town Manager for special reason, otherwise directs:
13. The Town shall be permitted to make an opening statement.
14. The employee shall be permitted to make an opening statement.
15. The Town shall present its case in chief and offer evidence in support thereof.
16. The employee may then present his or her defense and offer his or her evidence in support thereof.
17. The parties may then, in order, respectively offer rebutting evidence only, unless the Town Manager for good reason, permits them to offer evidence upon their original case.
18. Closing arguments shall be permitted at the discretion of the Town Manager. If the Town Manager permits closing arguments, the party with the burden of proof shall have the right to close the hearing by making the last closing argument.
19. The Town Manager shall determine relevancy, weight, and credibility of testimony and evidence, and shall base its findings on the preponderance of evidence.
20. During the examination of a witness, all other witnesses, except the parties, shall be excluded from the hearing upon motion of either party.
21. No still photographs, moving pictures, or television pictures hall be taken in the hearing chamber during a hearing.
22. The Town Manager, prior to or during a hearing, may grant a continuance for any reason he/she/they believes to be important to his/her/their reaching a fair and proper decision.
23. The Town Manager shall render his/her/their findings and decision as soon after the conclusion of the hearing as possible, and in no event, later than ten (10) working days after conducting the hearing unless otherwise stipulated by the parties. The Town Manager's decision shall set forth the recommendations as to each of the charges and the reasons therefore.
24. The Town Manager may recommend the sustaining or rejecting of any or all of the charges filed against the employee. The Town Manager may recommend sustaining, rejecting, or modifying the disciplinary action invoked against the employee.
25. The Town Manager's proposed decision shall be filled with the charged employee and the Personnel Officer, and if the proposed decision is to reinstate, the decision shall set forth the recommended effective date the employee is to be reinstated, which may be any time on or after the date the disciplinary action went into effect. The decision of the Town Manager is final unless appealed to the Personnel Board.
26. Either party may appeal the Town Manager's decision by filing a written appeal with the Personnel Officer within ten (10) working days of the Town Manager's decision.

27. The party desiring to contest the decision of the Town Manager may request a transcript for review by the Personnel Board within ten (10) working days of the Town Manager's decision. If the appealing party requests a transcript, that party shall pay the cost of the transcript.
28. Within ten (10) working days of the filing of the appeal, the Personnel Board shall review the decision of the Town Manager, the appeal filed and the record. The Personnel Board shall review the decision of the Town Manager, the appeal filed and the record. The Personnel Board may ratify, modify or reverse the Town Manager's decision; the Personnel Board shall first obtain a transcript of the hearing. The decision of the Personnel Board shall be final.

Section 55. Unpaid Furloughs

AFSCME understands that the Town Manager has the unilateral authority to implement unpaid furloughs. Time will be tracked on timesheets and monitored to ensure that all employees meet the unpaid furlough requirement.

55.1

Town-wide Closures: The Town Manager will close Town services on designated days for which employees will take unpaid time. The closure schedule will be published for employees and the public in advance. In the event that the Town requires an employee to work on a designated furlough day, the employee shall not be furloughed on that day but shall take a different unpaid furlough day on a date mutually agreeable to the employee and his or her supervisor. Rescheduled furlough days must be pre-approved by a supervisor in advance and in accordance with standard operating and staffing requirements.

55.1.1

Rolling Furloughs: As an alternative to taking unpaid furlough on a Town-wide Closure day, employees may request to schedule unpaid furlough on a regularly scheduled workday. The request is subject to supervisory approval and subject to meeting operational needs. Furlough hours may be scheduled as a minimum of four (4) hours.

55.2

Supervisory Authority: The parties recognize the supervisor's authority to approve or deny paid or unpaid time off based upon the operational needs of the department. Time off will be granted in a manner that minimizes operational hardship.

55.3

Incomplete Furloughs: If an employee does not complete their unpaid furloughs by the last pay period of the fiscal year, the employee's accrued vacation hours will be forfeited for the balance of the unpaid furlough. The parties understand that furlough hours have no cash value.

55.4

Effect on Paychecks: To minimize fluctuations in paychecks, the furlough pay reduction will be taken in equal increments over the fiscal year, regardless of when the actual furlough day is taken.

55.5

No Limitation: The parties understand that paragraphs in this section are intended to provide a structure for unpaid furloughs and are not a limitation on the Town Manager's authority to implement unpaid furloughs.

Section 56. Closure Days with Paid Leave Allowed

AFSCME understands that the Town Manager, for budgetary constraints or for operational efficiency, may close all nonessential services and permit employees to use paid leaves. For example, the Town Manager may institute the closure of nonessential services between the Christmas and New Years' holidays. Where not in conflict with the provisions of Section 54 (Unpaid Furloughs), in regard to these closure days:

56. 1

Employees performing essential services and scheduled to work on the Closure Days will receive straight-time pay for hours worked up to forty per week, and overtime pay for hours worked in excess of forty per week.

56.2
At their election, employees who are not scheduled to work may utilize accrued paid vacation, compensatory time off, or personal leave to cover the Closure Days. Leave must be requested in the manner provided in the MOU. Employees who use paid leave will accrue sick leave, vacation and CalPERS credit while on leave.

56.3
While employees have the option to utilize paid vacation, compensatory time off, or personal leave, they are also permitted to take leave without pay (LWOP) to cover Closure Days. Employees who take LWOP will maintain their health, life and disability insurance, as well as any medical cash in lieu. Employees who utilize LWOP will not accrue sick leave, vacation or CalPERS credit while on LWOP.

56.4
If an employee requests to work during the closure days due to hardship (e.g., the employee is out of leave and is financially unable to take time without pay), the Department Director will first try to assign the employee in their own department. If a suitable assignment is not available in the employee's own department, the Town Manager maintains the management right to place the employee in an alternative assignment for the furlough period.

56.5
The Town Manager maintains the management right to determine essential and nonessential services.

57 Tuition Reimbursement Program

57.1
The Town will reimburse employees up to $3,000 per fiscal year toward the cost of books, university/school fees (except parking) and tuition.

57.2
The reimbursement shall be only for courses that are directly related to the employee's position as determined by the Town Manager, including general education courses that are generally related to attainment of a job-related degree or certification. General education courses not generally related to the employee's position will not be eligible for reimbursement. Reimbursement shall be taxed pursuant to State and Federal regulations.

57.3
Application for tuition reimbursement shall be made to the Town before the course begins. Prior to reimbursement of costs, all course work must be completed with a passing grade of "C" or equivalent when numerical score or pass/fail is given.

57.4
Any employee who terminates employment with the Town within one (1) year from the completion of a class or classes, for which tuition reimbursement was paid shall refund all tuition paid under this provision, unless required to attend by the appointing authority. This section shall not apply in cases involving disability, layoff, or death of the employee, or other unforeseen circumstances as approved by the Appointing Authority on a case-by-case basis.

Section 58. Comprehensiveness of Agreement
Town and Union agree that this agreement represents all salary, wages, and fringe benefits subject to negotiation and available to employees.

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AFSCME MOU Exhibit A

For Fiscal year 2022/2023 – 7.5% Increase Effective First Full Pay Period in July

Town of Los Gatos AFSCME Classifications
Salary Schedule for Fiscal Year 2022/23
Effective July 10, 2022
Adopted by Town Council June 7, 2022

Class Code	Classification Title	Rate Type	Range AF1	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
6619	Assistant Equipment Mechanic	Hourly	09	$33.37	$35.04	$36.79	$38.63	$40.56	$42.59
6620	Equipment Mechanic	Hourly	03	$38.38	$40.30	$42.32	$44.44	$46.66	$48.99
6618	Supervising Equipment Mechanic	Hourly	08	$44.14	$46.35	$48.67	$51.10	$53.66	$56.34
6670	Facility Technician	Hourly	02	$35.71	$37.50	$39.38	$41.35	$43.42	$45.59
6600	Lead Parks & Maintenance Worker	Hourly	07	$40.75	$42.79	$44.93	$47.18	$49.54	$52.02
6650	Parks & Maintenance Worker	Hourly	05	$32.79	$34.43	$36.15	$37.96	$39.86	$41.85
6660	Parks & Maintenance Worker Trainee	Hourly	04	$26.78	$28.12	$29.53	$31.01	$32.56	$34.19
6605	Senior Parks & Maintenance Worker	Hourly	06	$35.68	$37.46	$39.33	$41.30	$43.37	$45.54
6610	Town Arborist	Hourly	03	$38.92	$40.87	$42.91	$45.06	$47.31	$49.68

Reflects General Increase of 7.5%.

ATTACHMENT 1

TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 06/07/2022
ITEM NO: 22

DATE: June 2, 2022

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Approve Cost of Living Increases for Unrepresented Management, Confidential, and Temporary/Hourly Employees; One-Time Non-PERSable Bonuses for Confidential and Management; and a 5% Market Adjustment for Confidential and Temporary/Hourly Employees

RECOMMENDATION:

Approve cost of living increases for unrepresented Management, Confidential, and Temporary/Hourly Employees; one-time non-PERSsable bonuses for Confidential and Management; and a 5% market adjustment for Confidential and Temporary/Hourly Employees.

BACKGROUND:

On June 7, 2022, Council will consider labor agreements with the Association of Federal, State, County and Municipal Employees (AFSCME), Town Employee's Association (TEA), and the Police Officers' Association (POA).

Unrepresented employees are those that are salaried Management, hourly Confidential, and Council Appointees'. Temporary/Hourly employees that work fewer than 20 hours per week are also in the unrepresented group and serve in an unbenefited capacity. All serve as at-will employees. Compensation and benefit changes for unrepresented employees are approved by Council and typically align with changes resulting from negotiations of successor agreements with the Town's represented bargaining groups to retain general parity with the exception of the Council Appointee positions of Town Manager and Town Attorney. Council Appointee compensation and benefit changes are determined directly by Council and are contained in individual Employment Agreements. Staff is not recommending a salary change for Council Appointee employees.

PREPARED BY: Salina Flores
Human Resources Director

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

DISCUSSION:

The bargaining units settled with two-year agreements (see separate agenda items for each). Staff is recommending a 3% cost of living increase for FY 2022/23 and FY 2023/24 for unrepresented Management and Confidential employees and a one-time, non-PERSable bonus of $2,500 for unrepresented Management and Confidential employees. In addition, Confidential employees would also receive a 5% market adjustment. A market adjustment for Management may be considered at a later date, once potential compaction issues have been analyzed.

Temporary/Hourly classification rates are generally benchmarked to the full-time counterpart positions and as such, staff is recommending a 3% cost of living increase for FY 2022/23 and FY 2023/24 and a 5% market adjustment. All parameters are effective with the first full pay period in July. These recommendations maintain parity with TEA.

CONCLUSION:

The recommendations contained in this report bring the unrepresented groups to general parity with the represented employees.

FISCAL IMPACT:

The anticipated fiscal impact for the 3.0% COLA increases in FY 2022/23 is $65,000 for Confidential, $216,000 for Management, and $22,000 for Temporary classifications. The anticipated fiscal impact for FY 2022/23 market adjustments for Confidential is $108,840 and $37,000 for Temporary classifications. $. In addition, the anticipated fiscal impact of onetime non-pensionable payments for Management and Confidential is $108,500 for FY 2022/23. The total cost impact will be absorbed in the Town's existing operating budget.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:

1. Salary Schedule for Management Effective July 10, 2022
2. Salary Schedule for Confidential Classifications Effective July 10, 2022
3. Salary Schedule for Temporary/Hourly Classifications Effective July 10, 2022

Town of Los Gatos Town Council and Management Classifications
Salary Schedule for Fiscal Year 2022/23
Effective July 10, 2022
Adopted by Town Council June 7, 2022

Class Code	Classification Title	Annual Salary Minimum	Annual Salary Maximum
2615	Assistant Parks & Public Works Director/Town Engineer	$ 146,041	$ 197,155
2110	Assistant Town Manager	$ 173,596	$ 234,355
2420	Chief Building Official	$ 132,307	$ 178,614
2400	Community Development Director	$ 169,358	$ 228,633
2180	Community Outreach Coordinator	$ 91,353	$ 123,326
2130	Economic Vitality Manager	$ 125,930	$ 170,005
2310	Finance and Budget Manager	$ 132,307	$ 178,614
2300	Finance Director	$ 165,232	$ 223,063
2200	Human Resources Director	$ 153,434	$ 207,136
2900	Information Technology Manager	$ 132,307	$ 178,614
2800	Library Director	$ 153,434	$ 207,136
2820	Library Division Manager	$ 100,836	$ 136,129
2600	Parks & Public Works Director	$ 169,358	$ 228,633
2645	Parks & Public Works Operations Manager	$ 114,087	$ 154,017
2630	Parks & Public Works Superintendent	$ 132,307	$ 178,614
2412	Planning Manager	$ 132,307	$ 178,614
2510	Police Captain	$ 157,270	$ 212,314
2500	Police Chief	$ 177,936	$ 240,213
2545	Police Records & Communication Manager	$ 122,858	$ 165,859
2140	Senior Administrative Analyst	$ 98,376	$ 132,808
2650	Senior Civil Engineer	$ 125,930	$ 170,005
2000	Town Attorney - Council Appointed *(Effective 9/19/21, Adopted by Town Council 11/16/21)*		$ 249,900
2190	Town Clerk	$ 132,307	$ 178,614
2100	Town Manager - Council Appointed *(Effective 8/22/21, Adopted by Town Council 11/16/21)*		$ 267,750
2655	Transportation & Mobility Manager	$ 122,858	$ 165,859
2905	Urban Forest Manager	$ 114,087	$ 154,017
1000	Town Council *(Effective 1/1/19 Pursuant to Ordinance Adopted by Town Council on 2/6/18)*	$570 Stipend per month, for a total compensation of $6,840 per year	

Management salaries reflect a spread of 35% to the top of the range.

Reflects a General Increase of 3%

ATTACHMENT 1

Town of Los Gatos Confidential Classifications
Salary Schedule for Fiscal Year 2022/23
Effective July 10, 2022
Adopted by Town Council June 7, 2022

Class Code	Classification Title	Rate Type	Range CF1	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
3300	Accountant/Finance Analyst	Hourly	07	$47.14	$49.50	$51.98	$54.58	$57.31	$60.76
3000	Administrative Analyst	Hourly	07	$47.14	$49.50	$51.98	$54.58	$57.31	$60.76
3518	Administrative Assistant	Hourly	09	$32.41	$34.03	$35.73	$37.52	$39.40	$41.95
3115	Administrative Technician	Hourly	04	$40.65	$42.68	$44.81	$47.05	$49.40	$52.45
3190	Deputy Clerk	Hourly	08	$38.69	$40.62	$42.65	$44.78	$47.02	$49.95
3500	Executive Assistant to Chief of Police	Hourly	03	$38.69	$40.62	$42.65	$44.78	$47.02	$49.95
3100	Executive Assistant to Town Manager	Hourly	05	$40.65	$42.68	$44.81	$47.05	$49.40	$52.45
3015	Human Resources Technician	Hourly	02	$36.83	$38.67	$40.60	$42.63	$44.76	$47.58
3200	Legal Administrative Assistant	Hourly	02	$36.83	$38.67	$40.60	$42.63	$44.76	$47.58
3180	Office Assistant	Hourly	01	$29.65	$31.13	$32.69	$34.32	$36.04	$38.42
3301	Payroll Technician	Hourly	06	$40.65	$42.68	$44.81	$47.05	$49.40	$52.45

Reflects General Increase of 8% and includes 5% Confidential Premium

ATTACHMENT 2

dential 8%

Approved 6/7/2022

Town of Los Gatos Temporary Classifications
Salary Schedule for Fiscal Year 2022/23
Effective July 10, 2022
Adopted by Town Council June 7, 2022

Class Code	Classification Title	Rate Type	Range	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
9305	Account Clerk Temp/Hourly	Hourly	TE2-04	$26.75	$28.09	$29.49	$30.96	$32.51	$34.14
9310	Account Technician Temp/Hourly	Hourly	TE2-10	$32.14	$33.75	$35.44	$37.21	$39.07	$41.02
9300	Accountant Temp/Hourly	Hourly	TE2-17	$38.82	$40.76	$42.80	$44.94	$47.19	$49.55
9010	Admin Analyst Temp/Hourly	Hourly	TE2-17	$38.82	$40.76	$42.80	$44.94	$47.19	$49.55
9100	Admin Specialist Temp/Hourly	Hourly	TE2-10	$32.14	$33.75	$35.44	$37.21	$39.07	$41.02
9580	Administrative Assistant Temp/Hourly	Hourly	TE2-05	$29.22	$30.68	$32.21	$33.82	$35.51	$37.29
9105	Administrative Secretary Temp/Hourly	Hourly	TE2-09	$30.70	$32.24	$33.85	$35.54	$37.32	$39.19
9656	Assistant Engineer Temp/Hourly	Hourly	TE2-23	$43.99	$46.19	$48.50	$50.93	$53.48	$56.15
9655	Associate Civil Engineer Temp/Hourly	Hourly	TE2-24	$50.65	$53.18	$55.84	$58.63	$61.56	$64.64
9400	Associate Planner Temp/Hourly	Hourly	TE2-22	$43.82	$46.01	$48.31	$50.73	$53.27	$55.93
9410	Building Inspector Temp/Hrly	Hourly	TE2-23	$43.99	$46.19	$48.50	$50.93	$53.48	$56.15
9112	Clerical Aide Temp/Hourly	Hourly	TE2-01	$16.20	$17.01	$17.86	$18.75	$19.69	$20.67
9430	Code Compliance Officer Temp/Hourly	Hourly	TE2-16	$37.82	$39.71	$41.70	$43.79	$45.98	$48.28
9530	Communication Dispatcher Temp/Hourly	Hourly	TE2-19						
9545	Crime Analyst Temp/Hourly	Hourly	TE2-18	$39.29	$41.25	$43.31	$45.48	$47.75	$50.14
9540	CSO Intern Temp/Hourly	Hourly	TE2-03	$24.02	$25.22	$26.48	$27.80	$29.19	$30.65
9532	CSO Temp/Hrly	Hourly	TE2-12	$34.43	$36.15	$37.96	$39.86	$41.85	$43.94
9190	Deputy Clerk Temp/Hourly	Hourly	TE2-04	$26.75	$28.09	$29.49	$30.96	$32.51	$34.14
9660	Engineering Technician Temp/Hourly	Hourly	TE2-13	$35.31	$37.08	$38.93	$40.88	$42.92	$45.07
9621	Equipment Mechanic Temp	Hourly	AF2-01	$35.68	$37.46	$39.33	$41.30	$43.37	$45.54
9720	Facility Attendant Temp/Hourly	Hourly	TE2-01	$16.20	$17.01	$17.86	$18.75	$19.69	$20.67
9109	Human Resources Specialist Temp/Hourly	Hourly	TE2-09	$30.70	$32.24	$33.85	$35.54	$37.32	$39.19
9041	Intern I Temp/Hourly	Hourly	TE2-02	$18.80	$19.74	$20.73	$21.77	$22.86	$24.00
9040	Intern II Temp/Hourly	Hourly	TE2-03	$24.02	$25.22	$26.48	$27.80	$29.19	$30.65
9200	IT Technician Temp/Hrly	Hourly	TE2-14	$35.37	$37.14	$39.00	$40.95	$43.00	$45.15
9605	Lead Parks & Maint Worker	Hourly	AF2-06	$37.37	$39.24	$41.20	$43.26	$45.42	$47.69
9015	Legal Assistant Temp/Hrly	Hourly	TE2-17	$38.82	$40.76	$42.80	$44.94	$47.19	$49.55
9810	Librarian Temp/Hourly	Hourly	TE2-15	$37.44	$39.31	$41.28	$43.34	$45.51	$47.79
9820	Library Assistant Temp/Hourly	Hourly	TE2-06	$28.54	$29.97	$31.47	$33.04	$34.69	$36.42

8%

Approved 6/7/2022

ATTACHMENT 3

Town of Los Gatos Temporary Classifications
Salary Schedule for Fiscal Year 2022/23
Effective July 10, 2022
Adopted by Town Council June 7, 2022

Class Code	Classification Title	Rate Type	Range	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
9840	Library Clerk Temp/Hourly	Hourly	TE2-04	$26.75	$28.09	$29.49	$30.96	$32.51	$34.14
9850	Library Page Temp/Hourly	Hourly	TE2-01	$16.20	$17.01	$17.86	$18.75	$19.69	$20.67
9830	Library Teen Services Specialist	Hourly	TE2-03	$24.02	$25.22	$26.48	$27.80	$29.19	$30.65
9600	Maintenance Assistant	Hourly	AF2-02	$17.96	$18.86	$19.80	$20.79	$21.83	$22.92
9900	Network Administrator	Hourly	TE2-21	$41.89	$43.98	$46.18	$48.49	$50.91	$53.46
9180	Office Assistant Temp/Hourly	Hourly	TE2-04	$26.75	$28.09	$29.49	$30.96	$32.51	$34.14
9645	Park Service Officer Aide Temp/Hourly	Hourly	TE2-03	$24.02	$25.22	$26.48	$27.80	$29.19	$30.65
9640	Park Service Officer Temp/Hourly	Hourly	TE2-12	$34.43	$36.15	$37.96	$39.86	$41.85	$43.94
9560	Parking Control Officer Temp/Hourly	Hourly	TE2-04	$26.75	$28.09	$29.49	$30.96	$32.51	$34.14
9620	Parks & Main Worker Temp	Hourly	AF2-04	$30.06	$31.56	$33.14	$34.80	$36.54	$38.37
9630	Parks & Main Worker Trainee Temp	Hourly	AF2-03	$24.57	$25.80	$27.09	$28.44	$29.86	$31.35
9440	Permit Technician	Hourly	TE2-11	$33.12	$34.78	$36.52	$38.35	$40.27	$42.28
9590	Police Officer Reserve (Top Step of Officer)	Hourly	TE2-25						
9520	Police Officer Temp/Hourly	Hourly	TE2-25						
9550	Police Records Specialist Temp/Hourly	Hourly	TE2-08	$29.94	$31.44	$33.01	$34.66	$36.39	$38.21
9000	Project Manager	Hourly	Mgmt						$115.56
9650	Public Works Inspector Temp/Hourly	Hourly	TE2-20	$41.57	$43.65	$45.83	$48.12	$50.53	$53.06
9670	Senior Electrician Temp/Hourly	Hourly	TE2-23	$43.99	$46.19	$48.50	$50.93	$53.48	$56.15
9831	Senior Library Page	Hourly	TE2-02	$18.80	$19.74	$20.73	$21.77	$22.86	$24.00
9725	Special Event Attendant	Hourly	TE2-07	$17.96	$18.86	$19.80	$20.79	$21.83	$22.92
9610	Ticket Booth Attendant	Hourly	AF2-05	$16.20	$17.01	$17.86	$18.75	$19.69	$20.67

Reflects General Increase of 8%

TOWN OF LOS GATOS

FINANCE COMMISSION REPORT

MEETING DATE: 06/13/2022

ITEM NO:

DATE: June 8, 2022

TO: Finance Commission

FROM: Laurel Prevetti, Town Manager

SUBJECT: Receive Update on Negotiated Labor Agreements

DISCUSSION:

On June 7, 2022, the Town Council approved Labor Agreements between the Town of Los Gatos and the Police Officers Association (POA), Town Employees' Association (TEA), and the American Federation of State, County, and Municipal Employees (AFSCME). In addition, the Town Council approved economic parameters for the Town's unrepresented employees in Management, Confidential, and Temporary classifications.

The following tables summarize the agreed upon terms and cumulative costing associated with the agreements:

Represented Groups

Economics	AFSCME	TEA	POA
Term	2 Years	2 Years	3 Years
1st Year	3.0% COLA & $1,000	3% COLA	3% COLA
2nd Year	3.0% COLA	3% COLA	3% COLA
Market Adjustments	4.5%	5.0%	3.15%
Pandemic Pay	$2,500	$2,500	$2,500
Juneteenth	Yes	Yes: 0.35%	Yes; 0.4% & $1,000
Education Reimbursement	Additional $1,500	n/a	n/a

PREPARED BY: Arn Andrews
Assistant Town Manager

Reviewed by: Town Manager and Finance Director

2021/22 Cleanup	n/a	n/a	1.1% and $5,000
Contract Ratification	n/a	$1,000	n/a

Unrepresented Groups

Economics	**Confidential**	**Management**	**Temporary**
1st Year	3.0% COLA	3% COLA	3% COLA
2nd Year	3.0% COLA	3% COLA	3% COLA
Market Adjustments	5.0%		5.0%
Pandemic Pay	$2,500	$2,500	
Juneteenth	Yes	Yes	Yes

Agreement Costing

Economics	**COLA**	**Market Adjustments**	**One-time**
POA	$337,000	$265,000	$289,000
AFSCME	$46,000	$133,000	$38,500
TEA	$215,000	$290,000	$210,000
Confidential	$65,000	$108,840	$38,500
Management	$216,000		$70,000
Temporary	$22,000	$37,000	
Totals	$901,000	$886,005	$646,000

Budget Balancing Strategies	Pros	Cons
Use of either the Budget Stabilization or Catastrophic Reserves	• Sufficient funding available in each reserve	• Funds are required to be replenished
Cancelation of the annual OPEB actuarial contribution funding	• Legally viable • $600k in FY 20/21 and $500k in FY 21/22	• Counter to past funding objectives • Potential rating agency implications
Utilization of the OPEB IRS 115 Trust for annual Pay Go healthcare expenses	• Legally viable • $1.3M in FY 20/21 and $1.3M in FY 21/22	• Counter to past funding objectives
Cancel programmed GF GFAR contribution for FY 21/22	• $600k	• Counter to the Commissions CIP funding objective
ARPA	• $1.4M FY 20/21 and $650k FY 21/22	• Depletes resources available for other ARPA eligible purposes

ATTACHMENT 4

TOWN OF LOS GATOS
FINANCE COMMISSION

MEETING DATE: 06/13/2022

DATE: June 8, 2022

TO: Finance Commission

FROM: Laurel Prevetti, Town Manager

SUBJECT: Receive Update on American Rescue Plan Act Administration

RECOMMENDATION:

Receive update on American Rescue Plan Act (ARPA) administration.

BACKGROUND:

In accordance with ARPA, the Town was awarded an ARPA grant in the amount of $7,229,744 paid to the Town in two separate payments, the first payment of $3,618,872 was received in early July 2021 and the second payment of $3,614,872 is expected to be received in early July 2022.

Based on initial guidance of eligible uses of ARPA funds the Town allocated these funds to various purposes to respond and support the impacts of the pandemic on Town residents, non-profits, the business community including the construction of downtown parklets, non-profit fee and rent waivers, enhanced senior services, promenades, and increased funding for Town infrastructure capital improvements, among other initiatives.

Since receipt of ARPA funds staff has been following the evolution of the federal guidelines for the use of ARPA funding as well as regularly participating in ARPA focused webinars presented by the US Department of the Treasury (Treasury) staff and the ARPA sub-group sponsored by the Government Finance Officers Association. During the initial ARPA implementation period Treasury received a tremendous number of inquiries from ARPA grant recipients on how best to comply with the complex and evolving federal regulations and guidance for calculating pandemic related revenue loss and complying with federal uniform guidance on eligible uses of ARPA funds. Treasury responded to this demand by revising its initial requirements in their

PREPARED BY: Stephen Conway
Finance Director

Reviewed by: Town Manager and Assistant Town Manager

BACKGROUND (continued):

Final Interim Rule to allow certain non-entitlement units (NEUs) like the Town of Los Gatos a simplified procedure for claiming and reporting revenue loss. To be eligible for the simplified claiming procedures, the NEU must receive a total ARPA award of less than $10 million.

DISCUSSION:

Upon Treasury's release of the simplified reporting process for entities awarded less than $10 million in ARPA funding and additional guidance received through staff review of federal compliance issues, staff recommends that the Town recognize the $3.4 M of FY 2021/22 and the anticipated $3.6M FY 2022/23 cash collections of ARPA revenues as qualified revenue loss under the Treasury provisions for use in providing government services. To further aid in compliance with federal uniform guidance and Single Audit requirements, staff is intending to claim the lost revenue for use in providing essential government services and intends to account for the use of ARPA revenue loss revenues for eligible public safety payroll costs for both FY 2021/22 and FY 2022/23.

The recommended action as illustrated in the below worksheet will allocate all ARPA "replacement" revenues to the General Fund which in turn will unencumber other General Fund operating revenues which were previously dedicated for public safety costs. The newly unencumbered General Fund revenues can then be allocated to the ARPA pandemic responses as identified, approved and allocated by Town Council since receipt of the $7.2 million ARPA award.

AMERICAN RESCUE PLAN ACT (ARPA) SUMMARY WORKSHEET

	FY 2020/21 ACTUALS	FY 2021/22 BUDGET ADJ. ACTUAL/ESTIMATED	FY 2022/23 ESTIMATED	GRAND TOTAL
ARPA FUNDS REVENUE RECOGNIZED	$ 200,911	$ 3,413,961	$ 3,614,872	$ 7,229,744
GOV SERVICES (WAIVERS,CUP&ADA,DIRECT GRANTS)	200,911			200,911
REVENUE LOSS -GOV SERVICES (PUBLIC SAFETY)		3,413,961	3,614,872	7,028,833
	$ 200,911	$ 3,413,961	$ 3,614,872	$ 7,229,744
GENERAL FUND ARPA REPLACEMENT REVENUES AVAILABLE	200,911	3,413,961	3,614,872	7,229,744
LESS APPROVED USES TO BE BUDGETED:				
PARKLETS (DOWNTOWN IMPVTS PROJECT)		680,000	250,000	930,000
RENT WAIVERS	121,255	341,452	283,756	746,463
CUP/ADA FEE WAIVERS	19,656	27,672	27,672	75,000
DESTINATION MARKETING		55,000		55,000
K-RAILS (DOWNTOWN IMPVTS PROJECT)		68,000		68,000
PROMENADES		80,000	120,000	200,000
DIRECT GRANTS	60,000	50,000		110,000
ENHANCED SENIOR SERVICES		500,000		500,000
CAPITAL IMPROVEMENT PROGRAM SUPPORT TRANSFERS			2,900,000	2,900,000
REQUIRED FOR GF BALANCING OF OPERATING REV_EXP	-		1,645,281	1,645,281
TOTAL ALLOCATIONS OF GENERAL FUND ARPA REPLACEMENT REVENUES	$ 200,911	$ 1,802,124	$ 5,226,709	$ 7,229,744
GENERAL FUND ARPA REPLACEMENT REVENUE UNCOMMITTED	$ -	$ 1,611,837	$ (1,611,837)	$ -

CONCLUSION:

The worksheet illustrates budget adjustments related to the necessary ARPA and General Fund revenue and expense adjustments and recaps the total ARPA grant award of $7,229,744 and the Council directed uses approved or proposed through June 7, 2022. In addition, the worksheet provides the detail staff will use to adjust the ARPA and General Fund budgets to recognize the ARPA grant award for revenue loss to be used to reimburse public safety response. It will also be used to recognize and budget FY 2021/22 matching General Fund ARPA replacement revenues and expenditure budgets for use in supporting the ARPA objectives as approved/proposed and directed by Town Council since original receipt of the ARPA grant award.

TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 06/21/2022
ITEM NO: 17

DATE: June 15, 2022

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Receive an Update on the Dittos Lane Affordable Housing Project

RECOMMENDATION:

Receive an update on the Dittos Lane affordable housing project.

BACKGROUND:

On October 30, 2018, the Town entered into an Exclusive Negotiating Agreement with Sarah Chaffin (Developer) for the siting and development of affordable housing at 20 Dittos Lane with a preference for teachers and school district staff. On June 2, 2020, the Town Council approved the land purchase agreement with the Developer for the construction of four affordable housing units with the property being deed restricted for 55 years. In addition to the property donation the Town Council provided $1,200,000 in loans toward the construction and development of the project. One loan for $600,000O is stipulated to be paid back within 10 years with the other loan being amortized over the 55 year deed restriction. On August 3, 2021, the transfer of 20 Dittos Lane and deed restrictions were recorded with the County and funds transferred to the Title Company.

DISCUSSION:

With the property transfer complete, the Developer initiated construction of the project. With the construction phase of the project nearly complete, staff thought it appropriate to provide an update of the project status. The following photos illustrate the project progress to date.

PREPARED BY: Arn Andrews
Assistant Town Manager

Reviewed by: Town Manager and Community Development Director

DISCUSSION (continued):

DISCUSSION (continued):

Throughout the construction phase of the project, the Developer continued to receive significant in-kind and monetary contributions. Significant construction phase contributions of note include:

- Adanac & Fire Response Supply - donated fire sprinkler system
- Los Gatos Roofing - provided the roof at cost
- Star Concrete - 50% discount on concrete
- West Valley Construction - helped defray the costs of the fire hydrant
- PG&E - value engineered the electrical on the property
- Earth Systems - value Engineered the testing requirements
- Chapman Design & TS Civil Engineering - value engineered the design and civil engineering work

Collectively, the Developer's efforts have resulted in significant construction cost savings during a period of unprecedented commodity inflation. Given the aforementioned concessions and

DISCUSSION (continued):

other project support, the Developer estimates final construction costs just slightly above budget. The estimated construction completion date is late July at which time staff will coordinate a ribbon cutting with the Town Council.

COORDINATION:

This staff report was coordinated with the Town Manager and Community Development Director.

FISCAL IMPACT:

None.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 06/21/2022
ITEM NO: 18

DATE: June 1, 2022

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Conduct Brush Abatement Program Public Hearing to Consider Objections to the Proposed Removal of Brush on Parcels Listed on the 2022 Wildland Urban Interface (WUI) Area Non-Compliant Parcel List and Order Abatement of the Public Nuisance and Potential Fire Hazard Pursuant to the Town of Los Gatos Municipal Code (Chapter 9) Regarding Defensible Space

RECOMMENDATION:

Conduct a public hearing to consider objections to the proposed removal of brush on parcels listed on the 2022 Wildland Urban Interface (WUI) Area Non-Compliant Parcel List (Attachment 1) and order abatement of the public nuisance and potential fire hazard pursuant to the Town of Los Gatos Municipal Code (Chapter 9) regarding defensible space.

BACKGROUND:

The Brush Abatement Program is a different and complementary program to the Weed Abatement Program that works to protect the Town from wildfire risk by reducing potential fuel, such as brush, for hillside areas.

The Brush Abatement Program is managed by the Santa Clara County Fire Department. The Town of Los Gatos Municipal Code Section 9.20.025 et seq requires property owners in the locally adopted Wildland-Urban Interface Fire Area (WUI) (Attachment 4) to maintain effective defensible space by removing brush, flammable vegetation, and combustible growth, based on the locally adopted Fire Codes. It also authorizes the County, through a contract for services with the Town, to remove the brush if the property owner fails to do so and to recover administrative service and abatement costs through an assessment on the property tax bill for each parcel.

PREPARED BY: Meredith Johnston
Administrative Technician

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, Finance Director, and Interim Director of Parks and Public Works

BACKGROUND (continued):

The WUI area is the part of the Town at greatest risk for wildfire and primarily consists of the hillsides and immediately adjacent neighborhoods. Los Gatos has over 1,800 parcels in the WUI area. County Fire categorizes the parcels into zones and rotates zones every 3 years to allow for inspections in the 5 to 6-week inspection time frame (April-June), as they cannot feasibly inspect every parcel every year.

Early each year, property owners are reminded that they must remove flammable vegetation from around their home and other structures on their property to create defensible space. The Town annually adopts the Hazardous Vegetation Abatement Program and works with the Santa Clara County Fire Prevention Division who serves as the enforcement agent and conducts the inspections.

DISCUSSION:

On May 3, 2022, the Town Council passed Resolution 2022-023 (Attachment 3) declaring hazardous vegetation (brush) a public nuisance, ordering abatement, and setting June 21, 2022, as a public hearing to consider objections to the proposed removal of brush.

The following is a timeline of the program:

FEB/MARCH	The Santa Clara County Fire Prevention Division notifies property owners located within the designated WUI area of the requirements and timeline to comply with the enforced safety regulations based on the adopted California Fire Code. At the time of the notice, property owners are given the option to complete the required work themselves, hire their own contractor, or elect to schedule the Town of Los Gatos' authorized contractor to perform the work.
APRIL	County Fire begins conducting the first property inspections of the properties identified in February/March. As a result of these inspections, letters and door-hangers are provided for those who are not yet compliant.
MAY	Town Council adopts a Resolution declaring hazardous vegetation (brush) a public nuisance and sets a June public hearing to consider objections to the proposed removal of brush.

DISCUSSION (continued):

MAY/JUNE	County Fire conducts re-inspections of the properties that were out of compliance at the time of the first property inspection and provides the Town with the WUI area non-compliant list which will be brought to Council at the June public hearing. Properties which are not in compliance at the time of re-inspection will be identified and County Fire will provide notice of the June public hearing to the property owners at least 10 days prior. The Town publishes notices at least 10 days prior to the public hearing (Attachment 2).
JUNE	Town Council conducts a public hearing to consider objections to the proposed removal of hazardous vegetation (brush) of declared non-compliant parcels and orders the abatement of the nuisance by the Town's authorized contractor. On June 1, property owners who are not in compliance will be assessed with a fee of $505 to cover the administrative fees for generating a work order for the contractor. The assessments will be brought to Council for consideration in August. These properties will also be added to the Weed Abatement program for monitoring until such time as it demonstrates 3 consecutive years of voluntary compliance. After the June public hearing, an additional inspection of all identified properties listed on the report will be conducted prior to the Town's authorized contractor performing any abatement work. If the property is brought into compliance after June 1 and before the contractor arrives, the property owner will only be charged the amount of $505, and no additional fees will be assessed.
JULY	County Fire provides the Town with an assessment list of charges, which will be brought to Council for consideration in August. If there are no proposed charges, no additional public hearing is required.
AUGUST	Town Council conducts a public hearing to consider assessments on properties in the Brush Abatement Program. A list of assessments will be submitted to the County Tax Assessor.

DISCUSSION (continued):

The timeline for the final inspections runs very close to the date of the June public hearing, which means that properties on the WUI area non-compliant list (Attachment 1) may ultimately comply prior to the date that the June public hearing takes place. If needed, staff will provide a final status of the list on the day of the public hearing by way of a Desk Item.

If needed, the Town may conduct an additional public hearing in August to consider the assessments, confirm the report, and authorize collection of the charges.

CONCLUSION:

Staff recommends that the Council conduct a public hearing to consider objections to the proposed removal of brush on parcels listed on the 2022 Wildland Urban Interface (WUI) Area Non-Compliant Parcel List and order abatement of the public nuisance and potential fire hazard pursuant to the Town of Los Gatos Municipal Code (Chapter 9) regarding defensible space.

COORDINATION:

This program is coordinated with the Santa Clara County Fire Department.

FISCAL IMPACT:

Funds allocated in the adopted Operating Budget cover the cost of publishing the legal notices for the program. The County's cost to administer the abatement are recovered through the tax roll assessment charges levied against the affected properties

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:
1. 2022 Wildland Urban Interface (WUI) Area non-compliant list.
2. Letter to Property Owners.
3. Resolution 2022-023 Declaring Hazardous Vegetation a Public Nuisance (May 3, 2022).
4. Wild Urban Interface (WUI) Map

Wildland Urban Interface (WUI) Enforced Safety Regulations
2022 Non-Compliant Properties

TOWN OF LOS GATOS

APN	51020004	**WUI Letter**	LGA 100
Re-Inspection Date	2022-05-08	**Inspector**	Erin Collins
Violations	A100: Create 100 feet of Defensible Space around your home. To accomplish this, you must clear all flammable vegetation a minimum of 30-feet around structures. Additionally, create a Reduced Fuel Zone for the remaining 70 feet (or to the property line).		
Situs Address	48 HERNANDEZ AV, LOS GATOS		
Property Owner Name	BERGH DOUGLAS P AND LESLIE M		
Property Owner Address	48 HERNANDEZ AV, LOS GATOS, CA		

ATTACHMENT 1

Date

Re: APN #
Property Address

Dear Property Owner,

Your property is located in the designated Wildland Urban Interface (WUI) Hazardous Fire Area which requires defensible space to be maintained around all structures on your property. Defensible space is the buffer created when combustible vegetation is removed or reduced around a structure to slow or stop the spread of wildfire. On February 25, 2022, Santa Clara County Fire Department mailed to you a packet of information regarding the enforced applicable wildland fire safety regulations, available community wildfire preparedness webinars, and this year's property inspection schedule mandating compliance of the enforced applicable wildland fire safety regulations before June 1, 2022.

Your property was recently inspected by the Santa Clara County Fire Department. At that time, your property was found to be non-compliant with the applicable wildland fire safety regulations. The noted violation details are listed below:

XXX (Insert noted violations)

XXX (Insert inspector comments or suggestions)

We are informed by the Town of Los Gatos that the Los Gatos Town Council will hold a public hearing at the Town Council meeting on **Tuesday, June 21, 2022 @ 7:00 pm.** For more information on this process, please contact the Town of Los Gatos at 408.354.6888 or visit https://www.losgatosca.gov.

At that time, all properties identified by the Fire Department as being non-compliant with the applicable wildland fire safety regulations will be declared to have hazardous conditions requiring abatement. An additional inspection of all identified properties will be conducted after the hearing and prior to ordering any abatement work.

If you do not bring your property into compliance, the **Town of Los Gatos** through its contractor, may perform any brush or weed removal at your expense and will be placed on your property tax bill for payment after legal requirements are met. If you would like more information about the hazardous vegetation abatement contractor

DRAFT

services, please contact the County of Santa Clara Weed Abatement Program at 408.282.3145 or visit https://weedabatement.sccgov.org. For your convenience, a price list indicating the rates for the County Contractor is included below.

2022 TOWN OF LOS GATOS
COUNTY CONTRACTOR WEED ABATEMENT FEES

Please be advised that the property owner of any parcel found to be non-compliant on or after the June 1st deadline will be charged a processing fee of $505.00 and the property will be scheduled for abatement by the County contractor. If you complete the abatement work before the County contractor performs the abatement, you will not incur further charges. Should the abatement work be performed by a County contractor, you will be assessed the contractor's charges plus a County administrative fee of $858.00 per parcel.

A) DISC WORK*

PARCEL SIZE:	1st Disc	+	2nd Disc	=	Total Discs
0 — 12,500 sq. ft.	$412.39		$165.79		$578.18
12,501 — 43,560 sq. ft.	$412.39		$165.79		$578.18
Larger than 1 Acre	$299.56		$146.30		$445.86 (Per Acre)

*It is required that parcels be disced twice a year. The cost for the first discing is higher due to additional work normally required during the first discing.

B) HANDWORK	$5.57 PER 100 Square Feet (SF)
C) FLAIL MOWING	6 Foot Mower $7.11 PER 1,000 SF 12 Foot Mower $7.11 PER 1,000 SF
D) LOADER WORK	$170.40 PER HOUR
E) DUMP TRUCK	$157.29 PER HOUR
F) BRUSH WORK	$5.32 PER 100 SF
G) DEBRIS REMOVAL	$58.52 PER HOUR
H) DUMP FEE	100% (Added to orders with debris removal at 100% of the dump site charge)

Please note this program does not offer herbicide application as a method of abatement.

If you have questions about this notice, please contact the Fire Prevention Division of the Santa Clara County Fire Department at 408.341.4420 or email prevention@sccfd.org.

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RESOLUTION 2022-023

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS DECLARING HAZARDOUS VEGETATION (BRUSH) A PUBLIC NUISANCE, ORDERING ABATEMENT, AND SETTING JUNE 21, 2022 AS A PUBLIC HEARING TO CONSIDER OBJECTIONS TO THE PROPOSED REMOVAL OF BRUSH

WHEREAS, Sections 39560 and following of the Government Code of the State of California authorize the Town of Los Gatos to declare that hazardous vegetation (brush) growing to such size and such type and in such locations as to constitute a fire hazard to the community may be declared a public nuisance and to compel owners, lessees, or occupants of buildings, grounds, or lots to remove or abate the hazardous vegetation (brush) to mitigate the fire hazard from such buildings, grounds, or lots to remove or abate the hazardous vegetation (brush) to mitigate the fire hazard from such buildings, grounds, property, and adjacent sidewalks and parkways, and upon the person's failure to do so, to remove or abate such hazardous vegetation (brush) at the owner's expense, making the cost of that abatement a lien upon the property; and

WHEREAS, the Town of Los Gatos has entered into an agreement with the County of Santa Clara to provide hazardous vegetation (brush) abatement services; and

WHEREAS, the maintenance of hazardous vegetation (brush) in violation of the Uniform Fire Code adopted by the Town of Los Gatos within the Wildland Urban Interface Fire areas identified and shown on the map (Exhibit A) constitutes a public nuisance and should be abated immediately; and

WHEREAS, the Santa Clara County Fire Department has mailed notices to property owners within the Wildland Urban Interface areas notifying them of the need to abate hazardous vegetation (brush) violations and explaining the steps necessary to correct such violations.

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Los Gatos, and the Town Council hereby finds that hazardous vegetation (brush) is a wood, perennial plant usually with multiple stems and trunks under ten feet in height and is indigenous to the hillside area. Hazardous vegetation (brush) is also known to have a high oil, high resin, or low moisture contention in their leaves and branches. Examples of this type of plant material include California Sagebrush, Greaswood or Chamise, Scotch Broom and Toyon. Unabated growth of hazardous vegetation (brush) upon and adjacent to private property within the hillside hazardous fire area and adjacent parkways and sidewalks is a public nuisance and should be abated. The Director of Parks and Public Works shall act as the Superintendent for purposes of giving notice, supervising performance of the agreement with the County of Santa Clara, and evaluating the costs of abatement.

BE IT FURTHER RESOLVED that the Town Clerk is directed to mail notice of this resolution to the persons designated by the Superintendent in conformance with the Government Code and publish notice of this resolution as provided in the Government Code.

BE IT FURTHER RESOLVED that unless the hazardous vegetation (brush) violations are corrected within the time specified in a written agreement with the Superintendent or the Superintendent's representative, the Town of Los Gatos shall cause such nuisance to be abated, and the expense thereof assessed upon the lots or lands from which or on which the

abatement actions occur, such expense to constitute a lien upon such lots or lands until paid, and to be collected upon the next real property tax roll upon which general municipal taxes are collected.

BE IT FURTHER RESOLVED that on the 21st day of June 2022, at a meeting of the Town Council beginning at 7:00 p.m. via publicly noticed teleconference in Los Gatos, CA, a public hearing will be held during which all property owners within the Wildland Urban Interface areas in the Town of Los Gatos having any objections to the proposed abatement of hazardous vegetation (brush) will be heard and given due consideration.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos, California, held on the 3rd day of May 2022 by the following vote:

COUNCIL MEMBERS:

AYES: Mary Badame, Matthew Hudes, Maria Ristow, Marico Sayoc, Mayor Rob Rennie

NAYS: None

ABSENT: None

ABSTAIN: None

SIGNED:

MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: 5/11/22

ATTEST:

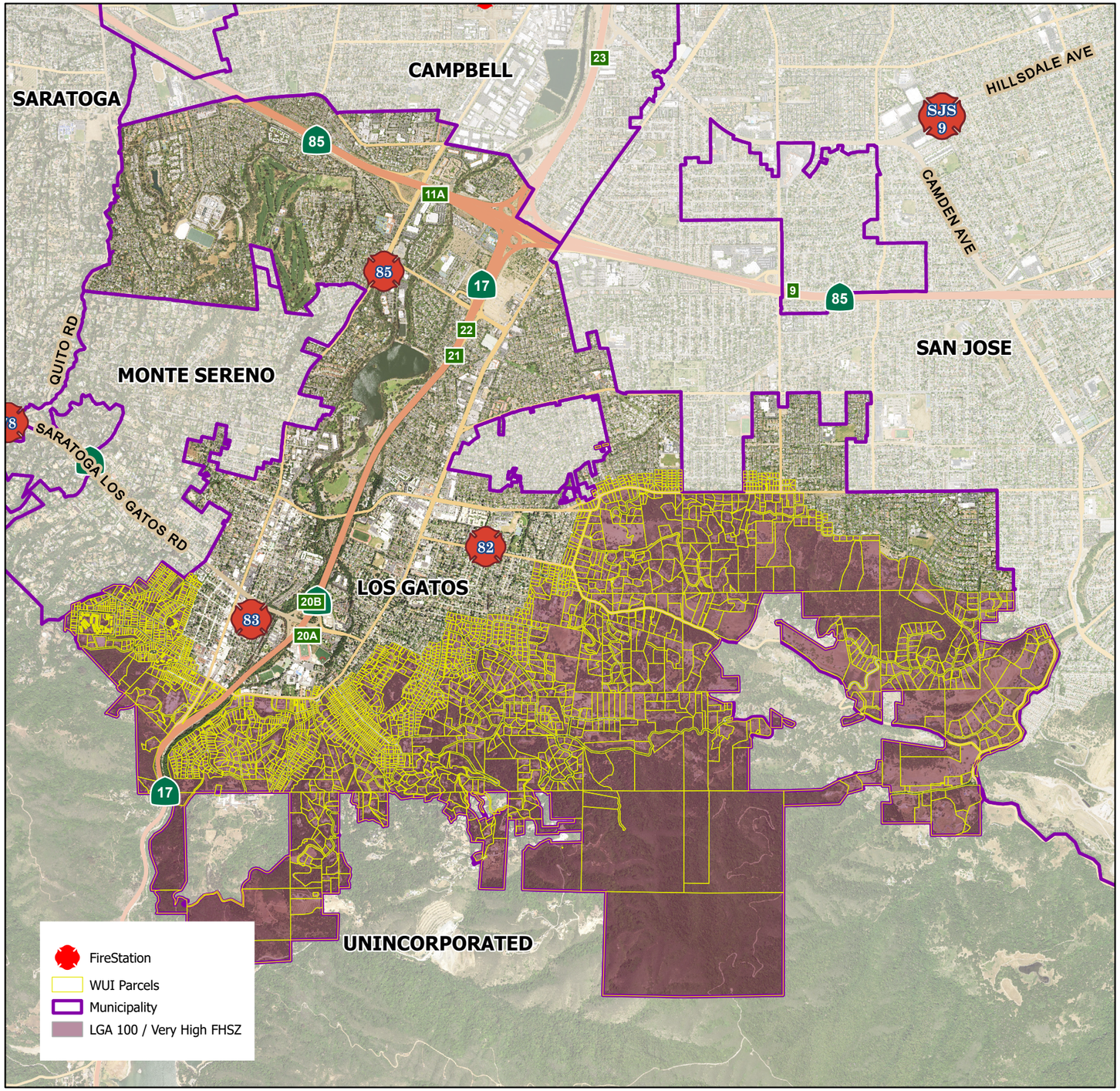
TOWN CLERK OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: 5/11/2022

Town of Los Gatos Overview Map

June 2022

Local Responsibility Area Fire Hazard Severity Zones



0 0.5 1 2 Miles

LGA 100 / LRA Very High FHSZ

APN#								
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51014078	51018080	51040002	51040122	51042003	51043022	51045036	51051019	52325001
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51015002	51018084	51040004	51040124	51042005	51043025	51045040	51051023	52325003
51015003	51018085	51040006	51040125	51042006	51043026	51045041	51051027	52325005
51015005	51018086	51040007	51040126	51042007	51043027	51045042	51051028	52325012
51015006	51018087	51040008	51040127	51042008	51043028	51045043	51051031	52325013
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Santa Clara County Fire Department

LGA 100 / LRA Very High FHSZ

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52703009	52710005	52718010	52756005	52929005	52930055	52932020	52934049	52935064	52938009	52941011	53202033	53213023	53214037	53218039	53223025	53226003	53228070	53229087	53232017	53234025	53237022	53240028	53704025	53721012	53725032
52703010	52710006	52719014	52756006	52929007	52930056	52932022	52934051	52935065	52938010	52941012	53202051	53213024	53214038	53218040	53223029	53226007	53228071	53229089	53232018	53234026	53237023	53240029	53704027	53721014	53725033
52703012	52710010	52719015	52756007	52929009	52930057	52932023	52934052	52935066	52938014	52944003	53202053	53213025	53215002	53218041	53223030	53226027	53228072	53229090	53232019	53234027	53237024	53240030	53704028	53721015	53725034
52704002	52710011	52719016	52756008	52929012	52930062	52932024	52934053	52935067	52938015	52944004	53202054	53213026	53215004	53218043	53223031	53226045	53228075	53229091	53232020	53234028	53237025	53240031	53704029	53721017	53725035
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52704004	52711003	52719018	52756010	52929019	52930064	52932026	52934058	52936002	52938017	52944008	53202070	53213028	53215006	53218045	53223034	53226055	53229001	53229093	53232022	53234030	53237029	53240033	53704031	53721019	53726001
52704008	52711004	52719027	52756011	52929020	52930065	52932027	52934062	52936003	52938018	52944009	53202071	53213029	53215007	53218046	53223035	53226057	53229002	53229094	53232023	53234031	53237030	53240035	53704032	53721020	53726004
52704009	52711006	52719028	52756012	52929021	52930069	52932030	52934063	52936004	52938019	52944010	53202072	53213030	53215008	53218047	53223036	53226084	53229003	53229096	53232024	53234032	53237031	53240037	53704043	53721021	53726009
52704010	52711007	52719029	52756013	52929033	52930070	52932031	52934065	52936005	52938020	52944011	53202073	53213031	53215009	53218048	53223037	53226085	53229004	53229097	53232025	53234033	53237032	53240038	53704044	53721024	53726012
52704011	52711008	52719030	52756014	52929035	52930071	52932032	52934066	52936006	52938021	52944012	53202074	53213032	53215010	53218049	53223043	53226090	53229005	53229098	53232026	53234034	53237033	53240039	53704054	53722002	53726013
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LGA 100 / LRA Very High FHSZ

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TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 06/21/2022
ITEM NO: 18
DESK ITEM

DATE: June 21, 2022

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Conduct Brush Abatement Program Public Hearing to Consider Objections to the Proposed Removal of Brush on Parcels Listed on the 2022 Wildland Urban Interface (WUI) Area Non-Compliant Parcel List and Order Abatement of the Public Nuisance and Potential Fire Hazard Pursuant to the Town of Los Gatos Municipal Code (Chapter 9) Regarding Defensible Space

REMARKS:

On June 21, 2022, Jeremy Davis, Hazardous Materials Assistant Fire Marshal, provided an update to staff that the property listed on Attachment 1 was found to be in compliance as of today with no further action needed, and it is confirmed that no administrative or abatement fees will be assessed, thus no additional public hearing is required in August.

All parcels previously listed on the 2022 Wildland Urban Interface (WUI) Area Non-Compliant Parcel List have been found to be in compliance by the deadline for this season.

Attachments Previously Received with Staff Report:
1. 2022 Wildland Urban Interface (WUI) Area non-compliant list.
2. Letter to Property Owners.
3. Resolution 2022-023 Declaring Hazardous Vegetation a Public Nuisance (May 3, 2022).
4. Wild Urban Interface (WUI) Map

PREPARED BY: Meredith Johnston
Administrative Technician

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, Finance Director, and Interim Director of Parks and Public Works

TOWN OF LOS GATOS

COUNCIL AGENDA REPORT

MEETING DATE: 06/21/2022

ITEM NO: 19

DATE: June 1, 2022

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Authorize the Following Actions for Landscape and Lighting Assessment Districts No. 1 and 2:

a. Adopt a Resolution Confirming the Diagram and Assessments and Levying and Authorizing Collection of Assessments for Landscape and Lighting Assessment District No. 1-Blackwell Drive Benefit Zone.
b. Adopt a Resolution Confirming the Diagram and Assessments and Levying and Authorizing Collection of Assessments for Landscape and Lighting Assessment District No. 1-Kennedy Meadows Benefit Zone.
c. Adopt a Resolution Confirming the Diagram and Assessments and Levying and Authorizing Collection of Assessments for Landscape and Lighting Assessment District No. 1-Santa Rosa Heights Benefit Zone.
d. Adopt a Resolution Confirming the Diagram and Assessments and Levying and Authorizing Collection of assessments for Landscape and Lighting Assessment District No. 1-Vasona Heights Benefit Zone.
e. Adopt a Resolution Confirming the Diagram and Assessments and Levying and Authorizing Collection of assessments for Landscape and Lighting Assessment District No. 1-Hillbrook Drive Benefit Zone.
f. Adopt a Resolution Confirming the Diagram and Assessments and Levying and Authorizing Collection of assessments for Landscape and Lighting Assessment District No. 2-Gemini Court Benefit Zone.

PREPARED BY: Meredith Johnston
Administrative Technician

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, Finance Director, and Interim Director of Parks and Public Works

RECOMMENDATION:

Authorize the Following Actions for Landscape and Lighting Assessment Districts No. 1 and 2:

a. Adopt a resolution (Attachment 1) confirming the diagram and assessments and levying and authorizing collection of assessments for Landscape and Lighting Assessment District No. 1-Blackwell Drive Benefit Zone.
b. Adopt a resolution (Attachment 2) confirming the diagram and assessments and levying and authorizing collection of assessments for Landscape and Lighting Assessment District No. 1-Kennedy Meadows Benefit Zone.
c. Adopt a resolution (Attachment 3) confirming the diagram and assessments and levying and authorizing collection of assessments for Landscape and Lighting Assessment District No. 1-Santa Rosa Heights Benefit Zone.
d. Adopt a resolution (Attachment 4) confirming the diagram and assessments and levying and authorizing collection of assessments for Landscape and Lighting Assessment District No. 1-Vasona Heights Benefit Zone.
e. Adopt a resolution (Attachment 5) confirming the diagram and assessments and levying and authorizing collection of assessments for Landscape and Lighting Assessment District No. 1-Hillbrook Drive Benefit Zone.
f. Adopt a resolution (Attachment 6) confirming the diagram and assessments and levying and authorizing collection of assessments for Landscape and Lighting Assessment District No. 2-Gemini Court Benefit Zone.

BACKGROUND:

On April 19, 2022, the Town Council initiated the annual process of renewing the Landscape and Lighting Assessment Districts No. 1 and 2 for the fiscal year commencing July 1, 2022. The Districts are comprised of six distinct zones of benefit, five of which are included in District No. 1, and one included in District No. 2. Maps of each zone are contained in the Engineer's Report (Attachment 7). The primary purpose of the Districts is to provide for the ongoing maintenance and care of landscaped areas that especially benefit the properties within each of the zones. These services are performed by a contractor retained by the Town on behalf of the property owners. For a specific description of the services provided in each zone, please refer to the attached Engineer's Report.

On May 3, 2022, Council received and approved the Engineer's Report and adopted Resolutions confirming diagrams and assessments and levying and authorizing collection of assessments for Landscape and Lighting Districts for Fiscal Year (FY) 2022/23 and set June 21, 2022 at 7:00 p.m. as the date and time for the required Public Hearing on the proposed assessments.

DISCUSSION:

The Notice of Intention to Levy Annual Assessments for FY 2022/23 was published in the Los Gatos Weekly on June 10 and June 17, 2022. Additionally, notices of the proposed assessments and of the scheduled public hearing were mailed to each of the property owners in the Districts, and to date, no protests or other written communication have been received. If communication is received prior to the hearing, it will be presented to the Council for consideration at the hearing.

The following table shows the number of parcels for each benefit zone and the proposed FY 2022/23 assessments:

Benefit Zone	**No. of Parcels**	**Per Parcel Assessment**
Blackwell Drive	5	$632
Kennedy Meadows	15	$685
Santa Rosa Heights	15	$300
Vasona Heights	33	$295
Hillbrook	34	$175
Gemini Court	20	$230

CONCLUSION:

Staff recommends that the Town Council adopt the six resolutions (Attachments 1-6) to continue the annual process of renewing the Landscape and Lighting Assessment Districts 1 and 2 for Fiscal Year 2022/23.

ALTERNATIVES:

If the Council chooses not to adopt the six resolutions, then the renewal process would halt and staff would follow the alternative direction given by the Council. If the Council were to decide not to renew the Assessment Districts, staff would look to Council for a policy direction about whether the services currently provided by the Districts should continue and how.

The two most likely options that the Council could choose would be to either:

1. Give the responsibility for providing the services back to the property owners within the districts, or

2. Assume responsibility for providing the services through the Town's General Fund Operating Budget.

ALTERNATIVE (continued):

As the Districts provide for higher levels of landscaping and lighting services within the specific benefit zones than in other areas of the Town, staff does not recommend either of these two approaches.

FISCAL IMPACT:

There are no direct fiscal impacts on the Town's General Fund as a result of administering the Landscape and Lighting Assessment Districts. All the costs associated with the Districts are recovered via the assessments levied against the property owners within the Districts. There are no proposed increases in any of the parcel assessments for FY 2022/23 that would require a ballot vote under Proposition 218.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:
1. Resolution Confirming Diagram and Assessment and Levying and Authorizing Collection of Assessments – Blackwell Drive Benefit Zone.
2. Resolution Confirming Diagram and Assessment and Levying and Authorizing Collection of Assessments – Kennedy Meadows Drive Benefit Zone.
3. Resolution Confirming Diagram and Assessment and Levying and Authorizing Collection of Assessments – Santa Rosa Heights Benefit Zone.
4. Resolution Confirming Diagram and Assessment and Levying and Authorizing Collection of Assessments – Vasona Heights Benefit Zone.
5. Resolution Confirming Diagram and Assessment and Levying and Authorizing Collection of Assessments – Hillbrook Drive Benefit Zone.
6. Resolution Confirming Diagram and Assessment and Levying and Authorizing Collection of Assessments – Gemini Court Benefit Zone.
7. Engineer’s Report for Fiscal Year 2022/23.

RESOLUTION 2022-

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS CONFIRMING DIAGRAM AND ASSESSMENT, AND LEVYING AND AUTHORIZING COLLECTION OF ASSESSMENTS FOR LANDSCAPE AND LIGHTING ASSESSMENT DISTRICT NO. 1 - BLACKWELL DRIVE BENEFIT ZONE FOR FISCAL YEAR 2022/23

WHEREAS, on April 19, 2022, the Town Council ordered the Town Engineer to prepare and file a report regarding Landscape and Lighting Assessment District No. 1 - Blackwell Drive Benefit Zone regarding the improvements in the District and proposed assessments to support those improvements; and

WHEREAS, the Town Engineer prepared and filed that report; and

WHEREAS, the Town Council considered and approved that report; and

WHEREAS, the Engineer's Report contains a detailed description of the improvements in the District, the boundaries of the District, and the proposed assessments upon assessable lots and parcels of land within the District; and

WHEREAS, on May 3, 2022, the Town Council adopted Resolution No. 2022-025 declaring its intention to levy and collect assessments in Landscape and Lighting District No. 1 - Blackwell Drive Benefit Zone, and set the matter for public hearing in accordance with State law; and

WHEREAS, notice of the public hearing was duly mailed and published in accordance with State law; and

WHEREAS, the public hearing on the proposed levy of assessments was held by the Town Council on June 21, 2022, at which time all interested persons present were heard; and

WHEREAS, the proposed assessments are not proposed to be increased from any previous year; and

WHEREAS, the Town Council has received and considered all written and oral statements and protests regarding the proposed assessment.

ATTACHMENT 1

NOW THEREFORE, BE IT RESOLVED:

1. The diagram and assessment attached hereto as Parts C and D are approved.

2. This Resolution shall constitute the levy of assessment for Landscape and Lighting Assessment District No. 1 - Blackwell Drive Benefit Zone, for Fiscal Year 2022/23.

3. The Town Clerk shall transmit a certified copy of this Resolution to the Tax Collector of Santa Clara County for entry on the County Assessment Roll opposite each lot or parcel of land in the amount assessed pursuant to the Resolution, and collection pursuant to Streets and Highways Code Sec. 22646 and payment to the Town pursuant to Streets and Highways Code Sec. 22647.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos held on the 21st day of June 2022 by the following vote:

SIGNED:

MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: _____

ATTEST:

TOWN CLERK
LOS GATOS, CALIFORNIA

DATE: _____

PART C

ASSESSMENT ROLL
FISCAL YEAR 2022/23

BLACKWELL DRIVE BENEFIT ZONE

Special Assessment No.	Amount of Assessment	Property Description
Lot 1	$632	424-12-123
Lot 2	632	424-12-124
Lot 3	632	424-12-125
Lot 4	632	424-12-126
Lot 5	632	424-12-127
Total Assessment:	**$3,160**	

The lines and dimensions of each parcel are those shown on the maps of the County Assessor of the County of Santa Clara and the County assessment roll.

METHOD OF APPORTIONMENT OF ASSESSMENT

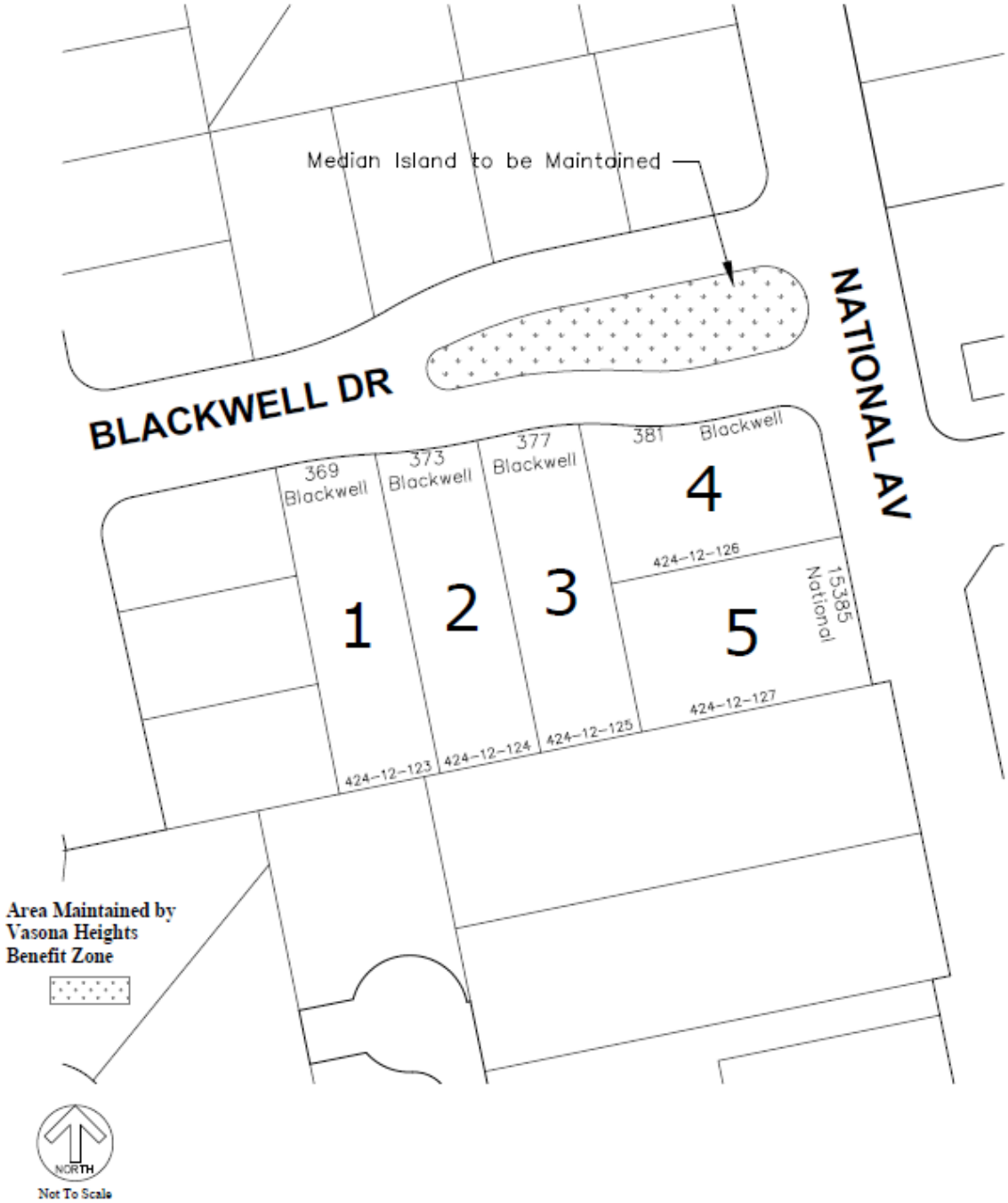
The total amount of the assessment was apportioned equally to all the lots within the Blackwell Drive Benefit Zone of Landscape and Lighting Assessment District No. 1.

PROPERTY OWNERS LIST

APN	Owner
42412123	SUBRAMANYAM & BANGALORE TRUST
42412124	VUPPUNUTULA VENKAT REDDY AND REDDY SAHITHI
42412125	URRICARIET CHRISTIAN M & MARTINEZ-VISBAL
42412126	JOSHI ANILA & ROHIT
42412127	MORADI MOSTAFA

PART "D"

Assessment Diagram



Blackwell Drive Benefit Zone

Landscaping & Lighting Assessment District No. 1

RESOLUTION 2022-

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS CONFIRMING DIAGRAM AND ASSESSMENT, AND LEVYING AND AUTHORIZING COLLECTION OF ASSESSMENTS FOR LANDSCAPE AND LIGHTING ASSESSMENT DISTRICT NO. 1 - KENNEDY MEADOWS BENEFIT ZONE FOR FISCAL YEAR 2022/23

WHEREAS, on April 19, 2022, the Town Council ordered the Town Engineer to prepare and file a report regarding Landscape and Lighting Assessment District No. 1 - Kennedy Meadows Benefit Zone regarding the improvements in the District and proposed assessments to support those improvements; and

WHEREAS, the Town Engineer prepared and filed that report; and

WHEREAS, the Town Council considered and approved that report; and

WHEREAS, the Engineer's Report contains a detailed description of the improvements in the District, the boundaries of the District, and the proposed assessments upon assessable lots and parcels of land within the District; and

WHEREAS, on May 3, 2022, the Town Council adopted Resolution No. 2022-026 declaring its intention to levy and collect assessments in Landscape and Lighting District No. 1 - Kennedy Meadows Benefit Zone, and set the matter for public hearing in accordance with State law; and

WHEREAS, notice of the public hearing was duly mailed and published in accordance with State law; and

WHEREAS, the public hearing on the proposed levy of assessments was held by the Town Council on June 21, 2022, at which time all interested persons present were heard; and

WHEREAS, the proposed assessments are not proposed to be increased from any previous year; and

WHEREAS, the Town Council has received and considered all written and oral statements and protests regarding the proposed assessment.

ATTACHMENT 2

NOW THEREFORE, BE IT RESOLVED:

1. The diagram and assessment attached hereto as Parts C and D are approved.

2. This Resolution shall constitute the levy of assessment for Landscape and Lighting Assessment District No. 1 - Kennedy Meadows Benefit Zone, for Fiscal Year 2022/23.

3. The Town Clerk shall transmit a certified copy of this Resolution to the Tax Collector of Santa Clara County for entry on the County Assessment Roll opposite each lot or parcel of land in the amount assessed pursuant to the Resolution, and collection pursuant to Streets and Highways Code Sec. 22646 and payment to the Town pursuant to Streets and Highways Code Sec. 22647.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos held on the 21st day of June 2022 by the following vote:

SIGNED:

MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: _____

ATTEST:

TOWN CLERK
LOS GATOS, CALIFORNIA

DATE: _____

PART C

ASSESSMENT ROLL
FISCAL YEAR 2022/23

KENNEDY MEADOWS BENEFIT ZONE

Special Assessment No.	Amount of Assessment	Property Description
Lot 1	$685.00	532-18-050
Lot 2	685.00	532-18-049
Lot 3	685.00	532-18-048
Lot 4	685.00	532-18-047
Lot 5	685.00	532-18-052
Lot 6	685.00	532-18-063
Lot 7	685.00	532-18-062
Lot 8	685.00	532-18-061
Lot 9	685.00	532-18-060
Lot 10	685.00	532-18-059
Lot 11	685.00	532-18-058
Lot 12	685.00	532-18-057
Lot 13	685.00	532-18-056
Lot 14	685.00	532-18-055
Lot 15	685.00	532-18-054
Total Assessment:	$10,275	

The lines and dimensions of each parcel are those shown on the maps of the County Assessor of the County of Santa Clara and the County assessment roll.

METHOD OF APPORTIONMENT OF ASSESSMENT

The total amount of the assessment was apportioned equally to all the lots within Kennedy Meadows Benefit Zone of Landscape and Lighting Assessment District No. 1.

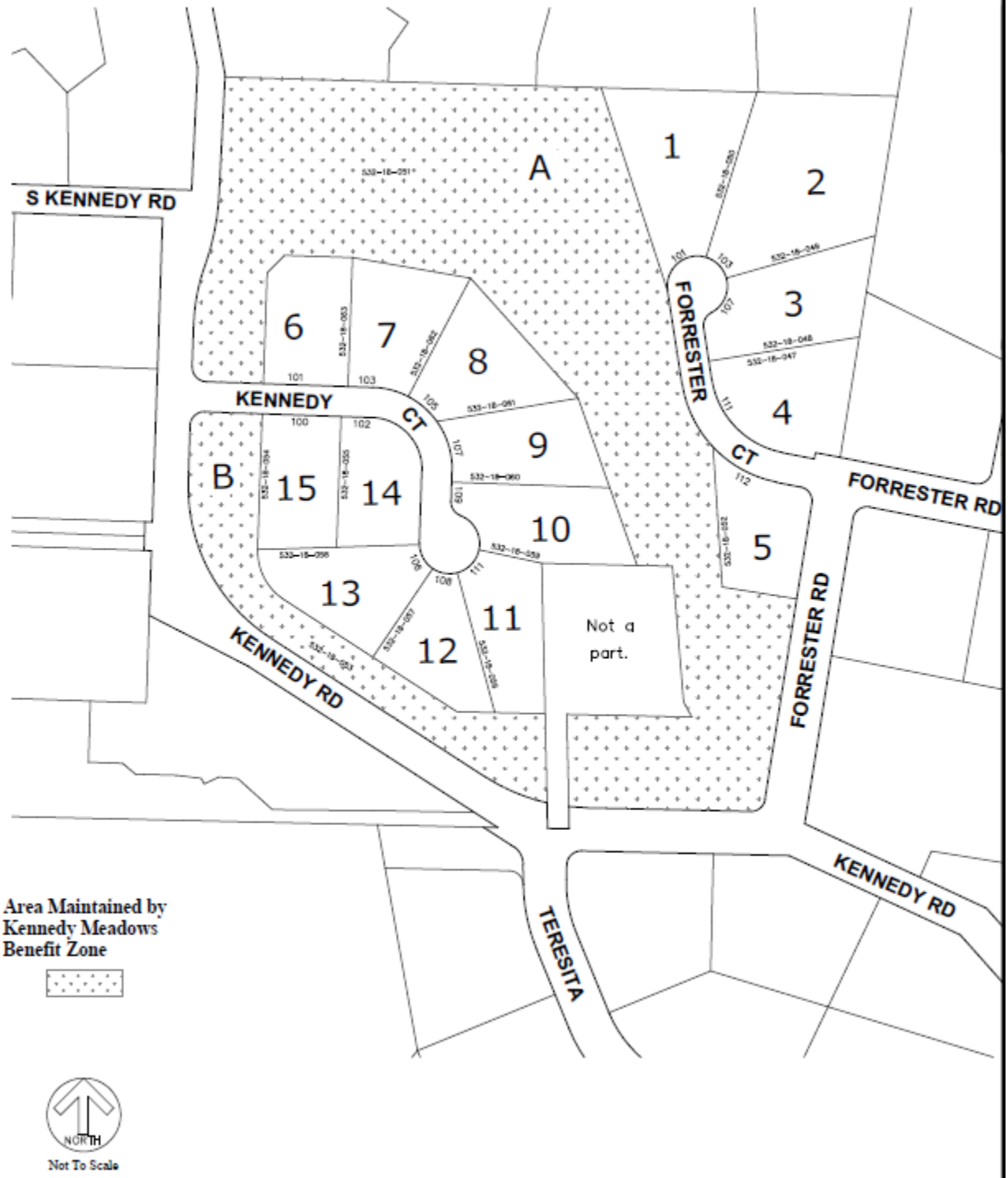
KENNEDY MEADOWS BENEFIT ZONE

PROPERTY OWNERS LIST

APN	Owner
53218047	DAMORE EDWARD & KIMBERLY
53218048	WIEDERHOLD ROBERT P & MELINDA A TRUSTEE
53218049	JEEVUNJEE ADAM & MARIYA
53218050	HIRSCHMAN WILLIAM
53218052	MONTECILLO FAMILY TRUST
53218054	HACKER MARK K TRUSTEE
53218055	JENKINS WILLIAM D JR & JULIE C
53218056	LOS GATOS SARATOGA LLC SERIES A
53218057	LUNDSTROM FAMILY TRUST
53218058	CALI A STEVE & LORI A TRUSTEE
53218059	HUMPHRIES SIMON & SHEILA H TRUSTEE
53218060	HUBLOU RANI
53218061	SCHENKEL SCOTT F & KIMBERLY L TRUSTEE
53218062	THOMPSON P & S FAM TRUST
53218063	BIBAUD SCOTT A & SUSAN M TRUSTEE

PART "D"

Assessment Diagram



Kennedy Meadows Benefit Zone

Landscaping & Lighting Assessment District No. 1

RESOLUTION 2022-

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS CONFIRMING DIAGRAM AND ASSESSMENT, AND LEVYING AND AUTHORIZING COLLECTION OF ASSESSMENTS FOR LANDSCAPE AND LIGHTING ASSESSMENT DISTRICT NO. 1 - SANTA ROSA HEIGHTS BENEFIT ZONE FOR FISCAL YEAR 2022/23

WHEREAS, on April 19, 2022, the Town Council ordered the Town Engineer to prepare and file a report regarding Landscape and Lighting Assessment District No. 1 - Santa Rosa Heights Benefit Zone regarding the improvements in the District and proposed assessments to support those improvements; and

WHEREAS, the Town Engineer prepared and filed that report; and

WHEREAS, the Town Council considered and approved that report; and

WHEREAS, the Engineer's Report contains a detailed description of the improvements in the District, the boundaries of the District, and the proposed assessments upon assessable lots and parcels of land within the District; and

WHEREAS, on May 3, 2022, the Town Council adopted Resolution No. 2022-027 declaring its intention to levy and collect assessments in Landscape and Lighting District No. 1 - Santa Rosa Heights Benefit Zone, and set the matter for public hearing in accordance with State law; and

WHEREAS, notice of the public hearing was duly mailed and published in accordance with State law; and

WHEREAS, the public hearing on the proposed levy of assessments was held by the Town Council on June 21, 2022, at which time all interested persons present were heard; and

WHEREAS, the proposed assessments are not proposed to be increased from any previous year; and

WHEREAS, the Town Council has received and considered all written and oral statements and protests regarding the proposed assessment.

NOW THEREFORE, BE IT RESOLVED:

1. The diagram and assessment attached hereto as Parts C and D are approved.

2. This Resolution shall constitute the levy of assessment for Landscape and Lighting Assessment District No. 1 - Santa Rosa Heights Benefit Zone, for Fiscal Year 2022/23.

3. The Town Clerk shall transmit a certified copy of this Resolution to the Tax Collector of Santa Clara County for entry on the County Assessment Roll opposite each lot or parcel of land in the amount assessed pursuant to the Resolution, and collection pursuant to Streets and Highways Code Sec. 22646 and payment to the Town pursuant to Streets and Highways Code Sec. 22647.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos held on the 21st day of June 2022 by the following vote:

SIGNED:

MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: _____

ATTEST:

TOWN CLERK
LOS GATOS, CALIFORNIA

DATE: _____

PART C

ASSESSMENT ROLL
FISCAL YEAR 2022/23

SANTA ROSA HEIGHTS BENEFIT ZONE

Special Assessment No.	Amount of Assessment	Property Description
Lot 1	$300.00	537-31-001
Lot 2	300.00	537-31-002
Lot 3	300.00	537-31-003
Lot 4	300.00	537-31-022
Lot 5	300.00	537-31-023
Lot 6	300.00	537-31-006
Lot 7	300.00	537-31-007
Lot 8	300.00	537-31-008
Lot 9	300.00	537-31-009
Lot 10	300.00	537-31-010
Lot 11	300.00	537-31-011
Lot 12	300.00	537-31-012
Lot 13	300.00	537-31-013
Lot 14	300.00	537-31-014
Lot 15	300.00	537-31-015
Total Assessment:	**$4,500**	

The lines and dimensions of each parcel are those shown on the maps of the County Assessor of the County of Santa Clara and the County assessment roll.

METHOD OF APPORTIONMENT OF ASSESSMENT

The total amount of the assessment was apportioned equally to all the lots within Santa Rosa Heights Benefit Zone of Landscape and Lighting Assessment District No. 1.

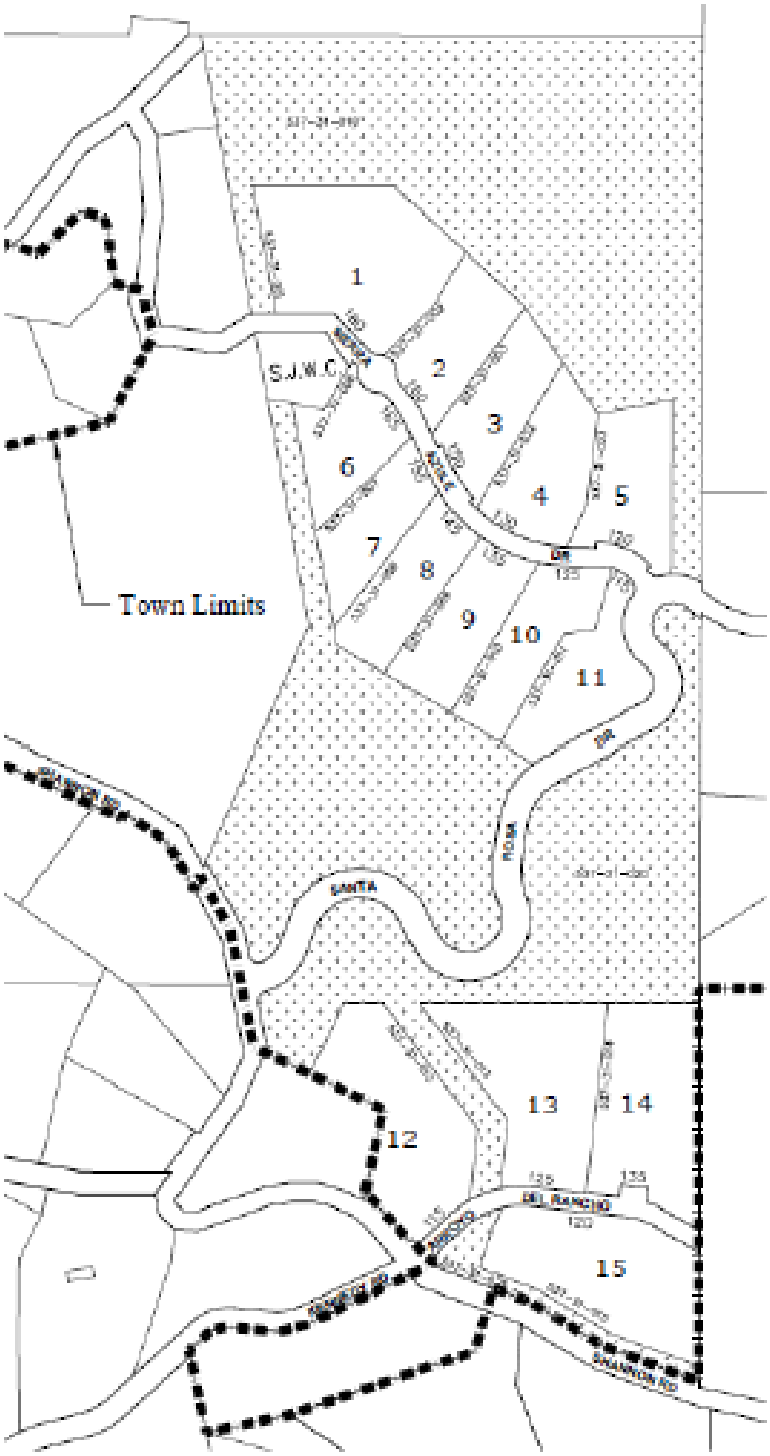
SANTA ROSA HEIGHTS BENEFIT ZONE

PROPERTY OWNERS LIST

APN	Owner
53731001	JAIN VIVEK TRUSTEE
53731002	ENTIN BRUCE L & PESIA TRUSTEE
53731003	SILVESTRI CHESTER J & IRENE N TRUSTEE
53731006	HWANG MING-YUN & JENNY WEN-CHI TRUSTEE
53731007	ZOHOURI SAEED TRUSTEE
53731008	KERSCHBAUM MANFRED J
53731009	TAHMASSEBI FAMILY TRUST
53731010	HOLT ALEXANDER & NATALIE
53731011	SINGH JAGDEEP & ROSHNI TRUSTEE
53731012	PANCHAL NATWARLAL M & GITA N
53731013	JOSEPH AND SUSAN P LAM
53731014	HERNANDEZ JOHN B & JACKSON EVA TRUSTEE
53731015	AMARAL ROBERT H JR TRUSTEE
53731022	POULOS LOUIS
53731023	RAJAN SHANTHI

PART "D"

Assessment Diagram



Area Maintained by Santa Rosa Heights Benefit Zone

NORTH

Not To Scale

Santa Rosa Heights Benefit Zone

Landscaping & Lighting Assessment District No. 1

RESOLUTION 2022-

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS CONFIRMING DIAGRAM AND ASSESSMENT, AND LEVYING AND AUTHORIZING COLLECTION OF ASSESSMENTS FOR LANDSCAPE AND LIGHTING ASSESSMENT DISTRICT NO. 1 - VASONA HEIGHTS BENEFIT ZONE FOR FISCAL YEAR 2022/23

WHEREAS, on April 19, 2022, the Town Council ordered the Town Engineer to prepare and file a report regarding Landscape and Lighting Assessment District No. 1 - Vasona Heights Benefit Zone regarding the improvements in the District and proposed assessments to support those improvements; and

WHEREAS, the Town Engineer prepared and filed that report; and

WHEREAS, the Town Council considered and approved that report; and

WHEREAS, the Engineer's Report contains a detailed description of the improvements in the District, the boundaries of the District, and the proposed assessments upon assessable lots and parcels of land within the District; and

WHEREAS, on May 3, 2022, the Town Council adopted Resolution No. 2022-028 declaring its intention to levy and collect assessments in Landscape and Lighting District No. 1 - Vasona Heights Benefit Zone, and set the matter for public hearing in accordance with State law; and

WHEREAS, notice of the public hearing was duly mailed and published in accordance with State law; and

WHEREAS, the public hearing on the proposed levy of assessments was held by the Town Council on June 21, 2022, at which time all interested persons present were heard; and

WHEREAS, the proposed assessments are not proposed to be increased from any previous year; and

WHEREAS, the Town Council has received and considered all written and oral statements and protests regarding the proposed assessment,

NOW THEREFORE, BE IT RESOLVED:

1. The diagram and assessment attached hereto as Parts C and D are approved.

2. This Resolution shall constitute the levy of assessment for Landscape and Lighting Assessment District No. 1 - Vasona Heights Benefit Zone, for Fiscal Year 2022/23.

3. The Town Clerk shall transmit a certified copy of this Resolution to the Tax Collector of Santa Clara County for entry on the County Assessment Roll opposite each lot or parcel of land in the amount assessed pursuant to the Resolution, and collection pursuant to Streets and Highways Code Sec. 22646 and payment to the Town pursuant to Streets and Highways Code Sec. 22647.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos held on the 21st day of June 2022 by the following vote:

SIGNED:

MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: _____

ATTEST:

TOWN CLERK
LOS GATOS, CALIFORNIA

DATE: _____

PART C
ASSESSMENT ROLL
FISCAL YEAR 2022/23

VASONA HEIGHTS BENEFIT ZONE

Special Assessment No.	Amount of Assessment	Property Description
Lot 1	$295.00	529-13-056
Lot 2	295.00	529-13-055
Lot 3	295.00	529-13-054
Lot 4	295.00	529-13-053
Lot 5	295.00	529-13-052
Lot 6	295.00	529-13-051
Lot 7	295.00	529-13-049
Lot 8	295.00	529-13-048
Lot 9	295.00	529-13-047
Lot 10	295.00	529-13-046
Lot 11	295.00	529-13-044
Lot 12	295.00	529-13-043
Lot 13	295.00	529-13-042
Lot 14	295.00	529-13-041
Lot 15	295.00	529-13-040
Lot 16	295.00	529-13-039
Lot 17	295.00	529-13-038
Lot 18	295.00	529-13-037
Lot 19	295.00	529-13-036
Lot 20	295.00	529-13-035
Lot 21	295.00	529-13-060
Lot 22	295.00	529-13-061
Lot 23	295.00	529-13-032
Lot 24	295.00	529-13-031
Lot 25	295.00	529-13-030
Lot 26	295.00	529-13-029
Lot 27	295.00	529-13-028
Lot 28	295.00	529-13-063
Lot 29	295.00	529-13-062
Lot 30	295.00	529-13-022
Lot 31	295.00	529-13-021
Lot 32	295.00	529-13-058
Lot 33	295.00	529-13-059
Total Assessment:	**$9,735.00**	

METHOD OF APPORTIONMENT OF ASSESSMENT

The lines and dimensions of each parcel are those shown on the maps of the County Assessor of the County of Santa Clara and the County assessment roll.

The total amount of the assessment was apportioned equally to all the lots within Vasona Heights Benefit Zone of Landscape and Lighting Assessment District No. 1.

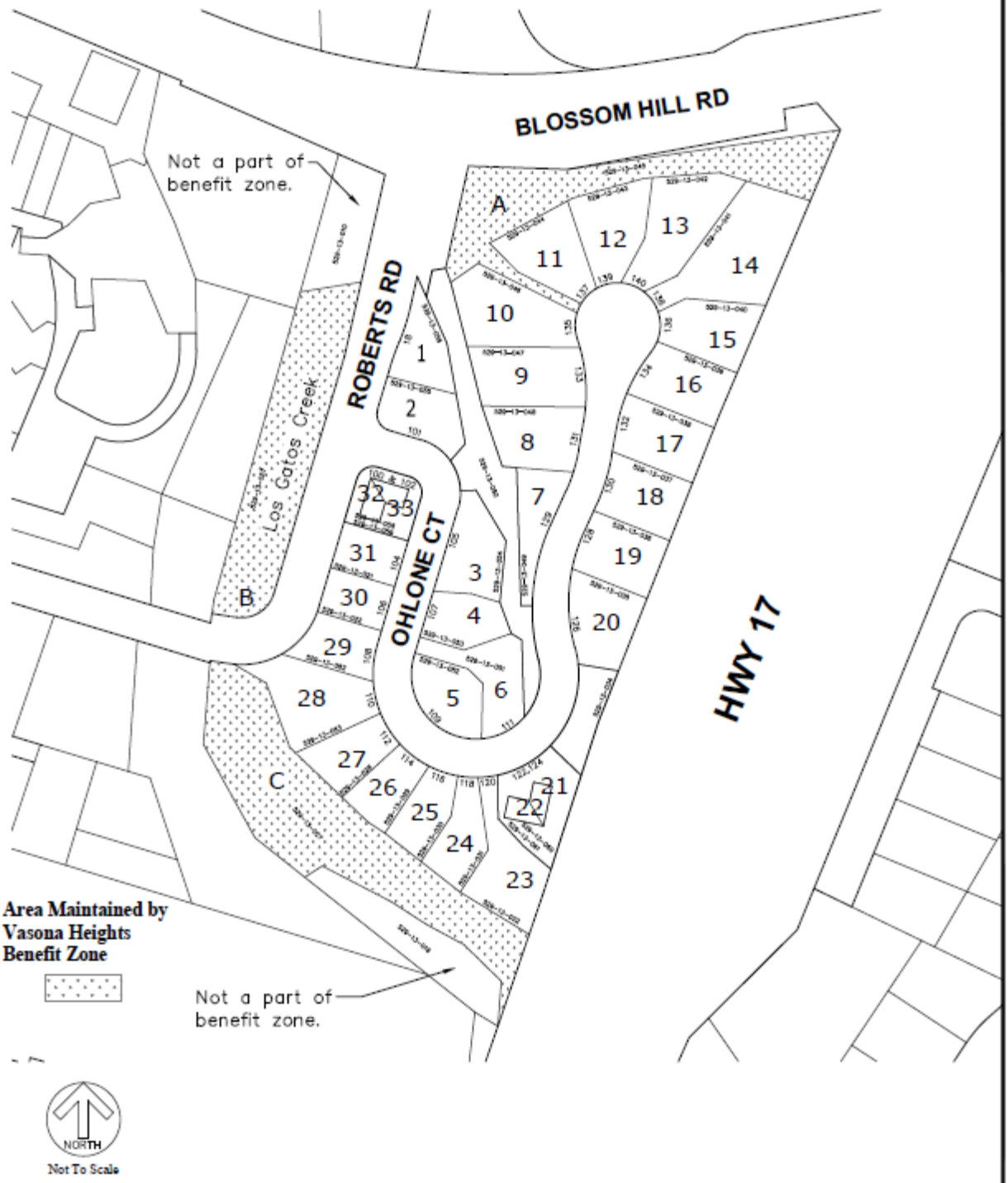
VASONA HEIGHTS BENEFIT ZONE

PROPERTY OWNERS LIST

APN	Owner
52913021	SMITH CAMERON R
52913022	SPLAINE SHANNON C
52913028	GIANNAKOPOULOU K FAMILY TRUST
52913029	DION THOMAS M & CARRIE A
52913030	FAN JAMES & CYNTHIA R
52913031	KLINE DANIEL & SMITE G
52913032	FISK ROY W & LYNN M TRUSTEE
52913035	CHENG JULIE W TRUST
52913036	LEVY MATTHEW & MONITA
52913037	MCCLOSKEY 2014 FAMILY TRUST
52913038	GAVIN JAMES A & KIM J TRUSTEE
52913039	SCHROEDER JACOB AND HOLLY TRUSTEE
52913040	BOESENBERG ALEX & MICHELE TRUSTEE
52913041	SMART JOHN A & BETH A
52913042	PETER G AND TASSIA H BABALIS TRUSTEE
52913043	SMEDT RODNEY C & KATHLEEN E
52913044	ROMUALDAS V BRIZGYS TRUSTEE & ET AL
52913045	LOS GATOS TOWN OF
52913046	RAMEZANE DOUGLAS
52913047	RAMI AND KATHERINE TUYET KANAMA
52913048	WOO SHIRLEY Y TRUSTEE
52913049	ERDEI NICOLAE M JR
52913051	FLECK MATHIAS S AND CAROLINE C
52913052	ABY FAMILY TRUST
52913053	PALFALVI BELA E & LORI C TRUSTEE
52913054	ORTEGA HAFID & DESTINY G
52913055	DAVIDIAN ALEC & BROWN ALANA C
52913056	BODE JON A & JULEE A TRUSTEE
52913058	MONTGOMERY MICHAEL L TRUSTEE
52913059	ANDERSON MARILYN J
52913060	SILVA DENISE
52913061	HALPIN TIM & SHERRI
52913062	SCHELL MARY TRUSTEE
52913063	CONOVVER MATTHEW O

PART "D"

Assessment Diagram



Vasona Heights Benefit Zone

Landscaping & Lighting Assessment District No. 1

RESOLUTION 2021-

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS CONFIRMING DIAGRAM AND ASSESSMENT, AND LEVYING AND AUTHORIZING COLLECTION OF ASSESSMENTS FOR LANDSCAPE AND LIGHTING ASSESSMENT DISTRICT NO. 1 - HILLBROOK DRIVE BENEFIT ZONE FOR FISCAL YEAR 2022/23

WHEREAS, on April 19, 2022, the Town Council ordered the Town Engineer to prepare and file a report regarding Landscape and Lighting Assessment District No. 1 - Hillbrook Drive Benefit Zone regarding the improvements in the District and proposed assessments to support those improvements; and

WHEREAS, the Town Engineer prepared and filed that report; and

WHEREAS, the Town Council considered and approved that report; and

WHEREAS, the Engineer's Report contains a detailed description of the improvements in the District, the boundaries of the District, and the proposed assessments upon assessable lots and parcels of land within the District; and

WHEREAS, on May 3, 2022, the Town Council adopted Resolution No. 2022-029 declaring its intention to levy and collect assessments in Landscape and Lighting District No. 1 - Hillbrook Drive Benefit Zone, and set the matter for public hearing in accordance with State law; and

WHEREAS, notice of the public hearing was duly mailed and published in accordance with State law; and

WHEREAS, the public hearing on the proposed levy of assessments was held by the Town Council on June 21, 2022, at which time all interested persons present were heard; and

WHEREAS, the proposed assessments are not proposed to be increased from any previous year; and

WHEREAS, the Town Council has received and considered all written and oral statements and protests regarding the proposed assessment.

NOW THEREFORE, BE IT RESOLVED:

1. The diagram and assessment attached hereto as Parts C and D are approved.
2. This Resolution shall constitute the levy of assessment for Landscape and Lighting Assessment District No. 1 - Hillbrook Drive Benefit Zone, for Fiscal Year 2022/23.
3. The Town Clerk shall transmit a certified copy of this Resolution to the Tax Collector of Santa Clara County for entry on the County Assessment Roll opposite each lot or parcel of land in the amount assessed pursuant to the Resolution, and collection pursuant to Streets and Highways Code Sec. 22646 and payment to the Town pursuant to Streets and Highways Code Sec. 22647.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos held on the 21st day of June 2022 by the following vote:

SIGNED:

MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: _____

ATTEST:

TOWN CLERK
LOS GATOS, CALIFORNIA

DATE: _____

PART C
ASSESSMENT ROLL
FISCAL YEAR 2022/23

HILLBROOK BENEFIT ZONE

Special Assessment No.	Amount of Assessment	Property Description
Lot 1	$175.00	523-11-027
Lot 2	175.00	523-11-026
Lot 3	175.00	523-11-025
Lot 4	175.00	523-11-024
Lot 5	175.00	523-11-023
Lot 6	175.00	523-11-022
Lot 7	175.00	523-11-021
Lot 8	175.00	523-11-020
Lot 9	175.00	523-11-019
Lot 10	175.00	523-11-018
Lot 11	175.00	523-07-030
Lot 12	175.00	523-07-029
Lot 13	175.00	523-07-028
Lot 14	175.00	523-07-027
Lot 15	175.00	523-07-026
Lot 16	175.00	523-07-025
Lot 17	175.00	523-07-024
Lot 18	175.00	523-07-023
Lot 19	175.00	523-07-022
Lot 20	175.00	523-07-021
Lot 21	175.00	523-07-020
Lot 22	175.00	523-07-019
Lot 23	175.00	523-07-018
Lot 24	175.00	523-07-017
Lot 25	175.00	523-07-016
Lot 26	175.00	523-07-015
Lot 27	175.00	523-07-014
Lot 28	175.00	523-07-013
Lot 29	175.00	523-07-012
Lot 30	175.00	523-07-011
Lot 31	175.00	523-07-010
Lot 32	175.00	523-07-009
Lot 33	175.00	523-07-008
Lot 34	175.00	523-07-007
Total Assessment:	**$5,950**	

ASSESSMENT ROLL
FISCAL YEAR 2022/23

HILLBROOK BENEFIT ZONE

The lines and dimensions of each parcel are those shown on the maps of the County Assessor of the County of Santa Clara and the County assessment roll.

METHOD OF APPORTIONMENT OF ASSESSMENT

The total amount of the assessment was apportioned equally to all the lots within Landscape and Lighting Assessment District No. 1--Hillbrook Benefit Zone.

HILLBROOK BENEFIT ZONE

PROPERTY OWNERS LIST

APN	Owner
52307007	SCHNEIDER LINDA TRUSTEE
52307008	DESANTIS JUSTIN
52307009	BERGKAMP JAMES J & KIMBERLY L TRUSTEE
52307010	VOSSEN STEPHAN & BOSSEN INGRID
52307011	ZHOU WEN
52307012	FOSTER TROY & VOIGTS ANNE M
52307013	PRASHAD-GASPAR NEERJA
52307014	STEELE NANCY J TRUSTEE
52307015	KIRK JENNIFER TRUSTEE & ET AL
52307016	VIKAS AGARWAL SHALINI & ASHU TRUSTEE
52307017	WHEELER MAXON R AND KIMBERLY A TRUSTEE
52307018	JIA TAO
52307019	ESCOBAR BENITO & REBECCA J
52307020	BILLER JASON & JENNY DAI TRUSTEE
52307021	SCHNEIDER JOHN O & CONDIT MICHAELA L
52307022	GABEL ROBERT L TRUSTEE
52307023	LACKOVIC COLETTE Q TRUSTEE
52307024	HARWOOD MICHAEL & ELIZABETH
52307025	JIN ROBERT X & LISA H
52307026	MCCOY JEROME & SHERYL D
52307027	SPITERI R J & L C TRUST
52307028	RUHLE PHILIP G & NANCY A TTEES
52307029	MUNNERLYN AUDREY L
52307030	ZOLLA HOWARD G & CAROL E TRUSTEE
52311018	PEARSON LORELDA M
52311019	BAHR STACEY & IRA
52311020	WINOTO RENALDI
52311021	PANAGOPOULOS THEODOROS
52311022	PANDIPATI FAMILY TRUST
52311023	PARHAM SEAN TRUSTEE
52311024	FALCONA LLC
52311025	ZHANG WEI
52311026	CORDELL ROBERT Q II TRUSTEE
52311027	BRADDI MICAELA & ERIN

PART "D"

Assessment Diagram

Hillbrook Benefit Zone

Landscaping & Lighting Assessment District No. 1

RESOLUTION 2021-

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS CONFIRMING DIAGRAM AND ASSESSMENT, AND LEVYING AND AUTHORIZING COLLECTION OF ASSESSMENTS FOR LANDSCAPE AND LIGHTING ASSESSMENT DISTRICT NO. 2 - GEMINI COURT BENEFIT ZONE FOR FISCAL YEAR 2022/23

WHEREAS, on April 20, 2022, the Town Council ordered the Town Engineer to prepare and file a report regarding Landscape and Lighting Assessment District No. 2 - Gemini Court Drive Benefit Zone regarding the improvements in the District and proposed assessments to support those improvements; and

WHEREAS, the Town Engineer prepared and filed that report; and

WHEREAS, the Town Council considered and approved that report; and

WHEREAS, the Engineer's Report contains a detailed description of the improvements in the District, the boundaries of the District, and the proposed assessments upon assessable lots and parcels of land within the District; and

WHEREAS, on May 3, 2022, the Town Council adopted Resolution No. 2022-030 declaring its intention to levy and collect assessments in Landscape and Lighting District No. 2 - Gemini Court Benefit Zone, and set the matter for public hearing in accordance with State law; and

WHEREAS, notice of the public hearing was duly mailed and published in accordance with State law; and

WHEREAS, the public hearing on the proposed levy of assessments was held by the Town Council on June 21, 2022, at which time all interested persons present were heard; and

WHEREAS, the proposed assessments are not proposed to be increased from any previous year; and

WHEREAS, the Town Council has received and considered all written and oral statements and protests regarding the proposed assessment.

NOW THEREFORE, BE IT RESOLVED:

1. The diagram and assessment attached hereto as Parts C and D are approved.

2. This Resolution shall constitute the levy of assessment for Landscape and Lighting Assessment District No. 2 - Gemini Court Benefit Zone, for Fiscal Year 2022/23.

3. The Town Clerk shall transmit a certified copy of this Resolution to the Tax Collector of Santa Clara County for entry on the County Assessment Roll opposite each lot or parcel of land in the amount assessed pursuant to the Resolution, and collection pursuant to Streets and Highways Code Sec. 22646 and payment to the Town pursuant to Streets and Highways Code Sec. 22647.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos held on the 21st day of June 2022 by the following vote:

SIGNED:

MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: _____

ATTEST:

TOWN CLERK
LOS GATOS, CALIFORNIA

DATE: _____

PART C

ASSESSMENT ROLL
FISCAL YEAR 2022/23

GEMINI COURT BENEFIT ZONE

Special Assessment No.	Amount of Assessment	Property Description
Lot 1	$230.00	567-64-051
Lot 2	230.00	567-64-050
Lot 3	230.00	567-64-049
Lot 4	230.00	567-64-048
Lot 5	230.00	567-64-047
Lot 6	230.00	567-64-046
Lot 7	230.00	567-64-045
Lot 8	230.00	567-64-044
Lot 9	230.00	567-64-054
Lot 10	230.00	567-64-053
Lot 11	230.00	567-64-052
Lot 12	230.00	567-64-042
Lot 13	230.00	567-64-041
Lot 14	230.00	567-64-040
Lot 15	230.00	567-64-039
Lot 16	230.00	567-64-038
Lot 17	230.00	567-64-037
Lot 18	230.00	567-64-036
Lot 19	230.00	567-64-035
Lot 20	230.00	567-64-034
Total Assessment:	**$4,600.00**	

The lines and dimensions of each parcel are those shown on the maps of the County Assessor of the County of Santa Clara and the County assessment roll.

METHOD OF APPORTIONMENT OF ASSESSMENT

The total amount of the assessment was apportioned equally to all the lots within the Gemini Court Benefit Zone of Landscape and Lighting Assessment District No. 2.

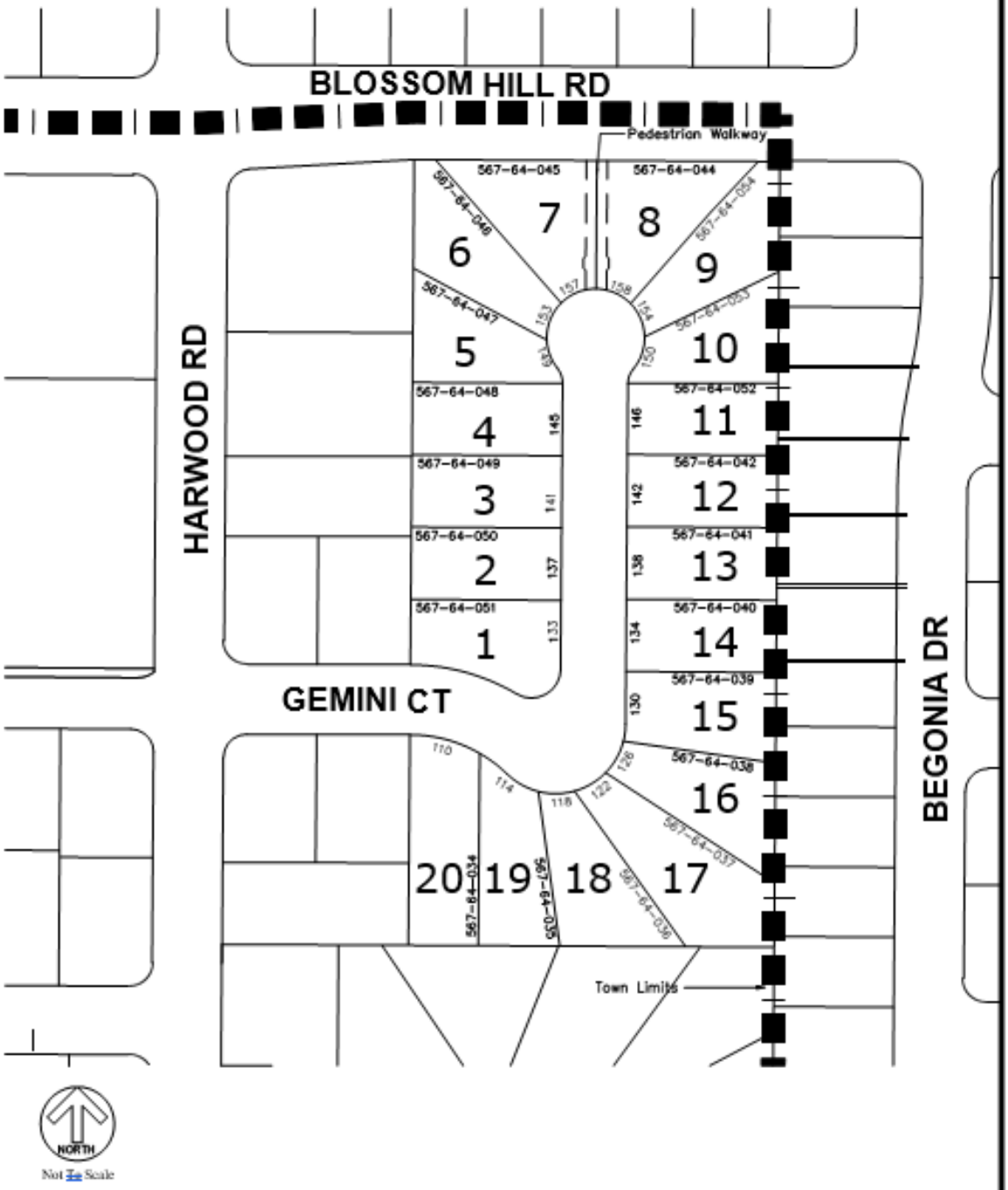
GEMINI COURT BENEFIT ZONE

PROPERTY OWNERS LIST

APN	Owner
56764034	POWERS RICHARD J & SHELLEY A TRUSTEE
56764035	KIM SUNG D & HAE R
56764036	SALMINEN SATU & JANNE
56764037	FLISS JOHN R & SHERI B
56764038	SERRANO FRANCISCO TRUSTEE
56764039	SCOGGIN MICHAEL D
56764040	KSJ INC
56764041	BIDABADI JOE B & HOMA
56764042	RAPISARDA FRED TRUSTEE
56764044	DAVIDSON SHARON LYNNE TRUSTEE
56764045	BOLOTIN IGOR & VICTORIA
56764046	NGUYEN STEVE
56764047	LAU STEVEN C 2021 TRUST
56764048	MOONESAN MOHAMMAD-SALEH
56764049	MORGAN ROBERT G JR & HIATT JEANNE K
56764050	MOGANNAM EVELYN E TRUSTEE
56764051	BAKER KENNETH TRUSTEE
56764052	RAOUL BADAOUI TRUSTEE & ET AL
56764053	ZHOU GUOQUAN & HUANG XU
56764054	AU KEVIN J

PART "D"

Assessment Diagram



Gemini Court Benefit Zone

Landscaping & Lighting Assessment District No. 2

Landscape and Lighting Assessment Districts No. 1 and 2

Fiscal Year 2022/23

ENGINEER'S REPORT

ATTACHMENT 7

ENGINEER'S REPORT

LANDSCAPE AND LIGHTING
ASSESSMENT DISTRICT NO. 1 AND 2
(Pursuant to the Landscape and Lighting Act of 1972)

The Engineer of Work respectfully submits the enclosed report as directed by the Town Council.

_____ April 15, 2022
WOOJAE KIM DATE
Town Engineer

I HEREBY CERTIFY that the enclosed Engineer's Report, with Assessment and Assessment Diagram thereto attached was filed with me on the 3rd day of May, 2022.

Shelley Neis
TOWN CLERK, Town of Los Gatos
Santa Clara County, California

I HEREBY CERTIFY that the enclosed Engineer's Report, with Assessment and Assessment Diagram thereto attached, was approved and confirmed by the Town Council of the Town of Los Gatos, California on the 3rd day of May 2022, by Resolution No. 2022-024

Shelley Neis
TOWN CLERK, Town of Los Gatos
Santa Clara County, California

I HEREBY CERTIFY that the enclosed Engineer's Report, with Assessment and Assessment Diagram thereto attached was filed with the County Assessor of the County of Santa Clara on the _____ day of _____, 2022.

Landscape and Lighting Assessment District No. 1

BLACKWELL DRIVE BENEFIT ZONE

Fiscal Year 2022/23

ENGINEER'S REPORT

ENGINEER'S REPORT
FISCAL YEAR 2022/23

LANDSCAPE AND LIGHTING ASSESSMENT DISTRICT NO. 1
(Pursuant to the Landscaping and Lighting Act of 1972)

BLACKWELL DRIVE BENEFIT ZONE

WooJae Kim, Town Engineer for Landscape and Lighting Assessment District No. 1, Town of Los Gatos, Santa Clara County, California, makes this report, as directed by the Town Council, pursuant to Section 22566, et seq. of the Streets and Highways Code (Landscaping and Lighting Act of 1972).

The improvements that are the subject of this report are briefly described as follows:

Maintaining the landscaping in the median island constructed as a part of Tract No. 8306 and maintaining the streetlights installed along Blackwell Drive and National Avenue as a part of Tract No. 8306.

This report consists of four parts, as follows:

PART A: Plans and specifications for the improvements are filed in the Clerk Department. Although separately bound, the plans and specifications are a part of this report and are included in it by reference.

PART B: An estimate of the cost of the improvements.

PART C: An assessment of the estimated cost of the improvements on each benefited parcel within the assessment district, the method by which the Engineer of Work has determined the proposed assessment against each parcel, and a list of the owners of real property within this assessment district, as shown on the last equalized assessment roll for taxes, or as known to the Town Clerk.

PART D: A diagram showing all of the parcels of real property within this assessment district. The diagram is keyed to Part C by assessment number.

Respectfully submitted,

WOOJAE KIM
Town Engineer

April 15, 2022
DATE

PART A

FISCAL YEAR 2022/23

PLANS, SPECIFICATIONS AND REPORTS

BLACKWELL DRIVE BENEFIT ZONE

Plans and specifications for the improvements are those prepared by Greg G. Ing, and Associates, dated February 16, 1990. These plans and specifications have been filed separately in the Clerk Department of the Town of Los Gatos and are incorporated in the Report by reference.

PART B		
ESTIMATE OF THE COST OF IMPROVEMENTS		
FISCAL YEAR 2021/22		
BLACKWELL DRIVE BENEFIT ZONE		
Fiscal Year 2020/21 Resources		
Fund Balance 6/30/20	$	13,776
Assessment		3,160
Delinquent Assessment		0
Penalties/Late Fees		0
Interest		176
Total Resources Available for FY 2020/21	$	**17,112**
Fiscal Year 2020/21 Expenses		
Santa Clara County Collection Fee	$	32
Publication & Notification Charges		0
Light Pole Maintenance		0
Electric Utility		0
San Jose Water		638
Landscape Contractor		1,898
Town Administrative Charges		460
Total Expenses for FY 2020/21	$	**3,028**
Ending Fund Balance for FY 2020/21	$	**14,084**
Fiscal Year 2021/22 Estimated Resources		
Fund Balance 6/30/21	$	14,084
Assessment		3,160
Interest		50
Total Estimated Resources Available for FY 2021/22	$	**17,294**
Fiscal Year 2021/22 Estimated Expenses		
Santa Clara County Collection Fee	$	32
Publication & Notification Charges		300
Tree Services		0
Weed Abatement		0
Light Pole Maintenance		0
Electric Utility		0
San Jose Water		910
Landscape Contractor		1,898
District Capital Improvement		7,500
Town Administrative Charges		460
Total Estimated Expenses for FY 2021/22	$	**11,100**
Estimated Ending Fund Balance for FY 2021/22	$	**6,194**

PART C

ASSESSMENT ROLL
FISCAL YEAR 2022/23

BLACKWELL DRIVE BENEFIT ZONE

Special Assessment No.	Amount of Assessment	Property Description
Lot 1	$632	424-12-123
Lot 2	632	424-12-124
Lot 3	632	424-12-125
Lot 4	632	424-12-126
Lot 5	632	424-12-127
Total Assessment:	**$3,160**	

The lines and dimensions of each parcel are those shown on the maps of the County Assessor of the County of Santa Clara and the County assessment roll.

METHOD OF APPORTIONMENT OF ASSESSMENT

The total amount of the assessment was apportioned equally to all the lots within the Blackwell Drive Benefit Zone of Landscape and Lighting Assessment District No. 1.

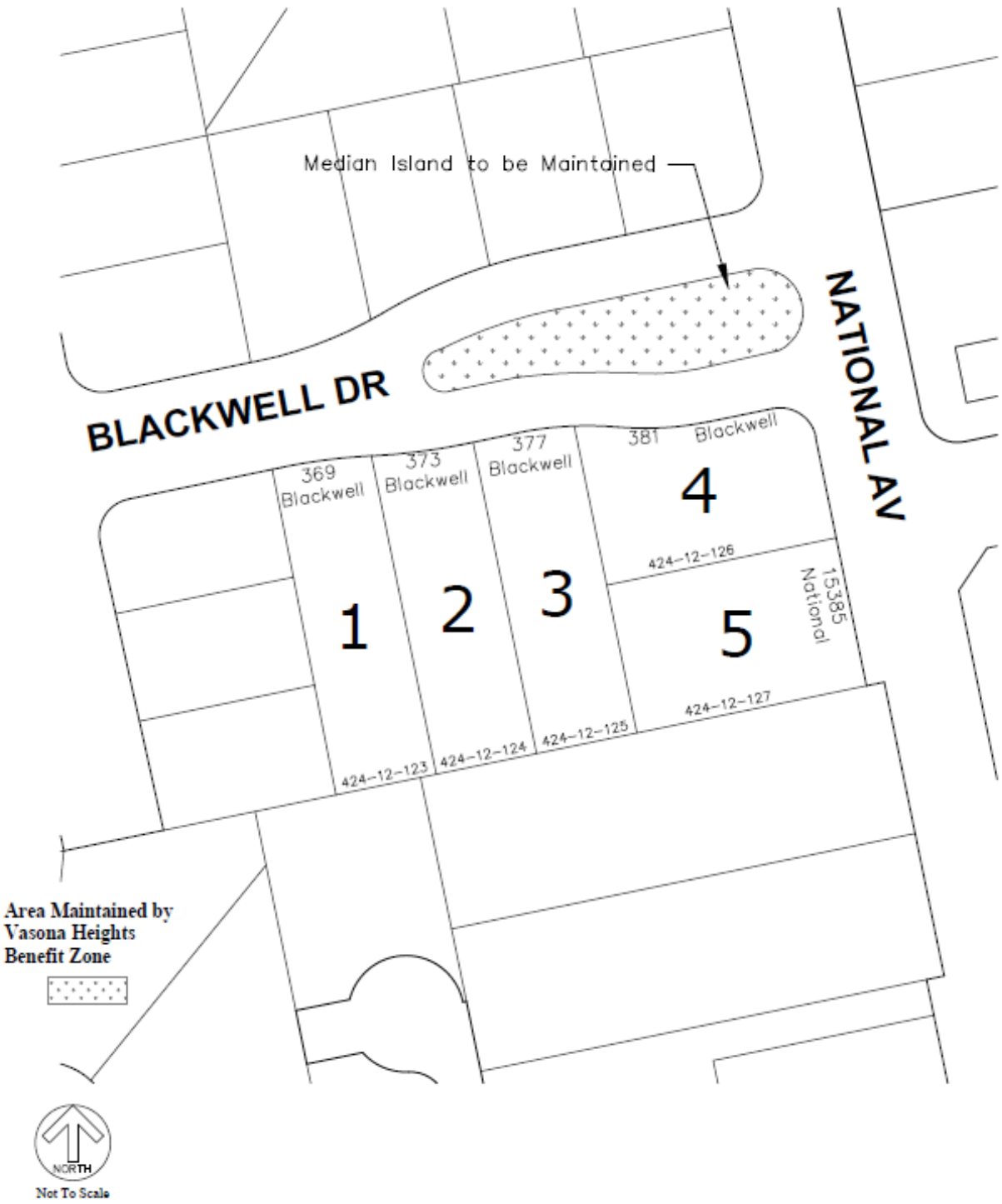
BLACKWELL DRIVE BENEFIT ZONE

PROPERTY OWNERS LIST

APN	Owner
42412123	HEPLER BRAD D & UMALI PAMELA
42412124	VUPPUNUTULA VENKAT REDDY AND REDDY SAHITHI
42412125	URRICARIET CHRISTIAN M & MARTINEZ-VISBAL
42412126	JOSHI ANILA & ROHIT
42412127	MORADI MOSTAFA

PART "D"

Assessment Diagram



Blackwell Drive Benefit Zone

Landscaping & Lighting Assessment District No. 1

Landscape and Lighting Assessment District No. 1

KENNEDY MEADOWS BENEFIT ZONE

Fiscal Year 2022/23

ENGINEER'S REPORT

ENGINEER'S REPORT
FISCAL YEAR 2022/23

LANDSCAPE AND LIGHTING ASSESSMENT DISTRICT NO. 1
(Pursuant to the Landscaping and Lighting Act of 1972)

KENNEDY MEADOWS BENEFIT ZONE

WooJae Kim, Town Engineer for Landscape and Lighting Assessment District No. 1--Kennedy Meadows Benefit Zone, Town of Los Gatos, Santa Clara County, California, makes this report, as directed by the Town Council, pursuant to Section 22566, et seq. of the Streets and Highways Code (Landscaping and Lighting Act of 1972).

The improvements that are the subject of this report are briefly described as follows:

The maintenance of trees, landscaping, irrigation systems, trail and street lights within open space areas (Parcels A and B) and along Kennedy Court and Forrester Court, as shown on the approved improvement for Tract No. 8612, Los Gatos, California and the riparian and wetlands area described in the report by H. T. Harvey Associates, dated November 11, 1994.

This report consists of four parts, as follows:

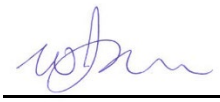
PART A: Plans and specifications for the improvements and the report by H. T. Harvey Associates are filed in the Clerk Department. Although separately bound, the plans, specifications and H.T. Harvey report are a part of this report and are included in it by reference.

PART B: An estimate of the cost of the improvements, including interest on the funds advanced to the benefit zone by the Town.

PART C: An assessment of the estimated cost of the improvements on each benefited parcel within the assessment district, the method by which the Engineer of Work has determined the amount proposed to be assessed against each parcel, and a list of the owners of real property within this assessment district, as shown on the last equalized assessment roll for taxes, or as known to the Town Clerk.

PART D: A diagram showing all of the parcels of real property within this assessment district. The diagram is keyed to Part C by assessment number.

Respectfully submitted,



WOOJAE KIM
Town Engineer

April 15, 2022
DATE

PART A

FISCAL YEAR 2022/23

PLANS, SPECIFICATIONS AND REPORTS

KENNEDY MEADOWS BENEFIT ZONE

Plans and specifications for the improvements are those prepared by Nowack and Associates, Civil Engineers, dated September 21, 1994, their job number 90-263C, pages 1 - 11. These plans and specifications have been filed separately in the Clerk Department of the Town of Los Gatos and are incorporated in the Report by reference.

The wetlands mitigation and monitoring plan was prepared by H.T. Harvey & Associates, Ecological Consultants, dated November 11, 1994, their file number 733-04, 11 pages. A revised wetlands mitigation plan is contained in a letter to the U.S. Army Corp of Engineers and California Regional Water Quality Control Board dated August 30, 1995 and as-built plans in a letter dated February 21, 1995. The original report and letters have been filed separately in the Clerk Department of the Town of Los Gatos and are incorporated in this Report by reference.

PART B		
ESTIMATE OF THE COST OF IMPROVEMENTS		
FISCAL YEAR 2021/22		
KENNEDY MEADOWS BENEFIT ZONE		
Fiscal Year 2020/21 Resources		
Fund Balance 6/30/20	$	40,396
Assessment		10,275
Delinquent Assessment		0
Penalties/Late Fees		0
Interest		493
Total Resources Available for FY 2020/21	$	**51,164**
Fiscal Year 2020/21 Expenses		
Santa Clara County Collection Fee	$	103
Publication & Notification Charges		0
Light Pole Maintenance		0
Weed Abatement		16,089
Electric Utility		0
San Jose Water		1,696
Landscape Contractor		11,350
Town Administrative Charges		1,510
Improvements (Trail)		0
Total Expenses for FY 2020/21	$	**30,748**
Ending Fund Balance for FY 2020/21	$	**20,416**
Fiscal Year 2021/22 Estimated Resources		
Fund Balance 6/30/21	$	20,416
Assessment		10,275
Interest		330
Total Estimated Resources Available for FY 2021/22	$	**31,021**
Fiscal Year 2021/22 Estimated Expenses		
Santa Clara County Collection Fee	$	103
Publication & Notification Charges		300
Tree Services		0
Weed Abatement		0
Light Pole Maintenance		0
Electric Utility		0
San Jose Water		1,800
Landscape Contractor		6,000
District Capital Improvements		10,000
Town Administrative Charges		1,510
Total Estimated Expenses for FY 2021/22	$	**19,713**
Estimated Ending Fund Balance for FY 2021/22	$	**11,308**

PART C

ASSESSMENT ROLL
FISCAL YEAR 2022/23

KENNEDY MEADOWS BENEFIT ZONE

Special Assessment No.	Amount of Assessment	Property Description
Lot 1	$685.00	532-18-050
Lot 2	685.00	532-18-049
Lot 3	685.00	532-18-048
Lot 4	685.00	532-18-047
Lot 5	685.00	532-18-052
Lot 6	685.00	532-18-063
Lot 7	685.00	532-18-062
Lot 8	685.00	532-18-061
Lot 9	685.00	532-18-060
Lot 10	685.00	532-18-059
Lot 11	685.00	532-18-058
Lot 12	685.00	532-18-057
Lot 13	685.00	532-18-056
Lot 14	685.00	532-18-055
Lot 15	685.00	532-18-054
Total Assessment:	$10,275	

The lines and dimensions of each parcel are those shown on the maps of the County Assessor of the County of Santa Clara and the County assessment roll.

METHOD OF APPORTIONMENT OF ASSESSMENT

The total amount of the assessment was apportioned equally to all the lots within Kennedy Meadows Benefit Zone of Landscape and Lighting Assessment District No. 1.

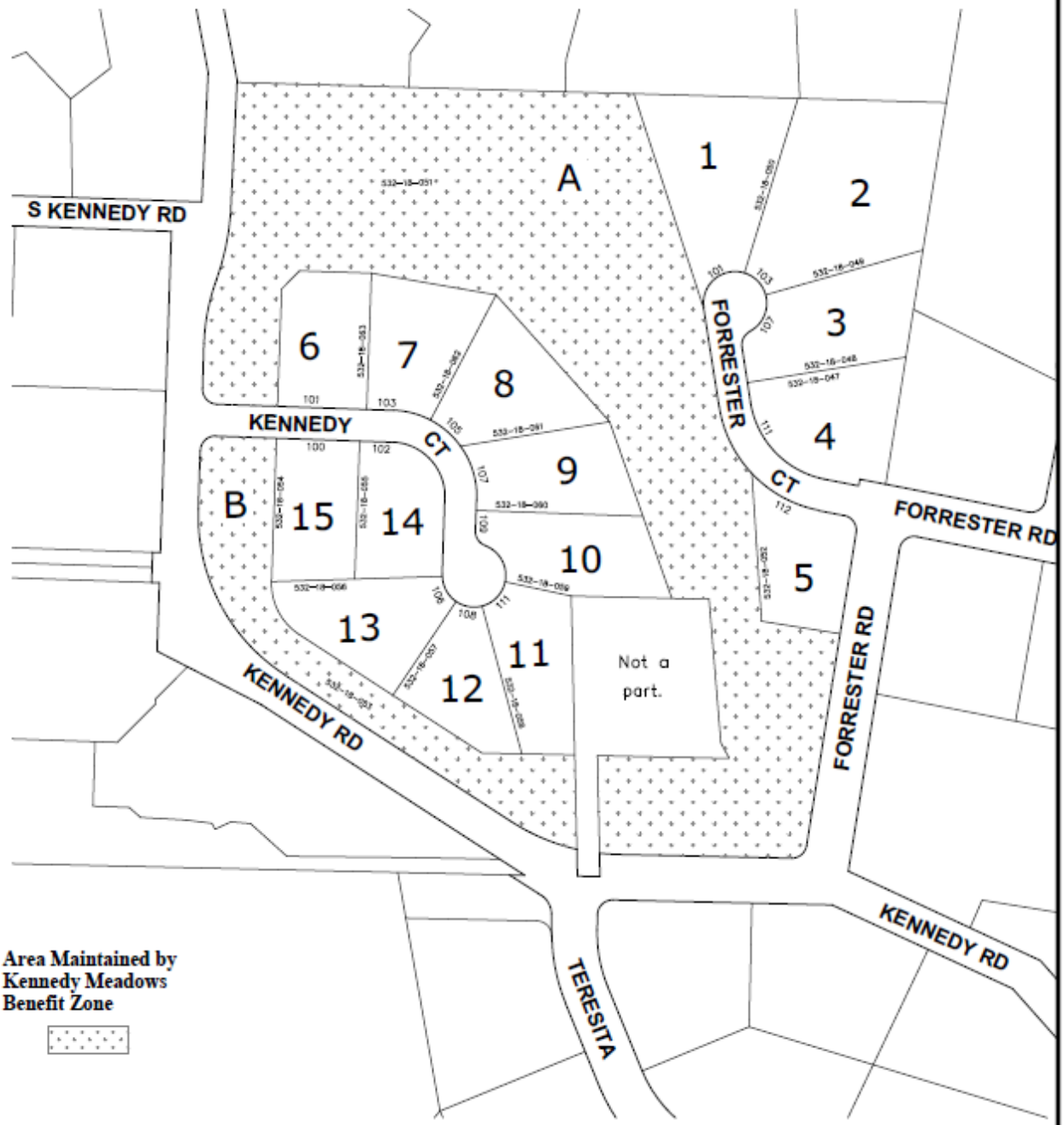
KENNEDY MEADOWS BENEFIT ZONE

PROPERTY OWNERS LIST

APN	Owner
53218047	DAMORE EDWARD & KIMBERLY
53218048	Wiederhold Robert P & Melinda A Trustee
53218049	Jeevunjee Adam & Mariya
53218050	HIRSCHMAN WILLIAM AND DODSON ELIZABETH TRUS
53218052	MONTECILLO FAMILY TRUST
53218054	HACKER MARK K TRUSTEE
53218055	JENKINS WILLIAM D JR & JULIE C
53218056	LOS GATOS SARATOGA LLC SERIES A
53218057	Lundstrom Stephanie & Paul
53218058	CALI A STEVE & LORI A TRUSTEE
53218059	HUMPHRIES SIMON & SHEILA H TRUSTEE
53218060	HUBLOU RANI
53218061	SCHENKEL SCOTT F & KIMBERLY L TRUSTEE
53218062	THOMPSON PETER B & SHEILA K
53218063	BIBAUD SCOTT A & SUSAN M TRUSTEE

PART "D"

Assessment Diagram



Area Maintained by Kennedy Meadows Benefit Zone

NORTH

Not To Scale

Kennedy Meadows Benefit Zone

Landscaping & Lighting Assessment District No. 1

Landscape and Lighting Assessment District No. 1

SANTA ROSA HEIGHTS BENEFIT ZONE

Fiscal Year 2022/23

ENGINEER'S REPORT

ENGINEER'S REPORT
FISCAL YEAR 2022/23

LANDSCAPE AND LIGHTING ASSESSMENT DISTRICT NO. 1
(Pursuant to the Landscaping and Lighting Act of 1972)

SANTA ROSA HEIGHTS BENEFIT ZONE

WooJae Kim, Town Engineer for Landscape and Lighting Assessment District No. 1--Santa Rosa Heights Benefit Zone, Town of Los Gatos, Santa Clara County, California, makes this report, as directed by the Town Council, pursuant to Section 22566, et seq. of the Streets and Highways Code (Landscaping and Lighting Act of 1972).

The improvements that are the subject of this report are briefly described as follows:

The maintenance of trees, landscaping, trail and retaining walls, as shown on the approved improvement plans for Tract No. 8400, Los Gatos, California.

This report consists of four parts, as follows:

PART A: Plans and specifications for the improvements are filed in the Clerk Department. Although separately bound, the plans and specifications are a part of this report and are included in it by reference.

PART B: An estimate of the cost of the improvements.

PART C: An assessment of the estimated cost of the improvements on each benefited parcel within the assessment district, the method by which the Engineer of Work has determined the amount proposed to be assessed against each parcel, and a list of the owners of real property within this assessment district, as shown on the last equalized assessment roll for taxes, or as known to the Town Clerk.

PART D: A diagram showing all of the parcels of real property within this assessment district. The diagram is keyed to Part C by assessment number.

Respectfully submitted,

WOOJAE KIM
Town Engineer

April 15, 2022
DATE

PART A

FISCAL YEAR 2022/23

PLANS, SPECIFICATIONS AND REPORTS

SANTA ROSA HEIGHTS BENEFIT ZONE

Plans and specifications for the improvements are those prepared by Nowack & Associates, dated February 1991, their job number 90-295. These plans and specifications have been filed separately in the Clerk Department of the Town of Los Gatos and are incorporated in the Report by reference.

PART B		
ESTIMATE OF THE COST OF IMPROVEMENTS		
FISCAL YEAR 2021/22		
SANTA ROSA HEIGHTS BENEFIT ZONE		
Fiscal Year 2020/21 Resources		
Fund Balance 6/30/20	$	50,785
Assessment		4,665
Delinquent Assessment		0
Penalties/Late Fees		27
Interest		621
Total Resources Available for FY 2020/21	$	**56,098**
Fiscal Year 2020/21 Expenses		
Santa Clara County Collection Fee	$	45
Publication & Notification Charges		0
Light Pole Maintenance		0
Electric Utility		0
San Jose Water		0
Landscape Contractor		9,424
Town Administrative Charges		660
Total Expenses for FY 2020/21	$	**10,129**
Ending Fund Balance for FY 2020/21	$	**45,969**
Fiscal Year 2021/22 Estimated Resources		
Fund Balance 6/30/21	$	45,969
Assessment		4,500
Interest		500
Total Estimated Resources Available for FY 2021/22	$	**50,969**
Fiscal Year 2021/22 Estimated Expenses		
Santa Clara County Collection Fee	$	45
Publication & Notification Charges		300
Tree Services		0
Weed Abatement		0
Light Pole Maintenance		0
Electric Utility		0
San Jose Water		0
Landscape Contractor		9,612
Town Administrative Charges		660
District Capital Improvements		10,000
Total Estimated Expenses for FY 2021/22	$	**20,617**
Estimated Ending Fund Balance for FY 2021/22	$	**30,352**

PART C

ASSESSMENT ROLL
FISCAL YEAR 2022/23

SANTA ROSA HEIGHTS BENEFIT ZONE

Special Assessment No.	Amount of Assessment	Property Description
Lot 1	$300.00	537-31-001
Lot 2	300.00	537-31-002
Lot 3	300.00	537-31-003
Lot 4	300.00	537-31-022
Lot 5	300.00	537-31-023
Lot 6	300.00	537-31-006
Lot 7	300.00	537-31-007
Lot 8	300.00	537-31-008
Lot 9	300.00	537-31-009
Lot 10	300.00	537-31-010
Lot 11	300.00	537-31-011
Lot 12	300.00	537-31-012
Lot 13	300.00	537-31-013
Lot 14	300.00	537-31-014
Lot 15	300.00	537-31-015
Total Assessment:	**$4,500**	

The lines and dimensions of each parcel are those shown on the maps of the County Assessor of the County of Santa Clara and the County assessment roll.

METHOD OF APPORTIONMENT OF ASSESSMENT

The total amount of the assessment was apportioned equally to all the lots within Santa Rosa Heights Benefit Zone of Landscape and Lighting Assessment District No. 1.

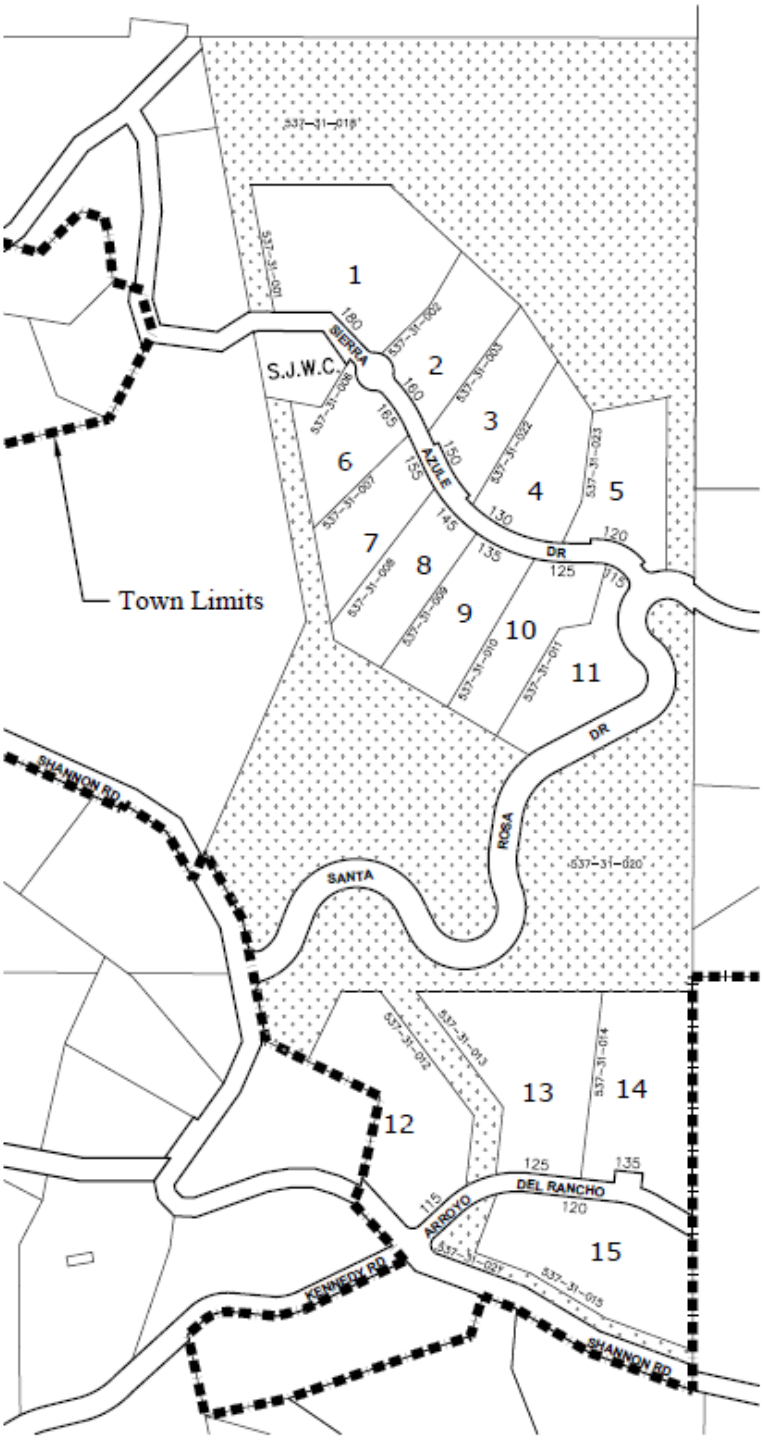
SANTA ROSA HEIGHTS BENEFIT ZONE

PROPERTY OWNERS LIST

APN	Owner
53731001	JAIN VIVEK TRUSTEE
53731002	ENTIN BRUCE L & PESIA TRUSTEE
53731003	SILVESTRI CHESTER J & IRENE N TRUSTEE
53731006	HWANG MING-YUN & JENNY WEN-CHI TRUSTEE
53731007	Zohouri Saeed Trustee
53731008	KERSCHBAUM MANFRED J
53731009	Tahmassebi Family Trust
53731010	COX JEREMY & JILL
53731011	SINGH JAGDEEP & ROSHNI TRUSTEE
53731012	PANCHAL NATWARLAL M & GITA N
53731013	JOSEPH AND SUSAN P LAM
53731014	HERNANDEZ JOHN B & JACKSON EVA TRUSTEE
53731015	AMARAL ROBERT H JR TRUSTEE
53731022	POULOS LOUIS
53731023	RAJAN SHANTHI

PART "D"

Assessment Diagram



Area Maintained by Santa Rosa Heights Benefit Zone

Santa Rosa Heights Benefit Zone

Landscaping & Lighting Assessment District No. 1

Landscaping and Lighting Assessment District No. 1

VASONA HEIGHTS BENEFIT ZONE

Fiscal Year 2022/23

ENGINEER'S REPORT

ENGINEER'S REPORT
FISCAL YEAR 2022/23

LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT NO. 1
(Pursuant to the Landscaping and Lighting Act of 1972)

VASONA HEIGHTS BENEFIT ZONE

WooJae Kim, Town Engineer for Landscaping and Lighting Assessment District No. 1--Vasona Heights Benefit Zone, Town of Los Gatos, Santa Clara County, California, makes this report, as directed by the Town Council, pursuant to Section 22566, et seq. of the Streets and Highways Code (Landscaping and Lighting Act of 1972).

The improvements that are the subject of this report are briefly described as follows:

The maintenance of trees, landscaping, irrigation systems, trail, emergency access, and retaining wall within open space areas, as shown on the approved improvement for Tract No. 8280, Los Gatos, California.

This report consists of four parts, as follows:

PART A: Plans and specifications for the improvements are filed in the Clerk Department. Although separately bound, the plans and specifications are a part of this report and are included in it by reference.

PART B: An estimate of the cost of the improvements.

PART C: An assessment of the estimated cost of the improvements on each benefited parcel within the assessment district, the method by which the Engineer of Work has determined the amount proposed to be assessed against each parcel, and a list of the owners of real property within this assessment district, as shown on the last equalized assessment roll for taxes, or as known to the Town Clerk.

PART D: A diagram showing all of the parcels of real property within this assessment district. The diagram is keyed to Part C by assessment number.

Respectfully submitted,

WOOJAE KIM
Town Engineer

April 15, 2022
DATE

PART A

FISCAL YEAR 2022/23

PLANS, SPECIFICATIONS AND REPORTS

VASONA HEIGHTS BENEFIT ZONE

Plans and specifications for the improvements are those prepared by Dillon/Drulias Associates, Landscape Architects, dated April 16, 1990, their job number 8840, pages L1 - L17 and revised planting and irrigation plans as prepared by Greg Ing and Associates, dated November 3, 1992 and revised November 23, 1993. These plans and specifications have been filed separately in the Clerk Department of the Town of Los Gatos and are incorporated in the Report by reference.

PART B		
ESTIMATE OF THE COST OF IMPROVEMENTS		
FISCAL YEAR 2021/22		
VASONA HEIGHTS BENEFIT ZONE		
Fiscal Year 2020/21 Resources		
Fund Balance 6/30/20	$	32,180
Assessment		9,794
Delinquent Assessment		0
Penalties/Late Fees		0
Interest		411
Total Resources Available for FY 2020/21	$	**42,385**
Fiscal Year 2020/21 Expenses		
Santa Clara County Collection Fee	$	97
Publication & Notification Charges		0
Light Pole Maintenance		0
Electric Utility		0
San Jose Water		3,185
Landscape Contractor		2,945
Town Administrative Charges		1,430
District Capital Improvements		0
Total Expenses for FY 2020/21	$	**7,657**
Ending Fund Balance for FY 2020/21	$	**34,728**
Fiscal Year 2021/22 Estimated Resources		
Fund Balance 6/30/21	$	34,728
Assessment		9,735
Interest		340
Total Estimated Resources Available for FY 2021/22	$	**44,803**
Fiscal Year 2021/22 Estimated Expenses		
Santa Clara County Collection Fee	$	97
Publication & Notification Charges		300
Tree Services		0
Weed Abatement		0
Light Pole Maintenance		0
Electric Utility		0
San Jose Water		2,319
Landscape Contractor		3,000
Town Administrative Charges		1,430
District Capital Improvements		10,000
Total Estimated Expenses for FY 2021/22	$	**17,146**
Estimated Ending Fund Balance for FY 2021/22	$	**27,657**

PART C
ASSESSMENT ROLL
FISCAL YEAR 2022/23

VASONA HEIGHTS BENEFIT ZONE

Special Assessment No.	Amount of Assessment	Property Description
Lot 1	$295.00	529-13-056
Lot 2	295.00	529-13-055
Lot 3	295.00	529-13-054
Lot 4	295.00	529-13-053
Lot 5	295.00	529-13-052
Lot 6	295.00	529-13-051
Lot 7	295.00	529-13-049
Lot 8	295.00	529-13-048
Lot 9	295.00	529-13-047
Lot 10	295.00	529-13-046
Lot 11	295.00	529-13-044
Lot 12	295.00	529-13-043
Lot 13	295.00	529-13-042
Lot 14	295.00	529-13-041
Lot 15	295.00	529-13-040
Lot 16	295.00	529-13-039
Lot 17	295.00	529-13-038
Lot 18	295.00	529-13-037
Lot 19	295.00	529-13-036
Lot 20	295.00	529-13-035
Lot 21	295.00	529-13-060
Lot 22	295.00	529-13-061
Lot 23	295.00	529-13-032
Lot 24	295.00	529-13-031
Lot 25	295.00	529-13-030
Lot 26	295.00	529-13-029
Lot 27	295.00	529-13-028
Lot 28	295.00	529-13-063
Lot 29	295.00	529-13-062
Lot 30	295.00	529-13-022
Lot 31	295.00	529-13-021
Lot 32	295.00	529-13-058
Lot 33	295.00	529-13-059
Total Assessment:	**$9,735.00**	

METHOD OF APPORTIONMENT OF ASSESSMENT

The lines and dimensions of each parcel are those shown on the maps of the County Assessor of the County of Santa Clara and the County assessment roll.

The total amount of the assessment was apportioned equally to all the lots within Vasona Heights Benefit Zone of Landscaping and Lighting Assessment District No. 1.

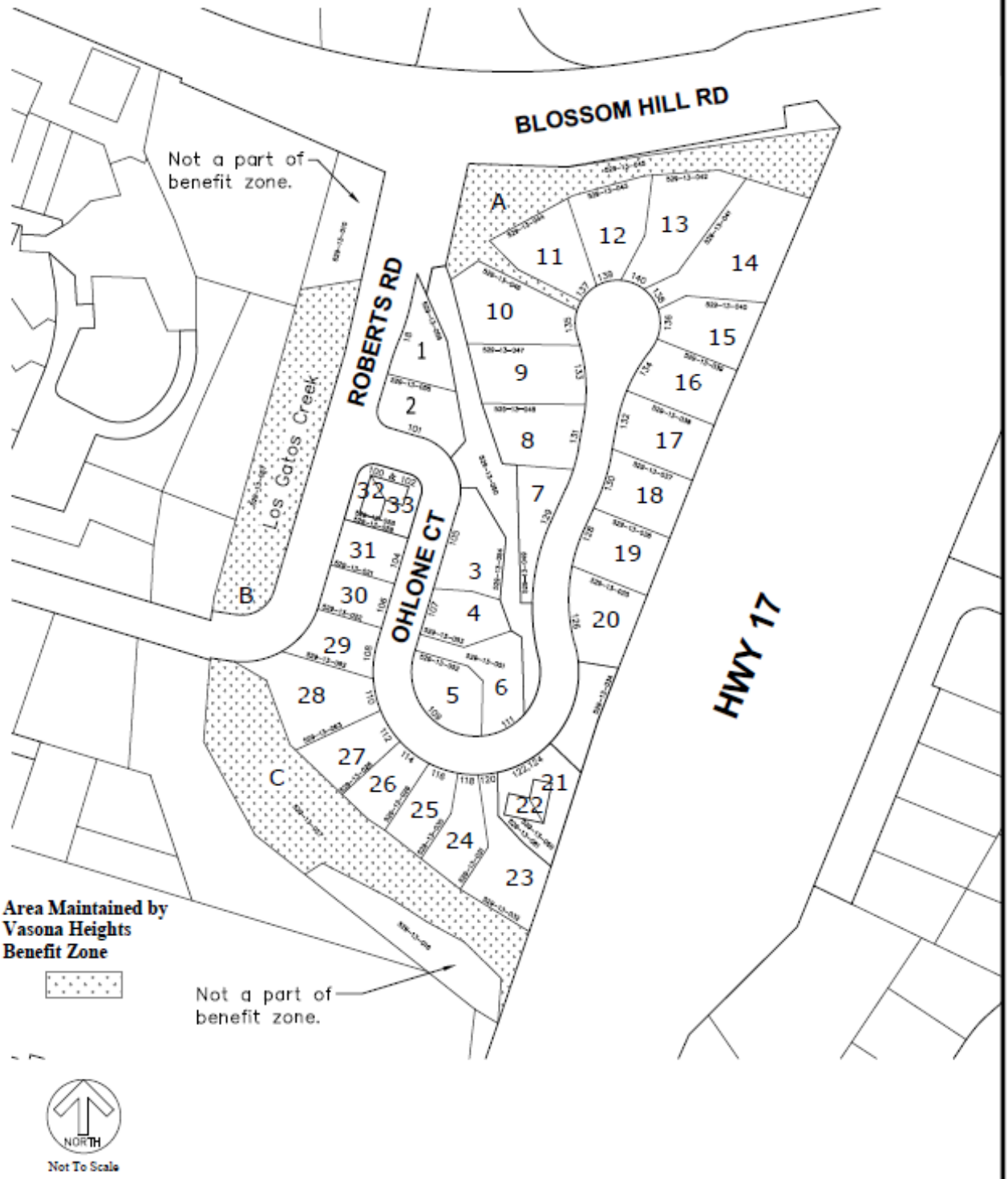
VASONA HEIGHTS BENEFIT ZONE

PROPERTY OWNERS LIST

APN	Owner
52913021	Figueroa Roberto E & Regina G
52913022	LEVENSON LINDA
52913028	GIANNAKOPOULOU K FAMILY TRUST
52913029	DION THOMAS M & CARRIE A
52913030	Fan James & Cynthia R
52913031	KLINE DANIEL
52913032	FISK ROY W & LYNN M TRUSTEE
52913035	CHENG JULIE W TRUST
52913036	LEVY MATTHEW & MONITA
52913037	MCCLOSKEY 2014 FAMILY TRUST
52913038	GAVIN JAMES A & KIM J TRUSTEE
52913039	SCHROEDER JACOB AND HOLLY TRUSTEE
52913040	Boesenberg Alex & Michele Trustee
52913041	SMART JOHN A & BETH A
52913042	PETER G AND TASSIA H BABALIS TRUSTEE
52913043	SMEDT RODNEY C & KATHLEEN E
52913044	ROMUALDAS V BRIZGYS TRUSTEE & ET AL
52913046	RAMEZANE DOUGLAS
52913047	RAMI AND KATHERINE TUYET KANAMA
52913048	WOO SHIRLEY Y TRUSTEE
52913049	ERDEI NICOLAE M JR
52913051	FLECK MATHIAS S AND CAROLINE C
52913052	ABY FAMILY TRUST
52913053	PALFALVI BELA E & LORI C TRUSTEE
52913054	SCHUMACHER JAMES V & CATHY O
52913055	Davidian Alec & Brown Alana C
52913056	BODE JON A & JULEE A TRUSTEE
52913058	Montgomery Michael L Trustee
52913059	ANDERSON MARILYN J
52913060	SILVA DENISE
52913061	HALPIN TIM & SHERRI
52913062	SCHELL MARY TRUSTEE
52913063	SAMARA MAJEED S TRUSTEE

PART "D"

Assessment Diagram



Vasona Heights Benefit Zone

Landscaping & Lighting Assessment District No. 1

Landscape and Lighting Assessment District No. 1

HILLBROOK BENEFIT ZONE

Fiscal Year 2022/23

ENGINEER'S REPORT

ENGINEER'S REPORT
FISCAL YEAR 2022/23

LANDSCAPE AND LIGHTING ASSESSMENT DISTRICT NO. 1
(Pursuant to the Landscaping and Lighting Act of 1972)

HILLBROOK BENEFIT ZONE

WooJae Kim, Town Engineer for Landscape and Lighting Assessment District No. 1--Hillbrook Benefit Zone, Town of Los Gatos, Santa Clara County, California, makes this report, as directed by the Town Council, pursuant to Section 22566, et seq. of the Streets and Highways Code (Landscaping and Lighting Act of 1972).

The improvements that are the subject of this report are briefly described as follows:

The maintenance of trees, landscaping, irrigation systems, hardscape and fences as currently exist on APN: 523-11-028, located at the southeast corner of Blossom Hill Road and Hillbrook Drive, Los Gatos, California.

This report consists of four parts, as follows:

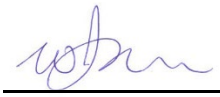
PART A: Diagram of Existing Improvements.

PART B: An estimate of the cost of the improvements.

PART C: An assessment of the estimated cost of the improvements on each benefited parcel within the assessment district, the method by which the Engineer of Work has determined the amount proposed to be assessed against each parcel, and a list of the owners of real property within this assessment district, as shown on the last equalized assessment roll for taxes, or as known to the Town Clerk.

PART D: A diagram showing all of the parcels of real property within this assessment district. The diagram is keyed to Part C by assessment number.

Respectfully submitted,

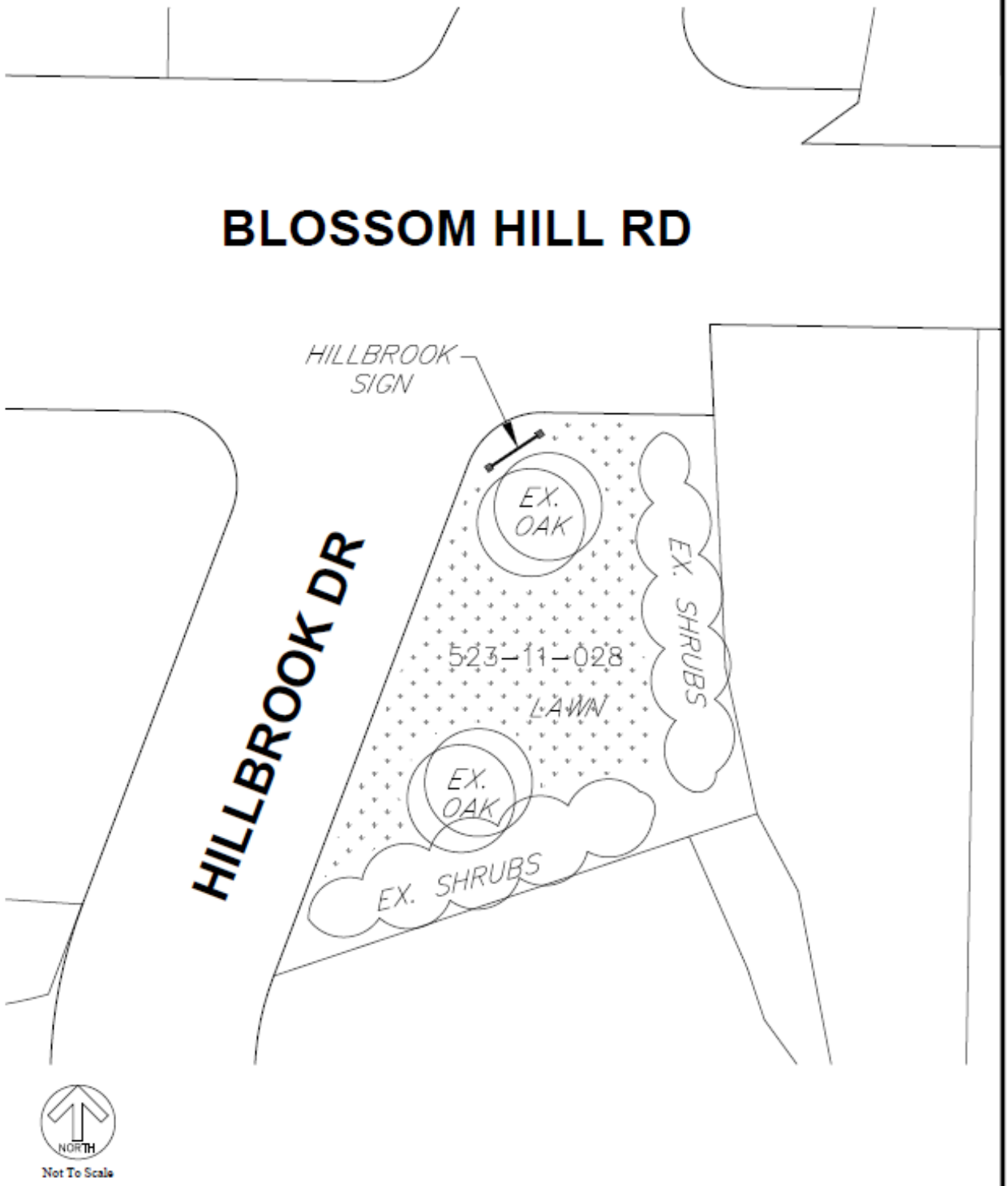


WOOJAE KIM
Town Engineer

April 15, 2022
DATE

PART "A"

Existing Improvements to be Maintained



Hillbrook Benefit Zone

Landscaping & Lighting Assessment District No. 1

PART B		
ESTIMATE OF THE COST OF IMPROVEMENTS		
FISCAL YEAR 2021/22		
HILLBROOK DRIVE BENEFIT ZONE		
Fiscal Year 2020/21 Resources		
Fund Balance 6/30/20	$	21,326
Assessment		6,038
Delinquent Assessment		1
Penalties/Late Fees		0
Interest		271
Total Resources Available for FY 2020/21	$	**27,636**
Fiscal Year 2020/21 Expenses		
Santa Clara County Collection Fee	$	60
Publication & Notification Charges		0
Light Pole Maintenance		0
Electric Utility		0
San Jose Water		2,751
Landscape Contractor		1,833
Town Administrative Charges		250
Total Expenses for FY 2020/21	$	**4,894**
Ending Fund Balance for FY 2020/21	$	**22,743**
Fiscal Year 2021/22 Estimated Resources		
Fund Balance 6/30/21	$	22,743
Assessment		5,950
Interest		90
Total Estimated Resources Available for FY 2021/22	$	**28,783**
Fiscal Year 2021/22 Estimated Expenses		
Santa Clara County Collection Fee	$	60
Publication & Notification Charges		300
Tree Services		0
Weed Abatement		0
Light Pole Maintenance		0
Electric Utility		0
San Jose Water		2,500
Landscape Contractor		1,869
District Capital Improvements		15,000
Town Administrative Charges		250
Total Estimated Expenses for FY 2021/22	$	**19,979**
Estimated Ending Fund Balance for FY 2021/22	$	**8,804**

PART C
ASSESSMENT ROLL
FISCAL YEAR 2022/23

HILLBROOK BENEFIT ZONE

Special Assessment No.	Amount of Assessment	Property Description
Lot 1	$175.00	523-11-027
Lot 2	175.00	523-11-026
Lot 3	175.00	523-11-025
Lot 4	175.00	523-11-024
Lot 5	175.00	523-11-023
Lot 6	175.00	523-11-022
Lot 7	175.00	523-11-021
Lot 8	175.00	523-11-020
Lot 9	175.00	523-11-019
Lot 10	175.00	523-11-018
Lot 11	175.00	523-07-030
Lot 12	175.00	523-07-029
Lot 13	175.00	523-07-028
Lot 14	175.00	523-07-027
Lot 15	175.00	523-07-026
Lot 16	175.00	523-07-025
Lot 17	175.00	523-07-024
Lot 18	175.00	523-07-023
Lot 19	175.00	523-07-022
Lot 20	175.00	523-07-021
Lot 21	175.00	523-07-020
Lot 22	175.00	523-07-019
Lot 23	175.00	523-07-018
Lot 24	175.00	523-07-017
Lot 25	175.00	523-07-016
Lot 26	175.00	523-07-015
Lot 27	175.00	523-07-014
Lot 28	175.00	523-07-013
Lot 29	175.00	523-07-012
Lot 30	175.00	523-07-011
Lot 31	175.00	523-07-010
Lot 32	175.00	523-07-009
Lot 33	175.00	523-07-008
Lot 34	175.00	523-07-007
Total Assessment:	**$5,950**	

ASSESSMENT ROLL
FISCAL YEAR 2022/23

HILLBROOK BENEFIT ZONE

The lines and dimensions of each parcel are those shown on the maps of the County Assessor of the County of Santa Clara and the County assessment roll.

METHOD OF APPORTIONMENT OF ASSESSMENT

The total amount of the assessment was apportioned equally to all the lots within Landscape and Lighting Assessment District No. 1--Hillbrook Benefit Zone.

HILLBROOK BENEFIT ZONE

PROPERTY OWNERS LIST

APN	Owner
52307007	SCHNEIDER LINDA TRUSTEE
52307008	DESANTIS JUSTIN
52307009	BERGKAMP JAMES J & KIMBERLY L TRUSTEE
52307010	VOSSEN STEPHAN & BOSSEN INGRID
52307011	Zhou Wen & Huang Shitao
52307012	Foster Troy
52307013	PRASHAD-GASPAR NEERJA
52307014	STEELE NANCY J TRUSTEE
52307015	KIRK JENNIFER TRUSTEE & ET AL
52307016	AGARWAL ASHU VIKAS AND SHALANI VIKAS TRUSTE
52307017	WHEELER MAXON R AND KIMBERLY A TRUSTEE
52307018	JIA TAO
52307019	ESCOBAR BENITO & REBECCA J
52307020	Biller Jason & Jenny Dai Trustee
52307021	SCHNEIDER JOHN O & CONDIT MICHAELA L
52307022	GABEL ROBERT L TRUSTEE
52307023	COLETTE Q LACKOVIC TRUSTEE
52307024	HARWOOD MICHAEL & ELIZABETH
52307025	JIN ROBERT X & LISA H
52307026	MCCOY JEROME & SHERYL D
52307027	Spiteri R J & L C Trust
52307028	RUHLE PHILIP G & NANCY A TTEES
52307029	MUNNERLYN AUDREY L
52307030	ZOLLA HOWARD G & CAROL E TRUSTEE
52311018	PEARSON LORELDA M
52311019	BAHR STACEY & IRA
52311020	WINOTO RENALDI
52311021	PANAGOPOULOS THEODOROS
52311022	PANDIPATI FAMILY TRUST
52311023	PARHAM SEAN TRUSTEE
52311024	FALCONA LLC
52311025	Fallon Donald J Trustee
52311026	CORDELL ROBERT Q II TRUSTEE
52311027	Braddi Micaela & Erin

PART "D"

Assessment Diagram

Hillbrook Benefit Zone

Landscaping & Lighting Assessment District No. 1

Landscape and Lighting Assessment District No. 2

GEMINI COURT BENEFIT ZONE

Fiscal Year 2022/23

ENGINEER'S REPORT

ENGINEER'S REPORT
FISCAL YEAR 2022/23

LANDSCAPE AND LIGHTING ASSESSMENT DISTRICT NO. 2
(Pursuant to the Landscaping and Lighting Act of 1972)

GEMINI COURT BENEFIT ZONE

WooJae Kim, Town Engineer for Landscape and Lighting Assessment District No. 2, Town of Los Gatos, Santa Clara County, California, makes this report, as directed by the Town Council, pursuant to Section 22566, et seq. of the Streets and Highways Code (Landscaping and Lighting Act of 1972).

The improvements that are the subject of this report are briefly described as follows:

The maintenance of trees, landscaping, irrigation systems, lighting, sound wall and fences as shown on the approved improvement and landscape plans for Tract No. 8439, Los Gatos, California.

This report consists of four parts, as follows:

PART A: Plans and specifications for the improvements are filed in the Clerk Department. Although separately bound, the plans and specifications are a part of this report and are included in it by reference.

PART B: An estimate of the cost of the improvements.

PART C: An assessment of the estimated cost of the improvements on each benefited parcel within the assessment district, the method by which the Engineer of Work has determined the proposed assessment against each parcel, and a list of the owners of real property within this assessment district, as shown on the last equalized assessment roll for taxes, or as known to the Clerk Administrator.

PART D: A diagram showing all of the parcels of real property within this assessment district. The diagram is keyed to Part C by assessment number.

Respectfully submitted,

WOOJAE KIM
Town Engineer

April 15, 2022
DATE

PART A

FISCAL YEAR 2022/23

PLANS, SPECIFICATIONS AND REPORTS

GEMINI COURT BENEFIT ZONE

Plans and specifications for the improvements are those prepared by Greg G. Ing, and Associates, dated September 14, 1990, their job number 9031. These plans and specifications have been filed separately in the Clerk Department of the Town of Los Gatos and are incorporated in the Report by reference.

PART B		
ESTIMATE OF THE COST OF IMPROVEMENTS		
FISCAL YEAR 2021/22		
GEMINI COURT BENEFIT ZONE		
Fiscal Year 2020/21 Resources		
Fund Balance 6/30/20	$	31,787
Assessment		4,635
Delinquent Assessment		
Penalties/Late Fees		0
Interest		416
Total Resources Available for FY 2020/21	$	**36,838**
Fiscal Year 2020/21 Expenses		
Santa Clara County Collection Fee	$	46
Publication & Notification Charges		0
Light Pole Maintenance		0
Electric Utility		0
San Jose Water		0
Landscape Contractor		1,767
Town Administrative Charges		610
Total Expenses for FY 2020/21		**2,423**
Ending Fund Balance for FY 2020/21	$	**34,415**
Fiscal Year 2021/22 Estimated Resources		
Fund Balance 6/30/21	$	34,415
Assessment		4,600
Interest		150
Total Estimated Resources Available for FY 2021/22	$	**39,165**
Fiscal Year 2021/22 Estimated Expenses		
Santa Clara County Collection Fee	$	46
Publication & Notification Charges		300
Tree Services		0
Weed Abatement		0
Light Pole Maintenance		0
Electric Utility		0
San Jose Water		0
Landscape Contractor		1,802
District Capital Improvement		10,000
Town Administrative Charges		610
Total Estimated Expenses for FY 2021/22	$	**12,758**
Estimated Ending Fund Balance for FY 2021/22	$	**26,407**

PART C

ASSESSMENT ROLL
FISCAL YEAR 2022/23

GEMINI COURT BENEFIT ZONE

Special Assessment No.	Amount of Assessment	Property Description
Lot 1	$230.00	567-64-051
Lot 2	230.00	567-64-050
Lot 3	230.00	567-64-049
Lot 4	230.00	567-64-048
Lot 5	230.00	567-64-047
Lot 6	230.00	567-64-046
Lot 7	230.00	567-64-045
Lot 8	230.00	567-64-044
Lot 9	230.00	567-64-054
Lot 10	230.00	567-64-053
Lot 11	230.00	567-64-052
Lot 12	230.00	567-64-042
Lot 13	230.00	567-64-041
Lot 14	230.00	567-64-040
Lot 15	230.00	567-64-039
Lot 16	230.00	567-64-038
Lot 17	230.00	567-64-037
Lot 18	230.00	567-64-036
Lot 19	230.00	567-64-035
Lot 20	230.00	567-64-034
Total Assessment:	**$4,600.00**	

*formerly Lot 9 – split into 3 parcels.

The lines and dimensions of each parcel are those shown on the maps of the County Assessor of the County of Santa Clara and the County assessment roll.

METHOD OF APPORTIONMENT OF ASSESSMENT

The total amount of the assessment was apportioned equally to all the lots within the Gemini Court Benefit Zone of Landscape and Lighting Assessment District No. 2.

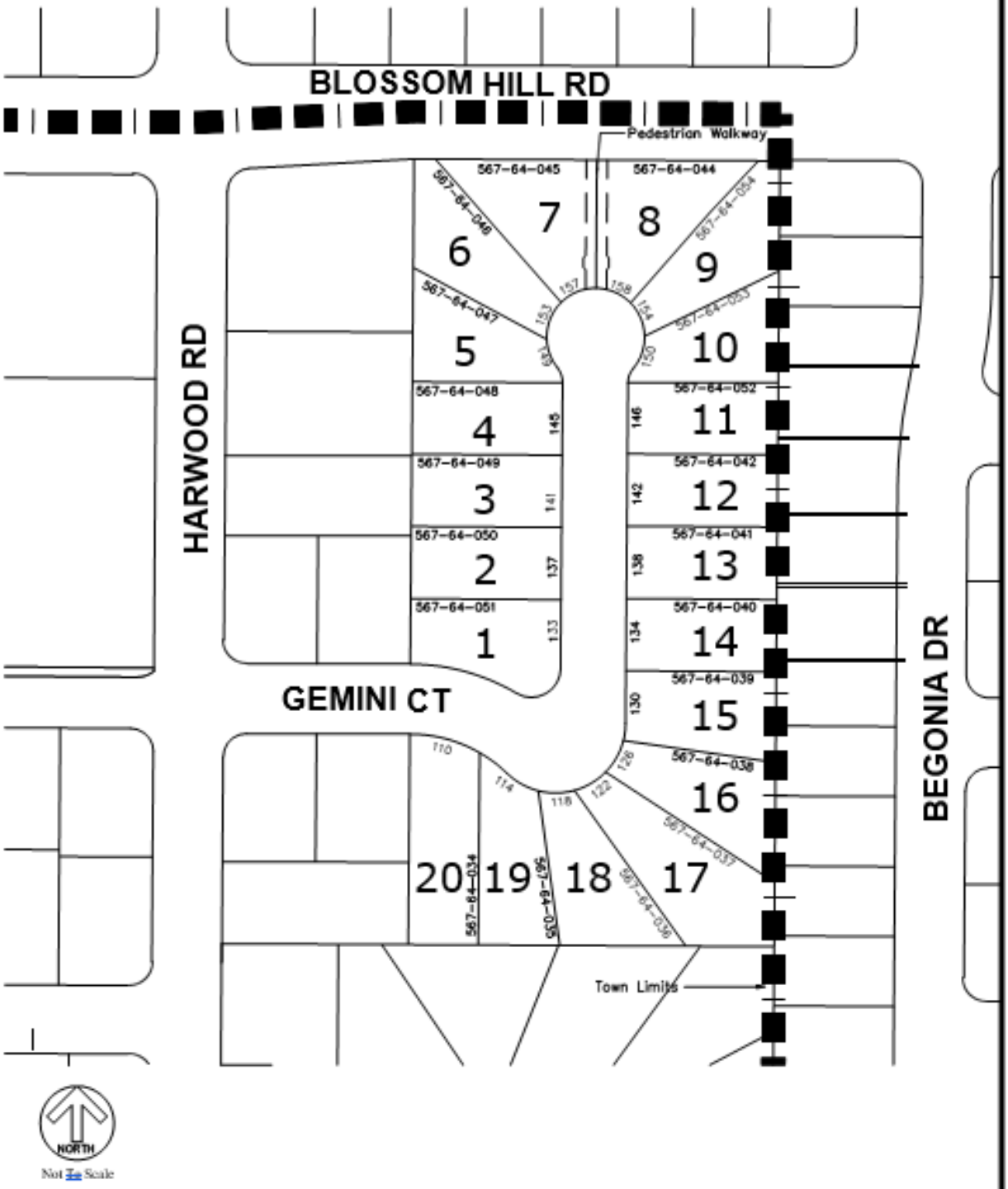
GEMINI COURT BENEFIT ZONE

PROPERTY OWNERS LIST

APN	Owner
56764034	POWERS RICHARD J & SHELLEY A TRUSTEE
56764035	KIM SUNG D & HAE R
56764036	SALMINEN SATU & JANNE
56764037	FLISS JOHN R & SHERI B
56764038	SERRANO FRANCISCO TRUSTEE
56764039	SCOGGIN MICHAEL D
56764040	KSJ INC
56764041	Bidabadi Joe B & Homa
56764042	RAPISARDA FRED TRUSTEE
56764044	DAVIDSON SHARON LYNNE TRUSTEE
56764045	BOLOTIN IGOR & VICTORIA
56764046	NGUYEN STEVE
56764047	LAU STEVEN & HWANG JANE T
56764048	Moonesan Mohammad-Saleh
56764049	MORGAN ROBERT G JR & HIATT JEANNE K
56764050	MOGANNAM EVELYN E TRUSTEE
56764051	BAKER KENNETH TRUSTEE
56764052	RAOUL BADAOUI TRUSTEE & ET AL
56764053	Zhou Guoquan & Huang Xu
56764054	AU KEVIN J

PART "D"

Assessment Diagram



Gemini Court Benefit Zone

Landscaping & Lighting Assessment District No. 2

TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 06/21/2022
ITEM NO: 20

DATE: June 15, 2022

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager on behalf of the Senior Service Committee

SUBJECT: Approve Senior Services Roadmap Goals as Recommended by the Senior Service Committee

RECOMMENDATION:

Approve senior services Roadmap Goals as recommended by the Senior Service Committee.

BACKGROUND:

The Senior Service Committee (Committee) was established by Council to examine in-depth the longer-term issues initially presented by the Community Health and Senior Service Commission and prepare a "roadmap" or plan for future senior service in Los Gatos. Per the establishing Resolution:

"The Committee should develop a long-term vision and strategic plan through extensive community outreach, including workshops, that would culminate in a comprehensive report of how best to serve the needs of the Town's older adult community. The Committee should leverage the breadth of Committee membership and existing coalitions in the identification and prioritization of needs and develop recommended solutions. The Committee should take into consideration the value proposition of recommendations, estimated level of effort, potential providers and service provision models, availability and timing of service delivery, and future funding requirements;"

DISCUSSION:

Over the past several months, the Committee and multiple Subcommittees have received pertinent information and developed multiple documents to provide critical input to the

PREPARED BY: Arn Andrews
Assistant Town Manager

Reviewed by: Town Manager

DISCUSSION (continued):

development of the Roadmap and its Goals. Following is a summary of the primary research products of the Committee:

> Community Assessment Survey for Older Adults (CASOA) in Los Gatos was conducted by the Polco/National Research Center organization with a 22% response rate and a margin of error +/- 4.26%. The Survey was managed by Saratoga Area Senior Coordinating Council under Town contract and coordinated by a Survey Subcommittee.
>
> CASOA survey results (April 2022) can be found here:
> https://drive.google.com/file/d/1W8-VVqqF2FJckT8tQcC8lArka4e1L04M/view
>
> Series of twelve Workshops engaging individual clubs and groups within Los Gatos between February and April 2022 to assess personal opinions and suggestions about senior service needs and opportunities. Groups participating included five different service clubs, senior living and faith groups, service providers and senior recreation groups. The Workshops were carried out by the Communications and Outreach Subcommittee (Attachment 1).
>
> In-depth benchmarking of services and spending of seven cities (Campbell, Cupertino, Los Altos, Morgan Hill, Palo Alto, Princeton, and Saratoga) for comparison to Los Gatos during March – April 2022 and carried out by the Benchmarking Subcommittee. The 33 benchmarking areas were selected from four domains of living in alignment with the structure used by the CASOA Survey (Attachment 2).

With the aforementioned information, the proposed Roadmap Goals were selected by the full Committee and voted on by the Committee members during a May Study Session. The Committee recognizes that there are aspects of the proposed goals that range from short to long term. It is anticipated that progress is possible on some short-term areas over the next year, while other long-term areas require major development and efforts over multiple years.

Following are summaries of the proposed seven Roadmap Goals developed by the Committee in priority order based on Committee member voting. Attachment 3 contains the entire listing of Roadmap Goal and specific areas to be addressed.

1. Communications & Information Access
Older adults and caregivers need ways to learn information about available services, resources, and events in multiple formats. The survey and workshops point to this area as a critical need to solve problems, participate in community activities, and enhance one's quality of life. The benchmark results for other cities indicated that Los Gatos can do a much better job. This goal helps residents age in place.

DISCUSSION (continued):

2. Appealing and Inviting Facility (Renovate or Build)
Renovate or build a community facility including older adult space/services. Age-friendly communities have spaces that are welcoming where residents can come together to engage in social, educational, and enriching activities. Community centers which either include or are dedicated to the needs of older adults provide an important focal point for residents and are found in all benchmarked cities. Approaches to building or refurbishing facilities are many, and in every case have required a concerted, long-term effort with deliberate planning.

3. Increase Engagement in Social, Educational and Healthy Living Activities
Productive activities outside of work promote quality of life and contribute to active aging. Finding and engaging in social activity and volunteering in activities of interest becomes increasingly challenging as people age. Opportunities to participate and socialize with others, volunteer in meaningful and productive activities, and engage in the community in which one lives all contribute to a feeling of belonging and personal satisfaction.

4. Enhance Transportation Options for Older Adults
Livable communities facilitate transportation options for older adults, including auto, bicycling, walking, and public transportation. Older adults consider the need for flexible transportation options to be especially important as they age.

5. Volunteer Support and Engagement
Vibrant communities provide opportunities for older members to become volunteers and/or to find needed assistance from volunteers. Promoting and supporting volunteerism allows the community to marshal the expertise of seniors and to increase engagement of older adults for the benefit of the entire community.

6. Develop integrated governance, funding, and accountability for senior services
Currently, the Town has a distributed model of senior services with minimal central planning, measurement, coordination, or accountability for maintaining and advancing services. Benchmarking results show that most cities have a more integrated governance model which can result in greater support, more successful funding initiatives, and greater transparency of senior services operations. This area is challenging but could result in increased efficiencies, enhanced senior services, and long-term stability of programs. Successful governance models by other cities will be examined to determine the best model for Los Gatos.

7. Senior Housing - Information on Approaches and Options
Many older residents expressed a desire to continue to live in Los Gatos after retirement and to enjoy their community and friends as they age. Needs change as people age, requiring a knowledge of and advice on a wide range of senior living options. Mixed-use neighborhoods with nearby opportunities to eat, shop, work/volunteer, and receive services can enhance the

DISCUSSION (continued):

quality of life for seniors. The Town can support senior living by encouraging such developments and providing education, information, and opportunities for mutual learning on housing.

CONCLUSION:

The Senior Service Committee requests Council approval of the recommended set of Roadmap Goals for future, detailed development by the Senior Service Committee. These Goals will act as the basis of the comprehensive report of how best to serve the needs of the Town's older adult community as referenced in the Committee's Resolution. Once the report is finalized, the Committee will return to Council at a future date.

COORDINATION:

This staff report was coordinated with the Town Manager and the Senior Service Committee.

FISCAL IMPACT:

None

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:
1. Survey Workshop Report
2. Benchmarking Report
3. Roadmap Goals

Survey Workshops Report
Communications and Outreach Subcommittee

1. Executive Summary

Los Gatos Senior Services

April 2022

3 Things…

We asked community members what they need help with:

1. COMMUNICATION. Print, email, and flyers with important phone #'s, including referrals for everything from tax help to handymen, help with meals and game schedules; all in a 'one-stop-shop' of information.

2. TRANSPORTATION. Sometimes last minute & always reliable; for short trips to stores or church & long trips for day-excursions.

3. TECHNOLOGY. How-to's for cell phones, iPads, Kindle, social media etc.

…and then we asked them what activities they like to do:

1. **SOCIALIZING: seeing friends, meeting people, camaraderie; group meals, volunteering, playing games**
2. **EXERCISE: in groups with health focus, for all levels of abilities**
3. **SHOPPING/DINING: discounts & special hours at local business**

"Volunteering is better than working…and has other effects too, such as building friendships and keeping busy in mind and body…"

"Everyone enjoys…everyone needs…a sense of belonging. Between Live Oak, the Rec Center and others, we're getting there!"

For more information, go to www.losgatosca.gov

Los Gatos Senior Services

April 2022

We listened…

1. COMMUNICATION. "The Print" is a publication put out by the LGS Recreation Center for adults 55+. It has recently expanded in both physical distribution and email distribution. It is becoming a hub of information! The Outlook, a newspaper for seniors, is mailed to homes in LG, Saratoga & Monte Sereno & is also a 'hub' of info.

2. TRANSPORTATION. There are options available! RYDE is one program for a safe and reliable journey to appointments etc. The Rec Center has scheduled excursions via shuttle-bus for the future. There's a network of volunteers available for last-minute rides as needed.

3. TECHNOLOGY. Students from LGHS are planning on holding classes for seniors through Live Oak, over the summer. The Rec Center has classes too!

- Local Service Clubs offer numerous outlets for volunteering and will make their information accessible to The Print
- The LGS Recreation Center has recently expanded their activities for the 55+ program, with everything from bridge lessons, chess, mahjong, and more…lots more!! Details in The Print
- Live Oak Senior Nutrition has also expanded, with not only hot, nutritional meals, but exercise classes
- The LG Chamber of Commerce is working with local businesses to establish some senior discounts!

For more information, go to www.losgatosca.gov

2. Workshops purpose

The Communications and Outreach subcommittee established the survey workshops effort to reach out to local older adult communities in Los Gatos. The purpose was to increase awareness in the community of the Committee's official survey in order to boost response and at the same time to gain additional insight into specific local interests and concerns of our older adult residents. We believed that the responses to an open discussion of what people liked and what they felt was missing in a focus-group setting

would help add ideas and insights to the higher level knowledge gained from our official survey findings. We recognize that holding the workshops with existing groups necessarily means that we are only sampling a particular demographic of an active and engaged older population. However these participants are also more likely to be early adopters and engage in new programs as one seeks to build new senior services.

Subcommittee members Nancy Pearson and Catherine Somers conducted the workshops. Using a theme of re-imaging senior services the participants were asked to think about what things would enrich their lives and those of their friends, family and neighbors. They were asked to talk about the top three things that they would like to see the Town offer seniors and the three things that the Town needs to do better. Reponses were noted and are summarized below. The workshops typically lasted 30 minutes.

Workshops were conducted between January and April with the following groups:

- Lions Club
- Kiwanis Club
- Los Gatos/Saratoga Service Providers
- Democracy Tent
- History Club
- Live Oak Nutrition
- El Sombroso Oaks (walking the community)
- Rotary noon
- 55 Plus Adult Rec.
- Terraces
- Rotary morning
- LG Interfaith Council

3. Findings and takeaways from the Workshops

When the Senior Services Committee was initially formed and sub-committees defined, our general ambition was to spread the word about the official survey and 'energize' the town with regard to the future of Senior Services. This was mostly accomplished through print, social media and word of mouth.

Since the beginning of this year, the Outreach sub-committee focused on gathering information from various senior-oriented groups throughout our community. The specific goal was to find out what is lacking and what can be added or improved upon, as related to senior services in Los Gatos. The word was again spread through media (both print & social), as well as through extensive workshops with local community service groups and seniors. The results, while not mind-boggling, do help in pinpointing some specific needs throughout the community. They have been put into two categories: broad general needs and specific detailed needs/desires. This report summarizes the broad, general needs.

Broad needs are basic, yet extremely important:

1. **Communication**: with complaints about having no communication during the pandemic, to simply not knowing where to go or who to reach out to, it became very apparent that this was one of the biggest gaps. In addition, requests of 'one-stop-shop' hubs of information were many. Needs ranged from how to find transportation,

how to get a meal delivered, how to find a reliable handyman etc., to how to find out what is going on in town and how to participate in group activities. Particular interest was noted for the mountain communities - many folks asked if they would be included in communications.

2. **Transportation**: older seniors who don't drive anymore had many questions and concerns about transportation. These concerns were related to timing (eg. Last minute appointments) to coverage (eg. Does Ryde serve the mountain communities?) to cost for the desire to just get a short ride. One woman at the Terraces can't get a ride to her church in Saratoga, as it was either outside of the range that their vehicles served or perhaps she didn't know who to reach out to (which goes back to communication)

3. **Technology**: whenever we asked about email/internet ability, the response varied generally based on age. Younger seniors were fine with being on email lists, while older seniors preferred print and regular mail. Many said that they would like to be taught how to use their mobile phones properly, as well as social media (FaceBook) and devices for reading, such as Kindles. They would love for the younger generations to help them.

4. **Socialization**: people generally want a place to go, perhaps to share a meal, play a game, listen to music…socialize. Many also expressed a desire to volunteer.

Our committee started working closely with the LGS Recreation Department and their 55+ Program Manager. It became very apparent throughout the process that under their newer leadership, programs were being expanded, added, and promoted, almost in sync with our findings.

At the same time, we noticed that there were various responses/attitudes regarding the LGS Adult Rec Center: those who never have been and had a poor perception (if any) vs. those who regularly go there for classes and more, who absolutely love it. Since our committee had also been planning a reception to present our findings (and the other important findings and results of Survey and the SSC) we thought that it would make the most sense to have it at the LGS Adult Rec Center - ARC. We feel strongly that people need to understand what is offered there, and once they do they'll start attending and participating…thus making the demand even higher…and thus allowing our senior population to thrive. We want to build momentum and keep seniors engaged. Social events seem to be the biggest draw - no shock there!

Please note that we know that there are numerous outlets that are available, such as The Outlook newspaper for seniors and Live Oak Senior Nutrition Center. They are not meant to be left out of this report, but this report is meant to highlight the responses from our workshops.

The last prong in this initial outreach was to present these findings and offer solutions at the reception at "The ARC Bar" on Wednesday, April 20, from 5pm-7pm. We wanted to transform the Rec Center and make it a special evening for everyone to remember. We feel that we certainly achieved that and would like to continue events to keep up the interest. Some ideas for the future include: bringing Live Oak into the mix, with perhaps a daytime BBQ and some games; bringing service clubs into the mix, to volunteer and promote; have open houses for more formal presentations of services offered; roving

socials at various locales/restaurants around town, etc. Note that while the reception was very well attended, we all felt that there were still a lot of people to be reached. We felt that we just scratched the surface. The ARC Bar concept: To Be Continued!

4. Ideas expressed by workshop attendees

Lions Club

1. Meal programs for shut-ins are imperative
2. Bus/transportation as a group to events would be great. Sporting events, theatre, etc.
3. Put information on-line/email, 2-3x per week, upcoming events and senior issues
4. Volunteers/get-togethers for cause: e.g., wife used to cook for the Saratoga Senior Center
5. Promenades were great - young seemed to come out early with kids; older adults later
6. Holiday drive-through was great
7. Need exercise programs/health needs to be maintained. Exercise groups and health focus classes would be nice. Example: Morgan Hill has 24hr fitness at their rec center
8. Ditto #7 and ditto #2 (also mentioned nice community center in Almaden)
9. Socialization important; important to be active
10. Dance!
11. Age is just a number - many don't think of themselves as 'senior citizens'!
12. Counseling/classes needed for some: how to's on taxes, computers, etc.
13. Someone suggested checking out the Villages, where they currently live.

Kiwanis Club

1. Day trips, games like mahjong, pickle ball, pick up games at specific times
2. Low awareness of 55 Plus, not responsive, need volunteers/staff, like email notices
3. Computer training classes needed for all types of digital devices
4. Need coordinator from Town
5. Need one place where can go to find out thing and get response
6. Would be interested in early bird specials for seniors at restaurants
7. Need central community center and senior programs as part of that

Los Gatos Service Providers

1. Volunteer engagement: form a group to work on this, hold a volunteer workshop
2. Resource Directory: utilize service providers, include maintenance & repair, connect to Rebuilding Together, take advantage of 211 Bay Area, Sourcewise information & referral service, etc.

Democracy Tent

1. Activities would like to see at Rec Center: current events, card games, lectures about travel, history, unprogramed social gatherings with other locals, fitness activities, swim
2. Top three interests: reading, discussion groups on regional topics, bike riding, bridge, financial planning, dancing, opera, continuing studies
3. Town should offer social activities, maybe dancing, music good, have more open-space areas for games, sitting, social gathering, have behavioral and mental health services
4. Early bird dinners for seniors when restaurant workforce returns to full force, encourage businesses that offer discounts or special hours
5. Would love an updated senior center, lots of vibrant seniors need companionship; meet new people with similar interests. Would support tax if told what it would be used for. Need more efficient, hospitable and open facility
6. Interest in a social get-together on a weekly or monthly basis, need notifications
7. Suitable ride programs would help get more folks in attendance for programs
8. Ability to attract funding or donations for senior center, including tax deduction
9. Need ways to include broader community in senior center
10. Every service should have an attraction: fun, music, engagement for different segments of 60+ community

11. Include greater LG area in surveys and services, not just municipal boundaries (i.e., 95033 mountain area considers itself part of LG; 2100 person mailing list of that area)

History Club

1. Class ideas: bridge, sports events, field trips, walks
2. Would like a senior volunteer program—a hub
3. Need an information center where one could call
4. E-mail The Print to all senior emails one can get
5. Community Center is needed, should be intergenerational with senior area
6. Engage boy scouts, garden clubs, high school clubs on projects
7. Need "real" senior center
8. 55 Plus needs more welcoming pricing structure, higher annual and lower per event
9. Transportation is issue, especially for isolated areas like mountains, Uber voucher rides
10. Computer support classes needed more often: twice a week, fixed times, drop in, social media, Facebook, etc.

Live Oak Nutrition Center

1. Volunteer tours of Los Gatos to tell new people what's here
2. Adult Rec Center is too dark, limited space (like open space like at Methodist Ch. Hall
3. Like having people come to Live Oak for programs, esp. exercise, health (SJ student nurses come every Thurs.)
4. Like karaoke

Noon Rotary

1. Greater interest in a community center
2. Currently few are going to the Adult Rec Center
3. Some stigma associated with the 55 Plus program
4. Would like to see evening as well as daytime events

Adult Rec Center 55 Plus

1. Day trips and walks are good
2. Physical fitness exercises are important
3. Liked that there used to be a volunteer that always decorated Rec Center to match holidays or seasons
4. Live at the Commons and don't have our own programs (opposite end of spectrum from the Terraces) so need 55 Plus activities
5. Volunteers bringing meals to the Commons used to knock on doors, bring fliers on things

Terraces

1. Town library used to do weekly visits, enjoyed seeing interesting books and order books
2. Map of Los Gatos for seniors: easy to read, library, museum, things to do for seniors, Happy Dragon thrift shop, chamber offices, few senior-oriented restaurants, …
3. Transportation: they have weekday 9:30 – 3:30pm service but would like some after hours and weekend options
4. Bus tour of area to orient people as to where things are would be good, especially for residents new to area: downtown, where to park, interesting places for seniors, parks, West Valley College, Saratoga
5. Reception and evening events of less interest, noon events would be better

Independent comments

- Chair yoga, breathing, chair strength with weights. Balance training…bulletin board for caregivers, handymen, cleaners…ARC "yelp", with no liability…seniors do their own due diligence…"bulletin board only".

Quotes heard from workshop attendees:

“ Volunteering is better than working…and has other effects too, such as building friendships and keeping busy in mind and body…”

Everyone enjoys...everyone needs…a sense of belonging. Between Live Oak, the Rec Center and others, we’re getting there!”

“… our pool of friends is continually declining. We have to work at expanding it.”

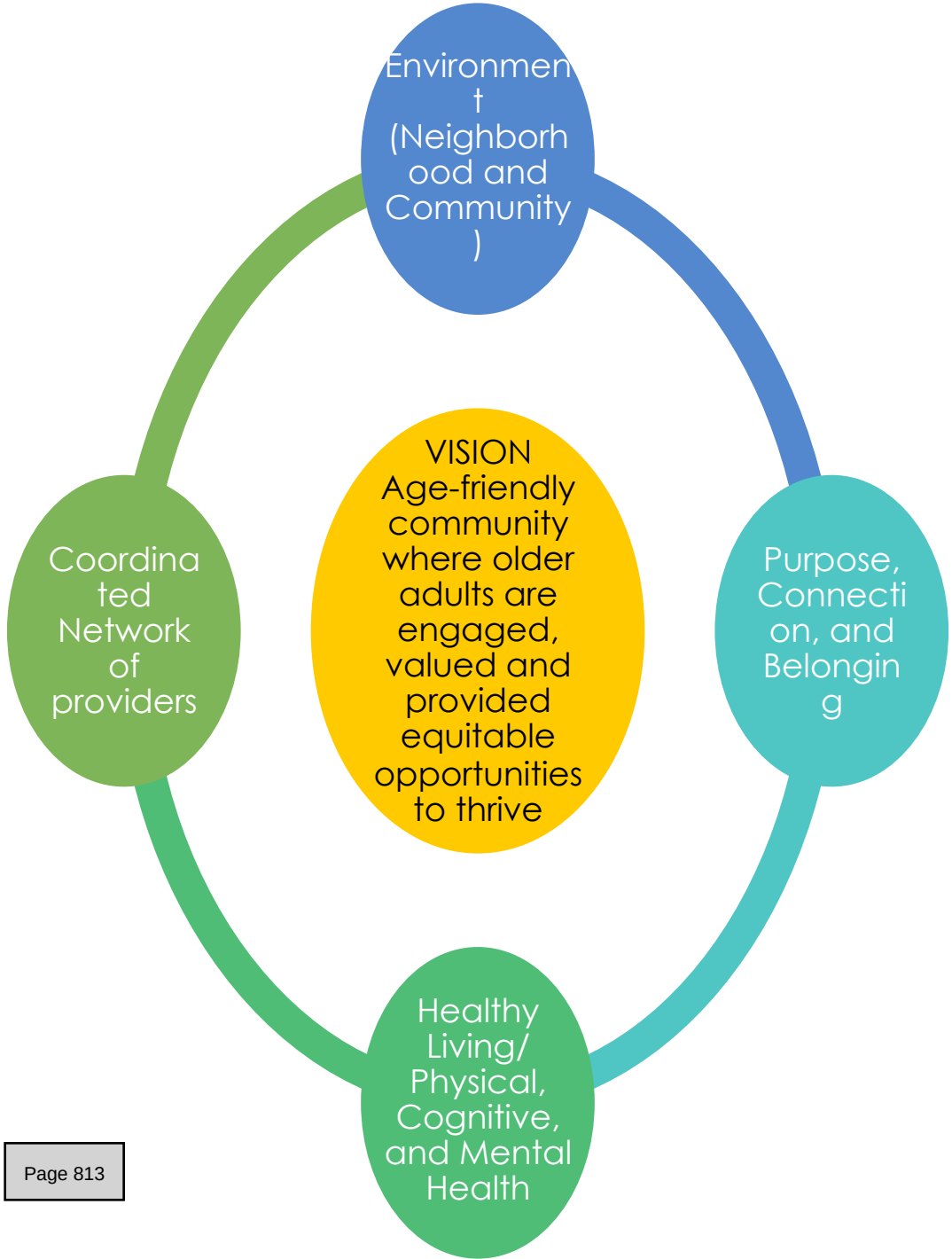
“The activity is less important than the chance to meet and mingle, but an activity can make that easier.”

“The rec center is great! We don’t need a new building - we just need to get the word out!”

Los Gatos Senior Services

Benchmarking

ATTACHMENT 2



spending (mostly pre-pandemic) for Los Gatos seniors against services and spending in 7 other peer communities:

- Campbell
- Cupertino
- Los Altos/Los Altos Hills
- Morgan Hill
- Palo Alto
- Princeton, NJ
- Saratoga

		Los Gatos*	w/o abatement	Los Altos**	Palo Alto	Princeton NJ	Cupertino	Morgan Hill	Saratoga	Campbell	Peer Avg
	Total Community Budget	$ 610,000	$ 360,000	$ 343,000	$ 1,664,645	$ 778,000	$ 1,439,451	$ 591,000	$ 1,370,000	$ 498,000	
	Per Senior	$87	$52	$56	$125	$149	$162	$93	$192	$91	$124
	Municipal Portion of Budget	$ 335,000	$ 85,000	$ 343,000	$ 1,084,058	$ 270,511	$ 1,289,451	$ 340,000	$ 70,000	$ 283,000	
	Per Senior	$48	$12	$56	$81	$52	$145	$53	$10	$52	$64
	Senior Population	6,974	6,974	6,101	13,303	5,208	8,876	6,368	7,142	5,489	
	Percentage	21%	21%	20%	19%	17%	15%	14%	23%	13%	17%
Category	**Service**	* *Includes $250K Rent Abatement and does not include $500K one-time ARPA funding*									$250,000
AARP Senior Livability Index			56	57	61	60	59	57	56	57	58.1
Environment	Safe, accessible and walkable space		Hi	Hi	Med	Hi	Hi	Med	Med	Med	
	Affordable Transportation		Med	Hi	Hi	Hi	Med	Hi	Hi	Hi	
	Senior Services Facility		Low	Hi	Hi	Hi	Med	Hi	Hi	Hi	
	Senior Services Staffing		Low	Med	Hi	Hi	Med	Med	Hi	Hi	
	Available Parks, Open Space, and Public/Social Spaces, close location,		Hi	Hi	Hi	Hi	Med	Med	Med	Hi	
	Personal Safety, crime rate, home call programs, walking safety		Hi	Hi	Low	Hi	Low	Med	Hi	Med	
	Emergency and Disaster Preparedness		Hi	Hi	Hi	Med	Hi	Med	Med	Hi	
	Help in Home Maintenance		Med	Low	Hi	Low	Low	Med	Med	Med	
Purpose, Connection, and Belonging	**Participation and Communication with Older Adult Community**		Low	Med	Hi	Hi	Med	Med	Hi	Med	
	Network of Information/Hub		Low	Med	Hi	Hi	Hi	Med	Hi	Med	
	Service Force and Volunteer Opportunities		Med	Med	Hi	Hi	Med	Med	Hi	Med	
	Opportunities for Education, Culture, Reading, and Arts		Med	Hi	Hi	Hi	Hi	Med	Hi	Med	
	Participation in Current Affairs, Politics, and Civic Groups, History club, etc		Med	Hi	Hi	Hi	Hi	Med	Med	Hi	
	Technology Proficiency Assistance for Access to Internet for Social, Shopping, Entertainment, programs,		Med	Low	Hi	Hi	Hi	Med	Hi	Med	
	Employment Opportunities for 60+		Low	Low	Med	Med	Low	Low	Med	Low	
	Promoting inclusivity in all of our 60+ programs (applies to all services)		Med	Med	Hi	Hi	Med	Med	Med	Med	

	Los Gatos*	w/o abatement	Los Altos**	Palo Alto	Princeton NJ	Cupertino	Morgan Hill	Saratoga	Campbell	Peer Avg
Total Community Budget	$ 610,000	$ 360,000	$ 343,000	$ 1,664,645	$ 778,000	$ 1,439,451	$ 591,000	$ 1,370,000	$ 498,000	
Per Senior	$87	$52	$56	$125	$149	$162	$93	$192	$91	$124
Municipal Portion of Budget	$ 335,000	$ 85,000	$ 343,000	$ 1,084,058	$ 270,511	$ 1,289,451	$ 340,000	$ 70,000	$ 283,000	
Per Senior	$48	$12	$56	$81	$52	$145	$53	$10	$52	$64
Senior Population	6,974	6,974	6,101	13,303	5,208	8,876	6,368	7,142	5,489	
Percentage	21%	21%	20%	19%	17%	15%	14%	23%	13%	17%

Category	Service	* Includes $250K Rent Abatement and does not include $500K one-time ARPA funding								$250,000
Healthy Living/Physical, Cognitive, and Mental Health	**Nutrition, meals, meals on wheels, etc.**	Hi	Hi	Hi	Med	Low	Hi	Med	Med	
	Mental and Behavioral Health Programs	Med	Med	Hi	Hi	Hi	Low	Med	Med	
	Adult Day Care and Caregivers (Dementia Care)	Med	Low	Hi	Med	Hi	Low	Hi	Low	
	Fitness/Recreational Facilities & Programs (exercise, meditation, wellness, healthy living, etc.)	Med	Hi	Hi	Hi	Hi	Med	Hi	Hi	
	Affordable Quality Housing - Seniors	Med	Med	Med	Low	Med	Med	Low	Low	
	Continuing Living Facilities, different residence models	Med	Med	Hi	Low	Med	Med	Med	Med	
Coordinated Network of providers	**Accountability and Measurement, annual report on senior services, surveys, etc., transparency in plans and results, metrics**	Low	Hi	Hi	Hi	Low	Med	Med	Hi	
	Participation in Publicly Available Senior Programs outside the city	Med	Med	Med	Low	Med	Med	Med	Low	
	Volunteer coordinator	Low	Med	Hi	Hi	Hi	Med	Hi	Med	
	Affordability of Membership/Event Cost	Low	Med	Med	Hi	Med	Hi	Hi	Med	

= *Essential services that are frequently within the scope of senior services programs*

*Los Gatos *Includes $250K Rent Abatement and does not include $500K one-time ARPA funding*

**Los Altos *We think the budget is artificially low due to availability of financial reporting*

Observations–Peer Cities

Los Altos/Los Altos Hills

- New $35m facility funded by the City
- No membership fee
- Paid transportation
- **Medium participation rate**

Palo Alto

- Modern senior facility
- Wide range of choices of activities
- Organized and transparent about financial
- **High participation rate**

Princeton, NJ

- Provided by non-profit: 70% from contributions, 19% from City revenues and 11% fees
- City makes annual contribution
- **High participation rate**, including from surrounding communities

Cupertino

- Services differ because of higher homogeneity of ethnic population
- City budget is considerably higher in the peer group
- **Medium participation rate**

Morgan Hill

- Good integration of senior services and senior center into the city's community center
- Well organized community programs that supplement senior services
- City funded through senior center with volunteers
- **High participation rate**

Saratoga

- Coordinated governance & management of programs with central accountability by local entity (SASCC)
- Services are funded primarily from outside grants and contributions
- Independent non-profit operates with small (5%) support from the City. Funding tripled since 2016
- City is actively informed & Council participates on Board of Directors of non-profit. Strong board
- **High participation rate**

Campbell

- City converted high school into Community Center with pool & outdoor fitness area - used by many

Observations–Los Gatos

- Among the **highest** quality walkability, parks, personal safety, emergency preparedness, and meals program of peer group
- Active engagement of Council in effort to improve the Town's senior services
- Unique arrangement: Services primarily provided by community education organization funded by in-kind facility use fee-relief from Town
- Secondarily provided by volunteers and non-profits with some funding by Town grants
- Informal coordination of services through community grants with minimal direct governance

- Among the **lowest** senior staffing, participation rate, information availability, accountability, and volunteer coordination among peer group
- **Least attractive** and functional senior activity center of peer group
- **Lowest per senior budget** of peer group on both a total community basis and municipal spend basis
- **Relatively high cost** of individual events/ programs combined with moderate cost annual fee
- **Low participation rate**

Municipality:	**Los Gatos, CA**		
Prepared by:	Tom Picraux		
Date:	3/21/22		
Population:	33,529	Calculated 65+ Population	
65+ Population %	21%	**6,974**	
Demographics:			
Median Income:	$ 155,863		

Category	Service	Notes	Primarily Provided by (select)	Qualitative Assessment	Quantitative Value	Units	Per 65+ Population
Environment	Safe, accessible and walkable space	Extensive downtown walkable areas	Local Municipal Gov't.	Hi			
	Affordable Transportation	RYDE, one VTA bus line, VTA Access	Adjacent or Regional Gov't. or	Med			
	Senior Services Facility	Adult rec. center (large hall is 2580 sq.ft., 4 rooms downstairs and 2 upstairs with room size from 245 to 450)	Local Municipal Gov't.	Low	4612	sq.ft.	
	Senior Services Staffing	LGS Rec. manages, some town support in 2022	Local Agency within City	Low	1	Staff Full-Time Equiv (FTE)	0.0001
	Available Parks, Open Space, and Public/Social Spaces, close location,	Extensive system with 15 parks including the well used Oak Meadow city and Vasona Lake county park and with the Los Gatos creek trail.	Local Municipal Gov't.	Hi		Number of Parks	
	Personal Safety, crime rate, home call programs, walking safety	Steets are walkable and safe. Crime rates are well below national average		Hi	0.66	Violent Crime rate per 1,000	
	Emergency and Disaster Preparedness	Town provides strong support and multiple wildfire abatement programs	Local Municipal Gov't.	Hi			
	Help in Home Maintenance	Provide information on nonprofits in area and services across county	Adjacent or Regional Gov't. or	Med			
Purpose, Connection, and Belonging	Participation and Communication with Older Adult Community	Low participation with 55Plus, good participation in service clubs	Local Agency within City	Low			
	Network of Information/Hub	service provider groups have their individual volunteer lists	Local Agency within City	Low			
	Service Force and Volunteer Opportunities	Four very active service clubs. Volunteer opportunities with service clubs, nuitrition program and 55Plus Senior Rec Center	Local Agency within City	Med			
	Opportunities for Education, Culture, Reading, and Arts	Cultural opportunities through Town music programs & events and Town Library. Some classes via 55 Plus programs.	Local Municipal Gov't.	Med			
	Participation in Current Affairs, Politics, and Civic Groups, History club, etc	Available through clubs including History Club, Democracy Tent, Service Clubs	Local Agency within City	Med			
	Technology proficiency assistance	Internet service providers and access through Town library	Local Municipal Gov't.	Med			
	Employment Opportunities for 60+	Limited opportunities	Adjacent or Regional Gov't. or	Low			
	Promoting inclusivity in all of our 60+ programs (applies to all services)	Extensive Town efforts to promote inclusivity	Local Municipal Gov't.	Med			
Healthy Living/Physical, Cognitive, and Mental Health	Nutrition, meals, meals on wheels, etc.	Live Oak Nutrition meal service 5 days/week (1200 monthly) and meals on wheels	Adjacent or Regional Gov't. or	Hi	60	Clients served (average monthly)	0.86%
	Mental and Behavioral Health Programs	Two local hospitals with programs	Local Agency within City	Med			
	Adult Day Care and Caregivers (Dementia Care)	Live Oak Adult Day Care (5 days/week) currently closed due to staffing shortages	Adjacent or Regional Gov't. or	Med			

	Fitness/Recreational Facilities & Programs (exercise, meditation, wellness, healthy living, etc.)	LG Rec. 55 Plus programs currently being rebuilt with Town grant	Local Municipal Gov't.	Med	110	Members or Participants	1.58%
	Affordable Quality Housing - Seniors	Some senior housing across financial spectrum: Villa Vasona, the Commons, Terraces, Belmont Village, etc.	Local Agency within City	Med		Housing Units	0.00%
	Continuing Living Facilities, different residence models	Cedar Creek Alzheimers Assisted Living, Terraces, Blossom Hill Gardens assisted living	Local Agency within City	Med		Housing Units	0.00%
Coordinated Network of providers	Accountability and Measurement, annual report on senior services, surveys, etc., transparency in plans and results, metrics	Information available from LG Rec 55 Plus program. LG Community Health and Senior Services Commission and the Senior Services Providers Network maintain selected information on programs.	Local Agency within City	Low			
	Program Governance	Split between LG Rec, Town	Local Agency within City	Med			
	Professional, legal, estate, insurance, investment, etc.	County support nonprofits such as Sourcewise and AARP provide services such as SALA for legal, tax prep., HICAP for insurance	Adjacent or Regional Gov't. o	Med			
	Participation in Publicly Available Senior Programs outside the city	West Valley Community Services. Campbell and other senior centers.	Adjacent or Regional Gov't. o	Med			
	Volunteer coordinator	No single coordination. LG Rec 55 Plus program, Live Oak Nutrition, Service Clubs, Library maintain individual volunteer lists	Local Agency within City	Low			
	Affordable membership cost	$25 for LG Rec 55 Plus program, free activities are increasing recently but most activities bundled in series of 5 to 10 classes with costs of $75 to $200	Local Agency within City	Low	$ 25.00	Annual fee $	
	Community Budget for Senior Services (total)	$285,000 provided by Live Oak Nutrition and Day Care ajacent agencies.	Adjacent or Regional Gov't. o	Low	$ 360,000	Annual budget $	$ 51.62
	Municipal Budget for Senior Services	Pre-pandemic budget listed. In 2022 $500,000 one time funds from ARPA recovery money provided.	Local Municipal Gov't.	Low	$ 85,000	Annual budget $	$ 12.19
Observations	Similarity to Los Gatos						
	Differences from Los Gatos						
	Service delivery capability	Limited					
	Other						
					$ 250,000		
		Los Gatos has a unique arrangement whereby a rent abatement is given to LGS Rec in return for certain services			$ 610,000	Annual budget $	$ 87.47
				Rent abatement	$ 335,000	Annual budget $	$ 48.04

Municipality:	**Campbell, CA**		
Prepared by:	Dick Konrad		
Date:	3/9/22		
Population:	42,221	Calculated 65+ Population	
65+ Population %	13%	**5,489**	
Demographics:	50.8% White, 21.4% Asian, 8.7% Hispanic, 7,8% Black, 1.3% Other		
Median Income:	$ 124,525		

Category	Service	Notes	Primarily Provided by (select)	Qualitative Assessment	Quantitative Value	Units	Per 65+ Population
Environment	**Safe, accessible and walkable space**			Med			
	Affordable Transportation	Use Ryde, VTA		Hi			
	Senior Services Facility	Excellent Community Center houses senior activities and recreation. It is a converted high school and has a pool and outdoor fitness facilities - separate senior area?		Hi			
	Senior Services Staffing	3 FTE pre-covid (now 2), .5 Nutrition manager, .3 case manager	Local Municipal Gov't.	Hi	3.8	Staff Full-Time Equiv (FTE)	0.0007
	Available Parks, Open Space, and Public/Social Spaces, close location,	Parks, dog park, Los Gatos Creek Trail		Hi	5	Number of Parks	
	Personal Safety, crime rate, home call programs, walking safety	Crime below national average, property crime is higher - use niche Grade Cplus for public safety		Med		Violent Crime rate per 1,000	
	Emergency and Disaster Preparedness			Hi			
	Help in Home Maintenance	Refer to Rebuilding Together and Heart of the Valley (don't want liability)		Med			
Purpose, Connection, and Belonging	**Participation and Communication with Older Adult Community**	e-Mail newsletter, recreation has published guide		Med			
	Network of Information/Hub	Senior coordinator is hub		Med			
	Service Force and Volunteer Opportunities	Website for volunteers		Med			
	Opportunities for Education, Culture, Reading, and Arts	Heritage Theater, 2-Santa Clara County public libraries, Campbell Historical Museum, Ainsley House, Book Club, Community Garden, Winchester Mystery House	Local Municipal Gov't.	Med			
	Participation in Current Affairs, Politics, and Civic Groups, History club, etc	Historic Preservation Group, Book Club, Country Women's Clujb, Busy Hands/Caring Hearts		Hi			
	Technology proficiency assistance	Holiday party, lunar new year party, library access to internet, summer concderts		Med			
	Employment Opportunities for 60+	None		Low			
	Promoting inclusivity in all of our 60+ programs (applies to all services)			Med			
Healthy Living/Physical, Cognitive, and Mental Health	**Nutrition, meals, meals on wheels, etc.**	Catered meals for 90 served M-F for $3, take out available, not delivery	Local Municipal Gov't.	Med	90	Clients served (average monthly)	1.64%
	Mental and Behavioral Health Programs	Public awareness healthy workshops, referrals for dementia		Med			
	Adult Day Care and Caregivers (Dementia Care)	No day care		Low			

	Fitness/Recreational Facilities & Programs (exercise, meditation, wellness, healthy living, etc.)	Membership fee $25 pre-covid, 1100 current senior programs, fee-based but subsidized. average price $5-$10. Have pool and outdoor exercise facilities, offer trips and other rec programs are at cost. Free card games and movies		Hi	1100	Members or Participants	20.04%
	Affordable Quality Housing - Seniors	Have case manager to help in housing, financial, health and transprotations		Low		Housing Units	0.00%
	Continuing Living Facilities, different residence models	Merrill Gardens, Campbell Village, Princess Lodge, Bed of Roses, Ambrosia Home		Med		Housing Units	0.00%
Coordinated Network of providers	**Accountability and Measurement, annual report on senior services, surveys, etc., transparency in plans and results, metrics**	Goals are set, measurements tracked on city website	Local Municipal Gov't.	Hi			
	Program Governance						
	Professional, legal, estate, insurance, investment, etc.						
	Participation in Publicly Available Senior Programs outside the city			Low			
	Volunteer coordinator	Senior Services Supervisor		Med			
	Affordable membership cost			Med	$ 25.00	Annual fee $	
	Community Budget for Senior Services (total)	$283,000 Expense - $180,000 Revenue			$ 498,000	Annual budget $	$ 90.73
	Municipal Budget for Senior Services				$ 283,000	Annual budget $	$ 51.56
Observations	**Similarity to Los Gatos**	Some basic services are similar					
	Differences from Los Gatos	1) Some subsidized programs for seniors 2)Have a case manager 3) Probably not as safe 4) Dedicated facility with pool and outdoor fitness activity 5) Senior services funded by city, more staff 6) Senior coordinator has more tenure in job 7) Maintained communications with seniors during covid 8) Volunteers help with senior programs 9) Senior coordinator provides hub informaiton					
	Service delivery capability	Excellent					
	Other	It starts with facility, and dedicated staff					

Municipality:	**Cupertino, CA**
Prepared by:	Kathy Mlnarich
Date:	3/8/22
Population:	60,381
65+ Population %	14.7%
Demographics:	Asian67%,white 26% foreign born 53%
Median Income:	$ 171,917

Calculated 65+ Population **8,876**

Category	Service	Notes	Primarily Provided by (select)	Qualitative Assessment	Quantitative Value	Units	Per 65+ Population
Environment	Safe, accessible and walkable space			Hi			
	Affordable Transportation	RYDE,city-funded on-demand community shuttle pilot, VTA paratransit	Local Agency within City	Med			
	Senior Services Facility	21251 Stevens Creek Blvd $40M	Local Municipal Gov't.	Med			
	Senior Services Staffing	Case manager, 1.9 FTEs (recently eliminated); recreation coordinator 2.7 FTEs; and supervisor, 0.25 FTE	Local Municipal Gov't.	Med	4.65	Staff Full-Time Equiv (FTE)	0.0005
	Available Parks, Open Space, and Public/Social Spaces, close location,	Blackberry farm park/golf course, Mcellan ranch, and numberous local parks	Local Municipal Gov't.	Med	24	Number of Parks	
	Personal Safety, crime rate, home call programs, walking safety			Low	3.2	Violent Crime rate per 1,000	
	Emergency and Disaster Preparedness	Cupertino's office of emergency and West Valley Community Services	Local Agency within City	Hi			
	Help in Home Maintenance	Provide information on nonprofits in area and services across county		Low			
Purpose, Connection, and Belonging	Participation and Communication with Older Adult Community	yes, with various senior home facilities; newsletter to all of community		Med			
	Network of Information/Hub	yes	Local Municipal Gov't.	Hi			
	Service Force and Volunteer Opportunities	Volunteer opportunities offered with on line signup, paid volunteer coordinator	Local Municipal Gov't.	Med			
	Opportunities for Education, Culture, Reading, and Arts	Extensive range of educational and cultural courses; coordinate with strong library system of programs	Local Municipal Gov't.	Hi			
	Participation in Current Affairs, Politics, and Civic Groups, History club, etc	US History and Citizenship preparation classes offered, active TV production engagement by seniors in club	Local Municipal Gov't.	Hi			
	Technology proficiency assistance	Classes for digital devices and cyber security	Local Municipal Gov't.	Hi			
	Employment Opportunities for 60+			Low			
	Promoting inclusivity in all of our 60+ programs (applies to all services)			Med			
Healthy Living/Physical, Cognitive, and Mental Health	Nutrition, meals, meals on wheels, etc.	Do not have a Senior Nutrition Program, once a month birthday event		Low	590	Clients served (average monthly)	6.65%
	Mental and Behavioral Health Programs	yes, services list provided by city	Local Agency within City	Hi			
	Adult Day Care and Caregivers (Dementia Care)	yes, Live Oak Adult Day Care program (well subscribed with waiting list)	Adjacent or Regional Gov't. o	Hi			
	Fitness/Recreational Facilities & Programs (exercise, meditation, wellness, healthy living, etc.)	Senior Center offers sports, dancing, and other classes, use of De Anza for some activities such as swimming	Local Municipal Gov't.	Hi		Members or Participants	0.00%
	Affordable Quality Housing - Seniors	Below Market Rate (BRM) housing program. wait list for 2022 closed		Med	127	Housing Units	1.43%

	Continuing Living Facilities, different residence models	Cupertino@risehouses.com		Med	2	Housing Units	0.02%
Coordinated Network of providers	**Accountability and Measurement, annual report on senior services, surveys, etc., transparency in plans and results, metrics**	City managed, reporting of budgets, no annual senior report, Senior Center revitalizing Advisory Board, no separate city senior commission	Local Municipal Gov't.	Low			
	Program Governance	City managed	Local Municipal Gov't.	Med			
	Professional, legal, estate, insurance, investment, etc.			Hi			
	Participation in Publicly Available Senior Programs outside the city			Med			
	Volunteer coordinator	yes see website, new volunteer orientation course provided	Local Municipal Gov't.	Hi			
	Affordable membership cost	$30, $25 for residents, many clubs free, 8-12 week series of classes $15-68	Local Municipal Gov't.	Med	25	Annual fee $	
	Community Budget for Senior Services (total)	Live Oak Adult Day Care provides services in Cupertino		Med	1,439,451	Annual budget $	$ 162.17
	Municipal Budget for Senior Services	FY20 total expenditures with $363K from fees, City also provides community funding grants with $144K provided in 2021-22 for local festivals	Local Municipal Gov't.	Med	1,289,451	Annual budget $	$ 145.27
Observations	**Similarity to Los Gatos**	Major employer does not provide support except for community where benefits employees (e.g. bike lanes)					
	Differences from Los Gatos	City run					
	Service delivery capability						
	Other	West Valley Community Services located in Cupertino independently provides extensive services to the disadvantaged					

Municipality:	**Los Altos-Los Altos Hills**
Prepared by:	Dick Konrad
Date:	3/8/22
Population:	30,504
65+ Population %	20%
Demographics:	72% White, 31% Asian, .5% Black, 6.5% Other
Median Income:	$ 235,278

Calculated 65+ Population **6,101**

Category	Service	Notes	Primarily Provided by (select)	Qualitative Assessment	Quantitative Value	Units	Per 65+ Population
Environment	Safe, accessible and walkable space	Yes.		Hi			
	Affordable Transportation	On the Move. Fully reimbursed +$3 tip (Reimbursement of Uber, Lyft, taxie through July 2022		Hi			
	Senior Services Facility	Los Altos Community Center - recently completed at a cost of $35M	Local Municipal Gov't.	Hi			
	Senior Services Staffing		Local Municipal Gov't.	Med	1.75	Staff Full-Time Equiv (FTE)	0.0003
	Available Parks, Open Space, and Public/Social Spaces, close location,	Parks plus redwood forest reserve		Hi	10	Number of Parks	
	Personal Safety, crime rate, home call programs, walking safety	Sunshine home call program. 35 safest small city in America		Hi		Violent Crime rate per 1,000	
	Emergency and Disaster Preparedness			Hi			
	Help in Home Maintenance	Hesitant to do referrals		Low			
Purpose, Connection, and Belonging	Participation and Communication with Older Adult Community	Spotlight is emailed once pre month, and mailed for $6 charge. Event inclusive during past year, pre-covid 650 for seniors and recreation programs. Currently 350 and do not count seniors independently		Med			
	Network of Information/Hub	Senior coordinator provides hub services		Med			
	Service Force and Volunteer Opportunities	Town website for volunteers		Med			
	Opportunities for Education, Culture, Reading, and Arts	Foothill College and 2 libraries		Hi			
	Participation in Current Affairs, Politics, and Civic Groups, History club, etc	Talks by community leaders Volunteer theater summer concerts		Hi			
	Technology proficiency assistance			Low			
	Employment Opportunities for 60+			Low			
	Promoting inclusivity in all of our 60+ programs (applies to all services)	none		Med			
Healthy Living/Physical, Cognitive, and Mental Health	Nutrition, meals, meals on wheels, etc.	Prior to Covid lunch at 2 locations for 60 people, other services referred to Community Service Agency (CSA) in Mt. View	Adjacent or Regional Gov't. o	Hi	60	Clients served (average monthly)	0.98%
	Mental and Behavioral Health Programs	No programs, referrals to CSA (Community Services Mt. View)	Adjacent or Regional Gov't. o	Med			
	Adult Day Care and Caregivers (Dementia Care)			Low			
	Fitness/Recreational Facilities & Programs (exercise, meditation, wellness, healthy living, etc.)	Free card games, book club and some fitness programs. All else fee-based or not subsidized.		Hi	650	Members or Participants	10.65%

	Affordable Quality Housing - Seniors	32 Rental units and 45 second living units monitored by Alta housing		Med	77	Housing Units	1.26%
	Continuing Living Facilities, different residence models	The Terraces, Bridgepoint, and Hidden Lane Villa		Med		Housing Units	0.00%
Coordinated Network of providers	Accountability and Measurement, annual report on senior services, surveys, etc., transparency in plans and results, metrics	1 Councilmember on Parks and Rec Commission		Hi			
	Program Governance	Fund by city					
	Professional, legal, estate, insurance, investment, etc.	AARP, SALA					
	Participation in Publicly Available Senior Programs outside the city	CSA and VTA		Med			
	Volunteer coordinator	Senior coordinator plus use of volunteers		Med			
	Affordable membership cost	No cost for membership		Med	$ -	Annual fee $	
	Community Budget for Senior Services (total)	Rec $141K, Senior $158K, to Covid $392K for seniors and recreation			$ 343,000	Annual budget $	$ 56.22
	Municipal Budget for Senior Services		Local Municipal Gov't.		$ 343,000	Annual budget $	$ 56.22
Observations	Similarity to Los Gatos	A few basic recreational services and an e-mail information brochure					
	Differences from Los Gatos	1) Senior coordinator has a long-tenure in job 2) Many services are referred to outside agency 3) Funding comes from the city 4) no membership fee for seniors 5) a new dedicated community center that cost $35M 6) Many talks by community providers					
	Service delivery capability						
	Other						

Municipality:	**Morgan Hill, CA**
Prepared by:	Tom Picraux
Date:	3/15/22
Population:	45,483
65+ Population %	14%
Demographics:	white 73%, hispanic 31%, asian 14%, black 2%, foreign born 18%. bachelors+ degrees 44%, poverty 4% (ISSUE HERE), broadband 92%.
Median Income:	$ 124,000

Calculated 65+ Population **6,368**

Category	Service	Notes	Primarily Provided by (select)	Qualitative Assessment	Quantitative Value	Units	Per 65+ Population
Environment	Safe, accessible and walkable space	Sidewalks only in downtown area		Med			
	Affordable Transportation	Senior door to door trans. for medical, groceries by Sourcewise; senior curb to curb RYDE program managed by Morgan Hill w/volunteer drivers, VTA Access senior paratransit, minimal VTA bus service	Adjacent or Regional Gov't. or	Hi			
	Senior Services Facility	Senior Center in Community Center complex, outside of downtown; community, aquatic and senior center built 2001-06 w/city funds Regional Development Agency (RDA) support and some county support. Endowment from Friends of senior center	Local Municipal Gov't.	Hi	4839	sq. ft.	
	Senior Services Staffing	Senior recreation supervisor and some staff help	Local Municipal Gov't.	Med	1.75	Staff Full-Time Equiv (FTE)	
	Available Parks, Open Space, and Public/Social Spaces, close location,	~15 parks of various size, Active and Safe Parks initiative grant (CDC) to revitalize and increase use of Galvan Park.	Local Municipal Gov't.	Med		Number of Parks	
	Personal Safety, crime rate, home call programs, walking safety	Crime rates are well below national average		Med	1.34	Violent Crime rate per 1,000	
	Emergency and Disaster Preparedness	Emergency Operations Plan, CERT basic training, Ham radio, disaster supply kit & planning information, emergency call center, lot of volunteer participation	Local Municipal Gov't.	Med			
	Help in Home Maintenance	Provide information from list of known trusted local resources		Med			
Purpose, Connection, and Belonging	Participation and Communication with Older Adult Community	1900 members/month 55+ (pre-COVID) using center; total community center members ~13000 (preCOVID) now ~9000 with ~1600 55+. Communication by paper for older seniors placed in lunch bags, handed out by drivers, in senior center, by email list to ~2000, by website each month, by social media, by posting, and by marketing senior services in recreation program emails.	Local Municipal Gov't.	Med			
	Network of Information/Hub	Info provided by brochures, list of known trusted resources in community, couple volunteers answer questions		Med			

	Service Force and Volunteer Opportunities	Volunteer intake and coordination for senior center and city managed by part-time senior center welcome desk.		Med			
	Opportunities for Education, Culture, Reading, and Arts	Senior center provides opportunities through classes		Med			
	Participation in Current Affairs, Politics, and Civic Groups, History club, etc	Senior center classes.		Med			
	Technology proficiency assistance	Computer lab. Wed. 12:30-3:00 digital device help by volunteers on drop in basis (very popular)		Med			
	Employment Opportunities for 60+	Sourcewise county program		Low			
	Promoting inclusivity in all of our 60+ programs (applies to all services)	Appears to be the case.	Local Municipal Gov't.	Med			
Healthy Living/Physical, Cognitive, and Mental Health	Nutrition, meals, meals on wheels, etc.	Senior lunches M-F (currently boxed) operated by YMCA of Silicon Valley and supported by county nuitrition program and Y's ($250,000/yr.), Meals on Wheels (Sourcewise).	Adjacent or Regional Gov't. o	Hi	75	Clients served (average monthly)	1.18%
	Mental and Behavioral Health Programs	Community Solutions La Casa Del Puente Treatment Center, Psynergy Nueva Vista psychiatric hospital.	Local Agency within City	Low			
	Adult Day Care and Caregivers (Dementia Care)	Monthly caregiver support group by Alzheimer's Association	Adjacent or Regional Gov't. o	Low			
	Fitness/Recreational Facilities & Programs (exercise, meditation, wellness, healthy living, etc.)	Senior center, aquatic center, classes, e.g., art, Tai Chi	Local Municipal Gov't.	Med	1900	Members or Participants	29.84%
	Affordable Quality Housing - Seniors	Various affordable rental apartments		Med		Housing Units	0.00%
	Continuing Living Facilities, different residence models	4 assisted living facilities, 2 retirement facilities, 2 nursing homes		Med		Housing Units	0.00%
Coordinated Network of providers	Accountability and Measurement, annual report on senior services, surveys, etc., transparency in plans and results, metrics	Detailed monthly tracking of membership, participation in programs by member type, meals program, member demographics, volunteer hours, and performance measures. Nutrition survey for nutrition program and program and services survey annually. Periodic press releases on program impact with some date on # people served, etc.		Med			
	Program Governance	City governs facility and programs through the Recreation Department.		Med			
	Professional, legal, estate, insurance, investment, etc.	Case Management for seniors (Sourcewise), SALA free legal advice for 60+, AARP tax prep for low/middle income, Health Insurance Counseling.	Adjacent or Regional Gov't. o	Med			
	Participation in Publicly Available Senior Programs outside the city	Location makes external programs inconvenient to use		Med			

Volunteer coordinator	Yes. Senior center welcome desk (part-time) person is gatekeeper, complete form, maintain list (one-time vs. ongoing where fingerprint & backgnd check), act as a resouce for city volunteers in addition. Have 50 volunteers in senior center, also have meals and wellness calls volunteers. (Had no organized volunteer effort before 2015).	Local Municipal Gov't.	Med					
Affordable membership cost	No annual fee. Some classes (like art) have fees, like $2/class or $58/session of classes.	Local Municipal Gov't.	Hi	$ -	Annual fee $			
Community Budget for Senior Services (total)	Sources are city ($260K), program fees ($33K), and donations ($48K). Nutrition program funded by county + YMCA ($186K+$64K). Local donation sources are: weekly bingo program ($30K/yr,), Friends of Morgan Hill Senior Center that provides grant program ($20K/yr.). Friends has established an endowment ($300,000) with $1.5M goal that started with $45K gift. Transportation receives some RYDE support. Sourcewise supports some Morgan Hill/Gilroy programs. ($590,000 total includes city part of $340,000.)		Med	$ 591,000	Annual budget $	$ 92.81		
Municipal Budget for Senior Services	Staffing: $232,000. Supplies & Services: $13,000. Facility Costs: $47,000.			$ 340,000	Annual budget $	$ 53.40		
Similarity to Los Gatos	Makes use of services provide by county programs.							
Differences from Los Gatos	Community, aquatic & senior center with modern facilities and ample parking away from downtown area. City support and coordination of senior center and greater engagement of community in support of senior services.							
Service delivery capability	Senior Center Lobby/Reception/hallways 1127 sq ft, Senior Center Coordinator Office 132 sq ft, Activity Rms #1&2 772 sq ft, Computer room 277 sq ft, SC restrooms 112 sq ft, Senior Center MPR Room 1796 sq ft, Kitchen 623 sq ft, Teen Center on off hours 1401 sq ft. Total Community Center 56,000 sq ft.							
Other								

Observations

Municipality:	**Palo Alto, CA**
Prepared by:	Kathy Mlinarich
Date:	3/7/22
Population:	68,572
65+ Population %	19.40%
Demographics:	58% White, 33% Asian, AfAm 2% NatAm 0.5% Hispanic 6.4% Pac/Isle .1%
Median Income:	$ 158,271

Calculated 65+ Population **13,303**

Category	Service	Notes	Primarily Provided by (select)	Qualitative Assessment	Quantitative Value	Units	Per 65+ Population
Environment	Safe, accessible and walkable space	Walkable Downtown		Med			
	Affordable Transportation	Avinidas door-to-door OUTREACH Star	Local Agency within City	Hi			
	Senior Services Facility	Avenidas Village, 450 Bryant, non profit.	Local Municipal Gov't.	Hi			
	Senior Services Staffing			Hi		Staff Full-Time Equiv (FTE)	0.0000
	Available Parks, Open Space, and Public/Social Spaces, close location,	4,000 acres of open spaces and parks 162 acres of uban park area, over 20 parks		Hi		Number of Parks	
	Personal Safety, crime rate, home call programs, walking safety	2	Local Municipal Gov't.	Low		Violent Crime rate per 1,000	
	Emergency and Disaster Preparedness	Office of Emergency Preparedness. Comprehensive list of services, communication and advice.	Local Municipal Gov't.	Hi			
	Help in Home Maintenance	Home Efficiency Genie. Consulation	Local Agency within City	Hi			
Purpose, Connection, and Belonging	Participation and Communication with Older Adult Community	Online "public letters to city council"		Hi			
	Network of Information/Hub	Avenidas.org		Hi			
	Service Force and Volunteer Opportunities	May be accessed through City of Palo Alto website		Hi			
	Opportunities for Education, Culture, Reading, and Arts	Avenidas.org Many programs available for Seniors		Hi			
	Participation in Current Affairs, Politics, and Civic Groups, History club, etc	Variety of classes ranging from cooking, dancing, to Karate and Yoga		Hi			
	Technology proficiency assistance	yes, have internet workshops		Hi			
	Employment Opportunities for 60+			Med			
	Promoting inclusivity in all of our 60+ programs (applies to all services)	Office of Human Services website (all of the following 'Healthy Living' segments have extensive information and referral services.		Hi			
Healthy Living/Physical, Cognitive, and Mental Health	Nutrition, meals, meals on wheels, etc.	La Comida, 455 E Charleston. Senior Nutrition Program. Served 2,700 meals in February,2022.		Hi	4513	Clients served (average monthly)	33.92%
	Mental and Behavioral Health Programs	Office of Human Services website		Hi			
	Adult Day Care and Caregivers (Dementia Care)	Rose Klein Center		Hi			
	Fitness/Recreational Facilities & Programs (exercise, meditation, wellness, healthy living, etc.)	Avenidas, Cubberly & Mitchel Park - Annual fees are higher but classes are lower and flexible		Hi		Members or Participants	0.00%
	Affordable Quality Housing - Seniors	29 complexes	Local Municipal Gov't.	Med	1,123	Housing Units	8.44%
	Continuing Living Facilities, different residence models	27,983		Hi	7	Housing Units	0.05%

Coordinated Network of providers	Accountability and Measurement, annual report on senior services, surveys, etc., transparency in plans and results, metrics	website		Hi			
	Program Governance						
	Professional, legal, estate, insurance, investment, etc.	Palo Alto Mediation Program. Provides assitance for various legal disputes, ranging from tenant/landlord to small business/consumer distputes. A large selection of banks and insurance/investment firms and trust and estates legal services		Hi			
	Participation in Publicly Available Senior Programs outside the city	Stanford University, Menlo College.		Med			
	Volunteer coordinator			Hi			
	Affordable membership cost	$60 to $250 per year		Med	$ 60.00	Annual fee $	
	Community Budget for Senior Services (total)	1,664,645			$ 1,664,645	Annual budget $	$ 125.13
	Municipal Budget for Senior Services	1,084,058			$ 1,084,058	Annual budget $	$ 81.49
Observations	Similarity to Los Gatos	Cubberly Center host the broadest amount of general community activities. From dance classes and karate to other 1 time large events.					
	Differences from Los Gatos	Palo Alto has a broad revenue base, including debt issuance and various usage fees and taxes.					
	Service delivery capability	Strong capability to deliver services. However the city's budget appears to be primarily focused on improvements to infrastructure and less so to community programs.					
	Other	$20 million dollar , $5 million from city of PA					

Municipality:	**Princeton, NJ**		
Prepared by:	Ellen Schwartz		
Date:	3/7/22		
Population:	31,000	Calculated 65+ Population	
65+ Population %	17%	**5,208**	
Demographics:	white 73%, asian 17%, black 6%, hispanic 8%; foreign-born 29%. bachelors+ degr. 81%, poverty 6%, broadband 90%.		
Median Income:	$ 138,000	per household	

Category	Service	Notes	Primarily Provided by (select)	Qualitative Assessment	Quantitative Value	Units	Per 65+ Population
Environment	Safe, accessible and walkable space	Sidewalks in central part of town		Hi			
	Affordable Transportation	for seniors only : Ride Provide (subsidized, uses vol. drivers in their own cars), For all ages: Free muni.bus(M-F)in-town route, For all ages: free Univ. busses(parts of town,when univ. in session), for seniors: reduced rates for seniors on public transit to other towns: buses, train		Hi			
	Senior Services Facility	2or 3- Primary is used most- newly **Converted office building (12,000 sq. ft)** in wooded setting.(2021 moved in). 2nd is their original building near downtown, still used a litttle & rent space to others. 3rd small building, they don't own, but they have small program there, is near low-cost housing. New building(12,000 sq ft), bought in Dec 2020, moved into in 2021, has $5-million capital campaign, kicked off with 1 donor giving $1.3million.	Local Agency within City	Hi			
	Senior Services Staffing	7 full-time, 8 part-time 50 instructors (at least some are volunteer). https://www.princetonsenior.org/wp-content/uploads/2021/05/IRS-990-2020.pdf		Hi	16	Staff Full-Time Equiv (FTE)	0.0031
	Available Parks, Open Space, and Public/Social Spaces, close location,			Hi	20	Number of Parks	
	Personal Safety, crime rate, home call programs, walking safety	violent crime 3.2/10,000. property crime 75/10,000. https://ucr.fbi.gov/crime-in-the-u.s/2019/crime-in-the-u.s.-2019/topic-pages/tables/table-8/table-8.xls/view		Hi	0.32	Violent Crime rate per 1,000	
	Emergency and Disaster Preparedness	PSRC responded to Covid well: vaccine finders (118 volunteers helped 687 seniors get appts.), converted to Zoom, increased meals on wheels		Med			
	Help in Home Maintenance	Social worker will refer to someone. PSRC has Homefriends volunteers whose primary role is visiting home-bound but could help with minor things.		Low			
Purpose, Connection, and Belonging	Participation and Communication with Older Adult Community	PSRC montly newsletter by email (if mail=$10/yr) and excellent website		Hi			
	Network of Information/Hub	maintained by PSRC	Local Municipal Gov't.	Hi			
	Service Force and Volunteer Opportunities	PSRC volunteer coordinator & separate GrandPals coordinator(130 grandpals reading to 300 kindergartners/wk); Evergreen forum is part of psrc that is volunteer-led classes(1300 students); They told me that while many retired professors volunteer, also many instructors are just knowledgeable(&not professors); Corporations do community-service @PSRC -for example 90 Bloomberg employees volunteered last year		Hi			
	Opportunities for Education, Culture, Reading, and Arts	PSRC has classes in this category as part of Evergeen Forum, But beyond PSRC, because of presence of Univ., there is Theater, Concerts, Museum, univ. courses to audit, Also: local choral groups, local orchestrra, local theater group, art org. classes, Adult Ed,adult rec, Y programs	Local Agency within City	Hi			
	Participation in Current Affairs, Politics, and Civic Groups, History club, etc	Histor.Society, NewComers-interest groups, activitlies (attracts newly retired, not just newcomers)		Hi			
	Technology proficiency assistance	PSRC's Tech lab(openM-f) had 633 client visits in 2021.Also virtual appts. for tech assistance. In general in town, 2020 census says 90% residents have broadband, New-ish library in center of town		Hi			
	Employment Opportunities for 60+	just provides links to listings & programs		Med			

	Promoting inclusivity in all of our 60+ programs (applies to all services)	Didn't find an official statement, fall fundraising event speaker was Dr. Bernice King (MLK's daughter); hold some activities in low-cost housing neighborhood		Hi			
Healthy Living/Physical, Cognitive, and Mental Health	Nutrition, meals, meals on wheels, etc.	Various agencies, religious orgs., county government. Not clear if anything implemented by town itself. Some specific to seniors. On these 2 charts, show Meals on wheels and other services. https://www.princetonsenior.org/wp-content/uploads/2022/01/Princeton-Area-Food-Resources-PDF.pdf https://www.princetonnj.gov/DocumentCenter/View/10271/Food-Resource-Calendar-2022-PDF?bidId=	Local Agency within City	Med		Clients served (average monthly)	0.00%
	Mental and Behavioral Health Programs	PSRC has Social workers. Offer discussion &support groups, total of 997 participants, 926 hours of case-management and counseling. Other agencies that offer services include other non-profits, Y, hospitals.		Hi			
	Adult Day Care and Caregivers (Dementia Care)	Adult day care by private businesses in surrounding towns. PSRC has support groups including a group for dementia (early stage), a group for caregivers; & a group for children of aging parents	Adjacent or Regional Gov't. o	Med			
	Fitness/Recreational Facilities & Programs (exercise, meditation, wellness, healthy living, etc.)	PSRC, Y, adult ed, adult rec, private gyms, yoga, etc. (PSRC had 197 virtual fitness participants in 2021), Value in quatitative column of 1300 represents the total		Hi	1300	Members or Participants	24.96%
	Affordable Quality Housing - Seniors	1) Princeton Housing Auth. owns and manages **236** family and senior/disabled apartments within five developments throughout Princeton. 2) Princeton Community Housing provides and manages **466** affordable rental homes for individuals, families, seniors, and people with disabilities with very low-, low-, and moderate- incomes. More than 1,000 residents - about **3%** of the Princeton population - reside in PCH homes at communities...		Low		Housing Units	0.00%
	Continuing Living Facilities, different residence models	a little in town, much more in adjacent towns		Low		Housing Units	0.00%
Coordinated Network of providers	Accountability and Measurement, annual report on senior services, surveys, etc., transparency in plans and results, metrics	PSRC is a Nonprofit. Puts links on its website (for download) to its annual Director's Report, IRS 990, Publishes annual financial statement, If I read it correctly: in 2021, expenses were $778,000, got $143,000(2018) from muni.contract, lots of donations(&endowment), https://www.princetonsenior.org/reports/irs-990/ has info on finances		Hi			
	Program Governance	PSRC formed as a non-profit in 1979. Now Board of Directors(17 people) & Advisory Council (15 people). Person I spoke to does not believe Town picks any for board or council(will get back to me if she learns otherwise).					
	Professional, legal, estate, insurance, investment, etc.						
	Participation in Publicly Available Senior Programs outside the city	While lots of programs avail. outside of Princeton, Princeton has most comprehensive offerings		Low			
	Volunteer coordinator	1.5 coordinators		Hi	1.5	people	
	Affordable membership cost	0 -if want them to mail the monthly newsletter(instead of email), it's $10/yr		Hi	$ -	Annual fee $	
	Community Budget for Senior Services (total)	778,000 is what psrc spent in 2018;(2020 70% of spending comes from contrib.,19% from municipal contracts & rentals, 11% from program revenues). Note these values refer to the spending by only the senior center itself. The figures do not include any other services that seniors benefit from like the free bus, health dept., food bank, library programs, adult ed, Y, University, etc.		Hi	$ 778,000	Annual budget $	$ 149.39

	Municipal Budget for Senior Services	$271,000 is amount town allocated to PSRC for 2021. Although for 2020, they had allocated a similar 253,000, they only actually disbursed 172,000. $67 million is Total town budget(2021). In 2018 PSRC said town gave them 143,000; 778,000 is what psrc spent in 2018; Town 2021 budget says Contribution to Senior Resource Center= 10,000 in salaries and 260,511.00 in "other expenses". Total is 270,511. Note that all of these dollar amounts refer to the **senior center itself.** The figures **do not include** any other services that seniors benefit from like the free bus, health dept., food bank, library programs, adult ed, Y, University, etc.			$ 270,511	Annual budget $	$ 51.94
Observations	Similarity to Los Gatos	socioeconomic, strong town identity, downtown important to identity, natural beauty & historic is valued					
	Differences from Los Gatos	Princeton is a hub(culturally) for surrounding towns. Has Princeton U.. Some seniors may not be there in the winters					
	Service delivery capability	5213 total constituents served in 2021. focus is 55+, but some people under since offers retir. planning& caregiver support. Programs are open to anyone in the greater Princeton area, and attracts residents from surrounding counties About 50% are from out-of-town. During covid even had people from out of state. Some of out-of-staters are pople who leave in winter but loved ability to stay connected while away, will likely continue beyond covid. During Covid, everything was on zoom, but will keep some zoom aspects going forward because some people prefer it. ~1,300 people attend classes and > 75 receive assistance weekly. PSRC's 60 collaborative partners and 375 volunteers help make this all possible.					
	Other	PSRC Uses Zoom extensively, No fee to join. Activities like films, "FYI"=1-time vol. instructor talks, & Ted talks are free. (overall Funding is only 15% from fees). Classes like art, exercise, writing have fee to "break even" to cover cost of instructor; Evergreen forum -$95 for 8wks of 2hr classes. Have "senior scholarships" - To apply, participant talks to one of PSRC social workers about "what comfortable paying". Is Not a formal "prove-financial-need" process. Can take 1-evergreen-class per session this way.Lots of fundraising and donors. 50% non-res participants. 1300 people attending classes. 375 volunteers for senior center. Funding comes from a wide range of sources: individual donors (37%), Municipality of Princeton (19%), program fees (15%), corporations (10%) and foundations (4%).					

Municipality:	Saratoga, CA
Prepared by:	Tom Picraux
Date:	2/18/22
Population:	31,051
65+ Population %	23%
Demographics:	48% Asian, 48% white, 4% Hispanic
Median Income:	$ 191,677

Calculated 65+ Population **7,142**

Category	Service	Notes	Primarily Provided by (select)	Qualitative Assessment	Quantitative Value	Units	Per 65+ Population
Environment	Safe, accessible and walkable space	Walkable downtown	Local Municipal Gov't.	Med			
	Affordable Transportation	RYDE program; VTA Access; VTA limited bus route	Adjacent or Regional Gov't. o	Hi			
	Senior Services Facility	Saratoga Senior Center (managed by SASCC) next to LGS Rec. SASCC brought land in 1971, built community senior center, sold to city in 1987 and established public-private partnership. Facility provided and property managed rent-free by city. Facility remodeled at SASCC expense in ~2019.	Local Agency within City	Hi	6286	sq.ft.	
	Senior Services Staffing	Staffing in 4 areas: Senior center; adult day care; RYDE; Outlook monthly. 15 full time & 3 part time staff	Local Agency within City	Hi	15	Staff Full-Time Equiv (FTE)	0.0021
	Available Parks, Open Space, and Public/Social Spaces, close location,	City parks: 14 parks totalling 111 acres (range from <1 to 64 acres) outside venues, Hakone, Montalvo, Mt. Winery		Med	14	Number of Parks	
	Personal Safety, crime rate, home call programs, walking safety	Safe walkable area around downtown. Crime rates are well below national average.		Hi	0.61	Violent Crime rate per 1,000	
	Emergency and Disaster Preparedness			Med			
	Help in Home Maintenance	Provide information on nonprofits operating in area and services across county		Med			
Purpose, Connection, and Belonging	Participation and Communication with Older Adult Community	Senior Center has 2500 members paying annual fee with ~30% of members/month participating in center programs. Outlook - monthly newspaper for seniors (print & online)		Hi	2500	members	
	Network of Information/Hub	SASCC: Outlook paper, social media postings, senior center staff feedback		Hi			
	Service Force and Volunteer Opportunities	Saratoga city volunteer website. SASCC volunteer opportunities handled by managers of 4 areas: RYDE, Senior Center, Adult Day Care, Outlook newspaper with operations manager providing overall coordination; do not use software.	Local Agency within City	Hi			
	Opportunities for Education, Culture, Reading, and Arts	SASCC talks by community leaders, West Valley College, Saratoga Civic Theatre, Hakone Gardens, Mountain Winery, Villa Montalvo	Local Agency within City	Hi			
	Participation in Current Affairs, Politics, and Civic Groups, History club, etc	SASCC: traders, quilting, karaoke, mahjong, spanish class, art, memoir writing, Chinese chamber music, book club, Anandvan social group	Local Agency within City	Med			
	Technology proficiency assistance	SASCC senior center computers, weekly tech drop-in classes	Local Agency within City	Hi			
	Employment Opportunities for 60+	Saratoga County Library, Sourcewise county program	Adjacent or Regional Gov't. o	Med			
	Promoting inclusivity in all of our 60+ programs (applies to all services)	SASCC volunteer program opportunities, Sourcewise and other county programs	Local Agency within City	Med			
Healthy Living/Physical, Cognitive, and Mental Health	Nutrition, meals, meals on wheels, etc.	Meals on wheels, Wed. Senior lunch program at Senior Center (Pre-Covid)	Local Agency within City	Med		Clients served (average monthly)	0.00%
	Mental and Behavioral Health Programs	Saratoga Adult Care Center, SASCC programs (e.g., meditation)	Local Agency within City	Med			
	Adult Day Care and Caregivers (Dementia Care)	Adult day care 5 days/week with meals, fully licensed	Local Agency within City	Hi			
	Fitness/Recreational Facilities & Programs (exercise, meditation, wellness, healthy living, etc.)	1) SASCC: fitness classes, Tai-Chi, ping-pong, yoga, feldenkrais, line dance, bocce ball, dancercise, chair exercise 2) Los Gatos Saratoga Recreation: recreational classes	Local Agency within City	Hi	2500	Members or Participants	35.01%
	Affordable Quality Housing - Seniors	Limited affordable housing: Saratoga Retirement Community at high end		Low		Housing Units	0.00%
	Continuing Living Facilities, different residence models	1) Saratoga Retirement Community: Retirement community (includes assisted living, memory support, skilled nursing & rehabilitation support) 2) Our Lady of Fatima Villa: Assisted living 3) Bon Homie Saratoga: Assisted living facility facility 4) Corithian Care Center: Assisted living facility		Med		Housing Units	0.00%

Coordinated Network of providers	**Accountability and Measurement, annual report on senior services, surveys, etc., transparency in plans and results, metrics**	Provided by SASCC Board of Directors with City leaders via public meetings, Saratoga senior surveys, annual senior report not published	Local Agency within City	Med			
	Program Governance	City has outsourced senior program governance to nonprofit SASCC which is managed independently with agreement for rent-free use and SASCC maintence of city facilities	Local Agency within City	Hi			
	Professional, legal, estate, insurance, investment, etc.	County support nonprofits such as Sourcewise and AARP provide services such as SALA for legal, tax prep., HICAP for insurance	Adjacent or Regional Gov't. o	Med			
	Participation in Publicly Available Senior Programs outside the city	West Valley Community Services. Campbell and other senior centers.		Med			
	Volunteer coordinator	Supervisors of 4 SASCC programs: RYDE, Senior Center, Adult Day Care, and Outlook newspaper intake volunteers for their programs, with overall coordination provided by operations manager; software not used.		Hi			
	Affordable membership cost	Annual fee is $30/yr/person with 2500 members; ~30%/month participate in activities. SASCC classes free (80%) or fee is collected by teacher at their discretion (20%)(no contractor issues for SASCC), LGS Rec charges for their classes, SASCC is partnering with West Valley Colleges to provide free classes for seniors (WVC gets to count enrollment and use SASCC facilities)		Hi	$ 30.00	Annual fee $	
	Community Budget for Senior Services (total)	Revenues are from Foundation support, govt grants/contracts, individual contributions, Outlook ads, fees for external services (35-40%). Recent growth: in 2016 ex.dir. Tylor hired, staff was 7, budget $475K; since then membership revitalized, senior center remodeled at SASCC expense, and budget tripled.	Local Agency within City	Hi	$ 1,370,000	Annual budget $	$1,300,000.00
	Municipal Budget for Senior Services	City provides to help support senior center and adult day care center	Local Municipal Gov't.		$ 70,000	Annual budget $	$ 70,000.00
Observations	**Similarity to Los Gatos**	Size, population, density, transportation					
	Differences from Los Gatos	Extent and completeness of senior program handling by outsourced nonprofit. Strong partnership and communication between the operating nonprofit and City					
	Service delivery capability	More mature, efficient, extensive, and less fragmented	Local Agency within City	Hi			
	Other	Community Center facility (10,217 sq. ft.) is used by LGS Rec for providing recreational programs and is next to the Senior Center	Local Agency within City				

Date: June 15, 2022
To: Los Gatos Town Council
From: Los Gatos Senior Services Committee

Subject: Council Approval of Senior Services Roadmap Goals

Roadmap Goals

1. Communications & Information Access

Older adults and caregivers need ways to learn information about available services, resources and events in multiple formats. Our survey and workshops point to this area as a critical need to solve problems, participate in community activities and enhance one's quality of life. Our benchmark results for other cities indicated that we can do a much better job. This goal helps residents age in place. Areas addressed would include:

- Availability of resources, activities, programs (clubs, local centers and government -supported services, etc.)
- Presented in the form of an Information Hub (trusted, well-curated content on services availability, activities pointer, events calendar, etc.) - short term. Includes web, mobile, and social network capabilities. Phone feature with live senior services and volunteer coordinator - longer term
- Navigation to services tools (medical, maintain physical health)
- Promote county mental/behavioral health offerings and services
- Promote food security and options
- Information included from our other goals on transportation, volunteering and housing (stay in home support options, wellness calls, assistive devices)

2. Appealing and Inviting Facility (Renovate or Build)

Renovate or build a community facility including older adult space/services. Age-friendly communities have spaces that are welcoming where residents can come together to engage in social, educational, and enriching activities. Community centers which either include or are dedicated to the needs of older adults provide an important focal point for residents and are found in all our benchmarked cities. Approaches to building or refurbishing facilities are many, but in every case have required a concerted, long-term effort with deliberate planning. This area would address:

- More welcoming building with adequate multipurpose space than currently exists. A portion of the facility dedicated to meet the needs of older adults
- A funding strategy, fund-raising mechanisms and a 501(c)(3) Friends of Seniors to provide long-term support

- Coordinated community strategy and support for development of senior facilities
- Intergenerational space for meetings, clubs, community events, recreational, cultural, educational, learning, health education and information services
- Deliberate evaluation of effectiveness and value of investment in existing facilities
- Evaluate multiple use options and how Town assets might be utilized in the creation of a community facility

3. Increase Engagement in Social, Educational and Healthy Living Activities

Productive activities outside of work promote quality of life and contribute to active aging. Finding and engaging in social activity and volunteering in activities of interest becomes increasingly challenging as people age. Opportunities to participate and socialize with others, volunteer in meaningful and productive activities and engage in the community in which one lives contribute to a feeling of belonging and personal satisfaction. Efforts to increase engagement and participation would consider:

- Consistent availability, coordination, engagement, and age-friendly accessibility of weekly activities and monthly social events
- Promotion ranging from print to in-person engagement by going to where older adults live (ambassadors, volunteers, etc.)
- Finding ways to subsidize existing programs to expand reach to seniors - medium to short term
- Enlisting local organizations and expertise to help enhance programming
- No or minimal fees except for specific services
- Highlight special events and make them age-friendly
- Funding and expanding essential services for all stages of aging including adult day care and nutrition programs
- Training and classes to enhance marketable and/or new skills
- Personal safety, scam avoidance, legal assistance awareness, etc.

4. Enhance Transportation Options for Older Adults

Livable communities facilitate transportation options for older adults, including auto, bicycling, walking and public transportation. Older adults consider the need for flexible transportation options to be especially important as they age, including:

- Better information distribution on mobility options (e.g., VTA Senior Mobility Guide)
- RYDE awareness and enhancement
- VTA and VTA Access awareness

- Lyft/Uber supplemented programs
- In-Town shuttle provided by Town
- Last minute rides through volunteer network
- Options for mobility-challenged older adults

5. Volunteer Support and Engagement

Vibrant communities provide opportunities for older members to become volunteers and/or to find needed assistance from volunteers. Promoting and supporting volunteerism allows the community to marshal the expertise of seniors and to increase engagement of older adults for the benefit of the entire community. This effort would include:

- Develop and coordinate volunteer opportunity exchange (aggregated Town page of opportunities)
- Support connections between service providers, clubs and those interested in volunteering (consider holding volunteer fair)
- Support equitable and inclusive processes to engage senior volunteers
- Consider a 'Community Unity' bulletin board approach for two-way volunteering as promoted in the past by former Mayor Wasserman

6. Develop integrated governance, funding, and accountability for senior services

Currently our Town has a distributed model of senior services with minimal central planning, measurement, coordination or accountability for maintaining and advancing services. Benchmarking results show that most cities have a more integrated governance model which can result in greater support, more successful funding initiatives and greater transparency of senior services operations. This area is challenging but could result in increased efficiencies, enhanced senior services and long-term stability of programs. Successful governance models by other cities will be examined to determine the best model for Los Gatos:

- Different models (role of nonprofits, city administration, etc.)
- Coordinated management model (accountability, metrics, oversight, etc.) versus distributed model
- Funding mechanisms to help support older adult programs and services
- Sustainable financial plan, including pro forma budgets for consideration by deciding bodies
- Methods for measurement, accountability and maintaining transparency
- Approaches to maintain Town oversight

7. Senior Housing - Information on Approaches and Options

Many older residents expressed a desire to continue to live in Los Gatos after retirement and to enjoy their community and friends as they age. Needs change as people age, requiring a knowledge of and advice on a wide range of senior living options. Mixed-use neighborhoods with nearby opportunities to eat, shop, work/volunteer and receive services can enhance the quality of life for seniors. The Town can support senior living by encouraging such developments and providing education, information and opportunities for mutual learning on housing including:

- Types of housing, facilities and options for senior living
- Personal safety devices, scam avoidance, legal assistance awareness, etc.
- Help with transitional housing opportunities (including mental health)
- Promote new urbanism emphasizing walkable spaces where people can live close to places where they can eat, shop, work and receive services

TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 06/21/2022
ITEM NO: 21

DATE: June 13, 2022

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Receive a Report on the June, 16, 2022 Promenade Event and Provide Additional Direction to Staff on Event Format or Other Provisions if Needed.

RECOMMENDATION:

Receive a report on the June 16, 2022 Promenade Event and provide additional direction to staff on event format or other provisions if needed.

REMARKS:

Following the conclusion of the June 16, 2022 Promenade Event, coordinated by the Chamber of Commerce, Town staff will seek Chamber input, and provide a post-event report for the Town Council to discuss and provide additional direction, as necessary. This information will be provided as an Addendum on Monday, June 20, 2022, or Desk Item on Tuesday, June 21, 2022.

PREPARED BY: Monica Renn
Economic Vitality Manager

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

TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 06/20/2022
ITEM NO: 21
DESK ITEM

DATE: June 21, 2022

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Receive a Report on the June 16, 2022 Promenade Event and Provide Additional Direction to Staff on Event Format or Other Provisions if Needed.

RECOMMENDATION:

Receive a report on the June 16, 2022 Promenade Event and provide additional direction to staff on event format or other provisions if needed.

BACKGROUND:

On May 4, 2021, the Town Council allocated $80,000 of America Rescue Plan Act (ARPA) funds to the Chamber of Commerce to host up to seven Summer Promenade events in Downtown Los Gatos to stimulate the downtown economy. After the first week of the 2021 event series, the Chamber requested the ability to have a "blanket" Alcohol Beverage Control (ABC) permit that allowed the community to essentially have open containers of alcohol at the event as a way to encourage event participants to patronize local businesses and take advantage of the ability for the establishments to sell the "to-go" style beer, wine, and cocktails.

As the event evolved over the weeks, Town and Chamber staff worked closely to make modifications and adjust the format as the summer progressed. The number of event guests bringing beverages into the event increased as evidenced by the community feedback to staff. Staff also received complaints about the consumption of alcohol by guests that were not properly identified as being over 21 years.

At its February 15, 2022 meeting, the Town Council allocated an additional $120,000 of ARPA funds to the Chamber of Commerce to fund a 2022 Summer Promenade event series. During this discussion, the Town Council asked staff about the amount of staff resources required to

PREPARED BY: Monica Renn
Economic Vitality Manager

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

BACKGROUND (continued):

create an environment where multiple events, including the Promenades, Music in the Park, and Jazz on the Plazz, can take place safely and successfully for all stakeholders.

Following this meeting, staff worked internally to understand and allocate available resources for the upcoming summer events, including the Summer Promenade. Based on resources, observations from the 2021 series, and Town Council direction, staff provided parameters to the Chamber of Commerce that the event should include more controlled sales and consumption of alcohol and thus added provisions that included up to three beer gardens rather than an open alcohol model observed in 2021.

The Chamber of Commerce strongly believed that an open format of alcohol sales and consumption was more conducive to a promenade setting for the event and thus requested a public discussion on the provisions. During the Town Council discussion June 7, 2022, the Chamber of Commerce staff and representatives provided a series of parameters that they believed could help manage an open format for alcohol sales and consumption, and thus, the Town Council unanimously approved the following:

> *Motion by Council Member Sayoc to eliminate beer gardens and required the Chamber to: 1) provide alcohol dispensing points where identification will be checked and wristbands will be issued by paid staff; 2) alcohol will be provided via wristband by paid staff, one alcoholic drink per wristband and no more than one drink will be issued at a time; 3) Chamber staff will monitor the ingresses and egresses; 4) rules of conduct signage to be provided to staff to allow Police Department staff to review for additional suggestions and be displayed prominently during the event; 5) streetside alcohol sales end at 8 p.m. an hour before close of the event; 6) bring the item back to Council on June 21 for debriefing; 7) the Town Manager to provide updates to Council during the month of July; and 8) authorize the Town Manager and Police Chief to take any necessary precautions in the interest of public safety. Seconded by Vice Mayor Ristow.*

DISCUSSION:

Following the meeting on June 7, 2022, staff worked with the Chamber of Commerce to apply the direction to a modified Conditional Letter of Approval. By the following week, the Chamber of Commerce had met the provisions of the Special Event Permit and were issued a Final Event Permit.

On Thursday, June 16, 2022 the Chamber contacted Town staff with concerns about permit compliance. Staff worked through the concerns with the Chamber and both parties agreed that the conditions could be met and minor changes to clarify language could be made to the Permit following a post-event discussion.

DISCUSSION (continued):

Overall, the first Promenade event was well attended and had a positive atmosphere with a few areas that could be given additional attention in the upcoming weeks to create a safer and more compliant environment. From the perspective of staff, event preparedness, structure, and permit provisions are developed with the goal of public safety and prevention, rather than taking a "wait and see" approach and reacting by adding new provisions to the Special Event Permit.

Town and Chamber staff met on Monday, June 20, 2022 to debrief the event and appeared to be on the same page with items that can be more closely addressed to create a smoother event.

On a high-level, the areas of discussion include:

- **Traffic Closure**- The traffic control company arrived unprepared and operated from an incorrect or missing traffic control plan. With the assistance of the Police Department and Parks and Public Works staff, the closure set up was corrected. As a result, the closure was delayed. Chamber staff has addressed this concern with their vendor and worked with them to ensure the deficiencies are addressed in future weeks. Town staff will continue to support the closure with the implementation of the Town's anti-vehicle barriers.

- **Staffing**- Chamber staff connected with Town staff immediately following the event and shared their concerns with their event staffing and the difficulty to find and hire event staff to manage the ingress and egress points. These event staff are critical to monitor the flow of attendees with alcohol and guide guests who are visibly out of compliance with alcohol guidelines. Thus, the Chamber requested to utilize an outside security staffing agency to provide paid staff for these locations. Town staff agrees this is an acceptable solution and requested that the hired staff members wear "Promenade Staff" shirts to clearly identify them as event staff members without any equipment, hats, or clothing that might convey a security role. The Chamber also agreed to give them a briefing on the event layout, State Alcoholic Beverage Control (ABC) provisions, and other basic event information that could help them educate guests and maintain the provisions of the Special Event Permit.

  For example, there was at least one instance of an underage minor in possession of a wristband and alcoholic beverages. Police Officers observed the minor with alcohol and made contact with the individual, provided education, and corrected the situation. It is not clear exactly how the wristband was obtained. Town staff requested that the Chamber of Commerce provide ABC's instructions and tips for checking guest age to the event staff responsible for checking identification.

DISCUSSION (continued):

- **Signage**- The required signage for "no alcohol beyond this point" and "no outside alcohol" was difficult to locate and read given the equipment the Chamber had available for mounting the signs. Staff recommends that the Chamber obtain additional A-frame or Type 3 barricades for posting these signs to make them more visible for event guests. Town staff has offered to provide the signage to affix to the barricades that may be reused each week moving forward.

- **Conditions of Approval**- Attachment 1 provides the updated Conditional Letter of Approval that provides the language for the final Special Event Permit. Modifications to the original Permit, provided to the Town Council on June 7, 2022, were made following that Town Council's discussion, then minor adjustments were again made following the June 16, 2022 event, as a result of collaboration between the Chamber of Commerce and Town.

CONCLUSION:

With ongoing check-ins, pre-event briefings, and post event debriefs, staff will continue to collaborate with the Chamber and make modifications as needed to the Permit to continue to support the safety and success of the event. Staff will provide updates to the Town Council in July as requested. Staff looks forward to Council discussion and any additional direction to facilitate successful Promenades.

COORDINATION:

This staff report was prepared with collaboration between the Town Manager's Office, Parks and Public Works, and the Police Department.

FISCAL IMPACT:

There are no direct fiscal impacts related to the recommendation of this report.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachment Received with this Desk Item:
1. Special Event Permit, Conditional Letter of Approval, updated June 20, 2022

TOWN OF LOS GATOS
SUMMER PROMENADES
LETTER OF CONDITIONAL APPROVAL

Name of Event:	Summer Promenades
Date(s) of Event:	June 16, 23, July 7, 14, 21, 28, August 4, 2022
Time(s) of Event:	5:00 p.m. – 9:00 p.m.
Location(s) of Event:	N. Santa Cruz Ave between W. Main St. and Bachman Ave
Permittee:	Los Gatos Chamber of Commerce
Event Contact:	Randi Chen
Event Contact Phone:	408-858-1803

This Conditional Letter of Approval has been modified as of June 20, 2022 to reflect minor changes from the previously issued permit on June 16, 2022.

This is a letter of conditional approval for the above specified event, issued to the Permittee and/or the organization the Permittee represents, named above by the Town of Los Gatos based on the information the Permittee has disclosed in the special event application and any written or verbal conversations with Town staff regarding the event.

The purpose of the Conditional Letter of Approval is to grant the Permittee the approval to move forward with the planning and logistics of the event under the conditions stated in this document. The Town will issue the Special Event Permit to the Permittee after all conditions set forth in this Conditional Letter of Approval have been addressed to the satisfaction of the Town Manager or his/her designee. Given the non-Town agencies that may need to work with the Permittee on specific conditions, the issuance of the final Special Event Permit may not occur until just prior to the event. If a Permittee needs additional clarification for its work with vendors, non-Town agencies, etc., please contact the Special Events Staff for assistance. Once the Special Even Permit is issued, the Permittee will be authorized to execute the event.

The conditions included in this document may include but are not limited to; requirements with completion timelines concerning the time, place, scope of the event, required permits from other government agencies, vendor provisions, payment of applicable fees and deposits, and other provisions including but not limited to conditions to protect the safety of persons and property, provide for adequate traffic control, and regulate the sale and service of food and/or alcohol. Specific details regarding each of these conditions can be found in this letter.

ADDITIONAL CONDITIONS MAY ARISE AFTER THE ISSUING OF THIS LETTER OF APPROVAL AS THE PLANNING OF THE EVENT PROGRESSES, THESE CONDITIONS WILL BE COMMUNICATED TO THE PERMITTEE AND ADDED TO THE FINAL SPECIAL EVENT PERMIT.

The Permittee must abide by all applicable conditions listed below. Failure to comply with all conditions, or any violation of law prior to the event will result in the denial of the Special Event Permit and therefore immediate cancellation of the event and possibly denial of future events, fines, and/or criminal prosecution. If during the planning of the approved event, the scope, intensity, location, type, or size of event deviates significantly from the description provided on the special event application this Conditional Letter of Approval will no longer be valid and the Permittee will need to submit a new application to reflect

the deviation. The Town Manager, Chief of Police and/or the Director of Parks & Public Works and/or Streets & Parks Superintendent has the right at any time to revoke permission for an event and no rebates or refunds of fees will be made because of such termination. The Permittee or the organization they represent must pay all costs associated with a permitted event.

I. STANDARD CONDITIONAL REQUIREMENTS:

1) Permittee shall obtain all required permits and submit copies of these permits to the Town Events Specialist prior to the event which may include but are not limited to; ABC permit, Banner permit, Fire permit(s), Parks Use permit and Environmental Health permit(s). A copy of each permit must be kept on file at the event.
2) Permittee or designated person shall be on-site at the event at all times to ensure compliance with the special event permit conditions.
3) Permittee shall ensure cleanliness of the event and surrounding area throughout the event by providing adequate trash and recycling receptacles and must submit a clean-up plan for large scale events. The Permittee understands that he/she or their organization may be billed for cleanup costs incurred by the Town if cleanup is not performed adequately, and/or future applications for a Special Event Permit and/or Special Use Permit may be denied.
4) Permittee shall provide a safe environment for event attendees as determined by the Santa Clara County Fire Department, Department of Environmental Health and Safety and/or the Los Gatos Monte Sereno (LGMS) Police Department.
5) Permittee shall submit a hold harmless agreement which shall indemnify and hold harmless the Town of Los Gatos for any and all claims regarding the above-named event. The Permittee agrees to protect, defend, and hold harmless the Town of Los Gatos, its elective or appointed boards, officers, agents, and employees from any and all claims, liabilities, expenses or damages of any nature, including attorneys' fees, for injury or death of any person, or damage to property. This applies to the Permittee, Permittee's agents, officers, or employees, subcontractors, or independent contractors hired by Permittee. This hold harmless agreement shall apply to all liability, regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by Permittee. The person signing this Special Event Permit declares that he/she has the authority to bind the Permittee, and that Permittee is bound by all terms of this Special Event Permit. In the event that the signatory lacks such duly granted authority, said undersigned signatory personally assumes all liability for fees, costs and damages. The Permittee further agrees to repay the Town for any and all incurred costs; damage and clean-up to parks, streets, facilities, buildings or other property owned by the Town which results from the above-named event. The Permittee agrees to comply with these permit issuance conditions and any other requirements of the Town of Los Gatos.
6) Permittee shall obtain Town approved insurance. Permittee shall maintain comprehensive general liability insurance (including coverage for damages to rented property) with policy limits of at least $1,000,000 per occurrence. For general liability insurance policies, Permittee agrees to the following terms and shall provide Town with a separate endorsement which states that the policy contains the following language:
   a) The Town, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers are named as additional insureds; and,

b) The insurer waives the right of subrogation (the right of recovery against others) against Town elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers; and,
c) The insurance shall be primary non-contributing. If alcohol will be served or sold, host liquor liability must be stated within the insurance policy. Permittee shall maintain Workers' Compensation Insurance, as required by law. Permittee shall maintain Automobile Insurance, as required by law. No policy shall be canceled or materially changed except after thirty (30) days' notice by the insurer to Town.

II. SPECIFIC CONDITIONS RELATED TO THIS EVENT

1) ARPA GRANT FUNDS
   a) On Tuesday, February 15, 2022, Town Council unanimously passed a motion to allocate up to $120,000 of ARPA funds to the Los Gatos Chamber of Commerce (the Permittee) to produce a summer promenade series with the possibility of fewer events if there are limited Town staff resources and with the possibility of sponsorships. The payment terms and requirements of the grant are outlined in the attached agreement. All Town fees mentioned in this letter will be deducted from the approved grant funds following the payment and reimbursement terms outlined in the agreement.

2) PUBLIC NOTICE
   a) Permittee shall notify all residents and businesses in the list provided by the Town which includes the immediate areas and the Almond Grove area, at least two weeks prior to the event in the form of a letter, flyer or other form of documentation. A copy of this notification must be submitted to the Town for approval prior to its distribution.
   b) The Permittee shall obtain a banner permit(s) from the Town for each temporary banner placed in Town prior to placing the banner(s). The banner(s) shall only be placed in the approved locations. Per the Los Gatos Municipal Code, no more than three banners may be used per event.

3) EVENT AREA USE PARAMETERS
   a) The Permittee shall have use of the following areas under the following use times, for the purposes of this permit:
      i) N. Santa Cruz Ave between Main St. and Bachman Ave.
         (1) Event dates and hours are permitted for Thursday, June 16, 23, July 7, 14, 21, 28, August 4 from 5:00 p.m. – 9:00 p.m.
         (2) Event set-up may begin at 2:00 p.m. and event tear-down must conclude before 10:30 p.m. on the same day. The street re-opening time of 10:30 p.m. is designed to provide the Permittee with a maximum of 1.5 hours to tear-down event equipment. However, the Permittee shall make every effort to clear crowds and remove pedestrians off the street at the immediate conclusion of event programming at 9:00 p.m.
         (3) There shall be no programming on the N. Santa Cruz Ave within 50 feet from the main closure points of Main St. and Bachman Ave.

(4) Band equipment may be placed on the street spanning the roadway, as shown on the event site map, per the approval of the Santa Clara County Fire Department (SCCFD). No stages or other similar structures may be used for the band unless they provide a 20' clearance for emergency vehicles to enter and exit the roadways, per SCCFD's requirements.

ii) Town Plaza Park

(1) The Permittee may use Town Plaza Park on the permitted event dates for no more than two consecutive hours, solely for the purposes of "yoga in the park." No additional event programming outside of that is permitted unless otherwise approved by the Town ahead of time.

(2) Alcohol sales or service are prohibited in Town Plaza Park.

(3) The Permittee is required to pay the $55 parks use fee as noted in the 2021/2022 Town of Los Gatos comprehensive fee schedule for the hours of use.

iii) Municipal Lot 4 & Street Parking

(1) The Permittee may use four spaces in municipal parking lot 4 for the location of portable restrooms with an approved encroachment permit from the Town of Los Gatos.

(2) The Permittee may have use of six public street parking spaces located on N. Santa Cruz Ave. and Bachman Ave. from 1:00 p.m. – 10:30 p.m. for sound technician vehicles.

b) The Permittee shall be allowed to use amplified sound in the form of music until 9:00 p.m. but must comply with all noise level ordinances. However, if the Town receives complaints from the public the ending time of the music may be adjusted during the event series to address these complaints.

c) No event equipment may be placed on any open, public roadways during set-up without prior consent from the Town.

d) Permittee must remove all event equipment from the entire event area immediately following the event to allow for N. Santa Cruz Ave to re-open to through traffic no later than 10:30 p.m. on the evening of the event(s).

e) If any portion of the event is outside of the permitted areas or times it may result in termination of the event in those non-permitted areas or the entire event.

4) TRAFFIC CONTROL

a) The Permittee may commence the road closure of N. Santa Cruz no earlier than 2:00 p.m. and must re-open the street no later than 10:30 p.m. on each event date.

b) The Town shall provide the Permittee with a traffic control plan as part of the N. Santa Cruz closure packet. The Permittee shall be responsible for obtaining and paying uniform traffic control devices and a traffic control vendor to implement the closure and re-opening according to the provided traffic control plan.

c) Town staff shall utilize anti-vehicle barricades at the road closure points of Main St. and North Santa Cruz Ave and Bachman Ave. and North Santa Cruz Ave. The barricades will be managed and deployed by the Los Gatos Parks and Public Works Department and LGMSPD. The Permittee shall be required to pay for all Town staff time required for the use of the barricades.

d) Roads are to remain open and unobstructed until the scheduled closure time, and only after

traffic control devices are in place and the road is safely closed to through traffic.

e) Permittee shall be responsible for posting all approved, Police-issued, "No Parking Signs," in all roadways and parking lots that will be closed to the public for the event no later than 72 hours prior to the use of the space. The Permittee must use "blue tape" or other non-permanent adhesive material or tie so as not to damage or leave adhesive residue upon the fixture the sign is attached. Permittee shall remove all signs within two days after the event.

f) The Permittee shall be required to utilize two electronic message boards that should be in place a week before the event to notify the public of the upcoming road closure(s). The Town may supply these to the Permittee if the Town-owned boards are available at the time of the event. The Permittee may be required to reimburse the Town for staff time required to place the message boards.

g) Permittee shall staff all roadway closures and allow access to emergency personnel when necessary. Drive through private property egress areas shall be blocked to prevent vehicular access to N. Santa Cruz. Private property egress areas must be monitored by event staff.

h) S. Santa Cruz Ave. and W. Main St. shall remain open and unobstructed at all times.

i) University Ave. and adjacent side streets shall remain open and accessible to and from all municipal parking lots.

j) All private property driveways/parking lots not leading to N. Santa Cruz Ave. shall remain open and unobstructed.

k) Permittee shall provide staff or volunteers to monitor all points of ingress and egress, throughout the event to ensure that all barricades and signage remain in place and un-altered.

5) SAFETY & SECURITY

a) The Permittee will be required to utilize two Los Gatos-Monte Sereno Police officers for each event between the hours of 5:30 p.m. and 10:30 p.m.

b) LGMSPD may also require the use of a Parking Control Officer while the road closure is occurring to ensure pedestrian and vehicle clearance for a safe and controlled closure. The Permittee shall be required to pay for all LGMSPD personnel charges.

c) The Permittee must obtain a special event permit from the Santa Clara County Fire Department and comply with all Santa Clara County Fire Department's outdoor festivals and carnivals, and any other relevant standards and specifications.

d) Fire hydrants shall remain accessible with adequate clearance from any vehicles, structures, tents, or other barricades.

e) The Permittee shall have volunteers or other staff onsite for the duration of the event to help maintain crowd control and an orderly program.

6) FOOD & ALCOHOL

a) Permittee is responsible for securing an ABC permit for the sales and service of alcohol, and for upholding the provisions set forth by ABC.

b) Alcohol must be purchased and consumed within the event closure area only, in compliance with ABC rules and regulations.

c) ABC permits must not be mingled between the event and businesses' onsite licenses. Businesses must adhere to the ABC provisions as they apply to their own establishment and "to-go" beverages purchased within restaurants may not be consumed within the event.

d) Alcohol may only be dispensed to individual 21 years of age or older with a valid wristband.
e) Alcohol must only be dispensed within approved designated dispensing locations associated with the approved ABC permit.
f) All alcohol sales and service must cease at 8:00 p.m.
g) Permittee must utilize paid staff to monitor ingress and egress points between the event closure area and non-event closure areas, consistent with the map provided.
h) Permittee must provide an updated map to the Town no later than Tuesday, June 14, 2022, outlining the following:
   i) Event perimeter with ingress and egress locations clearly marked that will be staffed
   ii) Dispensing locations for alcoholic beverages and number of paid staff responsible for each location
   iii) Identification check-point locations consistent with ABC requirements, wristband placement, and token exchange location; and, number of paid staff monitoring this function
   iv) Placement of various signage noting the following:
      (1) No outside alcohol permitted at the event, at ingress locations
      (2) No alcohol beyond this point, at egress locations
      (3) Alcohol available for purchase with drink tokens only
      (4) Wristband required for purchase of alcohol
      (5) Limit one alcoholic beverage per wristband, per purchase
i) The color and/or design of the wristband must be different at each weekly event.
j) Permittee and/or dispensing businesses must provide a designated beverage cup(s) that the alcohol is served in for each event. The cup(s) may change from week to week however an example or photo of the cup must be provided to the Town in advance of the event.
k) All alcoholic beverages must be served in a cup.
l) Designated cups must be branded or identified with the dispensing business' information, or with the Promenade logo.
m) No glass cups or beverage containers are permitted within the event.
n) No later than the Wednesday morning, prior to each Promenade event, Permittee must provide the Town with the following information for that week's event:
   i) Updated event map if elements have changed from the prior submission
   ii) Photo of designated wristband
   iii) Photo of designated cup(s)
   iv) List and location(s) of participating businesses or other entities dispensing the alcohol
   v) Number of paid staff and their locations, if it varies from information previously submitted
o) Permittee's paid staff must wear an identifiable item such as a shirt or vest that clearly indicates they are event staff with the Promenade. An image of this must be provided to the Town prior to the first event on June 16.
p) The Permittee shall include educational language on their event marketing materials and website explaining the rules of alcohol consumption at the event.
q) It is recommended that the Permittee works with the participating businesses before the event to explain the conditions of alcohol sales, service, and consumption at the event.
r) The Permittee shall be responsible for training staff and volunteers prior to the event to identify individuals who have consumed an excessive amount of alcohol and may be a danger to themselves or other individuals and shall not allow that individual to purchase any additional

alcohol. The Permittee shall escalate to the appropriate authorities if the situation deems necessary, to ensure the safety of the public and the Permittee.

7) HEALTH & CLEANINESS
   a) This Conditional Letter of Approval is being issued under the assumption that the event named in this letter will be permitted to occur on the requested event date under State and County orders. In accordance with Town Code Section Sec. 14.100.045. the Town reserves the right to change or revoke this conditional letter, and thus cancel the event, if new federal or local guidelines or requirements are issued that would prohibit this event, or environmental factors at the time of the event persist or worsen from the current condition and the event would jeopardize the health and safety of the public.
   b) The Permittee must comply with all COVID-19 Federal, State, and County Public Health Orders, requirements, restrictions, and guidance pertaining to the event program and activities. Failure to comply with these measures may result in fines, and/or immediate cancelation of the event(s) from State, County or Town officials. Information on current COVID-19 requirements can be found at www.covid19.sccgov.org/home and www.covid19.ca.gov/safer-economy.
   c) The Permittee shall clean the entire event space immediately following the event. A pre and post event evaluation of the entire event space will be performed to determine any necessary clean-up or repair costs. If any charges are incurred a report and invoice will be provided to the Permittee by the Town within 30 days of the event.
   d) The Permittee shall be responsible for providing additional trash and recycling receptacles to accommodate for the additional traffic. They must also be responsible for emptying all trash and recycle bins, including Town bins, in the event area and placing them into a dumpster provided by the Permittee.
   e) The Permittee must ensure the number of toilets is adequate for the number of anticipated attendees and meets all Department of Environmental Health standards to ensure no public urination or the unauthorized use of adjacent private property restrooms without prior approval from the property owner. If using private restrooms, the Permittee must submit this in writing in their plan and indicate that they have received approval from the business owner to direct attendees to use their private restrooms.

_____

Permittee Date

_____

Laurel Prevetti, Town Manager Date

TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 06/21/2022
ITEM NO: 22

DATE: June 16, 2022

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Receive the Town of Los Gatos Business License Analysis and Ordinance Review, Direct Staff to Continue Research and Public Outreach, and Return to Town Council on August 2, 2022 with Proposed Ballot Measure Language to Modernize and Create a More Equitable Business License Tax Structure

RECOMMENDATION:

Receive the Town of Los Gatos Business License Analysis and Ordinance Review, direct staff to continue research and public outreach, and return to Town Council on August 2, 2022 with proposed ballot measure language to modernize and create a more equitable business license tax structure.

BACKGROUND:

On September 13, 2021, the Town Finance Commission reviewed the Town's Business License Tax Program and recommended that the Town Council authorize the Town Manager to issue a Request for Proposal (RFP) for consultant services to evaluate and recommend modernization options for the Town's Business License Tax Program. On October 19, 2021, the Town Council received the Finance Commission recommendation (Attachment 1) and directed staff to engage a consultant to review the Town's 1991 Business Tax Ordinance and recommend options for updating the Ordinance.

On December 17, 2021, the Town issued an RFP for Business License Tax consulting services. The Town received a single response from HdL Companies (HdL) by the January 26, 2022, submission deadline. HdL was selected given their significant experience in business license review and analysis including having performed dozens of tax study and modernization programs in California.

PREPARED BY: Arn Andrews
Assistant Town Manager

Reviewed by: Town Manager and Finance Director

BACKGROUND (continued):

HdL submitted their Business License Analysis and Ordinance Review (Report) to the Town on June 8, 2022 (Attachment 2). On June 13, 2022, the Finance Commission discussed the HdL report and voted unanimously to move forward to continue research and public outreach on business license tax modernization. The Commission requested a special meeting in July if Council voted to pursue a potential ballot measure.

DISCUSSION:

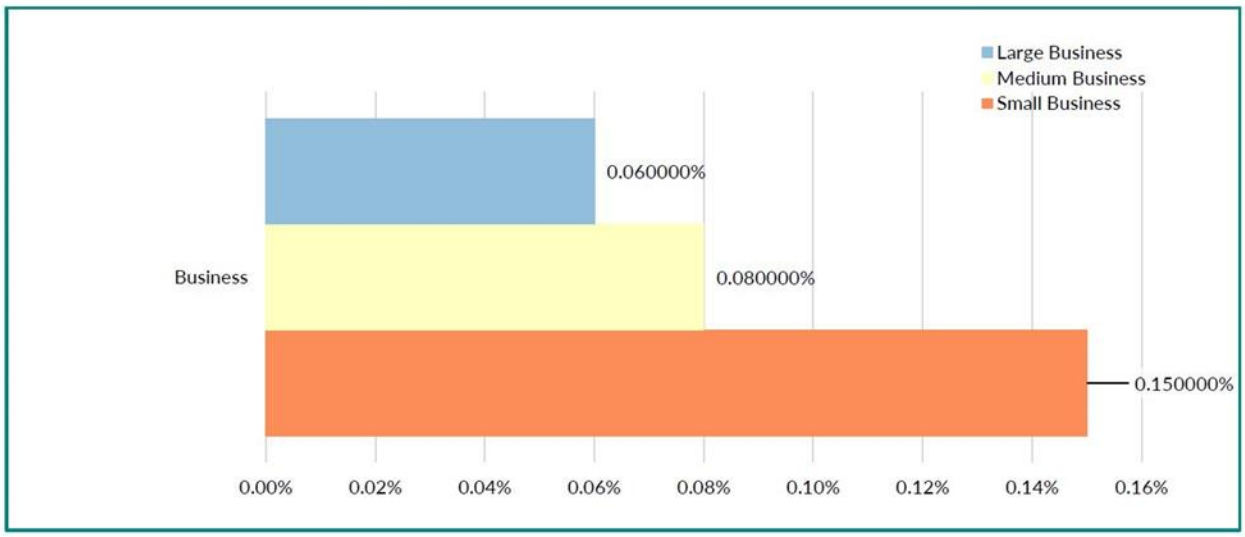
Consultant Study

The Report includes an executive summary, analysis of the Town's current business tax structure and comparative jurisdictions, options for modifying the Town's business tax rates and classifications, and appendix with administrative recommendations to simplify other elements of the Town's Ordinance.

Following is a summary of the major findings and recommendation of the report:

Having not been updated in over 30 years and currently utilizing a blend of flat fees and decreasing gross-receipts tax rates, the Town's existing structure is regressive in nature. For example, a general retail business grossing $50,000 a year (the small business in the chart below) would pay $75.00, which is an effective tax rate of 0.15%. But a large business, grossing $1 million in a year, will pay $600 or 0.06%--less than half the effective tax rate of the small business. This is illustrated in Chart 4 of the report.

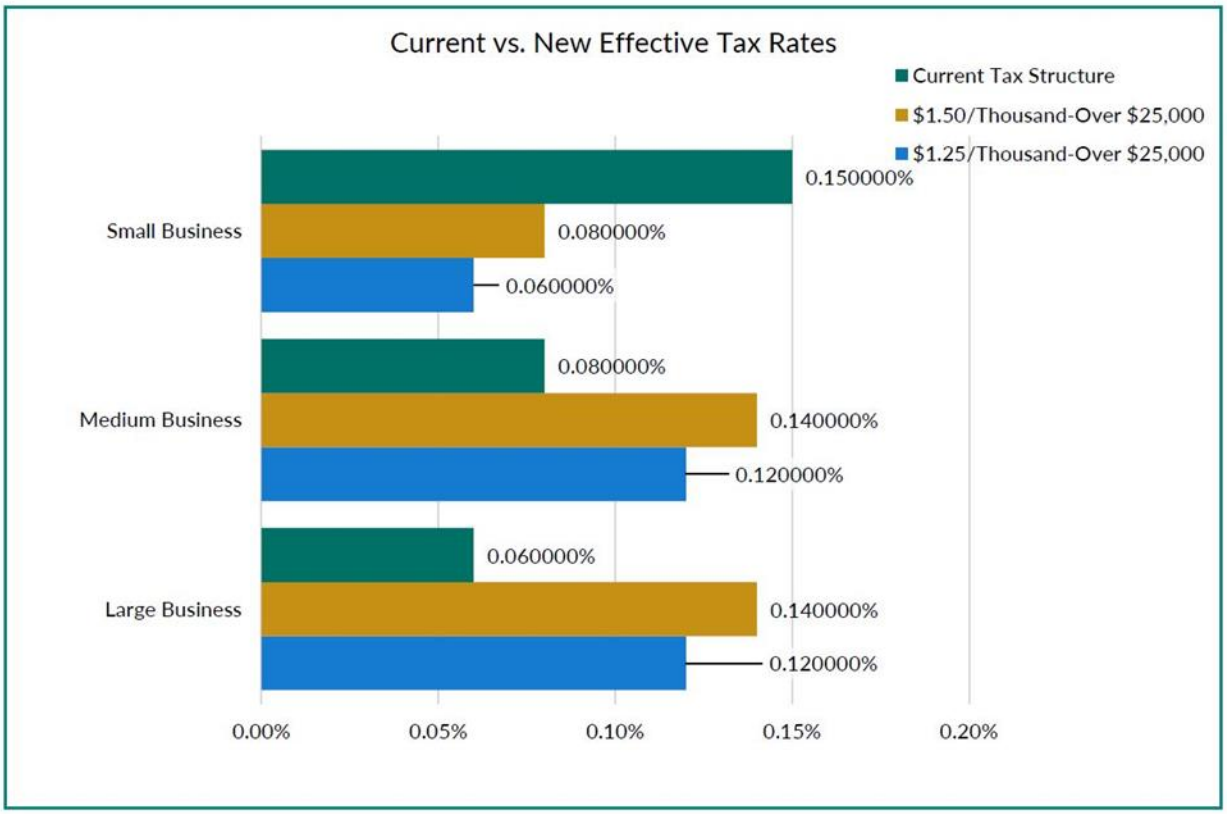
Chart 4: Examples of Current Tax Rate as Percent of Estimated Gross Receipts



DISCUSSION (continued):

Compared to other jurisdictions, the Town's total business tax revenue is relatively strong (Table 2 of the report) however as illustrated above the composition of those revenues is currently not equitable. Given the results of the analysis, HdL has recommended that the Town move to a single-rate, gross-receipts model (Model 2 in the report). Many California cities use some form of gross receipts tax structure and a standard rate multiplier to determine the tax amount owed.

The "single rate" method of taxing on gross receipts provides an even distribution of the effective tax rate because all businesses subject to the tax will pay the same rate. The benefits of gross receipts-based taxes are the equity of their effective tax rate, ease of calculation, and potential for capturing revenue from growth in the economy. Under this method, no cap is put in place, and therefore most of the revenues are received from the highest-grossing businesses. While the model does expand revenue, it does so by helping to decrease the effective tax rate on smaller businesses while asking larger businesses to pay their fair share. The model also lowers the annual base rate to a uniform $25 (first $25,000 gross receipts), to provide some additional tax relief for smaller businesses. The following chart (Chart 9 in the report) illustrates the redistribution of effective tax rates among small, medium, and large business's utilizing two different single-rate scenarios.



DISCUSSION (continued):

Table 8 from the report (below) illustrates the estimated revenues from implementing a gross receipts tax (Model 2) with two single-rate options, $1.25 per thousand and $1.50 per thousand. The model uses estimated gross receipts based on the business classification. It should be noted that in estimating the Total Gross Receipts, HdL exclude a significant outlier that would skew the models.

Number of Accts	Taxable Gross Receipts	Base Rate @ $25 per Account	Tax Amount $1.25/ thousand -Over $25,000-	Tax Amount $1.50/ thousand -Over $25,000-
2,483	$1.17 billion	$62,075	$1,382,939	$1,659,527
		TOTAL	**$1,445,014**	$1,721,602

As illustrated above both single rate options are estimated to produce slightly more revenue than currently collected (FY 2021/22 $1.3 million), excluding the outlier, but in a more equitable distribution.

Ballot Measures

A ballot measure to modernize the Business License Tax requires a 4/5 vote of the Town Council to place it on the ballot. A General Tax can be expended on any program, service, or capital need at the discretion of the local government's governing body. A simple majority vote (50 percent of voters plus one additional voter) is required for approval of a general tax.

With the November 2022 election scheduled, the last regular Council meeting to add an item on this ballot is at its August 2nd meeting. Should the Town Council choose to pursue a ballot measure, final approval including the ballot measure language will need to be submitted to the Santa Clara County Registrar of Voters by August 12, 2022. Provided below are ballot measure milestone dates:

- August 12, 2022: Last day for Resolutions calling a measure
- August 16, 2022: Deadline for submitting primary arguments in favor of or against a measure
- August 17, 2022: Last day to amend or withdraw a measure
- August 23, 2022: Deadline for submitting rebuttal arguments to primary arguments in favor of and against a measure and impartial analyses.

If the Town Council directs staff to continue pursuing a business tax modernization ballot measure, staff will return to Council on August 2, 2022 with draft ballot language, resolution, and ordinance.

DISCUSSION (continued):

Community Outreach

If the Town Council directs staff to continue pursuing a business tax modernization ballot measure, staff will implement a comprehensive business outreach plan during the summer, including the following elements:

- To provide information on the proposed business license tax measure, staff will create a webpage on the Town's website with background information for residents and businesses interested in the issue. In addition to a dedicated webpage, staff will utilize the Town's social media platforms to disseminate information.

- Staff intends to coordinate business outreach to the Los Gatos Chamber of Commerce and its member businesses. Since not all Los Gatos businesses are Chamber members, broader outreach will be needed in local newspapers and other modes.

- Staff will engage one-on-one with the Town's largest employers and business groups.

- The Town will publicize and host a virtual Business Forum event. To the extent it is feasible, staff would send out a postcard to all Business License holders inviting them to this event.

- Staff is available to meet with local service clubs and others to obtain additional input.

- As requested by the Finance Commission at its June 13, 2022 meeting, a special Commission meeting would be scheduled in July to review the results of the additional research and outreach.

CONCLUSION:

The Town Council should review the Town of Los Gatos Business License Analysis and Ordinance Review and direct staff to pursue a ballot measure to modernize and create a more equitable tax structure.

COORDINATION:

This staff report was coordinated with the Town Manager and Finance Director.

FISCAL IMPACT:

A single ballot measure costs approximately $58,256 and the Proposed Fiscal Year 2022/23 Operating Budget includes funding for potential measures.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:
1. October 19, 2021 Town Council Staff Report
2. HdL Business License Analysis and Ordinance Review

TOWN OF LOS GATOS

COUNCIL AGENDA REPORT

MEETING DATE: 10/19/2021

ITEM NO: 9

DATE: October 11, 2021

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Receive the Town Finance Commission Recommendation and Authorize the Town Manager to Issue a Request for Proposals (RFP) for Consultant Services to Evaluate and Recommend Modernization Options for the Town's Business License Tax Program.

RECOMMENDATION:

Receive the Town Finance Commission recommendation and authorize the Town Manager to issue a RFP for consultant services to evaluate and recommend modernization options for the Town's Business License Tax Program.

BACKGROUND:

On September 13, 2021, the Town Finance Commission reviewed the Town's Business License Tax Program. The Town's Business Tax Ordinance was last adopted on June 3, 1991 (Attachment 1). The Town Business License Tax program is governed by Chapter 14 of the Los Gatos Town Code: Los Gatos Town Code - Business Licenses. The Articles I through III of the business license chapter are enacted solely to raise revenue for municipal purposes and are not intended for regulation. The Town currently has 2,557 businesses in active pay status and another 2,577 registered on the books of which it is estimated that a third may still be active in Town. This Tax, which is charged to business owners, currently generates approximately $1.4 million annually.

DISCUSSION:

Having not been updated in over 30 years, the current rate structure does not take into account shifts in business models and delivery over the decades. In addition, the current ordinance does not contemplate inflation adjustments or other predetermined structural rate changes, therefore leaving the rates unchanged for 30 years.

PREPARED BY: Arn Andrews
Assistant Town Manager

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

DISCUSSION (continued):

The Town issues different types of business licenses based on the type of activity. The amount of business license tax paid by each business is also based on its business activity because the purpose of the tax is to cover municipal services and infrastructure utilized by the business, its employees, and customers. Fees for activities such as wholesales and manufacturing are charged on a sliding scale based on gross receipts, as is retail, with retail being capped at $975. These gross receipt activities account for approximately 25% of annual business licenses, while the remaining 75% are flat fee businesses. While the Town Code list different license types, the most common ones are listed below with the appropriate business license tax and fees.

Typical Business License Taxes and Fees			
Business License Processing Fee (Annual)	*$40 at the Time of Establishment/ $30 at Renewal - Located In Los Gatos* *$20 - Not Located in Los Gatos*		
Planning Fees - Businesses Located in Los Gatos (One-time)	*$161.20 Home Occupancy Permit - Home Based Businesses* *$176.70 Change of Occupancy / $262.20 Change of Use - Commercial Zoning*		
State Mandated Fee (Annual)	*$4*		
Type of Business License	**Business License Tax - Without Penalty Minimum (Annual)**	**Business License Tax - Without Penalty Maximum (Annual)**	**Typical Businesses**
Retail (Based on Gross Receipt)	$75	$975	*Restaurant, Grocery Store , Gas Station, Hair Salon*
Wholesale/Manufacturee/Wholesale/Ecommerce (Based on Gross Receipt)	$150	Based on sliding scale $4,837.50 for $12,000,000 in gross receipt plus $75 for each $550,000 or fracntion therfor in excess of $12,000,000	*Netflix, Manufacturers*
Professional/Semiprofessional (per employee)	$200	$200	*Medical Doctor, Attorney, Tutor, Massage Therapist, Broker*
Support Staff - Professional/Semiprofessional (per employee)	$15	$15	*Real Estate Agent*
Service (per business)	$100	$100	*Gardeners, Repair Service, Hair Stylist, Janitoral service*
Contractor (per business)	$224	$224	*Licensed California State Contractor*

Most cities in the Bay Area and throughout California have either updated their tax structure through local ballot measures or enacted a tax if they previously didn't have one. In California, all taxes imposed by local governments are classified as either general or special taxes and must be put before voters as a local ballot measure for approval. Recent examples of general business tax ballot measures include:

- Daly City – Measure BB 2018 (approved 80.64%)
- Mountain View – Measure P 2018 (approved 71.05%)
- Sausalito – Measure M 2018 (approved 65.42%)
- Berkley – Measure U1 2016 (approved 74.93%)
- Monterey – Measure H 2016 (approved 73.86%)
- San Jose – Measure G 2016 (approved 65.59%)
- Foster City – Measure U 2013 (approved 73.2%)
- Campbell – Measure M 2010 (approved 69.59%)

CONCLUSION:

The Finance Commission has recommended that the Town Council consider pursuing the modernization of the Business license Tax schedule adopted in 1991. To better understand the Town's Business License Tax program, the Council should authorize the Town Manager to issue a RFP for the review and recommendation of modernization options for the program.

COORDINATION:

This staff report was coordinated with the Town manager, Town Attorney, and Director of Finance.

FISCAL IMPACT:

There is no cost associated with issuing the RFP. Based on the results of the RFP, staff will return to Council with budget recommendations based on the successful RFP response.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachment:
1. 1991 Business Tax Ordinance

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ORDINANCE 1857

ORDINANCE OF THE TOWN OF LOS GATOS
AMENDING CHAPTER 15, ARTICLE II OF THE TOWN CODE

THE TOWN COUNCIL OF THE TOWN OF LOS GATOS DOES HEREBY ORDAIN:

SECTION I

Article II of Chapter 15 of the Town Code is hereby repealed in its entirety.

SECTION II

Article II of Chapter 15 of the Town Code is hereby enacted to read as follows:

ARTICLE II

SCHEDULE

Section 15-27. Gross Receipts Tax

Every person doing business in the Town, except those persons whose business is taxed under the terms of Section 15-28 shall pay an annual license tax based on the gross receipts of the business. The tax is levied according to one or both of the following schedules. When the business activities of one person, taxable under the provisions of this section, involve both retail and manufacturing, wholesaling or jobbing transactions, the total gross income is apportioned between the two schedules, according to its source.

Retailing

At Least	But Less Than	Tax
$ 0	$ 50,000	$ 75.00
50,000	100,000	112.50
100,000	150,000	150.00
150,000	200,000	187.50
200,000	250,000	225.00
250,000	300,000	262.50
300,000	350,000	300.00
350,000	400,000	337.50
400,000	450,000	375.00
450,000	500,000	412.50
500,000	600,000	450.00
600,000	700,000	487.50
700,000	800,000	525.00
800,000	900,000	562.50
900,000	1,000,000	600.00
1,000,000	1,100,000	637.50
1,100,000	1,200,000	675.00
1,200,000	1,300,000	712.50
1,300,000	1,400,000	750.00
1,400,000	1,500,000	787.50
1,500,000	1,600,000	825.00
1,600,000	1,700,000	862.50
1,700,000	1,800,000	900.00
1,800,000	1,900,000	937.50
1,900,000	2,000,000 (and above)	975.00

Manufacturing, Wholesaling and Jobbing

At Least	But Less Than	Tax
$ 0	$ 200,000	$ 150.00
200,000	300,000	187.50
300,000	400,000	262.50
400,000	500,000	337.50
500,000	600,000	450.00
600,000	800,000	562.50
800,000	1,000,000	675.00
1,000,000	1,200,000	787.50
1,200,000	1,400,000	900.00
1,400,000	1,600,000	1,012.50
1,600,000	1,800,000	1,125.00
1,800,000	2,000,000	1,237.50
2,000,000	2,500,000	1,350.00
2,500,000	3,000,000	1,462.50
3,000,000	3,500,000	1,575.00
3,500,000	4,000,000	1,687.50
4,000,000	4,500,000	1,800.00
4,500,000	5,000,000	1,912.50
5,000,000	5,500,000	2,025.00
5,500,000	6,000,000	2,137.50
6,000,000	6,500,000	2,250.00
6,500,000	7,000,000	2,362.50
7,000,000	7,500,000	2,175.00
7,500,000	8,000,000	2,587.50
8,000,000	8,500,000	2,700.00
8,500,000	9,000,000	2,812.50
9,000,000	9,500,000	2,925.00
9,500,000	10,000,000	3,037.50
10,000,000	10,500,000	4,500.00
10,500,000	11,000,000	4,612.50
11,000,000	11,500,000	4,725.00
11,500,000	12,000,000	4,837.50
12,000,000		4,837.50 plus $75.00 for each $550,000 or fraction thereof in excess of $12,000,000

Section 15-28. License Taxes for Specified Businesses

Every person doing any of the kinds of business specified in the subdivisions of this Section 15-28 shall pay the business license tax specified in such subdivision. The fees are annual unless otherwise specified.

Sec. 15-28.02. Advertising Signs

Signposting and painting 420.00

Section 15-28.04. Amusements

Shows, concerts, et cetera (per day)	42.00
Circuses, menageries, et cetera:	
Less than 2,000 seating capacity	
First day	420.00
Each succeeding day	52.50
More than 2,000 seating capacity	
First day	630.00
Each succeeding day	105.00
Side shows (per day):	
Entrance fee not exceeding$.10	21.00
Entrance fee exceeding $.10	42.00
Circus procession or parade (each)	210.00
Carnivals (per day)	42.00
Ferris Wheels, merry-go-rounds, et cetera (per month)	210.00
Public dances (per dance)	21.00

Section 15-28.05. Apartment Rentals and Mobilehome Parks.

The term "apartment" includes all buildings or groups of buildings on the same premises, composed of a total of three or more dwelling units (per unit) 7.50

Section 15-28.06. Auctioneers 112.50

Section 15-28.08. Billiard and Pool Rooms (per table) 52.50

Section 15-28.10. Boardinghouses.

Boardinghouses licensed by the State or County as boardinghouses for pensioners, and who board pensioners exclusively, are exempt from the business license tax.

For first four boarders	21.00
For each person over four	4.50

Section 15-28.12. Cleaning and Dyeing Laundry Delivery.

Vehicles (annual, per vehicle) 168.00

The tax applies to those who have no fixed place of business in the Town.

Section 15-28.14. Contractors (annual).

A separate fee for each type of work activity, such as general engineering, building, plumbing, plastering, painting, masonry, termite, service, installation or other specialty, in addition to any sales or jobbing license fee 224.00

Section 15-28.15. Day Care Facilities.

Day Care Facilities provide day care for children under 18 years of age who are unrelated to the licensee.

Small Family Day Care Home - a facility providing day care for six (6) children or less. (Including resident children) . . . . . No Fee

Large Family Day Care Home - a facility providing day care for 7 to 12 children (including resident children) . . . . . No Fee

Nursery School - a facility providing day care for 13 or more children . . . . . No Fee

Section 15-28.16. Hospitals, Rest Homes, Etc

Annual, or 140.00
Per bed, if that is larger 10.00

Section 15-28.18. Hotels and Motels (annual, per guest room) 7.50

Business activities other than renting rooms, conducted in connection with a hotel, are taxed separately.

Section 15-28.20. House Movers.

Annual license 105.00
Additional per structure moved 84.00

Section 15-28.22. Itinerant Photographers (annual) 210.00

Section 15-28.24. Itinerant Vendors (daily) 105.00

The works "itinerant vendor" mean any person, both principal and agent, who engages in a temporary and transient business n the Town selling goods, wares and merchandise with the intention of continuing such business in the town for a period of not more than ninety days, and who, for the purpose of carrying on such business, hires, leases or occupies any room, building or structure for the exhibition or sale of such goods, wares, or merchandise, or from which room, building or structure the sales shall be made or business solicited by means of samples or delivery from house to house. The person so engaged is not relived from the provisions of this section by reason of associating temporarily with any local dealer, trader, merchant or auctioneer, or by conducting temporary or transient business in connection with, or as a part of, or in the name of any local dealer, trader, merchant or auctioneer. The provisions of this section do not apply to commercial travelers or selling agents selling their goods to dealers, whether selling for present or future deliveries, by sample or otherwise, nor to hawkers on the street, nor peddlers from vehicles, nor to persons selling fruit, vegetables, butter, eggs, or other fruit or ranch products.

Section 15-28.28. Junk Dealers (annual) 420.00

"Junk dealer" means any person who has a fixed place of business in the Town, and who engages in or carries on the business of buying or selling, either at wholesale or retail, any old rages, sacks, bottles, cans, papers, metals or other articles of junk.

Section 15-28.30. Junk Collectors (annual, per vehicle) 84.00

"Junk collector" means any person who has not fixed place of business in the Town and who engages in or carles on the business of collecting, buying or selling any old rags, sacks, bottles, cans, papers, metals or other articles of junk.

Section 15-28.36. Peddlers.

Peddlers of wares other than food, per person:

Daily 21.00

Peddlers of food, except lunch wagon operators:

Using a vehicle, per vehicle, annual 210.00
Not using a vehicle, carrying wares by hand 42.00
Lunch wagon operators (per vehicle, annual) 210.00

Peddlers engaged in the business of selling any personal property at a sale conducted by an organization exempt from the business license tax under the provisions of Section 15-5 of this chapter shall pay a license tax of seven dollars and fifty cents per day. This rule applies only when all fees, commissions or other renumeration of any kind paid by the peddler to the organization conducting, sponsoring or promoting the sale is devoted exclusively to the business license tax-exempt purposes of the organization and the organization has obtained prior approval from the Town Council to conduct the sale.

Daily 7.50

A "peddler" is every person not having a regularly established place of business in the Town who travels from place to place, or has a stand upon any public street, alley or other public place, doorway or any building, unenclosed or vacant lot, or parcel of land, who sells, offers for sale, any goods, wares or merchandise in his possession.

Section 15-28.38. Professional and Semiprofessional Occupations.

Per professional or semiprofessional person 200.00
Additional per employee 15.00

Professional or semiprofessional business or service occupations include, but are not limited to, the following:

Accountant
Advertising counsel
Appraiser
Architect
Artist
Assayer
Attorney-at-law
Auditor
Bacteriologist
Broker, stock or bond
Chemist
Chiropodist
Chiropractor
Dentist
Designer or decorator

Detective or investigative personnel
Draftsperson
Drugless practitioner
Electrologist
Engineer: civil, mining, electrical, construction
Engineer: structural, consulting, mechanical, hydraulic
Engraver
Feed, grain and fruit broker
Geologist
Illustrator or showcard writer
Landscape architect
Lapidary
Lithographer
Masseuse or masseur
Oculist, optician or optometrist
Osteopath
Physician
Real estate brokers
Surgeon
Surveyor
Taxidermist
Veterinarian
X-ray, dental or medical laboratory

Section 15-28.40. Service Occupations 100.00

"Service occupations" means appliance, home furnishing or radio and television installation, maintenance and repair, janitorial and building maintenance, or landscape installation and maintenance.

Section 15-28.42. Shooting Galleries 105.00
Section 15-28.44. Solicitors (per business) 210.00

A "solicitor" is one who engages in the business of going from house to house, place to place or in or along the streets within the Town selling or taking orders for, or offering to sell or take orders for, goods, wares, merchandise, advertising or other things of value for future delivery, or for services to be performed in the future.

Section 15-28.46. Taxicabs.

Per business 150.00
Additional per taxi 22.50

Section 15-28.48. Theaters and Concert Halls 105.00

Section 15-28.50. Trucking (annual)

Persons other than peddlers who sell or deliver food or any other goods by means of a vehicle, and who have no fixed place of business in Town, per vehicle 140.00

Persons who make no more than two deliveries or sales per quarter are exempt from the foregoing tax. All other motor vehicle delivery business, whether the business operates on a regular route or between fixed termini or not:

For one vehicle	45.00
For each additional vehicle	22.50

Section 15-29. Credit for Businesses in Business Improvement Area

a. Any business located and operating within a parking and business improvement area established pursuant to Streets and Highways Code §§ 36500 et seq. shall receive a credit on the annual license tax as set forth in this section.

b. Each person doing any of the kinds of business specified in subdivisions 15-28.14, 15-28.16, 15-28.38, 15-28.40, and 15-28.50 shall receive a credit equal to 50% (one-half) of the annual business license tax.

c. Every person doing any other kind of business shall receive a credit equal to 33-1/3% (one-third) of the annual business license tax.

SECTION III

Any judicial action or proceeding to attack, review, set aside, void or annul this ordinance shall be commenced within 120 days after adoption of this ordinance.

SECTION IV

A. This ordinance shall take effect July 1, 1991. Within 15 days after this ordinance is adopted the Town Clerk shall cause it to be published once in a newspaper of general circulation published and circulated in the Town.

B. In establishing the effective date, the Town Council finds that this ordinance relates to taxes for the usual and current expenses of the Town within the meaning of Government Code Section 36937, and must be effective July 1, 1991, so that business license fees will be paid at higher rates commencing with the beginning of the 1991-92 fiscal year.

This ordinance was introduced at a regular meeting of the Town Council of the Town of Los Gatos on May 28, 1991 and adopted by the following vote as an ordinance of the Town of Los Gatos at a regular meeting of the Town Council of the Town of Los Gatos on June 3, 1991.

COUNCIL MEMBERS:

AYES: **Joanne Benjamin, Randy Attaway, Eric D. Carlson, Steven Blanton**

NAYS: **None**

ABSENT: **Mayor Brent N. Ventura**

ABSTAIN:

SIGNED:

VICE- **MAYOR OF THE TOWN OF LOS GATOS**
LOS GATOS, CALIFORNIA

ATTEST:

CLERK OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

Business License Analysis & Ordinance Review

Final

June 8, 2022

HdL Companies

SUBMITTED BY
HdL Companies
120 S. State College Blvd., Ste 200
Brea, CA 92821
hdlcompanies.com

CONTACT
Eric Myers
T: (424) 228-8517 Ext. 1022
E: emyers@hdlcompanies.com

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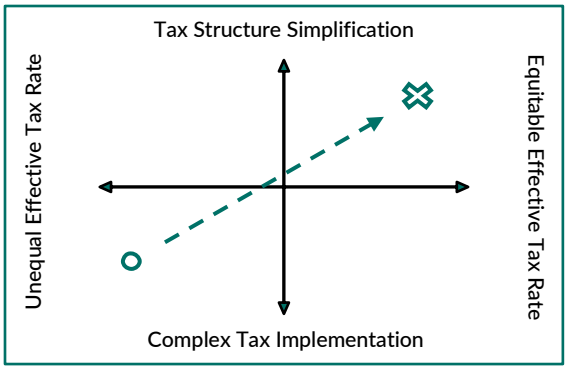
Executive Summary

Background

The Town of Los Gatos (Town) requires all businesses operating within the Town to obtain a business license and pay business license taxes. (Town's Municipal Code (Code) section 14.10.020). This revenue is locally controlled and funds essential services. The Town commissioned the HdL Companies ("HdL" or "we," "us," "our," or similar terms) to prepare this tax study to review the administrative efficiency of the current structures, to review options for improving the equity of the business license tax structure, if any, and to investigate the possibilities for additional revenue generation. In addition, the Town would like a flexible structure that can adapt to ongoing changes in the economy.

To put it another way, the models and recommendations in this study should be evaluated not only on whether they increase revenue but, ideally, also on whether they move the Town's business license structure up and to the right in the four quadrants presented below in Chart 1.

Chart 1: Key attributes of modern business tax structures



Recommendation

The Town's current structure, while capable of being improved, is already producing well when compared to similar jurisdictions. If the Town were to consider updating its tax structure, we recommend that the Town consider adopting a gross receipt tax structure like Model 2 on page 14. This model is similar to the Town's existing structure but it makes that structure simpler to administer, improves the equity, and could modestly increase revenue for the future.

Report Structure

We have divided this report into two major sections and an appendix.

Section 1 - Pages: 4 to 11

In the first section, we review the Town's current revenue and tax structures to describe the Town's current situation. Because the Town already uses some gross receipts, the Town is currently well-placed in comparison to similar jurisdictions. The Town has a concentration of professional services and rental revenue that make its economy different from many jurisdictions.

Section 2 - Pages: 12 – 20

In this section, we review three alternative tax structures. Model 1 is simple percentage increase applied to the existing tax structure. Models 2 and 3 estimate the impact of switching from the Town's current hybrid approach—some gross receipts and some flat fees—to a gross receipts-based approach. Ultimately, we recommend model 2 because of its simplicity and its modest increase in revenue without imposing too much of an increase on key economic sectors.

Appendix A

Appendix A discuss key items in the Town's current structure that could be administratively simplified. It also notes some areas for further review to help modernize the Town's tax structure.

Business Tax - Analysis

The Town currently has approximately 2,483 business that are paying their business license tax. Over the last five fiscal years, business license tax revenue has averaged approximately $1.43 million per fiscal year. As you can see in Chart 2, the Town's business tax revenue peaked pre-pandemic and has yet to return to pre-pandemic levels. This is consistent with the slow recovery we are seeing statewide. (Please note that while FY 2022 is showing a decline, that may simply be from late reporting at the time the data was pulled.)

Chart 2: 5-year revenue trend

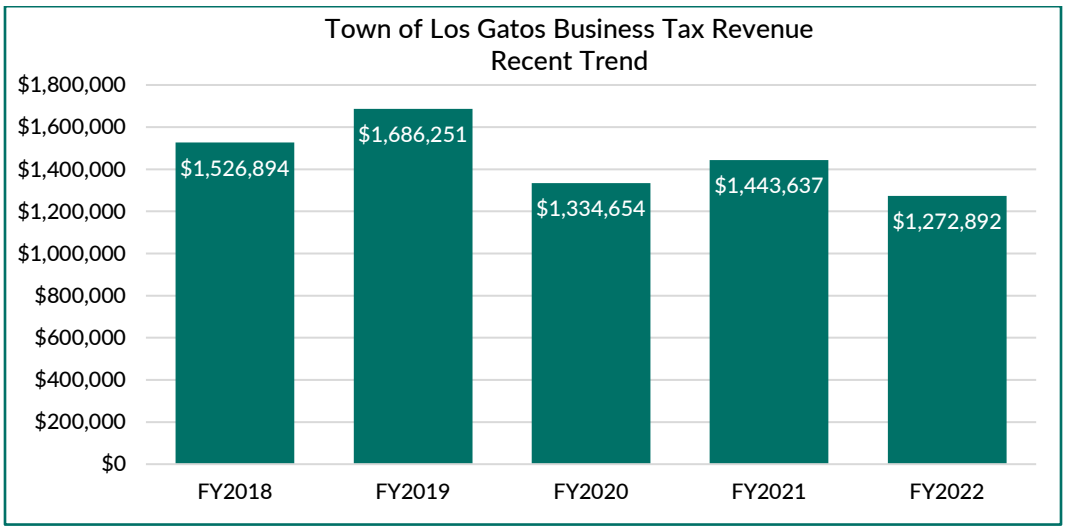
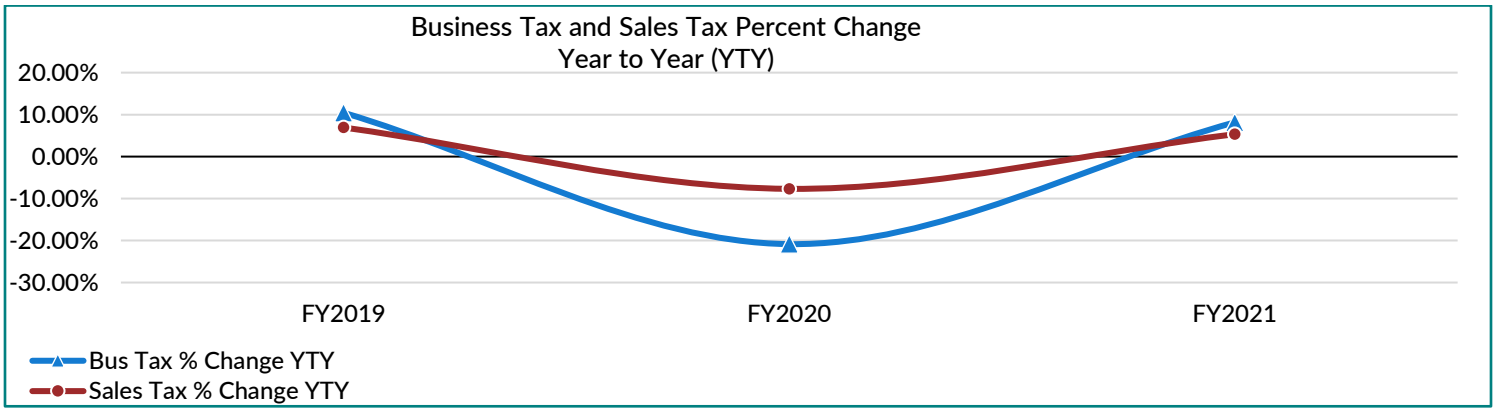


Chart 3, which compares the percentage change year-over-year in business tax revenue to the percentage change in sales tax, shows the impact of the pandemic on both sales tax and business license tax growth rates. The comparison is useful since it shows the varying impacts of economic changes on sales tax (goods sold at retail) and the business license tax (the broader economy, including services). As you can see, the impact of the recession on the Town's overall economy was deeper than it was on just the retail sector.

Chart 3: Comparing revenue growth against the broader economy



Business Tax - Equity of Contribution

The Town currently uses a combination of flat fees and gross-receipts to measure the tax on businesses.

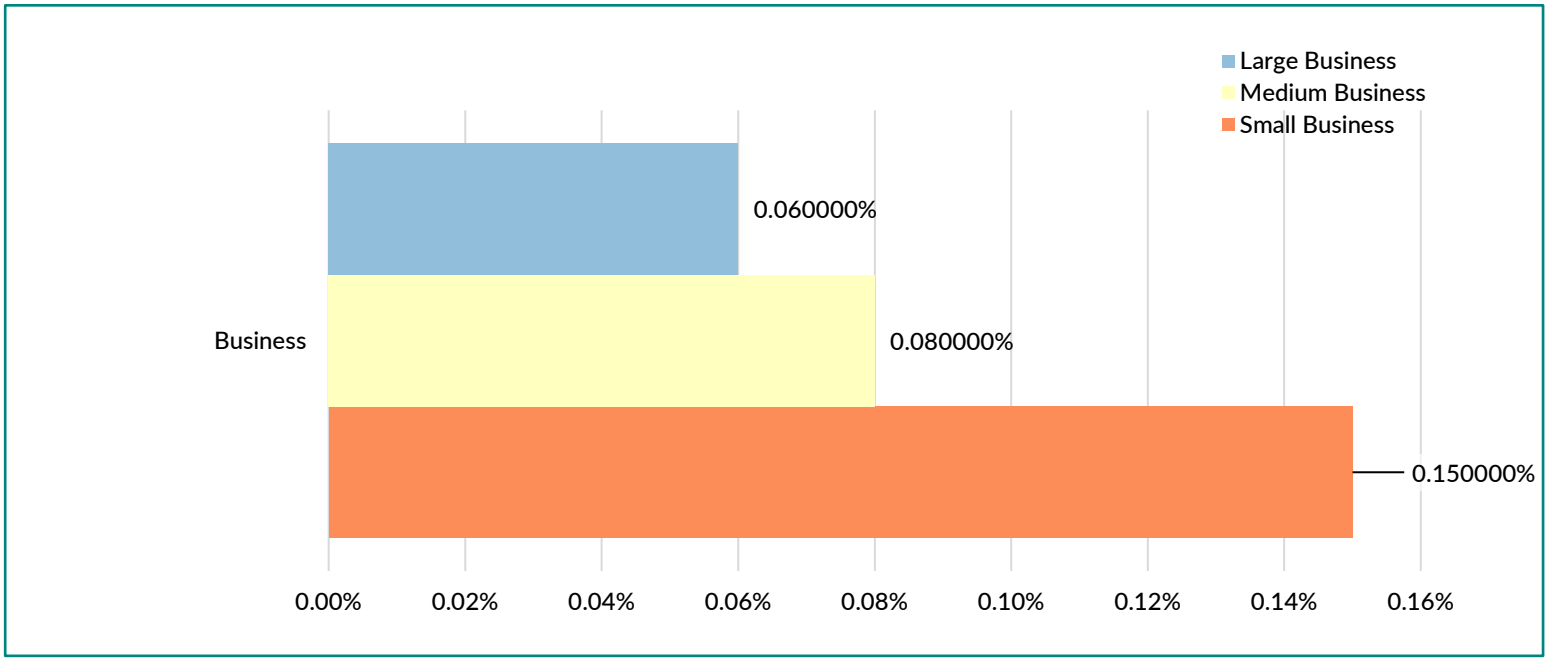
Table 1: Current Tax Structures

Business Category Type	Total Count	Primary Tax Type
CONTRACTOR	539	$224 Flat Fee
GENERAL COMMERCE/RETAIL	644*	Tiered Gross-Receipts
RENTAL (COMMERCIAL & RESIDENTIAL)	227	$7.50 per unit (over 3 dwelling units)
SERVICE	511	$100 flat fee
PROFESSIONAL	562	$200 per professional/$15 per non-professional employee
TOTALS	**2,483**	

**Includes 342 businesses that did not have a classification in the data*

As you can see in chart 4, given the Town's current use of flat fees and decreasing gross-receipts tax rates, the Town's current structure is regressive. For example, a general retail business grossing $50,000 a year (the small business in the chart below) would pay $75.00, which is an effective tax rate of 0.15%. That is not a bad tax rate. But a large business, grossing $1 million in a year, will pay $600 or 0.06%--less than half the effective tax rate of the small business. From a revenue perspective, this is perfectly reasonable given that larger business contributes more revenue overall. But it leaves something to be desired on the equity front since it imposes a higher effective tax rate on smaller businesses. Chart 4 below illustrates the current effective tax rates in the town using three hypothetical business.

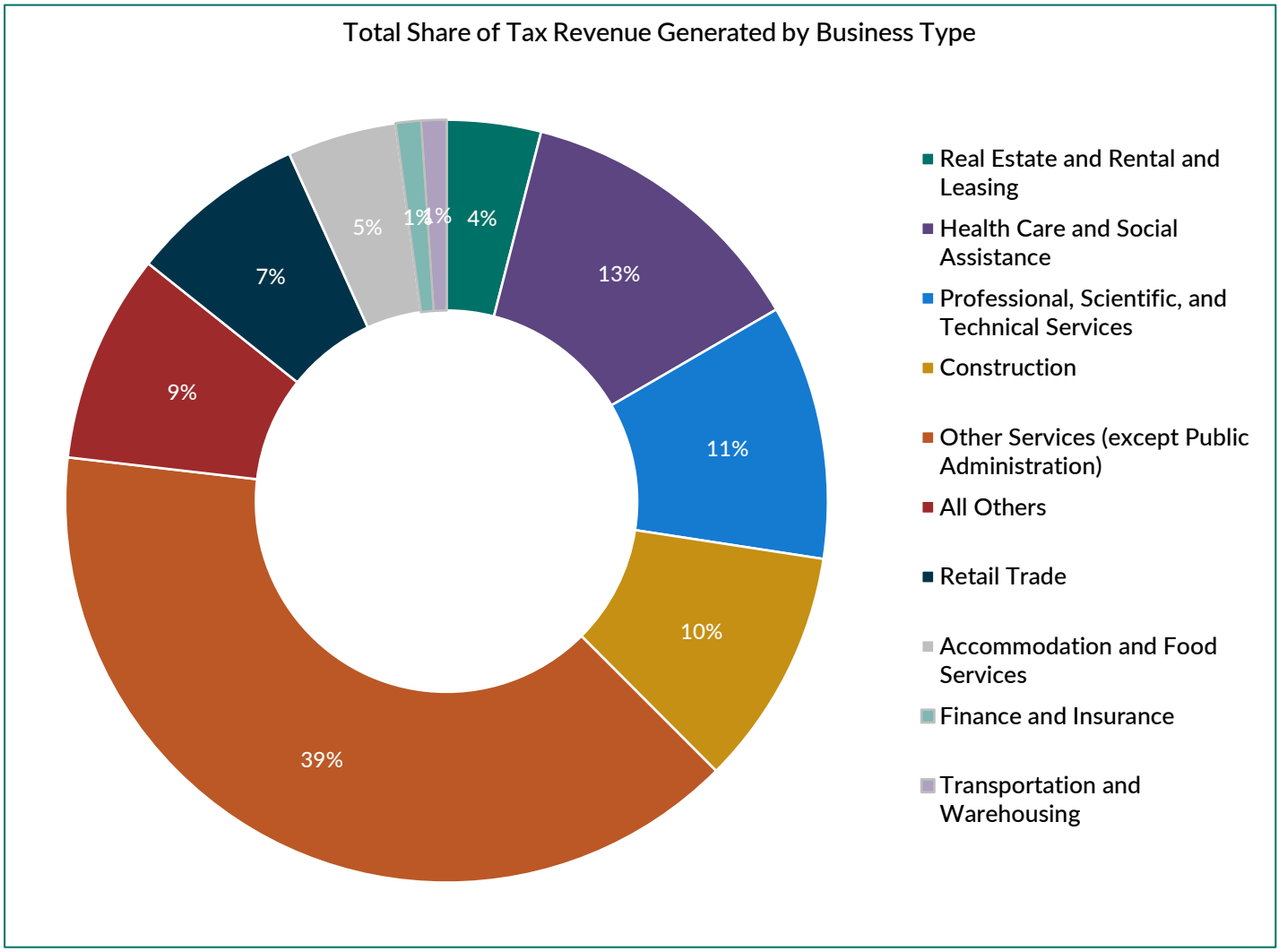
Chart 4: Examples of Current Tax Rate as Percent of Estimated Gross Receipts



Town of Los Gatos: Business Tax – Business Type Summary

As you can see below, the Town's economy, at least as reflected in its business tax revenue, is heavily concentrated in professional and other services. These business are fairly mobile and thus may be more sensitive to tax increases.

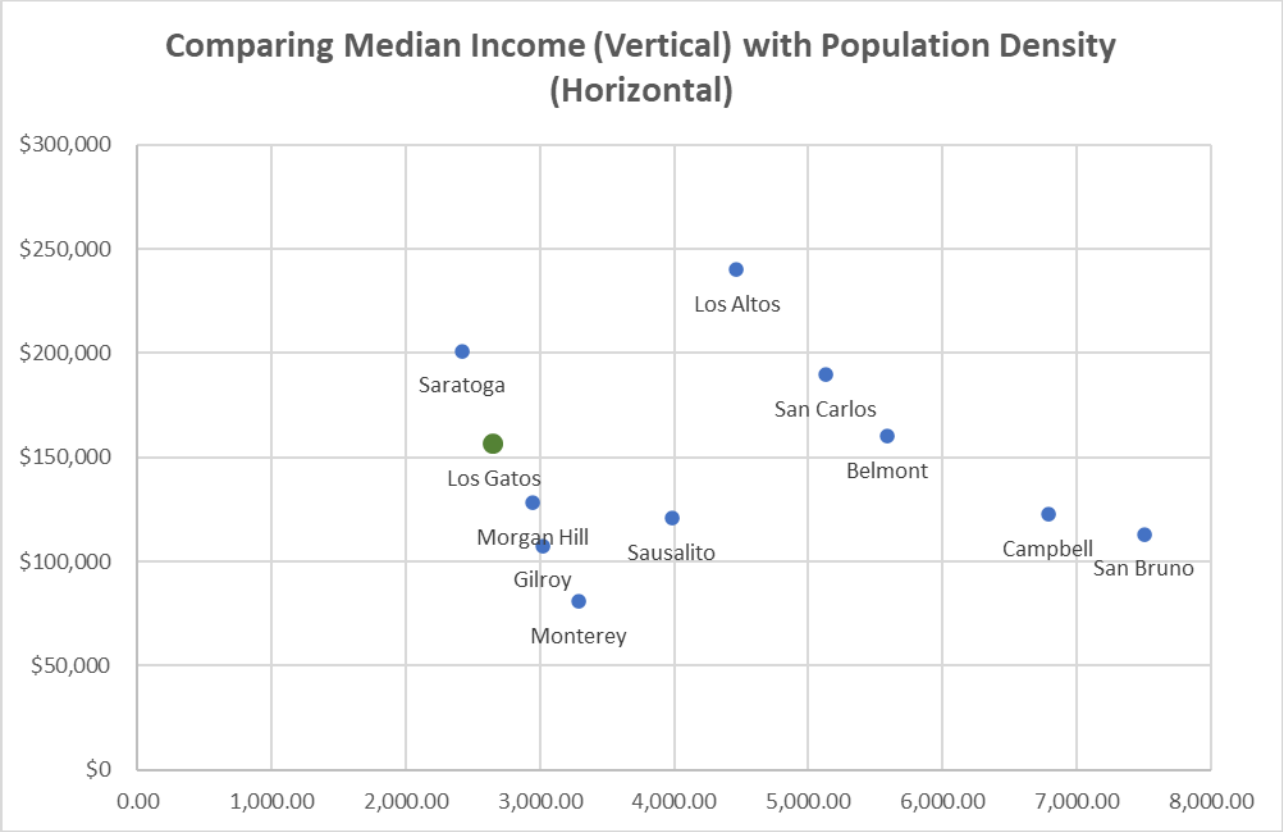
Pie Chart 1:



Town of Los Gatos: Comparison to Neighboring Cities

Below you can see the comparison jurisdictions that we chose to use in the study. They were chosen because they were: (1) in similar geographic regions, (2) were like the Town in median income, and (3) were relatively similar in population density.

Chart 5



The table below highlights population, the estimated number of licensed businesses, and estimated annual revenue for quick comparison. Below the table are some key graphics showing how the Town compares to other jurisdictions. For purposes of comparison, we use the fiscal year 18-19 data. We do so because that data is pre-COVID and so avoids the 'noise' in the data caused by the impact of the pandemic on the Town.

Continued on next page.

Comparison Cities Summary Table (Using FY 18-19 data)

Table 2: Comparison Data

Jurisdiction Name	Est. Square Miles	Est. Population	Est. Median Household Income	Est. Businesses in FY 18-19	Tax Type	Est. Revenue in FY 18-19
Gilroy	16.15	59,520	$ 107,729.00	3,545	Gross Receipts (capped at $2k)	$ 693,758
Morgan Hill	12.88	45,483	$ 128,373.00	3,341	Employee + Flat	$ 246,007
Campbell	5.8	43,959	$ 122,644.00	5,869	Employee	$ 693,263
San Bruno	5.48	42,807	$ 113,103.00	4,060	Gross Receipts	$ 1,814,000
Los Gatos	11.08	33,529	$ 156,270.00	2,483	Gross Receipts + Fixed Fee	$ 1,686,251
Los Altos	6.49	31,625	$ 240,094.00	3,807	Employee	$ 540,262
Saratoga	12.38	31,051	$ 201,046.00	3,742	Employee + Flat	$ 377,106
Monterey	8.47	30,218	$ 80,908.00	3,866	Gross Receipts	$ 3,834,852
San Carlos	5.54	30,185	$ 189,739.00	4,245	Employee + Flat	$ 1,020,000
Belmont	4.62	26,941	$ 160,046.00	3,074	Employee & Flat	$ 880,000
Sausalito	1.77	7,269	$ 120,920.00	2,285	Gross Receipts	$ 631,060

As you can see in the above table, the Town's FY19 business tax revenues place it in the top three amongst this comparison group. One interesting comparison is between the Town and Saratoga. These are the two least densely populated jurisdiction in the study but the Town's business tax revenues are significantly higher than those for Saratoga. This is likely influenced by Saratoga's per employee structure. Another instructive comparison is with Belmont. Belmont has almost double the population density of the Town but given its current tax structure received 50% of the tax revenues that the Town did in FY19. This too is likely a function of the Employee and Flat-fee structure currently used in Belmont. Yet another interesting comparison may be with the City of Sausalito. While the City is quite a bit smaller, its per capita revenue is nearly twice that of the Town's and is more than that now given its implementation of a simplified gross receipts model a couple of years ago.

Chart 6: Est. Count of Businesses

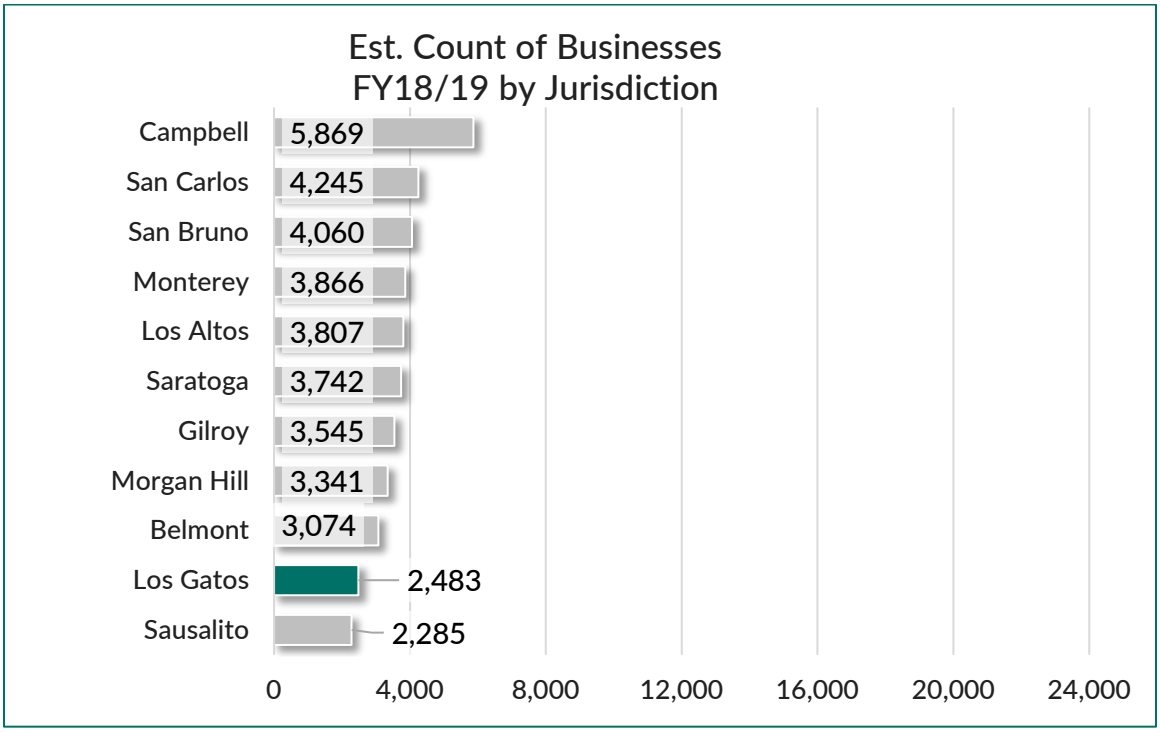


Chart 7: Business Tax Per Capita Comparison

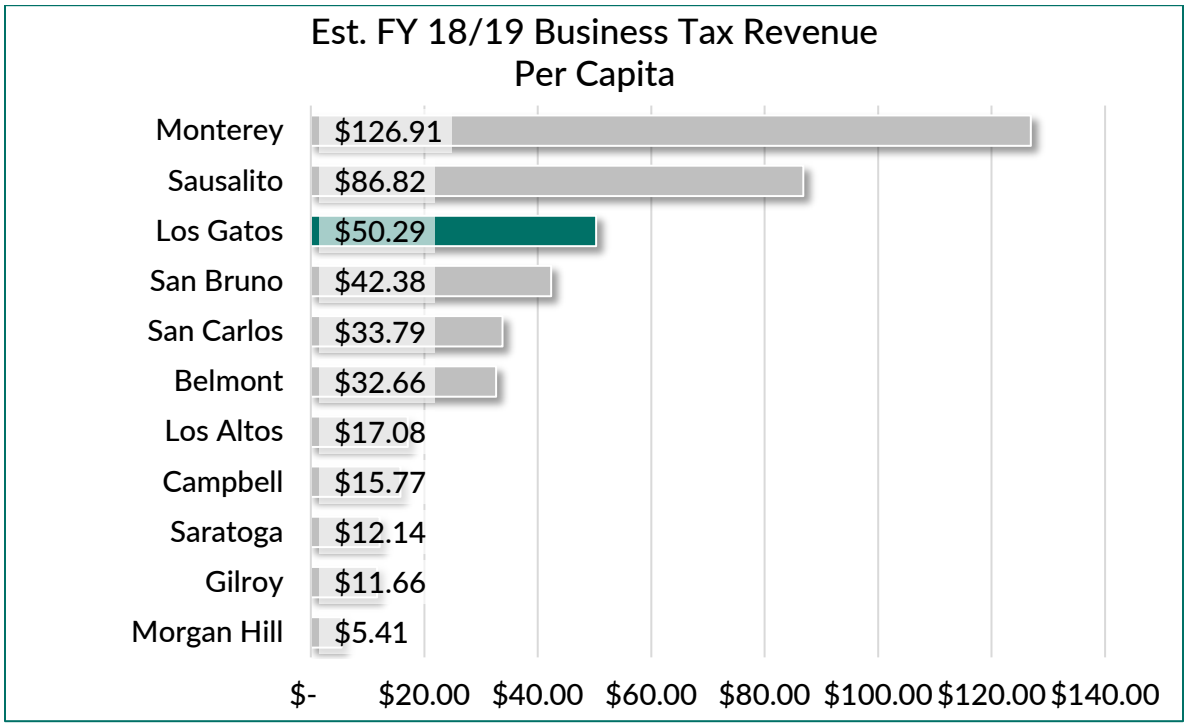
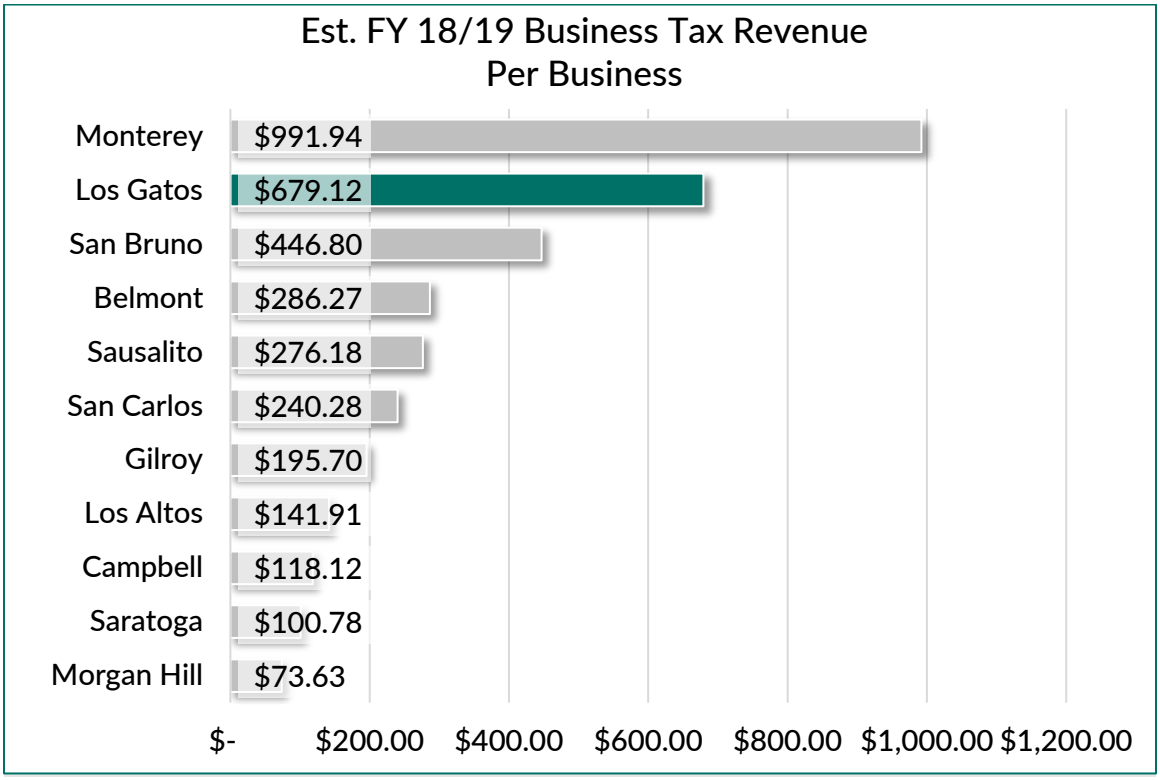


Chart 8: Business Tax per Business Comparison



Rate Comparison - Town of Los Gatos vs. Neighbors

Current Rate Comparison (Table 3)

Sample Business	Los Gatos	Belmont	San Carlos	San Bruno	Los Altos	Sausalito
Small Craft Business: 1 employee / <$20,000	$75.00	$375.00	$234.00	$75.00	$75.00	$125.00
Restaurant: 3 Employees / $150,000	$150.00	$443.00	$234.00	$162.50	$75.00	$150.00
Big Retailer: 275 Employees / $19,000,000	$975.00	$9,691.00	$10,024.00	$7,750.00	$2,765.00	$19,000.00
Hotel / Rental Property: 50 Employees / $1,500,000	$375.00	$341.00	$2,424.00	$1,205.00	$305.00	$1,500.00
Doctors Office: 20 Employees / $2,000,000	$2,150.00	$3,750.00	$1,304.00	$1,480.00	$980.00	$6,000.00
Professional Firm: 15 Employees / $1,100,000	$1,520.00	$2,659.00	$1,009.00	$985.00	$735.00	$3,300.00
Small Contractor: 1 Employee / $75,000 (outside)	$224.00	$341.00	$234.00	$75.00	$75.00	$150.00
Contracting Firm: 3 Employees / $225,000 (outside)	$224.00	$341.00	$234.00	$75.00	$150.00	$450.00

Sample Business	Los Gatos	Saratoga	Morgan Hill	Gilroy	Campbell	Monterey
Small Craft Business: 1 employee / <$20,000	$75.00	$110.00	$20.00	$40.00	$124.00	$26.00
Restaurant: 3 Employees / $150,000	$150.00	$130.00	$43.00	$120.00	$124.00	$213.50
Big Retailer: 275 Employees / $19,000,000	$975.00	$200.00	$3,035.00	$2,000.00	$572.00	$28,488.50
Hotel / Rental Property: 50 Employees / $1,500,000	$375.00	$200.00	$165.00	$360.00	$321.00	$3,585.00
Doctors Office: 20 Employees / $2,000,000	$2,150.00	$200.00	$640.00	$100.00	$400.00	$2,988.50
Professional Firm: 15 Employees / $1,100,000	$1,520.00	$200.00	$450.00	$100.00	$400.00	$1,638.50
Small Contractor: 1 Employee / $75,000 (outside)	$224.00	$45.00	$60.00	$150.00	$99.00	$101.00
Contracting Firm: 3 Employees / $225,000 (outside)	$224.00	$45.00	$60.00	$150.00	$325.00	$326.00

SECTION 2 – Category & Tax Analysis

The Town requested that HdL conduct an analysis of the current license structures and explore options for modifying the rates and categories. In Section 1, we summarized the current structure of the Town's business tax and compared the town to neighboring jurisdictions to give an idea of how the various tax structures and markets in nearby municipalities are creating different revenue outcomes.

In this section, we provide options for modifying the Town's business tax rates and classifications. Using the data compiled in section 1 of this report on current license revenues, we developed models to estimate potential fiscal impacts to the Town from the different models. You can find summary charts on pages 17-19 that provide a quick look at each proposed model's impact on the Town revenues and the business community.

License Classification and Rate Types

In what follows, we will use five basic categories of businesses. You have seen those categories earlier in Table 1. These are five basic structures that are common across municipalities. The definitions below are general and not meant to be the complete definitions that would appear in a municipal code.

General Commerce/Retail: These are retailers, wholesalers, hoteliers, restaurateurs, and manufacturers. All these businesses are likely to contribute to your tax base in other ways (i.e., property tax and sales tax) and often have lower profit margins.

Rental (Commercial & Residential): This category includes any business that leases, rents, or provides use of real property to another individual or entity for compensation. Examples include but are not limited to commercial leasing, residential rental, parcel leasing, etc.

Service: This is the offering of services that require minimal to no higher education training. This is also the default category for any business that is not specifically defined in one of the other five categories. Examples include but are not limited to hair stylists, gardeners, nail salons, etc.

Professional: These businesses offer services that require a rigorous amount of training through any type of higher education, or vocational institutions that exclusively certifies, complete obtainment of skills and the ability to offer such professional services. Examples include but are not limited to a doctors' office, a law office, a consulting firm, etc.

Contractors: These are persons or firms that are carrying on the business of a contractor, subcontractor, or builder particularly the construction or repair of any buildings. Examples include but are not limited to construction, plumbing, HVAC, etc.

Table 4: Approximate grouping of Town's Businesses by the proposed categories

Business Category Type	Total Count	Total Taxes
CONTRACTOR	539	$ 128,316
GENERAL COMMERCE/RETAIL	644*	$ 276,138
RENTAL (COMMERCIAL & RESIDENTIAL)	226	$ 50,845
SERVICE	512	$ 505,640
PROFESSIONAL	562	$ 311,954
TOTALS	**2,483**	**$ 1,272,892**

**Includes 342 businesses that did not have a classification in the data*

Model 1: Existing Categories with Simple Increases

The Town may elect to retain the existing structure while modifying the tax amounts for each category. Keeping the current structure in place would eliminate the need to create different categories and allow for a much simpler implementation for the Town and the business community. It would not avoid the need for an election since it would entail an increased tax rate. And it would not address any administrative complexity in the current workflows.

Table 5: Estimated revenue from a simple percentage increase

Number of Businesses	Est. FY2022 Revenue	20% Increase	40% Increase
2,483	$ **1,272,892**	$1,527,470	$1,782,048

Model 1 – Highlights and Impact Review

As indicated in the model above, a simple increase could keep the existing structures in place while yielding higher revenues to the Town. A 20%-40% increase across all sectors of industry is easy to implement but it does nothing to address equity. The drawback of model 1 is that the tax remains regressive. In fact, because it would increase the flat fees, it becomes more regressive. And, thus, does not really fit the Town's objectives.

Models 2 and 3: Gross Receipts Tax – Replace All Categories with Gross Receipts Tax

We now turn to consider two models that are variations on the theme of a gross-receipts-based tax.

Many California cities use some form of gross receipts tax structure. Many of those cities use a standard rate multiplier to determine the tax amount owed, setting the rate for each business category. For example, a city may choose to charge $1 per thousand dollars of gross receipts (0.001 x Gross) for a retail business while charging a rate of $3.00 per thousand dollars of gross receipts (0.003 x Gross) for service or professional businesses.

The benefits of gross receipts-based taxes are the equity of their effective tax rate, ease of calculation, and potential for capturing revenue from growth in the economy. The drawback is that it exposes Town revenues to the fluctuations of gross receipts in the economy.

Gross Receipts Tax – Estimates

Since we do not have information on gross receipts for the Town's current businesses, we used multiple assumptions in the options below, which are meant to provide an estimate of the possible impact and should not be relied upon for precise budgeting. The following information was used as a basis for the tax tables and models in the options below. Please note that in estimating the Total Gross Receipts, we have chosen to exclude a significant outlier that would skew the models.

Table 6: Key estimates used in the gross-receipts models

Number of Businesses	Total Business Taxable Gross Receipts (Est.)
2,483	$1.17 billion

Model 2: Gross Receipts Tax – Single Gross Receipts Rate

Model 2 reflects the potential revenues for converting the Town tax to a single-rate, gross-receipts model. This model is simple to administer—everyone is charged the same rate—but it allows the Town to increase revenue. Model 2 also lowers the annual base rate to a uniform $25, to provide some tax relief for smaller businesses.

Table 7: Model 2—Potential Tax Structure

Tax Basis	Tax Rate
Base Rate	$25 Flat Rate (first $25,000 Gross Receipts)
Gross Receipts Tax	+ $1.50 per thousand dollars of Gross Receipts (0.0015 x Gross Receipts)

Model 2 Estimates Table

The table below indicates the potential revenues from implementing a gross receipts tax with two options, $1.25 per thousand and $1.50 per thousand. Information for the estimates comes from the data in the section above. Please note that this model and model three do not include the actual gross receipts. These models use estimated gross receipts based on the business classification. Although, this is generally useful, where, as here, the jurisdiction has taxpayers that far exceed the average, the model will be conservative.

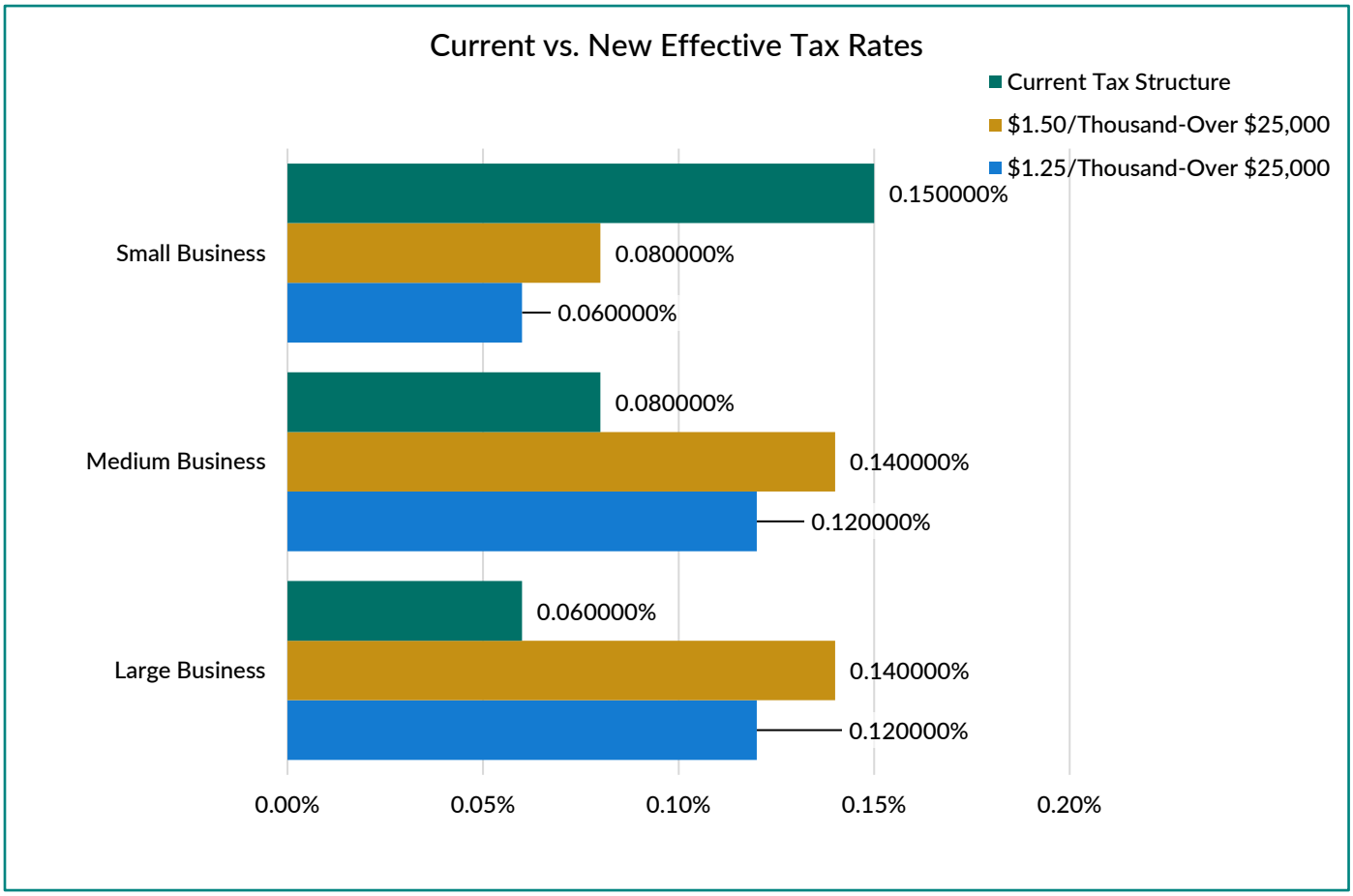
Table 8: Model 2 – Rough Estimates from a simple gross receipts structure

Number of Accts	Taxable Gross Receipts	Base Rate @ $25 per Account	Tax Amount $1.25/ thousand -Over $25,000-	Tax Amount $1.50/ thousand -Over $25,000-
2,483	$1.17 billion	$62,075	$1,382,939	$1,659,527
		TOTAL	**$1,445,014**	$1,721,602

Model 2 – Highlights and Impact Review

The "single rate" method of taxing on gross receipts provides an even distribution of the effective tax rate because all businesses subject to the tax will pay the same rate. Under this method, no cap is put in place, and therefore most of the revenues are received from the highest-grossing businesses. Model 2 expands revenue while keeping the tax structure simple and easy to understand for businesses and helping to decrease the effective tax rate on smaller businesses while asking larger businesses to pay their fair share.

Chart 9: Estimated Effective Tax Rates Under A Simple Gross Receipt Model



Model 3: Gross Receipts Tax – Classification-Based Rates

Model 3, as indicated below, would create different rates for different business classifications. For example, the Town might choose to implement a rate for the retail/wholesale/miscellaneous business activities at a base rate of 0.001, recognizing the higher costs of goods sold and lower profit margins for these types of business as well as their contribution to other Town revenues such as sales tax. Conversely, the Town could consider implementing a higher rate for professionals due to the nature of their business model. This model affords the most flexibility for increasing revenues while accommodating certain business categories. Model 3 utilizes the same base rate as the previous model to resemble the base rate of neighboring cities.

Please note that for the Town of Los Gatos, given its more upscale nature and concentration of professional services, the additional burden placed on professional services in this model may be a serious constraint on how useful Model 3 if it were implemented.

Tax Structure and Estimated Revenue

The following table illustrates how gross receipts rates can vary by categories giving flexibility to the tax structure. The structure provided is just one example of how the Town might utilize a gross receipt model. Should the Town decide to use a gross receipts tax model, HdL will work with the staff to finalize a structure that best serves the Town's goals.

Table 9: Basic tax structure for classification-based gross receipts

Categories	Base Rate	Gross Receipts Tax Rate
CONTRACTOR	$25 Flat Rate per Business (first $25,000 in Gross)	0.002 X Gross
GENERAL COMMERCE/RETAIL		0.001 X Gross
RENTAL (COMMERCIAL & RESIDENTIAL)		0.003 X Gross
SERVICE		0.001 X Gross
PROFESSIONAL		0.003 X Gross

Table 10: Estimated revenue from classification-based gross receipts

Business Type	Number of Accts	Est. Taxable Gross Receipts	Base Rate $25 per business	Total Est. Annual Gross Receipts Tax	Current Taxes
CONTRACTOR	539	$ 130,595,970	$ 13,475	$ 234,241	$ 128,316
GENERAL COMMERCE/RETAIL	644	$ 513,460,273	$ 16,100	$505,910	$ 276,138
RENTAL (COMMERCIAL & RESIDENTIAL)	226	$ 58,682,658	$ 5,650	$159,097	$ 50,845
SERVICE	512	$ 112,360,600	$ 12,775	$ 199,171	$ 505,640
PROFESSIONAL	562	$ 353,067,423	$ 14,050	$1,017,052	$ 311,954
	2,483	$1.17 billion	$62,075	$ 2,116,177	
			TOTAL	**$ 2,178,252**	**$ 1,272,892**

Model 3 – Highlights and Impact Review

This option has the benefit of spreading the burden of an increase across multiple business types. But given the high number of professionals in the Town's economy there would be a significant increase in taxes paid by professional services. While they may be able to absorb the cost, they may also choose to relocate. The impact of such a loss should be considered when evaluating the Town's options. The Town has the option of modifying the rates and reassigning business types to different categories to account for concerns about impacts on different parts of the economy. The model above includes basic rate increases for standard categories but can be further expanded or contracted to accommodate a different method of the Town's choosing.

Proposed Rates Comparisons

Table 11: Comparing Gross-Receipt Models By Hypothetical Business Type

Sample Business	Town's Current Rates	Model 2 Gross Receipt $1.50 / Thousand	Model 3 Gross Receipts $1 - $3 / Thousand
Small Craft Business: 1 Employee / <$20,000	$75	$25	$25
Nail Salon: 1 Employee/$100,000	$112.5	$138	$100
Tutor: 1 Employee/$75,000	$200	$100	$75
Restaurant: 3 Employees / $150,000	$150	$213	$150
Mid-size Restaurant: 15 Employees / $2,000,000	$975	$2,988	$2,000
Big Retailer: 275 Employees / $19,000,000	$975	$28,488	$19,000
Hotel / Rental Property: 50 Employees / $1,500,000	$375	$2,238	$1,500
Doctors Office: 10 Professional/ 10 Support / $2,000,000	$2,150	$2,988	$5,950
Doctor's Office: 1 Professional/1 Support/$745,000	$215	$1,105	$2,185
Doctor's Office: 20 Professionals /1 Support/$2,000,000	$4,015	$2,988	$5,950
Professional Firm: 15 Employees / $1,100,000	$1,520	$1,638	$3,250
Attorney: 1 Professional/$300,000	$200	$438	$850
Small Contractor: 1 Employee / $75,000 (outside)	$224	$100	$125
Contracting Firm: 3 Employees / $225,000 (outside)	$224	$325	$425
Ecommerce/Wholesale: 25 Employees/$4,000,000	$1,687.50	$5,988	$7,975
Estimated Totals	$13,098	$49,755	$49,560

Chart 10: Average Revenue Yield Models By Business Category

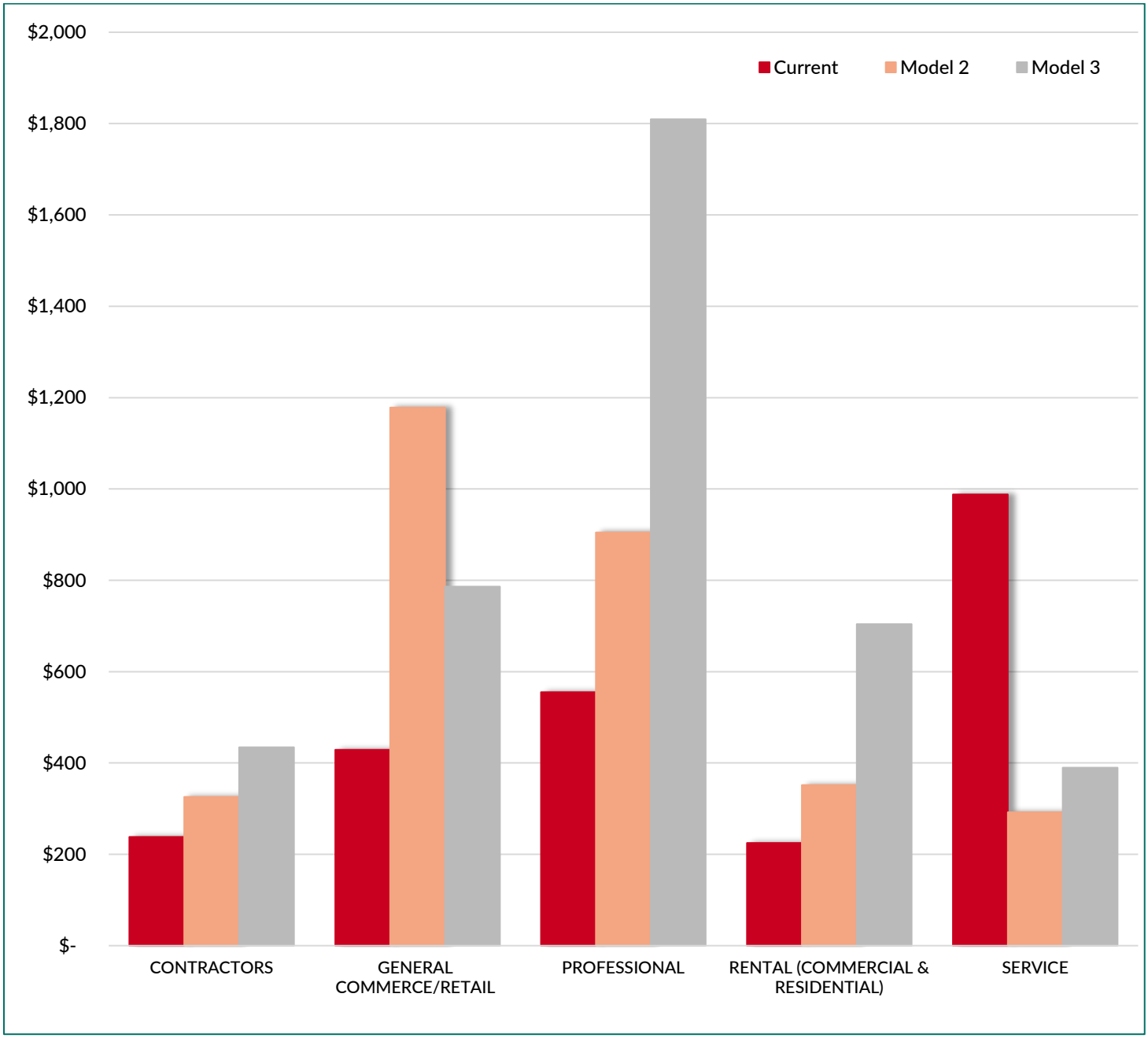
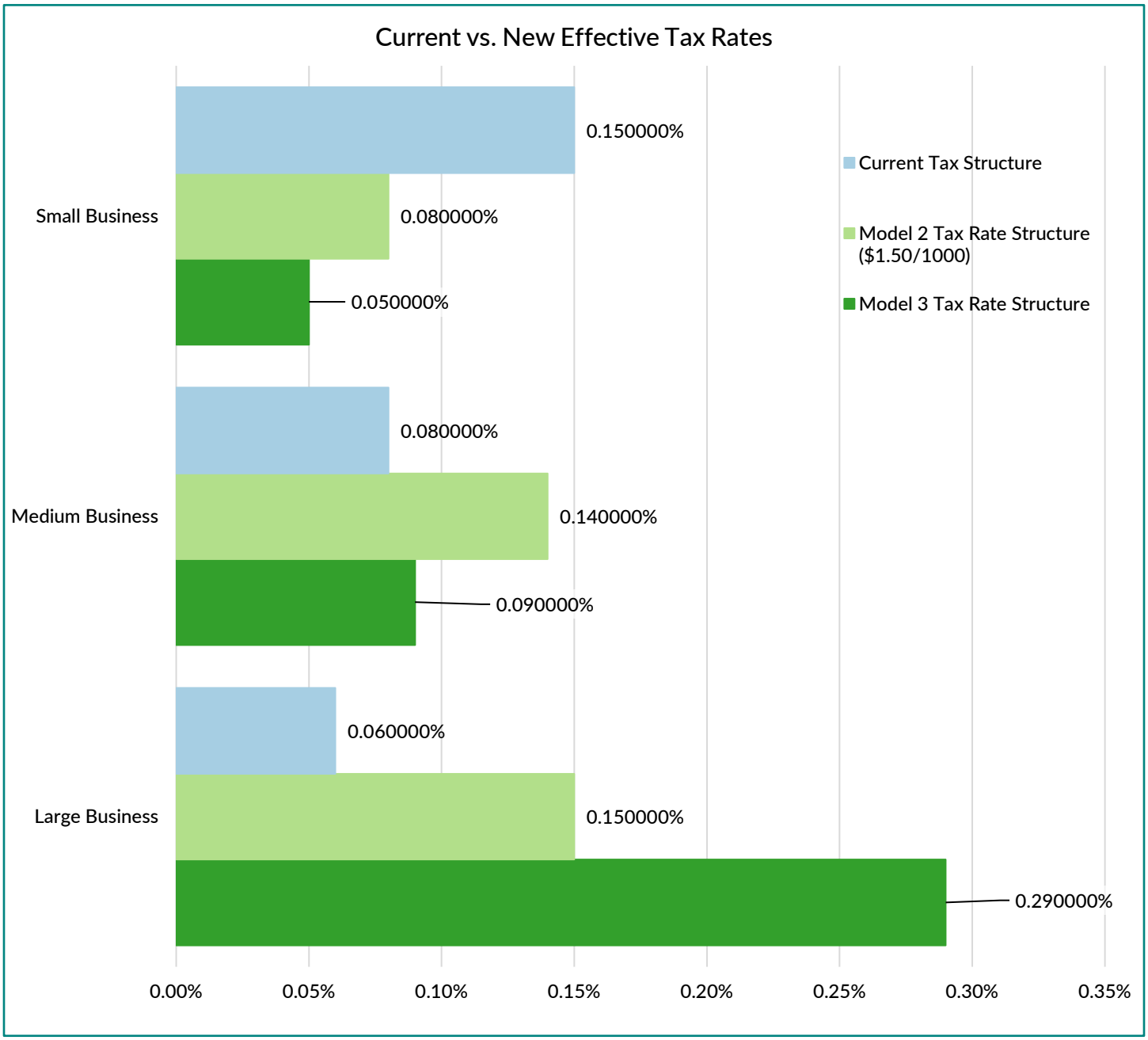


Chart 11: Equity of Models



Appendix A

Code Review

1. Code Section 14.10.10 Definitions

We recommend that the Town update the definition of "gross-receipts" to clarify that transfers from one entity or partner to another, are only excluded if the receiving partner (or entity) has a business license in the Town.

We also recommend that to deal with the rise of start-ups and ecommerce that the definition of "Gross Receipts" should include the cost of operations. For example, if a business is in start-up-mode and has $10,000 in gross receipts but has significant venture capital backing and thus has a cost of operations of $1,000,000, that business should use the cost of operations as its gross-receipts and pay the tax on that measure. While this change would add some complexity to the application and renewal process it improves the flexibility of the code for future changes in the economy.

2. Code Section 14.10.015 Statement of Purpose

We commend the Town for having a clear statement that the purpose of the business license is for revenue purposes. This clear statement can be vital in shaping administrative ease and avoiding potential legal issues with intertwining the revenue-based and regulatory measures.

3. Code Section 14.10.025 Branch Establishments

We recommend that this section be amended to add language clearly addressing what happens if two different business activities, having two different classifications, occur at the same location. Generally, municipalities either allow apportionment or require the higher of the two classifications to apply.

4. Code Section 14.10.03 Exemptions.

We commend the Town for the flexible definition of exemptions in subparagraph (a)(1). In that same spirit, the Town may want to consider combining the exemptions in subparagraphs(a)(2)-(4) with the clearer definition of a non-profit entity in subparagraph(a)(5).

Additionally, paragraph (b) contains a small business exemption. And section 14.20.125 contains one for contractors. We recommend consolidating the exemptions or at least placing them together here in this section. It will make it easier for your administrative staff and the community to find and apply the exemptions.

5. Code Sections 14.10.035, 14.10.040, and 14.10.045—Signature requirements

We recommend that you remove the signature requirement. It is of little value—you already have a provision indicating the statements are not binding against the Town—unless you want that ability to prosecute people for perjury. You may also consider removing any requirements for certification or sworn statements, etc., for the same reason. Both requirements can make it difficult to use online processing and thus can increase administrative complexity.

6. Code Section 14.10.040 True-up

Paragraph (b) gives the taxpayer until May 15th to file their true-up. Given that the same information is used for the true-up and the renewal, which is due in January, we recommend that you move the true-up to January to make it easier for your administrative staff and your taxpayers.

7. Code Section 14.10.055 Confidentiality

You may want to consider that your current language here prevents you from sharing information with internal departments. Additionally, it might be good to clarify that some form of aggregated reporting is allowed.

8. Code Sections 14.10.060, 14.10.065, and 14.10.115

In these sections, the Town requires approvals or administrative hearings to go immediately to the Council. We recommend that the code be changed to have the first approvals and hearings conducted by the Town Manager. This can preserve confidentiality for the taxpayer and provides another opportunity for resolution before bringing the matter before the Town Council.

9. Code Section 14.10.075 Delinquencies

It may be difficult to require that no license be issued if they are delinquent. This is particularly true since the purpose of the license is just signify payment of tax and not to authorize the conducting of a business. Put another way, to refuse payment for a current period when back periods are owed may expose the taxpayer to additional penalties. This may be the intent but, if not, the Town may want to consider the cost of this policy. Additionally, we recommend that you add language allowing the Town to recoup the cost of collection.

10. Code Section 14.10.095 Term

You may want to consider clarifying that licenses expire at the end of the duration (i.e. a calendar year and calendar month) and not just at the end of year as stated in this section.

11. Code Section 14.10.105 Transferability

We recommend that you not allow transfers. A change of address may require new zoning or other reviews. We recommend that you require a new application when a business relocates.

12. Code Section 14.10.110 Duplicate License Charges

We recommend that the Town remove the charge for a duplicate. It may make sense to charge it if the requests become excessive but generating a certificate with most modern systems is not sufficiently expensive to justify the overhead of tracking and charging this cost.

13. Code Section 14.10.125

We recommend that Town remove the duty to inspect and replace it with the right and the discretion to inspect. It is unlikely that the Town will inspect all businesses. The cost is too high and the benefits are too low. We also recommend that you add language clarifying that the Finance Director can designate someone else to do this function in their place.

TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 06/21/2022
ITEM NO: 23

DATE: June 16, 2022

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Maintain a Ban on Cannabis Businesses in Los Gatos and Consider a Ballot Measure to Tax Cannabis Businesses

RECOMMENDATION:

Maintain a ban on cannabis businesses in Los Gatos and consider a ballot measure to tax cannabis businesses.

BACKGROUND:

While California legalized cannabis (marijuana) with the passage of Proposition 64 in 2016, it is up to each municipality to decide if and how commercial cannabis retail, manufacturing, cultivation, events, and/or testing should be conducted in their communities.

To date, the Town of Los Gatos has not allowed for commercial cannabis retail, manufacturing, or cultivation. In the Bay Area region, the cities of San Jose, Santa Cruz, Capitola, Scotts Valley, Mountain View, Brisbane, Foster City, Half Moon Bay, Pacifica, San Carlos, South San Francisco, San Francisco, Alameda, Albany, Berkeley, Emeryville, Hayward, Livermore, Oakland, Piedmont, Pleasanton, San Leandro, and Union City have allowed some form of commercial cannabis operations.

Background on California Cannabis Legislation is available at the California Cannabis Portal at https://cannabis.ca.gov/. While the legislation begins at the State level, each City and Town has the opportunity to enact its own cannabis laws and regulations based on many factors, including what's best for a particular community as a whole; provided those regulations do not conflict with State law.

At the January 26, 2021, Town Council meeting on Strategic Priorities, Council gave direction to start obtaining community feedback in order for Council to determine whether to amend its Municipal Code to allow commercial cannabis businesses in Los Gatos.

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

BACKGROUND (continued):

In response, the Town held approximately ten public meetings with various community groups and Town Boards/Commissions/Committees to obtain input on whether the Council should consider potential amendments to the Town's cannabis regulations. At these public meetings, the feedback included an interest in allowing cannabis businesses in Town, concerns and uncertainty about allowing cannabis operations and the potential health and safety impacts, and interest in the potential new source of tax revenue. In addition, the Town conducted an unscientific Survey Monkey poll to solicit general input from the public (results are included with the January 18, 2022 Council staff report) with the majority of responses opposed to allowing cannabis businesses.

On January 18, 2022, the Town Council voted to continue to explore possible taxation and asked staff to return to the Council with a consultant scope of services focused on community outreach, a scientific survey, and evaluation of potential taxation and revenues.

On February 1, 2022, the Town Council approved the Cannabis Consultant Services Proposal submitted by Hinderliter, deLlamas & Associates (HdL) Companies and authorized the Town Manager to execute the agreement. The scope included the preparation of a tax revenue analysis, assessment of a cost recovery program for the permitting of cannabis businesses, comparable data from other California jurisdictions, and assistance with community outreach. This report provides the results of the HdL work and other staff analysis.

DISCUSSION:

Consultant Study

HdL completed the requested consultant report (see Attachment 1). The revenue analysis is based on an estimated service area and its population that could be served by a cannabis retail storefront in Los Gatos. The consultants further refined the estimates assuming leakage to licensed retailers outside of Los Gatos and to the black market. Figure 5 depicts a range of $12.0 million to $27.0 million of adjusted gross receipts for a storefront in Los Gatos.

Based on this range of adjusted gross receipts, HdL applied different tax rates to estimate potential revenue from a tax. At 4%, tax revenues could range from $493,000 to $1.085 million. At 5%, the range is $616,000 to $1.35 million and at 7%, the range is $863,000 to $1.9 million. These estimates are for tax revenue only.

The report also describes the cost recovery opportunity for licensing and permitting establishments. Town services beyond licensing and permitting (e.g., calls for Police or Code Compliance services) are discussed under Public Safety Considerations and Impact to Other Town and County Services. These service costs would need to be deducted from the tax

DISCUSSION (continued):

revenue to determine a net revenue estimate. As discussed below, it is difficult to quantify the net fiscal impact of a dispensary; however, a qualitative understanding of potential impacts is important in this policy discussion.

The HdL report has useful comparable data for other jurisdictions in terms of regulatory programs, zoning parameters, tax rates, and permit fees.

Public Safety Considerations

The Los Gatos-Monte Sereno Police Department researched the impacts of marijuana dispensaries to law enforcement and within similar sized communities throughout Monterey County. The general conclusion did not suggest any significant increase in calls for service to law enforcement directly related to dispensary operations; however, there have been preliminary trends of more serious crimes, civil challenges, and concerns indirectly associated with dispensaries as they foster an opportunity for illegal behavior and civil conflict related to tax evasion, real estate crime, property management challenges, and other illegal items.

These criminal activities sometimes occur because of the limited resources of local law enforcement to provide ongoing oversight to dispensary operations. Legal dispensaries generally have a very inviting and professional appearance on the exterior and extensive security measures. Many legal dispensaries in the jurisdictions visited had surveillance cameras, multiple armed security guards, and periodic inspections. Unfortunately, these mechanisms do not always deter illegal activities and provide a false sense of security against criminal elements. The LGMSPD is conducting concerted efforts to provide adequate staffing to meet the community's needs and the additional need for oversight of the dispensaries will likely not be sufficient for the Department's current staffing models, leaving the Town particularly vulnerable to potential illegal activities.

To date, the LGMSPD has experienced minimal law enforcement demand related to cannabis, including calls pertaining to operating a motor vehicle under the influence, sales, or use of the substance. Current narcotic enforcement is focused on Methamphetamines (Meth), Heroin, Fentanyl, and other opiate-based medicines. If law enforcement needs increase related to marijuana, there will be increased impacts in addition to staffing. For example, if marijuana is collected as evidence and the case is not filed by the District Attorney, the Police Department must return the product in its pre-existing condition. Since cannabis must be stored in a manor to preserve it, there are administrative and engineered controls required for storing the cannabis evidence which can potentially result in financial implications for the Town.

DISCUSSION (continued):

In the event of a cannabis-related incident, it is estimated that the staff impact would involve three Officers, one Sergeant, one Dispatcher, one Community Service Officer, and one Captain. The cost per hour of these positions is approximately $1,053 (salary and benefits prior to the implementation of the recent bargaining agreements). A cannabis tax could potentially provide cost recovery of law enforcement response and fund a dispensary oversight program. The fiscal impacts of a serious crime indirectly related to dispensary operations would preoccupy the Investigations Division, Patrol, and professional staff and are difficult to estimate.

Conversations with staff from the Monterey County Cannabis Program and other law enforcement agencies revealed that Santa Clara County does not have a trained and dedicated framework to monitor and provide law enforcement oversight of dispensary operations. The Monterey County Cannabis Program has grown from 6 to 28 FTEs in five years specifically for management of commercial cannabis to address regulation, policy, enforcement, and education. Santa Clara County does not have a similar multi-disciplinary team for oversight of commercial cannabis. Elements of a law enforcement oversight program include:

- Toxicity testing – to verify that the product is contaminant free (no mold or harmful chemicals);
- Dispensary product monitoring – to verify proper labeling to inform the consumer of the correct THC amount and not labeled in a manner to entice minors (e.g., Birthday Cake or Orange Crush);
- Monitoring of the Marijuana Enforcement Tracking Reporting Compliance (METRC) - California Cannabis Track-and-Trace System designed to track the product from plant to sellable in-store product;
- Liaison with Department of Cannabis Control – to ensure compliance of Medicinal and Adult Use Commercial Cannabis Regulations (CCRs);
- Legal counsel available and knowledgeable about dispensary local, state, and federal laws to guide the local jurisdictions in their work with the dispensaries' legal teams;
- Public Health Department coordination; and
- Forensic Accountant – oversight of taxes and other monetary monitoring/auditing.

Other law enforcement considerations include:

- California does not currently have any Police Officer Standards and Training (POST) course(s) available to teach local law enforcement about commercial cannabis businesses and regulations, State laws, interactions with dispensaries, etc. Therefore, LGMSPD would be on its own to learn about the industry and relevant laws;
- It is understood that Los Gatos and Monte Sereno residents currently benefit from cannabis delivery services that operate out of other jurisdictions. With a retail

DISCUSSION (continued):

storefront or delivery business in Los Gatos, the risks increase with the transportation of product valued potentially up to $1.0 million into Town. Based on the consultant analysis, it is unlikely that commercial scale cultivation would occur in Town;

- Increased number of people transporting more marijuana throughout Town due to access and supply in Town; and
- Limited Town resources to educate youth on the risks associated with cannabis (the Town currently has one part-time School Resource Officer shared between Los Gatos Unified School District and the Los Gatos Union High School District).

Based on this information, staff is recommending that the Town Council maintain the ban on cannabis retail sales. Even with a tax to offset some enforcement costs, the Town would be challenged to address the potential accompanying law enforcement issues and additional necessary oversight resources.

Impact on Other Town and County Services

If the Town Council is interested in allowing cannabis retail store(s) and/or delivery, the Town would need to develop its own licensing, permitting, and regulatory program, and adopt an Ordinance amending the Municipal Code. In Attachment 1, HdL explained the components of a regulatory program and that the costs associated with its implementation could be borne by the cannabis businesses seeking to locate in Los Gatos.

Once established, the Town would likely have a monitoring program to ensure compliance with the Town ordinance and the Business and Profession Code for cannabis business called Medicinal and Adult Use Cannabis Regulation and Safety Act (MAUCRSA). To the extent that non-law enforcement complaints are submitted to the Town, Code Compliance would be responsible to respond, inspect, and determine appropriate action for the complaint. A cannabis tax would bring in revenue that would offset the response costs.

There may be other impacts to other services; however, it is difficult to anticipate all of them. It is also likely that County health, behavioral health, and/or social services may also experience increased demands with additional storefronts and/or delivery businesses.

Scientific Survey

The Town is working with a professional consultant, ETC Institute, to conduct a scientific cannabis community survey. ETC mailed out the survey to a random sample of 2,100 households in Los Gatos. These households were selected at random from an address list of all residences located within the Town's boundaries. The consultant offered these households

DISCUSSION (continued):

three ways to complete the survey: by mail; online; or phone. Follow up will occur until at least 300 surveys are returned. If more than 300 are returned, the larger number will be analyzed at no additional cost to the Town. With 300 completed surveys, the results will have a precision of at least +/- 5.6% or a 95% confidence level. The consultant will ensure the results reflect the community's demographics, ensuring results are statistically valid, and will provide the Town with accurate data.

The results of the survey are expected to be distributed in an Addendum on Monday, June 20 or Desk Item on June 21.

Pending State Legislation

Senator Scott Wiener authored SB 1186 which originally would have restricted municipalities from banning medical cannabis retail sales. The bill has since been amended to eliminate bans of medical cannabis delivery services only. This bill would also provide that the California Environmental Quality Act (CEQA) does not apply to specified actions taken by a local jurisdiction relating to medicinal cannabis businesses, including the repeal of any local regulation prohibiting the operation of medicinal cannabis businesses. The bill is currently in the Assembly for consideration.

Should the bill pass and the Governor signs it, the Town would be obligated to establish a regulatory program for medical cannabis delivery businesses. This means that the Town Council would need to identify appropriate zoning districts, distances from sensitive uses, permitting requirements, and a monitoring program. All of these parameters would be considered during public meetings regarding the introduction and adoption of an Ordinance to the Town Code. Permitting and application fees would be required to be considered in the Town’s Fee Resolution, also requiring a public meeting.

Ballot Measures

Throughout the discussion of cannabis businesses, two potential ballot measures have been suggested.

The first is a ballot measure asking the question if cannabis businesses should be allowed in Los Gatos. Putting this question to the voters requires a simple majority of the Council. When jurisdictions ask these questions, typically a draft Ordinance containing the proposed regulations is included so the public knows exactly what it is voting on.

DISCUSSION (continued):

The second is a ballot measure to establish a tax on cannabis businesses. As a tax measure, it requires a 4/5 vote of the Town Council to place it on the ballot. If this is of interest to the Town Council, the measure would need to specify the level of tax (e.g., 4% of gross sales receipts).

For a tax measure to be placed on the ballot, it is not required for the voters to decide the land use question. The Town Council is the elected body that makes land use policy and legislative decisions regarding the General Plan, zoning, allowable uses, requirements for allowed uses, number of allowed cannabis businesses, etc. For most jurisdictions, land use issues are not determined by the voters because if circumstances change or adjustments are needed, such changes can only be considered with another ballot measure.

With the November 2022 election scheduled, the last regular Council meeting to add an item on this ballot is at its August 2nd meeting.

Community Outreach

The Town conducted a community workshop on May 4, 2022 at 7:00 p.m. via teleconference. The workshop provided an opportunity for the community to learn more about cannabis regulation and share input regarding the potential for commercial cannabis in Los Gatos. The materials from the meeting are available at www.losgatosca.gov/cannabis.

Though lightly attended, the community answered several Zoom poll questions:

- 55% said cannabis retail sales should not be allowed in Los Gatos
- 62.5% preferred delivery only cannabis business(es)
- Of various non-residential zoning districts, 60% preferred the Controlled Manufacturing Zone (generally located along University Avenue north of Vasona Park)
- 70% preferred a distance of 1,200 feet from sensitive uses (e.g., schools and commercial day care) which is greater than the State distance of 600 feet (see Attachment 2 for a map of the State buffer areas)

In addition to the Town's workshop, staff has also met on multiple occasions with residents who expressed their opposition to cannabis businesses in Town.

The dedicated webpage also provided a unique email address for public comments: cannabis@losgatosca.gov. Through this address and others, the Town has received numerous communications on this issue (see Attachment 3). The majority of the correspondence is opposed to cannabis storefronts in Los Gatos.

DISCUSSION (continued):

Policy Questions/Alternatives for the Town Council

As Council continues its exploration of considering the allowance of cannabis businesses, the following questions may be useful during the deliberation. For each question, the major next steps are identified.

- Should the Town maintain its ban on cannabis businesses? If yes, then the exploration of land use regulations and permitting for cannabis businesses is not needed. If future State law mandates local jurisdictions to allow medical cannabis delivery services or other cannabis business types, then the Council would need to develop regulations.

- Should the Town consider retail storefronts, delivery only, or both? If the Council is interested in this option, then a study session should be scheduled to identify the Council's land use parameters for these uses. A draft Ordinance would be prepared based on these parameters. The Town would also need to develop its operational regulations for the businesses, including the application and selection process.

- Should the question of whether to allow cannabis businesses go before the voters? If the Council would like to move forward with this option, then staff would return to the Council on August 2nd with proposed ballot language. If the Council would like the voters to decide on a cannabis land use Ordinance, then the Council would need to convene in July to work on the Ordinance in time to place it before the voters.

- Should the Council consider placing a ballot measure to establish a tax on cannabis businesses? Regardless of its decision on the land use question, the Council may want to consider a tax for the 2022 ballot. Even if Council would like to maintain its ban, a tax could be in place in the event State law requires municipalities to allow medical cannabis delivery businesses or other types of cannabis businesses in the future. If the Council is interested in this option, then staff would return with proposed ballot language at the August 2nd meeting. At that time, the Council can determine a specific tax rate.

CONCLUSION AND NEXT STEPS:

Staff is looking forward to Council's discussion and direction on cannabis businesses. The Council's direction will determine appropriate next steps as discussed above.

COORDINATION:

The preparation of this report was coordinated with the Town Attorney's Office, Police Department, Community Development Department, and Finance Department.

FISCAL IMPACT:

Depending on the alternative the Council would like to pursue, there are fiscal impacts associated with cannabis businesses in the Town as discussed in this report. A potential tax revenue may offset some of the costs of municipal services.

A single ballot measure costs approximately $58,256 and the Proposed Fiscal Year 2022/23 Operating Budget includes funding for potential measures.

ENVIRONMENTAL ASSESSMENT:

Council direction on this item is not a project defined under CEQA, and no further action is required. If Council would like to allow cannabis businesses, then an ordinance would need to be drafted and it would need environmental clearance.

Attachments:
1. Consultant Study
2. Map of State Buffer Areas
3. Public Comment

Delivering Revenue, Insight
and Efficiency to Local Government

Commercial Cannabis in Los Gatos: Potential Revenues, Regulatory Costs, and Comparative Data

Prepared for
the

Town of Los Gatos

June 16, 2022

ATTACHMENT 1

Introduction

The Town of Los Gatos currently prohibits the establishment or operations of any commercial cannabis businesses within town limits. In early 2022, the Town Council engaged the services of HdL Companies (HdL) to prepare a fiscal impact analysis for allowing commercial cannabis businesses to operate within Los Gatos. The analysis is intended to inform the Council's decision-making process regarding whether to allow commercial cannabis activity locally, the costs associated with regulating cannabis businesses, and potential revenues that could be generated from adopting a cannabis tax measure.

The fiscal impact analysis is broken down into three sections:

- Revenue Analysis
- Expenditure Analysis
- Comparison to Other Jurisdictions

Additional information regarding comparable jurisdictions can be found in Attachment A to this report.

Revenue Analysis

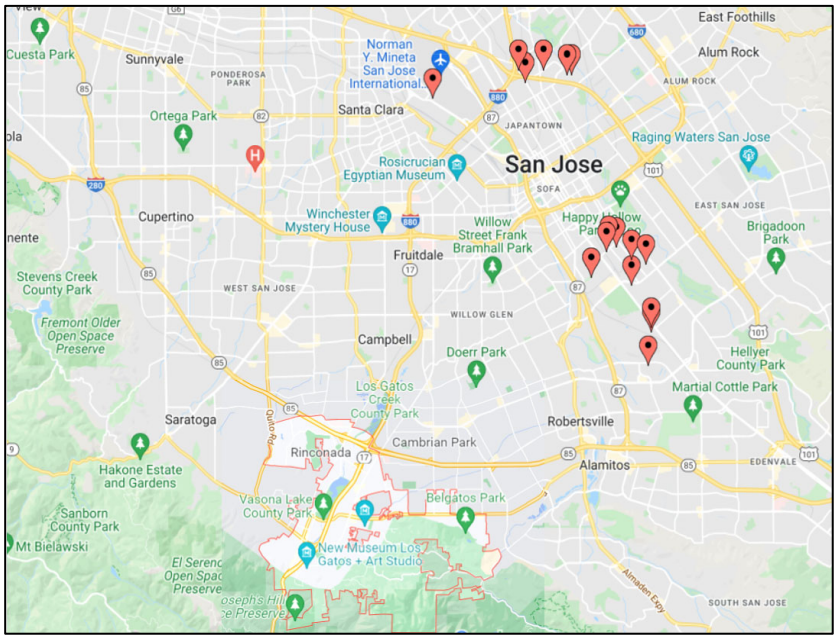
HdL's revenue analysis is focused on the potential impacts of allowing commercial cannabis retailers in the Town of Los Gatos. Consideration for other cannabis license types – collectively referred to as "wholesalers," which includes cultivators, manufacturers, distributors, and testing laboratories – is not included in this report. Should the Town of Los Gatos wish to explore permitting wholesale operators locally, HdL may update the revenue projections based upon the type and number of businesses desired.

Pursuant to State law, commercial cannabis retailers are authorized to sell cannabis goods directly to consumers, either through delivery or on-site purchases. In contrast with wholesalers, who supply cannabis products to the statewide market, retailers are the only cannabis business type that specifically serves the local community. As a result, the ideal number of retailers for a community will be proportional to the local population of the host city and the surrounding service area.

The Town of Los Gatos is situated on the west side of Santa Clara County at the base of the Santa Cruz Mountains. The City has a population of 33,529 people[i] and sits at the southwest edge of Silicon Valley. Adjacent and nearby cities and communities include the cities of San Jose, Campbell, Monte Sereno and Saratoga and the unincorporated areas of Cambrian Park and Lexington Hills.

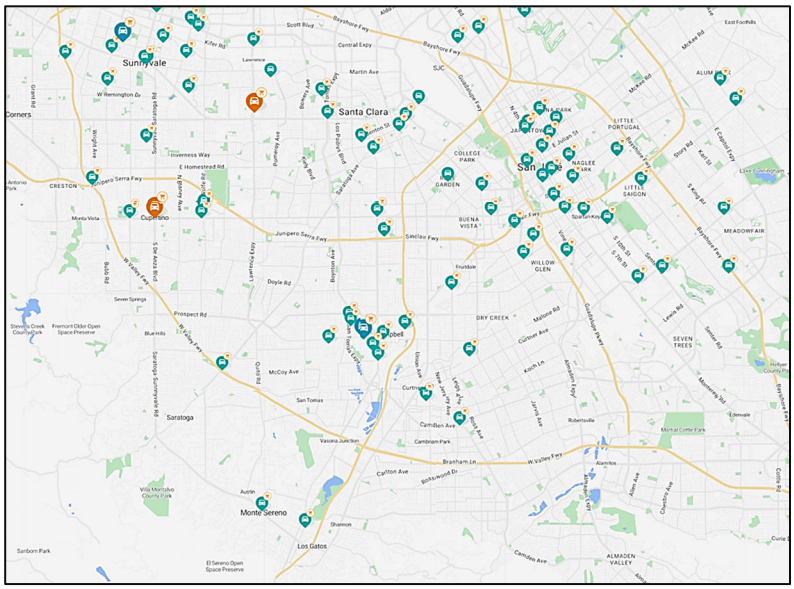
The City of San Jose is the only jurisdiction in all of Santa Clara County that currently allows licensed commercial cannabis businesses of any kind. The Department of Cannabis Control (DCC) currently shows 16 licensed cannabis retailers located within the City, of which 8 are storefront retailers and 8 are microbusinesses which may conduct a variety of cannabis business activities, including retail. All San Jose storefront cannabis retailers are allowed to also conduct sales via delivery. The locations of these cannabis retailers are shown in Figure 1.

Figure 1:



Though the region is already reasonably served by licensed storefront cannabis retailers located in San Jose, there are also a number of cannabis delivery services operating in the area. Figure 2 shows a map of cannabis delivery providers, advertised on the cannabis platform Weedmaps as of May 2022, available for at-home deliveries in Santa Clara County. Providers are displayed by the areas they deliver, rather than their 'home' location, so a single delivery service may be represented multiple times on the map.

Figure 2:



To determine the potential gross receipts of cannabis retailers located in the Town of Los Gatos we must first identify the approximate area that these retailers would serve. As with any other type of retailer,

cannabis retailers are not limited to serving the residents of their host communities. Customers may drive from other nearby cities to reach their nearest store. In addition, cannabis retailers may deliver products within a wider service area.

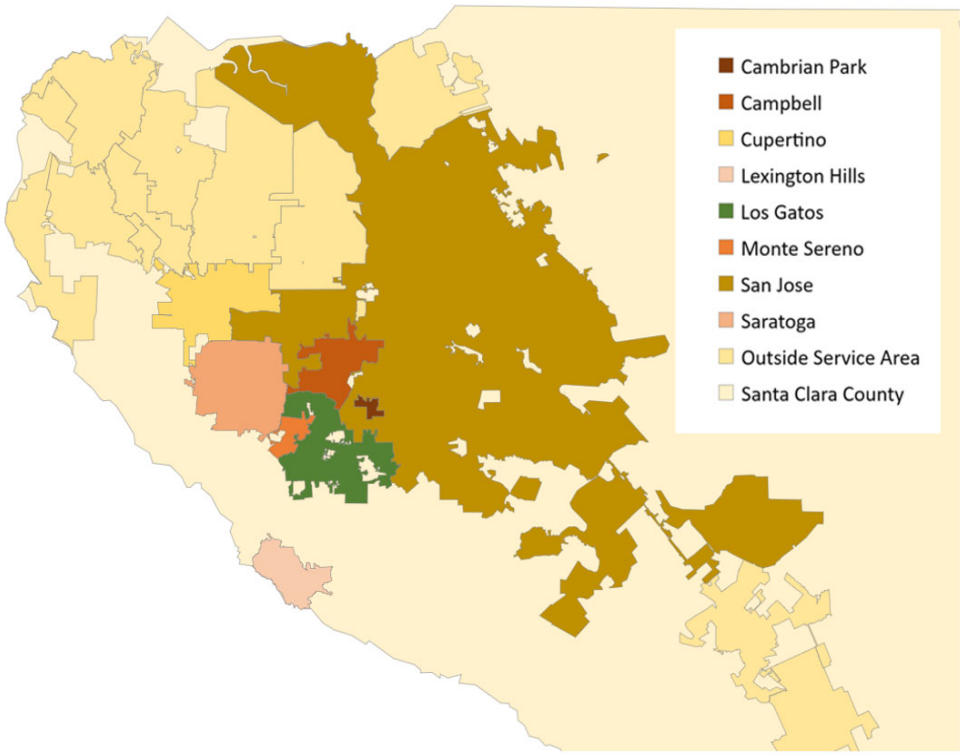
Retail studies show that 93% of consumers are willing to travel 15 to 20 minutes to make most routine purchases[ii], meaning that storefront retailers in Los Gatos would be able to capture cannabis tax (and sales tax) from some portion of the surrounding area. The cities of Monte Sereno, Campbell, and Saratoga all fall within this distance, as do the unincorporated areas of Cambrian Park and Lexington Hills.

In addition, we note that all of the cannabis retailers in the City of San Jose are located East of the Highway 87 corridor, other than one near the airport. This suggests that a broad portion of cannabis consumers in San Jose would likely find it more convenient to travel to Los Gatos to make their purchases. This includes portions of the neighborhoods of Cambrian, Almaden, Blossom Valley, Willow Glen and West San Jose. For purposes of our analysis, we conservatively estimate that approximately 10% of the population of San Jose falls within the Los Gatos service area.

Because there are no other options for cannabis consumers in the South Bay Area, we anticipate that retailers in Los Gatos may capture some portion of cannabis sales from cities such as Cupertino and parts of Sunnyvale and Santa Clara. The proximity of these other cities is shown in Figure 3, below.

Figure 3:

Cities and Communities in the Los Gatos Service Area



In Figure 4, below, we have added up the total population of the projected service area for cannabis retailers in the Town of Los Gatos. We estimate the total population of this area at a little under 1.2 million

people. However, when we account for only serving a portion of the population of San Jose and Cupertino, the service area population comes down to around 235,000. Dividing that figure by the number of existing retailers serving the area yields a retail density of 14,666 people per retailer.

Figure 4:

Service Area Population					
City/Community	**Population**	**Est. % in Service Area**	**Adjusted Population**	**Retailers**	**Population Per Retailer**
Cambrian Park	3,719	100%	3,719	0	N/A
Campbell	43,959	100%	43,959	0	N/A
Cupertino	60,381	25%	15,095	0	N/A
Lexington Hills	2,492	100%	2,492	0	N/A
Los Gatos	33,529	100%	33,529	0	N/A
Monte Sereno	3,479	100%	3,479	0	N/A
San Jose	1,013,240	10%	101,324	16	6,333
Saratoga	31,051	100%	31,051	0	N/A
Service Area Population	**1,191,850**		**234,648**	**16**	**14,666**

Data from the California Department of Tax and Fee Administration (CDTFA) gives the total cannabis retail sales for each county as well as the sales per capita, derived by dividing the total sales by the population. From this, we are able to see the relationship between the retail density (population per retailer) and the sales per capita. CDTFA reports $220 million in retail cannabis sales in Santa Clara County (1.9M population) over the last 12 months, which equals sales per capita of $114 per person[iii]. Applying this to our service area population would yield $27 million dollars in sales.

In Figure 5, on the next page, we have provided a general scenario to estimate a reasonable range of cannabis tax revenues that the Town of Los Gatos may be able to generate from a projected 2 licensed cannabis retailers. Starting with our service area population of 234,648 people, we then apply a range of assumptions for the percentage of the population that uses cannabis on a regular basis. These estimates vary from around 10%[iv] to 13%[v], up to as high as 22%[vi]. This percentage is influenced by social acceptance of cannabis within the local community. Applying these estimates to our estimated consumer base yields between roughly 23,000 and 52,000 potential cannabis consumers.

Cannabis retailers typically average around 120 customers per day[vii]. Data shows that a typical cannabis consumer makes a purchase of $73 with an average frequency of twice a month[viii]. Applying this to our range of cannabis consumers yields monthly sales of between $3.4 million and $7.5 million, which works out to annual gross receipts of between $41 million and $90 million.

However, the existing retailers in the City of San Jose will likely continue to capture some portion of sales, as will licensed and unlicensed cannabis delivery services operating throughout the area. To account for this, we have assumed an additional 30% leakage for each of these markets, which brings our estimate of total gross receipts down to a range of $12 million to $27 million.

Applying our recommended retail cannabis tax rates to this range of total gross receipts yields a range of revenue projections. Applying HdL's recommended "low" tax rate of 4.0% would yield between $490,000 and $1.1 million in annual cannabis tax revenue for the Town of Los Gatos, with a best estimate of

$640,000. Applying a rate of 5.0% would yield between $617,000 and $1.4 million, with a best estimate of $800,000 in annual revenue. Applying HdL's recommended "maximum" rate of 6.0% would yield between $860,000 and $1.9 million, with a best estimate of $1.1 million in annual cannabis tax revenue for the Town.

In addition, retail cannabis sales would also generate between $123,000 and $271,000 in Bradley-Burns sales tax revenue for the Town. These estimates are all shown in Figure 5, below.

Figure 5:

Revenue Projections for Cannabis Retailers			
	Low Estimate	"Best" Estimate	High Estimate
Population of Los Gatos	33,529	33,529	33,529
Population of surrounding service area	201,119	201,119	201,119
Total population of service area	234,648	234,648	234,648
Percentage of population that uses cannabis	10%	13%	22%
Number of cannabis users	23,465	30,504	51,623
Average transaction amount	$73	$73	$73
Transaction frequency (per month)	2	2	2
Monthly gross receipts	$3,425,864	$4,453,624	$7,536,902
Annual gross receipts	$41,110,373	$53,443,485	$90,442,821
Est. leakage to other licensed retailers (30%)	$8,222,075	$10,688,697	$18,088,564
Est. leakage to black market (30%)	$20,555,187	$26,721,743	$45,221,411
Adjusted annual gross receipts	$12,333,112	$16,033,046	$27,132,846
Cannabis business tax rate:			
4.00%	$493,324	$641,322	$1,085,314
5.00%	$616,656	$801,652	$1,356,642
7.00%	$863,318	$1,122,313	$1,899,299
Bradley-Burns 1.0% local sales tax	$123,331	$160,330	$271,328

The Costs of Permitting, Regulating and Enforcing Cannabis Businesses

HdL's expenditure analysis is intended to provide a general overview of the types of costs that the Town of Los Gatos may incur through the permitting, regulating and enforcing of cannabis businesses. Costs include, but are not limited to, the following:

- Costs associated with the development of a commercial cannabis regulatory program:
  - Initial outreach and exploration
  - Ordinance development
  - Environmental review
  - Meeting costs and development of staff reports and other materials
  - Development of application procedures and guidelines
  - Development of appropriate fees
  - Development of regulatory protocols and administrative procedures

- Costs associated with the review and permitting of individual cannabis businesses:
  - Development of an RFP for cannabis businesses (if utilized)
  - Conducting application reviews and applicant interviews
  - Background checks
  - Land use permitting and entitlements, including CUP hearings (if needed)
  - Processing building permits
  - Pre-license inspections
  - Consultant costs associated with any of the above
- Costs associated with ongoing monitoring and permit renewals:
  - Regulatory compliance inspections
  - Other routine inspections that may be required (public health, fire department, etc.)
  - Annual revenue audits to ensure proper reporting and remittance of fees/taxes
  - Permit renewal processing
  - Program administration
- Costs associated with enforcement and appeals:
  - Regulatory enforcement of any findings of non-compliance
  - Processing and conducting any appeals of enforcement actions
  - Law enforcement actions against licensed cannabis businesses where necessary

Each of the costs identified above may be fully offset through regulatory fees charged to cannabis businesses. Typically, after approval of a regulatory ordinance, local jurisdictions will adopt a cannabis fee schedule that represents 100% full cost recovery for administrative oversight and enforcement of the cannabis industry. These fees are charged to licensed cannabis business owners, applicants and licensees, who are the direct beneficiaries of the commercial cannabis program.

Beneficiaries of the cannabis program will vary by regulatory activity. For example, development of the regulatory program benefits those who are permitted to operate a business that would otherwise be prohibited. Processing of applications and land use permits benefits the applicants of the proposed businesses, regardless of whether they ultimately receive a license. The cost of monitoring existing businesses for compliance and processing permit renewals benefits the business as it allows them to continue to operate.

Because the Town is still in the exploratory phase of developing a cannabis ordinance, it is currently unknown how many commercial cannabis businesses might be allowed, what methodology will be used to select eligible businesses, in what locations they will be permitted, and under what level of oversight they will be regulated. Given this uncertainty, it is not yet possible to calculate the specific permitting and regulatory costs that Town will incur in developing and implementing a cannabis program, or the fees necessary to recover those costs. As a result, the simplest way of estimating a range of possible Town expenditures is to conduct a survey of various cost recovery fees that have been adopted by other jurisdictions.

Fees are generally divided into three categories that include; 1) initial application fees; 2) permitting and land use entitlement fees; and 3) annual regulatory fees. Each of these general categories may include

multiple fees to cover distinct costs or services, not all of which would be applied in every case. Ultimately, fees will vary by jurisdiction, depending upon a variety of local factors.

Initial application fees can vary greatly depending upon the details of the application process required by the jurisdiction. Some cities or towns choose not to limit the number of cannabis businesses or to process applications on a "first-come, first-served" basis. Others may solicit applications for a limited number of permits, which will then be reviewed on either a quality assurance (pass/fail) basis or merit-based (high-low score) basis. Final selection of permittees may be performed either through a discretionary process or via lottery, where permittees are chosen at random from a pool of qualifying applicants.

The table below provides a comparison of application fees charged per cannabis business across various jurisdictions:

Agency (*Year of Adoption*) [1]	**Application Fee**
Culver City *(2018)*	$28,189
San Luis Obispo *(2018)*	$24,744
Chula Vista *(2019)*	$24,063
Redwood City *(2018)*	$22,604
Goleta *(2019)*	$14,901
Santa Ana *(2017)*	$14,282
Palm Springs *(2017)*	$10,984
Oceanside *(2021)*	$8,452
Placerville (2019)	$8,336
Watsonville *(2020)*	$7,900
Modesto *(2018)*	$6,380
San Jose *(2017)*	$5,461
Vista *(2019)*	$4,318
Salinas *(2017)*	$3,145
Oakland *(2017)*	$3,011
Average Application Fee:	**$12,451**
(1) Year of adult-use cannabis program adoption.	

In this table, HdL has identified average cannabis business license application fees for 15 cities from around California. The fees range from a high of $28,189 for the City of Culver City, to a low of $3,011 for the City of Oakland. Generally, these fees represent the full cost, per applicant, for reviewing and selecting businesses to proceed through the permitting process. As such, the fees provide a rough estimate for the per business cost the Town of Los Gatos could expect for developing and administering a cannabis application process.

Once applicants have been selected to move forward into the permitting process, the land use entitlement and building permit process is no different than it would be for other, similar businesses. The amount of Town staff time (and thus the cost) may vary greatly depending upon the specific location, needed construction or tenant improvements and other building requirements. As with any other construction process, the costs associated with site plan review, conditional use permits, facility plan check, and on-site inspections would be fully recovered through zoning, building and fire review fees.

Annual permit fees vary significantly from jurisdiction to jurisdiction, based upon the desired level of regulatory oversight and administration. Jurisdictions may require that businesses submit to one or more regulatory compliance inspections per year, as well as annual cannabis revenue audits to ensure the business is reporting and remitting the proper portion of gross receipts to the host city. In addition, some jurisdictions choose to place certain regulatory roles within law enforcement, which may include POST certified officers. This can greatly increase the cost for these regulatory services.

Agency (*Year of Adoption*) [1]	**Annual Permit Fee**
San Jose *(2017)*	$147,645
San Luis Obispo *(2018)*	$41,065
Chula Vista *(2019)*	$31,275
Redwood City *(2018)*	$29,530
Culver City *(2018)*	$27,771
Placerville (2019)	$22,841
Modesto *(2018)*	$21,740
Vista *(2019)*	$19,967
Oakland *(2017)*	$16,676
Santa Ana *(2017)*	$12,529
Goleta *(2019)*	$11,879
Palm Springs *(2017)*	$10,984
Salinas *(2017)*	$9,854
Oceanside *(2021)*	$8,511
Watsonville *(2020)*	$3,700
Average Annual Permit Fee:	**$27,731**
(1) Year of adult-use cannabis program adoption.	

The table above provides the annual regulatory permit fees for the same 15 cities cited previously. Fees range from a high of $147,645 for the City of San Jose to a low of $3,700 for the City of Watsonville. We note that the regulatory fees for some jurisdictions may vary depending upon the specific types of cannabis businesses allowed. In such cases, the table displays the highest cost. Among this sample set, the average annual permit fee is $27,731 per year. However, this average is skewed by the fees for the City of San Jose, which are more than three-times higher than the next highest fees. We regard this as an outlier as it is not representative of the overall range. When we exclude the fees from the City of San Jose, the average annual permit fee among our sample set of California cities and counties comes down to $19,166. We believe this lower figure is more representative of actual annual regulatory costs per business.

Annual permit costs reflect the direct per-business cost for each jurisdiction to provide its desired level of regulatory oversight for permitted cannabis businesses, including regulatory monitoring and inspections, revenue audits, annual permit renewals and overall administration of its cannabis business regulatory and tax program. Where the Town falls within the range of possible outcomes identified in the table above will depend upon the specific design of the local cannabis regulatory program.

In addition to direct regulatory costs, the Town may incur additional impacts to the community through externalities associated with cannabis businesses. These externalities may include, but are not limited to:

- Traffic impacts
- Public health impacts
- Public safety impacts
- Nuisance impacts

Due to limited research available in these areas, HdL is not able to provide cost projections for the potential negative externalities identified above. According to recent surveys of available research on cannabis legalization in the US, "evidence is inconsistent and, in some cases, inconclusive regarding how recreational cannabis legalization affects outcomes significant to public health, including cannabis use, cannabis use disorder, cannabis related hospitalizations and poisonings, driving safety, and other substance use." Depending upon the study, findings may vary from "significantly positive, significantly negative, to insignificant relationship" between cannabis legalization and various public health outcomes.[ix] This lack of available research is caused, in part, by the ongoing classification of cannabis as a Schedule I controlled substance, which limits funding opportunities available to researchers studying cannabis related topics.

Similarly, there is little consensus regarding the public safety impacts from allowing licensed cannabis businesses to operate locally. Some studies have found an association between the density of cannabis retailers and neighborhood crime rates.[x] Other studies have found a negative relationship between dispensary allowances and property crime rates.[xi] One study even found that cannabis retailers closings were associated with increases in crime in the surrounding areas.[xii] Due to these inconsistent findings, HdL is not in a position to provide the Town with cost estimates for the broader social and public health impacts of transitioning consumers from the illicit market to the licensed and regulated cannabis marketplace.

Comparison to Other Jurisdictions

The following analysis provides additional information on nine cannabis regulatory programs in California. The jurisdictions were selected due to their proximity to the Town, and/or the fact that they share similar demographic characteristics to Los Gatos (e.g. population, density, income level, etc.). The regulatory programs include:

- City of Burlingame, CA
- City of Pacifica, CA
- City of Martinez, CA
- City of Fairfax, CA
- City of Goleta, CA
- City of Novato, CA
- City of Mountain View, CA
- City of Encinitas, CA
- City of Santa Barbara, CA

The goal of the analysis is to provide Town Council with a summary of key policy decisions made by other jurisdictions during the development of their local cannabis regulatory programs. This information may serve as a reference point for Town policymakers when deciding; 1) whether to adopt a cannabis program; and 2) what provisions to include/exclude in a regulatory ordinance.

Categories of comparison include:

1. Method of Program Adoption
2. Permitted License Types
3. License Caps
4. License Issuances
5. Licensing Process
6. Zoning Requirements
7. Sensitive Use Buffers and Distances
8. Cannabis Business License Tax Rates

Findings from the analysis can be found in Attachment A to this report. A summary of key observations from the analysis is provided below:

Council Adoption vs. Citizen Initiative: Most of the jurisdictions identified for comparison adopted their cannabis programs through Council action. HdL has observed a recent uptick in the number of small jurisdictions dealing with voter driven ballot initiatives to legalize commercial cannabis activity (e.g. Redondo Beach, El Segundo, Dana Point, etc.). However, these efforts appear mostly limited to the Southern California region at this time. Of the comparable jurisdictions identified, only one (1) of the programs was approved through Citizen Initiative (Encinitas). In general, Citizen Initiatives place fewer restrictions on the number, location and operation of cannabis businesses than ordinances that are adopted by City Councils. Citizen Initiatives may only be amended through voter approval, which limit the ability of cities to adjust regulatory requirements for cannabis businesses over time. For this reason, HdL recommends against adopting cannabis programs through the initiative process.

Permitted License Types: Six (6) of the nine (9) cities that HdL analyzed allow multiple business types to operate within their jurisdiction. The most common allowable license types include Retail (9) and Manufacturing (6). The least common allowable license type includes Cultivation (3). This is likely due to the larger footprint required for this activity, and its potential to have a greater neighborhood impact than other use types (e.g. odor, facility design, etc.). Most of the cities analyzed placed a cap on the number of allowable Retail business types. For other license types (i.e. Cultivation, Manufacturing, Distribution, and Testing), cities have generally allowed the market and/or zoning restrictions to dictate the number of licenses issued.

Licenses Issued: For most cities identified, the actual number of cannabis business licenses issued has been less than the total number available. For Retail license types, this is likely due to fact that cities require a significant amount of time to design and implement a competitive application process. The intense industry competition involved in the Retail application process can create delays due to the number of application reviews involved and/or appeals filed by businesses that are unable to receive a license. HdL anticipates that all of the jurisdictions identified will reach the maximum number of allowable Retail businesses. For non-Retail businesses (e.g. Manufacturing, Distribution, Testing, etc.), HdL has observed a sharp decrease in demand for these license types due to the oversaturation of the wholesale

market. As a result, HdL anticipates that the Town of Los Gatos would receive limited interest for these license types, even if the Town Council were to decide to make wholesale license types available to applicants.

Licensing Process: In situations where cities have placed a hard cap on the number of available licenses, different processes have been used to determine which businesses would be eligible to receive a license. Specifically, cities have used a non-competitive (1), merit-based (5), first-come first-served (1), and public lottery (2) process. For most local jurisdictions, HdL recommends using a hybrid merit-based/lottery approach, that allows for initial screening of applicants followed by random selection through public lottery.

Zoning Restrictions: Zoning restrictions for cannabis businesses vary by city. Some cities (6) allow cannabis businesses to operate in some combination of Commercial, Industrial and Mixed-Use zones. Other cities (2) limit cannabis business activity to commercial areas only. One (1) city allows cannabis businesses in Industrial Zones only. Generally, HdL recommends allowing Retail businesses in Commercial Zones, and non-Retail businesses (cultivation, manufacturing, distribution, etc.) in Industrial Zones only.

Sensitive Use Buffers: The most common types of sensitive-use buffers recognized by the cities identified are schools, day care centers and youth centers, which are the default buffers recommended by the State. Some cities recognize additional buffers, including playgrounds, tutoring centers, and residential zones, which go beyond the minimum State standard. In practice, HdL has observed that the recognition of additional buffers beyond the State default can have the unintended effect of driving up the price of real estate in remaining areas of the Town (i.e. "Green Zones") that fall outside sensitive use buffer zones. Additionally, overly restrictive buffer requirements may increase the likelihood of overconcentration of cannabis businesses in areas of the Town that remain eligible for cannabis activity. For these reasons, it is important that Town staff to create "buffer maps" for Town Council consideration, before making any decisions on appropriate buffer distances between cannabis businesses and sensitive uses.

Cannabis Tax Rates: Cities identified for comparison have adopted cannabis tax rates that range from 3.5% to 6% of gross receipts for Retail, and 0% to 6% for non-Retail cannabis activity. In addition, once (1) city charges a square footage tax on cultivation, that ranges from $2 to $10 per square foot of canopy, depending on whether to cultivator is licensed for indoor, outdoor, mixed light, or nursery activity.

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[i] United States Census Bureau "Quick Facts; Saratoga city, California; Campbell city, California; Los Gatos town, California; Santa Clara County, California; San Jose city, California" Population Estimates July 1, 2021 https://www.census.gov/quickfacts/fact/table/saratogacitycalifornia,campbellcitycalifornia,losgatostowncalifornia,santaclaracountycalifornia,sanjosecitycalifornia/PST045221

[ii] Ross Marchant (2014) *"Consumers will Travel 17 Minutes to Reach a Local Business"* https://www.brightlocal.com/2014/05/01/local-business-travel-times/ Bright Local

[iii] California Department of Tax and Fee Administration "Cannabis Sales by County" https://www.cdtfa.ca.gov/dataportal/dataset.htm?url=CannabisSalesByCounty

[iv] Substance Abuse and Mental Health Services Administration, 2019-2020 National Surveys on Drug Use and Health https://www.samhsa.gov/data/release/2020-national-survey-drug-use-and-health-nsduh-releases

[v] CBS News (2018) *"17 stoner states: Where's marijuana use highest?"* https://www.cbsnews.com/pictures/17-stoner-states-wheres-marijuana-use-highest/9/

[vi] Christopher Ingraham (April 20, 2017) "*How many Americans regularly use pot? The number is, errr, higher than you think"* Sacramento Bee http://www.sacbee.com/news/nation-world/national/article145681414.html

[vii] Eli McVey, et al. (2017) *"Marijuana Business Factbook 2017"* Marijuana Business Daily

[viii] Eli McVey, et al. (2017) *"Marijuana Business Factbook 2017"* Marijuana Business Daily

[ix] Cannabis Legalization In the US: Population Health Impacts, Health Affairs Health Policy Brief, July 1, 2021.

[x] Shi, Y., Meseck, K., & Jankowska, M. M. (2016). Availability of medical and recreational marijuana stores and neighborhood characteristics in Colorado. Journal of Addiction, 2016, 1–7. https://doi.org/10.1155/2016/7193740

[xi] Hunt, P., Pacula, R. L., & Weinberger, G. (2018). High on crime? exploring the effects of marijuana dispensary laws on crime in California counties. SSRN Electronic Journal. https://doi.org/10.2139/ssrn.3193321

[xii] Chang, T. Y., & Jacobson, M. (2017). Going to pot? the impact of dispensary closures on crime. Journal of Urban Economics, 100, 120–136. https://doi.org/10.1016/j.jue.2017.04.001

ATTACHMENT A-1

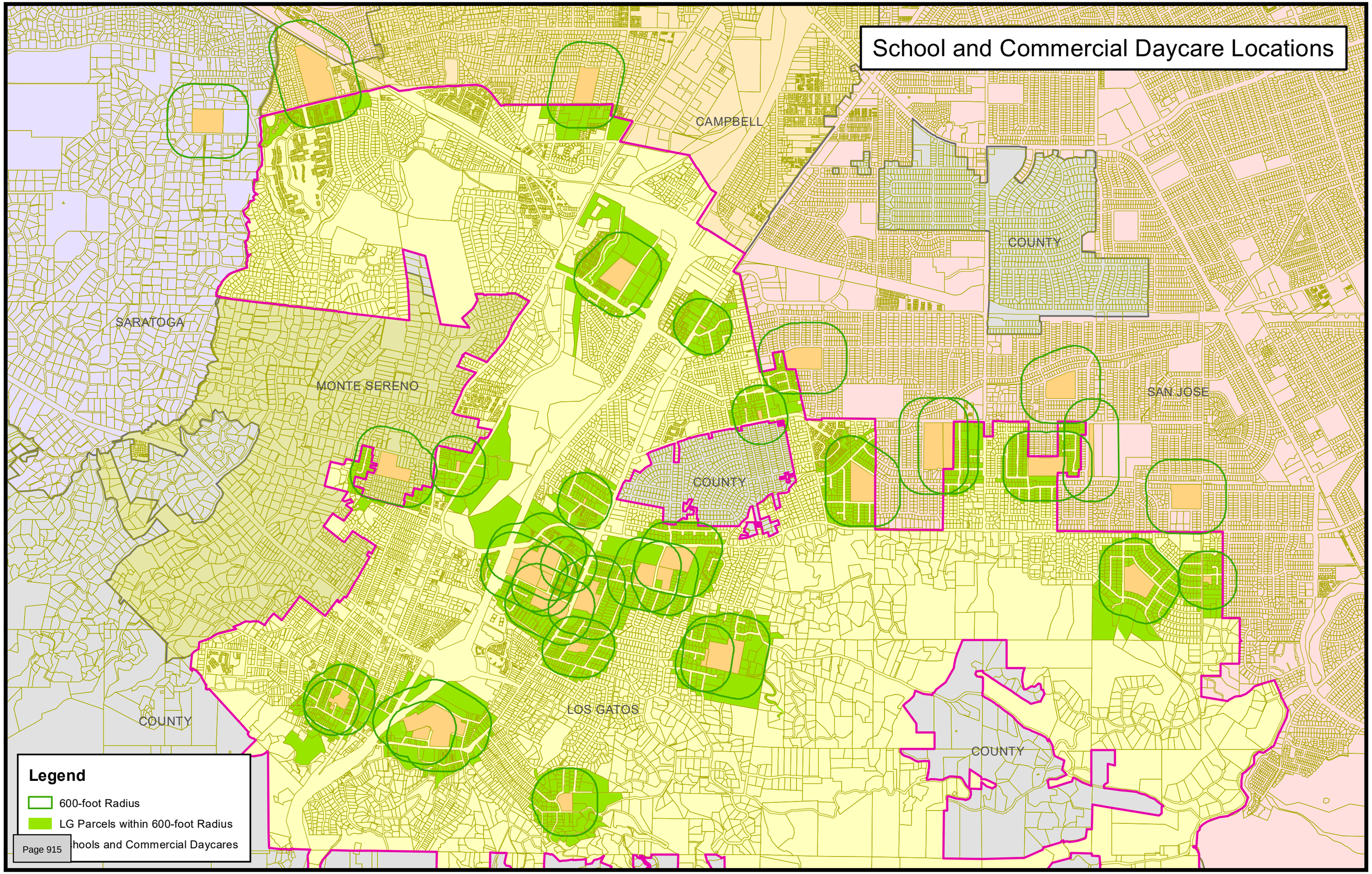
COMPARISON OF CANNABIS REGULATORY PROGRAMS - LICENSING

City	Method of Adoption	Permitted License Types	License Cap	DCC Licenses Issued[1]	Retail Licensing Process
Burlingame, CA	- City Council Adoption (2021)	- Retail Non-storefront	- Retail Non-storefront: 4 Total	*- 0 (1 currently under review)*	- Non-competitive. Operators Permit & Conditional Use Permit
Pacifica, CA	- City Council Adoption (2017)	- Retail - Manufacturing - Testing	- Retail: 6 Total - Manufacturing: No Cap - Testing: No Cap	- Retail: 5 Licenses - Manufacturing: 0 - Testing: 0	- Chronological Order of Date Received.
Martinez, CA	- City Council Adoption (2019)	- Retail - Manufacturing - Distribution - Testing Laboratory - Non-Storefront Retail	- Retail: 2 Total - Manufacturing: 1 Total - Distribution: 1 Total - Testing Laboratory: 1 Total - Non-Storefront Retail: 1 Total	- Retail: 2 Licenses - Manufacturing: 1 License - Distribution: 1 License - Testing Laboratory: 0 - Non-Storefront Retail: 0	- Competitive - Scored/Ranked - Points Awarded by Proposal Review Committee
Fairfax, CA	- Town Council Adoption (2019)	- Retail	- Retail: 2 Total	- Retail: 1 License	- Competitive - Scored/Ranked - Points Awarded by Planning Commission
Goleta, CA	- City Council Adoption (2019)	- Cultivation - Distribution - Manufacturing - Nurseries - Retail - Testing	- Cultivation: No Cap - Distribution: No Cap - Manufacturing: No Cap - Nurseries: No Cap - Retail: 15 Total - Testing: No Cap	- Cultivation: 2 Licenses - Distribution: 3 Licenses - Manufacturing: 1 License - Nurseries: 0 - Retail: 3 Licenses - Testing: 0	- Competitive - Scored/Ranked - Points Awarded by City Director
Novato, CA	- City Council Adoption (2019)	- Non-Storefront Retail - Testing - Manufacturing - Indoor Cultivation - Microbusiness - Distribution	- Non-Storefront Retail: Unlimited - Testing: 2 - Manufacturing: 2 - Indoor Cultivation: 2 - Microbusiness: 3 - Distribution: 1 (No limit if ancillary to another activity)	- Non-Storefront Retail: 0, *(1 in review)* - Testing: 0 - Manufacturing: 0 - Indoor Cultivation: 0, *(1 in review)* - Microbusiness: 0, *(1 in review)* - Distribution: 0	- Competitive - Scored/Ranked - Points Awarded by Proposal Review Committee
Mountain View, CA	- City Council Adoption (2019)	- Non-Storefront Retail - Retail	- Non-Storefront Retail: 3, *or* - Retail: 3, or combination thereof.	- Non-Storefront Retail: 0 - Retail: 0	- Applications Screened - Qualified Applications Placed in Lottery - Zoning Administrator Randomly Selects Applications
Encinitas, CA	- Voter Driven Initiative (2020)	- Retail - Cultivation - "Product Manufacturing" - "Cannabis Kitchens" - Distribution	- Retail: 4 - Cultivation: No Cap - Manufacturing: No Cap - Distribution: No Cap	- Retail: 0 - Cultivation: 0 - "Product Manufacturing": 0 - "Cannabis Kitchens": 0 - Distribution: 0	- Competitive Lottery - Applicants Graded and Placed into Tiers - Applicants in 1st Tier Randomly Selected - 1st Tier Exhausted, Applicants in 2nd Tier Randomly Selected
Santa Barbara, CA	- City Council Adoption (2018)	- Indoor Cultivation - Manufacturing - Distribution - Retail Storefront - Testing	- Indoor Cultivation: No Cap - Manufacturing: No Cap - Distribution: No Cap - Retail Storefront: 3 - Testing: No Cap	- Indoor Cultivation: Not Avail. - Manufacturing: 2 - Distribution: 3 - Retail Storefront: 3 - Testing: 0	- Competitive - Scored/Ranked - Points Awarded by Permit Application Evaluator

(1) Note: Current license data is based primarily upon information from the Department of Cannabis Control (DCC). DCC data reflects issuance of a State license, which may or may not coincide with final issuance of a local license. As a result, actual number of businesses currently in operation within each jurisdiction may differ from figures indicated above. In addition, DCC data does not currently include manufacturing license totals by City. As a result, manufacturing license totals shown above are based upon amounts reported on City cannabis websites and/or recent news articles published within those jurisdictions.

ATTACHMENT A-2			
COMPARISON OF CANNABIS REGULATORY PROGRAMS - ZONING			
City	Retail Zoning	Non-Retail Zoning	Sensitive Use Buffers
Burlingame, CA	- "Rollins Road" / "Inner Bayshore": Mixed Use, Commercial, Light Industrial	- N/A	- Residential Use, Schools: 600 feet - Day Care, Youth Centers: 600 feet
Pacifica, CA	- "Cannabis Operation Overlay District": Neighborhood Commercial, Service Commercial, Planned Development, Community Commercial	- Manufacturing: Service Commercial - Testing: Community Commercial, Service Commercial	- Schools, Daycare Centers: 600 feet - Youth Centers: 200 feet
Martinez, CA	- Light Industrial, Neighborhood Commercial, Controlled Industrial, Thoroughfare Commercial	- Manufacturing: Controlled Industrial, Light Industrial, - Distribution: Controlled Industrial, Light Industrial, - Testing Laboratory: Controlled Industrial, Light Industrial, Research and Development	- Schools, Daycare Centers: 600 feet - Youth Centers: 600 feet
Fairfax, CA	- Highway Commercial, Central Commercial, and Limited Commercial	- N/A	- School, Youth Center: 600 feet - Daycare, Tutoring Center: 300 feet - Delivery Only: School, Youth Center: 250 Feet
Goleta, CA	- Community Commercial, General Commercial, Old Town, and Regional Community	- Cultivation: Business Park, Industrial General, Service Industrial - Distribution: Business Park, Industrial General, Service Industrial - Manufacturing: Business Park, Industrial General, Service Industrial - Nurseries: Business Park, Industrial General, Service Industrial - Testing: Business Park, Industrial General, Service Industrial	- School: 600 feet - Residential Land Use: 100 Feet
Novato, CA	- Light Industrial/Office, Commercial/Industrial, Business and Professional Office	- Cultivation: Light Industrial / Office, Commercial / Industrial - Distribution: Light Industrial / Office, Commercial / Industrial - Manufacturing: Light Industrial / Office, Commercial / Industrial - Nurseries: Light Industrial / Office, Commercial / Industrial - Testing: General Commercial, Downtown Core Retail, Light Industrial / Office, Commercial / Industrial, Downtown Core Business, Business and Professional Office	- School, Youth Center: 600 feet
Mountain View, CA	- Commercial Service, General Industrial, Limited Industrial, Corridor Areas, Core Character Area, General Character Area, Edge Character Area	- N/A	- School: 600 feet - Childcare Center: 250 feet
Encinitas, CA	- Commercial, General Commercial, Commercial Mixed Use, Mixed Use Land Use	- Cultivation: Agriculture - "Product Manufacturing": Light Industrial, Agricultural - "Cannabis Kitchen": Business Park, Light Industrial, Agriculture, General Commercial - Distribution: Business Park, Light Industrial	- Daycare, Playground, Other Retailer, School: 1,000 feet - Youth Center: 600 feet - Exceptions allowed for "geographic barriers" between cannabis business and sensitive use
Santa Barbara, CA	- Light Manufacturing	- Light Manufacturing	- Schools, Daycare, Youth Center: 600 feet

ATTACHMENT A-3		
COMPARISON OF CANNABIS REGULATORY PROGRAMS - TAX RATES		
City	**Retail**	**Non-Retail**
Burlingame, CA	- 5% of gross receipts.	- N/A
Pacifica, CA	- 6% of Gross Receipts	- Manufacturing: 6% of Gross Receipts
Martinez, CA	- Negotiated through Community Benefit Agreement (CBA) - Most Recent CBA: 6% of Gross Receipts	- Negotiated Through CBA - Most Recent CBA: None available on record
Fairfax, CA	- *Information not readily available*	- *Information not readily available*
Goleta, CA	- 5% of Gross Receipts	- Cultivation: 4% of Gross Receipts - Distribution: 1% of Gross Receipts - Manufacturing: 2% of Gross Receipts - Nurseries: 1% of Gross Receipts - Testing: 0% of Gross Receipts
Novato, CA	- Negotiated through Community Benefit Agreement (CBA) - Most Recent CBA: 3.5% of Gross Receipts	- Negotiated Through CBA - Most Recent CBA: 1.5% of Gross Receipts (Testing), 3-4% of Gross Receipts (Microbusiness)
Mountain View, CA	- 9% of Gross Receipts	- N/A
Encinitas, CA	- Pending Voter Approval - 4% to 6% of Gross Receipts	- Pending Voter Approval - Retail: 6% of Gross Receipts (Max) - Cultivation: $10/sq. ft. of canopy indoor, $7/sq. ft. of canopy greenhouse, $4 per square foot of canopy outdoor, $2/sq. ft. of canopy nursery (Max) - Distribution: 3% of Gross Receipts (Max) - Manufacturing: 4% of Gross Receipts (Max) - Testing: 2% of Gross Receipts (Max)
Santa Barbara, CA	- 5% of gross receipts.	- Distribution: 4% of gross receipts - Testing: 4% of gross receipts - Cultivation 2% of gross receipts - Manufacturing: 3% of gross receipts



ATTACHMENT 2

Commercial Cannabis Public Comments

From: Matt Fleming [redacted]
Sent: Friday, August 20, 2021 9:23 AM
To: Cannabis <cannabis@losgatosca.gov>
Subject: Question on cannabis ordinance

I saw that your town is considering allowing cannabis (and is surveying residents).

First: I am not looking for a consulting contract or cannabis permit or anything of the sort. I will not ask you for a permit or for money.

I'm a consultant for Hawthorne Gardening, a subsidiary of Scotts Miracle-Gro.

Hawthorne is not in the cannabis business, but some of its customers are, and we work with municipalities on workable policies that serve the community and ensure local and independent cannabis operators can be successful.

We have technical experts who can answer questions regarding lighting requirements, odor mitigation and other aspects of running either a retail, cultivation or other type of safe and compliant cannabis business.

Can you tell me a bit more about where your town is in the process? And can I help answer any technical questions about issues like odor mitigation and lighting requirements, etc?

--

Matt Fleming

GrassrootsLab

From: Matt Fleming <[redacted]>
Sent: Monday, November 1, 2021 4:12 PM
To: Cannabis <cannabis@losgatosca.gov>
Subject: Re: Question on cannabis ordinance

EXTERNAL SENDER

Just circling back on this. Any assistance you could provide would be greatly appreciated.

On Fri, Aug 20, 2021 at 9:22 AM Matt Fleming <[redacted]> wrote:

I saw that your town is considering allowing cannabis (and is surveying residents).

First: I am not looking for a consulting contract or cannabis permit or anything of the sort. I will not ask you for a permit or for money.

I'm a consultant for Hawthorne Gardening, a subsidiary of Scotts Miracle-Gro.

Hawthorne is not in the cannabis business, but some of its customers are, and we work with municipalities on workable policies that serve the community and ensure local and independent cannabis operators can be successful.

We have technical experts who can answer questions regarding lighting requirements, odor mitigation and other aspects of running either a retail, cultivation or other type of safe and compliant cannabis business.

Can you tell me a bit more about where your town is in the process? And can I help answer any technical questions about issues like odor mitigation and lighting requirements, etc?

--

Matt Fleming

GrassrootsLab

[redacted]

From: Joseph Plaster <[redacted]>
Sent: Thursday, November 4, 2021 10:56 AM
To: Cannabis <cannabis@losgatosca.gov>
Subject: Cannabis in Los Gatos

EXTERNAL SENDER

Hello,

I noticed that the commercial cannabis survey is now closed. When will the results be presented at Council? Also, is there any way to sign up for cannabis related notifications? Thanks, I look forward to your response.

Best,

Joseph Plaster

Licensing Associate

Nectar Markets, LLC

P: [redacted]

E: [redacted]

Pronouns: He/Him/His

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From: Ellen Wysocki <[redacted]>
Sent: Friday, January 14, 2022 9:45 AM
To: Cannabis <cannabis@losgatosca.gov>
Subject: Commercial Cannabis Dispensaries in Los Gatos

EXTERNAL SENDER

Hello,

I was curious to see if there has been any discussion in regards to allowing commercial cannabis storefront retailers within the city of Los Gatos? Or if there are any upcoming meetings? Thank you so much for your assistance.

Warm Regards,

Ellen Wysocki
Director of Licensing and Northern Expansion, Shryne Group, Inc.
[redacted] | [redacted]
www.shrynegroup.com
Sacramento, CA

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From: Jayme Rivard <[redacted]>
Sent: Wednesday, January 26, 2022 8:22 PM
To: Cannabis <cannabis@losgatosca.gov>
Cc: cary stiebel <[redacted]>
Subject: Is the city considering allowing cannabis?

EXTERNAL SENDER

Hello,

I had heard that Los Gatos city council may be considering allowing cannabis businesses. Is that true? Is there a mailing list I can get on for updates?

Kind regards,

Jayme Rivard

[redacted]

From: Robin Flury <[redacted]>
Sent: Saturday, January 29, 2022 3:18 PM
To: Cannabis <cannabis@losgatosca.gov>
Subject: medical growth?

EXTERNAL SENDER

Hi!
I wanted to know what, if anything, is allowed in Los Gatos regarding growing cannabis for personal medical use. Can a small number of plants be grown indoors? Or outdoors? Is there any paperwork or applications needed in order to do so for medical purposes?
Thank you!

From: Lisa Tollner <[redacted]>
Sent: Thursday, February 10, 2022 8:53 AM
To: Cannabis <cannabis@losgatosca.gov>
Subject: Cannabis Consultant

EXTERNAL SENDER

Town of Los Gatos Council Members:

I may be an ideal candidate for the upcoming cannabis consulting position. My background includes being involved in the cannabis industry in the primary sectors (retail, manufacturing, distribution, cultivation, processing). I am a 22-year resident of Monte Sereno, and I have inside knowledge of the pros and cons of cannabis and how it impacts a community. Please let me know if a formal RFP application becomes available for this position, or if you would like to arrange a call or meeting, let me know.

Thanks,

Lisa

Lisa Tollner

Co-Founder/CMO

Sensi Signature Products

[redacted]

www.sensiproducts.com

@sensi_chew

From: Julie Newell <[redacted]>
Sent: Tuesday, February 22, 2022 11:53 AM
To: Cannabis <cannabis@losgatosca.gov>
Subject: inquiry

EXTERNAL SENDER

Good Afternoon,

I would like to know the status of cannabis in the city and if there is any additional movement for allowing retail businesses. If there is, do you have an idea of when this will be done and if the selection process will be lottery or merit

thank so much for you response

Julie

--

Julie D. Newell

Bloomstoneco.com

[redacted]

From: Joanne Rodgers <[redacted]>
Sent: Saturday, February 26, 2022 3:23 PM
To: Judy Peckler <[redacted]>
Cc: Ron Rennie <rrennie@losgatos.gov>; Maria Ristow <MRistow@losgatosca.gov>; Mary Badame <MBadame@losgatosca.gov>; Matthew Hudes <MHudes@losgatosca.gov>; Marico Sayoc

<msayoc@losgatos.gov>; Laurel Prevetti <LPrevetti@losgatosca.gov>
Subject: Marijuana dispensaries in LG

EXTERNAL SENDER

Dear Judy and all,

Thank you for the information **below** about the attack on Cannabis Dispensaries in Oakland. I had not seen this.

When we consider the amount of additional crime and more administrative work and policing that will be necessary,

it seems to me that having drugs sales in our family oriented town will not bring in much tax money.

We are also sending the wrong message that drug and being high are acceptable in Los Gatos.

We have to be sure we let our council member know how we feel about this.

Three council members(Rob Rennie, Mary Badame, Marico Sayoc) are up for re-election this November 2022.

Mary Badame is the only one who voted NO to paying $50,000 to the Cannabis Management Services Co.

to study where to locate marijuana dispensaries in our town.

Thank you.

Joanne

This is the note from Judy Peckler:

Last night I was watching local news and they interviewed the operator of the Cannabis Dispensary in Oakland. It had been hit by Crash and Grab team that had tried before and succeeded finally. There was an suv that drove into the entrance and two other support cars with numerous hooded thieves who ransacked the store. There was a second location had been targeted as well.

This was a violent and destructive criminal attack.

The police and authorities were gathering evidence.

It was alarming to hear and I became more fearful of the potential violence that could impact a neighborhood.

Please keep me updated and I want the community

To be educated about this dangerous reality.

Thank you

Judy Peckler

From: Marty Berk <[redacted]>
Sent: Monday, February 28, 2022 2:48 PM
To: Rob Rennie <RRennie@losgatosca.gov>; Maria Ristow <MRistow@losgatosca.gov>; Mary Badame <MBadame@losgatosca.gov>; Matthew Hudes <MHudes@losgatosca.gov>; Marico Sayoc <MSayoc@losgatosca.gov>; Laurel Prevetti <LPrevetti@losgatosca.gov>
Cc: Joanne Rodgers <[redacted]>; Rowena Turner <[redacted]>
Subject: Against having a marijuana dispensary in Los Gatos

EXTERNAL SENDER

Dear Los Gatos Town Council Members and Town Manager,

Please listen to the many Los Gatos residents who do **not** wish to have marijuana dispensaries in town.

I am a Monte Sereno resident but am closely connected to the town of Los Gatos in many ways. My children attended and benefited from Los Gatos schools from kindergarten through high school. My town contributes about a million dollars each year to share the Los Gatos Police Department services. I primarily shop in town and prefer Los Gatos restaurants. My late husband practiced surgery at Good Samaritan Hospital for over thirty years.

Marijuana dispensaries are entirely unnecessary here and can lead to serious problems for Los Gatos families. Any problems arising from local dispensaries should be on your conscience. Paying $50,000 for a study to determine sites for dispensaries is such a waste of community money.

Please, please consider the consequences of your decisions.

Most sincerely,

Martha K. Berk

From: Katherine Winkelman <[redacted]>
Sent: Thursday, March 3, 2022 9:53 PM

To: Joanne Rodgers; Rob Rennie; Maria Ristow; Mary Badame; Matthew Hudes; Marico Sayoc
Cc: Laurel Prevetti
Subject: Re: Comments on MJ Dispensaries to the Town Council- March 1

EXTERNAL SENDER

As a long-time Los Gatos town volunteer and ongoing Los Gatos Chamber member, Los Gatos resident near 50 years, St Mary's and St Lucy's Youth Minister and volunteer 20 years, past CASA Los Gatos President, Club Live, Friday Nite Live Volunteer (student clubs on high school and Jr. high school campuses) and Los Gatos High Volunteer 15 years I cannot be convinced with all this experience walking with kids that the Town of Los Gatos should have a dispensary or two or three. And oh my what we could do for our kids and families with $50000. I totally agree with Joanne Rogers and all opposed. Sincerely Kathy Winkelman

Get Outlook for iOS

From: Joanne Rodgers <[redacted]>
Sent: Wednesday, March 2, 2022 4:10:09 PM
To: RRennie@losgatosca.gov <RRennie@losgatosca.gov>; MRistow@losgatosca.gov <MRistow@losgatosca.gov>; Mary Badame <mbadame@losgatosca.gov>; MHudes@losgatosca.gov <MHudes@losgatosca.gov>; Marico Sayoc <msayoc@losgatos.gov>
Cc: Laurel Prevetti <lprevetti@losgatosca.gov>
Subject: Comments on MJ Dispensaries to the Town Council- March 1

Dear LG Friends and Town Council Members,

Last night March 1st several of us spoke at the Open Comments to the Council Members concerning the $50,000 that was spent to study

whether we would allow 3 marijuana dispensaries in Los Gatos. These are my comments and the letter below is one written by

Franklin Bondonno, Santa Clara County Judge about kids in Juvenile Hall.

I will let you know when we can arrange another meeting with a Council member and Police Chief.

Please continue writing letters and emails to our Town Council Members.

Joanne Rodgers

Hi

I'm Joanne Rodgers, co-founder of CASA, Community against Substance Abuse and

founder of LGHS New Millennium Foundation.

I was going to expound on MJ, as a GATEWAY DRUG and the harm it does to our kids.
Like 400 difference toxins that pot leaves in the brain, the reproductive organs, and
fatty tissue for weeks after using. Think of this in terms of our kids.

But instead I read through the contract that our Town Attorney signed and FOUR
of our Council Members voted to fund for $50,000 with
HDL, Cannabis Management Services Companies.

YOU HAVE OPENED A CAN OF WORMS.

Los Gatos will have no control on the outcome of allowing 3 MJ dispensaries in our town
as has been proposed in HDL Scope of Services unless there are 3 votes against it by the Town Council.

There is no way this
PROPOSAL FOR CANNABIS OUTREACH AND POLICY DEVELOPMENT CONTRACT
will only cost Los Gatos tax payer the initial $50,000 fee you have just paid them.

That is only the beginning.
Let me tell you what I found out when I called one of HDL references:
-HDL has been sued by several cities
-I was told the rating process that HDL used in this city
sent them different names but they were the same people.
-the summary of the scores were wrong.
-there was NO oversight - They complied all the surveys. They wrote the Ordinance changes;
They wrote the ballot measure; they decided the tax rate; they run the public meetings and provided direction to town staff.
-Our contract says everything will be **virtual even the individual meeting with Town Council members and all public meetings** because travel expenses for in person have not been included in the $50,000.
-The person I talked to (one the their references) said the Cannabis business is a litigious business.
-30 dispensaries were closed down.
-There is lot of oversight needed by police and security and HDL will do this too.
-She said they paid HDL much more than $50,000.
-She said their key Personnel,Compliance Director, David McPherson is a sales guy period.

Others personnel include 5 Auditors, 5 Compliance Inspectors and a few more.

We have given this whole process over to a Cannabis Management Service Co.

It is the Fox guarding the Hen House.

And our town survey says 60+% of Los Gatos does not want this.

Why would we go into this type of business?

There are other ways to raise money for the town. Don't spend another penny on this.

It's wrong for our town.

I have a letter from Santa Clara Superior Court Judge that I will email to you all.

Please read it.

Thank you.

From: Franklin Bondonno <[redacted]>

Subject: RE: Marijuana Dispensary planned for LG-Update

Date: February 16, 2022 at 4:55:58 PM PST

To: Joanne Rodgers <[redacted]>

MJ can be legally purchased at the Airport store on Coleman in San Jose. That is about 10 miles from the edge of Town.

MJ can be of help for the Cancer patients and is legal for adults in this state.

However, MJ is a big issue for kids : it interferes with brain development up to about age 24 or 25.

It can also increase anxiety and in some cases bring on (but not cause) early sysmptoms

of mental illness. ie By Polar onset.(Strong European studies on this).

Almost all of the kids I see in Juv. Justice use MJ ; and none of them can buy it legally.

I can see no benefit to having MJ sales in LG except perhaps some sales tax

revenue. However, most of the information I have seen shows that the underground illegal

market is doing better then the legally regulated and taxed market. So the down side seems

greater than the up side for our town.

A key question is do legal MJ stores get robbed? How often ? Because of the banking laws, do they have a lot of cash on hand making them a target? How much extra Police time cost comes with this type of store in town ?

The line that LG needs to be a "full service town" is a little glib.

I would like to know how much income the Town expects to get from the MJ store. It should be way more that the 50K price of the study. And how did the Town come to the expected number ?

I hope that helps.

Franklin

From: Stephanie Simas <[redacted]>
Sent: Tuesday, March 8, 2022 5:52 PM
To: Cannabis <cannabis@losgatosca.gov>
Subject: Cannabis

EXTERNAL SENDER

I'd love to work with the town to properly educate the residents on what legalization really means, and the local faces behind it. I'm a graduate of LGHS '97 and live near Lexington with my husband and son. As a special needs parent/mom who medicates her autistic son/child with CBD oil for behavioral issues and also is a 5 year cannabis industry veteran, I also have knowledge from running a cannabis shop in Soquel for the last 2 years.

Sincerely,

Stephanie A Simas

[redacted]

XO- Steff

From: Alexandra Swafford <[redacted]>
Sent: Friday, March 11, 2022 9:37 AM

To: Cannabis <cannabis@losgatosca.gov>
Subject: Two more voters and residents, and our opinion

EXTERNAL SENDER

Dear Town of Los Gatos,

We have been sent surveys on what we like/do not like/ would like improved on/ use of Community...but Marijuana Dispensaries are not addressed on this survey. It was with great alarm that I read that Los Gatos was considering Dispensaries. Have we learned nothing over the years? We have a terrific High School, terrific students and a community that tries its best to support the development of responsible young (and old) adults. Correct that marijuana is now legal - at 21 years. It is true, that most any enterprising and even half determined young person can 'order' ANY number of drugs online...including ones that end up causing addiction and also killing (because of fentanyl mixed into any number of 'recreational drugs)...but the goal of the Town should be to 'set an example' of responsible use of whatever (and yes, that includes alcohol) for the youth. There are dispensaries outside of the boundaries of Los Gatos, and they deliver, so we need to have one here? For what purpose? Revenue? Like we do not have enough revenue in this Town to support a responsible quality of live and community without bringing in a Marijuana Dispensary?

I understand that we are 'older' voters, but I also would hope that we would have experience and wisdom to have seen what drugs, misuse, overuse and addition does to people...and it starts with the attitude of the community. I have friends who have sold homes and moved to other Bay Area communities, specifically because Marijuana dispensaries opened close to them.

Please listen to the residents of this community, and resist the consideration of opening Dispensaries here. It does NOT make Los Gatos a more 'cool' community; in fact quite the opposite. Marijuana is readily available now to those who need it recreationally or medically, but we do not need the Dispensaries here.

Our opinion,

alexandra & david swafford

From: caissie stephens <[redacted]>
Sent: Friday, March 11, 2022 9:26 AM
To: Cannabis <cannabis@losgatosca.gov>
Subject: Yes to one Cannabis dispensary

EXTERNAL SENDER

I have lived in Los Gatos for over 52 years and I don't understand why there is such a hesitancy to have one Cannabis dispensary in town, unless it is fear. We have liquor stores, I do not drink, that are throughout the town and can buy alcohol at all major grocery stores. I am much more concerned about that, than I am about a cannabis dispensary. It brings revenue to the town and a lot of people use it for medical reasons. I am a yes on this

C Stephens

From: Alexandra Sung <[redacted]>
Sent: Monday, March 14, 2022 9:13:21 PM
To: Maria Ristow <MRistow@losgatosca.gov>
Subject: Concern re: possibility of cannabis operations in Los Gatos

EXTERNAL SENDER

Dear Vice Mayor Ristow,

I am a Los Gatos resident and want to express my concern regarding the possibly of allowing cannabis stores / operations in Los Gatos. I strongly oppose this idea due to public safety and odor concerns. The potential for additional revenue is simply not worth the risk of the negative externalities to this community. Those seeking cannabis have plenty of options nearby. Please let them go there and keep the negative impacts out of Los Gatos.

Regards,

Alexandra Sung

From: Jeff Sung <[redacted]>
Sent: Monday, March 14, 2022 10:30 PM
To: Cannabis <cannabis@losgatosca.gov>; Rob Rennie <RRennie@losgatosca.gov>; Marico Sayoc <MSayoc@losgatosca.gov>; Maria Ristow <MRistow@losgatosca.gov>; Mary Badame <MBadame@losgatosca.gov>; Matthew Hudes <MHudes@losgatosca.gov>
Subject: No to cannabis

EXTERNAL SENDER

Dear Los Gatos Town Council,

Years ago, it was cool to smoke. Joe Camel, the Marlboro Man... Members of our council should remember these figures. We've learned that people of that generation were brainwashed into smoking, with targeted ads by Big Tobacco. Only with lawsuits against tobacco, have we learned the true extent of how tobacco targeted children, targeted low income minorities for commercial profit. Governments went along for the ride, using "sin taxes" to pay for government programs, as these taxes were palatable

to the general populace. Politicians didn't have to speak up for these poor individuals, suckered into smoking by focused campaigns, and caught in their addiction. These individuals could be portrayed as deserving the consequences of their "consenting adult" choices, while the general populace got to reap the benefits of their taxes.

I fear that the same is happening now with marijuana. Yes, it is not right to put people in prison for using a small amount of marijuana. But it is not right to encourage its use by adding dispensaries, and it is absolutely not right for government to try to use marijuana as a way to raise tax revenue. This tax revenue is blood money.

As a doctor, I see the people who pay this blood money. I am biopsying their lung cancers. I am putting feeding tubes in their stomachs because of the cancers growing in their throats. I am reading the scans of the cancers that have spread to their brain and bones. Make no mistake that smoking marijuana causes the same cancers as smoking tobacco. Marijuana causes brain damage. Marijuana accelerates cardiovascular disease. Marjauna causes mental illness.

Marijuana gets into the hands of children. Nationwide, about 1 in 14 children aged 12 to 17 used marijuana in the past month. That figure was 24 percent in California, and increased to 26 percent after Proposition 64 was passed. Putting a dispensary in Los Gatos is going to make marijuana more accessible to children. We can't kid ourselves about this. We can't abrogate responsibility and say that this is the sole responsibility of parents.

Nearly 60 percent of Los Gatos residents said they opposed having a dispensary in Los Gatos. Please listen to them. Listen to physicians. Stop listening to those with financial interests tied to marijuana.

Thank you for your time.

Sincerely,

Jeffrey Sung, M.D.

From: Alexandra Sung <[redacted]>
Sent: Monday, March 14, 2022 9:11 PM
To: Cannabis <cannabis@losgatosca.gov>
Subject: Opposition to any form of cannabis business in Los Gatos

EXTERNAL SENDER

Hello,

I am a Los Gatos resident and want to express my concern regarding the possibly of allowing cannabis stores / operations in Los Gatos. I strongly oppose this idea due to public safety and odor concerns. The potential for additional revenue is simply not worth the risk of the negative externalities to this community. Those seeking cannabis have plenty of options nearby. Please let them go there and keep the negative impacts out of Los Gatos.

Regards,

Alexandra Sung

On Mar 14, 2022, at 9:14 PM, Alexandra Sung <[redacted]> wrote:

EXTERNAL SENDER

Dear Council Member Sayoc,

Thank you for your service to our community. I am a Los Gatos resident and want to express my concern regarding the possibly of allowing cannabis stores / operations in Los Gatos. I strongly oppose this idea due to public safety and odor concerns. The potential for additional revenue is simply not worth the risk of the negative externalities to this community. Those seeking cannabis have plenty of options nearby. Please let them go there and keep the negative impacts out of Los Gatos.

Regards,

Alexandra Sung

From: richardson48@comcast.net <[redacted]>
Sent: Tuesday, March 15, 2022 8:38 AM
To: Cannabis <cannabis@losgatosca.gov>
Cc: 'Lainey Richardson' <[redacted]>
Subject: 60 year resident

EXTERNAL SENDER

I went to Dave's Ave, Fisher, LG High and West Valley JC.

I am PRO dispensary in LG.

Happy to discuss:

Lainey Richardson

[redacted]

[redacted]

[redacted]

From: Joanne Rodgers <[redacted]>
Sent: Wednesday, March 02, 2022 4:10 PM
To: Rob Rennie <RRennie@losgatosca.gov>; Maria Ristow <MRistow@losgatosca.gov>; Mary Badame <MBadame@losgatosca.gov>; Matthew Hudes <MHudes@losgatosca.gov>; Marico Sayoc <msayoc@losgatos.gov>
Cc: Laurel Prevetti <LPrevetti@losgatosca.gov>
Subject: Comments on MJ Dispensaries to the Town Council- March 1

EXTERNAL SENDER

Dear LG Friends and Town Council Members,

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Please continue writing letters and emails to our Town Council Members.

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Like 400 difference toxins that pot leaves in the brain, the reproductive organs, and

fatty tissue for weeks after using. Think of this in terms of our kids.

But instead I read through the contract that our Town Attorney signed and FOUR

of our Council Members voted to fund for $50,000 with

HDL, Cannabis Management Services Companies.

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-HDL has been sued by several cities

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sent them different names but they were the same people.

-the summary of the scores were wrong.

-there was NO oversight - They complied all the surveys. They wrote the Ordinance changes;

They wrote the ballot measure; they decided the tax rate; they run the public meetings and provided direction to town staff.

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-30 dispensaries were closed down.

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It is the Fox guarding the Hen House.

And our town survey says 60+% of Los Gatos does not want this.

Why would we go into this type of business?

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It's wrong for our town.

I have a letter from Santa Clara Superior Court Judge that I will email to you all.

Please read it.

Thank you.

From: Franklin Bondonno <[redacted]>

Subject: RE: Marijuana Dispensary planned for LG-Update

Date: February 16, 2022 at 4:55:58 PM PST

To: Joanne Rodgers <[redacted]>

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I would like to know how much income the Town expects to get from the MJ store. It should be way more that the 50K price of the study. And how did the Town come to the expected number ?

I hope that helps.

Franklin

From: Gladie Rabitz <[redacted]>
Sent: Sunday, February 27, 2022 7:24 PM
To: Laurel Prevetti <LPrevetti@losgatosca.gov>; Rob Rennie <RRennie@losgatosca.gov>; Maria Ristow <MRistow@losgatosca.gov>; Mary Badame <MBadame@losgatosca.gov>; Matthew Hudes <MHudes@losgatosca.gov>; Marico Sayoc <MSayoc@losgatosca.gov>
Cc: Art Rabitz <[redacted]>
Subject: Cannabis stores/ dispensaries in LG

EXTERNAL SENDER

Dear LG Town Manager and Town Council Members -- We have lived in our Los Gatos home for 50 years, moving into our home in 1972. We have both been active in many parts of the Town's activities, in LGHS with our 4 kids in the 80's and 90's, on all the teams, volunteering in the schools, in many of the non-profits, etc. I was a co-founder of "The Venue, A Place for Teens" from 1988 forward, and on their Board of Directors for 12-15 years, developing the building, the programming, and the safety of the teens. I'm now active in Assistance League of Los Gatos-Saratoga, still helping in the schools, with Literacy, STEAM, Lunches for Seniors, Clothes For Kids, Care Packages for Foster Teens, and more programs to help those in need in and around our community. My husband is very active in the Los Gatos Rotary, and all their many activities including the long-held local Great Race.

We have been hearing about the marijuana/ cannabis stores/ dispensaries that are being planned for Los Gatos, the $50,000 "study", etc, and we are appalled. How can you even think of having that kind of store in our clean-cut, family-oriented, touristy, musical, charming, and artistic town?? It would be such a detriment to the town, to the kids, to the families, and to our wonderful Town's beautiful reputation. I hope you reconsider having this type of business in town. For similar reasons, a local gun shop and a paraphernalia shop were closed down in Los Gatos over recent years. A cannabis/ marajuana/ paraphernalia shop does not belong here in our lovely Los Gatos. Please reconsider and let them open elsewhere, not here.

Thank you for "listening".

Gladie Rabitz,

[redacted]

From: freeman <[redacted]>
Sent: Wednesday, March 16, 2022 9:41 AM
To: Cannabis <cannabis@losgatosca.gov>
Cc: freeman <[redacted]>
Subject: cannabis discussions

EXTERNAL SENDER

Dear Town of Los Gatos,

I am a resident of Los Gatos for 60+ years and would like to participate in discussion of cannabis business licensing in Los Gatos.

Can you please tell me how to sign up for meetings and consultant presentations? What is the schedule of meetings concerning cannabis in Los Gatos?

Thank you,

Keith Freeman

[redacted]

Los Gatos, CA 95032

From: Lee Fagot <[redacted]>
Sent: Wednesday, March 16, 2022 5:27 PM
To: Robert Schultz <RSchultz@losgatosca.gov>; Rob Rennie <RRennie@losgatosca.gov>; Maria Ristow <MRistow@losgatosca.gov>; Matthew Hudes <MHudes@losgatosca.gov>; Mary Badame <MBadame@losgatosca.gov>; Marico Sayoc <MSayoc@losgatosca.gov>; Laurel Prevetti <LPrevetti@losgatosca.gov>; Arn Andrews <aandrews@losgatosca.gov>
Subject: Cannabis sales in Los Gatos

EXTERNAL SENDER

Council Members and Senior Town employees

Interesting that the NY Times has a front page story about CA cannabis sellers today, " California Cannabis Sellers Face a Bleak Reality". March 16, 2022 NY Times page 1, informing us who the legal sellers are (convicted of illegal drug dealings in the past and given priority to open their retail outlets) reporting how they have done since opening their retail outlets, as they are facing violent burglaries, increased very local crime, losing money, complaining they not able to make the same profits they made selling illegal drugs on the street, etc. Very similar to the fears now over what NY wants to do based also on the recent experiences in CA, as related in these articles.

And, the earlier story, "New Yorkers With Marijuana Convictions Will Get First Retail Licenses" , NY Times page A25 of March 10, relating similar issues expected with new laws in NY State allowing convicted felons to get priority for retail licenses for dispensaries.

What the hell are our courts, and elected officials trying to do? This also could be undermining the quality of police services and provides Interesting rewards for bad and illegal behavior. What is the real cost vs. estimated new tax revenue potential? My guess, it will cost much more socially and financially going forward. Lets make the right decision on this issue of local retail outlet(s) in Town - NO!!

Thanks, and the articles are pretty scary, but worth the reading to learn more.

Lee Fagot

From: Cindy Tucey <[redacted]>
Sent: Monday, March 21, 2022 8:54:41 PM
To: Maria Ristow <MRistow@losgatosca.gov>
Subject: Vote NO on cannabis in Los Gatos

EXTERNAL SENDER

Dear Vice Mayor,

Please vote NO to retail cannabis in Los Gatos.

I was displeased to learn that the Los Gatos town council is considering allowing retail cannabis in our town of Los Gatos.

My in-laws live in a town in Colorado that was an early adopter of retail cannabis in the town. It has caused many problems for the town, and has brought a lot of undesirable elements to the town. It has trashed many previously nice areas. I have also seen shopping plazas with cannabis in the Bay area that have become undesirable due to the retail cannabis. I do not desire this for the town of Los Gatos.

We also do not want easier drug access for our children. I understand a counter argument is that teens will get cannabis anyway, so why prohibit cannabis in our town and give up the tax money. To this I would respond, that this is about more than easy access to cannabis, it's also about what sort of town we want to have. We do not want to attract the type of folks that will be getting high in the parking lot to our town. We don't want the crime and security issues.

Please vote NO.

Thank you for your consideration.

Sincerely,
Cindy Tucey
Homeowner & Resident of Los Gatos

From: Cindy Tucey <[redacted]>
Sent: Monday, March 21, 2022 1:53 PM
To: Cannabis <cannabis@losgatosca.gov>
Subject: Vote NO on retail cannabis

EXTERNAL SENDER

Dear Sir or Madam,

I was displeased to learn that the Los Gatos town council is considering allowing retail cannabis in our town of Los Gatos.

Please vote NO to retail cannabis in Los Gatos.

My in-laws live in a town in Colorado that was an early adopter of retail cannabis in the town. It has caused many problems for the town, and has brought a lot of undesirable elements to the town. It has

trashed many previously nice areas. I have also seen shopping plazas with cannabis in the Bay area that have become undesirable due to the retail cannabis. I do not desire this for the town of Los Gatos.

I understand a counter argument is that teens will get cannabis anyway, so why prohibit cannabis in our town and give up the tax money. To this I would respond, that this is about more than easy access to cannabis, it's also about what sort of town we want to have. We do not want to attract the type of folks that will be getting high in the parking lot to our town. If folks want to get cannabis, there are plenty of dispensaries in the local area.

Please vote NO.

Thanks for your consideration.

Sincerely,
Cindy Tucey

Sent from my iPhone

On Mar 22, 2022, at 1:17 PM, Kathy Anderson <[redacted]> wrote:

EXTERNAL SENDER

I am resending this requesting that each council member respond. I thank Mary Badame for responding.
I would like to know each of your reasoning for spending money on a study where 60% of your citizens were against allowing.
You are elected to represent the citizens of Los Gatos. Why would you ignore that responsibility by pursuing a costly study on an issue 60% of your citizens were against.
Why would you consider having to make a zoning change to allow marijuana dispensaries when the majority of the citizens are against.
Did you do a poll and costly study on the gun issue or did you just take a stand against a controversial issue?
I know each of you are busy but you are elected officials and need to respond to your electorate.
Kathy Anderson
Foster Rd. Los Gatos

I have asked in past correspondence to Council to vote no on marijuana dispensaries.
My question is - why are you even considering allowing them in Los Gatos ?
The poll concerning marijuana dispensaries 60% of returns voted no. Council would need to make a zoning change to allow them.
Council voted to not allow gun shops in town. It shows Council can take a stand when controversial issues come up.
So why aren't you just saying no to the marijuana dispensaries?

Please respond
Thank you,
Kathy Anderson
[redacted]. Los Gatos

Sent from my iPad

On Mar 24, 2022, at 9:04 PM, Jeff Sung <[redacted]> wrote:

EXTERNAL SENDER

Hi Marico,

I know you have kids too, and was wondering if you had any thoughts regarding my email. Nobody from town council replied. I was hoping you would all consider the points I made in it though. Please let me know your thoughts. Thank you for your time.

Respectfully,

Jeff

From: **Jeff Sung** <[redacted]>
Date: Mon, Mar 14, 2022, 10:30 PM
Subject: No to cannabis
To: <cannabis@losgatosca.gov>, Rob Rennie <rrennie@losgatosca.gov>, Marico Sayoc <msayoc@losgatosca.gov>, <mristow@losgatosca.gov>, <mbadame@losgatosca.gov>, <mhudes@losgatosca.gov>

Dear Los Gatos Town Council,

Years ago, it was cool to smoke. Joe Camel, the Marlboro Man... Members of our council should remember these figures. We've learned that people of that generation were brainwashed into smoking, with targeted ads by Big Tobacco. Only with lawsuits against tobacco, have we learned the true extent of how tobacco targeted children, targeted low income minorities for commercial profit. Governments went along for the ride, using "sin taxes" to pay for government programs, as these taxes were palatable to the general populace. Politicians didn't have to speak up for these poor individuals, suckered into smoking by focused campaigns, and caught in their addiction. These individuals could be portrayed as

deserving the consequences of their "consenting adult" choices, while the general populace got to reap the benefits of their taxes.

I fear that the same is happening now with marijuana. Yes, it is not right to put people in prison for using a small amount of marijuana. But it is not right to encourage its use by adding dispensaries, and it is absolutely not right for government to try to use marijuana as a way to raise tax revenue. This tax revenue is blood money.

As a doctor, I see the people who pay this blood money. I am biopsying their lung cancers. I am putting feeding tubes in their stomachs because of the cancers growing in their throats. I am reading the scans of the cancers that have spread to their brain and bones. Make no mistake that smoking marijuana causes the same cancers as smoking tobacco. Marijuana causes brain damage. Marijuana accelerates cardiovascular disease. Marjauna causes mental illness.

Marijuana gets into the hands of children. Nationwide, about 1 in 14 children aged 12 to 17 used marijuana in the past month. That figure was 24 percent in California, and increased to 26 percent after Proposition 64 was passed. Putting a dispensary in Los Gatos is going to make marijuana more accessible to children. We can't kid ourselves about this. We can't abrogate responsibility and say that this is the sole responsibility of parents.

Nearly 60 percent of Los Gatos residents said they opposed having a dispensary in Los Gatos. Please listen to them. Listen to physicians. Stop listening to those with financial interests tied to marijuana.

Thank you for your time.

Sincerely,

Jeffrey Sung, M.D.

From: [redacted] <[redacted]>
Sent: Tuesday, March 29, 2022 6:45 PM
To: 'Joanne Rodgers' <[redacted]>; 'Joe Rodgers' <[redacted]>; Rob Rennie <RRennie@losgatosca.gov>; Maria Ristow <MRistow@losgatosca.gov>; Mary Badame <MBadame@losgatosca.gov>; Matthew Hudes <MHudes@losgatosca.gov>; Marico Sayoc <MSayoc@losgatosca.gov>; Robert Schultz <RSchultz@losgatosca.gov>; Laurel Prevetti

<LPrevetti@losgatosca.gov>
Cc: 'Karla Albright' <[redacted]>; 'Sue Anawalt' <[redacted]>; 'Don Arnaudo' <[redacted]>; 'Rose Arnaudo' <[redacted]>; Mary Badame <MBadame@losgatosca.gov>; 'Dru Barth' <[redacted]>; 'Jim Barth' <[redacted]>; 'Kathy Bays' <[redacted]>; 'Michael Bays' <[redacted]>; 'Celia Bell' <[redacted]>; 'Joanne Benjamin' <[redacted]>; 'Marty Berk' <[redacted]>; 'Toni Blackstock' <[redacted]>; 'Jeffrey P. Blum' <[redacted]>; 'Nancy Boesenberg' <[redacted]>; 'Diana Bond' <[redacted]>; 'Franklin Bondonno' <[redacted]>; 'Shannon Burnett' <[redacted] 'Susan Burnett' <[redacted]>; 'Kelly Campbell' <[redacted]>; 'Julio Casal' <[redacted]>; 'Faustine Comstock' <[redacted]>; 'Robert Cowan' <[redacted]>; 'Joan Cross' <[redacted]>; 'Don Erba' <[redacted]>; 'Lee Fagot' <[redacted]>; 'Leslie Finch' <[redacted]>; 'Karyn Gramling' <[redacted]>; 'R &L Hallinan' <[redacted]>; 'Mary Harvey' <[redacted]>; 'Stacey Hein' <[redacted]>; 'Nancy Hernandez' <[redacted]>; 'Margaret Hokeness' <[redacted]>; 'Garry Holst' <[redacted]>; 'Patti Hughes' <[redacted] 'Rupar Iyar' <[redacted]>; 'Jubie Jaramillo' <[redacted]>; 'Troy Jaramillo' <[redacted]>; 'Nancy Jobe' <[redacted]>; 'Sally Jones' <[redacted]>; 'Judy Peterson' <[redacted]>; 'Susan Kankel' <[redacted]>; 'Bonnie Knopf' <[redacted]>; 'Carrie Knopf' <[redacted]>; 'Phil Knopf' <[redacted]>; 'William Lasher' <[redacted]>; 'Theresa Leiker' <[redacted]>; 'Steve Leonardis' <[redacted]>; 'Celine Leroy' <[redacted]>; 'Barbara Mesa' [redacted]>; 'Mike' <[redacted] 'Olga Montserratt' <[redacted]>; 'Pearl Norton' <[redacted] 'Sally Paolini' <[redacted]>; 'Judy Peckler' [redacted]>; 'Gwen Pinkston' <[redacted] 'Diana Pleasant' <[redacted]>; 'Gladie Rabitz' <[redacted]>; 'Joe Rodgers' <[redacted] 'Travis Rodgers' <[redacted]>; 'Marshall Smith' <[redacted]>; 'Doug Sporleder' <[redacted]>; 'Vicki Thorburn' [redacted]>; 'Kirsten Trapani' <[redacted]>; 'Terri Trotter' <[redacted] 'Kathy Tumason' <[redacted]>; 'Susan Tuttle' <[redacted]>; 'Carol Wallace' <[redacted]>; 'Kim Wasserman' <[redacted]>; 'Lucy Wedemeyer' <[redacted] 'Dave Wilde' <[redacted]>; 'Kathy Winkelman' [redacted]
Subject: RE: alarming information regarding HDL requiring immediate action

EXTERNAL SENDER

Dear Robert Schultz,

and Rob Rennie, Maria Ristow, Mary Badame, Matthew Hudes, Marico Sayoc, Laurel Prevetti

My name is Lisa Harris and I have been a homeowner in Los Gatos for over 20 years. I am part of a growing collective group of concerned residents in Los Gatos called CAD, Community Against Dispensaries.

Recently we were made aware that the town of Los Gatos hired a Cannabis management company called HDL for initial consultation services.

I looked on the HDL website to learn more about the cannabis management company that The Town of Los Gatos gave $50,000 to. I want to quote what HDL said on their website regarding the companies "Regulation, Development, and Support services."

"HDL, will help you develop cannabis regulations that maximize agency economic benefits while providing a framework for cannabis businesses to operate successfully. Services include fiscal analysis, land-use regulation development, regulatory and tax ordinance drafting, and ballot resolution preparation." This is a biased for profit agency with regards to the cannabis industry. HDL plays a core part in orchestrating the approval of commercial cannabis businesses in towns.

Upon further research I discovered that essentially they are a full service company that has contracts with towns over the course of many years . HDL makes the bulk of their profits off of towns if they allow cannabis businesses to operate. They also will work with cannabis companies in a towns jurisdiction on an ongoing basis to make sure the town is receiving their taxes. HDL is essentially a biased pro- cannabis company. If we don't allow cannabis in the town of Los Gatos, than HDL can't provide billable services. It's in HDL's best interest to convince the town of LG to allow cannabis businesses to operate. David Mc Pherson, Cannabis Compliance Director for HDL said in an interview with mjbizdaily.com, " It makes no sense for this firm not to want cannabis businesses to succeed in the jurisdictions where it has contracts"

According to consulting.us, the town of San Bernadino originally had a 5 year $750,000 contract with HDL. HDL was going to audit and oversee regulations of the cannabis businesses in the town. San Bernadino shortened the contract to 1 year at $150,000 . Here's the interesting part. It was reported in the consulting.us article that "The remaining 4 year contract($600,000) will be paid using fees collected from various Cannabis Businesses during the commercial licensing process." So HDL also bills cannabis businesses for providing their services, in addition to billing towns. This contradicts what Andy Nickerson President of HDL wrote in the cover letter to Robert Schultz Town Attorney on January 24, 2022. Nickerson wrote , "HDL works solely with public agencies and has no private-sector clients in the cannabis industry"

In other words, HDL manages to still get paid by the local cannabis businesses even though a town might change their mind and not want a 5 year contract. No matter how you look at this, HDL's sole fiscal survival is dependent upon towns allowing cannabis businesses.

In addition, HDL has no concern regarding for safety for the communities. In an interview by The Californian the question to David Mc Pherson was asked, "Is public concern common in communities?" Mc Pherson answered, "They keep bringing it back to schools and kids but look at the state law, and public safety, and law enforcement. It has so little concern of manufacturing (growing operations) being an issue." HDL looks for legal loopholes or rewrites the town ordinances to get the cannabis businesses in the towns anyway they can.

In the 1/24/22 proposal by HDL it said that the "Town Attorney held a series of 10 meetings with various community groups to gather input from the public. The majority of the public in attendance expressed an interest in allowing cannabis businesses within the town."

CAD is requesting information as to who attended those 10 meetings? This meeting ,to our knowledge, was never publicized within the community for the town to "gather

Input." Furthermore, a survey was done recently by Surveymonkey asking if the town residents wanted dispensaries. Over %60 voted NO.

***CAD is asking Robert Shultz, Laurel Prevetti, or any member from the town council to please answer the following questions;

1) Why did the town council hire HDL knowing that it is a biased for-profit marijuana consultation company?

2) The town already did a survey on Surveymonkey and discovered that over 60% polled were against dispensaries in the town of Los Gatos. Your constituents have spoken. Why did the town hire HDL anyways?

3) In the future, How will you be communicating your intentions regarding allowing dispensaries in town?

4)Robert Schultz, Who were those 10 groups that you met with that expressed an interest in allowing cannabis businesses within the town?

5) What is the long term financial commitment that the town expects to spend with HDL if dispensaries are allowed?

***CAD is making a formal request asking the town to terminate it's contract with HDL and find an unbiased consultation firm that doesn't have any financial stake in the outcome of the survey.

CAD is just getting started, this group has evolved and grown so quickly in spite of not advertising in our local communication resources or social media. We haven't even gotten the word out to all of the parents in our local schools yet. I can guarantee you that there will be many concerned parents asking why does the town council and it's leaders think having dispensaries in our town will enhance our quality of life.

Kind regards,

Lisa Harris

From: susan burnett <[redacted]>
Sent: Wednesday, March 30, 2022 3:26 PM
To: Rob Rennie <RRennie@losgatosca.gov>; Maria Ristow <MRistow@losgatosca.gov>; Laurel Prevetti <LPrevetti@losgatosca.gov>; matthewhudes@losgatosca.gov; maricosayoc@losgatosca.gov; marybadame@losgatosca.gov
Subject: Cannabis dispensaries

EXTERNAL SENDER

Good afternoon,
After more research on the possible Cannabis Dispensaries in Los Gatos I have grave concerns! We are definitely not going to get an unbiased report if HDL is hired to take on this important issue for our town. I also have serioous reservations on the real possibility of increased crime, smash and grab! We already have an Apple Store that is frequently being hit and they grab cell phones! Please do not hire HDl, I am convinced this community does not want this for our town. The NYT had a front page article about California and the increasing crime around the dispensaries. How does our police feel about this and what is the cost for their increased services that will be needed?
Thank-you,
Susan Burnett

Sent from my iPhone

From: Keith Freeman <[redacted]>
Sent: Monday, April 4, 2022 10:57 AM
To: Holly Zappala <HZappala@losgatosca.gov>
Subject: Marihuana dispensary in Los Gatos

EXTERNAL SENDER

Dear Town of Los Gatos,

I have been given this email address to enquire about the proposal to allow marihuana stores in Los Gatos.

Having lived in Los Gatos for 60+ years (University Avenue '61,Fisher '62, Wildcat '66). My children all went to LGHS. I have strong feelings about marihuana being sold in Los Gatos.

Can you please advise me on how I can participate in this discussion.

Thank you,

Keith Freeman

[redacted]

Los Gatos

From: K. Deloumi <[redacted]>
Sent: Monday, April 11, 2022 8:25 AM
To: Rob Rennie <RRennie@losgatosca.gov>
Cc: Town Manager <Manager@losgatosca.gov>
Subject: Fw: Hoboken must exercise more caution on recreational marijuana dispensaries | Opinion

EXTERNAL SENDER

Please share. Reflection into the future.

Karen

----- Forwarded Message -----

From: "K. Deloumi" <[redacted]>

To: "Me Me Karen Deloumi" <[redacted]>

Cc:

Sent: Mon, Apr 11, 2022 at 8:13 AM

Subject: Hoboken must exercise more caution on recreational marijuana dispensaries | Opinion

https://www.nj.com/opinion/2022/04/hoboken-must-exercise-more-caution-on-recreational-marijuana-dispensaries-opinion.html

Karen

From: Max Del Real <[redacted]>
Sent: Thursday, April 14, 2022 11:50 AM
To: Town Manager <Manager@losgatosca.gov>
Cc: Arn Andrews <aandrews@losgatosca.gov>; Cannabis <cannabis@losgatosca.gov>
Subject: Cannabis Inquiry

EXTERNAL SENDER

Ms. Prevetti,

Good morning.

I am interested in your Town's new Cannabis Program in Los Gatos.

I represent NUG Inc., a leading cannabis retail company in Northern California. We currently own and operate five (5) award-winning retail cannabis stores in Northern California - including licensed dispensaries in Sacramento, Redding, Oakland, El Cerrito, and San Leandro. Our company website is www.nug.com.

My client, NUG, is very interested in applying for a retail cannabis permit in the Town of Los Gatos. Our business has been recognized for its industry success and "best practices." Further, our business - if allowed to open in Los Gatos - would create thirty (30) new, local jobs and be an "economic driver" pertaining to new tax dollars for your Town. Further, our company has an active Community Outreach Plan, that provides $100,000 annually to local nonprofits and charities.

I would like to schedule a ZOOM call and/or meeting with you to discuss the new Cannabis Program in the Town of Los Gatos and introduce my client, NUG Inc.

Please let mew know when you are available. Best.

M. Max Del Real
President & CEO

Ammericann Development LLC

[redacted] Toll Free

[redacted] Office
[redacted] Direct

[redacted]
www.ammericann.com

The information contained in this E-mail is confidential and may also contain privileged advocate-client information or work product. The information is intended only for the use of the individual or entity to whom it is addressed. If you are not the intended recipient, or the employee or agent responsible to deliver it to the intended recipient, you are hereby notified that any use, dissemination, distribution or copying of this communication is strictly prohibited. If you have received this E-mail in error, please delete this message from your computer and immediately notify the sender. Thank you.

GO GREEN, GO PAPER-FREE.

From: RICHARD GASKILL <[redacted]>
Sent: Friday, April 22, 2022 7:35 PM
To: Cannabis <cannabis@losgatosca.gov>
Subject: Cannabis in Los Gatos

EXTERNAL SENDER

I think many cannabis users like to smoke it, which is definitely unhealthy for them and others. Also, I don't think there is evidence that it's better than regular meds for any condition. And it can be addictive. I also worry that it could become associated with criminal organizations. So I don't think it should be allowed in Los Gatos.

J. Richard Gaskill, MD

From: RICHARD GASKILL <[redacted]>
Sent: Saturday, April 23, 2022 4:24 PM

To: Cannabis <cannabis@losgatosca.gov>
Subject: Fwd: Cannabis in Los Gatos

EXTERNAL SENDER

For more information Google "Kaisers advice on marijuana"

JRG

---------- Original Message ----------

From: RICHARD GASKILL <[redacted]>

To: "cannabis@losgatosca.gov" <cannabis@losgatosca.gov>

Date: 04/22/2022 7:34 PM

Subject: Cannabis in Los Gatos

I think many cannabis users like to smoke it, which is definitely unhealthy for them and others. Also, I don't think there is evidence that it's better than regular meds for any condition. And it can be addictive. I also worry that it could become associated with criminal organizations. So I don't think it should be allowed in Los Gatos.

J. Richard Gaskill, MD

From: Patty Charles <[redacted]>
Sent: Monday, May 2, 2022 2:58 PM
To: Cannabis <cannabis@losgatosca.gov>
Subject: Los Gatos dispensary - I'm against

EXTERNAL SENDER

I am writing as a Los Gatos citizen with 3 teenagers.

I am not against dispensaries or the legalization of Marijuana, but I do not see the benefit of having one in Los Gatos. The dispensaries I have been too are not terrible places, but they have typically had a lot of security (armed guard) and I have never been to one where there was not a person or two of question around. Why is this the type of business we want in Los Gatos?

Even just having a pharmacy attracts people looking for drugs. I have teenagers and I really do not want them having any easier access to drugs than they already do. I also don't want an armed guard outside of a dispensary. It is just an accident waiting to happen.

My understanding is that as Dispensaries are not federally regulated they cannot have FDIC bank account. So having cash around also attracts people looking for easy answers.

Surely we can find more viable less risky businesses for los gatos.

So I am against.

Patty

From: W Stephen Sullins <[redacted]>
Sent: Thursday, May 5, 2022 9:47 AM
To: Cannabis <cannabis@losgatosca.gov>
Subject: NO Cannabis in Los Gatos

EXTERNAL SENDER

I've seen the plan to hire a cannabis consultant to explore the possibility of licensing cannabis dispensaries in Los Gatos. As a resident with school children, and as an adult that appreciates the mature and already vibrant retail and dining scene, I see NO benefit to the community by even considering the benefits of licensing dispensaries.

PLEASE, lets stop this process in its tracks. We have enough abuse of alcohol amongst our children, we don't need to open the door, even through legal channels, to the view that more substance abuse is acceptable.

Thank you.

Steve Sullins
[redacted]
Los Gatos

Sent from my iPad

From: caissie stephens <[redacted]>
Sent: Friday, May 6, 2022 8:19 PM
To: Cannabis <cannabis@losgatosca.gov>
Subject: Los Gatos Resident for over 50 years

EXTERNAL SENDER

I am in support of having a cannabis dispensary in Los Gatos. Many in our community use Cannabis legally, and to provide a local dispensary would be beneficial for the community.. Cannabis is used by so many and has so many good purposes if used correctly and legally. I have heard the push back due to the concern of sending the wrong message to adolescents. To address this concern I say, firstly, the dispensaries have very strict policies and you can not enter if you do not have I.D. Secondly, it has its own security. (Kids can run into Safeway and grab liqueur and run out. That will never happen at a dispensary). . Thirdly, I am a high school teacher and know teens will find pot and alcohol with or without a dispensary. At least this Cannabis is safe and regulated rather than what's on the street.

Caissie Stephens

From: [redacted] <[redacted]>
Sent: Thursday, May 12, 2022 6:01 PM
To: 'Joanne Rodgers' <[redacted]>; 'Joe Rodgers' <[redacted]>; Rob Rennie <RRennie@losgatosca.gov>; Maria Ristow <MRistow@losgatosca.gov>; Mary Badame <MBadame@losgatosca.gov>; Matthew Hudes <MHudes@losgatosca.gov>; Marico Sayoc <MSayoc@losgatosca.gov>; Robert Schultz <RSchultz@losgatosca.gov>; Laurel Prevetti <LPrevetti@losgatosca.gov>; Cannabis <cannabis@losgatosca.gov>
Cc: 'Karla Albright' <[redacted]>; 'Sue Anawalt' <[redacted]>; 'Don Arnaudo' <[redacted]>; 'Rose Arnaudo' <[redacted]>; Mary Badame <MBadame@losgatosca.gov>; 'Dru Barth' <[redacted]>; 'Jim Barth' <[redacted]>; 'Kathy Bays' <[redacted]>; 'Michael Bays' <[redacted]>; 'Celia Bell' <[redacted]>; 'Joanne Benjamin' <[redacted] 'Marty Berk' <[redacted]>; 'Toni Blackstock' <[redacted]>; 'Jeffrey P. Blum' <[redacted]>; 'Nancy Boesenberg' <[redacted]>; 'Diana Bond' <[redacted]>; 'Franklin Bondonno' <[redacted]>; 'Shannon Burnett' <[redacted]>; 'Susan Burnett' <[redacted]>; 'Kelly Campbell' <[redacted]>; 'Julio Casal' <[redacted]>; 'Faustine Comstock' <[redacted]>; 'Robert Cowan' <[redacted]>; 'Joan Cross' <[redacted]>; 'Don Erba' <[redacted]>; 'Lee Fagot' <[redacted]>; 'Leslie Finch' <[redacted]>; 'Karyn Gramling' <[redacted]>; 'R &L Hallinan' <[redacted]>; 'Mary Harvey' <[redacted]>; 'Stacey Hein' <[redacted] 'Nancy Hernandez' <[redacted]>; 'Margaret Hokeness' <[redacted]>; 'Garry Holst' <[redacted]>; 'Patti Hughes' <[redacted]>; 'Rupar Iyar' <[redacted]>; 'Jubie Jaramillo' <[redacted] 'Troy Jaramillo' <[redacted]>; 'Nancy Jobe' <[redacted]>; 'Sally Jones' <[redacted]>; 'Judy Peterson' <[redacted]>; 'Susan Kankel' <[redacted]>; 'Bonnie Knopf' <[redacted]>; 'Carrie Knopf' <[redacted]>; 'Phil Knopf'

<[redacted]>; 'William Lasher' <[redacted]>; 'Theresa Leiker' <[redacted]>; 'Steve Leonardis' <[redacted]>; 'Celine Leroy' <[redacted]>; 'Barbara Mesa' <[redacted]>; 'Mike' <[redacted] 'Olga Montserratt' <[redacted]>; 'Pearl Norton' <[redacted]>; 'Sally Paolini' <[redacted]>; 'Judy Peckler' <[redacted]>; 'Gwen Pinkston' <[redacted]>; 'Diana Pleasant' <[redacted]>; 'Gladie Rabitz' <[redacted]>; 'Joe Rodgers' <[redacted]>; 'Travis Rodgers' <[redacted]>; 'Marshall Smith' <[redacted]>; 'Doug Sporleder' <[redacted]>; 'Vicki Thorburn' <[redacted]>; 'Kirsten Trapani' <[redacted]>; 'Terri Trotter' <[redacted]>; 'Kathy Tumason' <[redacted]>; 'Susan Tuttle' <[redacted]>; 'Carol Wallace' <[redacted]>; 'Kim Wasserman' <[redacted]>; 'Lucy Wedemeyer' <[redacted] 'Dave Wilde' <[redacted]>; 'Kathy Winkelman' <[redacted]>
Subject: RE: requesting GIS study for dispensaries

EXTERNAL SENDER

Dear council members and staff,

Last week on May 5, I attended a meeting with Marico Sayoc and Laurel Prevetti. The topic was marijuana dispensaries in Los Gatos. I am part of a group that is vehemently against marijuana dispensaries in town. I asked Laurel and Marico if the town has done a GIS study to even determine where one can go. Laurel said no, there was no plan thus far to conduct a study. This is mind boggling that not one person on your decision making team has requested to do this. Los Gatos is 11 square miles. I pointed out to Laurel and Marico that by the time you follow the current regulations of setback requirements away from schools, parks, hospitals, housing, etc. and staying in an industrial area, I think your group would be hard pressed to even find a suitable legal location in Los Gatos. Your team was so eager to hire HDL , a biased pro- cannabis consulting firm, at $50,000 looking for ways to make money for the town that they neglected to do this basic step. It seems to me that a GIS study should have been the first step.

***I am requesting that the town council and it‘s staff do a formal GIS study as to where you would legally place a dispensary based on current rules and regulations and when can we expect to see the published results for the public?

I am still against a dispensary. Please vote NO on allowing dispensaries in Los Gatos.

Kind regards,

Lisa Harris

From: [redacted] <[redacted]>
Sent: Tuesday, March 29, 2022 6:45 PM
To: 'Joanne Rodgers' <[redacted]>; 'Joe Rodgers' <[redacted]>; 'rrennie@losgatosca.gov' <rrennie@losgatosca.gov>; 'mristow@losgatosca.gov' <mristow@losgatosca.gov>; 'mbadame@losgatosca.gov' <mbadame@losgatosca.gov>; 'mhudes@losgatosca.gov' <mhudes@losgatosca.gov>; 'msayoc@losgatosca.gov' <msayoc@losgatosca.gov>; 'rschultz@losgatosca.gov' <rschultz@losgatosca.gov>; 'lprevetti@losgatosca.gov' <lprevetti@losgatosca.gov>
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[redacted]

Subject: RE: alarming information regarding HDL requiring immediate action

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and Rob Rennie, Maria Ristow, Mary Badame, Matthew Hudes, Marico Sayoc, Laurel Prevetti

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I looked on the HDL website to learn more about the cannabis management company that The Town of Los Gatos gave $50,000 to. I want to quote what HDL said on their website regarding the companies "Regulation, Development, and Support services."

"HDL, will help you develop cannabis regulations that maximize agency economic benefits while providing a framework for cannabis businesses to operate successfully. Services include fiscal analysis, land-use regulation development, regulatory and tax ordinance drafting, and ballot resolution preparation." This is a biased for profit agency with regards to the cannabis industry. HDL plays a core part in orchestrating the approval of commercial cannabis businesses in towns.

Upon further research I discovered that essentially they are a full service company that has contracts with towns over the course of many years . HDL makes the bulk of their profits off of towns if they allow cannabis businesses to operate. They also will work with cannabis companies in a towns jurisdiction on an ongoing basis to make sure the town is receiving their taxes. HDL is essentially a biased pro- cannabis company. If we don't allow cannabis in the town of Los Gatos, than HDL can't provide billable services. It's in HDL's best interest to convince the town of LG to allow cannabis businesses to operate. David Mc Pherson, Cannabis Compliance Director for HDL said in an interview with mjbizdaily.com, " It makes no sense for this firm not to want cannabis businesses to succeed in the jurisdictions where it has contracts"

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Nickerson wrote , “HDL works solely with public agencies and has no private-sector clients in the cannabis industry”

In other words, HDL manages to still get paid by the local cannabis businesses even though a town might change their mind and not want a 5 year contract. No matter how you look at this, HDL’s sole fiscal survival is dependent upon towns allowing cannabis businesses.

In addition, HDL has no concern regarding for safety for the communities. In an interview by The Californian the question to David Mc Pherson was asked, “Is public concern common in communities?” Mc Pherson answered, “They keep bringing it back to schools and kids but look at the state law, and public safety, and law enforcement. It has so little concern of manufacturing (growing operations) being an issue.” HDL looks for legal loopholes or rewrites the town ordinances to get the cannabis businesses in the towns anyway they can.

In the 1/24/22 proposal by HDL it said that the “Town Attorney held a series of 10 meetings with various community groups to gather input from the public. The majority of the public in attendance expressed an interest in allowing cannabis businesses within the town.”

CAD is requesting information as to who attended those 10 meetings? This meeting ,to our knowledge, was never publicized within the community for the town to ”gather

Input.” Furthermore, a survey was done recently by Surveymonkey asking if the town residents wanted dispensaries. Over %60 voted NO.

***CAD is asking Robert Shultz, Laurel Prevetti, or any member from the town council to please answer the following questions;

1) Why did the town council hire HDL knowing that it is a biased for-profit marijuana consultation company?

2) The town already did a survey on Surveymonkey and discovered that over 60% polled were against dispensaries in the town of Los Gatos. Your constituents have spoken. Why did the town hire HDL anyways?

3) In the future, How will you be communicating your intentions regarding allowing dispensaries in town?

4)Robert Schultz, Who were those 10 groups that you met with that expressed an interest in allowing cannabis businesses within the town?

5) What is the long term financial commitment that the town expects to spend with HDL if dispensaries are allowed?

***CAD is making a formal request asking the town to terminate it's contract with HDL and find an unbiased consultation firm that doesn't have any financial stake in the outcome of the survey.

CAD is just getting started, this group has evolved and grown so quickly in spite of not advertising in our local communication resources or social media. We haven't even gotten the word out to all of the parents in our local schools yet. I can guarantee you that there will be many concerned parents asking why does the town council and it's leaders think having dispensaries in our town will enhance our quality of life.

Kind regards,

Lisa Harris

From: [redacted] <[redacted]>
Sent: Thursday, May 12, 2022 5:36 PM
To: 'Joanne Rodgers' <[redacted]>; 'Joe Rodgers' <[redacted]>; Rob Rennie <RRennie@losgatosca.gov>; Maria Ristow <MRistow@losgatosca.gov>; Mary Badame <MBadame@losgatosca.gov>; Matthew Hudes <MHudes@losgatosca.gov>; Marico Sayoc <MSayoc@losgatosca.gov>; Robert Schultz <RSchultz@losgatosca.gov>; Laurel Prevetti <LPrevetti@losgatosca.gov>; Cannabis <cannabis@losgatosca.gov>
Cc: 'Karla Albright' <[redacted]>; 'Sue Anawalt' <[redacted]>; 'Don Arnaudo' <[redacted]>; 'Rose Arnaudo' <[redacted]>; Mary Badame <MBadame@losgatosca.gov>; 'Dru Barth' <[redacted]>; 'Jim Barth' <[redacted]>; 'Kathy Bays' <[redacted]>; 'Michael Bays' <[redacted]>; 'Celia Bell' <[redacted]>; 'Joanne Benjamin' <[redacted]>; 'Marty Berk' <[redacted]>; 'Toni Blackstock' <[redacted]>; 'Jeffrey P. Blum' <[redacted]>; 'Nancy Boesenberg' <[redacted]>; 'Diana Bond' <[redacted]>; 'Franklin Bondonno' <[redacted]>; 'Shannon Burnett' <[redacted]>; 'Susan Burnett' <[redacted]>; 'Kelly Campbell' <[redacted]>; 'Julio Casal' <[redacted]>; 'Faustine Comstock' <[redacted]>; 'Robert Cowan' <[redacted]>; 'Joan Cross' <[redacted]>; 'Don Erba' <[redacted]>; 'Lee Fagot' <[redacted]>; 'Leslie Finch' <[redacted]>; 'Karyn Gramling' <[redacted]>; 'R &L Hallinan' <[redacted]>; 'Mary Harvey' <[redacted]>; 'Stacey Hein'

<[redacted]>; 'Nancy Hernandez' <[redacted]>; 'Margaret Hokeness'
<[redacted]>; 'Garry Holst' <[redacted]>; 'Patti Hughes'
<[redacted]>; 'Rupar Iyar' <[redacted]>; 'Jubie Jaramillo'
<[redacted]>; 'Troy Jaramillo' <[redacted]>; 'Nancy Jobe'
<[redacted]>; 'Sally Jones' <[redacted]>; 'Judy Peterson'
<[redacted]>; 'Susan Kankel' <[redacted]>; 'Bonnie Knopf'
<[redacted]>; 'Carrie Knopf' <[redacted]>; 'Phil Knopf'
<[redacted]>; 'William Lasher' <[redacted]>; 'Theresa Leiker'
<[redacted]>; 'Steve Leonardis' <[redacted]>; 'Celine Leroy'
<[redacted]>; 'Barbara Mesa' <[redacted]>; 'Mike'
<[redacted]>; 'Olga Montserratt' <[redacted]>; 'Pearl Norton'
<[redacted]>; 'Sally Paolini' <[redacted]>; 'Judy Peckler'
<[redacted]>; 'Gwen Pinkston' <[redacted] 'Diana Pleasant'
<[redacted] 'Gladie Rabitz' <[redacted]>; 'Joe Rodgers'
<[redacted]>; 'Travis Rodgers' <[redacted]>; 'Marshall Smith' <[redacted]>; 'Doug Sporleder' <[redacted]>; 'Vicki Thorburn' <[redacted]>; 'Kirsten Trapani' <[redacted]>; 'Terri Trotter' <[redacted]>; 'Kathy Tumason'
<[redacted]>; 'Susan Tuttle' <[redacted]>; 'Carol Wallace'
<[redacted]>; 'Kim Wasserman' <[redacted]>; 'Lucy Wedemeyer'
<[redacted]>; 'Dave Wilde' <[redacted]>; 'Kathy Winkelman'
<K[redacted]>
Subject: RE: NO dispensaries in Los Gatos

EXTERNAL SENDER

Dear Town Council members,

I am writing to express concern regarding the topic of dispensaries in our town. I have been very outspoken that I think dispensaries will be a detriment to our town. It normalizes marijuana use and makes it more accessible to our youth. According to the Cannabis Research Report July 2020 by the NIH, Marijuana is linked to other substance use disorders.

I would like to warn the council members to not be lulled in to a false sense of security when the dispensaries say that they check ID's. Yes ,they check ID's but I can tell you that black market fake ID's have gotten very sophisticated and they are not only very convincing, but scannable. I know this because I have young adults in the house and I have spoken to many of their friends about this very topic. Some of the young adults have admitted to knowing people who have used their fake ID's at Airfield and Caliva Dispensaries. Currently a trend in the Los Gatos High School is that students will gain access to alcohol in individual serving cans or bottles; beer, white claw, hard cider, etc. They then will sell them to other students. They are called "Alcohol Brokers". If we have dispensaries in town, it will only make marijuana more accessible to our youth and a new branch of business called "Pot Brokers" will sprout in our high school. Oh, sorry, that's already an existing business, they're called drug dealers. You will just increase the number of " Pot Brokers" at Los Gatos High School.

As our elected representatives of Los Gatos, you have a duty and responsibility to make Safe and Healthy choices for our beloved town and all of it's members. It will be grossly negligent if you allow dispensaries in our town ,thus making marijuana more accessible to our youth. Simply deciding to allow dispensaries for the sake of money to the town is short sighted and irresponsible. Some of you will be moving on from your position, is this the legacy that you want to leave behind? There's a price to pay for everything. Our youth depends on you to make the right decision. Vote NO on allowing dispensaries in town.

Kind regards,

Lisa Harris

From: lmharris@earthlink.net <lmharris@earthlink.net>
Sent: Tuesday, March 29, 2022 6:45 PM
To: 'Joanne Rodgers' <joannerodgers@mac.com>; 'Joe Rodgers' <jrodgers43@yahoo.com>; 'rrennie@losgatosca.gov' <rrennie@losgatosca.gov>; 'mristow@losgatosca.gov' <mristow@losgatosca.gov>; 'mbadame@losgatosca.gov' <mbadame@losgatosca.gov>; 'mhudes@losgatosca.gov' <mhudes@losgatosca.gov>; 'msayoc@losgatosca.gov' <msayoc@losgatosca.gov>; 'rschultz@losgatosca.gov' <rschultz@losgatosca.gov>; 'lprevetti@losgatosca.gov' <lprevetti@losgatosca.gov>
Cc: 'Karla Albright' <[redacted]>; 'Sue Anawalt' <[redacted]>; 'Don Arnaudo' <[redacted]>; 'Rose Arnaudo' <[redacted]>; Mary Badame <MBadame@losgatosca.gov>; 'Dru Barth' <[redacted]>; 'Jim Barth' <[redacted]>; 'Kathy Bays' <[redacted]>; 'Michael Bays' <[redacted]>; 'Celia Bell' <[redacted]>; 'Joanne Benjamin' <[redacted]>; 'Marty Berk' <[redacted]>; 'Toni Blackstock' <[redacted]>; 'Jeffrey P. Blum' <[redacted]>; 'Nancy Boesenberg' <[redacted]>; 'Diana Bond' <[redacted]>; 'Franklin Bondonno' <[redacted]>; 'Shannon Burnett' <[redacted] 'Susan Burnett' <[redacted]>; 'Kelly Campbell' <[redacted]>; 'Julio Casal' <[redacted]>; 'Faustine Comstock' <[redacted]>; 'Robert Cowan' <[redacted]>; 'Joan Cross' <[redacted]>; 'Don Erba' <[redacted]>; 'Lee Fagot' <[redacted]>; 'Leslie Finch' <[redacted]>; 'Karyn Gramling' <[redacted]>; 'R &L Hallinan' <[redacted]>; 'Mary Harvey' <[redacted]>; 'Stacey Hein' <[redacted]>; 'Nancy Hernandez' <[redacted]>; 'Margaret Hokeness' <[redacted]>; 'Garry Holst' <[redacted]>; 'Patti Hughes' <[redacted] 'Rupar Iyar' <[redacted]>; 'Jubie Jaramillo' <[redacted]>; 'Troy Jaramillo' <[redacted]>; 'Nancy Jobe' <[redacted]>; 'Sally Jones' <[redacted]>; 'Judy Peterson' <[redacted]>; 'Susan Kankel' <[redacted]>; 'Bonnie Knopf' <[redacted]>; 'Carrie Knopf' <[redacted]>; 'Phil Knopf'

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Subject: RE: alarming information regarding HDL requiring immediate action

Dear Robert Schultz,

and Rob Rennie, Maria Ristow, Mary Badame, Matthew Hudes, Marico Sayoc, Laurel Prevetti

My name is Lisa Harris and I have been a homeowner in Los Gatos for over 20 years. I am part of a growing collective group of concerned residents in Los Gatos called CAD, Community Against Dispensaries.

Recently we were made aware that the town of Los Gatos hired a Cannabis management company called HDL for initial consultation services.

I looked on the HDL website to learn more about the cannabis management company that The Town of Los Gatos gave $50,000 to. I want to quote what HDL said on their website regarding the companies "Regulation, Development, and Support services."

"HDL, will help you develop cannabis regulations that maximize agency economic benefits while providing a framework for cannabis businesses to operate successfully. Services include fiscal analysis, land-use regulation development, regulatory and tax ordinance drafting, and ballot resolution preparation." This is a biased for profit agency with regards to the cannabis industry. HDL plays a core part in orchestrating the approval of commercial cannabis businesses in towns.

Upon further research I discovered that essentially they are a full service company that has contracts with towns over the course of many years . HDL makes the bulk of their profits off of towns if they allow cannabis businesses to operate. They also will work with cannabis companies in a towns jurisdiction on an ongoing basis to make sure the town is receiving their taxes. HDL is essentially a biased pro- cannabis company. If we don't allow cannabis in the town of Los Gatos, than HDL can't provide billable services. It's in HDL's best interest to convince the town of LG to allow cannabis businesses to operate. David Mc

Pherson, Cannabis Compliance Director for HDL said in an interview with mjbizdaily.com, " It makes no sense for this firm not to want cannabis businesses to succeed in the jurisdictions where it has contracts"

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In other words, HDL manages to still get paid by the local cannabis businesses even though a town might change their mind and not want a 5 year contract. No matter how you look at this, HDL's sole fiscal survival is dependent upon towns allowing cannabis businesses.

In addition, HDL has no concern regarding for safety for the communities. In an interview by The Californian the question to David Mc Pherson was asked, "Is public concern common in communities?" Mc Pherson answered, "They keep bringing it back to schools and kids but look at the state law, and public safety, and law enforcement. It has so little concern of manufacturing (growing operations) being an issue." HDL looks for legal loopholes or rewrites the town ordinances to get the cannabis businesses in the towns anyway they can.

In the 1/24/22 proposal by HDL it said that the "Town Attorney held a series of 10 meetings with various community groups to gather input from the public. The majority of the public in attendance expressed an interest in allowing cannabis businesses within the town."

CAD is requesting information as to who attended those 10 meetings? This meeting ,to our knowledge, was never publicized within the community for the town to "gather

Input." Furthermore, a survey was done recently by Surveymonkey asking if the town residents wanted dispensaries. Over %60 voted NO.

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1) Why did the town council hire HDL knowing that it is a biased for-profit marijuana consultation company?

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3) In the future, How will you be communicating your intentions regarding allowing dispensaries in town?

4)Robert Schultz, Who were those 10 groups that you met with that expressed an interest in allowing cannabis businesses within the town?

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CAD is just getting started, this group has evolved and grown so quickly in spite of not advertising in our local communication resources or social media. We haven't even gotten the word out to all of the parents in our local schools yet. I can guarantee you that there will be many concerned parents asking why does the town council and it's leaders think having dispensaries in our town will enhance our quality of life.

Kind regards,

Lisa Harris

From: Judy McCool <[redacted]>
Sent: Tuesday, May 17, 2022 4:39 PM
To: Cannabis <cannabis@losgatosca.gov>
Subject: Stores in town

EXTERNAL SENDER

This is ridiculous! I don't want to live in a town that hosts stores that sell this product! There are plenty of other towns that already host these types of stores! Los Gatos has always been a family town! A town of community. A place where kids walk safely up and down the town streets buying ice cream and pizza. Without worries from their parents. Because it's safe- because it's old fashioned Americana! Selling

dope is not Americana- it's stupid -it's greedy- and it is disgusting that you are trying to normalize this type of business! You will not get my vote- and all who vote for this on our council- can guarantee they'll be missing my vote for re- election!
Regards,
Judy McCool
Sent from my iPhone

From: Jaydon Barnett <[redacted]>
Sent: Wednesday, May 18, 2022 12:32 PM
To: Cannabis <cannabis@losgatosca.gov>
Subject: Cannabis and Los Gatos (a good idea)

EXTERNAL SENDER

I am emailing who it may concern regarding of the addition of cannabis business to Los Gatos. I think that this would be a lovely idea and would bring lots of money to the town. Don't listen to the naysayers !

From: Mary Imig <[redacted]>
Sent: Friday, May 27, 2022 6:23 PM
To: Cannabis <cannabis@losgatosca.gov>
Subject: cannabis

EXTERNAL SENDER

I agree with allowing legal cannabis sales within Los Gatos

From: Grasty, Kristina <[redacted]>
Sent: Wednesday, June 1, 2022 4:13 PM
To: Council <Council@losgatosca.gov>
Subject: A request

EXTERNAL SENDER

Dear Los Gatos Town Council Members,

I am writing to request that cannabis dispensaries not be allowed to operate in the Town of Los Gatos. It is important to be fiscally responsible in government decision-making and makes sense to examine ways to possibly increase revenues to the Town. However, in this case, I strongly believe that "the ends do not justify the means." Additional revenue (and possible reductions in expenses) can be pursued in other ways than deriving it from cannabis retailers that you might be tempted to permit to operate in town.

We face enough challenges as it is in trying to raise and educate our children in this community to develop into healthy, meaningfully-engaged young adults. Students are keenly sensitive to and influenced by decisions that adults make and the messages that come from those decisions. Currently, we are experiencing a time of crisis amongst our youth—a time of heightened mental health issues and increased drug overdoses, alongside impacts caused by the pandemic. With this context in mind, it particularly does not seem like the right move to allow cannabis retailers to operate in our town.

The local environment plays a critical role in the propensity for young people to use and abuse substances. Recent research conducted by Firth, et al. (2022) examined the effects of neighborhood contexts on adolescent substance use. They concluded that exposure to a cannabis retail environment, including the presence of a cannabis retailer near one's school, is associated with influencing cannabis use and the use of manufactured cannabis products, as well as riskier use behaviors, amongst high school-age students.

I have attached some research including that mentioned in this letter as well as some slides showing statistics from recent administrations of the California Healthy Kids Survey revealing some of the challenging issues facing our students who are at statistically significant risk. Let's work together to try to address these critical issues. Please make a decision in the best interest of our children.

Respectfully,
Kristi Grasty

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Retail cannabis environment and adolescent use: The role of advertising and retailers near home and school

Caislin L. Firth [a,b,*], Beatriz Carlini [a], Julia Dilley [b], Katarina Guttmannova [c], Anjum Hajat [d]

[a] Addictions, Drug & Alcohol Institute, University of Washington, Seattle, WA, USA
[b] Program Design & Evaluation Services, Multnomah County Health Department & Oregon Public Health Division, Portland, OR, USA
[c] Center for the Study of Health and Risk Behaviors, University of Washington, Seattle, WA, USA
[d] Epidemiology Department, University of Washington, Seattle, WA, USA

ARTICLE INFO

Keywords:
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Cannabis retailers

ABSTRACT

Youth cannabis use is influenced by overlapping environmental contexts. We examined the associations between proximity to cannabis retailers and seeing cannabis advertisements and cannabis use behaviors in Oregon, a state with adult cannabis legalization. We used 2017 anonymous survey data from 24,154 Oregon 8th and 11th grade students. After adjustments for student and school district characteristics, advertising for 8th graders and presence of a retailer within a mile from school for 11th graders were associated with cannabis use and perceived harm. Additional policy efforts may further reduce youth exposure to cannabis.

Role of funding source

Data collection efforts and work on this paper were supported by the National Institute on Drug Abuse (R01DA039293) awarded to Julia Dilley. In addition, Caislin Firth was supported by the Horowitz Foundation for Social Policy as a 2018 PhD Fellow.

Contributors

All authors contributed to the conceptualization and design of the study. Julia Dilley and Caislin Firth secured funding for the research. Caislin Firth performed the statistical analysis, presentation of results, and drafted the manuscript. Beatriz Carlini, Julia Dilley, Katarina Guttmannova, and Anjum Hajat provided scientific revisions to the manuscript.

1. Introduction

More than one-third of the US population live in states with legalized production and retail sales of cannabis for adults (21+ years) as of November 2020 (Fertig and Zhang, 2020). There are concerns that the presence of cannabis retail outlets may influence youth by normalizing cannabis use, exposing them to pro-use messages, and increasing availability and variety of cannabis products. Nationally, adolescent treatment admission for cannabis have declined (Mennis, 2020), yet rates of cannabis use disorder among youth (12–17 years) have increased by 25% in states with adult use cannabis laws, despite no measurable increases in youth cannabis use, compared to changes in youth living in states without these laws (Cerdá et al., 2020). Disordered cannabis use during adolescence is linked to developing major depression and anxiety (Gobbi et al., 2019). These findings suggest that the modes and products youth are using in legalized states may be influencing increases in disordered use or addiction (Tormohlen et al., 2019).

Manufactured cannabis products such as edibles and concentrates, used for dabbing and vaping, account for a substantial and growing share of cannabis retail sales (Firth et al., 2020b). Adult cannabis consumers were more likely to consume edibles, use concentrates, particularly for vaping, and use these products more frequently if they lived in legalized states, compared to adults living in states without legal access (Hammond and Goodman, 2020). Manufactured cannabis products typically contain high doses of THC (Raber et al., 2015) which may lead to adverse experiences like panic attacks, anxiety, or acute psychotic episodes (Cao et al., 2016; Kim and Monte, 2016). Calls to U.S. poison centers for manufactured cannabis products are increasing (Dilley et al., 2021) and there is some evidence of increases in underage use of these products (Tormohlen et al., 2019). For adolescents, use of manufactured

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products creates specific concerns. In addition to general adverse effects of cannabis use in adolescence on cognitive, socio-emotional and physical health, high doses of THC may also amplify youth risk for developing psychotic and cannabis use disorders (van der Steur et al., 2020).

Environment plays a key role in adolescent substance use, including through exposure to retail outlets and advertising (Bostean et al., 2016; Cederbaum et al., 2015). Substance use behaviors often initiate during adolescence and are influenced by overlapping social and built environment contexts: where adolescents live, study, and socialize (Huang et al., 2020). Estimating the simultaneous effects of school and neighborhood contexts on adolescent substance use is a growing area of research (Huang et al., 2020). For example, liquor store density around adolescents' homes has been correlated with binge drinking (Chen et al., 2010) and tobacco outlet density with cigarette use (Finan et al., 2019). Similarly, retail outlet density around schools has also been correlated with substance use: having vaping stores near high schools was associated with adolescent e-cigarette use (Giovenco et al., 2016). In addition to their presence, advertising related to these markets may also influence underage product use and perceptions of harm (Giovenco et al., 2016). Consistent with studies that have examined the influence of tobacco and alcohol advertising exposure on behaviors (DiFranza et al., 2006; Finan et al., 2020), recent studies of retail cannabis advertising exposure, both online and on storefronts, have shown associations with adolescent cannabis use (Fiala et al., 2020) and intentions to use (Hust et al., 2020).

Oregon was one of the first states to legalize adult use and establish a retail cannabis market, where legal sales began in October 2015. Unincorporated counties and cities within Oregon can prohibit cannabis retailers and manufactures from operating in their jurisdictions. After the first year of licensed cannabis retailers, 96% percent of the Oregon state population lived in a county with at least one retailer (Dilley, 2022). To protect youth, Oregon requires cannabis retailers to be at least 1000 feet (i.e., 0.19 miles) from schools, and restricts advertisements that appeal to children (e.g., ads that feature cartoons or images of minors) (Fiala et al., 2020). Previous work has demonstrated that county-level density of cannabis retailers in Oregon was associated with adolescent cannabis use (Paschall and Grube, 2020) and more than half of Oregon's 8th and 11th graders have seen cannabis advertising in the past month (Fiala et al., 2020). However, no study has simultaneously examined proximity of retailers from home and school environments and exposure to cannabis advertising as related to adolescent cannabis behaviors.

The present study is guided by developmental socio-ecological and life-course theories (e.g., Bronfenbrenner, 1977; Catalano and Hawkins, 1996; Elder, 1998) that recognize development is embedded in multiple interconnected contexts that may independently and jointly influence behaviors; moreover, the salience of these ecological contexts and the interactional associations among them and the developing individual can change over time. This theoretical framework has been used widely in the study of etiology of substance use behaviors (for review, see e.g., Nargiso et al., 2015; Trucco, 2020) as well as in the planning of prevention and intervention efforts aimed at reducing adolescent substance use and promoting adolescent health (e.g., (Catalano et al., 2012; Corbett, 2001; Hawkins et al., 1992). Regarding cannabis use, macro-level contexts that include societal forces such as state-level legalization of cannabis may influence other, more proximal, contexts such as schools and communities in which the lives of adolescents are embedded and which in turn may increase the risk of adolescent substance use (Catalano et al., 2018; Johnson and Guttmannova, 2019). For example, the commercialization of cannabis may influence adolescent use by increasing access to cannabis and variety of manufactured products near schools and their homes and also by promoting – through advertising – beliefs that cannabis use is safe and normative (D'Amico et al., 2015; Lipperman-Kreda and Grube, 2018). The objective of this study is to assess whether multidimensional cannabis environment measures are associated with youth cannabis use and perceptions of harm caused by cannabis. We hypothesize that 8th and 11th grade students who live or go to school near cannabis retailers and students who have reported seeing cannabis advertising on storefronts will be more likely to use manufactured cannabis products available in retail stores (e.g., edibles, vapes, concentrates) than students attending schools in different environments.

2. Methods

2.1. Data sources

This multi-level cross-sectional study drew from three existing data sources. First, Oregon Healthy Teens (OHT) is an anonymous, school-based survey administered to 8th and 11th grade students during odd-numbered school years (Oregon Health Authority, n.d.). Surveys are intended to monitor the health and well-being of Oregon youth and include questions specific to cannabis use. During the 2016–2017 school year, 84 Oregon school districts participated in the survey; representing 68% of the statewide population. When weighted, survey data are representative of all students in the state of Oregon. Our analysis used unweighted OHT data to understand how students' exposures to cannabis environment, at the school and school district level, were associated with cannabis outcomes. Second, addresses for licensed cannabis retail outlets were obtained from the Oregon Liquor Control Commission (OLCC), a state agency that regulates the market, on June 16th' 2017 (Oregon Liquor Control Commission, 2017). Third, we obtained school building addresses from the Oregon Department of Education (ODE) and school district demographic data from ODE's 2016–2017 School District Report Cards (Oregon Department of Education, 2019). This study was determined as exempt from review by the Oregon State Institutional Review Board.

2.2. Measures

We examined five cannabis-related outcomes: four modes of cannabis use (smoking, dabbing, eating (i.e., using edibles), and vaping) and perceived harm of cannabis use, which is a risk factor for future cannabis use. To assess modes of cannabis use, students who reported any cannabis use in the past 30 days were asked how they consumed cannabis (multiple responses were allowed so students could indicate all the ways they had used). We created a binary variable for each cannabis mode (1: used that mode 1+ times in the past 30 days, 0: did not use that mode in the past 30 days or did not use any cannabis in the past 30 days). Our fifth outcome was perceived harm (1: moderate or great risk, 0: slight or no risk), from responses to the question "How much do you think people risk harming themselves (physically or in other ways) if they use cannabis at least once or twice a week?" Dichotomizing the perceived harm outcomes aligns with reporting from the National Survey on Drug Use and Health (Mariani and Williams, 2021).

2.3. Cannabis retail environment measures

We developed two proximity-based measures–for school and community–and one advertising measure to capture different aspects of the Oregon retail cannabis environment in 2017. We relied on built environment, social ecology, and adolescent health research, including the roles of tobacco and cannabis retailers, to inform how we operationalized proximity to cannabis retailers from school and community. Prior work has used data-driven and contextual approaches to determine thresholds for calculating cannabis retailer exposure. Such methods include using percentiles to create cut points from the distribution of distances to outlets (e.g., categorized cannabis retailer access by ventiles (Everson et al., 2019)), counting the number of retailers at administrative spatial units (e.g. number of retailers within Portland, Oregon, neighborhoods (Firth et al., 2020a)), or proximity to a retailer by road

network distance (e.g., at least one retailer within 1 or 2 km, 0.6 to 1.2 miles, from home (Rhew et al., 2022)). Beyond cannabis research, built environment features, such as recreational facilities, that are within 2 km of home were correlated with youth physical activity (Loh et al., 2019), and tobacco outlets within ¾ and 1 mile from home were associated with smoking frequency (Lipperman-Kreda et al., 2014). A walkable neighborhood includes amenities that are within a 1-mile or 20-min walk from home (Talen and Koschinsky, 2013). These studies were conducted in urban areas which may not be generalizable to youth living in rural communities. Data from the 2017 U.S. National Household Travel Survey points to differences in travel behaviors between youth living in urban and rural areas, such as, 29% of rural students walk to school when it's within a mile compared to 22% of urban students (Kontou et al., 2020). Based on these studies, we operationalized proximity as having at least one cannabis retailer within 1 mile from school or at the community-level, using a dichotomized measure in analysis. We chose a 1-mile buffer, as opposed to a shorter threshold, because half of the Oregon school districts included in our study were in rural counties (40/82 districts), where population and road network density is lower than in metropolitan areas.

The school-based measure approximated exposure to retailers around students' schools. Retailers' distance from school buildings was calculated from the minimum Euclidean distance between edge of school campus and cannabis retailer. Addresses were geocoded in ArcGIS Pro, and the Near tool was used to calculate distance. Proximity to a school building was dichotomized as 1: <1 mile; 0: ≥1 miles. The school proximity measure was joined to OHT survey data by school.

The school district area (community) measure approximated exposure to retailers near students' homes. School district areas are catchment areas for Oregon public schools. Community proximity was assessed as the minimum distance to a cannabis retailer, on average, at the school district area-level. This method has been used previously to calculate zip code-level proximity to cannabis retailers (Everson et al., 2019). Community proximity was created with three steps. First, a grid of 5000 square-foot cells was overlaid on the state of Oregon and the minimum distance between the center of each grid cell and geocoded cannabis retailer was calculated. We used a 5000 square-foot resolution to create aggregate measures for different administrative spatial scales (e.g., school districts, zip codes) that do not align with census-defined boundaries (e.g., census tracts). Then, we joined 2010 U.S. Census data to weigh each grid cell by population. Finally, these weighted measures were aggregated to the school district-level and represent the average proximity of all grid cells across the district. The final variable was dichotomized as 1: average proximity was <1 mile and 0: average proximity ≥1 mile and linked to OHT survey data by school district.

Exposure to cannabis storefront advertising was based on the OHT question: had students seen "advertisement for marijuana products or stores: on a storefront or on the sidewalk (like signs or people wearing/waving signs)" in the past 30 days. Advertising exposure was coded '1' for students who reported seeing storefront advertisements and '0' for students who did not report seeing any advertisement or were unsure they had seen a relevant ad.

2.3.1. Socio-demographic characteristics

We adjusted for student gender (male, female, non-binary), race/ethnicity (non-Latinx white, Asian, Native Hawaiian/Pacific Islander, Black/African American, American Indian/Alaska Native, and multiracial, and Latinx), socioeconomic status, and whether an adult used cannabis at home in our multi-level logistic regression models. Student socioeconomic status was measured with the Family Affluence scale (Currie et al., 2008) by aggregating responses from four questions: whether the student's family owns a car, traveled on vacation in the past year, how many computers they own, and whether the student has their own bedroom. The distribution of the family affluence scale was divided into tertiles: ranging from "least" to "most" affluence.

We used ODE data to adjust for school district-level characteristics that represent the environments where students lived, including proportion of students who are economically disadvantaged (i.e., students who are eligible for free or reduced lunch) and proportion of non-Latinx white students for each grade. We selected these two measures because cannabis retailers were more common in economically disadvantaged neighborhoods in Portland, Oregon (C. Firth et al., 2020), and students of color were more likely to receive exclusionary discipline compared to white students in Oregon (Burke and Nishioka, 2014) which may influence their willingness to respond to questions on substance use. In addition, we included a county density variable, based on whether the school district was within an urban or rural/frontier county, using the Oregon Office of Rural Health Geographic Definitions (Oregon Health & Science University, n.d.).

2.4. Statistical analysis

First, we described the socio-demographic characteristics of students using weighted data to be representative of students in the state. Then, we used unweighted survey data in multi-level logistic regression models to assess the relationships between cannabis retailer environment and our five cannabis outcomes. Survey weights are intended for statewide prevalence estimates and were not appropriate for our inferential analysis that examined individual-level cannabis outcomes within schools and school districts. We stratified our models by grade, because 8th grade students attended middle schools and 11th graders in high schools. In each model, we included the three cannabis retail environment measures and adjusted for individual-level socio-demographic (gender, race/ethnicity, socioeconomic status, adult used cannabis at home) and school district-level (% economically disadvantaged, % non-Latinx white, urban school district) covariates.

We included random intercepts at the school and school district levels to account for clustering between students within the same school and district and estimate the contextual effects of these environments. The results of our fixed effects are reported as prevalence odds ratios (PORs) and interpreted as the prevalence of each cannabis outcome among students exposed to each retail environment measure compared to students who were not exposed. We presented the school and school district level random intercepts on the logit scale and as median odds ratios (MOR) (Merlo et al., 2006), which can be interpreted like an odds ratio, and correspond to the median value of school and school district level residuals for each outcome. It helps to understand variation in outcomes that were not explained by other model covariates. A MOR >1.0 suggests that different environments, such as schools where cannabis use is more common, is correlated with the probability that a student would adopt the behavior.

In addition, we conducted sensitivity analyses that considered proximity to retailers from schools and at the school-district level at ½ mile, ¾ mile, and 2 mile thresholds. All analyses were conducted in Stata/IC 15.1.

3. Results

Our study included 24,154 students who completed the 2016–2017 OHT survey and responded to question on cannabis use in the past 30 days (11.0% or 1628 8th graders and 8.1% or 965 11th graders skipped cannabis questions, see Supplemental Table 1 for analysis of missing survey data). Student demographic characteristics are summarized in Table 1.

Cannabis use in the past 30 days was more common among 11th grade students (20.3%) than 8th graders (6.5%). Smoking cannabis was the most common mode in both grades, 87.6% of 8th grade and 92.1% of 11th grade cannabis users smoked. Over 40% of cannabis users in either grade reported using manufactured products in the past 30 days (i.e., dabbing, using edibles, and/or vaping cannabis products, Table 2), and 86% of students who used manufactured cannabis products also smoked cannabis in the past month (data not shown). The most common

Table 1
Demographic characteristics of Oregon 8th and 11th grade students who responded to cannabis questions on the Oregon Healthy Teens survey, 2016–2017.

	8th grade students N = 13,224		11th grade students N = 10,930	
Individual student characteristics	Unweighted count	Weighted %	Unweighted count	Weighted %
Gender				
Male	6111	45.9%	4945	45.4%
Female	6389	49.0%	5340	49.0%
Non binary/gender nonconforming	665	5.1%	613	5.7%
Race/ethnicity				
Non Latinx (NL) American Indian/ Alaska Native	493	3.6%	224	2.2%
NL Asian	517	4.1%	412	3.7%
NL Black/African American	280	2.2%	216	2.1%
NL Native Hawaiian/Pacific Islander	121	0.9%	92	0.9%
Latinx	3161	27.4%	2416	24.3%
NL Multiracial	520	4.1%	338	3.1%
NL White	7645	57.8%	6938	63.6%
Socio-economic status (Family Affluence Scale)				
1: Least affluence	1305	10.6%	990	9.8%
2	4047	32.4%	3722	35.0%
3: Most affluence	7511	56.9%	6051	55.2%
Adult use cannabis at home	2252	17.6%	2041	19.7%
Urban school district	9626	77.6%	7516	76.7%
Student characteristics within School Districts	*median*	25th – 75th *percentile*	*median*	25th – 75th *percentile*
% of non-Latinx white students	64%	(51%–77%)	66%	(54%–78%)
% of students enrolled in free and reduced meals programs	53%	(42%–66%)	45%	(38%–55%)

Note: Table 1 describes the student sample in the OHT 2016–2017 survey and uses state-level weights to report statewide prevalance estimates of each socio-demographic factor.

Table 2
Cannabis outcomes and cannabis retail environment measures, Oregon 8th and 11th grade students, 2016–17 school year.

	8th grade		11th grade	
	Unweighted count	Unweighted %	Unweighted count	Unweighted %
Cannabis outcomes				
Used any cannabis in the past 30 days	855	6.5%	2224	20.3%
Manufactured cannabis product use (any)	375	2.8%	933	8.5%
Ate	237	1.8%	534	4.9%
Dabbed	202	1.5%	575	5.3%
Vaped	123	0.9%	246	2.3%
Smoked cannabis	749	5.7%	2049	18.7%
Used 2+ cannabis modes in past 30 days	314	2.4%	814	7.5%
Smoked + manufactured cannabis use	312	2.4%	809	7.5%
Used 2+ manufactured cannabis modes and did not smoke	63	0.5%	124	1.1%
No cannabis use in past 30 days	12,369	93.5%	8706	79.7%
Perceived regular cannabis use as harmful	7763	62.7%	5054	48.1%
Cannabis retail environment exposures				
School building proximity: < 1 mile to retailer	4163	31.8%	3475	32.1%
School district area (community) proximity: < 1 mile to retailer	2020	15.3%	1326	12.1%
Self reported storefront cannabis ad exposure	4754	35.9%	4541	41.5%

manufactured products used were edibles by 8th graders and dabs by 11th graders. Most 8th grade students perceived cannabis use as harmful (62.7%), and about half of 11th graders (48.1%).

The average distance between a school and cannabis retailer in Oregon during 2017 was 8.7 miles (range: 0.3 miles to 159.6 miles, data not shown). Using the community proximity measure, students lived an average of 6.3 miles from a retailer (range: 0.5 miles to 117.6 miles, data not shown). There was no pattern in retail proximity by grade: 31.8% of 8th grade students and 32.1% of 11th graders had a cannabis retailer within 1 mile of their school, and about half as many lived in communities where cannabis retailers were within 1 mile of homes (15.3% among 8th grade and 12.1% among 11th grade students, Table 2). Seeing storefront cannabis advertising was more common than living or going to school near a retailer; 35.9% of 8th grade students and 41.5% of 11th grade students reported seeing advertising in the past 30 days.

3.1. Associations for 8th grade students

None of the five cannabis outcomes were significantly associated with middle schools that had a cannabis retailer within 1 mile away (Table 3, full model results in Supplemental Table 2). Though, community proximity was associated with perceiving cannabis as less harmful (POR: 0.79, 95% CI: 0.66,0.94). Exposure to cannabis storefront advertising was associated with all five outcomes; the prevalence of using edibles, dabbing, or vaping cannabis was almost twice as high for students who reported seeing advertising compared to students who did not see advertising (used edibles POR: 1.80, 95% CI: 1.34,2.42; dabbed POR: 1.94, 95% CI: 1.40,2.69; vaped POR: 1.85, 95% CI: 1.23,2.78). Advertising exposure was also associated with smoking cannabis (POR: 1.31, 95% CI: 1.11,1.55) and perceiving cannabis as less harmful (POR: 0.87, 95% CI: 0.80,0.95).

The residual heterogeneity between schools, as measured by MOR, was 1.83 in the edible model (Table 3) and can be interpreted as similar students may be nearly twice as likely to use edibles if they are in a school where edible use was more common. Similarly, school environment was associated with smoking, dabbing, and perception of harm, but not vaping.

3.2. Associations for 11th grade students

The prevalence of 11th grade students using edibles, dabbing, and smoking cannabis, but not vaping, were significantly associated with having a cannabis retailer within one mile of high school (Table 4, full

Table 3
Associations between cannabis outcomes and retail environment exposures, Oregon 8th grade students, 2016–2017[a].

	Consumed cannabis edibles	Dabbed cannabis	Vaped cannabis	Smoked cannabis	Moderate/great risk
School building proximity: < 1 mile to retailer (POR)	1.00 (0.62–1.61)	0.87 (0.56–1.35)	1.21 (0.80–1.84)	0.86 (0.63–1.17)	0.98 (0.85–1.12)
School district area (community) proximity: < 1 mile to retailer (POR)	1.30 (0.62–2.76)	1.40 (0.73–2.66)	0.98 (0.54–1.80)	1.44 (0.96–2.15)	**0.79 (0.66–0.94)**
Self reported storefront cannabis ad exposure (POR)	**1.80 (1.34–2.42)**	**1.94 (1.40–2.69)**	**1.85 (1.23–2.78)**	**1.31 (1.11–1.55)**	**0.87 (0.80–0.95)**
School-level (MOR) [b]	1.83 (1.44–2.72)	1.53 (1.22–2.45)	.	1.62 (1.45–1.85)	1.22 (1.15–1.31)

Note: results of each model are presented as Prevalence Odds Ratio (POR) (95% Confidence Interval). Bold results indicate statistical significance (p-value <0.05).
[a] Each model was adjusted for student covariates (gender, race/ethnicity, socio-economic status, adult used cannabis at home) and school-district covariates (% non-Latinx white students, % economically disadvantaged students, urban school district). Full models are in supplemental materials.
[b] The median value of school-level residuals in each model is reported as the Median Odds Ratio (MOR) and is interpreted like an odds ratio that represent the probabiliy of a cannabis outcome attributed to the school environment.

Table 4
Associations between cannabis outcomes and retail environment exposures, Oregon 11th grade students, 2016–2017[a].

	Consumed cannabis edibles	Dabbed cannabis	Vaped cannabis	Smoked cannabis	Moderate/great risk
School building proximity: < 1 mile to retailer (POR)	**1.45 (1.05–1.98)**	**1.43 (1.11–1.83)**	1.05 (0.73–1.52)	**1.43 (1.14–1.78)**	**0.71 (0.61–0.83)**
School district area (community) proximity: < 1 mile to retailer (POR)	0.71 (0.43–1.17)	0.75 (0.51–1.10)	1.09 (0.65–1.83)	0.87 (0.61–1.23)	**1.27 (1.01–1.60)**
Self reported storefront cannabis ad exposure (POR)	**1.40 (1.15–1.70)**	**1.39 (1.15–1.68)**	**1.45 (1.10–1.92)**	1.09 (0.97–1.21)	1.06 (0.97–1.16)
School-level (MOR)[b]	1.55 (1.38–1.81)	1.27 (1.13–1.61)	1.37 (1.17–1.88)	1.42 (1.27–1.67)	1.24 (1.17–1.34)

Note: results of each model are presented as Prevalence Odds Ratio (POR) (95% Confidence Interval). Bold results indicate statistical significance (p-value <0.05).
[a] Each model was adjusted for student covariates (gender, race/ethnicity, socio-economic status, adult used cannabis at home) and school-district covariates (% non-Latinx white students, % economically disadvantaged students, urban school district). Full models are in supplemental materials.
[b] The median value of school-level residuals in each model is reported as the Median Odds Ratio (MOR) and is interpreted like an odds ratio that represent the probabiliy of a cannabis outcome attributed to the school environment.

model results in Supplemental Table 3). Specifically, the prevalence of using edibles was 45% higher and dabbing and smoking cannabis were 43% higher among students who attended a high school within 1 mile from a cannabis retailer. Students also perceived cannabis as less harmful when there was a retailer within 1 mile from their high school (POR: 0.71, 95% CI: 0.61,0.83), although the opposite relationship was observed with community proximity (POR: 1.27, 95% CI: 1.01,1.60). Exposure to storefront cannabis advertising was associated with using edibles, dabbing, and vaping cannabis (POR: 1.40, 95% CI: 1.15,1.70; POR: 1.39, 95% CI: 1.15,1.68; POR: 1.45, 95% CI: 1.10,1.92, respectively), but not smoking or perceptions of harm.

The MOR for schools exceeded 1 in all models, which suggested that normative school environments—schools where students were more likely to engage in cannabis outcomes or perceive cannabis as less harmful—could influence a student's behavior, even after adjustment for measured cannabis retail environment factors.

3.3. Sensitivity analyses

Relationships between cannabis proximity measures, at the school and school district (community) level, and cannabis outcomes fluctuated with the addition of more restrictive (½ mile and ¾ mile) and less restrictive (2 mile) thresholds. There were 9 schools and 1 community with at least one retailer within ½ mile and 40 schools and 2 communities with a retailer within ¾ mile. Roughly, 60% of our student sample attended school or lived in a community within two miles from a retailer. There were no correlations between school or community level proximity and cannabis outcomes for 8th graders at the ½, ¾, or 2 mile thresholds, this is consistent with results using 1 mile threshold; except for a positive correlation between retailers within ½ mile of school and consuming edibles (POR: 2.63, 95% CI: 1.10,6.30) (Supplemental Table 4). For 11th graders, more restrictive buffers were generally consistent with using a 1-mile threshold; smoking cannabis and consuming edibles were positively correlated with school (at ½ and ¾ mile thresholds) and community proximity (at ½ mile threshold) (Supplemental Table 5). Though, the link between dabbing and school proximity at the 1-mile level was not observed in sensitivity analyses. Perceived harm of cannabis was negatively correlated with community proximity at the ½ mile threshold and school proximity within ¾ and 2 miles.

4. Discussion

This is the first study to simultaneously consider the links between adolescent cannabis behaviors and various aspects of cannabis retail environment, namely exposure to storefront advertising and access to cannabis retailers at multiple spatial scales. We accounted for students living and attending school near cannabis retailers and examined how these relationships varied by student grade. Furthermore, this study examined use of manufactured cannabis products, which were made more common by the commercialized cannabis industry.

Different aspects of the cannabis retail environment were relevant at different grades. For younger students, community advertising may be a crucial factor. Cannabis use was uncommon among Oregon 8th graders but is slightly higher than national trends (using weighted data for 2017, 7% of Oregon 8th graders reported current cannabis use compared to 6% among 14 and 15 year olds, nationally)(Oregon Public Health Division, 2019; Substance Use and Mental Health Administration, 2019). The national average age for initiating cannabis use is 10th grade (Richmond-Rakerd et al., 2017), yet eighth graders were more likely to smoke, use edibles, dab, or vape cannabis if they had seen storefront advertising in the past month, but living or going to school near a cannabis retailer was not associated with any particular mode of cannabis use. The absence of associations between proximity to retailers and cannabis outcomes was unexpected, but it demonstrates that the presence of cannabis retailers, after adjustment for advertisement

exposure, may not influence 8th grade cannabis use. In addition, our sensitivity analyses supported these findings, with the exception that 8th graders who attended schools within ½ mile of a retailer had a higher prevalence of consuming edibles. This finding extends those from a study on medical marijuana advertising which showed that advertising exposure was associated with intentions to use and cannabis use among middle school students(D'Amico et al., 2015). In another study, retail cannabis advertising has been associated with adolescents (13–17 years old) intentions to use cannabis, particularly among adolescents who lived near a cannabis retailer (Hust et al., 2020).

In contrast, 11th graders who attended high school within 1 mile from a cannabis retailer were more likely to use edibles, dab, or smoke cannabis. These findings were consistent with our hypothesis, proximity to retailers would be associated with higher prevalence of cannabis outcomes. In sensitivity analysis, high schools that were within ½ or ¾ mile from retailers was also positively correlated with 11th graders consuming edibles and smoking cannabis. Cannabis advertising was not associated with smoking cannabis or perceived harm among 11th graders. Oregon law requires cannabis retailers to be ≥ 1000 feet from schools (Dilley et al., 2016), yet students still used edibles, dabbed and vaped cannabis which require concentrated products that are sold by cannabis retailers. Existing studies are mixed; evidence from Colorado showed no association between cannabis use and retailers within 2 miles of schools (Harpin et al., 2018) while a study in Los Angeles showed frequent use of concentrated cannabis products (e.g., waxes used for dabbing) even before cannabis retailers were legally operating (Barrington-Trimis et al., 2020). Of note, cannabis use among 11th grade Oregon students is substantially higher than national estimates, using weighted data from 2017, 21% of Oregon 11th graders reported using in the past 30 days compared to 13% among 16 and 17 year olds, nationally, which may affect the generalizability of our study findings outside of Oregon (Oregon Public Health Division, 2019; Substance Use and Mental Health Administration, 2019). Grade differences may be driven by changes in socializing over the course of adolescence that influence cannabis use (Guttmannova et al., 2019), but longitudinal studies are needed to disentangle how this relates to cannabis environment exposures and specific modes of cannabis use.

Having a retailer near home, as measured in our study, was not associated with any mode of cannabis use, except in sensitivity analyses of ½ mile, having a retailer near home was positively correlated with 11th grade edible use and smoking cannabis–exposure was rare, 3.2% of students lived with a retailer within ½ mile. It is possible that our community proximity measure did not adequately capture exposure near homes, or alternatively that it does not contribute meaningfully after inclusion of school proximity. Though, prior work has shown that having a retailer within 1-km, or 0.6 miles, of home was associated with perceived cannabis access and use among young adults living in Washington state (Rhew et al., 2022). However, 8th graders who lived near a cannabis retailer perceived cannabis as less harmful than students who lived farther from retailers (Lipari et al., 2016). This finding is supported by previous ecological studies which found that Oregon counties with licensed cannabis retailers had more students who used cannabis in the past 30 days (Paschall and Grube, 2020) and time-varying proximity to cannabis retailers at the zipcode-level was associated with increased adult cannabis use in Washington state after legalization (Everson et al., 2019).

Our study examined different dimensions of "risky behaviors" for youth rather than "any cannabis use" alone. We examined use of manufactured cannabis products because they are both increasingly available in legal cannabis outlets and pose potentially more health risks for adolescents than using dried cannabis flower due to higher THC concentration. Our finding that using these specific products increased with exposure to retail environments supports the concern that retail environments are influencing not only any underage cannabis use, but also riskier use behaviors. Though we did not assess how youth obtained different cannabis products, our findings suggest that legal efforts to curb youth exposure through land use and advertisement restrictions may not be enough to prevent youth from using cannabis products that are sold in licensed adult-use retailers. We also examined perceived harm because reductions in perception of harm from cannabis use are associated with future likelihood of use. In our study, community proximity to cannabis retailers was linked to reduced perceptions of risk among younger students, but increased perceptions of risk among older students. This paradox could be explained by education efforts targeted toward high school students in communities with cannabis markets, or it may be spurious. Future studies should examine consumption patterns in more detail (e.g., days used per month) to further inform understanding about how retail environments affect youths' perceptions of risk and subsequent behavior choices.

Data collection for our study took place during the 2016-17 school year, one year after legal retail sales began in Oregon (October 2015). Other studies have documented that reported exposure to cannabis marketing was very prevalent among young people at this time (Fiala et al., 2020). One consideration when interpreting our study's findings is that data collection occurred when the market was still relatively "new"; thus, advertising from this nascent industry may be more noticeable. The influence of cannabis retail markets on youth may change as the market becomes more established. Further study in different settings and over time is needed.

4.1. Limitations

Some limitations need to be considered when interpreting the findings of our study. First, the cross-sectional design limits the ability to infer a temporal relationship between cannabis retail environment and underage cannabis use and perceptions of harm. For example, students who already use cannabis may be more likely to notice cannabis advertising compared to students who do not use, or more cannabis retailers may be in areas with higher underage cannabis use. Second, licensed retailers are likely not the only source of cannabis for youth. Despite efforts to eliminate prominent unlicensed cannabis retailers, illicit markets are difficult to monitor. In addition, Oregon allows for adults (21+ years) to grow cannabis at home and store useable product, which could be another unmeasured source for youth (Dilley et al., 2016). Influence of these other sources would likely have attenuated our findings. Third, we relied on students to self-report cannabis use, and students may be less forthcoming given that underage cannabis use is illegal. Using school-based survey data also limits the generalizability of findings. Youth who have dropped out of school or are institutionalized are excluded from the OHT survey and are also at higher risk of substance use (Tice, 2013). Last, modeling specific modes of cannabis use, particularly for rare outcomes like vaping (less than 2% of students reported vaping in the past 30 days), may have contributed to the wide confidence intervals of our estimates.

There is no 'gold standard' for calculating GIS-based cannabis retailer exposures or proximity measures. Different contexts, across places and populations, will likely require different distance-based thresholds. For example, larger buffers may be more relevant in studies among young adults because the size of activity spaces tend to decline with age (Morency et al., 2011). While car-dependent metropolitan areas may rely on thresholds derived from driving times, whereas areas with greater population and amenity density may use road network buffers, at relatively smaller spatial scales. Despite work in this area being heterogeneous, our study adds two contributions: 1) measuring proximity to cannabis retailers at two spatial scales, representing different environmental contexts that influence adolescent behaviors (Johnson and Guttmannova, 2019), and 2) including sensitivity analyses, using different distance-based thresholds, to assess the robustness of our findings.

5. Conclusion

We found that exposure to Oregon's cannabis retail environment was correlated with adolescent cannabis use and beliefs in 2017, including specifically use of manufactured cannabis products that are becoming common in a legal cannabis market. Younger student cannabis use was most often linked to cannabis advertising exposure, while older student cannabis use was more common among students who attended high schools within 1 mile from a cannabis retailer. These findings have direct implications for policy makers as they develop rules for where cannabis retailers operate and how they are allowed to advertise, while also protecting the health of youth. Furthermore, findings related to youths' perception of harm suggest that prevention and intervention efforts should include education about the effects of cannabis use and specific products on adolescents.

Declaration of competing interest

The authors report no declarations of interest.

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Appendix A. Supplementary data

Supplementary data to this article can be found online at https://doi.org/10.1016/j.healthplace.2022.102795.

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National Institute on Drug Abuse

Preventing Drug Use among Children and Adolescents

A Research-Based Guide

for Parents, Educators, and Community Leaders

Second Edition

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Preface

Today's youth face many risks, including drug abuse, violence, and HIV/AIDS. Responding to these risks before they become problems can be difficult. One of the goals of the National Institute on Drug Abuse (NIDA) is to help the public understand the causes of drug abuse and to prevent its onset. Drug abuse has serious consequences in our homes, schools, and communities. From NIDA's perspective, the use of all illicit drugs and the inappropriate use of licit drugs is considered drug abuse.

Prevention science has made great progress in recent years. Many prevention interventions are being tested in "real-world" settings so they can be more easily adapted for community use. Scientists are studying a broader range of populations and topics. They have identified, for example, effective interventions with younger populations to help prevent risk behaviors before drug abuse occurs.

Researchers are also studying older teens who are already using drugs to find ways to prevent further abuse or addiction. Practical issues, such as cost-benefit analyses, are being studied. Presenting these findings to the public is one of NIDA's most important responsibilities.

We are pleased to offer our newest edition of the publication, *Preventing Drug Use among Children and Adolescents: A Research-Based Guide for Parents, Educators, and Community Leaders, Second Edition.* This edition includes updated principles, new questions and answers, new program information, and expanded references and resources. We also invite you to visit our Web site at www.drugabuse.gov where this publication and other materials related to the consequences, prevention, and treatment of drug abuse are offered. We hope that you will find the guide useful and helpful to your work.

Nora D. Volkow, M.D.
Director
National Institute on Drug Abuse

Introduction

In 1997, the National Institute on Drug Abuse (NIDA) published the first edition of *Preventing Drug Use among Children and Adolescents: A Research-Based Guide* to share the latest NIDA-funded prevention research findings with parents, educators, and community leaders. The guide introduced the concept of "research-based prevention" with questions and answers on risk and protective factors, community planning and implementation, and 14 prevention principles derived from effective drug abuse prevention research. Examples of research-tested prevention programs were also featured. The purpose was to help prevention practitioners use the results of prevention research to address drug abuse among children and adolescents in communities across the country.

Since then, NIDA's prevention research program has more than doubled in size and scope to address all stages of child development, a mix of audiences and settings, and the delivery of effective services at the community level. The Institute now focuses on risks for drug abuse and other problem behaviors that occur throughout a child's development. Prevention interventions designed and tested to address risks can help children at every step along their developmental path. Working more broadly with families, schools, and communities, scientists have found effective ways to help people gain the skills and approaches to stop problem behaviors before they occur. Research funded by NIDA and other Federal research organizations—such as the National Institute of Mental Health and the Centers for Disease Control and Prevention—shows that early intervention can prevent many adolescent risk behaviors.

This second edition, reflecting NIDA's expanded research program and knowledge base, is more than double the size of the first edition. The prevention principles have been expanded to provide more understanding about the latest research, and principles relevant to each chapter accompany the discussion. Additional questions and answers, a new chapter on community planning, and more information on the core elements in research-based prevention programs have been added. Each chapter ends with a "Community Action Box" for primary readers—parents, educators, and community leaders. As in the first edition, the descriptions of prevention programs are presented as examples of research-based programs currently available.

The expanded *Selected Resources* section offers Web sites, sponsored by Federal and private-sector agencies. Some feature registries of effective prevention programs with agency-specific selection criteria and other resources for community planning. The *Selected References* section includes up-to-date books and journal articles that provide more information on prevention research. NIDA hopes that this revised guide is helpful to drug abuse prevention efforts among children and adolescents in homes, schools, and communities nationwide.

Prevention Principles

These revised prevention principles have emerged from research studies funded by NIDA on the origins of drug abuse behaviors and the common elements found in research on effective prevention programs. Parents, educators, and community leaders can use these principles to help guide their thinking, planning, selection, and delivery of drug abuse prevention programs at the community level. The references following each principle are representative of current research.

Risk Factors and Protective Factors

PRINCIPLE 1 Prevention programs should enhance protective factors and reverse or reduce risk factors (Hawkins et al. 2002).

- The risk of becoming a drug abuser involves the relationship among the number and type of risk factors (e.g., deviant attitudes and behaviors) and protective factors (e.g., parental support) (Wills and McNamara et al. 1996).
- The potential impact of specific risk and protective factors changes with age. For example, risk factors within the family have greater impact on a younger child, while association with drug-abusing peers may be a more significant risk factor for an adolescent (Gerstein and Green 1993; Kumpfer et al. 1998).
- Early intervention with risk factors (e.g., aggressive behavior and poor self-control) often has a greater impact than later intervention by changing a child's life path (trajectory) away from problems and toward positive behaviors (Ialongo et al. 2001).
- While risk and protective factors can affect people of all groups, these factors can have a different effect depending on a person's age, gender, ethnicity, culture, and environment (Beauvais et al. 1996; Moon et al. 1999).

PRINCIPLE 2 Prevention programs should address all forms of drug abuse, alone or in combination, including the underage use of legal drugs (e.g., tobacco or alcohol); the use of illegal drugs (e.g., marijuana or heroin); and the inappropriate use of legally obtained substances (e.g., inhalants), prescription medications, or over-the-counter drugs (Johnston et al. 2002).

PRINCIPLE 3 Prevention programs should address the type of drug abuse problem in the local community, target modifiable risk factors, and strengthen identified protective factors (Hawkins et al. 2002).

PRINCIPLE 4 Prevention programs should be tailored to address risks specific to population or audience characteristics, such as age, gender, and ethnicity, to improve program effectiveness (Oetting et al. 1997).

Prevention Planning

Family Programs

PRINCIPLE 5 Family-based prevention programs should enhance family bonding and relationships and include parenting skills; practice in developing, discussing, and enforcing family policies on substance abuse; and training in drug education and information (Ashery et al. 1998).

Family bonding is the bedrock of the relationship between parents and children. Bonding can be strengthened through skills training on parent supportiveness of children, parent-child communication, and parental involvement (Kosterman et al. 1997).

- Parental monitoring and supervision are critical for drug abuse prevention. These skills can be enhanced with training on rule-setting; techniques for monitoring activities; praise for appropriate behavior; and moderate, consistent discipline that enforces defined family rules (Kosterman et al. 2001).
- Drug education and information for parents or caregivers reinforces what children are learning about the harmful effects of drugs and opens opportunities for family discussions about the abuse of legal and illegal substances (Bauman et al. 2001).
- Brief, family-focused interventions for the general population can positively change specific parenting behavior that can reduce later risks of drug abuse (Spoth et al. 2002b).

School Programs

PRINCIPLE 6 Prevention programs can be designed to intervene as early as *preschool* to address risk factors for drug abuse, such as aggressive behavior, poor social skills, and academic difficulties (Webster-Stratton 1998; Webster-Stratton et al. 2001).

PRINCIPLE 7 Prevention programs for *elementary school children* should target improving academic and social-emotional learning to address risk factors for drug abuse, such as early aggression, academic failure, and school dropout. Education should focus on the following skills (Ialongo et al. 2001; Conduct Problems Prevention Work Group 2002b):

- self-control;
- emotional awareness;
- communication;
- social problem-solving; and
- academic support, especially in reading.

PRINCIPLE 8 Prevention programs for *middle* or *junior high* and *high school students* should increase academic and social competence with the following skills (Botvin et al.1995; Scheier et al. 1999):

- study habits and academic support;
- communication;
- peer relationships;
- self-efficacy and assertiveness;
- drug resistance skills;
- reinforcement of antidrug attitudes; and
- strengthening of personal commitments against drug abuse.

Community Programs

PRINCIPLE 9 Prevention programs aimed at general populations at key transition points, such as the transition to middle school, can produce beneficial effects even among high-risk families and children. Such interventions do not single out risk populations and, therefore, reduce labeling and promote bonding to school and community (Botvin et al. 1995; Dishion et al. 2002).

PRINCIPLE 10 Community prevention programs that combine two or more effective programs, such as family-based and school-based programs, can be more effective than a single program alone (Battistich et al. 1997).

PRINCIPLE 11 Community prevention programs reaching populations in multiple settings—for example, schools, clubs, faith-based organizations, and the media—are most effective when they present consistent, community-wide messages in each setting (Chou et al. 1998).

Prevention Program Delivery

PRINCIPLE 12 When communities adapt programs to match their needs, community norms, or differing cultural requirements, they should retain core elements of the original research-based intervention (Spoth et al. 2002b), which include:

- **Structure** (how the program is organized and constructed);
- **Content** (the information, skills, and strategies of the program); and
- **Delivery** (how the program is adapted, implemented, and evaluated).

PRINCIPLE 13 Prevention programs should be long-term with repeated interventions (i.e., booster programs) to reinforce the original prevention goals. Research shows that the benefits from middle school prevention programs diminish without followup programs in high school (Scheier et al. 1999).

PRINCIPLE 14 Prevention programs should include teacher training on good classroom management practices, such as rewarding appropriate student behavior. Such techniques help to foster students' positive behavior, achievement, academic motivation, and school bonding (Ialongo et al. 2001).

PRINCIPLE 15 Prevention programs are most effective when they employ interactive techniques, such as peer discussion groups and parent role-playing, that allow for active involvement in learning about drug abuse and reinforcing skills (Botvin et al. 1995).

PRINCIPLE 16 Research-based prevention programs can be cost-effective. Similar to earlier research, recent research shows that for each dollar invested in prevention, a savings of up to $10 in treatment for alcohol or other substance abuse can be seen (Pentz 1998; Hawkins 1999; Aos et al. 2001; Spoth et al. 2002a).

Chapter 1: Risk Factors and Protective Factors

This chapter describes how risk and protective factors influence drug abuse behaviors, the early signs of risk, transitions as high-risk periods, and general patterns of drug abuse among children and adolescents. A major focus is how prevention programs can strengthen protection or intervene to reduce risks.

What are risk factors and protective factors?

Studies over the past two decades have tried to determine the origins and pathways of drug abuse and addiction—how the problem starts and how it progresses. Many factors have been identified that help differentiate those more likely to abuse drugs from those less vulnerable to drug abuse. Factors associated with greater potential for drug abuse are called "risk" factors, while those associated with reduced potential for abuse are called "protective" factors. Please note, however, that most individuals at risk for drug abuse do not start using drugs or become addicted. Also, a risk factor for one person may not be for another.

As discussed in the Introduction, risk and protective factors can affect children in a developmental *risk trajectory,* or path. This path captures how risks become evident at different stages of a child's life. For example, early risks, such as out-of-control aggressive behavior, may be seen in a very young child. If not addressed through positive parental actions, this behavior can lead to additional risks when the child enters school. Aggressive behavior in school can lead to rejection by peers, punishment by teachers, and academic failure. Again, if not addressed through preventive interventions, these risks can lead to the most immediate behaviors that put a child at risk for drug abuse, such as skipping school and associating with peers who abuse drugs. In focusing on the risk path, research-based prevention programs can intervene early in a child's development to strengthen protective factors and reduce risks long before problem behaviors develop.

The table below provides a framework for characterizing risk and protective factors in five *domains,* or settings. These domains can then serve as a focus for prevention. As the first two examples suggest, some risk and protective factors are mutually exclusive—the presence of one means the absence of the other. For example, in the Individual domain, early aggressive behavior, a risk factor, indicates the absence of impulse control, a key protective factor. Helping a young child learn to control impulsive behavior is a focus of some prevention programs.

Risk Factors	Domain	Protective Factors
Early Aggressive Behavior	Individual	Impulse Control
Lack of Parental Supervision	Family	Parental Monitoring
Substance Abuse	Peer	Academic Competence
Drug Availability	School	Antidrug Use Policies
Poverty	Community	Strong Neighborhood Attachment

Other risk and protective factors are independent of each other, as demonstrated in the table as examples in the peer, school, and community domains. For example, in the school domain, drugs may be available, even though the school has "antidrug policies." An intervention may be to strengthen enforcement so that school policies create the intended school environment.

Risk factors for drug abuse represent challenges to an individual's emotional, social, and academic development. These risk factors can produce different effects, depending on the individual's personality traits, phase of development, and environment. For instance, many serious risks, such as early aggressive behavior and poor academic achievement, may indicate that a young child is on a negative developmental path headed toward problem behavior. Early intervention, however, can help reduce or reverse these risks and change that child's developmental path.

For young children already exhibiting serious risk factors, delaying intervention until adolescence will likely make it more difficult to overcome risks. By adolescence, children's attitudes and behaviors are well established and not easily changed.

Risk factors can influence drug abuse in several ways. They may be additive: The more risks a child is exposed to, the more likely the child will abuse drugs. Some risk factors are particularly potent, yet may not influence drug abuse unless certain conditions prevail. Having a family history of substance abuse, for example, puts a child at risk for drug abuse. However, in an environment with no drug-abusing peers and strong antidrug norms, that child is less likely to become a drug abuser. And the presence of many protective factors can lessen the impact of a few risk factors. For example, strong protection—such as parental support and involvement—can reduce the influence of strong risks, such as having substance-abusing peers. ***An important goal of prevention, then, is to change the balance between risk and protective factors so that protective factors outweigh risk factors.***

Risk Factors and Protective Factors

PRINCIPLE 1 Prevention programs should enhance protective factors and reverse or reduce risk factors.

- The risk of becoming a drug abuser involves the relationship among the number and type of risk factors (e.g., deviant attitudes and behaviors) and protective factors (e.g., parental support).
- The potential impact of specific risk and protective factors changes with age. For example, risk factors within the family have greater impact on a younger child, while association with drug-abusing peers may be a more significant risk factor for an adolescent.
- Early intervention with risk factors (e.g., aggressive behavior and poor self-control) often has a greater impact than later intervention by changing a child's life path (trajectory) away from problems and toward positive behaviors.
- While risk and protective factors can affect people of all groups, these factors can have a different effect depending on a person's age, gender, ethnicity, culture, and environment.

PRINCIPLE 2 Prevention programs should address all forms of drug abuse, alone or in combination, including the underage use of legal drugs (e.g., tobacco or alcohol); the use of illegal drugs (e.g., marijuana or heroin); and the inappropriate use of legally obtained substances (e.g., inhalants), prescription medications, or over-the-counter drugs.

PRINCIPLE 3 Prevention programs should address the type of drug abuse problem in the local community, target modifiable risk factors, and strengthen identified protective factors.

PRINCIPLE 4 Prevention programs should be tailored to address risks specific to population or audience characteristics, such as age, gender, and ethnicity, to improve program effectiveness.

Gender may also determine how an individual responds to risk factors. Research on relationships within the family shows that adolescent girls respond positively to parental support and discipline, while adolescent boys sometimes respond negatively. Research on early risk behaviors in the school setting shows that aggressive behavior in boys and learning difficulties in girls are the primary causes of poor peer relationships. These poor relationships, in turn, can lead to social rejection, a negative school experience, and problem behaviors including drug abuse.

What are the early signs of risk that may predict later drug abuse?

Some signs of risk can be seen as early as infancy. Children's personality traits or temperament can place them at increased risk for later drug abuse. Withdrawn and aggressive boys, for example, often exhibit problem behaviors in interactions with their families, peers, and others they encounter in social settings. If these behaviors continue, they will likely lead to other risks. These risks can include academic failure, early peer rejection, and later affiliation with deviant peers, often the most immediate risk for drug abuse in adolescence. Studies have shown that children with poor academic performance and inappropriate social behavior at ages 7 to 9 are more likely to be involved with substance abuse by age 14 or 15.

In the Family

Children's earliest interactions occur within the family and can be positive or negative. For this reason, factors that affect early development in the family are probably the most crucial. Children are more likely to experience risk when there is:

- lack of mutual attachment and nurturing by parents or caregivers;
- ineffective parenting;
- a chaotic home environment;
- lack of a significant relationship with a caring adult; and
- a caregiver who abuses substances, suffers from mental illness, or engages in criminal behavior.

These experiences, especially the abuse of drugs and other substances by parents and other caregivers, can impede bonding to the family and threaten feelings of security that children need for healthy development. On the other hand, families can serve a protective function when there is:

- a strong bond between children and their families;
- parental involvement in a child's life;
- supportive parenting that meets financial, emotional, cognitive, and social needs; and
- clear limits and consistent enforcement of discipline.

Finally, critical or sensitive periods in development may heighten the importance of risk or protective factors. For example, mutual attachment and bonding between parents and children usually occurs in infancy and early childhood. If it fails to occur during those developmental stages, it is unlikely that a strong positive attachment will develop later in the child's life.

Outside the Family

Other risk factors relate to the quality of children's relationships in settings outside the family, such as in their schools, with their peers, teachers, and in the community. Difficulties in these settings can be crucial to a child's emotional, cognitive, and social development. Some of these risk factors are:

- inappropriate classroom behavior, such as aggression and impulsivity;
- academic failure;
- poor social coping skills;
- association with peers with problem behaviors, including drug abuse; and
- misperceptions of the extent and acceptability of drug-abusing behaviors in school, peer, and community environments.

Association with drug-abusing peers is often the most immediate risk for exposing adolescents to drug abuse and delinquent behavior. Research has shown, however, that addressing such behavior in interventions can be challenging. For example, a recent study (Dishion et al. 2002) found that placing high-risk youth in a peer group intervention resulted in negative outcomes. Current research is exploring the role that adults and positive peers can play in helping to avoid such outcomes in future interventions.

Other factors—such as drug availability, drug trafficking patterns, and beliefs that drug abuse is generally tolerated—are also risks that can influence young people to start to abuse drugs.

Family has an important role in providing protection for children when they are involved in activities outside the family. When children are outside the family setting, the most salient protective factors are:

- age-appropriate parental monitoring of social behavior, including establishing curfews, ensuring adult supervision of activities outside the home, knowing the child's friends, and enforcing household rules;
- success in academics and involvement in extracurricular activities;
- strong bonds with prosocial institutions, such as school and religious institutions; and
- acceptance of conventional norms against drug abuse.

What are the highest risk periods for drug abuse among youth?

Research has shown that the key risk periods for drug abuse occur during major transitions in children's lives. These transitions include significant changes in physical development (for example, puberty) or social situations (such as moving or parents divorcing) when children experience heightened vulnerability for problem behaviors.

The first big transition for children is when they leave the security of the family and enter school. Later, when they advance from elementary school to middle or junior high school, they often experience new academic and social situations, such as learning to get along with a wider group of peers and having greater expectations for academic performance. It is at this stage—early adolescence—that children are likely to encounter drug abuse for the first time.

Then, when they enter high school, young people face additional social, psychological, and educational challenges. At the same time, they may be exposed to greater availability of drugs, drug abusers, and social engagements involving drugs. These challenges can increase the risk that they will abuse alcohol, tobacco, and other drugs.

A particularly challenging situation in late adolescence is moving away from home for the first time without parental supervision, perhaps to attend college or other schooling. Substance abuse, particularly of alcohol, remains a major public health problem for college populations.

When young adults enter the workforce or marry, they again confront new challenges and stressors that may place them at risk for alcohol and other drug abuse in their adult environments. But these challenges can also be protective when they present opportunities for young people to grow and pursue future goals and interests. Research has shown that these new lifestyles can serve as protective factors as the new roles become more important than being involved with drugs.

Risks appear at every transition from early childhood through young adulthood; therefore, prevention planners need to consider their target audiences and implement programs that provide support appropriate for each developmental stage. They also need to consider how the protective factors involved in these transitions can be strengthened.

When and how does drug abuse start and progress?

Studies such as the National Survey on Drug Use and Health, formerly called the National Household Survey on Drug Abuse, reported by the Substance Abuse and Mental Health Services Administration, indicate that some children are already abusing drugs by age 12 or 13, which likely means that some may begin even earlier. Early abuse includes such drugs as tobacco, alcohol, inhalants, marijuana, and psychotherapeutic drugs. If drug abuse persists into later adolescence, abusers typically become more involved with marijuana and then advance to other illegal drugs, while continuing their abuse of tobacco and alcohol. Studies have also shown that early initiation of drug abuse is associated with greater drug involvement, whether with the same or different drugs. Note, however, that both one-time and long-term surveys indicate that most youth do not progress to abusing other drugs. But among those who do progress, their drug abuse history can vary by neighborhood drug availability, demographic groups, and other characteristics of the abuser population. In general, the pattern of abuse is associated with levels of social disapproval, perceived risk, and the availability of drugs in the community.

Scientists have proposed several hypotheses as to why individuals first become involved with drugs and then escalate to abuse. One explanation is a biological cause, such as having a family history of drug or alcohol abuse, which may genetically predispose a person to drug abuse. Another explanation is that starting to abuse a drug may lead to affiliation with more drug-abusing peers which, in turn, exposes the individual to other drugs. Indeed, many factors may be involved.

Different patterns of drug initiation have been identified based on gender, race or ethnicity, and geographic location. For example, research has found that the circumstances in which young people are offered drugs can depend on gender. Boys generally receive more drug offers and at younger ages. Initial drug abuse can also be influenced by where drugs are offered, such as parks, streets, schools, homes, or parties. Additionally, drugs may be offered by different people including, for example, siblings, friends, or even parents.

While most youth do not progress beyond initial use, a small percentage rapidly escalate their substance abuse. Researchers have found that these youth are the most likely to have experienced a combination of high levels of risk factors with low levels of protective factors. These adolescents were characterized by high stress, low parental support, and low academic competence.

However, there are protective factors that can suppress the escalation to substance abuse. These factors include self-control, which tends to inhibit problem behavior and often increases naturally as children mature during adolescence. In addition, protective family structure, individual personality, and environmental variables can reduce the impact of serious risks of drug abuse. Preventive interventions can provide skills and support to high-risk youth to enhance levels of protective factors and prevent escalation to drug abuse.

COMMUNITY ACTION BOX

- **Parents** can use information on risk and protection to help them develop positive preventive actions (e.g. talking about family rules) before problems occur.
- **Educators** can strengthen learning and bonding to school by addressing aggressive behaviors and poor concentration—risks associated with later onset of drug abuse and related problems.
- **Community Leaders** can assess community risk and protective factors associated with drug problems to best target prevention services.

Chapter 2: Planning for Drug Abuse Prevention in the Community

This chapter presents a process to help communities as they plan to implement research-based prevention programs. It provides guidance on applying the prevention principles, assessing needs and community readiness, motivating the community to take action, and evaluating the impact of the programs implemented. Additional planning resources are highlighted in *Selected Resources and References.*

How can the community develop a plan for research-based prevention?

Prevention research suggests that a well-constructed community plan incorporates the characteristics outlined in the following box.

THE COMMUNITY PLAN

- **Identifies** the specific drugs and other child and adolescent problems in a community;
- **Builds** on existing resources (e.g., current drug abuse prevention programs);
- **Develops** short-term goals relevant to implementation of research-based prevention programs;
- **Projects** long-term objectives so that plans and resources are available for the future; and
- **Incorporates** ongoing assessments to evaluate the effectiveness of prevention strategies.

Planning Process

Planning usually starts with an assessment of drug abuse and other child and adolescent problems, which includes measuring the level of substance abuse in the community as well as examining the level of other community risk factors (e.g., poverty) [see section on "How can the community assess the level of risk for drug abuse?" for more details]. The results of the assessment can be used to raise community awareness of the nature and seriousness of the problem and guide the selection of programs most relevant to the community's needs. This is an important process, whether a community is selecting a school-based prevention curriculum or planning multiple interventions that cut across the entire community.

Next, an assessment of the community's readiness for prevention can help determine additional steps that are needed to educate the community before beginning the prevention effort. Then, a review of existing programs is needed to determine gaps in addressing community needs and identifying additional resources.

Finally, community planning can benefit from contributions of community organizations that provide services to youth. Convening a meeting of leaders of youth-serving organizations can aid in coordinating ideas, resources, and expertise to help implement and sustain research-based programs. Planning for implementation and sustainability requires resource development for staffing and management, long-term funding commitments, and linkages with existing delivery systems.

How can the community use the prevention principles in prevention planning?

Several prevention principles provide a framework for effective prevention planning and programming by presenting key concepts in implementing research-

based prevention. Consider, for example, **Principle 3: "Prevention programs should address the type of drug abuse problem in the local community, target modifiable risk factors, and strengthen identified protective factors."** This principle describes how the plan should reflect the reality of the drug problem in that community and, importantly, what needs to be done to address it.

Community-wide efforts also can be guided by **Principle 9: "Prevention programs aimed at general populations at key transition points . . . can produce beneficial effects, even among high-risk families and children."** With carefully structured programs, the community can provide services to all populations, including those at high risk, without labeling or stigmatizing them.

In implementing a more specific program, such as a family program within the educational system, the principles address some of the required content areas. For instance, **Principle 5 states, "Family-based prevention programs should enhance family bonding and relationships and include parenting skills; practice in developing, discussing, and enforcing family policies on substance abuse; and training in drug education and information."**

The principles offer guidance for selecting or adapting effective programs that meet specific community needs. ***It is important to recognize, however, that not every program that seems consistent with these research-based prevention principles is necessarily effective.*** To be effective, programs need to incorporate the core elements identified in research (see Chapter 3). These include appropriate structure and content, adequate resources for training and materials, and other implementation requirements.

For more information on resources to help communities in prevention planning and the research underlying the prevention principles, see *Selected Resources and References*.

Chapter 2 **Principles**

Principles for Prevention Planning

PRINCIPLE 2 Prevention programs should address all forms of drug abuse, alone or in combination, including the underage use of legal drugs (e.g., tobacco or alcohol); the use of illegal drugs (e.g., marijuana or heroin); and the inappropriate use of legally obtained substances (e.g., inhalants), prescription medications, or over-the-counter drugs.

PRINCIPLE 3 Prevention programs should address the type of drug abuse problem in the local community, target modifiable risk factors, and strengthen identified protective factors.

PRINCIPLE 4 Prevention programs should be tailored to address risks specific to population or audience characteristics, such as age, gender, and ethnicity, to improve program effectiveness.

PRINCIPLE 9 Prevention programs aimed at general populations at key transition points, such as the transition to middle school, can produce beneficial effects even among high-risk families and children. Such interventions do not single out risk populations and, therefore, reduce labeling and promote bonding to school and community.

PRINCIPLE 10 Community prevention programs that combine two or more effective programs, such as family-based and school-based programs, can be more effective than a single program alone.

PRINCIPLE 11 Community prevention programs reaching populations in multiple settings—for example, schools, clubs, faith-based organizations, and the media—are most effective when they present consistent, community-wide messages in each setting.

How can the community assess the level of risk for drug abuse?

To assess the level of risk of youth engaging in drug abuse, it is important to:

- measure the nature and extent of drug abuse patterns and trends;
- collect data on the risk and protective factors throughout the community;
- understand the community's culture and how that culture affects and is affected by drug abuse;
- consult with community leaders working in drug abuse prevention, treatment, law enforcement, mental health, and related areas;
- assess community awareness of the problem; and
- identify existing prevention efforts already under way to address the problem.

Researchers have developed many tools to assess the extent of a community's drug problem. Most of these tools assess the nature of the problem—what drugs are available and who is abusing them. Some of them assess the extent of abuse by estimating how many people are abusing drugs. Others assess factors associated with abuse, such as juvenile delinquency, school absenteeism, and school dropout rates. Researchers have also developed instruments that assess individual risk status. It is important when beginning the assessment process to collect sufficient information to help local planners target the intervention by population and geographic area.

As an example, the **Communities That Care** prevention operating system, developed by Hawkins and colleagues at the University of Washington (Hawkins et al. 2002), is based on epidemiological methods. An assessment is conducted to collect data on the distribution of risk and protective factors at the community level. This approach helps local planners identify geographic areas with the highest levels of risk and the lowest levels of protective resources. This analysis tool assists planners in selecting the most effective prevention interventions to address the specific risks of neighborhoods.

Other data sources and measurement instruments (such as questionnaires) that can help in community planning include the following resources.

- **Public access data.** Several large national surveys provide data to help local communities understand how their drug problems relate to the national picture. These include the National Survey on Drug Use and Health, Monitoring the Future Study, and Youth Behavior Risk Study. Information on accessing these data is provided in *Selected Resources and References*.
- **Public access questionnaires.** The studies listed above and many other federally sponsored data sets make the data collection instruments available for adaptation and use by the public. Communities can conduct local studies using these instruments to collect uniform data that can often be compared with national findings.
- **Archival data.** Data from public access files from school systems, health departments, hospital emergency rooms, law enforcement agencies, and drug abuse treatment facilities can be analyzed to identify the nature of the local drug problem and other youth problems.

- **Ethnographic studies.** Ethnographic approaches use systematic, observational processes to describe behaviors in natural settings, such as studying the abuse of drugs by youth gangs, and documenting the individual perspectives of those under observation.
- **Other qualitative methods.** Other qualitative methods, such as convening focus groups of representatives of drug-abusing subpopulations or key interviews with community officials, can be used to gain a greater understanding of the local drug abuse problem.

As each of these methods has advantages and disadvantages, it is advisable, permitting resources, to use multiple strategies to assess community risk to provide the best information possible.

The Community Epidemiology Work Group (CEWG), another data source pioneered in the early 1970s by NIDA and communities nationwide, is composed of researchers from 21 U.S. cities who collect or use archival data to characterize the nature of the drug problem in their locations. CEWG representatives meet with NIDA biannually to inform the Institute and fellow CEWG members of changing drug trends in their cities. The work group has developed a *Guide for Community Epidemiology Surveillance Networks on Drug Abuse* to help other communities use this approach to provide up-to-date information on local drug abuse problems.

Using information obtained through these many sources can help community leaders make sound decisions about programs and policies. Analyzing these data before implementing new programs can also help establish a baseline for evaluating results. To be most informative, periodic assessments need to be made routinely.

For more information on how communities can assess the level or risk of drug abuse in their community, see *Selected Resources and References*.

Is the community ready for prevention?

Identifying a serious level of risk in a community does not always translate into community readiness to take action. Based on studies of many small communities, researchers have identified nine stages of readiness that can guide prevention planning (Plested et al. 1999). Applying measures to assess readiness, prevention planners can then identify the critical steps needed to implement programs (see table on page 20). Although much of the research on the stages of community readiness has examined small communities, large communities find that these stages provide a structure to describe levels of awareness of drug issues in their community and readiness to embrace a prevention program. Awareness is assessed at two levels: that of the public (by examining the nature and level of drug coverage in the news) and that of officials (by determining if they have taken a position on drug abuse in the community).

Community leaders can begin assessing their community's readiness by interviewing key informants in their community. Additional planning and program sources can be found in *Selected Resources and References*. Web sites, contact information, and publications offer further information to guide community efforts.

ASSESSING READINESS*		COMMUNITY ACTION
Readiness Stage	Community Response	Ideas
1. No awareness	Relative tolerance of drug abuse	Create motivation. Meet with community leaders involved with drug abuse prevention; use the media to identify and talk about the problem; encourage the community to see how it relates to community issues; begin preplanning.
2. Denial	Not happening here, can't do anything about it	
3. Vague awareness	Awareness, but no motivation	
4. Preplanning	Leaders aware, some motivation	
5. Preparation	Active energetic leadership and decisionmaking	Work together. Develop plans for prevention programming through coalitions and other community groups.
6. Initiation	Data used to support prevention actions	Identify and implement research-based programs.
7. Stabilization	Community generally supports existing program	Evaluate and improve ongoing programs.
8. Confirmation/ Expansion	Decisionmakers support improving or expanding programs	Institutionalize and expand programs to reach more populations.
9. Professionalization	Knowledgeable of community drug problem; expect effective solutions	Put multicomponent programs in place for all audiences.

* Plested et al. 1999.

How can the community be motivated to implement research-based prevention programs?

The methods needed to motivate a community to act depend on the particular community's stage of readiness. At lower stages of readiness, individual and small group meetings may be needed to attract support from those with great influence in the community. At higher levels of readiness, it may be possible to establish a community board or coalition of key leaders from public- and private-sector organizations. This can provide the impetus for action.

Community coalitions can and do hold community-wide meetings, develop public education campaigns, present data that support the need for research-based prevention programming, and attract sponsors for comprehensive drug abuse prevention strategies.

But care is needed in organizing a community-level coalition to ensure that its programming incorporates research-tested strategies and programs—at the individual, school, and community levels. Having a supportive infrastructure that includes representatives across the community can reinforce prevention messages, provide resources, and sustain prevention programming. Introducing a school-based curriculum, however, requires less community involvement, but is still a focused preventive effort.

Research has shown that prevention programs can use the media to raise public awareness of the seriousness of a community's drug problem and prevent drug abuse among specific populations. Using local data and speakers from the community demonstrates that the drug problem is real and that action is needed. Providing some of the examples of research-based programs described in Chapter 4 can help mobilize the community for change.

How can the community assess the effectiveness of current prevention efforts?

Assessing prevention efforts can be challenging for a community, given limited resources and limited access to expertise in program evaluation. Many communities begin the process with a structured review of current prevention programs to determine:

- *What programs are currently in place in the community?*
- *Were strict scientific standards used to test the programs during their development?*
- *Do the programs match community needs?*
- *Are the programs being carried out as designed?*
- *What percentage of at-risk youth is being reached by the program?*

Another evaluation approach is to track existing data over time on drug abuse among students in school, rates of truancy, school suspensions, drug-abuse arrests, and drug-related emergency room admissions. The use of the information obtained in the initial community drug abuse assessment can serve as a baseline for measuring change in long-term trends. Because the nature and extent of drug abuse problems can change with time, it is wise to periodically assess community risk and protective factors to help ensure that the programs in place appropriately address current community needs.

Communities may wish to consult with State and county prevention authorities for assistance in planning and implementation efforts. Also, federally supported publications and other resources are available, as noted in *Selected Resources and References*.

In assessing the impact of individual programs, it is important for communities to document how well the program is delivered and the level of intervention participants receive. For example, in assessing a school-based prevention program, key questions to be asked include:

- *Have the teachers mastered the content and interactive teaching strategies needed for the selected curriculum?*
- *How much exposure have the students had to each content area?*
- *Is there an assessment component?*

The community plan should guide actions for prevention over time. Once communities are mobilized, program implementation and sustainability require clear, measurable goals, long-term resources, sustained leadership, and community support to maintain momentum for preventive change. Continuing evaluations keep the community informed and allow for periodic reassessment of needs and goals.

COMMUNITY ACTION BOX

- **Parents** can work with others in their community to increase awareness about the local drug abuse problem and the need for research-based prevention programs.
- **Educators** can work with others in their school and school system to review current programs, and identify research-based prevention interventions appropriate for students.
- **Community Leaders** can organize a community group to develop a community prevention plan, coordinate resources and activities, and support research-based prevention in all sectors of the community.

Chapter 3: Applying Prevention Principles to Drug Abuse Prevention Programs

This chapter describes how the prevention principles have been applied to create effective family, school, and community programs. It offers information on working with risk and protective factors, adapting programs while maintaining fidelity to core elements, implementing and evaluating programs, and understanding the cost-benefits of research-based prevention. The goal is to help communities implement research-based prevention programs.

How are risk and protective factors addressed in prevention programs?

Risk and protective factors are the primary targets of effective prevention programs used in the family, school, and community settings. Prevention programs are usually designed to reach specific populations in their primary settings, such as reaching children at school or through recreational or after-school programs. However, in recent years it has become more common to find programs for any given target group in a variety of settings, such as holding a family-based program in a school or a church. The goal of these programs is to build new and strengthen existing protective factors and reverse or reduce modifiable risk factors in youth.

Prevention programs can be described by the audience or intervention level for which they are designed:

- *Universal* programs are designed for the general population, such as all students in a school.
- *Selective* programs target groups at risk, or subsets of the general population such as children of drug abusers or poor school achievers.
- *Indicated* programs are designed for people who are already experimenting with drugs.

Tiered programs, such as the **Adolescent Transitions Program,** incorporate all three levels of intervention. Others, such as **Early Risers "Skills for Success" Prevention Program,** may have only two levels of intervention.

Details of the programs used as examples in the following sections are provided in Chapter 4.

In the Family

Prevention programs can strengthen protective factors among young children by teaching parents better family communication skills, developmentally appropriate discipline styles, firm and consistent rule enforcement, and other family management skills. Parents also can be taught how to increase their emotional, social, cognitive, and material support, which includes, for example, meeting their children's financial, transportation, health care, and homework needs. Research confirms the benefit of parents taking a more active role in their children's lives, by talking with them about drugs, monitoring their activities, getting to know their friends, understanding their problems and concerns, providing consistent rules and discipline, and being involved in their learning and education. The importance of the parent-child relationship continues through adolescence and beyond.

An example of a *universal* family-based program is the **Strengthening Families Program For Parents and Youth, 10–14,** which provides rural parents guidance on family management skills, communication,

academic support, and parent-child relationships. Recognizing that it can be difficult to attract parents to this program, the researchers encourage participation through flexibility in scheduling and location. Offering conveniences such as babysitting, transportation, and meals make participation more practical for many rural parents, while enhancing the program's success in reaching its goals.

Another type of family program operates within a school setting. **The Adolescent Transitions Program,** for example, is a *tiered* intervention family program. All families can get involved with the *universal* intervention, which makes available a Family Resource Room where information on parenting is provided. The Family Check-Up, the *selective* level of this program, is an assessment process to identify and help families at greater risk by providing them with information and interventions specific to their needs. Families already engaged in problem behaviors and identified as needing an *indicated* intervention are provided more intense assistance and information tailored to their problem. Such assistance might include, for example, individual or family therapy, intensive parent coaching, therapeutic foster care, or other family-specific interventions. The uniqueness of the *tiered* approach is that the whole school participates in the program and all individuals or families receive the appropriate level of help without being labeled in the process.

In School

Prevention programs in schools focus on children's social and academic skills, including enhancing peer relationships, self-control, coping skills, social behaviors, and drug offer refusal skills. School-based prevention programs should be integrated within the school's own goal of enhanced academic performance. Evidence is emerging that a major risk for school failure is a child's inability to read by the third and fourth grades (Barrera et al. 2002), and school failure is strongly associated with drug abuse. Integrated programs strengthen students' bonding to school and reduce their likelihood of dropping out. Most prevention curricula include a normative education component designed to correct the misperception that many students are abusing drugs.

Chapter 3 **Principles**

Principles for Programs

PRINCIPLE 5 Family-based prevention programs should enhance family bonding and relationships and include parenting skills; practice in developing, discussing, and enforcing family policies on substance abuse; and training in drug education and information.

PRINCIPLE 6 Prevention programs can be designed to intervene as early as *preschool* to address risk factors for drug abuse, such as aggressive behavior, poor social skills, and academic difficulties.

PRINCIPLE 7 Prevention programs for *elementary school children* should target improving academic and social-emotional learning to address risk factors for drug abuse, such as early aggression, academic failure, and school dropout.

PRINCIPLE 8 Prevention programs for *middle* or *junior high* and *high school students* should increase academic and social competence.

PRINCIPLE 9 Prevention programs aimed at general populations at key transition points, such as the transition to middle school, can produce beneficial effects even among high-risk families and children. Such interventions do not single out risk populations and, therefore, reduce labeling and promote bonding to school and community.

PRINCIPLE 10 Community prevention programs that combine two or more effective programs, such as family-based and school-based programs, can be more effective than a single program alone.

PRINCIPLE 11 Community prevention programs reaching populations in multiple settings—for example, schools, clubs, faith-based organizations, and the media—are most effective when they present consistent, community-wide messages in each setting.

Chapter 3 **Principles**

Principles for Program Delivery

PRINCIPLE 12 When communities adapt programs to match their needs, community norms, or differing cultural requirements, they should retain core elements of the original research-based intervention.

PRINCIPLE 13 Prevention programs should be long-term with repeated interventions (i.e., booster programs) to reinforce the original prevention goals. Research shows that the benefits from middle school prevention programs diminish without followup programs in high school.

PRINCIPLE 14 Prevention programs should include teacher training in good classroom management practices, such as rewarding appropriate student behavior. Such techniques help to foster student's positive behavior, achievement, academic motivation, and school bonding.

PRINCIPLE 15 Prevention programs are most effective when they employ interactive techniques, such as peer discussion groups and parent role-playing, that allow for active involvement in learning about drug abuse and reinforcing skills.

PRINCIPLE 16 Research-based prevention programs can be cost-effective. Similar to earlier research, recent research shows that for each dollar invested in prevention, a savings of up to $10 in treatment for alcohol or other substance abuse can be seen.

Most research-based prevention interventions in schools include curricula that teach many of the behavioral and social skills described above. The **Life Skills Training Program** exemplifies *universal* classroom programs that are provided to middle-schoolers. The program teaches drug resistance, self-management, and general social skills in a 3-year curriculum, with the third year a booster session offered when students enter high school.

The Caring School Community Program is another type of school-based intervention. This *universal* elementary school program focuses on establishing a "sense of community" among the classroom, school, and family settings. The community support that results helps children succeed in school and cope with stress and other problems when they occur.

An *indicated* intervention that reaches high school students, **Project Towards No Drug Abuse** focuses on students who have failed to succeed in school and are engaged in drug abuse and other problem behaviors. The program seeks to rebuild students' interest in school and their future, correct their misperceptions about drug abuse, and strengthen protective factors, including positive decisionmaking and commitment.

Recent research suggests caution when grouping high-risk teens in peer group interventions for drug abuse prevention. Such groups have been shown to produce negative effects, as participants appear to reinforce substance abuse behaviors over time (Dishion et al. 2002). Research is examining how to prevent such effects, with a particular focus on the role of adults and positive peers.

In the Community

Prevention programs work at the community level with civic, religious, law enforcement, and other government organizations to enhance antidrug norms and prosocial behaviors. Strategies to change key aspects of the environment are often employed at the community level. These can involve instituting new policies, such as the drug-free school concept, or strengthening community practices, such as asking for proof of age to buy cigarettes.

Many programs coordinate prevention efforts across settings to communicate consistent messages through school, work, religious institutions, and the media. Research has shown that programs that reach youth through multiple sources can strongly impact community norms (Chou et al. 1998). Community-based programs also typically include development of policies or enforcement of regulations, mass media efforts, and community-wide awareness programs. Examples include establishing youth curfew, having advertising restrictions, reducing the density of alcohol outlets in the community, raising cigarette prices, and creating drug-free school zones. Some carefully structured and targeted media interventions have proven to be very effective in reducing drug abuse. For example, a mass media campaign targeting sensation-seeking youth reduced marijuana abuse by 27 percent among high sensation-seeking youth (Palmgreen et al. 2001).

Project STAR is an example of a multicomponent drug abuse prevention program for the community. This project tested whether a coordinated effort that encompassed schools, parents, community organizations, health policies, and the media could make a difference in preventing drug abuse among youth. **Project STAR** reached all children and families in the community. The middle school curriculum was the core of the program and was reinforced by homework and other activities of the parent component. Health policies and mass media components were incorporated as well. Long-term followup studies have shown significant impacts in reducing substance abuse, with benefits lasting well into participants' adult years.

What are the core elements of effective research-based prevention programs?

In recent years, many research-based prevention programs have proven effective. These programs were tested with rigorous designs in diverse communities in a wide variety of settings, and with a variety of populations. The most rigorous design tests the program's effects on a group that receives the intervention (i.e., "experimental group") and compares results to a second group that did not receive the intervention (i.e., "control group").

As communities review prevention programs to determine which best fit their needs, the following core elements of effective research-based programs should be considered.

- *Structure*—how each program is organized and constructed;
- *Content*—how the information, skills, and strategies are presented; and
- *Delivery*—how the program is selected or adapted and implemented, as well as how it is evaluated in a specific community.

When adapting programs to match community characteristics, it is important to retain these core elements to ensure that the most effective aspects of the program remain intact. Core elements help build effective research-based prevention programs.

Each core element contains descriptive features, which are presented in the following sections. Tables are included in each section to provide examples of how these features fit together in programs.

Structure

Structure addresses *program type, audience,* and *setting*. Several program types have been shown to be effective in preventing drug abuse. School-based programs, the first to be fully developed and tested, have become the primary approach for reaching all children. Family-based programs have proven effective in reaching both children and their parents in a variety of settings. Media and computer technology programs are beginning to demonstrate effectiveness in reaching people at the community level as well as the individual level. ***Research also shows that combining two or more effective programs, such as family and school programs, can be even more effective than a single program alone. These are called multicomponent programs.***

The following examples illustrate program structure:

Structure of Prevention Programs

Program Type	Audience	Setting
Community (Universal)	All Youth	Billboards
School (Selective)	Middle School Students	After-School
Family (Indicated)	High-Risk Youth and Their Families	Clinic

Within these categories, programs have been designed to specifically target the needs of a particular audience, such as an indicated prevention program for high-risk boys. Examples of other subcategories would include urban or rural populations, racial and ethnic minorities, and different age groups. Researchers are testing how to modify effective programs to best address such audience differences.

The setting describes where the program takes place. Prevention programs are usually designed to reach target populations in their primary setting, such as reaching children at school. It is becoming more common, however, for effective programs to be conducted in settings other than their primary setting—for example, holding a family-based program in a school or a school-based program in a youth organization such as Boys/Girls Clubs. Multicomponent programs reach populations in a variety of settings.

Content

Content is composed of *information, skills development, methods,* and *services*. Information can include facts about drugs and their effects, as well as drug laws and policies. Drug information alone, however, has not been found to be effective in deterring drug abuse. Combining information with skills, methods, and services produces more effective results. Programs include skills development training to build and improve behaviors in important areas, such as communication within the family, social and emotional development, academic and social competence in children, and peer resistance strategies in adolescents.

Methods are oriented toward structural change, such as establishing and enforcing school rules on substance abuse, or enforcing existing laws, such as those on tobacco sales to minors. Services could include school counseling and assistance, peer counseling, family therapy, and health care. These content areas are designed to reduce modifiable risk factors and strengthen protective factors.

The table below describes the type of content included in programs.

Content of Prevention Programs

Program Types	Information	Skills Development	Methods	Services
Community	Drug Trends	Social Skills	Tolerance Policies	Drug-Free Zones
School	Drug Effects	Resistance Skills	Norms Change	School Counseling and Assistance
Family	Drug Abuse Symptoms	Parenting Skills	Home Drug-Testing; Curfew	Family Therapy

Delivery

Delivery includes program *selection* or *adaptation* and *implementation*. The following table describes various delivery approaches.

Delivery of Prevention Programs

Program Type	Program Selection or Adaptation	Implementation Features
Community	Spanish-Speaking Population	Consistent Multimedia Messages
School	Gender	Booster Sessions
Family	Rural	Recruitment/ Retention

During the selection process, communities match effective research-based programs to their community needs. In Chapter 2, it was suggested that communities conduct a structured review of existing programs to determine what gaps remain, given risk and protective factors in the community and the community's drug problems and needs. This information can then be incorporated into the community plan, which guides the selection of new research-based programs. For initial guidance to aid the selection process, communities can refer to the description of programs in several categories found in Chapter 4. Additional planning and program resources can be found in *Selected Resources and References*, which offers Web sites, contact information, and publications to guide community efforts.

Adaptation involves shaping a program to fit the needs of a specific population in various settings. Scientists have been exploring how best to culturally adapt effective programs to a specific environment (such as a rural environment) and population (only boys, for example). In the process of adaptation, the program's core elements are maintained to ensure the effectiveness of the intervention, while addressing the community's needs. Several research-based adapted programs are now available, such as the **Life Skills Training Program** for inner-city minority youth.

For programs that have not yet been adapted and studied in a research protocol, it is best to implement the program as designed to ensure the most effective outcomes. Implementation refers to how the program is delivered, including the number of sessions, methods used, and program followup. Research has found that *how* a program is implemented can determine its effectiveness in preventing drug abuse.

Use of interactive methods and appropriate booster sessions helps to reinforce earlier program content and skills to maintain program benefits.

How can the community implement and sustain effective prevention programs?

After considering risk and protective factors within the community and selecting and adapting prevention programs to address those risks, the community must begin to implement those programs. In many communities, coalitions formed during the community planning process remain involved in overseeing program implementation. They continue to review progress toward goals and objectives set out in the community plan. Responsibility for actual implementation, however, generally resides within the local public or private community-based organization in the educational, social service, or other local system implementing the programs.

To ensure effective implementation, research-based school and family programs often require extensive human and financial resources and a serious commitment to training and technical assistance. In addition to resources, special attention is needed to attract and keep program participants interested and involved in the programs. This is especially important when involving families in rural and poverty settings. Research has shown that extra effort in providing incentives, maximal schedule flexibility, minimal time demands, free meals, transportation, baby-sitting, personal contact, and endorsement from important community leaders all help to attract and retain program participants. In short, how a program is delivered to specific audiences is critical to its success.

How can the community evaluate the impact of its program on drug abuse?

Conducting evaluations of community prevention programs can be challenging. Many community leaders have consulted with university faculty members and other local and State evaluation experts to assist in designing and implementing evaluation procedures.

Ensuring appropriate evaluation design is important because errors can result in findings that do not show a clear relationship between the program and the outcomes. Were the results truly attributable to the program's effects and not some other source, such as other community events or the maturation of the target groups?

An evaluation should identify what was accomplished in the program, how it was carried out, and its effects. To ensure a thorough evaluation, the program implementer and staff should assess ongoing adherence to program elements. Keeping records of content delivered, session attendance, content feedback quizzes, and independent observations of implementation fidelity can help monitor the effectiveness of program implementation and provide key information on why a program is or is not achieving its intended effects.

Evaluation pitfalls can be avoided by consulting with experts who can guide the evaluation design by:

- using tested data-collection instruments;
- obtaining good baseline, or preintervention, information;
- using control or comparison groups who did not receive the intervention, but whose characteristics are similar to those who did receive it;
- monitoring the quality of program implementation;
- ensuring that postintervention followup includes a large percentage of the target population; and
- using appropriate statistical methods to analyze the data.

In addition to assessing program impact, evaluation is an ongoing process that can provide guidance on maintaining the program's responsiveness to changing community needs.

The evaluation process needs to answer questions about the program and its outcomes, including:

- ✔ *What was accomplished in the program?*
- ✔ *How was the program carried out?*
- ✔ *Who participated in it?*
- ✔ *How much of the program was received by participants?*
- ✔ *Is there a connection between the amount of program received and outcomes?*
- ✔ *Was the program implemented as intended?*
- ✔ *Did the program achieve what was expected in the short term?*
- ✔ *Did the program produce the desired long-term effects?*

What are the cost-benefits of community prevention programs?

Research has demonstrated that preventing substance abuse and other problem behaviors can have a net benefit after accounting for costs. In a recent study, Spoth and associates (2002a) performed cost-effectiveness and benefit-cost analyses on data from two long-term interventions already shown to be effective in preventing substance abuse: Iowa Strengthening Families Program (ISFP; now called **The Strengthening Families Program: For Parents and Youth 10–14**), and Preparing for the Drug-Free Years (PDFY; now called **Guiding Good Choices**). Both interventions were found to have net benefits by preventing adult cases of alcohol abuse and thus saving future costs for alcohol abuse treatment. Benefit-to-cost ratios were $9.60 for each dollar invested in prevention for the ISFP group, and $5.85 per dollar invested in prevention for the PDFY group. For each family in the ISFP condition, there was a benefit of $5,923; and the PDFY condition resulted in a benefit of $2,697 per family. In addition, an analysis of the **Skills, Opportunity, And Recognition** (**SOAR**) program had a benefit-to-cost ratio of $4.25 for every dollar spent (Hawkins et al. 1999; Aos et al. 2001). An earlier study (Pentz 1998) found that for every dollar spent on drug abuse prevention, communities could save from $4 to $5 in costs for drug abuse treatment and counseling.

COMMUNITY ACTION BOX

- **Parents** can work with others in the community to use the prevention principles in selecting drug abuse programs.
- **Educators** can incorporate research-based content and delivery into their regular classroom curricula.
- **Community Leaders** can work with evaluation experts to evaluate program progress and develop improvements in outcomes.

Chapter 4: Examples of Research-Based Drug Abuse Prevention Programs

To help those working in drug abuse prevention, NIDA, in cooperation with prevention scientists, presents the following examples of research-based programs that use a variety of strategies proven effective in preventing drug abuse. Each program was developed as part of a research protocol in which an intervention group and a comparison group were matched on important characteristics, such as age, grade in school, parents' level of education, family income, community size, and risk and protective factors. The interventions were tested in a family, school, or community setting, all with positive results. Prevention research continues to identify effective programs and strategies, thus this list is not meant to be exhaustive.

Many of these research-based programs include approaches to identifying early risk factors and addressing them long before a child encounters substance abuse. Whether the intervention focuses on improving teachers' skills in classroom management and academic support or on parents' communication skills, early positive support can reduce risks and increase protection. Also, recent research is focused on adapting interventions to address specific risks by gender, ethnic or racial identification, and geographic settings to improve the effectiveness of programs for specific audiences.

The programs are presented within their audience category (universal, selective, indicated, or tiered) and for whom they are designed (elementary, middle, or high school students). Since these programs are only examples, community planners may wish to explore additional programs and planning resources, which are highlighted in *Selected Resources and References*. With NIDA's continued support of research on effective prevention strategies at all levels of prevention, new research-based programs will continue to be made available in the future.

Universal Programs

Elementary School

Caring School Community Program (Formerly, Child Development Project) (Battistich et al. 1997; U.S. Department of Education 2001). This is a universal family-plus-school program to reduce risk and bolster protective factors among elementary school children. The program focuses on strengthening students' "sense of community," or connection, to school. Research has shown that this sense of community has been pivotal to reducing drug use, violence, and mental health problems, while promoting academic motivation and achievement. The program consists of a set of mutually reinforcing classroom, school, and family involvement approaches. These promote positive peer, teacher-student, and home-school relationships and the development of social, emotional, and character-related skills. The program provides detailed instructional and implementation materials and accompanying staff development.

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Classroom-Centered (CC) and Family-School Partnership (FSP) Intervention (Ialongo et al. 2001). The CC and FSP interventions are multicomponent, universal first-grade interventions to reduce later onset of violence and aggressive behavior and to improve academic performance. The CC intervention combines two effective classroom programs, the "Good Behavior Game" and "Mastery Learning," and includes classroom management and organizational strategies, as well as reading and mathematics curricula. The CC intervention also focuses on enhancing teachers' behavior management and instructional skills. The FSP intervention targets the same risk factors of aggression and learning problems, but directly involves parents. It seeks to improve parent-teacher communication, parental teaching, and children's behavior management strategies in the home. Findings show that sixth-graders exposed to the CC intervention in first grade had significantly reduced their aggressive behavior, as compared with control students.

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Promoting Alternative Thinking Strategies (PATHS) (Greenberg and Kusché 1998). PATHS is a comprehensive program for promoting emotional health and social competencies and reducing aggression and behavior problems in elementary school children, while enhancing the educational process in the classroom. This K–5 curriculum is designed for use by educators and counselors in a multiyear, universal prevention model. Although primarily for use in school and classrooms, information and activities are also included for use with parents. PATHS has been shown to improve protective factors and reduce behavioral risk factors that impact youth problem behaviors. Studies report reduced aggressive behaviors, increased self-control, and an improved ability to tolerate frustration and use conflict-resolution strategies.

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Contact for Training:

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Skills, Opportunity, And Recognition (SOAR) (Formerly, Seattle Social Development Program) (Lonczak et al. 2002; U.S. Department of Education 2001; Hawkins et al. 1999). This universal school-based intervention for grades one through six seeks to reduce childhood risks for delinquency and drug abuse by enhancing protective factors. The multicomponent intervention combines training for teachers, parents, and children during the elementary grades to promote children's bonding to school, positive school behavior, and academic achievement. These strategies are designed to enhance opportunities, skills, and rewards for children's prosocial involvement in school and their families.

Long-term followup results show positive outcomes for participants, including reduced antisocial behavior, misbehavior, alienation and teen pregnancy, and improved academic skills, commitment to school, and positive relationships with people.

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Middle School

Guiding Good Choices (GGC) (Formerly, Preparing for the Drug-Free Years) (Hawkins et al. 1999; Kosterman et al. 1997; U.S. Department of Education 2001; Spoth et al. 2002b). This curriculum was first researched as part of the Seattle Social Development Project at the University of Washington to educate parents on how to reduce risk factors and strengthen bonding in their families. In five 2-hour sessions, parents are shown how to (1) create age-appropriate opportunities for family involvement and interaction; (2) set clear expectations, monitor children, and apply discipline; (3) teach their children peer coping strategies; (4) adopt family conflict management approaches; and (5) express positive feelings to enhance family bonding. Dr. Richard Spoth of Iowa State University independently tested this intervention for rural parents and found the program to be effective in inhibiting alcohol and marijuana use. Special efforts were made to ensure recruitment and retention of study participants.

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Life Skills Training (LST) Program (Botvin et al. 1995, 1997, 2003; U.S. Department of Education 2001). LST is designed to address a wide range of risk and protective factors by teaching general personal and social skills, along with drug resistance skills and normative education. This universal program consists of a 3-year prevention curriculum for students in middle or junior high school. LST contains 15 sessions during the first year, 10 booster sessions during the second, and 5 sessions during the third year. The program can be taught either in grades 6, 7, and 8 (for middle school) or grades 7, 8, and 9 (for junior high schools). LST covers three major content areas: (1) drug resistance skills and information, (2) self-management skills, and (3) general social skills. The program has been extensively tested over the past 20 years and found to reduce the prevalence of tobacco, alcohol, and illicit drug use relative to controls by 50 to 87 percent. When combined with booster sessions, LST was shown to reduce the prevalence of substance abuse long term by as much as 66 percent, with benefits still in place beyond the high school years. Although LST was originally tested predominantly with White youth, several studies have shown that the LST program is also effective

with inner-city minority youth. Moreover, an age-appropriate version of the LST program for upper elementary school students was recently developed and shown to reduce tobacco and alcohol use (Botvin et al. 2003). It contains 24 classes (8 classes per year) to be taught during either grades 3 to 5 or 4 to 6.

Contact for Materials and Training:

National Health Promotion Associates, Inc.
Life Skills Training
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Lions-Quest Skills for Adolescence (SFA) (Eisen et al. 2002; U.S. Department of Education 2001). SFA is a commercially available, universal, life skills education program in use in schools nationwide. A rigorous school-based trial of SFA funded by a NIDA research grant compared the effectiveness of SFA delivered in sixth grade with "standard" drug prevention programs in preventing or delaying the onset of students' tobacco, alcohol, and illegal substance use through middle school. The 40-session version of SFA tested includes social influence and social cognitive approaches to teaching cognitive-behavioral skills for building self-esteem and personal responsibility, communicating effectively, making better decisions, resisting social influences and asserting rights, and increasing drug use knowledge and consequences (Quest International, 3rd edition 1992.) Some of the results after 1 year indicate that exposure to the program can help deter initiation of regular cigarette smoking and marijuana use; these results held across all racial/ethnic groups studied. Additional findings after 2 years indicate lower initiation and regular marijuana use across all groups, as well as lower binge drinking rates among Hispanic students.

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Project ALERT (U.S. Department of Education 2001). This drug prevention curriculum is a 2-year, universal program for middle school students that reduces the onset and regular use of substances among youth. The 14-lesson program is designed to prevent drug use initiation and the transition to regular use. It focuses on substances that adolescents typically use first and most widely—alcohol, tobacco, marijuana, and inhalants. Project ALERT uses participatory activities and videos to help students establish nondrug norms, develop reasons not to use, and resist prodrug pressures. The program has prevented marijuana use initiation, decreased current and heavy smoking, curbed alcohol misuse, reduced prodrug attitudes and beliefs, and helped smokers quit. The program has proven successful with high- and low-risk youth from a variety of communities.

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Project STAR (Chou et al. 1998; U.S. Department of Education 2001). Project STAR is a comprehensive drug abuse prevention community program with components for schools, parents, community organizations, and health policymakers. An additional component targets mass media to encourage publicizing positive efforts for drug prevention. The middle school component is a social influence curriculum that is incorporated into classroom instruction by trained teachers over a 2-year timetable. In the parent program, parents work with children on homework, learn family communication skills, and get involved in community action. Strategies range from individual-level change, such as teaching youth drug resistance skills, to school and community-change, including limiting youth access to alcohol or drugs. Long-term followup studies showed significant reductions in drug use among participants, when compared with adolescents in the community who had not received prevention intervention.

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The Strengthening Families Program: For Parents and Youth 10–14 (SFP 10–4) (Formerly, the Iowa Strengthening Families Program) (Spoth, Redmond, and Shin 2000, 2001). This program offers seven sessions, each attended by youth and their parents. Program implementation and evaluation have been conducted through partnerships that include state university researchers, Cooperative Extension System staff, local schools, and community implementers. Longitudinal study of comparisons with control group families showed positive effects on parents' child management practices (for example, setting standards, monitoring children, and applying consistent discipline) and on parent-child affective quality. In addition, a recent evaluation found delayed initiation of substance use at the 6-year followup. Other findings showed improved youth resistance to peer pressure to use alcohol, reduced affiliation with antisocial peers, and reduced levels of problem behaviors. Importantly, conservative benefit-cost calculations indicate returns of $9.60 per dollar invested in SFP.

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High School

Life Skills Training: Booster Program. The 3-year LST universal classroom program contains 15 booster sessions during the first year, 10 during the second, and 5 during the third year. See the Life Skills Training description above for background and contact information.

Lions-Quest Skills for Adolescence. (Eisen 2002; U.S. Department of Education 2001). See description above for background and contact information.

Project ALERT Plus. An enhanced version of Project ALERT has been added as a high school component and is being tested in 45 rural communities. See the Project ALERT description above for background and contact information.

The Strengthening Families Program: For Parents and Youth 10–14. (Formerly, the Iowa Strengthening Families Program). See description above for background and contact information.

Selective Programs

Elementary School

Focus on Families (FOF) (Catalano et al. 1999, 2002). A selective program for parents receiving methadone treatment and their children, FOF seeks to reduce parents' use of illegal drugs by teaching them skills for relapse prevention and coping. Parents are also taught how to better manage their families to reduce their children's risk for future drug abuse. The parent training consists of a 5-hour family retreat and 32 parent training sessions of 1.5 hours each. Children attend 12 of the sessions to practice developmentally appropriate skills with their parents. Results from an experimental evaluation of FOF found positive program effects on parents at the 1-year followup, especially in parenting skills, rule-setting, domestic conflict, drug refusal skills, and drug use. At the 1-year assessment, significantly fewer children in the experimental condition reported having stolen something in the previous 6 months. After 2 years of family skills training, positive effects were still evident in parents' drug refusal skills, and positive effects had emerged in parent problemsolving skills in general situations. No statistically significant differences in drug use were found between those in experimental versus control conditions, although the direction of difference still favored experimental participants. Importantly, the strength of program effects on children was substantially stronger at the 2-year followup. Note that the direction of differences on all primary child outcome measures were stronger at the second-year assessment than at the end of the first year. These findings suggest that interventions to prevent relapse among parents and substance abuse among their children may produce immediate, as well as delayed, or "sleeper" effects on targeted risk and protective factors and substance use. The promise of the FOF program is evident in the early reduction in family-related risk factors—*particularly for very high-risk families*—with an overall trend toward positive program effects on child outcomes.

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The Strengthening Families Program (SFP) (Kumpfer et al. 1996, 2002). SFP, a universal and selective multicomponent, family-focused prevention program, provides support for families with 6- to 11-year-olds. The program began as an effort to help drug-abusing parents improve their parenting skills and reduce their children's risk for subsequent problems. It has shown success in elementary schools and communities. Strengthening Families has three components: a behavioral parent training program, children's skills training program, and family skills training program. In each of the 14 weekly sessions, parents and children are trained separately in the first hour. During the second hour, parents and children come together in the family skills training portion. The session begins with families sharing dinner. Barriers to attendance are reduced by providing child care, transportation, and small incentives. This approach has been evaluated in a variety of settings and with several racial and ethnic groups. Spanish-language manuals are available. Primary outcomes include reduced family conflict, youth conduct disorders, aggressiveness, and substance abuse, as well as improved youth social skills, parenting skills, and family communication and organization.

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Middle School

Coping Power (Lochman and Wells 2002). Coping Power is a multicomponent child and parent preventive intervention directed at preadolescent children at high risk for aggressiveness and later drug abuse and delinquency. The child component is derived from an anger coping program, primarily tested with highly aggressive boys and shown to reduce substance use. The Coping Power Child Component is a 16-month program for fifth- and sixth-graders. Group sessions usually occur before or after school or during nonacademic periods. Training focuses on teaching children how to identify and cope with anxiety and anger; controlling impulsiveness; and developing social, academic, and problemsolving skills at school and home. Parents are also provided training throughout the program. Results indicate that the intervention produced relatively lower rates of substance use at postintervention than seen among the controls. Also, children of families receiving the Coping Power child and parent components significantly reduced aggressive behavior, as rated by parents and teachers.

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High School

Adolescents Training and Learning to Avoid Steroids (ATLAS) (Goldberg et al. 2000). ATLAS is a multicomponent selective program for male high school athletes, designed to reduce risk factors for use of anabolic steroids and other drugs, while providing healthy sports nutrition and strength-training alternatives to illicit use of athletic-enhancing substances. Coaches and peer teammates facilitate curriculum delivery with scripted manuals in small cooperative learning groups, taking advantage of an influential coaching staff and the team atmosphere where peers share common goals. Seven 45-minute classroom sessions and seven physical training periods involve role-playing, student-created campaigns, and educational games. Instructional aids include pocket-sized food and exercise guides and easy-to-follow student workbooks. Parents are involved through parent-student homework and are given the booklet, *Family Guide to Sports Nutrition*. Attitudes and alcohol and illicit drug use, as well as nutrition behaviors and exercise self-efficacy, remained significantly healthier among ATLAS program participants at a 1-year followup.

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Phone: 503-494-7900
Web site: www.ohsu.edu/som-hpsm/atlas.html

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Indicated Programs

High School

Project Towards No Drug Abuse (Project TND) (Sussman et al. 2002). This indicated prevention intervention targets high school age youth who attend alternative or traditional high schools. The goal is to prevent the transition from drug use to drug abuse, considering the developmental issues faced by older teens, particularly those at risk for drug abuse. At the core of Project TND is a set of 12 in-class sessions that provide motivation and cognitive misperception correction, social and self-control skills, and decisionmaking material targeting the use of cigarettes, alcohol, marijuana, and hard drugs and violence-related behavior, such as carrying a weapon. The classroom program has been found to be effective at 1-year followup across three true experimental field trials. The 12-session version is effective across outcome variables, and many effects are maintained at 2-year followup.

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Reconnecting Youth Program (RY) (Eggert et al. 1995, 2001; Thompson et al. 1997). RY is a school-based indicated prevention program for high school students with poor school achievement and potential for dropping out. Participants may also show signs of multiple problem behaviors, such as substance abuse, depression, aggression, or suicidal behaviors. Students are screened for eligibility and then invited to participate in the program. The program goals are to increase school performance, reduce drug use, and

learn skills to manage mood and emotions. RY blends small group work (10–12 students per class) to foster positive peer bonding, with social skills training in a daily, semester-long class. RY skills, taught by an RY specially trained teacher or group leader, include self-esteem enhancement, decisionmaking, personal control, and interpersonal communication. Early experiments have shown that participation in RY improved school performance (20-percent increase in GPA), decreased school dropout, reduced hard drug use (by 60 percent), and decreased drug use control problems, such as adverse consequences and progression to heavier drug use. Recent studies of a refined RY program model (with skills training on depression and anger management and increased monitoring of drug use) have found greater decreases in hard drug use, depression, perceived stress, and anger control problems.

Contact for Materials:

Reconnecting Youth: A Peer Group Approach to Building Life Skills (Revised Edition)
National Educational Service
304 West Kirkwood Avenue, Suite 2
Bloomington, IN 47404

Phone: 800-733-6786 or 812-336-7790
Fax: 812-336-7790
E-mail: nes@nesonline.com
Web site: www.nesonline.com

Contact for Research and Program Evaluation:

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Tiered Programs

Elementary School

Early Risers "Skills for Success" Risk Prevention Program (August et al. 2001; August et al. 2002; August et al., in press). Early Risers is a selective, multicomponent, preventive intervention for children at heightened risk for early onset of serious conduct problems, including licit and illicit drug use. The program's focus is on elementary school children with early aggressive behavior. It is designed to deflect children from the "early starter" developmental pathway toward normal development by effecting positive change in academic competence, behavioral self-regulation, social competence, and parent investment in the child. Early Risers has two broad components: CORE, a set of child-focused intervention components delivered continuously in school and over the summer for 2 or 3 years, implemented in tandem with FLEX, a family support and empowerment component tailored to meet family-specific needs and delivery through home visits. Recent findings reveal that program participants showed greater gains in social skills, peer reputation, prosocial friendship selection, academic achievement, and parent discipline than did controls.

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Fast Track Prevention Trial for Conduct Problems (Conduct Problems Prevention Research Group 2002c). Fast Track is a comprehensive preventive intervention for young children at high risk for long-term antisocial behavior. Based on a developmental model, the intervention includes a *universal* classroom program (adapted from the PATHS curriculum) for high-risk children selected in kindergarten; it also includes training for parents. Children receive social skills training, academic tutoring, and home visits to improve

academic and social competencies and reduce problems. In first grade, the classroom intervention builds skills in (1) emotional understanding and communication, (2) friendship, (3) self-control, and (4) social problemsolving. The *selective* intervention reaches parents and children at higher risk for conduct problems. Parenting strategies provide skills to support school adjustment, improve the child's behavior, build parents' self-control, promote appropriate expectations for the child's behavior, and improve parent-child interaction. By the end of third grade, 37 percent of the intervention group were free of serious conduct problems, compared with 27 percent of the control group.

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Middle School

Adolescent Transitions Program (ATP) (Dishion et al. 2002). ATP is a school-based program that uses a tiered approach to provide prevention services to students in middle and junior high school and their parents. The *universal* intervention level, directed to parents of all students in a school, establishes a Family Resource Room to engage parents, establish norms for parenting practices, and disseminate information about risks for problem behavior and substance use. The *selective* intervention level, the Family Check-Up, offers family assessment and professional support to identify families at risk for problem behavior and substance use. The *indicated* level, the Parent Focus curriculum, provides direct professional support to parents to make the changes indicated by the Family Check-Up. Services may include behavioral family therapy, parenting groups, or case management services.

Contact for Materials and Research:

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Chapter 5: Selected Resources and References

Below are resources relevant to drug abuse prevention. Information on NIDA's Web site is followed by Web sites for other Federal agencies and private organizations. These resources and the selected references that follow are excellent sources of information in helping communities plan and implement research-based drug prevention programs.

Selected Resources

National Institute on Drug Abuse (NIDA)
National Institutes of Health (NIH)
U.S. Department of Health and Human Services (DHHS)

NIDA's Web site (www.drugabuse.gov) provides factual information on all aspects of drug abuse, particularly the effects of drugs on the brain and body, the prevention of drug abuse among children and adolescents, the latest research on treatment for addiction, and statistics on the extent of drug abuse in the United States. The Web site allows visitors to print or order publications, public service announcements and posters, science education curricula, research reports and fact sheets on specific drugs or classes of drugs, and the *NIDA NOTES* newsletter. The site also links to related Web sites in the public and private sector.

Other Federal Resources

Center for Substance Abuse Prevention (CSAP)
Substance Abuse and Mental Health Services Administration (SAMHSA), DHHS
5600 Fishers Lane
Rockwall 2, 9th Floor, Suite 900
Rockville, MD 20857
Phone: 301-443-9110
www.prevention.samhsa.gov

Centers for Disease Control and Prevention (CDC), DHHS
1600 Clifton Road
Atlanta, GA 30333
Phone: 404-639-3534
Phone: 800-311-3435 (toll-free)
www.cdc.gov

Safe and Drug-Free Schools Program
U.S. Department of Education (DoE)
400 Maryland Avenue, SW
Washington, DC 20202
Phone: 800-872-5327 (toll-free)
www.ed.gov

Drug Enforcement Administration (DEA)
U.S. Department of Justice (DOJ)
2401 Jefferson Davis Highway
Alexandria, VA 22301
Phone: 202-307-1000
www.dea.gov

Knowledge Exchange Network, SAMHSA, DHHS
P.O. Box 42490
Washington, DC 20015
Phone: 800-789-2647 (toll-free)
www.mentalhealth.org

National Clearinghouse for Alcohol and Drug Information (NCADI), SAMHSA, DHHS
Phone: 800-729-6686 (toll-free)
www.ncadi.samhsa.gov

National Institute on Alcohol Abuse and Alcoholism (NIAAA), NIH, DHHS
6000 Executive Boulevard, Willco Building
Bethesda, MD 20892
Phone: 301-443-3860
www.niaaa.nih.gov

National Institute of Mental Health (NIMH), NIH, DHHS
6001 Executive Boulevard, Room 8184, MSC 9663
Bethesda, MD 20892
Phone: 301-443-4513
www.nimh.nih.gov

National Institutes of Health (NIH), DHHS
9000 Rockville Pike
Bethesda, MD 20892
Phone: 301-496-4000
www.nih.gov

National Library of Medicine (NLM), NIH, DHHS
8600 Rockville Pike
Bethesda, MD 20894
Phone: 301-594-5983
Phone: 888-346-3656 (toll-free)
www.nlm.nih.gov

Office of Juvenile Justice and Delinquency Prevention (OJJDP), DOJ
810 Seventh Street
Washington, DC 20531
Phone: 202-307-5911
www.ojjdp.ncjrs.org/pubs/substance.html

Office of National Drug Control Policy (ONDCP)
P.O. Box 6000
Rockville, MD 20849
Phone: 800-666-3332 (toll-free)
www.whitehousedrugpolicy.gov

Substance Abuse and Mental Health Services Administration (SAMHSA), DHHS
5600 Fishers Lane
Rockville, MD 20857
Phone: 301-443-8956
www.samhsa.gov

Other Selected Resources

American Academy of Child and Adolescent Psychiatry (AACAP)
3615 Wisconsin Avenue, NW
Washington, DC 20016
Phone: 202-966-7300
www.aacap.org

American Academy of Family Physicians (AAFP): KidsHealth
11400 Tomahawk Creek Parkway
Leawood, KS 66211
www.familydoctor.org

American Academy of Pediatrics (AAP)
141 Northwest Point Boulevard
Elk Grove, IL 60007-1098
Phone: 847-434-4000
www.aap.org

American Psychological Association (APA)
750 First Street, NE
Washington, DC 20002
Phone: 800-374-2121 (toll-free)
Phone: 202-336-5510
www.apa.org

American Society of Addiction Medicine (ASAM)
4601 North Park Avenue, Arcade Suite 101
Chevy Chase, MD 20815
Phone: 301-656-3920
www.asam.org

Blueprints for Violence Prevention, Center for the Study and Prevention of Violence
Institute on Behavioral Science
University of Colorado at Boulder
900 28th Street, Suite 107
439 UCB
Boulder, CO 80309
Phone: 303-492-1032
www.colorado.edu/cspv/blueprints/

Center on Addiction and Substance Abuse (CASA) at Columbia University
633 Third Avenue, 19th Floor
New York, NY 10017
Phone: 212-841-5200
www.casacolumbia.org

Community Anti-Drug Coalitions of America (CADCA)
901 North Pitt Street, Suite 300
Alexandria, VA 22314
Phone: 800-542-2322 (toll-free)
www.cadca.org

Drug Strategies, Inc.
1150 Connecticut Avenue, NW, Suite 800
Washington, DC 20036
Phone: 202-289-9070
www.drugstrategies.org

Join Together
One Appleton Street, 4th Floor
Boston, MA 02116
Phone: 617-437-1500
www.jointogether.org

Latino Behavioral Health Institute
P.O. Box 1008
Thousand Oaks, CA 91360
Phone: 213-738-2882
www.lbhi.org

National Asian Pacific American Families Against Substance Abuse (NAPAFASA)
340 East Second Street, Suite 409
Los Angeles, CA 90012
Phone: 213-625-5795
www.napafasa.org

National Criminal Justice Reference Service (NCJRS)
P.O. Box 6000
Rockville, MD 20849
Phone: 800-851-3420 (toll-free)
Phone: 301-519-5500
www.ncjrs.org

National Families in Action (NFIA)
2957 Clairmont Road, NE, Suite 150
Atlanta, GA 30329
Phone: 404-248-9676
www.nationalfamilies.org

National Hispanic Science Network (NHSN)
Center for Family Studies
Department of Psychiatry & Behavioral Sciences
University of Miami School of Medicine
1425 NW 10th Avenue, 3rd Floor
Miami, FL 33136-1024
Phone: 305-243-2340
www.hispanicscience.org

National Prevention Network (NPN)
808 17th Street, NW, Suite 410
Washington, DC 20006
Phone: 202-293-0090
www.nasadad.org/Departments/Prevention/prevhme1.htm

Partnership for a Drug-Free America
405 Lexington Avenue, Suite 1601
New York, NY 10174
Phone: 212-922-1560
www.drugfreeamerica.org

Society for Prevention Research (SPR)
1300 I Street, NW, Suite 250 West
Washington, DC 20005
Phone: 202-216-9670
www.preventionresearch.org

Selected References

The following references have been selected as either summaries of the literature of the past several years or as the latest findings on specific aspects of prevention research, which have been cited in this publication. For a more comprehensive list of research citations, please consult the NIDA Web site at www.drugabuse.gov.

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NIDA
NATIONAL INSTITUTE
ON DRUG ABUSE
1974-2004 30 Years

NIH Publication No. 04-4212(A)
Printed 1997
Reprinted 1997, 1999, 2001
Second Edition October 2003

California Healthy Kids Survey

LGSUHSD 2020-21 & 2018-19

Results and Comparisons

What is the California Healthy Kids Survey?

The California Healthy Kids Survey (CHKS) is the largest statewide survey of resiliency, protective factors, and risk behaviors in the nation. Across California, the CHKS has led to a better understanding of the relationship between students' health behaviors and academic performance, and is frequently cited by state policymakers and the media as a critical component of school improvement efforts to help guide the development of more effective health, prevention, and youth development programs. It provides a means to confidentially obtain data on student knowledge, attitudes, and perceptions about the topics it covers.

California Healthy Kids Survey
Comparable Districts & Administration Years

- Los Gatos High School
  - 2018/19 and 2020/21
- Saratoga High School
  - 2018/19 and 2020/21
- Palo Alto Unified School District
  - 2019/20
- Mountain View-Los Altos Union High School District
  - 2019/20
- Statewide Secondary Data
  - 2015-17

California Healthy Kids Survey
Survey Participant Sizes

	LGHS		SHS	
	2018/19	**2020/21**	**2018/19**	**2020/21**
9th	**488**	**446**	**325**	**287**
11th	**420**	**406**	**310**	**310**

2018/19 - Survey administered in February 2018
2020/21 - Survey administered in December 2020

Important Points about Context

1. No community is without problems that need to be identified and addressed.

2. Drug use, violence and other health risks are not just school issues; they are social, community, and family issues.

3. Schools are often safe havens in their communities.

4. The CHKS results help districts focus resources and develop programs. To address any problem, you first need to identify and understand it.

5. Reducing risk behaviors and promoting positive youth development are key efforts to improve schools and promote academic success among all students.

6. Our goal is to determine what we can do to support and help our community's youth lead healthy, satisfying, and productive lives.

Interpreting the Data

- Data is accurate - the standard error of the mean ranges from 0.011 to 0.014
- Data is reliable - The 95% confidence intervals are (~0.05 for developmental supports and ~0.03 for current drug use items). That means that if the survey was given 100 times, the results would be within less than one point difference 95 times.

<u>How do we know if there was a significant difference between administration years?</u>

* - **<u>+</u> 4%** indicates a significant increase or decrease between administration years. For LGHS and SHS, those items are marked with a on subsequent

des.

What does statistically significant mean?

- A statistically significant result is a result that's not attributed to chance.
- When something is statistically significant, we believe the difference is larger than can reasonably be explained as a chance occurrence.
- As a general rule, the significance level is commonly set to 0.05, meaning that the probability of observing the differences seen in your data by chance is just 5%.

Protective Factors vs. Risk Factors

Protective Factor

- a characteristic at the biological, psychological, family, or community (including peers and culture) level that is associated with a lower likelihood of problem outcomes or that reduces the negative impact of a risk factor on problem outcomes

Risk Factor

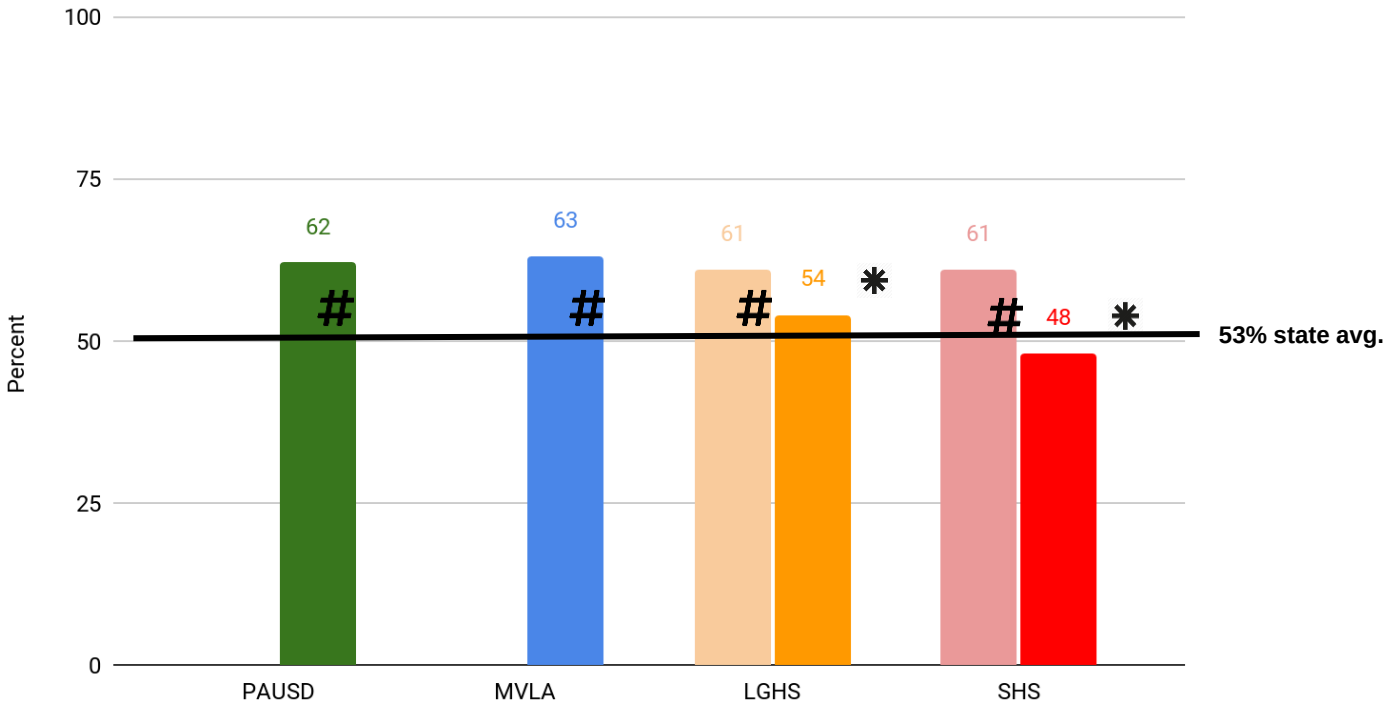
- a characteristic at the biological, psychological, family, community, or cultural level that precedes and is associated with a higher likelihood of problem outcomes

School Performance, Supports and Engagement

At my school there is a teacher or some other adult who really cares about me.

(Pretty much true to Very much true)

9th Grade

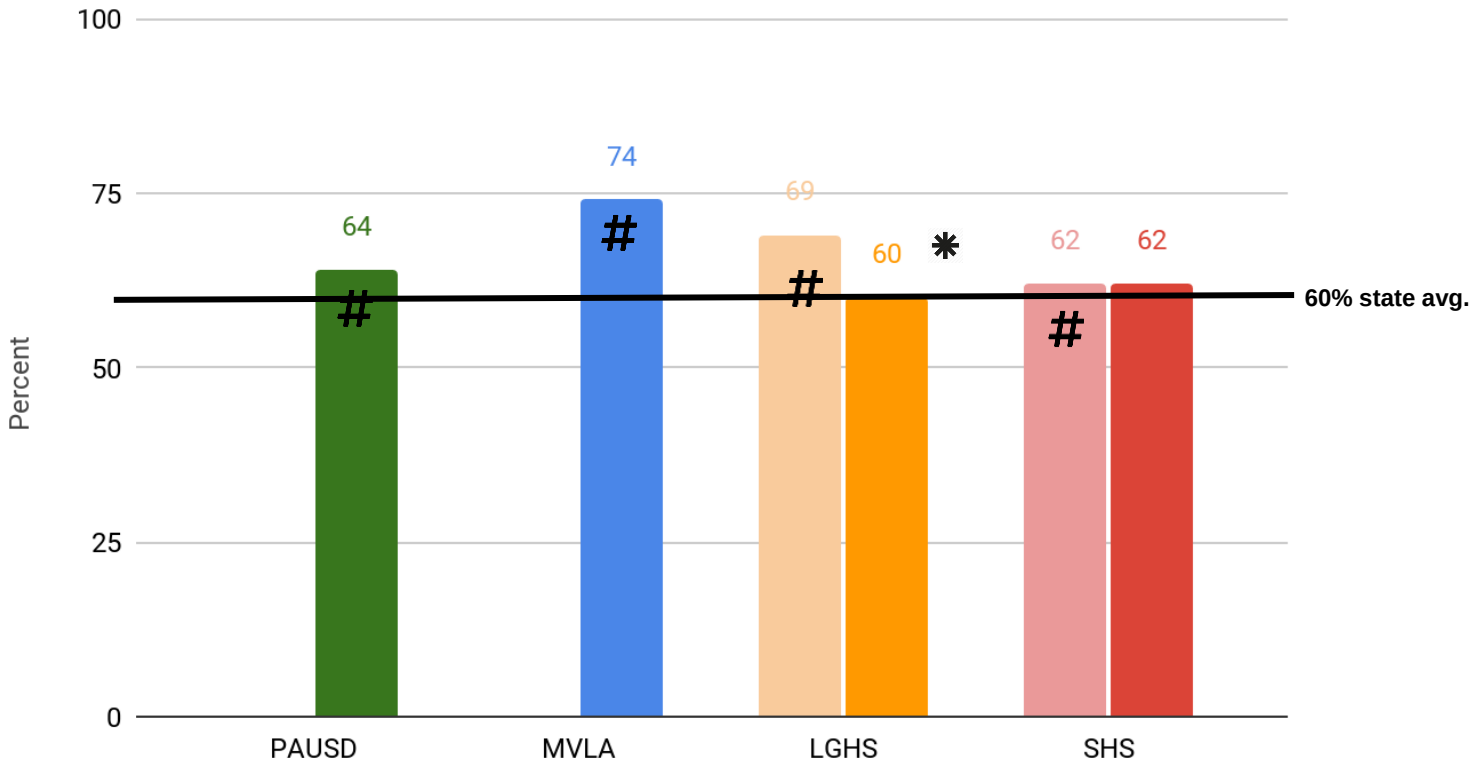


✱ Statistically Significant # Pre-Covid

At my school there is a teacher or some other adult who really cares about me.

(Pretty much true to Very much true)

11th Grade

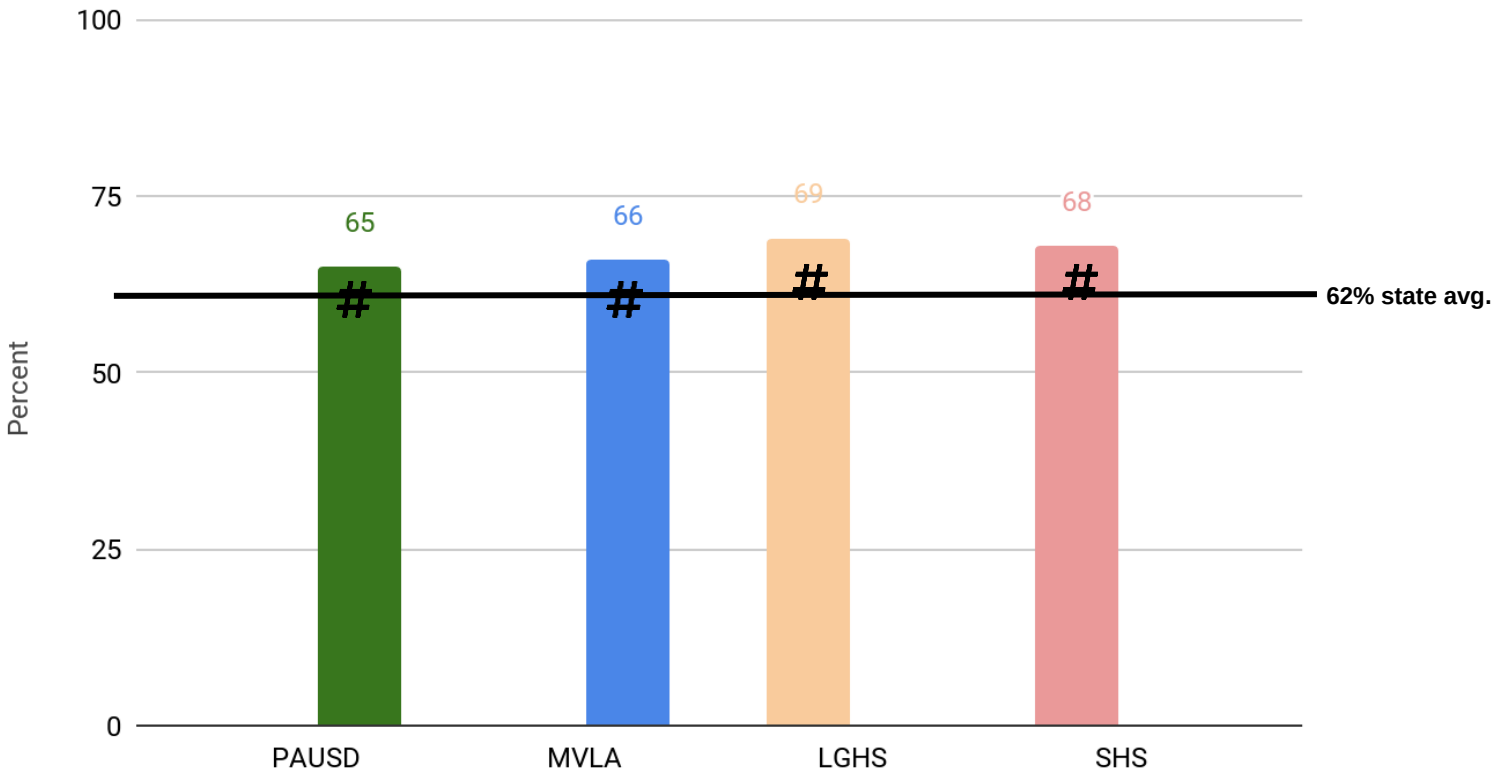


* Statistically Significant # Pre-Covid

I feel close to people at this school.

(Agree to Strongly Agree)

9th Grade



*No 20/21 data available due to remote learning

* Statistically Significant # Pre-Covid

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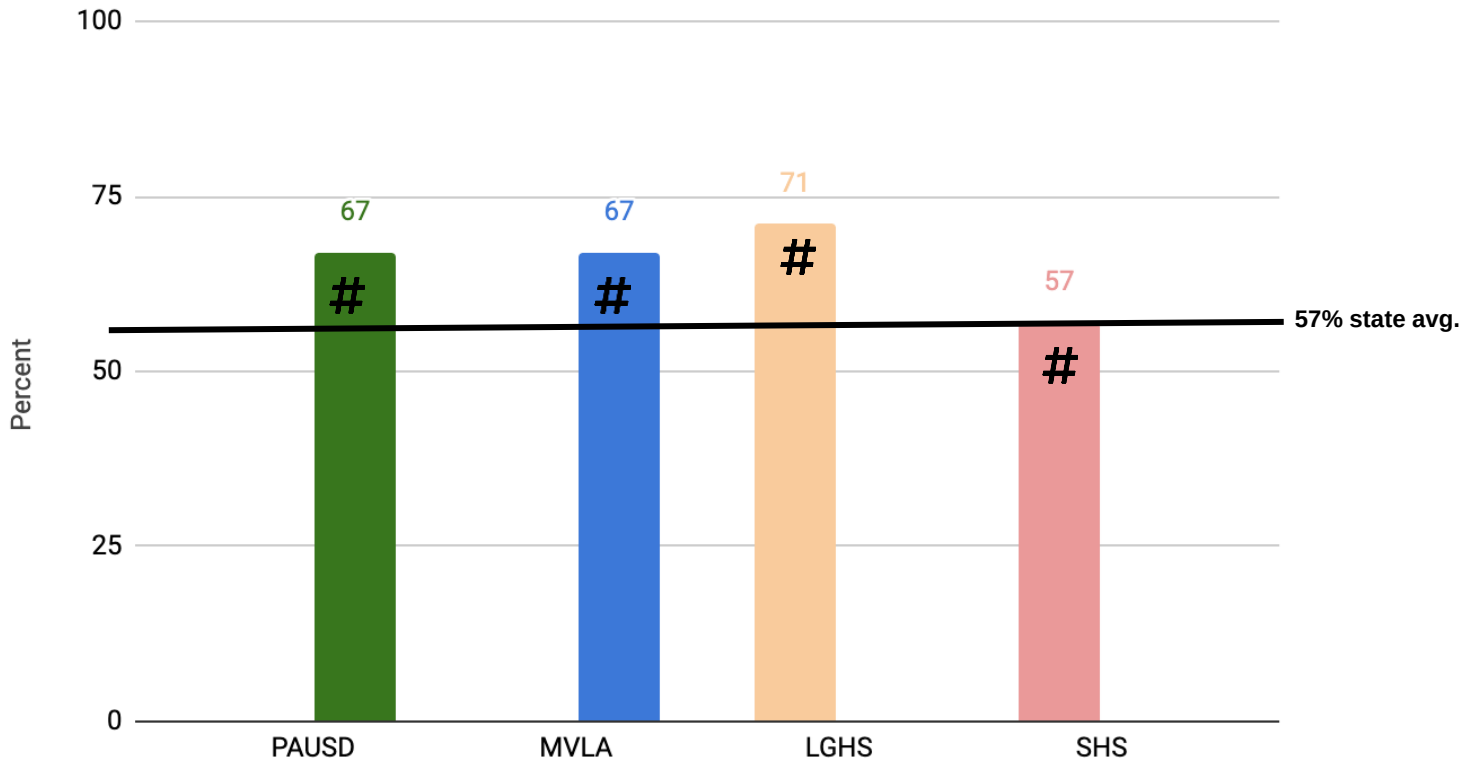
(Agree to Strongly Agree)

11th Grade



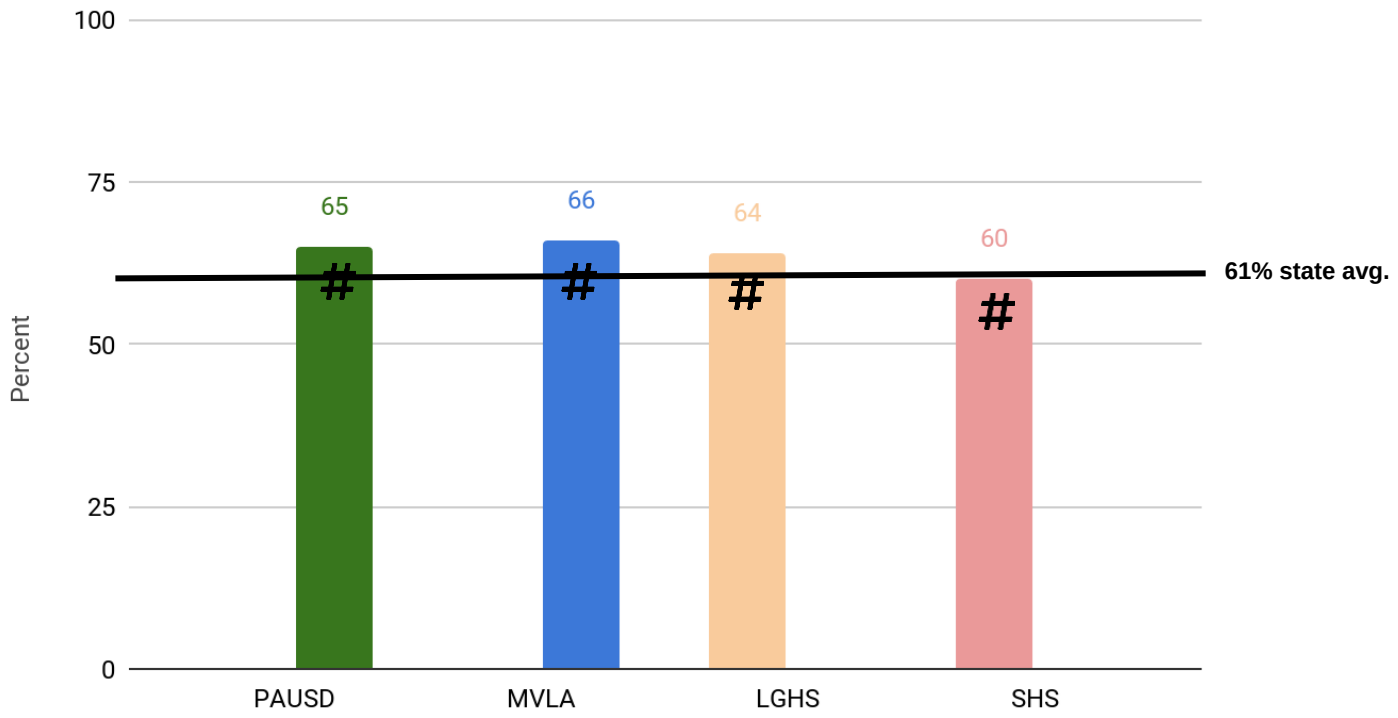
*No 20/21 data available due to remote learning

Pre-Covid

I am happy to be at this school.

(Agree to Strongly Agree)

9th Grade



**No 20/21 data available due to remote learning*

Pre-Covid

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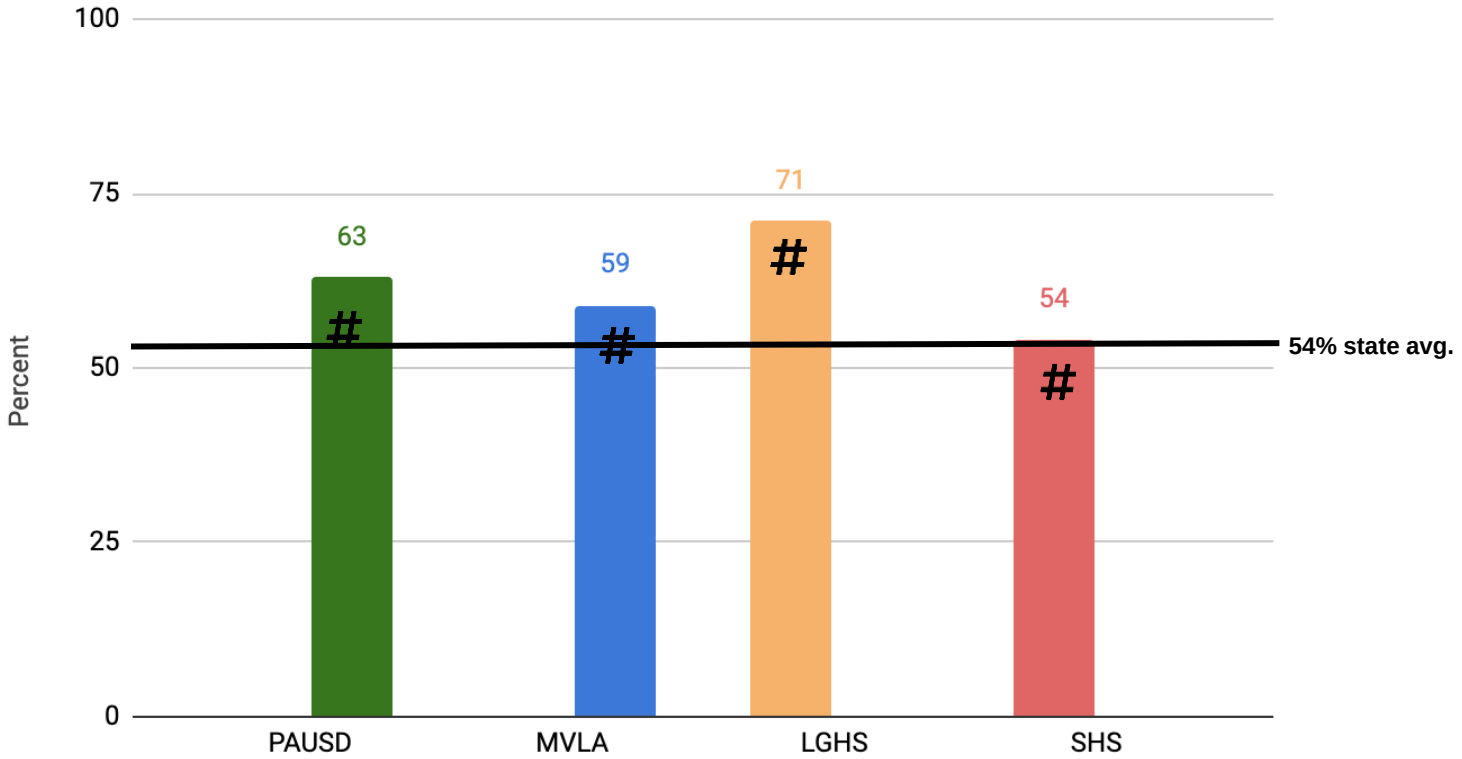
(Agree to Strongly Agree)

11th Grade



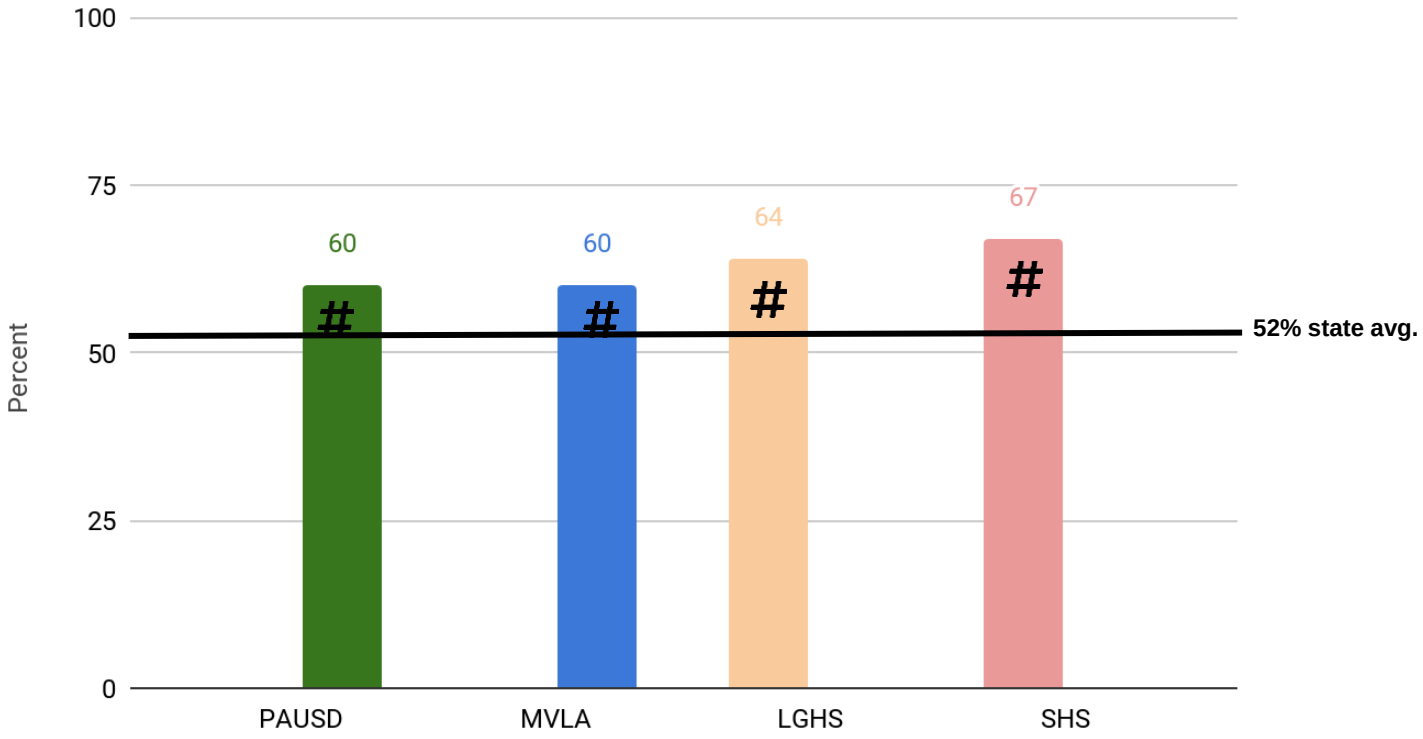
*No 20/21 data available due to remote learning

Pre-Covid

I feel like I am part of this school.

(Agree to Strongly Agree)

9th Grade



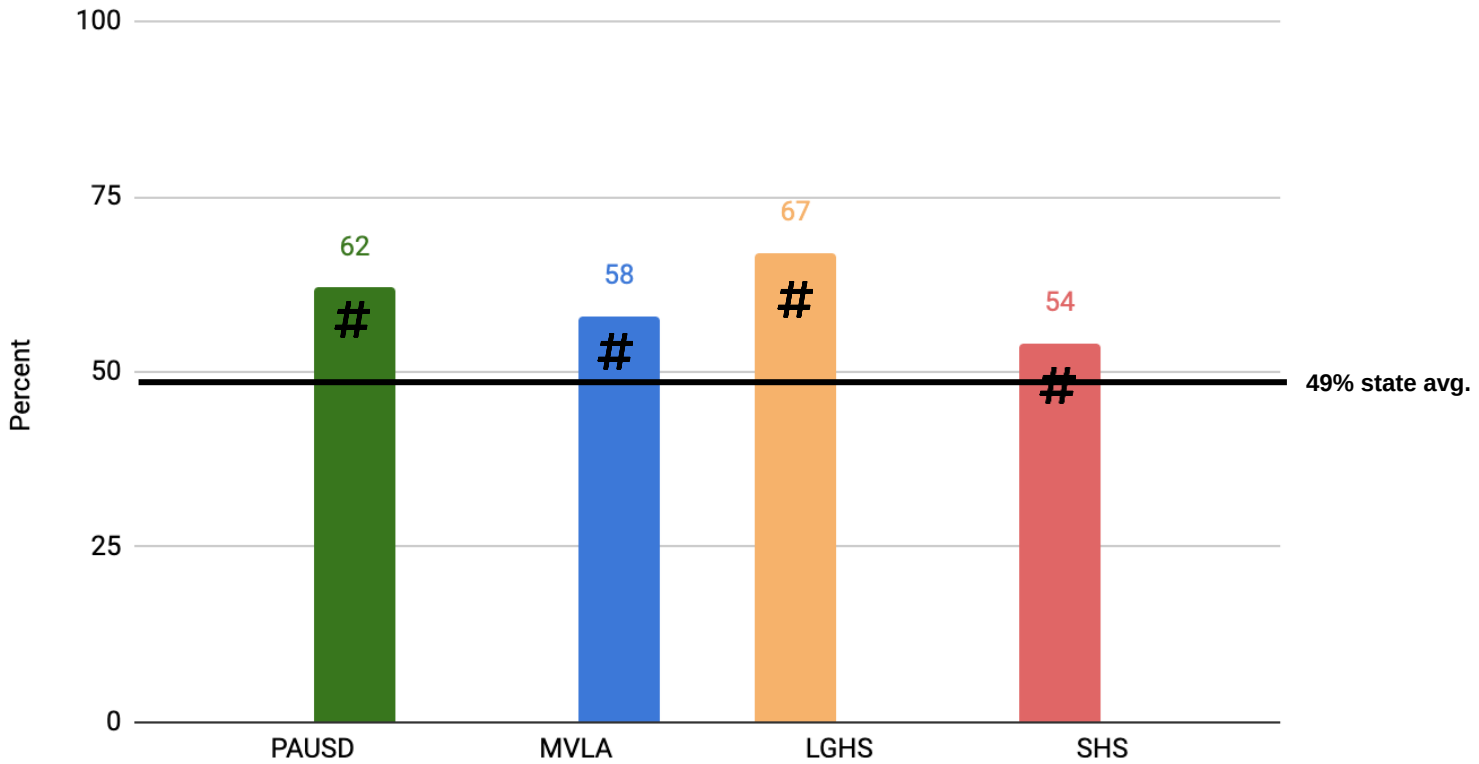
Pre-Covid

**No 20/21 data available due to remote learning*

I feel like I am part of this school.

(Agree to Strongly Agree)

11th Grade



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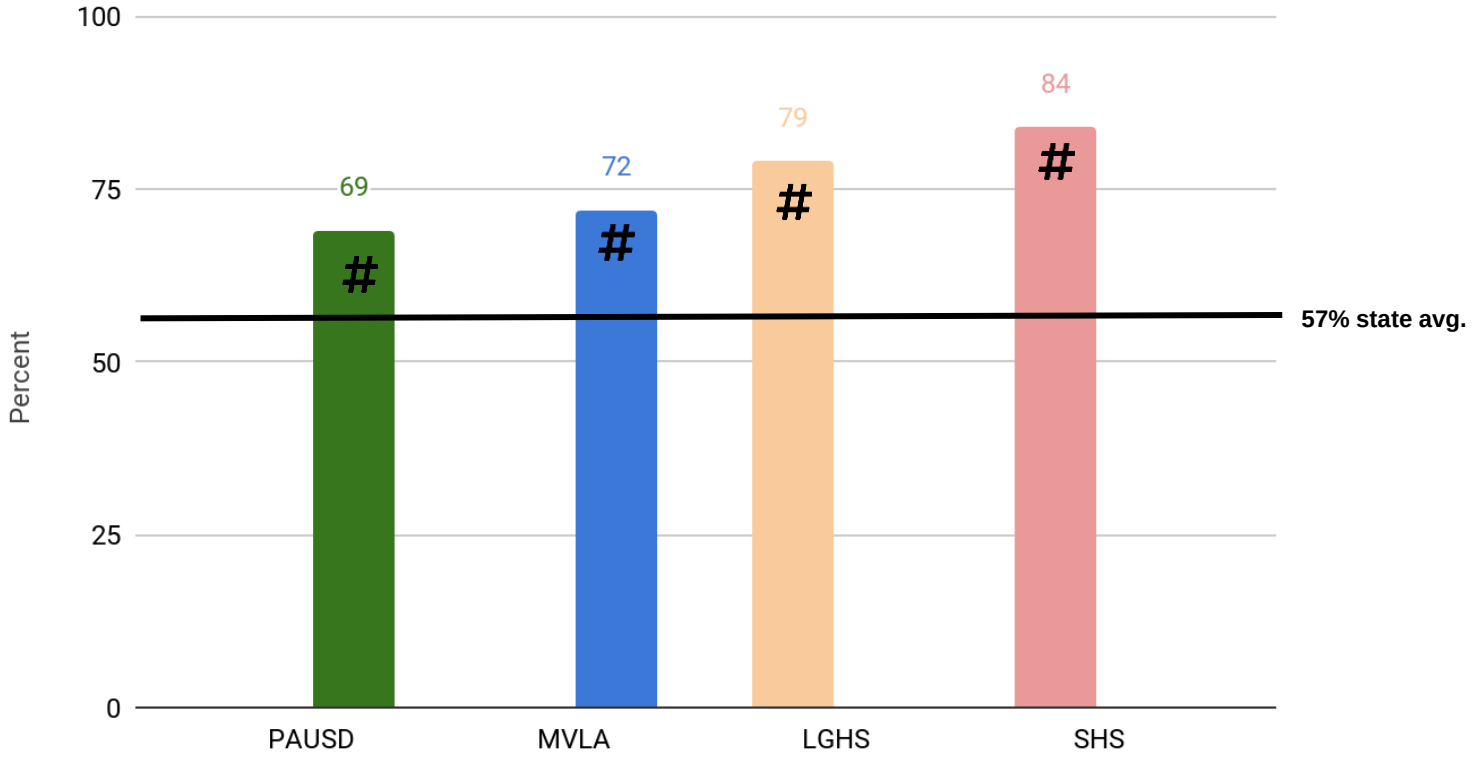
Pre-Covid

I feel safe in my school.

(Agree to Strongly Agree)

9th Grade



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Pre-Covid

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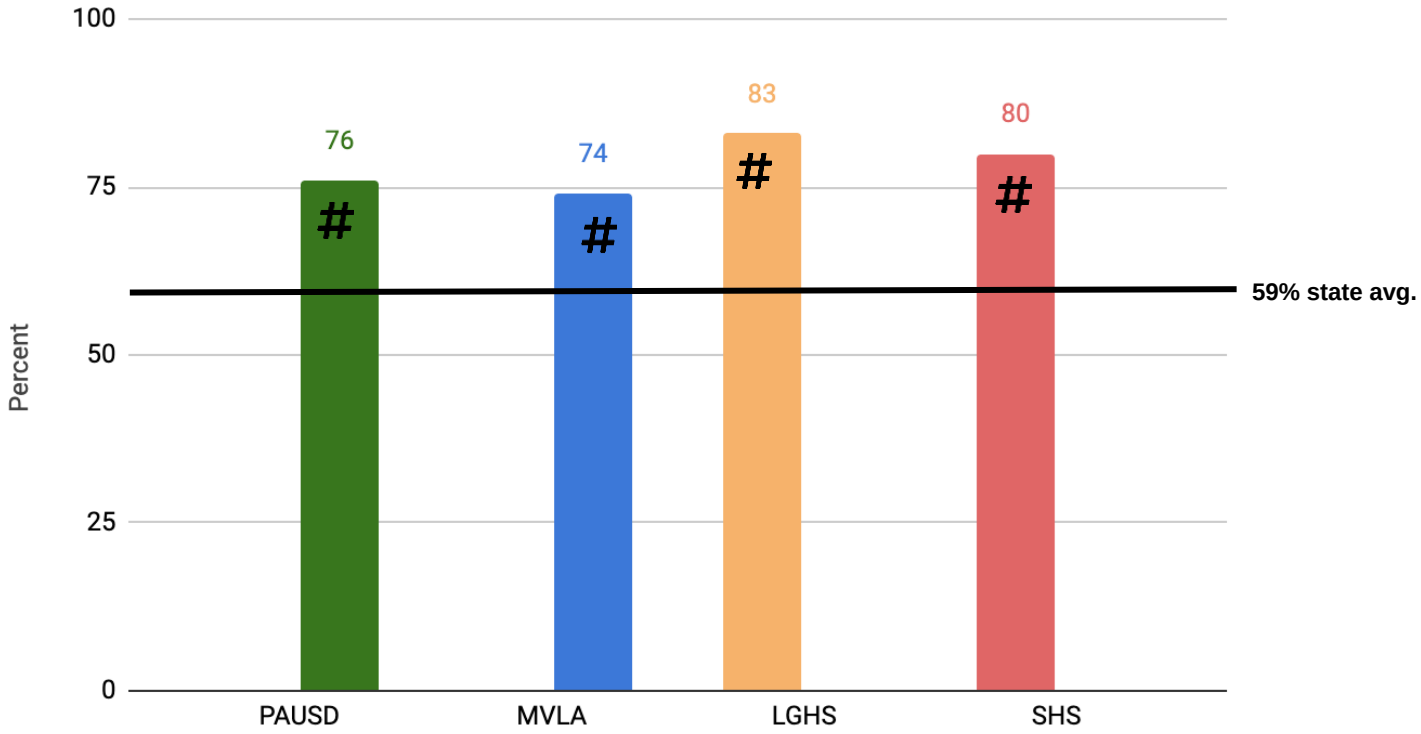
(Agree to Strongly Agree)

11th Grade



*No 20/21 data available due to remote learning

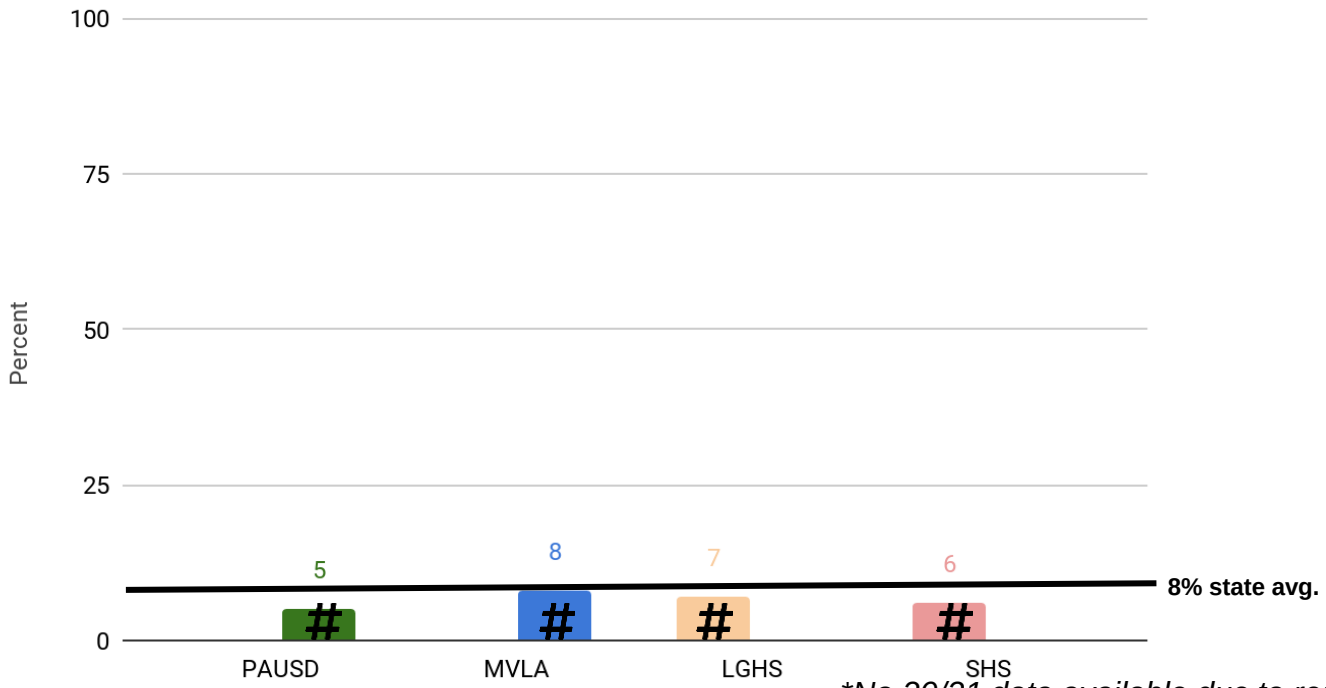
Pre-Covid

School Violence, Victimization, and Safety

During the past 12 months, how many times on school property were you harassed or bullied for your race, ethnicity, or national origin?

(2 or more times)

9th Grade



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Pre-Covid

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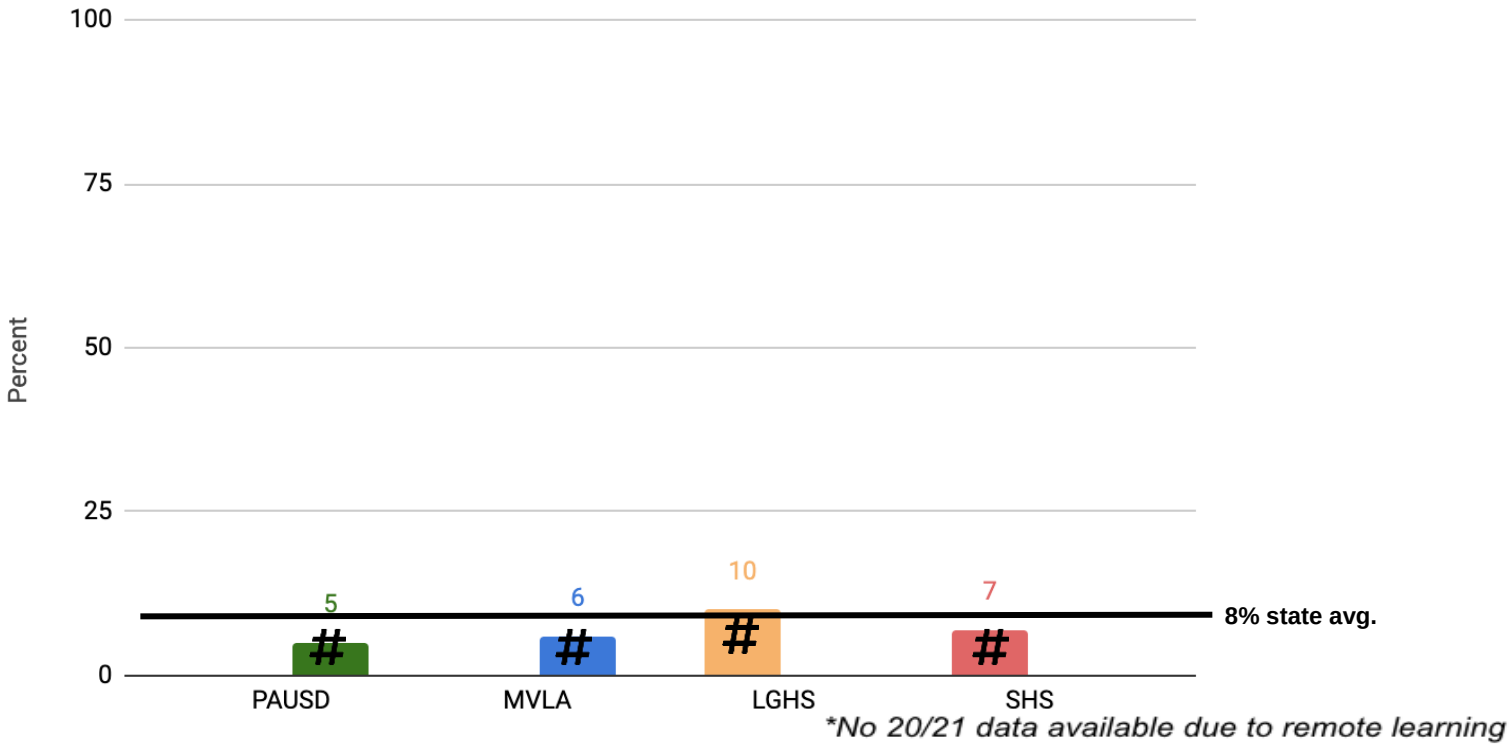
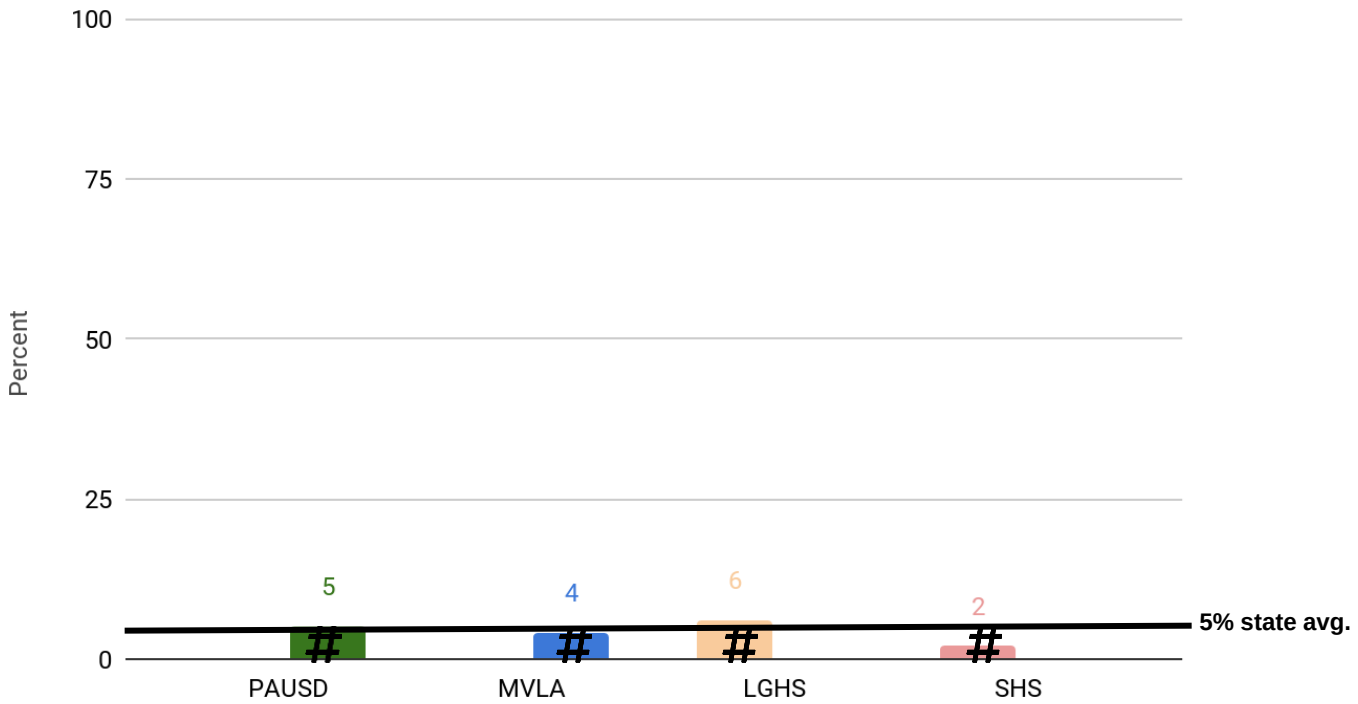
11th Grade



During the past 12 months, how many times on school property were you harassed or bullied because you are gay or lesbian or someone thought you were?
(2 or more times)
9th Grade



Pre-Covid

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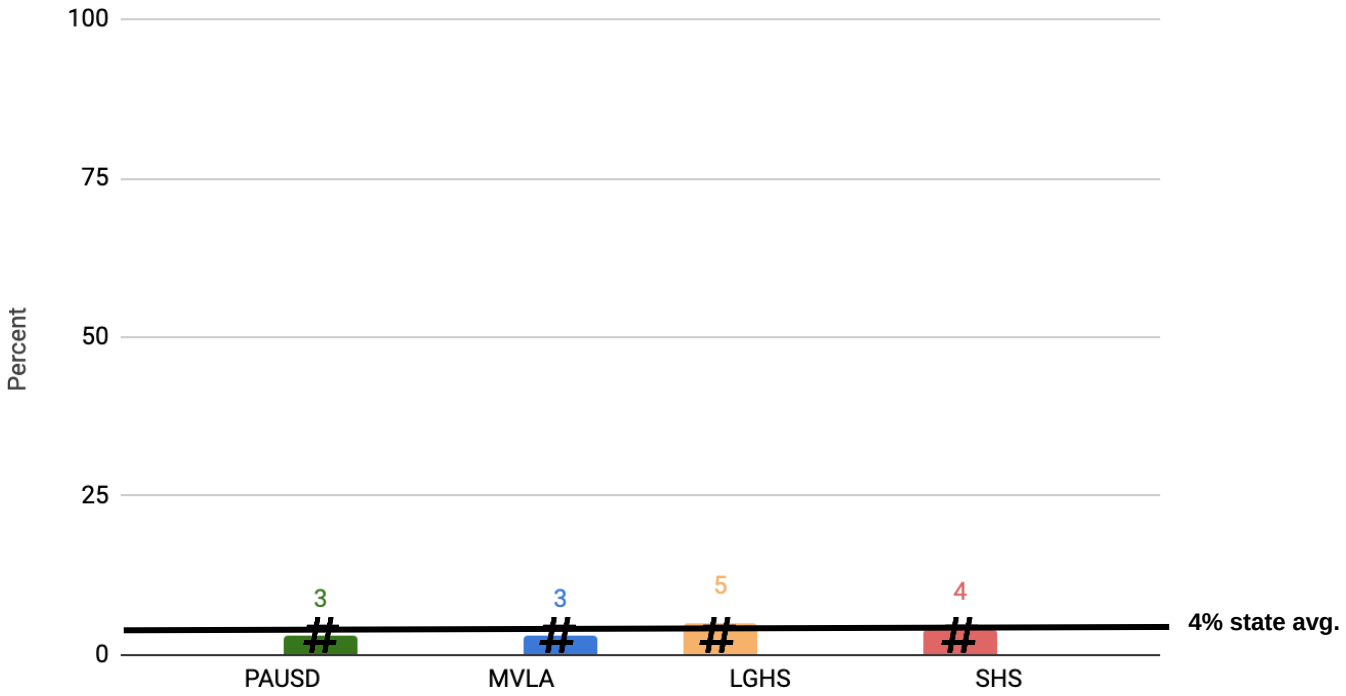


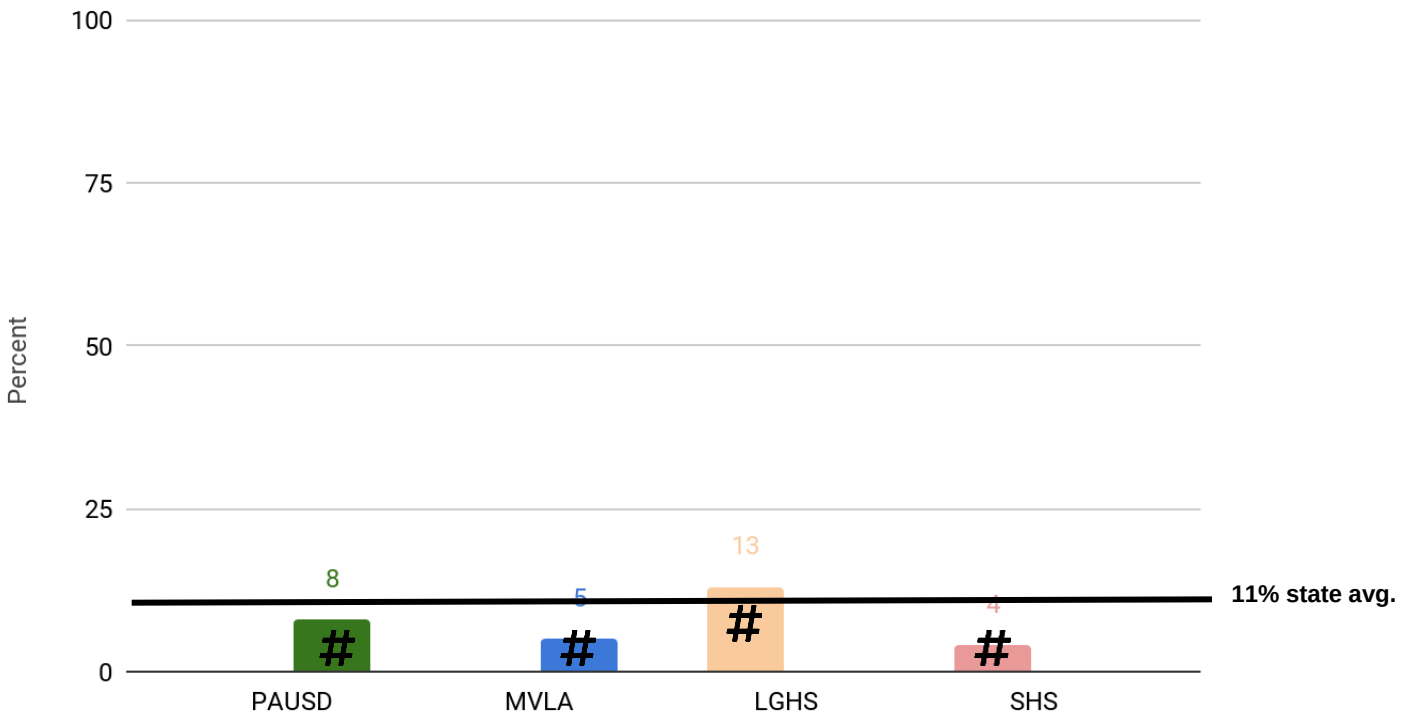
*No 20/21 data available due to remote learning

Pre-Covid

During the past 12 months, how many times on school property have you been offered, sold, or given an illegal drug?

(2 or more times)

9th Grade



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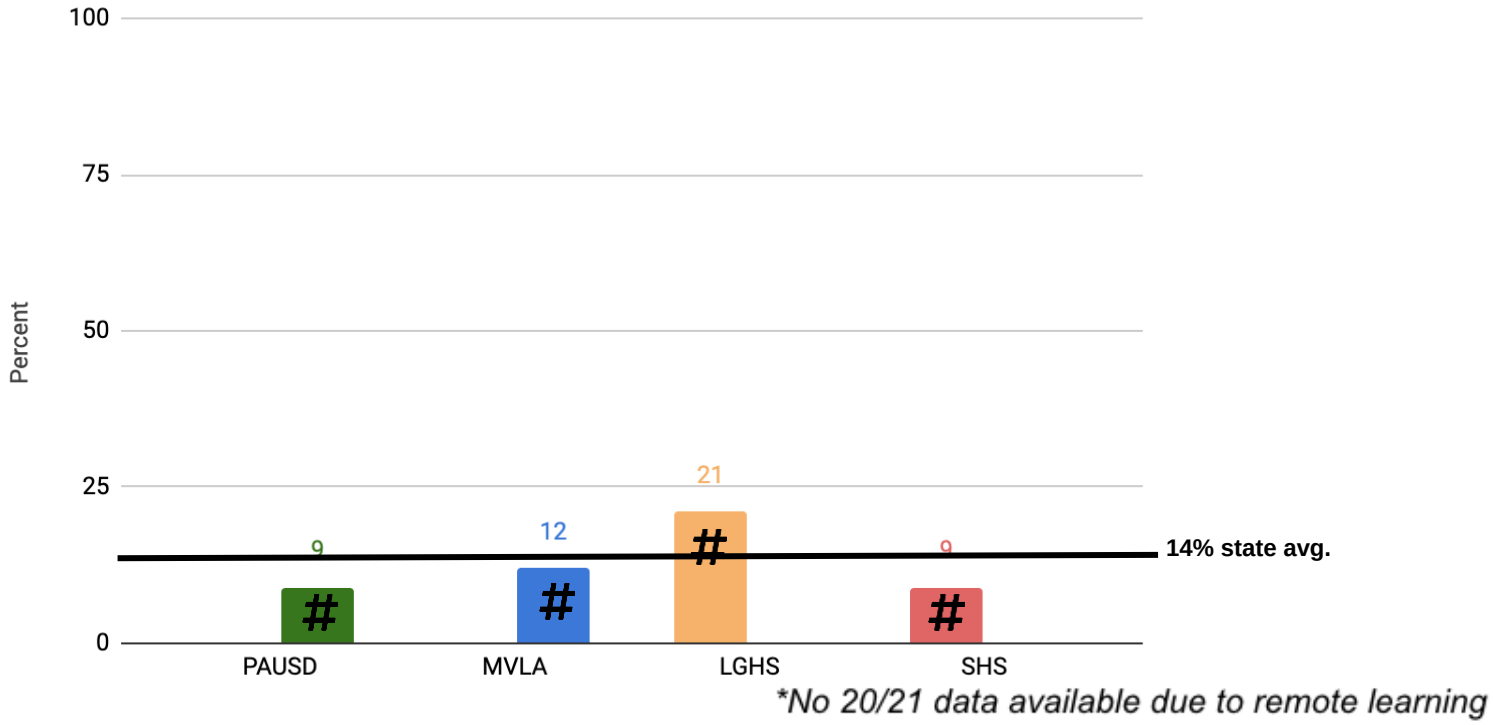
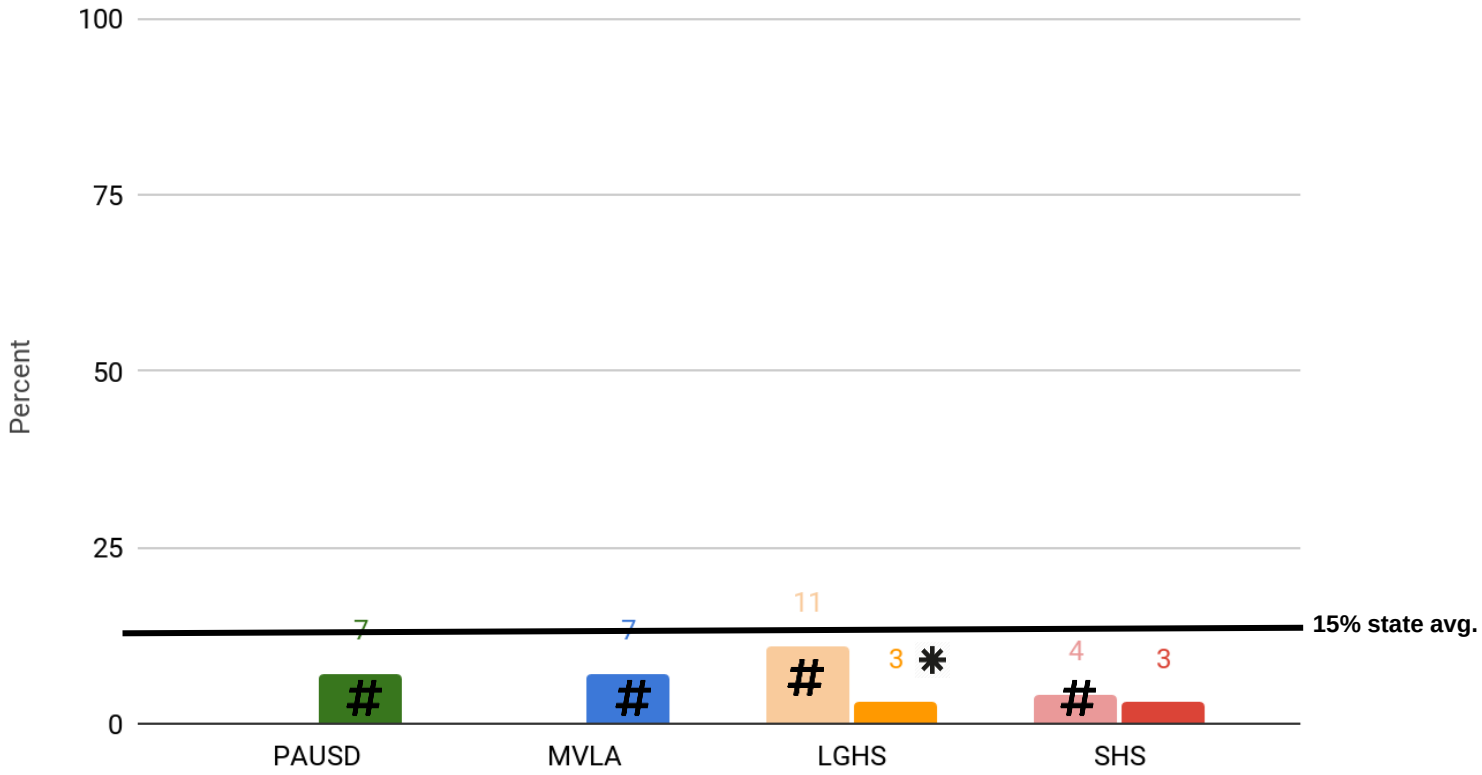


Pre-Covid

Alcohol and Other Drug Use

During the past 30 days, did you have one or more drinks of alcohol?

9th Grade



* Statistically Significant # Pre-Covid

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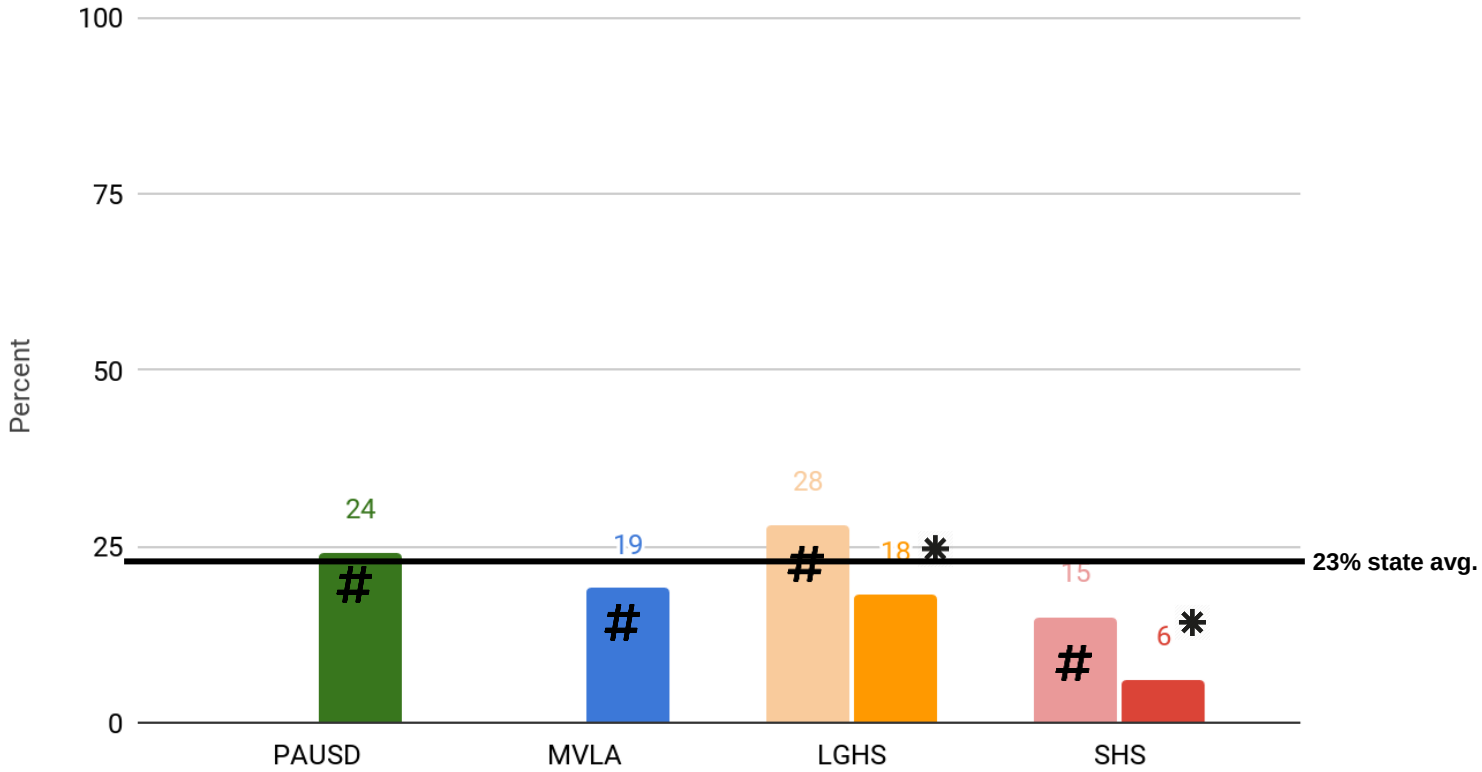
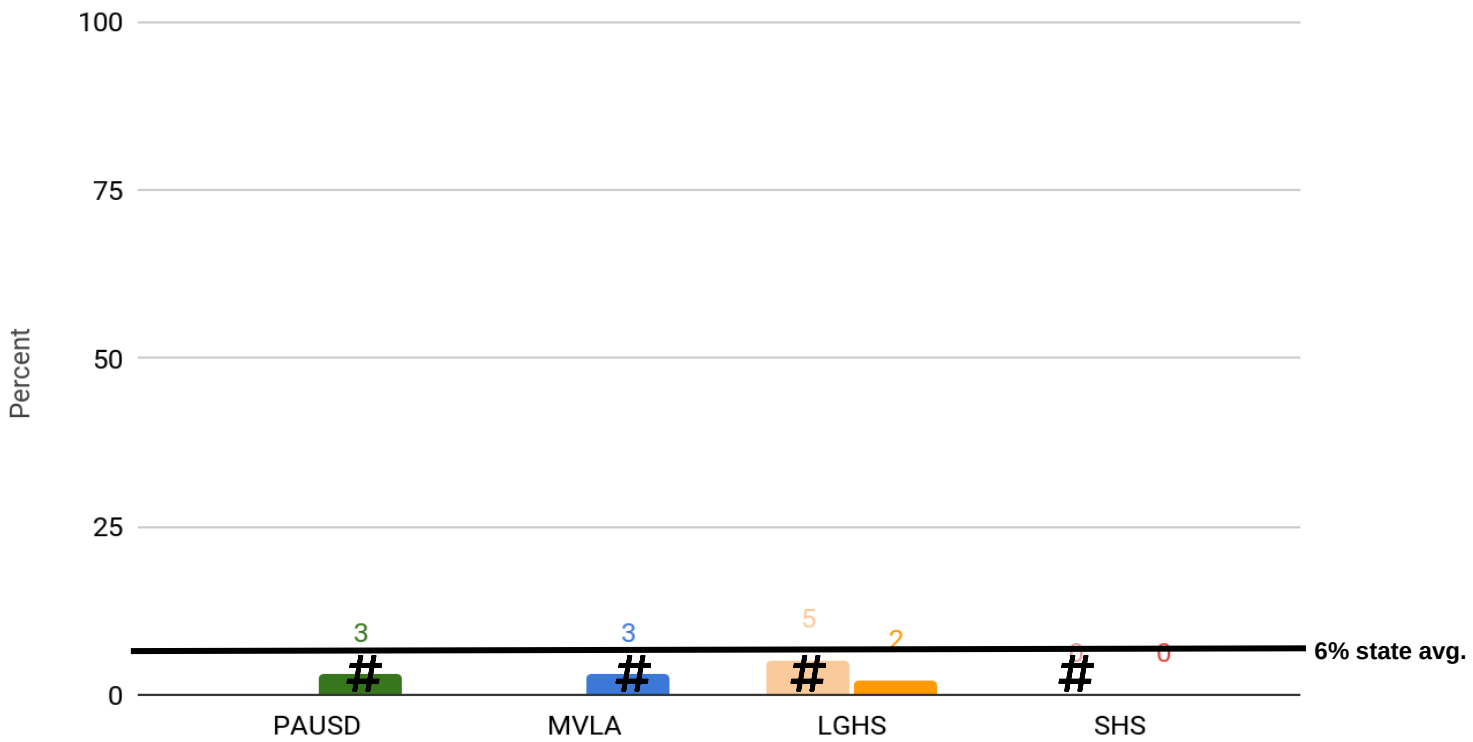
11th Grade



* Statistically Significant # Pre-Covid

During the past 30 Days, have you engaged in binge drinking? (5 or more drinks in a row)

9th Grade



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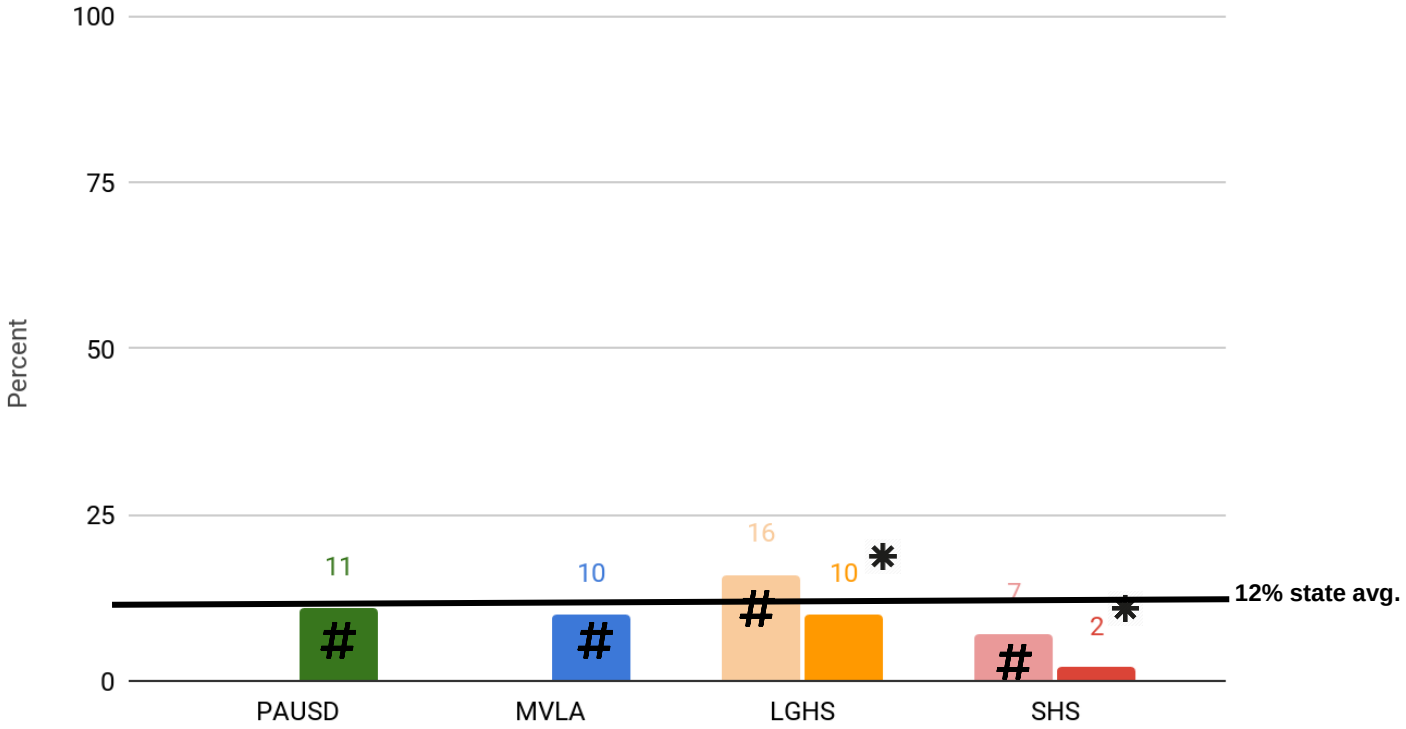
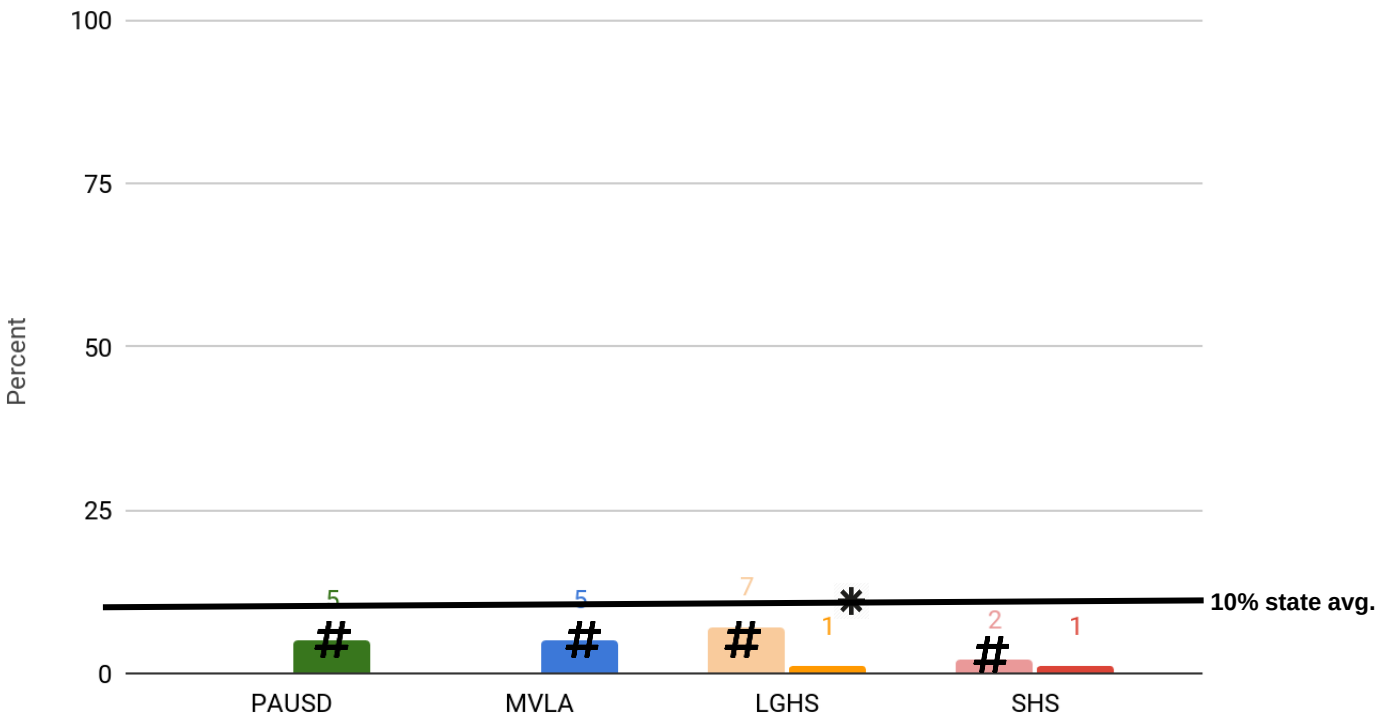


* Statistically Significant # Pre-Covid

During the past 30 days, have you used marijuana? (smoke, vape, eat, or drink)

9th Grade



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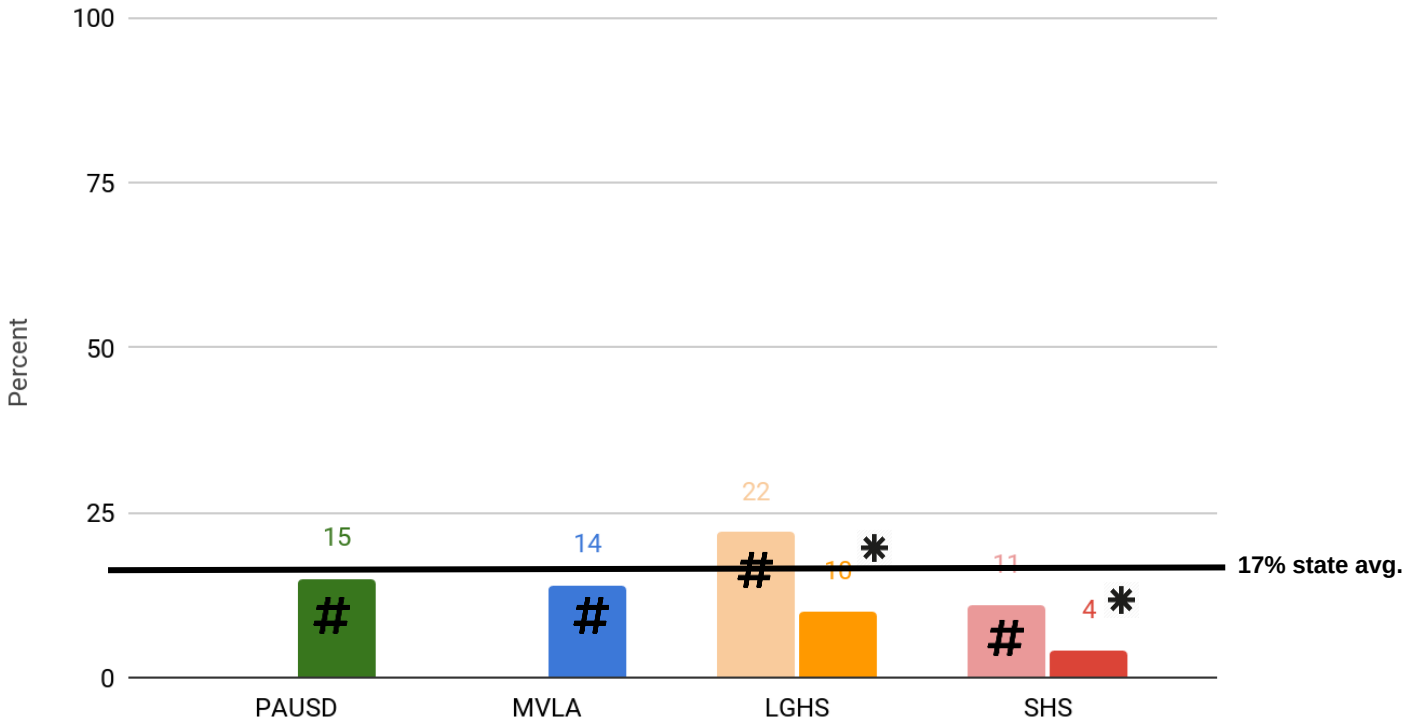
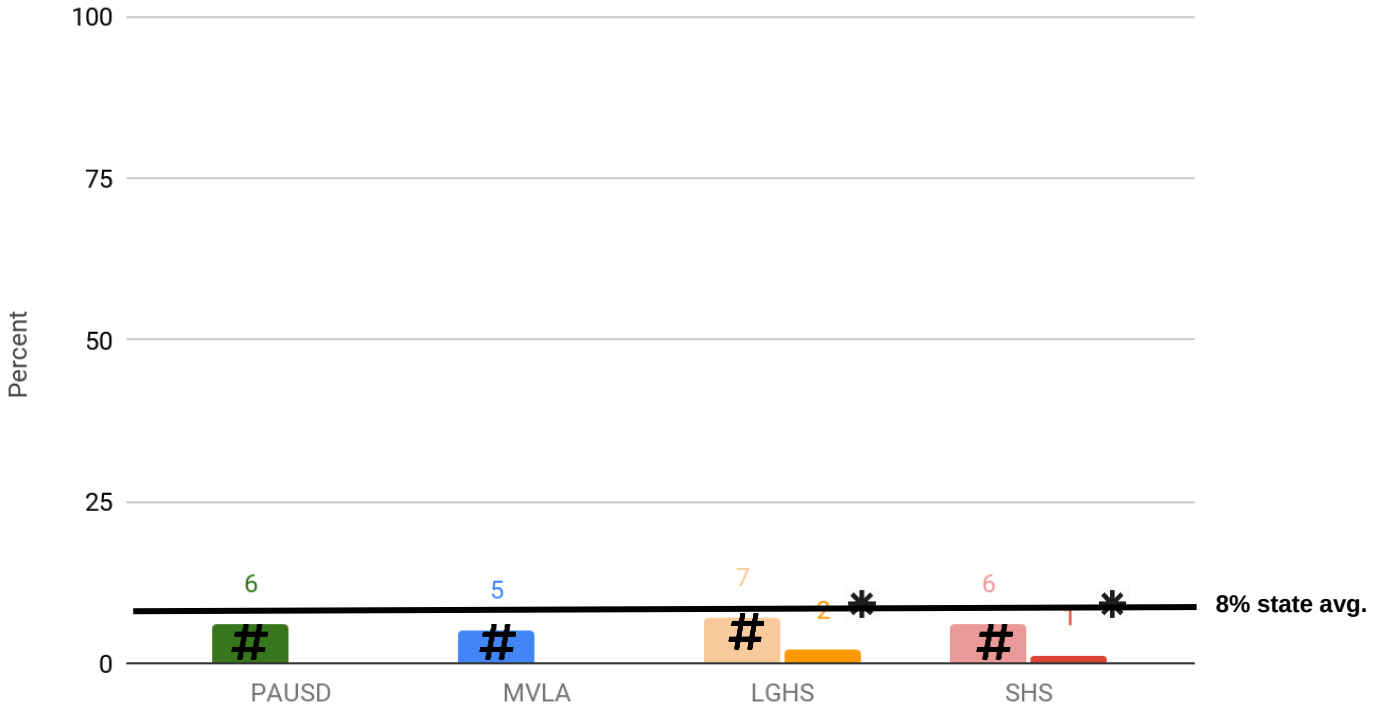


* Statistically Significant # Pre-Covid

During the past 30 days, have you used electronic cigarettes or other vaping device? (cigarettes for past data)

9th Grade



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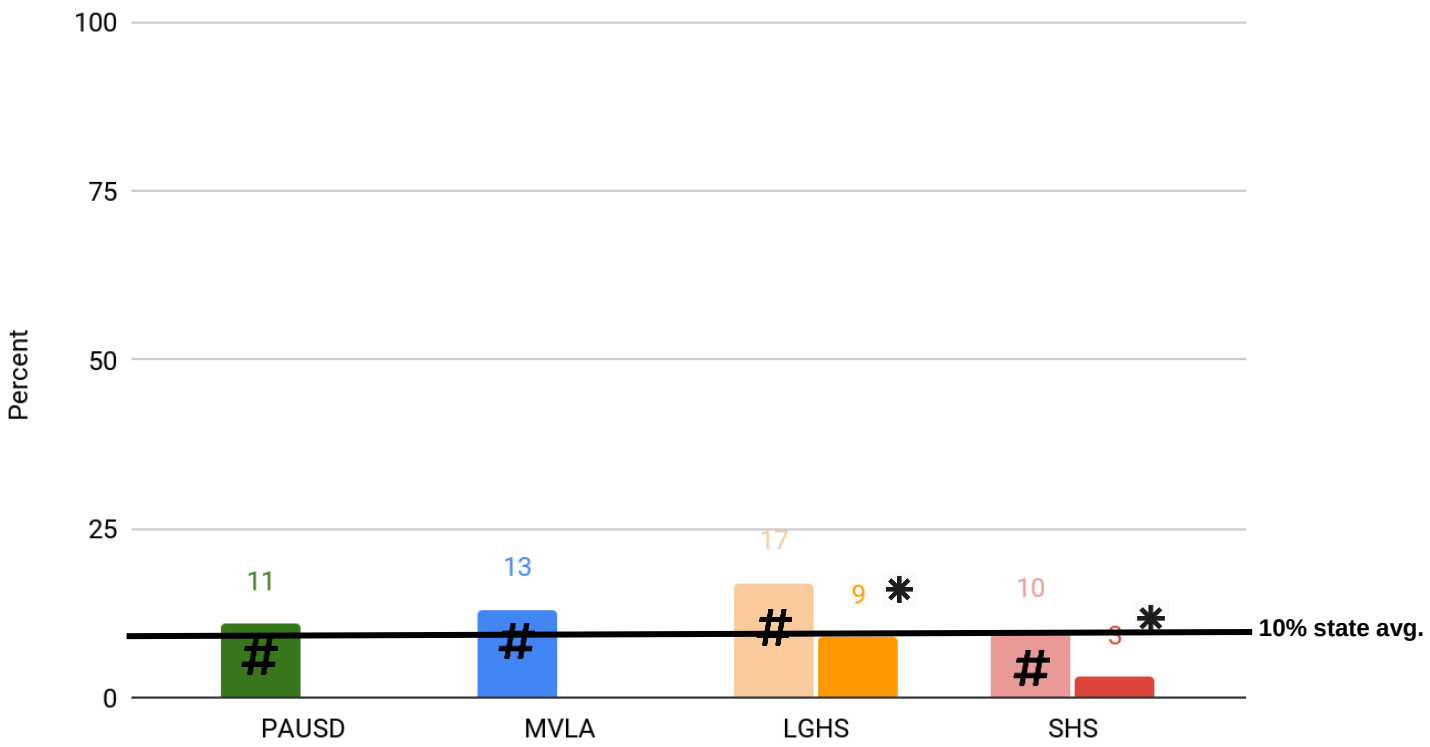
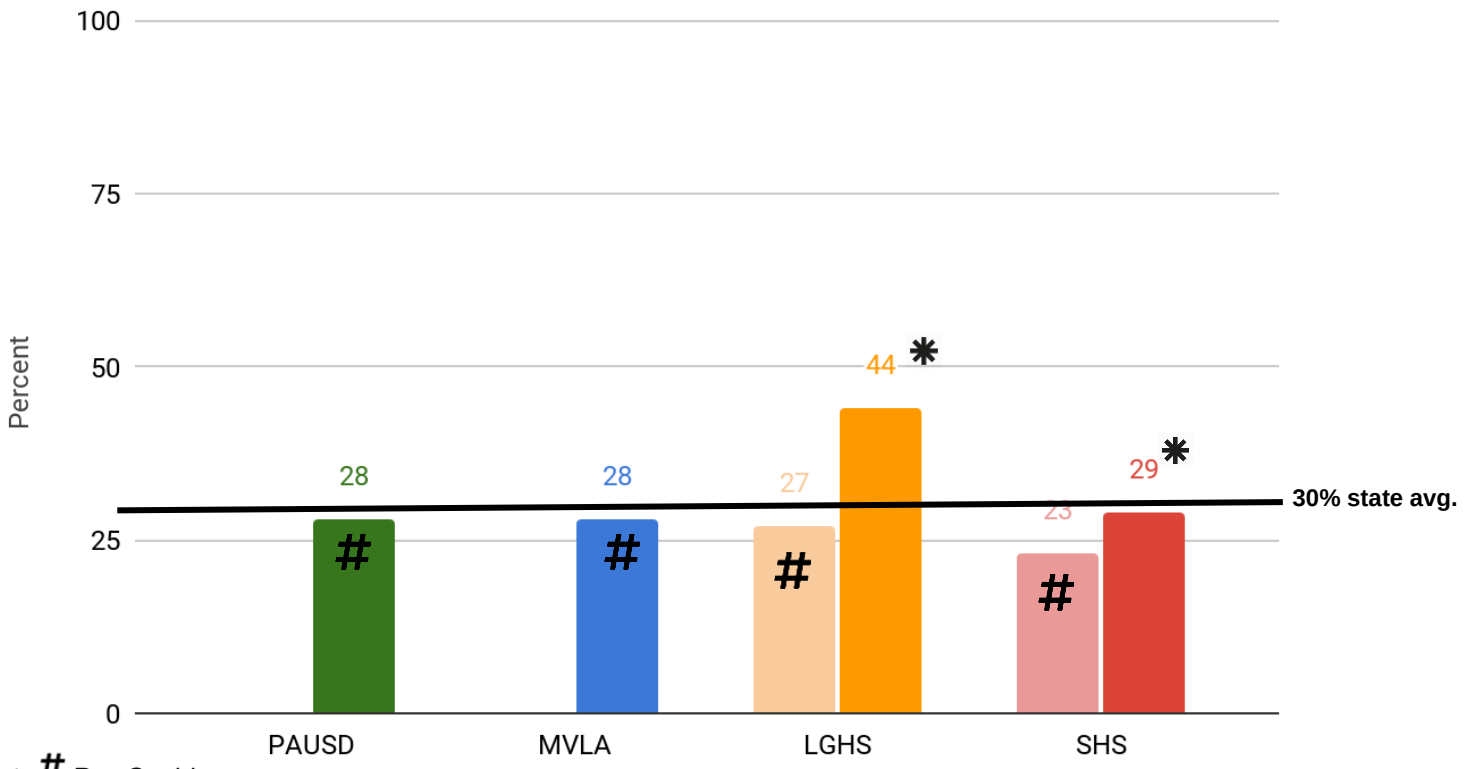


* Statistically Significant # Pre-Covid

Other Physical and Mental Health Risks

During the past 12 months, did you ever feel so sad or hopeless almost every day for two weeks or more that you stopped doing usual activities?

9th Grade



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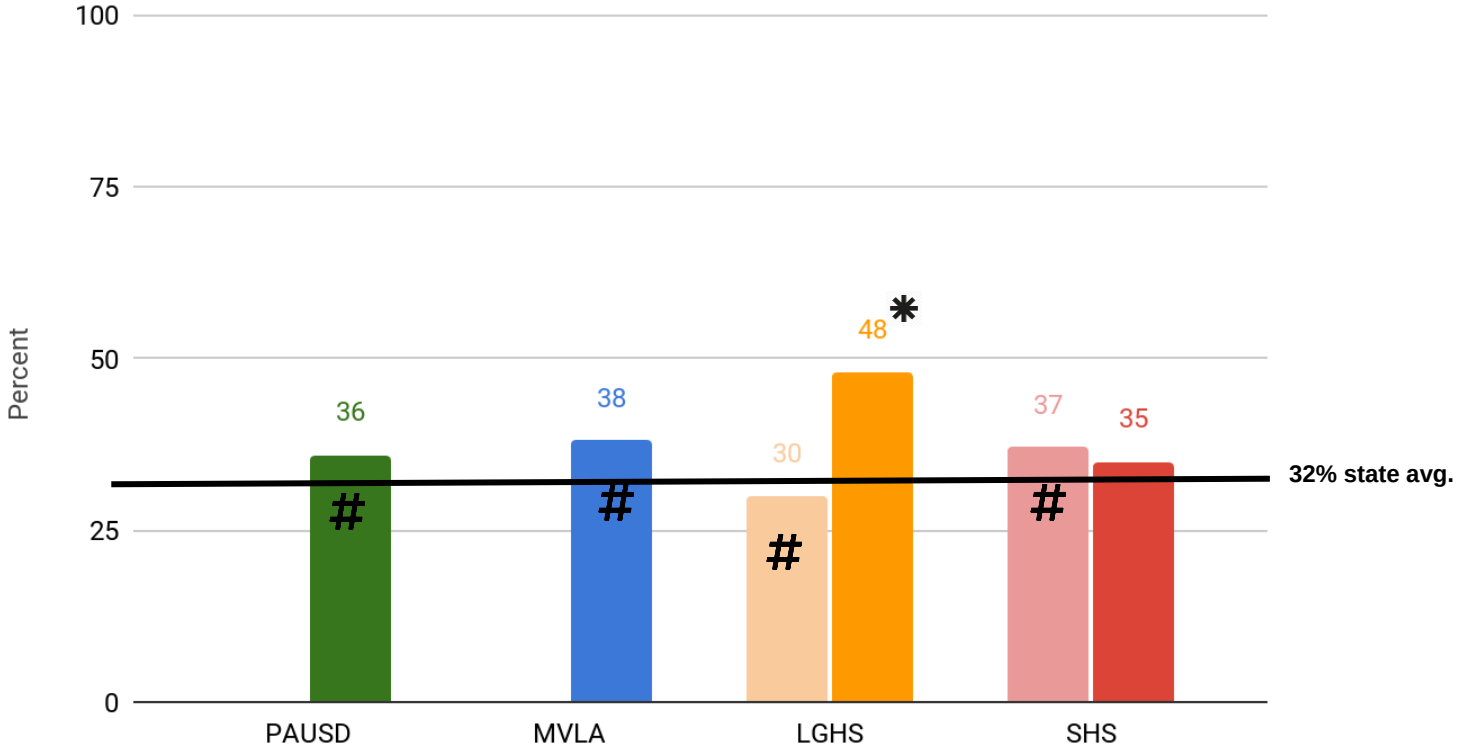
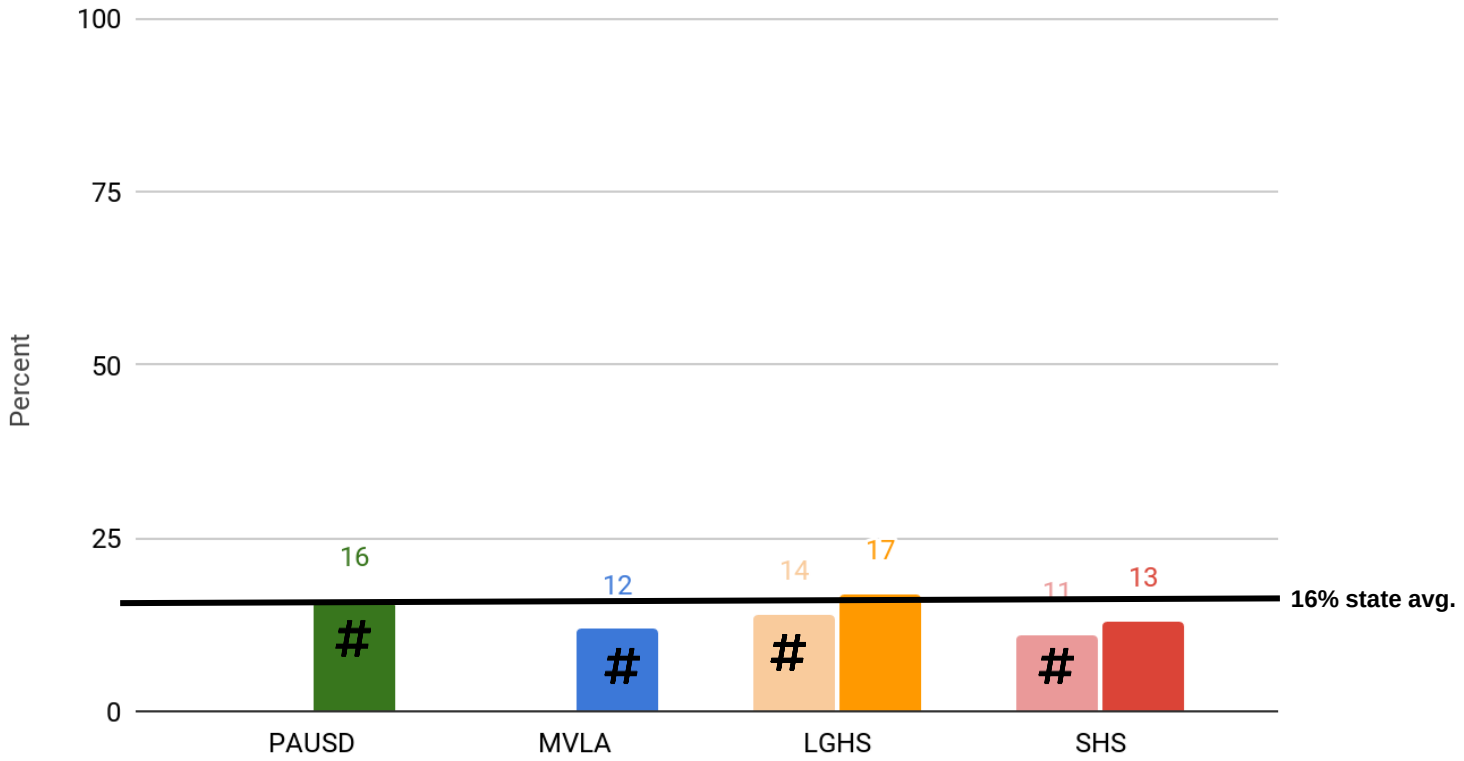


* Statistically Significant # Pre-Covid

During the past 12 months, did you ever seriously consider attempting suicide?

9th Grade



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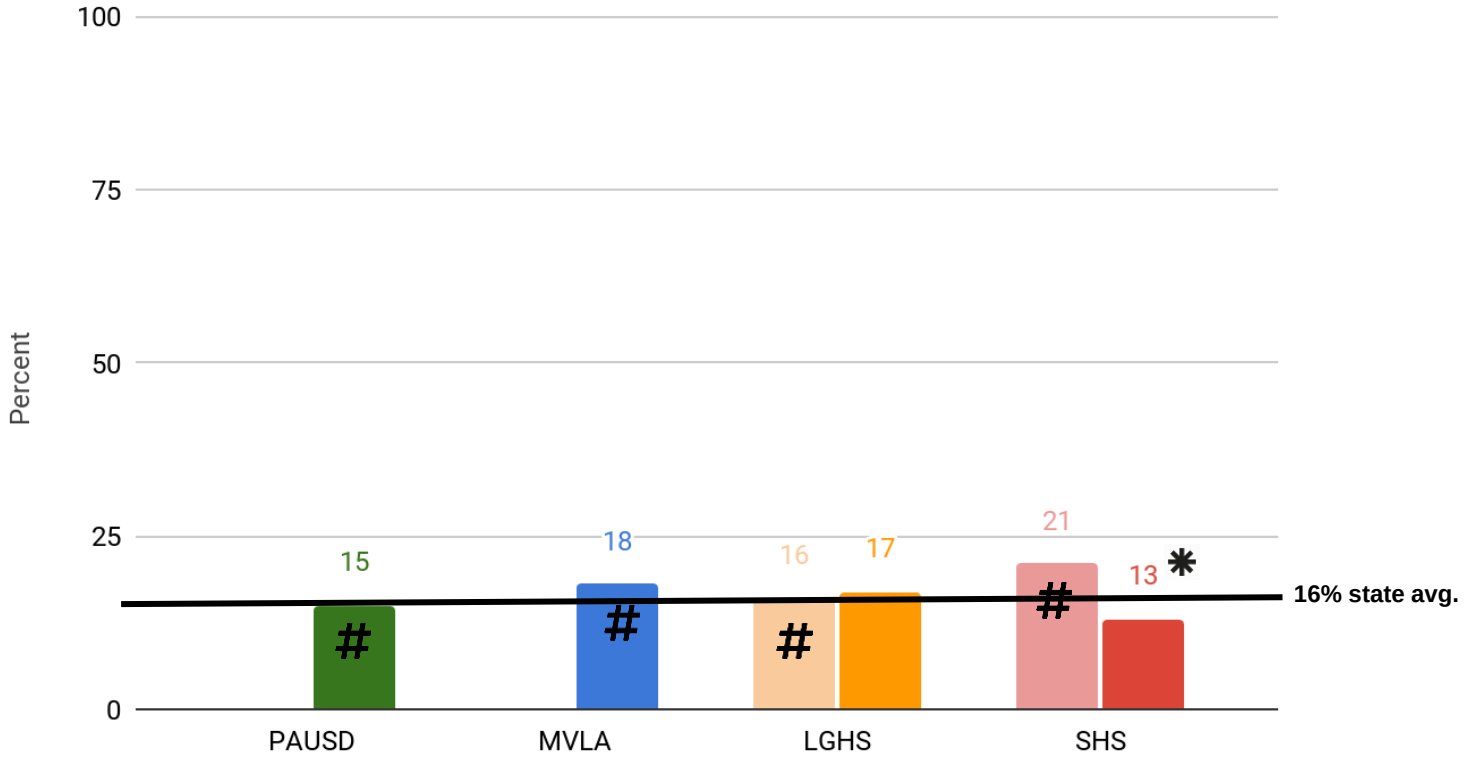

* Statistically Significant # Pre-Covid

From: Toni Blackstock <[redacted]>
Sent: Saturday, June 4, 2022 8:32 PM
To: Cannabis <cannabis@losgatosca.gov>
Subject: Scientific Community Survey

EXTERNAL SENDER

Has this survey been sent to the 300 households? If so, when should the results be made public?

Toni Blackstock

From: [redacted] <[redacted]>
Sent: Tuesday, June 7, 2022 2:15 PM
To: Council <Council@losgatosca.gov>
Subject: Retail Cannabis

EXTERNAL SENDER

I believe the more we do to promote cannabis in our Town, it will increase the desirability to our youth. The promotion of cigarettes caused lifetime damage to lungs. Cannabis can cause lifelong damage to developing brains Sent from my iPhone

From: Lee Fagot <[redacted]>
Sent: Wednesday, June 08, 2022 2:49 PM
To: Rob Rennie <RRennie@losgatosca.gov>; Maria Ristow <MRistow@losgatosca.gov>; Mary Badame <MBadame@losgatosca.gov>; Matthew Hudes <MHudes@losgatosca.gov>; Marico Sayoc <MSayoc@losgatosca.gov>; Laurel Prevetti <LPrevetti@losgatosca.gov>
Cc: Jamie Field <JField@losgatosca.gov>; Arn Andrews <aandrews@losgatosca.gov>
Subject: Cannabis Retail Sales in Town

EXTERNAL SENDER

Honorable Mayor, Council Members and Town Manager,
Following last nights Council meeting where I spoke against opening any retail cannabis sales in Town, I am enclosing my letter to you with the references that were requested, based on the data I quoted.

Please let me know if you have any further questions or comments as I am happy to work with you all on this issue and want to be clear I am focusing on the facts relevant to our community.

Thank you all, and keep up the good work on our citizens' behalf.
Lee Fagot

Retail Cannabis Sales in Los Gatos

June 8, 2022

Dear Mayor, Council Members, Town Manager and Town Staff,

True, LG needs new revenue (and possible expenditure reductions) to overcome the shortfalls projected against spending going forward in our Town's Budget. However, full analysis of both the costs and potential revenue must be completed before a final decision to take to the voters is made for the potential recreational cannabis (MJ) retail sales to be allowed in Town. And, the social impacts and their costs *must* be part of that analysis as well.

All MJ is still illegal under Federal Law, and LG citizens have OVERWHELMINGLY stated they do not want retail sales in Town for recreational MJ. Medical MJ is available thru recognized retail outlets now, and recreational is available for home delivery and other retail outlets within a few miles outside of Town. For example, Airfield Supply, in San Jose, reports that approx. 2000 LG residents shop annually with about an $85 avg. per visit purchase. The Council's interest in considering allowing retail site or sites in Town for new tax revenue must be considered with the following information --

The Town's contracted consultant's report estimated that for one retail outlet in Town there would be an estimated $320K new sales tax revenue source (see Community Outreach Report below). However, when I asked the Chief of Police and the Mayor if a study was completed to determine the increased *costs* for police and community services based on recreational MJ sales in Town, no such study was requested. Most recently when more folks pushed for this study to be done, our Town Manager requested the study and it is just now underway. The study should be specifically comparing Los Gatos to other communities that also added rec MJ so as to measure what increased police and other direct gov't costs they incurred. The estimate to be used in the consultant's report includes 2 additional sworn officers as their only direct cost analysis, but with NO value in this cost reported. This may be a zero net gain after not just salaries, but when all benefits and pension costs are also calculated for the Town. However, we all need to wait for Chief's report to inform the Council and citizens once they have more data. But, for a more relevant set of information to help make a truly informed decision, the other indirect expenses outside Town salaries must also be calculated. (More on other cities actions after some localized MJ retail sales on the next pages.)

But, just focusing on the direct financial numbers for now, please review this report from the Los Gatos Town's recent "Community Outreach Report" on Cannabis in Town, page 31:

Annual Retail Tax Revenue Estimates*:

(4%): $320,000 - Plus $90,000 in local sales tax. Total $410,000

(5%): $400,000 - Plus $90,000 in local sales tax. Total $490,000

(6%): $480,000 - Plus $90,000 in local sales tax. Total $570,000.

****Assumes 2 storefront retailers with an average of $4M in gross receipts each.*** EG:$4M sales x 4% sales tax = $160,000 x 2 stores = $320,000 sales tax for 2 stores.

Using the data in the presentation by Airfield at our recent LG Democracy Tent session, to get $8m in sales with 2 outlets and an approximate $85 avg. transaction value (as currently at Airfield), would require about 95,000 transactions per year. Now, we have to calculate the impacts of traffic, parking, etc. for 95,000 visits per year; with only 2000 current LG resident purchasers reported by Airfield, this would require all 2000 Airfield Supply LG customers to make almost weekly purchases. But, most likely thousands of non-townsfolk, plus some LG residents who currently shop elsewhere, (perhaps up to 700 folks (According to the attached report only 13.5% of the total California population used cannabis in the past month (page 13) which suggests that there would be 2,700 users in Los Gatos (#) who would then travel to LG's 2 retailers in Town which is a retailer's goal, that is to get more customers, and legal retailers can only survive if they can also get the number of legal users to increase from 13.5% of the Towns population to 25% or new customers coming into Town.

And, consider where the sites would even be allowed as retailers have to be located in areas of Town with mandatory parking and set backs (min of 600 ft.) from schools, health and social services, etc. Don't forget that an out of town customer would require more travel miles in Town - VMT. On the other hand, deliveries to users in town might be a more efficient way to get the MJ to the end users because the delivery service could transport multiple purchases in one vehicle (like Amazon, etc.) (Note, I am NOT advocating any cannabis sales in Town, just reporting the facts here). Airfield Supply states it currently is providing about 1 hour delivery time to customers who order for delivery. And, the argument local MJ retail would bring new visitors who may spend on dining, etc. in Town has NO basis in fact as the other retailers in the news article below (NPR) have reported shops and restaurants near them have closed due to burglaries and drug use on or very near their sites with increased street MJ sales.

Further, the cost with all the taxes for legal purchases will drive more illegal street sales of NON-controlled products as the street drugs will be cheaper, since obtained from non-legal sources, and are most likely adulterated and easily sold to minors as reported on several news outlets. Folks will not know what additives will be included in street drugs.

NPR, KQED news media, on Dec 6, 2021, also reported that burglaries of retail cannabis outlets in SF last year generated a reported $5M ***loss*** for retailers and the city of SF decided to stop the sales tax on

cannabis so the stores could be more competitive with street drugs. Watsonville, for the same reasons, recently cut their taxes on cannabis by half.

And, one of the biggest concerns expressed by many of our Town groups, our Kiwanis, Lions clubs, CASA, etc., is the social/emotional impact particularly to the youth in our Town. This is based on the mixed message that its ok for adults to use such drugs, but not youth, or maybe *it is ok* for youth to also imbibe since adults do it. Watching adults in their homes doing drugs, smoking, vaping, etc., is then challenging kids to do the same. And, they will be sneaking drugs from the parent's stash, buying on the street (most likely tainted and addictive formulas) and sharing with their friends.

Importantly, note that the 2020/2021 school year "California Healthy Kids Survey" conducted at LGHS and released this year provided some concerning data: Over the prior 30 days 28% of Juniors consumed an alcoholic drink, including 5% admitting binge drinking, and 22% had used marijuana and vaping. All data is *above* the state average in the same survey. And, 15% LGHS juniors admitted thinking of suicide in the fall of last school year (perhaps tied to drugs?).

A June 7, 2022 Wall Street Journal article (Pg A15) reported on a study that shows MJ is 4 times as potent now as in 1995. Its more powerful than when today's adults grew up, making it easier for today's kids to get hooked, and with 1 in 6 kids developing an addiction. Another national report published in "Health and Place" (##), 75 (2022) 102795, Pg 5 "..the prevalence of using edibles was 45% higher and dabbing and smoking cannabis were 43% higher among students who attended a high school within 1 mile from a cannabis retailer. Students also perceived cannabis as less harmful when there was a retailer within 1 mile from their high school." There is not just a financial impact of increased costs to the Town for police, but additional costs dealing with the need for more social and emotional services for citizens of all ages. This cost will continue to increase. Please consider this when determining the feasibility of even allowing sales in Town. Cannabis retail sales in Town changes not just the character of our Town, because it so negatively impacts the wellbeing of all our citizens.

The business model for cannabis sales in our Town – ***does not work.***

Our community CANNOT afford cannabis sales. Please review the facts, listen to our citizens and their concerns, and let's work together on truly achieving budgeting solutions. Let this proposal for retail cannabis sales in Town to die a natural death.

Respectfully,

Lee Fagot

[redacted]

95032

(#) The Reason Foundation, ”The Impact of California Cannabis Taxes on Participation Within The Legal Market” by Geoff Lawrence, May 2022.

(##)https://www.sciencedirect.com/science/article/abs/pii/S1353829222000569?via%3Dihub

From: Alyce Parsons <[redacted]>
Sent: Thursday, June 9, 2022 8:53 PM
To: Council <Council@losgatosca.gov>
Subject: Proposed cannabis stores in Los Gatos

EXTERNAL SENDER

Town Council of Los Gatos,

I would like to state our objection to the selling of cannabis in the town of Los Gatos. Please refer to the article in the Wall Street Journal Tuesday, June 7. The article clearly stated the objections that we have. Smoking marijuana is dangerous to young people. It has been proven that it affects their brain end it can interfere with their mental health and ability to learn. It also can lead to the use of more dangerous drugs. By establishing outlets in our town we are tacitly approving its use. Thank you for your consideration of our objection.

Respectfully,

Dr. And Mrs Mike Parsons

Monte Sereno, Ca. 95030

From: claire leclair <[redacted]>
Sent: Friday, June 10, 2022 4:13 PM
To: Cannabis <cannabis@losgatosca.gov>
Subject: Future Cannabis Store

EXTERNAL SENDER

I am not in favor of having a Cannabis store in LG. There are other ways to increase revenues for our town. Claire Leclair

Cannabis and the Violent Crime Surge

By Allysia Finley

The stigma once attached to marijuana has vanished. Nineteen states have legalized cannabis for recreational use, and politicians of both parties increasingly treat it as harmless. Asked during the 2020 presidential campaign about her pot use in college, Kamala Harris giggled and said marijuana "gives a lot of people joy" and "we need more joy in the world." But the public needs an honest discussion of its social and public-health risks, which include violence and mental illness.

Alex Berenson, author of "Tell Your Children: The Truth About Marijuana, Mental Illness and Violence," pointed out that the New York Times had curiously removed from an article about the Uvalde school shooting a former co-worker's recollection that he complained about his grandmother not letting him smoke weed. The Times didn't append a correction to the story as it might be expected to do when fixing a factual inaccuracy.

Assuming the edited detail was accurate, it would fit a pattern. Mass shooters at Rep. Gabby Giffords's constituent meeting in Tucson, Ariz. (2011), a movie theater in Aurora, Colo. (2012), the Pulse nightclub in Orlando, Fla. (2016), the First Baptist church in Sutherland Springs, Texas (2017), and Marjory Stoneman Douglas High School in Parkland, Fla. (2018), were reported to be marijuana users. It could be a coincidence, but increasing evidence suggests a connection.

Isn't pot supposed to make you mellow? Maybe if you smoke only a joint on occasion. But youth nowadays are consuming marijuana more frequently and in higher doses than their elders did when they were young. This is leading to increased addiction and antisocial behavior.

THC, the chemical that causes a euphoric high, interacts with the brain's neuron receptors involved with pleasure. Marijuana now days on average is about four times as potent as in 1995. But dabs—portions of concentrated cannabis—can include 20 times as much THC as joints did in the 1960s. It's much easier for young people to get hooked.

Heavy use among youths is leading to more addiction and antisocial behavior.

One in 6 people who start using pot while under 18 will develop an addiction, which drug czars call "cannabis use disorder." As they use the drug more frequently to satisfy cravings, they develop psychological and social problems.

That's what happened to Colorado teenager Johnny Stack. His mother, Laura, wrote a harrowing book chronicling his descent into cannabis addiction. He started smoking weed at 14, after Colorado legalized it, and progressed to using more-potent products such as dabs. He gradually withdrew from social activities and developed psychosis. Substance-abuse treatment and a stay at a mental hospital failed to cure him because chronic marijuana use permanently rewired his brain. Delusional, he jumped off a six-story building and killed himself. Alas, he's not an anomaly. "People who have taken large doses of the drug may experience an acute psychosis, which includes hallucinations, delusions, and a loss of the sense of personal identity," the National Institutes of Health notes.

Robert Lev, an addiction specialist who previously led the Emergency Department at Scripps Mercy Hospital in San Diego, said in a recent interview with the American Council on Science and Health that California cannabis emergency-room visits climbed 53% in the three years after the state legalized recreational marijuana in 2016. Daily marijuana emergency-room visits in San Diego nearly quadrupled between 2014 and 2018.

Cannabis-induced psychosis, she said, is fairly common. Some patients she treated experienced cannabinoid hyperemesis syndrome from long-term use, which causes "scheduled" screaming and vomiting. There's no antidote. Some patients spend weeks in the emergency room waiting for placement in mental-health clinics.

Countless studies have also linked chronic cannabis use to schizophrenia. A meta-analysis in January examining 591 studies concluded that early marijuana use among adolescents was associated with a significant increase in the risk of developing schizophrenia. Researchers have yet to prove a causal relationship, but the weight of evidence is hard to dismiss.

Some legalization proponents claim that other countries where marijuana is widely available have fewer mental-health problems than the U.S. But a study from Denmark last summer found that schizophrenia cases associated with pot addiction have increased three- to fourfold over the past 20 years as marijuana potency rose 200%.

Young people are especially vulnerable to cannabis's effects because their brains are still developing. Scientists in a recent study reviewed scans of teenagers' brains before and after they started using pot. They found that parts of the brain involved in decision making and morality judgments were altered in pot users compared to nonusers.

But can pot make people violent? A study last year found that young people with such mood disorders as depression who were also addicted to pot were 3.2 times as likely to commit self-harm and die of homicide—often after initiating violence—than those who weren't. A meta-analysis found the risk of perpetrating violence was more than twice as high for young adults who used marijuana. It's possible that pot can trigger dangerous behavior in youths who may be predisposed to it for other reasons such as prenatal exposure to drugs.

Also worrisome, legalization seems to be leading to more pregnant women using pot. About 20% of pregnant young women in California tested positive for marijuana in 2016. THC crosses the placenta and can impair neurological development. Prenatal exposure to marijuana has been linked to behavioral problems, mental illness and lower academic achievement in children and adolescents.

Maybe it's time that lawmakers and voters reassess their pot-legalization experiment before more young lives are damaged.

Ms. Finley is a member of the Journal's editorial board.

For Marico Sayoc

Letter to the Editor

After reading the recent article entitled "Los Gatos to consider allowing cannabis dispensaries in city" and "Overturning Strict Ordinances" as written in a local newspaper, I feel the other side of the issue needs to be considered when thinking of allowing marijuana dispensaries in our town.

The town has spent $50,000 hiring HDL, a cannabis management services company. One of the town's expectations was that HDL would provide some community outreach to evaluate the pros and cons of allowing marijuana dispensaries and to hear opinions from town residents. That outreach amounted to 12 people finding out about that May 4th Zoom meeting. HDL depended on the online meeting being publicized only on the town's website.

From that online May 4th meeting conducted by HDL, it is quite obvious that HDL is biased in favor of allowing drug storefront sales. That is one reason why we have questioned the hiring of a HDL to survey our town. David McPherson, HDL's cannabis compliance director has said "it makes no sense for this firm not to want cannabis to succeed in the jurisdictions where it has contracts". It is the fox guarding the hen house.

Like many towns, no doubt Los Gatos needs more revenue. The question is do we want cannabis money paying for our services? Not all towns want that. I don't think our family friendly town does. We have to consider all the other aspects including the added crime, increase in traffic, parking availability, probability of undesirable cliental and the proximity to our parks and schools. Voting "YES" appears to be all about money with no consideration of the social and moral aspect and the quality of life we appreciate in Los Gatos. This is not a benign decision. There will be consequences.

We have asked for an accounting of the costs that the town will incur if this type of business is allowed in town. We have never seen details supporting the financial forecast. We were told by Chris Lane, Airfield Supply (cannabis company which has recently been bought out by Gold Flora), that cannabis sales would generate $300,000 to $1 million per year in income to the town of Los Gatos. He would not disclose Airfield Supply's financial statement because he said it was a private company. No financial information was provided to substantiate his forecast.

Laurel Prevetti, our town manager, has agreed to direct Jamie Fields, our new police chief , to look at other towns with cannabis dispensaries and of similar size to compare the expenses for crime and illegal sales. This is a problem because we have been told that opening drug dispensaries will NOT eliminate illegal cheaper pot. Marijuana sales are a cash business so a question is who keeps track of the income and sales? Is that another expense for the town? Who does the accounting? There will be Federal, State and Local (Los Gatos) taxes that add between 28 to 30% to the purchase price. How can that compete with illegal sales?

When all Los Gatos town council members, except council member Mary Badame, are thinking of allowing drug dispensaries in town, the Los Gatos Youth Commission are suggesting that the town council add ordinances for stricter alcohol rules, more anti-vaping laws and no smoking on campus. Where are the adults in the room who should be supporting them? Rather than saying, drugs sales are OK in our town, why are we adults not saying in no uncertain terms "No, we do not want pot sales in town."

The facts are that illegal marijuana and other drugs are available to our kids and that believable fake ID's are readily obtained. We have drugs coming into our country from everywhere, so do we need to invite them in?

Suggestions from HDL are that "we allow marijuana storefront sales, we impose stricter local regulations, we create a youth decoy program, then we add youth prevention services." How will that work out for us when we were told gas taxes would improve our roads? Yet, our roads

Letter to the Editor

are a mess. The lottery money was supposed to go to our schools. How is that working out? Do you really think money from cannabis sales will go to youth prevention programs? I believe, that is naive thinking. I don't deny that we need prevention services, but there is no guarantee that cannabis money for prevention, intervention or treatment services will ever be seen to help those in need. In fact, allowing cannabis sales just feeds the need for more drug treatment programs.

The May 13 article in The Weekly Times mentions a Survey Monkey that was conducted in January 2022. The article "shows that 50% of the more than 950 people who answered were STRONGLY OPPOSED to opening commercial cannabis businesses in Los Gatos". That statement is incorrect. I have a copy of that survey. The correct percentage is 59.4% were STRONGLY OPPOSED or OPPOSED which begs the question, "then why spend $50,000 to find out if residents agree" part of which was to survey 500 for their opinion.

Not only are residents opposed to these dispensaries being set up in our town, but also an existing ordinance change will need to be written and voted on by the five town council members. We have an existing ordinance written by previous councils who have said NO and have disallowed dispensaries sales of cannabis. It is my understanding that
IT WILL TAKE A VOTE OF 4 COUNCIL MEMBERS TO CANCEL AN EXISTING ORDINANCE.

Though marijuana is not legal federally, we know marijuana has been legalized in California and other states. CBD, the weed without the hallucinogen, THC, can be purchased in downtown Los Gatos. For those adults who need to buy cannabis, it is available 15 minutes away and can be delivered door-to-door within an hour from San Jose. Let them have the drug money and the Smash and Grab crime. Leave Los Gatos alone.

Since our town needs revenue, let's not spend another dime on income from drug sales. Let's start thinking creatively on how to raise money in other ways and being responsible for our expenditures.

JCR
5/14/22

Joanne Roeger

From: Susan Tuttle <[redacted]>
Sent: Sunday, June 12, 2022 4:27 PM
To: Cannabis <cannabis@losgatosca.gov>
Subject: Cannabis Stores in Los Gatos - NO

EXTERNAL SENDER

I am strongly against having Cannabis sales in Los Gatos as I believe it will change the personality and tenor of our town and send the wrong message to everyone, especially kids.

Susan Tuttle

From: Kennan Kuehn <[redacted]>
Sent: Sunday, June 12, 2022 1:44 PM
To: Cannabis <cannabis@losgatosca.gov>
Subject: Cannabis

EXTERNAL SENDER

I think that cannabis in Los Gatos would be a great idea.

From: Buchanan, Kevin <[redacted]>
Sent: Monday, June 13, 2022 3:35 PM
To: Council <Council@losgatosca.gov>
Subject: Cannabis Dispensaries - my two cents

EXTERNAL SENDER

Dear Los Gatos Town Council Members,

As the principal of Los Gatos High School and one who battles daily the normalization and social acceptance of marijuana use among our youth, I am writing to share my grave concern that cannabis dispensaries may be allowed to operate in Los Gatos. Research strongly suggests that regular use during adolescence is associated with severe and persistent negative outcomes and that the adolescent brain may be particularly vulnerable to the effects of cannabis exposure, and that "prolonged use during adolescence results in a disruption in the normative neuromaturational processes that occur during this period" *(1)* Marijuana is the second most widely used intoxicant in adolescence, and teens who engage in heavy marijuana use often show disadvantages in neurocognitive performance, macrostructural and microstructural brain development, and alterations in brain functioning. *(2)* "The data provides compelling longitudinal evidence suggesting that repeated exposure to cannabis during adolescence may have detrimental effects on brain functional connectivity, intelligence, and cognitive function." *(3)*

The challenges we confront as we try to educate our children are already complicated, given our increased focus on mental wellness and the arrested social and emotional development exacerbated by the COVID 19 pandemic. I realize that the financial benefits from allowing dispensaries to operate in town are tempting, but I have to ask each one of you if you are willing to sacrifice the healthy development of our youth to

supplement the town coffers. I would hope not, and would like you to consider that such an action would make our jobs only more difficult than they already are, and put our children at greater risk of cognitive impairment.

Please consider the best interests of our children when you make this important decision.

Respectfully,
Kevin Buchanan
Principal
Los Gatos High School

1. Cannabis and adolescent brain development:
https://www.sciencedirect.com/science/article/abs/pii/S0163725814002095
2. Effects of Cannabis on the Adolescent Brain
https://www.ingentaconnect.com/content/ben/cpd/2014/00000020/00000013/art00009
3. Adverse Effects of Cannabis on Adolescent Brain Development
https://academic.oup.com/cercor/article/27/3/1922/3056289?login=true

From: Alexis Dulin <[redacted]>
Sent: Tuesday, June 14, 2022 3:03 PM
Subject: Cannabis Retail in Los Gatos

EXTERNAL SENDER

Dear Los Gatos Town Council,

I am writing in support of allowing retail cannabis in the Town of Los Gatos and feel that it is entirely long past due that the Town move towards having safe and reliable access to cannabis.

Please make the right choice here people!!!! It's going to bring more revenue to the town too.

Thank you,

Alexis Dulin

From: Michaela Matulich <[redacted]>
Sent: Tuesday, June 14, 2022 11:21 AM
To: Council <Council@losgatosca.gov>; Town Manager <Manager@losgatosca.gov>
Subject: Yes for Cannabis in LG

EXTERNAL SENDER

Dear Los Gatos Town Council,

I am writing in support of allowing retail cannabis in the Town of Los Gatos and feel that it is entirely long past due that the Town move towards having safe and reliable access to cannabis. Having grown up in Los Gatos, it feels that cannabis is the next move to keep Los Gatos on a progressive and up to date status with other surrounding towns.

Thank you for your time.

Michaela Matulich

From: Midori Portillo <[redacted]>
Sent: Tuesday, June 14, 2022 3:35 PM
To: Council <Council@losgatosca.gov>
Subject: Cannabis Retail Tax Support

EXTERNAL SENDER

Dear Town Council,

I am in total support of the town's potential move to allow and regulate the cannabis retail.

From: Toni Blackstock <[redacted]>
Sent: Thursday, June 16, 2022 10:30 AM
To: Council <Council@losgatosca.gov>
Subject: Cannabis dispensary

EXTERNAL SENDER
I strongly OPPOSE allowing any type of cannabis dispensary in Los Gatos.

Toni Blackstock
[redacted]

From: Barry Cheskin <[redacted]>
Sent: Thursday, June 16, 2022 10:52 AM
To: Council <Council@losgatosca.gov>
Subject: Dispensaries

EXTERNAL SENDER
Members of the Town Council,

My wife and I strongly object to having marijuana dispensaries in our town. I believe it will adversely affect our family friendly "hometown" vibe and character.

This is a very very bad idea for Los Gatos.

Barry Cheskin
Citizen and Vice-Chair, Historic Preservation Committee.

Barry Cheskin
[redacted] **Cell**
[redacted]

From: Lydia Norcia <[redacted]>
Sent: Monday, June 6, 2022 6:38 PM
To: Council <Council@losgatosca.gov>
Subject: Please be advised that I am opposed to having any Marijuana dispensaries in Los Gatos Ca - See the articles below and the number of dispensaries near Los Gatos.

EXTERNAL SENDER

https://www.yellowpages.com/los-gatos-ca/marijuana-dispensary

https://www.verywellmind.com/why-do-teens-use-marijuana-63543

https://www.sciencedaily.com/releases/2019/02/190218094005.htm

https://www.sciencedaily.com/releases/2019/02/190218094005.htm

Lydia Norcia
[redacted]
Los Gatos, CA 95032
[redacted]

From: Mitch Kraemer <[redacted]>
Sent: Tuesday, June 14, 2022 10:14 AM
To: Cannabis <cannabis@losgatosca.gov>
Subject: Email update list

EXTERNAL SENDER

Hello, if it is possible can I be placed on a list for updates from the city on a potential cannabis program?-
-

Mitch Kraemer - Market Research Analyst
Cannabis Real Estate Consultants
[redacted]
Direct: [redacted]
Office: [redacted]
[redacted]
www.CannabisRealEstateConsultants.com

Trusted Commercial Real Estate Experts in the Cannabis Industry

From: william kane <[redacted]>
Sent: Wednesday, June 15, 2022 5:07 AM
To: Cannabis <cannabis@losgatosca.gov>
Subject: Pot club

EXTERNAL SENDER

Good morning I messaged your address yesterday,and my message was received but was blocked could you please explain why?I thought the address was advertised to be a site to make my input a public response available to the town board to review in response to the possibility of a pot club being established in our town which my husband and I would like to see approved,We have been residents in Los Gatos and have lived here for forty one years,I would appreciate your reply in this matter,I thought in lieu of having to attend the town meeting that was scheduled I figured that my response that I sent yesterday would have been noted/recorded and read by any council member as being a resident/residents in favor of the establishment of a dispensary in our town,thank you for your time.

TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 06/21/2022
ITEM NO: 23
ADDENDUM

DATE: June 17, 2022

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Maintain a Ban on Cannabis Businesses in Los Gatos and Consider a Ballot Measure to Tax Cannabis Businesses

REMARKS:

Attachment 4 contains public comments received between 11:00 a.m., Thursday, June 16, 2022, and 11:01 a.m., Friday, June 17, 2022.

Attachments Previously Received with the Staff Report:
1. Consultant Study
2. Map of State Buffer Areas
3. Public Comment

Attachments Received with this Addendum:
4. Public Comment received between received between 11:00 a.m., Thursday, June 16, 2022, and 11:01 a.m., Friday, June 17, 2022.

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

From: Jonathan G. Hanhan
To: Cannabis; Hanhan Commercial Group
Subject: [redacted] W Main Street & [redacted] E Main Street
Date: Thursday, June 16, 2022 3:00:30 PM

EXTERNAL SENDER

Hi there,

We represent the ownership groups of two buildings in Downtown Los Gatos (addresses below). We have begun to receive inquiries from cannabis-related retail operators and would like to learn if we should be having these conversations or not.

Are either of these sites anticipated to be within the cannabis zoning region? I believe 32 E Main is too close to LGHS. Appreciate any thoughts and insights. We plan to attend the meeting on June 21st.

[redacted] Main Street
[redacted] Main Street

Cheers,

Jonathan G. Hanhan
Sr. Vice President
Silicon Valley Commercial Division

[redacted]

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From: Joan Cross
To: Council
Cc: Joanne Rodgers
Subject: Dispensaries
Date: Thursday, June 16, 2022 11:53:24 AM

EXTERNAL SENDER

Dear Council Members,
Los Gatos has long been a family friendly, community oriented town. This, and the good, well supported schools, was why we moved here 34 years ago and why we stay. Allowing storefront marijuana dispensaries in Los Gatos completely negates the efforts that our town has upheld for those years. I understand the need for additional tax revenue, but please, do not use this avenue as an income stream. It WILL
be detrimental to our children. Kids have been finding ways around the laws & rules that keep them safe for years & they will easily get past ID scanners, etc to access the marijuana before the legal age. I expect they are doing so even now, with the dispensaries outside of Los Gatos. Having those storefronts in our town makes it that much easier for our kids to access & also sends a message that Los Gatos thinks it's ok.
It's NOT ok!! Find another way to make the revenue. Our children are our future, and this money making idea is putting them at risk.

Sincerely,
Joan Y Cross, CPM
Los Gatos and
Coronado

From: Denise Dulin
To: Council; Town Manager
Cc: DENISE DULIN
Subject: Support of Cannabis Retail in Town
Date: Friday, June 17, 2022 7:08:04 AM

EXTERNAL SENDER

Dear Los Gatos Town Council,

I am writing to let you know that I am in favor of moving forward with regulations for commercial cannabis dispensaries and a proposed general or special sales tax. Cannabis is legal and it should be regulated and taxed. It would help our citizens by providing a safe environment for purchasing the product and it would help our city by providing much needed revenue. This is a much better option than purchasing it from people "on the streets".

Thank you,

Denise Dulin

From: Ann Mirizzi
To: Council
Subject: Vote No on Marijuana Dispensaries in Los Gatos
Date: Friday, June 17, 2022 9:00:22 AM

EXTERNAL SENDER

My husband and I live in Los Gatos and DO NOT want Marijuana Dispensaries in our town. We vote NO on all fronts!
Ann and Raymond Mirizzi. [redacted] Old Orchard Dr. Los Gatos, Ca 95032

Sent from Ann's iPhone

TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 06/21/2022
ITEM NO: 23
ADDENDUM B

DATE: June 20, 2022

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Maintain a Ban on Cannabis Businesses in Los Gatos and Consider a Ballot Measure to Tax Cannabis Businesses

REMARKS:

Attachment 5 contains public comments received beginning at 11:00 a.m., Friday, June 17, 2022, through 11:00 a.m., Monday, June 20, 2022.

Attachments Previously Received with the Staff Report:
1. Consultant Study
2. Map of State Buffer Areas
3. Public Comment

Attachments Received with Previous Addendum:
4. Public comment received between 11:00 a.m., Thursday, June 16, 2022, and 11:01 a.m., Friday, June 17, 2022.

Attachments Received with this Addendum B:
5. Public comment received beginning at 11:00 a.m., Friday, June 17, 2022, through 11:00 a.m., Monday, June 20, 2022.

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

From: Jack Balletto <[redacted]>
Sent: Friday, June 17, 2022 4:29 PM
To: Council <Council@losgatosca.gov>
Subject: Legalize Cannabis

EXTERNAL SENDER

Dear Los Gatos Town Council,

I have heard the arguments regarding the pros and cons of allowing commercial cannabis in Los Gatos. I want you to know that I support the commercial cannabis grows and dispensaries and a proposed general or special sales tax. It is the only way we can control the sale of cannabis and it would help Los Gatos' financial problems. Please continue moving forward on this issue.

John (Jack) Balletto
[redacted] Peralta Ave
Los Gatos,ca

From: William Bowman <[redacted]>
Sent: Friday, June 17, 2022 10:05 PM
To: Town Manager <Manager@losgatosca.gov>
Subject: Cannabis dispensary in Los Gatos

EXTERNAL SENDER

Town Council of Los Gatos:
I believe that it is in the best interests of the citizens of the town to approve the application for cannabis dispensaries in our town.
It make fiscal sense and does not pose a threat to public safety; in fact,objective analysis shows the opposite.
Thank You
William Bowman
[redacted] Kennedy Rd
95032

From: Yahoo <[redacted]>
Sent: Saturday, June 18, 2022 1:01 PM
To: Council <Council@losgatosca.gov>
Cc: Town Manager <Manager@losgatosca.gov>
Subject: Cannibis

EXTERNAL SENDER

Dear Los Gatos town council I am writing in support of allowing retail cannabis in our town and feel that it is entirely long past due that the town move towards having safe and reliable access to cannibis.
Thank you Sent from my iPhone

From: Esther Kruse <[redacted]>
Sent: Saturday, June 18, 2022 4:34 PM
To: Council <Council@losgatosca.gov>; Town Manager <Manager@losgatosca.gov>
Subject: Fwd: Cannibis

EXTERNAL SENDER

Cannibis

Dear Los Gatos town council I am writing in support of allowing retail cannabis in our town and feel that it is entirely long past due that the town move towards having safe and reliable access to cannibis.
Thank you

Thank you,
Esther Kruse

From: Kristina Taroni <[redacted]>
Sent: Saturday, June 18, 2022 1:10 PM
To: Council <Council@losgatosca.gov>
Subject: Cannibus tax

EXTERNAL SENDER

Dear Los Gatos Town Council
I would like to express my support for the decision to allow Cannabis related businesses to operate locally. Adding tax revenue, providing safe access and eliminating the black market by allowing legitimate business seems like an obvious choice. I realize that some uninformed people may disagree.

Sent from my iPhone

From: Kathy Mlinarich <[redacted]>
Sent: Sunday, June 19, 2022 9:20 AM
To: Council <Council@losgatosca.gov>; Town Manager <Manager@losgatosca.gov>
Subject: Cannabis dispensary in LG

EXTERNAL SENDER

I have heard the arguments regarding the pros and cons of allowing commercial cannabis in Los Gatos. I support the commercial cannabis growers and dispensaries and a proposed general or special sales tax. I know many seniors that rely on cannibals for medical reasons, such as helping with nausea during chemo. The location of the shop is important as we have traffic issues. On the outer areas of LG would be preferable.

Sent from my iPad

From: Jess B. Guy <[redacted]>
Sent: Saturday, June 18, 2022 8:57 AM
To: Cannabis <cannabis@losgatosca.gov>
Subject: Marijuana Dispensary

EXTERNAL SENDER

Not a good idea. Los Gatos is surrounded by cities selling marijuana. A simple observation of the numerous outlets already in existence begs the question, why?

If this proposal is only to gain tax revenue it seems shortsighted to establish licensing, fees, locations (zoning), code enforcement, etc., for the taxes collected.

There's enough pot for users to get elsewhere. Lets keep Los Gatos smoke free!

Jess B. Guy
[redacted]

From: Scott Cooley <[redacted]>
Sent: Saturday, June 18, 2022 1:06 PM
To: Cannabis <cannabis@losgatosca.gov>
Subject: No on Cannabis

EXTERNAL SENDER

My biggest reasons to not support cannabis sales in Los Gatos:

1. Every addicted drug user, which causes homelessness, started their addiction with cannabis. It is a gateway drug.
2. New evidence shows use of cannabis, over longer periods of time, do decrease brain function and reduces intelligence.
3. My own personal experience is that every young adult involved with cannabis has significant motivation issues. Ambition is the first casualty.

I urge the town to not allow the selling of such an awful product.

Scott Cooley
[redacted] Kennedy Rd.
Los Gatos, CA 95032
Cell/Text: [redacted]

TOWN OF LOS GATOS

COUNCIL AGENDA REPORT

MEETING DATE: 06/21/2022

ITEM NO: 23

DESK ITEM

DATE: June 21, 2022

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Maintain a Ban on Cannabis Businesses in Los Gatos and Consider a Ballot Measure to Tax Cannabis Businesses

REMARKS:

Since the initial publication of the report, staff has learned that Revenue and Taxation Code Section 34011(f) currently precludes cities from taxing medicinal marijuana sales when a customer provides a valid state-issued Medical Cannabis Identification Card and government-issued identification. Staff will continue to monitor the law in this area.

This means that if Senate Bill 1186 passes, the Town would not be able to tax medical cannabis delivery businesses. With this additional information, it may not be worthwhile to pursue a ballot measure for a tax on cannabis businesses.

Attachment 6 contains public comments received beginning 11:00 a.m., Monday, June 20, 2022 through 11:00 a.m., Tuesday, June 21, 2022.

Attachment 7 contains the scientific cannabis community survey results.

Attachments Previously Received with the Staff Report:

1. Consultant Study
2. Map of State Buffer Areas
3. Public Comment

Attachments Received with Previous Addendum:

4. Public comment received between 11:00 a.m., Thursday, June 16, 2022, and 11:01 a.m., Friday, June 17, 2022.

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

Attachments Received with Previous Addendum B:

5. Public comment received beginning at 11:00 a.m., Friday, June 17, 2022, through 11:00 a.m., Monday, June 20, 2022.

Attachments Received with this Desk Item:

6. Public comment received beginning 11:00 a.m., Monday, June 20, 2022 through 11:00 a.m., Tuesday, June 21, 2022.
7. Scientific Cannabis Community Survey Results

From: Nancy Boesenberg <[redacted]>
Sent: Monday, June 20, 2022 4:35 PM
To: Council <Council@losgatosca.gov>
Subject: Vote NO on allowing marijuana dispensaries in Los Gators.

EXTERNAL SENDER

Dear Council,
I oppose allowing marijuana dispensaries in Los Gatos. It is a déstructuré addictive drug that can ruin lives and destroys developing brains.
The non-scientific propaganda spewed by pro- marijuana activists is only to acquire revenue.
Please save Los Gatos but more importantly, save lives. Vote NO!
Thank you,
Nancy Boesenberg

Sent from my iPhone

From: Rob Gelphman <[redacted]>
Sent: Monday, June 20, 2022 6:01 PM
To: Council <Council@losgatosca.gov>; Town Manager <Manager@losgatosca.gov>
Subject: I SUPPORT A CANNABIS DISPENSARY IN LOS GATOS

EXTERNAL SENDER

Dear Los Gatos Town Council

I would like to express my support for the decision to allow Cannabis related businesses to operate locally. Adding tax revenue, providing safe access and eliminating the black market by allowing legitimate business seems like an obvious choice. Cannabis is not addictive and no one has died—ever—from an overdose of pot. There is no such thing. It is impossible. Yet we legalize alcohol, coffee and tobacco all of which are habit forming.

As to unfounded objections regarding the attraction of unsavory elements, that is pure nonsense. Have you ever been to a dispensary? Everyone there—customers and employees--is professional and well behaved. And of all age groups including seniors who are looking for some pain relief from worn out body parts without the addictive qualities of prescription drugs.

Cannabis is a growth industry, is not habit forming, employs lots of people and must fall into all state and local laws. Anyone who says different is uninformed and obviously biased, and thus rendered irrelevant.

The ancient Hebrews were using cannabis in their sacrificial and religious rituals more than two millennium ago. The Chinese were chronicling the medicinal value of marijuana two thousand years ago.

As City Council and Manager, you are obligated to follow the will of the people. Authorize a dispensary NOW.

Rob Gelphman

1-408-[redacted]

[redacted]

From: Christopher Lane <[redacted]>
Sent: Monday, June 20, 2022 12:19 PM
To: Council <Council@losgatosca.gov>; Town Manager <Manager@losgatosca.gov>
Subject: Cannabis Retail on June 21st, Thank You for Your Engagement

EXTERNAL SENDER

Hi Council,

Chris Lane, CMO of Airfield Supply Company here, thanks for all of your conversations. I have had the chance to speak with many of you over the last several months and just wanted to briefly write a note prior to the June 21st meeting to summarize a few key points that have come up during our discussion in your process.

First, there seems to be a pervasive theme developing of wanting to understand the costs. I had a chance to read the staff report and HDL work on the topic and while it's mentioned in there, it's worth clarifying that in basically all cases the retailers cover the cost of a program. Between annual fees and supplementary items, it's a pretty cut and dry situation. We even reached out to San Jose, the most relevant geographic and household income municipality to offer their conversation with their Cannabis Regulatory Program, who are more than happy to meet with you as we have mentioned to explain cost recovery.

Second, youth influence, diversion or access seems to be a major topic of concern in town. This is completely understandable and frankly refershing to hear how much focus on youth there is, but just as a reminder - cannabis is for adults and everything that happens around it should be targeted to only adults. There are laws on where a retail store could be safely located, what a retail could look like, where it could advertise, how it is secured and monitored and every other aspect. Cannabis retail is as uninterested in youth as the town is, and works hard to not appeal to anyone under the age as we completely agree that it isn't appropriate. As an Airfield anecdote, we can't tell you how many people

live and work in the area for years and often say on their first visit that they never knew what that retail location was until they researched finding one. It's not an accident.

Third, general operational insight seems like something that the community could do well for more insight on and conversation around. From customer traffic to how products are licensed and approved to cash handling and storage, we have had many questions that are important to understand how this really is just like most other businesses in town. That being said, regulation means more planning, and every retailer takes this just as seriously as you do to ensure successful operations. Opening up retail means the chance to find the best operator that fits Los Gatos perfectly, and it's important to not forget Council's vital role in a process like that if it was to move forward at some time.

As we have reiterated many times, Airfield views Los Gatos as something of our emotional home. Many of us have families here, friends made here and futures to plan here. This is a place for long term decisions and lifelong commitments to the best for this town, this decision should be viewed no different simply because it's "new" to many. From learning more about security, safety, or youth prevention to economic impact, community engagement and retail operations - it doesn't go without saying that there is usually a merited answer for most questions and concerns. It often just takes asking the question.

In closing, I just want to commend the Council's willingness and leadership to show interest, ask questions, raise concerns and learn from the industry and local businesses. We have had the chance to tour some members, speak with others and even help with community events where town staff and council have attended. In all cases, there feels to be a true sense of fact finding and a quest for knowledge that shows commitment to finding the right answer for Los Gatos, whatever that is.

Best,

Chris Lane

--

Chris Lane

CMO

Airfield Supply Company

Phone: 408-[redacted]

From: Karen Mautich <[redacted]>
Sent: Monday, June 20, 2022 11:01 AM
To: Council <Council@losgatosca.gov>; Town Manager <Manager@losgatosca.gov>
Subject: We support cannabis retail

EXTERNAL SENDER

Hi Town Council,

My name is Karen Matulich and my husband Paul and I have been residents of Los Gatos since 1978 and owned Steamer's Grillhouse in Los Gatos since 1979. We raised our two children in Los Gatos, have been in the business community for over four decades and we strongly support opening up cannabis retail in Los Gatos.

As you likely know, my son founded Airfield Supply Company in 2010, and over the last twelve years has created a business that has employed hundreds, if not thousands of individuals - many of them Los Gatos residents - contributed tens of millions in tax revenue to San Jose and engaged in countless community service activities. While this decision is not about what - or even if right away a store could open - I am compelled to say that our family knows Los Gatos better than most and knows that cannabis retail would never disrupt a town. Retailers are modern, secure, positively-community engaged and offer significant career opportunities.

I can't tell you how many people have told me their stories about the positive impact cannabis has had for them, be it for sleep, relaxation, pain management, stress relief or others. It is a substance for adults, and it needs proper engagement, frameworks and discussion. Our town needs education and honesty about the world today and how to best create a community around it that we can all be proud of, not to bury our heads in the sand and hope it doesn't exist. Let's improve our parks, roads, and city with something people alreadfy spend money on and we get no benefit from as of now.

Please move forward and let's continue to make a Los Gatos we are all proud to live in.

Best,

Karen and Paul Matulich

From: Phil Koen <[redacted]>
Sent: Tuesday, June 21, 2022 8:02 AM

To: Rob Rennie <RRennie@losgatosca.gov>; Matthew Hudes <MHudes@losgatosca.gov>; Mary Badame <MBadame@losgatosca.gov>; Marico Sayoc <MSayoc@losgatosca.gov>; Maria Ristow <MRistow@losgatosca.gov>; Shelley Neis <sneis@losgatosca.gov>
Cc: [redacted]; Rick Van Hoesen ([redacted]) <[redacted]>; Lee Fagot <l[redacted]>; Laurel Prevetti <LPrevetti@losgatosca.gov>; Arn Andrews <aandrews@losgatosca.gov>
Subject: HDL Analysis - Agenda Item #23

EXTERNAL SENDER

Dear Honorable Mayor and Town Council Members,

I am pleased the Staff has recommended continuing the ban on store front cannabis retail sales. I believe this is the correct answer especially after doing a realistic analysis of potential retail tax revenue less all costs that potentially could be incurred by the Town for additional safety and administration personal resulting from store front sales of cannabis. **It is highly probable that on a net revenue basis retail sales of cannabis would be financially breakeven at best and more likely than not generate a net revenue loss**. I arrive at this conclusion using a more likely tax revenue estimate of $264,000 and assuming that at least two additional sworn police officers and 1 administration headcount will be needed to support the retail program. Unfortunately, the Hdl analysis does not include a financial feasibility study and only focused on projecting potential revenue and tax collection projections. This represented only one half of the required analysis.

I want to point out there are obvious errors and questionable assumptions in the HDL revenue projection. It is necessary that the Town Council have the benefit of a different perspective during your deliberation. HdL's business model depends on local jurisdictions allowing retail sales of cannabis. The firm makes substantial money on providing additional consulting services including drafting regulations, cannabis compliance, policy development, etc. It is in their best interest that every local jurisdiction in the State allow retail cannabis sales. What could possibly go wrong with a revenue forecast prepared by HdL? I can think of no better advocate for allowing retail cannabis sales than HdL.

1. The numbers reported by the State for Santa Clara County per capita retail sales of cannabis for Q1 2022 were $24.13. per capita (see attached). Per capita sale is the best number to use in forecasting cannabis retail sales since it avoids introducing a forecasting error driven by estimating the percentage of the population that uses cannabis. For the State of California, it is widely reported that the 13.5% of the population has used cannabis within the past month. Obviously, that can change at the local jurisdiction level but there are no good reporting mechanisms to capture local percentage usage rates. $24.13 per capita for Q1 2022 compares to

$29.26 for the same quarter last year. **This represents a 17.5% decrease in per capita sales year over year.** If you annualize Q1 2022 actual, the projected per capita retail sales would be $96.52. The HdL report stated that the sales per capita for Santa Clara County (1.9m population) over the last 12 months was $114 person. Using the more recent data, total annual sales for 2022 in Santa Clara County would be approximately $183m as compared to HdL's reported number of $220 million. That is a material reduction which is not reported in the HdL study. The analysis should at least reflect the most recent actual results.

2. Why isn't the most likely answer for projected retail sales in Los Gatos simply $96.52 (most recent per capita sales based on Santa Clara County actuals) x 33,529 (Los Gatos population) which yields $3.3m total sales? Applying a 4% tax rate, the projected tax revenue for the Town would be only $129,450. This seems to be the most reasonable forecast based on actual data. The HdL **"best"** estimate is $16m in sales and using a 4% tax rate, the projected tax revenue would be $641,332. By using a per capital methodology in forecasting total sales, one avoids having to make numerous assumptions (most of which have no factual data to support the assumption), which introduce forecasting error and bias. For example, assumptions regarding average transaction amount ($73), transaction frequency (2x per month), leakage to black market (50%) and leakage to other licensed retailers (20%) can all be avoided. Each of these individual assumptions in the HdL analysis has a wide distribution of various outcomes at the local jurisdiction level. As a result, the summation of all forecasting errors makes the "most" likely estimate a very poor predictor of actual results because of the wide variation of possible outcomes. A good analogy is having one hand in boiling water and another hand in a bucket of ice water. The average is fine, but you can't say the same about each hand!

3. To believe the Hdl revenue forecast of $16,033,046 for Los Gatos, you have to also believe that for every local Los Gatos resident that purchases cannabis at a local store front, there are 7 individuals living outside of Los Gatos, driving to the Los Gatos to make a purchase. Please reflect on that – 7 driving from outside the Town to purchase. Is that good public policy for the Town and does it even pass the reasonableness test since presumably these individuals are already buying cannabis at an existing retail store front? Here is the supporting math - based on 13% of the population using cannabis that means there are 4,358 local individuals purchasing at retail stores. The HdL analysis is based on an unsupported assumption that the total cannabis user base served by Los Gatos is 30,504 buying locally. The additional 26,146 are coming from outside the Town and this assumption drives the vast majority of the estimated revenue for the Town. Unfortunately, the HdL analysis offers no supporting data that would serve as substantiating evidence. What if that number is only 4,358, which means for every local purchase there is only one purchase from the surrounding area? The revenue projection would be $6.6m and not $16m. $6.6m in total sales will generate using a 4% tax rate $264,000.

In closing, the HdL analysis is extremely problematic. It would be interesting to ask HdL if they have actual tax revenue collection data for a local jurisdiction that is similar in size and socio-economic make up as the Town. Since this was not included in their report, I am assuming they don't have the data. What we do know, there is a common theme around forecasting tax revenues vs. actual outcomes. Many local jurisdictions are now discovering (and this includes the State) that the cannabis tax revenue projections were widely optimistic and actual results were materially less.

There are other errors in the analysis such as, the leakage to licensed retailers claims to be 30% in the schedule, but the math indicates it is only 20%. The estimate leakage to the black-market claims to be 30% but the math suggests it is 50%. If HdL is to be believed, the average transaction amount of $73 per person and $16m in sales equates to 219,630 transactions per year – the vast majority originating from individuals living outside of Los Gatos. That is a ton of cars coming into the Town to purchase cannabis.

The Town Council started down this path based on the assumption that allowing retain storefront sales would be a good fiscal decision. There has been no objective data that supports this will actually happen and more likely than not will be fiscally negative. Given this lack of data, the Staff has reached the prudent and correct decision, which is to continue the ban of retail cannabis sales. Please support the Staff's recommendation.

Thank you.

11:07 AM Sat Jun 18 100%

cdtfa.ca.gov

The Los Gatos CA Official Site! | Official Web... Documents Cannabis Sales by County, Grid View

CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

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Cannabis Sales by County

Santa Clara

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Export to Excel Export to CSV

County	Calendar Year	Quarter	Per Capita Sales	Total Taxable Sales
Santa Clara	2018	4	$22.06	$42,892,311
Santa Clara	2019	1	$22.09	$42,965,821
Santa Clara	2019	2	$24.25	$47,177,526
Santa Clara	2019	3	$25.34	$49,291,979
Santa Clara	2019	4	$24.20	$47,068,983
Santa Clara	2020	1	$24.57	$47,578,355
Santa Clara	2020	2	$24.51	$47,464,429
Santa Clara	2020	3	$27.69	$53,629,675
Santa Clara	2020	4	$28.20	$54,613,172
Santa Clara	2021	1	$29.26	$55,830,547
Santa Clara	2021	2	$29.97	$57,189,187
Santa Clara	2021	3	$28.34	$54,079,418
Santa Clara	2021	4	$27.81	$53,061,041
Santa Clara	2022	1	$24.13	$45,724,961
Santa Barbara	2018	2	$11.84	$5,321,003

... 11 12 13 14 15 ... 15 items per page 166 - 180 of 569 items

Footnotes

August 6, 2020

Analysis of Cannabis Market in California and Case Study Cities

Prepared by:

Applied Development Economics, Inc.
3527 Mt. Diablo Boulevard, CA 94549 ■ 925.934.8712
www.adeusa.com

APPLIED DEVELOPMENT ECONOMICS

ANALYSIS OF CALIFORNIA CANNABIS MARKET

INTRODUCTION

On November 6, 2016, voters in California passed Proposition 64, the Adult Use of Marijuana Act ("AUMA"). The initiative legalized recreational cannabis in the state and provided a broad framework from which cannabis businesses would be licensed, taxed, and regulated.

Since its adoption, the legal cannabis market in California has grown steadily and currently supports over $2 billion in legal sales. Between 2018 and 2019, taxable cannabis sales increased by 62 percent. In addition to direct cannabis sales, the retail cannabis industry in California also generates taxable revenues from accessories and point-of-sale items that increase the overall retail sales associated with cannabis sales to about $2.7 billion.

While these represent positive signs that the uptake for legal cannabis has created an emerging industry in California with the potential to generate significant employment opportunities and revenue to the State, comparisons with other states indicate that California's legal cannabis market continues to underperform by a wide margin.

The implementation of Proposition 64 has seen inconsistencies between different jurisdictions. These inconsistencies range from land use regulations to tax rate and licensing procedures. While some jurisdictions have proactively sought to attract and develop local cannabis businesses, others have taken steps to block cannabis businesses from opening. Because retail cannabis licensing and sales still fall short of potential consumer demand, the illicit cannabis market continues to meet a large majority of this demand.

This study will provide some context to the current status of California's legal cannabis market. The report compiles together the updated revenue and market information about the legal adult use cannabis market in California, and benchmarks it against other states that also have legal cannabis markets. In addition, the study includes case studies for three different California jurisdictions that identify the market potential for legal cannabis and local tax revenues for those jurisdictions.

CALIFORNIA CANNABIS MARKET FINDINGS

The state of the California cannabis market has shown decidedly mixed results. As the state moves forward with implementation of Proposition 64, the Adult Use of Marijuana Act of 2016 ("AUMA"), California sees growing legal cannabis sales, but also difficulties with sales and tax revenues that fall well short of projections.

EXISTING CONDITIONS

According to a 2019 study by Arcview Market Research and BDS Analytics, California's projected annual recreational cannabis sales totaled $3.1 billion (CDTFA estimates taxable sales of $2.1 billion

for calendar year 2019). The study also found that the illicit market comprised $8.7 billion in annual sales, or roughly three-fourths of the total cannabis market.[1]

Moving forward, the Arcview/BDS study also projected that through 2024, the legal cannabis market will grow at a compounded annual growth rate (CAGR) of 18.4 percent, and displace a significant portion of the current illicit cannabis sales. By 2024, the study projects that legal cannabis sales will increase to $7.2 billion annually, while illicit sales will decline to $6.4 billion.

According to data from CDTFA, California's taxable retail cannabis sales totaled $2.1 billion in 2019. This represents a 62 percent increase from the $1.2 billion in retail cannabis sales in 2018.[2] As shown in Table 1, the total number of active cannabis retailers also increased from 824 to 980 retail licensees.[3] When also including microbusinesses and delivery services, the number of licensees increased from 1,192 to 1,405 businesses.

TABLE 1: SUMMARY OF CALIFORNIA RETAIL CANNABIS PER CAPITA SALES AND AVERAGE SALES PER RETAILER

YEAR	TAXABLE RETAIL CANNABIS SALES	TAXABLE CANNABIS SALES PER CAPITA	CANNABIS RETAILERS (LOW)	CANNABIS RETAILERS (HIGH)	TAXABLE SALES PER RETAILER (LOW)	TAXABLE SALES PER RETAILER (HIGH)
2018	$1,274,666,667	$32.01	834	1,192	$1,069,351	$1,528,377
2019	$2,068,666,667	$51.77	980	1,405	$1,472,361	$2,110,884

Source: ADE, Inc.; data from CDTFA, California Department of Finance, and California Bureau of Cannabis Control.

Notes: The low cannabis retailer count only includes retail licensees, while the high count adds microbusinesses and delivery services. The number of licensees reflects those cannabis businesses operating as of July 2020 that began operations prior to the end of 2019.

CANNABIS TAX RECEIPTS

The primary cannabis revenues to the state come from specific taxes, which are levied at different rates.

CANNABIS TAX RATES

Excise Tax

The excise tax for cannabis uses a standard 15 percent rate specified in the approved Proposition 64. This applies to all taxable retail cannabis transactions based on the average market price.

1 Arcview Market Research and BDS Analytics; *California: Lessons From The World's Largest Cannabis Market*; June 2019.

2 This figure is based on the statewide 15% excise tax rate for taxable cannabis sales. The 2019 figure for taxable sales by cannabis retailers was $2.7 billion, which also includes non-cannabis taxable sales.

3 In order to keep the retailer count consistent with the taxable sales total, the active cannabis retailer total does not include any licenses approved after December 31, 2019.

Sales Tax

Sales taxes will vary by jurisdiction. The standard allocations for sales taxes begin with a statewide base rate of 7.25 percent.[4] This follows the formula established under the Bradley-Burns Uniform Sales and Use Tax Law, which allocates sales taxes as follows:

- 6.0 percent to the State
- 1.0 percent to the local jurisdiction for the point of sale (City or County)
- 0.25 percent to the local County transportation fund for the point of sale

Additional local taxes for special districts can be levied as well. These district taxes can range from 0.1 to 1.0 percent, and a specific location can have multiple districts. The highest sales tax rates in California are 10.25 and 10.5 percent, which occur in portions of Los Angeles County.

Cultivation Tax

The cultivation tax is levied on harvested cannabis that enters the commercial market. The current rates are based on weight, and will range from $1.35 to $9.65 per ounce and depend on whether the cannabis is a fresh flower or dry flower or dry leaf.[5]

Existing Cannabis Tax Receipts

As shown in Table 2, California saw a marked increase in legal cannabis sales in 2019. The cannabis taxes in California are highly variable by jurisdiction, as is the availability of legal cannabis, as many jurisdictions have yet to enable cannabis retailers to operate within their boundaries. In calendar year 2019, California collected a total of $635.3 million in cannabis-related taxes, as shown in Table 3. This does not include local taxes enacted at the city and county level.

Table 2: California Cannabis Tax Receipts, 2018 and 2019

Year	Excise Tax	Cultivation Tax	Sales Tax	Total Tax
2018	$191,200,000	$36,700,000	$168,600,000	$396,800,000
2019	$310,300,000	$87,000,000	$238,000,000	$635,300,000

Source: CDTFA

COMPARISON OF STATE CANNABIS BENCHMARKS

In benchmarking California's legal cannabis sales performance against other states that have legalized recreational cannabis sales, the state generally does not fare well. As shown in Table 3, California's per capita taxable cannabis sales of $51.77 in 2019 is less than half the per capita sales in Washington, Oregon, and Colorado. California's per capita legal cannabis sales is comparable to Massachusetts. However, 2019 was also Massachusetts' first full year of legal recreational cannabis sales.

4 https://www.cdtfa.ca.gov/taxes-and-fees/local-and-district-taxes.htm
5 https://www.cdtfa.ca.gov/taxes-and-fees/tax-rates-stfd.htm

By comparison, California's average taxable sales per retailer of $2.1 million is comparable to the average sales in Colorado and Washington.

TABLE 3: COMPARISON OF CALIFORNIA PER CAPITA AND PER RETAILER CANNABIS SALES WITH OTHER STATES

STATE	CANNABIS SALES PER CAPITA	AVERAGE CANNABIS SALES PER RETAILER
California	$51.77	$2,110,884
Colorado	$244.28	$2,349,171
Massachusetts	$57.13	$4,023,808
Oregon	$160.95	$1,031,550
Washington	$140.18	$2,030,399

Source: ADE, Inc.; data from CDTFA, California Department of Finance, California Bureau of Cannabis Control, Colorado Department of Revenue, Colorado State Demography Office, Massachusetts Cannabis Control Commission, Massachusetts State Data Center, Oregon Department of Revenue, Oregon Liquor Control Commission, PSU Population Research Center, Washington State Liquor and Cannabis Board, and Washington Office of Financial Management, Forecasting and Research Division.

CANNABIS DEMAND IN CALIFORNIA

Table 4 shows the benchmarks for cannabis demand in California. Applying the ratio of legal to illegal cannabis sales from the Arcview/BDS study, California's existing $2.1 billion in legal taxable cannabis sales would yield a total addressable cannabis market (legal and illegal sales) of about $7.8 billion. Legal sales make up about 23% of the total adult use cannabis market in California (not including medicinal cannabis).

In order to estimate the legal cannabis demand in California, the analysis used a range of potential outcomes. Because of California's existing per capita taxable cannabis sales ranks far behind other states with legalized adult use cannabis sales, the low cannabis demand scenario uses the existing sales in California as the benchmark.

The high cannabis demand scenario uses the per capita taxable cannabis sales in Colorado to illustrate the size of the California market if it can achieve the same magnitude of legal sales. Colorado was the first state in the U.S. to legalize recreational cannabis sales, so it represents a mature market scenario. Using these two scenarios, the size of the legal cannabis market in California ranges from $2.1 billion to $9.8 billion.

The Arcview/BDS study projects that total adult use cannabis sales will grow at an annual rate of about 2.9 percent, while legal cannabis will grow at a rate of 18.4 percent. The difference between the growth rates is offset by a projected 6.0 percent annual loss of illegal cannabis sales. Using these growth rates, the potential legal cannabis demand in California by 2024 would grow to $4.8 billion, with an overall market of $9.1 billion when accounting for both legal and illegal cannabis sales.

TABLE 4: LEGAL CANNABIS DEMAND BENCHMARKS FOR CALIFORNIA

Existing California Benchmarks	
Population (2019)	39,959,095
Legal Cannabis Demand (Low)	$2,068,666,667
Legal Cannabis Demand (High)	$9,761,281,019
Existing Retailers	980
Exiting Retailers (including microbusinesses)	1,405
Total Addressable Cannabis Market (Legal and Illegal Sales)	$7,874,279,570
2024 California Projection	
Legal Cannabis Demand (Arcview/BDS Growth Projection)	$4,804,645,161
Total Addressable Cannabis Market (Legal and Illegal Sales)	$9,075,440,860

Source: ADE, Inc.; data from Arcview Market Research/BDS Analytics, CDTFA, California Department of Finance, California Bureau of Cannabis Control, Colorado Department of Revenue, Colorado State Demography Office.

Notes: The low cannabis demand scenario is based on the per capita taxable cannabis sales in California through the 15% statewide excise tax. The high cannabis demand scenario is based on the per capital taxable cannabis sales in Colorado, which their Department of Revenue reports directly.

CASE STUDIES

INTRODUCTION

In order to provide some local context, the analysis also included case studies of three different jurisdictions in California – Stockton, San Bruno, and unincorporated Sacramento County. These communities are each in different stages of approval/disapproval for cannabis businesses. But, none of them currently have a significant base of cannabis retailers. So, the revenue and business formation potential within these communities should be considered a potential net gain in economic activity for those jurisdictions.

The case studies are intended to illustrate the degree of market support for cannabis businesses in these communities, and the local tax revenue potential if local legal cannabis establishments can meet this market demand. It should be noted that at least some portion of the existing cannabis demand is likely met by legal cannabis establishments operating in other communities. The remainder of the market demand is likely met through illegal cannabis sales.

LOCAL CANNABIS TAXES

Under Proposition 64, cities and counties are allowed to collect their own taxes on cannabis. These tax revenues stay with the local jurisdiction. The local cannabis taxes have also seen very wide ranging outcomes of cannabis legalization. Communities throughout California have enacted tax measures that establish local cannabis tax rates, most of which go through initiatives voted on by local residents. Even for communities that have made no provisions to allow retail cannabis businesses, the tax measures were presented to the voters in order to have the mechanisms in place in the eventuality that cannabis retailers are allowed.

Typically, a local cannabis tax measure will specify a maximum cannabis tax rate, and set an initial tax rate lower than the maximum. In other cases, the initial rate is set by the City Council or Board of Supervisors. Other communities might charge development fees instead of or in addition to the local cannabis taxes.

In addition to cannabis sales, retail cannabis businesses also generate sales from other non-cannabis items, such as smoking accessories and related products. While they do not generate cannabis taxes, these additional retail transactions further increase the sales tax revenues that local and state governments can potentially collect.

STOCKTON CASE STUDY

The City of Stockton has a recently enacted system for issuing cannabis licenses. Their setup entails issuing cannabis licenses with a lottery system. Two licenses are issued in each of four different business categories: microbusiness, retail, manufacturing, and cultivation. This program began in 2019, and the 2020 license lottery was set to take place in June. Stockton has enacted a local cannabis tax rate of 5%.

As shown in Table 5, the market demand for legal taxable cannabis in Stockton ranges from a low of $16.5 million (based on the existing per capita taxable cannabis sales in California) to a high of $77.8 million (based on existing per capita taxable cannabis sales in Colorado).

The total addressable cannabis market in Stockton (combined legal and illegal cannabis sales) is currently about $62.8 million.

TABLE 5: LEGAL CANNABIS DEMAND AND POTENTIAL RETAIL SUPPORT IN CITY OF STOCKTON

STOCKTON CASE STUDY	
1. Population (2020)	318,522
2a. Legal Cannabis Demand (Low)	$16,489,759
2b. Legal Cannabis Demand (High)	$77,809,138
3a. Supportable Retailers (Low)	7.8
3b. Supportable Retailers (High)	36.9
4. Currently Allowed Retailers (2019 and 2020 License Lottery)	4
5a. Local Tax Potential (Low Based on 5% rate)	$824,488
5b. Local Tax Potential (High Based on 5% rate)	$3,890,457
6. Current Addressable Cannabis Market (Legal and Illegal Sales)	$62,767,470

Source: ADE, Inc.; data from Arcview Market Research/BDS Analytics, CDTFA, California Department of Finance, California Bureau of Cannabis Control, Colorado Department of Revenue, Colorado State Demography Office.

Notes: The low cannabis demand scenario is based on the per capita taxable cannabis sales in California through the 15% statewide excise tax. The high cannabis demand scenario is based on the per capital taxable cannabis sales in Colorado, which their Department of Revenue reports directly.

The number of supportable legal cannabis retailers will range from about 7.8 to 36.9 establishments. This is a conservative estimate because it uses the taxable sales per retailer average for California. It should be further noted that this benchmark average does not include microbusinesses. Using the benchmark average that includes microbusinesses in the total, the number of supportable establishments increases to 52.8.

Local tax potential for the City of Stockton, based on its existing local cannabis tax rate of 5%, ranges from about $824,500 to $3.9 million annually.

SAN BRUNO CASE STUDY

The City of San Bruno is an untapped cannabis market with no existing cannabis retailers operating within the city limits. Even though San Bruno has no framework in place for licensing or permitting retail cannabis establishments, the community has taken initial steps towards the eventuality that legal cannabis retailers do open for business in San Bruno at a future date. On June 29, 2020, the San Bruno City Council passed a resolution to include a ballot measure for the fall election that sets a local cannabis tax of 10%. The measure does not include any provisions for approving or licensing cannabis businesses in San Bruno.

As shown in Table 6, market demand for legal taxable cannabis in San Bruno ranges from $2.4 million (based on existing California per capita taxable cannabis sales) to $11.1 million (based on existing Colorado per capita taxable cannabis sales). The total addressable cannabis market for San Bruno is $9.0 million when combining existing legal and illegal cannabis demand.

The supportable number of legal cannabis retailers will range from 1.1 to 5.3 establishments, based on existing average cannabis retail establishment sales in California. Using the lower benchmark average sales per establishment that accounts for microbusinesses would increase the high range of supportable establishments to 7.5.

The local tax potential for the City of San Bruno ranges from about $235,300 to $1.1 million. This assumes that the fall ballot measure passes and establishes a local cannabis tax rate of 10%.

TABLE 6: LEGAL CANNABIS DEMAND AND POTENTIAL RETAIL SUPPORT IN CITY OF SAN BRUNO

SAN BRUNO CASE STUDY	
1. Population (2020)	45,454
2a. Legal Cannabis Demand (Low)	$2,353,136
2b. Legal Cannabis Demand (High)	$11,103,586
3a. Supportable Retailers (Low)	1.1
3b. Supportable Retailers (High)	5.3
4. Currently Allowed Retailers	0
5a. Local Tax Potential (Low Based on 10% rate)	$235,314
5b. Local Tax Potential (High Based on 10% rate)	$1,110,359
6. Current Addressable Cannabis Market (Legal and Illegal Sales)	$8,957,097

Source: ADE, Inc.; data from Arcview Market Research/BDS Analytics, CDTFA, California Department of Finance, California Bureau of Cannabis Control, Colorado Department of Revenue, Colorado State Demography Office.

UNINCORPORATED SACRAMENTO COUNTY CANNABIS MARKET

The unincorporated area of Sacramento County represents the most restrictive of the three case study communities. Even though some local jurisdictions in Sacramento County, including the City of Sacramento, have provisions for licensing and collecting taxes from cannabis retailers, the County itself does not currently allow cannabis-related businesses of any kind in the unincorporated areas. The County also has not taken the step of setting a local tax rate or establishing a framework from which cannabis businesses can eventually operate within the unincorporated areas.

As shown in Table 7, the market demand for legal taxable cannabis in unincorporated Sacramento County ranges from a low of $30.7 million (based on the existing per capita taxable cannabis sales in

California) to a high of $145.1 million (based on existing per capita taxable cannabis sales in Colorado).The total addressable cannabis market in unincorporated Sacramento County (combined legal and illegal cannabis sales) is about $117.0 million (based data from the Arcview/BDS study).

TABLE 7: LEGAL CANNABIS DEMAND AND POTENTIAL RETAIL SUPPORT IN SACRAMENTO COUNTY (UNINCORPORATED AREAS ONLY)

SACRAMENTO COUNTY (UNINCORPORATED) CASE STUDY	
Population (2020)	593,801
Legal Cannabis Demand (Low)	$30,740,845
Legal Cannabis Demand (High)	$145,054,797
Supportable Retailers (Low)	14.6
Supportable Retailers (High)	68.7
Existing Cannabis Businesses and Dispensaries	0
Local Tax Potential (Low Based on 4% rate)	$1,229,634
Local Tax Potential (High Based on 4% rate)	$5,802,192
Total Addressable Cannabis Market (Legal and Illegal Sales)	$117,013,538

Source: ADE, Inc.; data from Arcview Market Research/BDS Analytics, CDTFA, California Department of Finance, California Bureau of Cannabis Control, Colorado Department of Revenue, Colorado State Demography Office.

The number of supportable legal cannabis retailers will range from about 14.6 to 68.7 establishments. Using the more lenient benchmark average that includes microbusinesses, the number of supportable establishments increases to a high of 98.5.

Using the City of Sacramento's local tax rate of 4% as an assumption, the local tax potential for unincorporated Sacramento County ranges from $1.2 million to $5.8 million annually.

CONCLUSION

Based on our independent and objective analysis, cannabis businesses show significant market potential for additional legal sales throughout California. This would result in substantial increases in tax receipts for state and local governments if the number of retail cannabis establishments expands to meet local demand in those communities that do not currently have legal retail cannabis sales. Because of the state's underperforming retail cannabis market, the range of potential market support has significant upside. The market demand already exists, with most of the demand currently met through illicit sales channels that generate no tax revenues. As local governments struggle with meeting their budget needs and providing essential services to their residents, legal cannabis sales represent a source of revenue that has remained untapped by most California jurisdictions.

APPENDIX B: METHODOLOGY

ASSUMPTIONS AND METHODOLOGY

- The existing cannabis retail establishments and taxable sales came from the Bureau of Cannabis Control ("BCC"). The number of retail establishments includes a combination of storefront businesses, no storefront retailers, and temporary retailers. The higher number of existing cannabis businesses includes microbusinesses and delivery services that could potentially generate retail sales, even though their revenues also came from other sources.

- The breakdown of tax collections came from the BCC quarterly press releases.

- The California projection of future cannabis demand through 2024 is based on the growth rates projected in the 2019 study by Arcview Market Research and BDS Analytics. These growth rates were applied to the estimated legal cannabis sales that were calculated using the excise tax data from the California Department of Tax and Fee Administration (CDTFA).

CASE STUDY METHODOLOGY

The case study benchmarks correspond to the numbered lines on the tables for the three case studies.

- 1. Population: The population figure comes from the California Department of Finance. The per capita benchmark for California was calculated based on the 2019 population and the 2019 taxable sales figures. For the individual jurisdictions in the case studies, the analysis is based on the population estimate for January 1, 2020.

- 2a. Cannabis Demand (Low): The legal cannabis demand assumes a range with the existing cannabis demand representing the low estimate. The existing cannabis demand is based on CDTFA excise tax collections in 2019. Applying the 15% excise tax rate, the resulting estimate of $2.1 billion in taxable sales was divided by the state population in January 2019. The resulting benchmark comes out to $51.77 in taxable legal cannabis demand per capita.

- 2b. Cannabis Demand (High): The high cannabis demand uses Colorado as the benchmark. The Colorado Department of Revenue separately tracks medicinal and adult use (taxable) cannabis sales. This data is very useful because it does not just report the tax revenues, but the actual cannabis sales. The taxable sales total was divided by the 2019 Colorado state population as reported by the Colorado State Demography Office to produce the benchmark of $244.28 in taxable cannabis sales per capita. Because it is the most mature adult use cannabis market in the country, Colorado was considered more representative of what a market area in California can potentially support once it reaches a more stable and mature state. However, it should be noted that the Colorado has continued to grow at a high rate since recreational cannabis sales started in 2014. The use of the Colorado benchmark as a high cannabis demand benchmark does not account for illegal cannabis demand that might remain in the Colorado market.

- 3a and b. Supportable Retailers: The number of supportable retailers comes from the average sales per retail cannabis license in California. The benchmark average divides the total taxable cannabis sales reported by CDTFA into the total number of retail cannabis licenses in California. The retail license total comes from the California Bureau of Cannabis Control database. Licenses added after December 31, 2019 were not included in the total, and the license inventory also does not account for any retailers that might have closed in 2020. The low estimate of supportable retailers is based on the existing estimated legal cannabis demand, while the high estimate is based on the demand using the higher Colorado per capita cannabis sales benchmark. The number of supportable cannabis retailers can further increase by adding microbusinesses to the retail cannabis licensee count.

- 4. Currently Allowed Retailers: The number of allowed cannabis businesses is based on local laws and licensing procedures. For Stockton, their cannabis license lottery allows two retail licenses annually, and the first lottery occurred in 2019 with a second lottery concluding in June 2020. San Bruno and Sacramento County currently do not allow cannabis establishments.

- 5. Local Tax Potential: This figure is based on the local tax revenues that the case study jurisdictions would collect if the legal cannabis demand translates into actual local sales. The tax rates are based on what the local jurisdictions currently allow (or in the case of San Bruno, have proposed in a ballot measure).

- 6. Current Addressable Cannabis Market: Multiple publications assume that the majority of adult use cannabis currently comes through illegal sales. The figure used for this estimate comes from the 2019 study by Arcview/BDS. The study estimated that legal cannabis sales in California would total $3.1 billion in California, and make up about 23 percent of the total recreational cannabis sales. This percentage share is applied to the existing legal cannabis demand to come up with the total addressable cannabis market demand. This represents a combination of legal and illegal sales.

From: Phil Barry <[redacted]>
Sent: Monday, June 20, 2022 11:06 AM
To: Council <Council@losgatosca.gov>
Subject: Cannabis dispensaries

EXTERNAL SENDER

Los Gatos Town Cuncil,

I am in favor of cannabis dispensaries in town.I moved to Los Gatos in 1966 and have been active in the town and with the schools.

It seems to me that the town is struggling finacially with no clear way to slove the problem other than increasing taxes and fees.Cannabis dispensaries would provide a consistent and meaningful tax revenue that would not have to come out of the taxpayers pocket.

Most of the opposition feedback that I have heard is of the dog whistle variety including egregious misstatements of facts to fit their narrative. I am shocked that special interest groups continue to influence our local politics.

My request is that all 32,000 residents have a voice. Please put this measure on the ballott so that we can all have a voice in our futrue. Isn't that what democracy is all about??

Phil Barry

[redacted] Winchester Circle

Los Gatos

From: Kathy BAys <[redacted]>
Sent: Tuesday, June 21, 2022 10:00 AM
To: Council <Council@losgatosca.gov>
Subject: Dispensary vote

EXTERNAL SENDER

Please do not allow dispensaries in our town. Thanks, Kathy Bays Sent from my iPhone.

TOWN OF LOS GATOS CALIFORNIA

2022 CANNABIS BUSINESS SURVEY

Findings Report

Prepared By
ETC INSTITUTE
OLATHE, KANSAS

Presented To The
TOWN OF LOS GATOS, CALIFORNIA

JUNE 2022

ATTACHMENT 7

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Section 1: Executive Summary

Purpose & Methodology

Purpose

ETC Institute administered a public opinion survey to residents of the Town of Los Gatos, CA. The purpose of this survey was to gather information on the opinions of Town residents about various legalized cannabis topics. Town leaders will use this data as they explore how cannabis retail businesses could provide value to the community. Conducting a statistically valid public opinion survey ensures that the data represents the community. In ensuring the data represents the community as a whole, ensures that Town leaders have information to align Town priorities to resident's needs.

Methodology

The survey instrument, cover letter, and postage paid return envelope were mailed to a random sample of households in the Town. The cover letter explained the purpose of the survey and encouraged residents to either return their survey by mail or complete the survey online.

Approximately, ten days after the surveys were mailed, ETC Institute sent emails/text messages to the households that received the survey to encourage participation. The emails/texts contained a link to the online version of the survey to make it easy for residents to complete. To prevent people who were not residents of the Town from participating, everyone who completed the survey online was required to enter their home address prior to submitting the survey. ETC Institute then matched the addresses that were entered online with the addresses that were originally selected for the random sample. If the address from a survey completed online did not match one of the addresses selected for the sample, the online survey was not counted.

The goal was to obtain 300 surveys and this goal was achieved by a total of 403 completed surveys. The overall response for the sample of 403 households have a precision of at least +/-4.9% at the 95% level of confidence.

Overview of the Findings Report

This report contains:

- An executive summary of the survey purpose, methodology, and major findings
- Charts and graphs showing the overall results
- Frequency tables that show the results for each question on the survey
- A copy of the cover letter and survey instrument

Key Findings

- About three-fourths (71.5%) of residents are either strongly or somewhat supportive of legalized cannabis for medicinal use and one-third (33.3%) are either strongly or somewhat supportive of allowing commercial cannabis businesses in Los Gatos.

- Over half (58.7%) of residents are either strongly or somewhat supportive of allow commercial cannabis retailers within the Town of Los Gatos.

- Residents are most supportive of non-storefront (delivery-only) retailers for medicinal cannabis (49.0%) than residents are of storefront retailers for adult recreation use cannabis (33.5%).

- Nearly all (81.3%) of residents agree that if the Town were to allow commercial cannabis businesses, the Town should limit the number of permits issues for cannabis retailers only. The majority (71.2%) believer the Town should limit the number of permits for cannabis retailers to one to three permits.

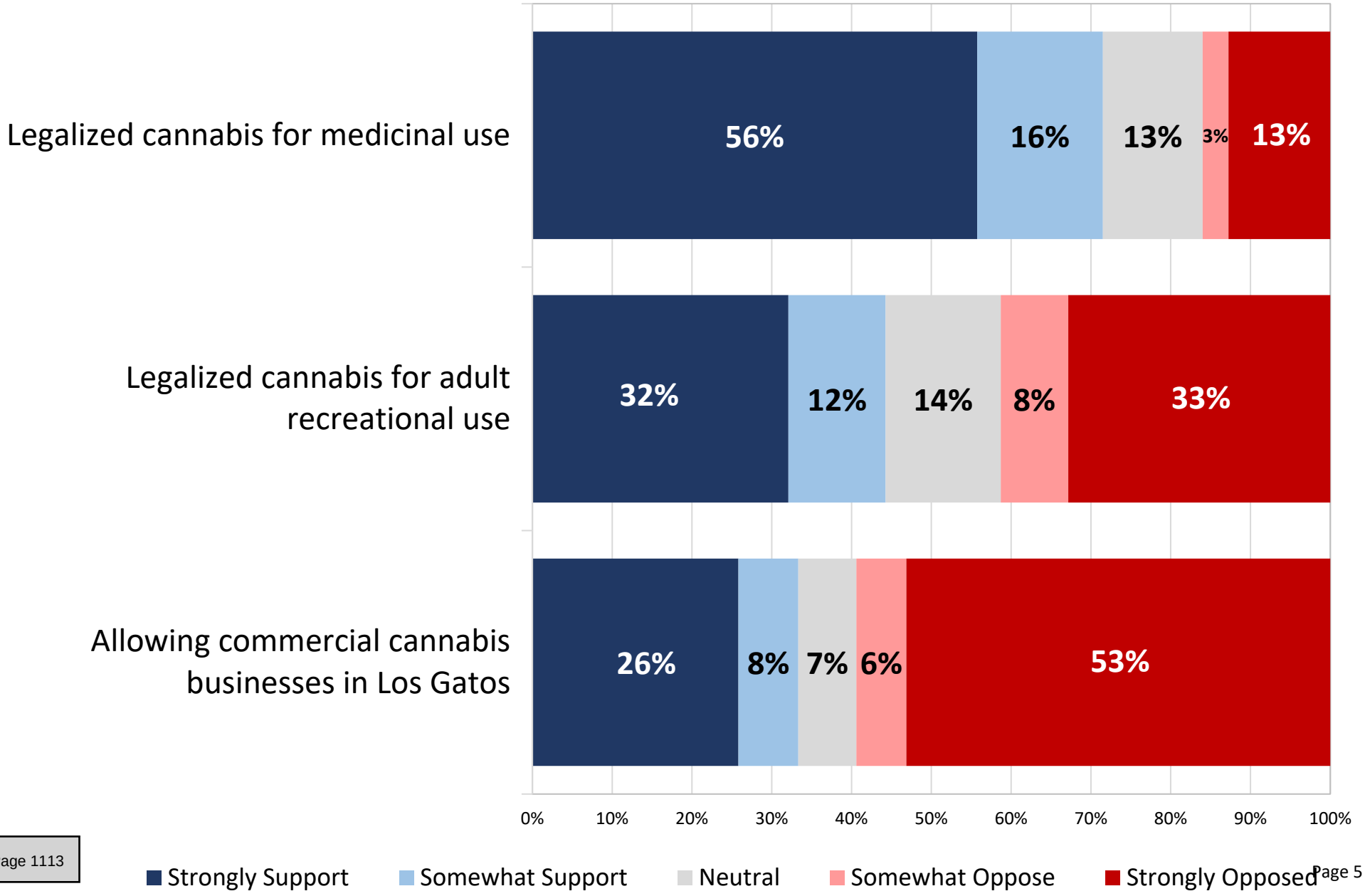
- Sixty percent (60.1%) of residents agree that the Town should further limit the hours of operation for cannabis retailers, past the definition made by the State.

- At least half of residents do have concerns about loitering around cannabis businesses (63.3%), youth access to cannabis (72.2%), and people driving under the influence (75.8%).

Section 2: Charts & Graphs of Overall Results

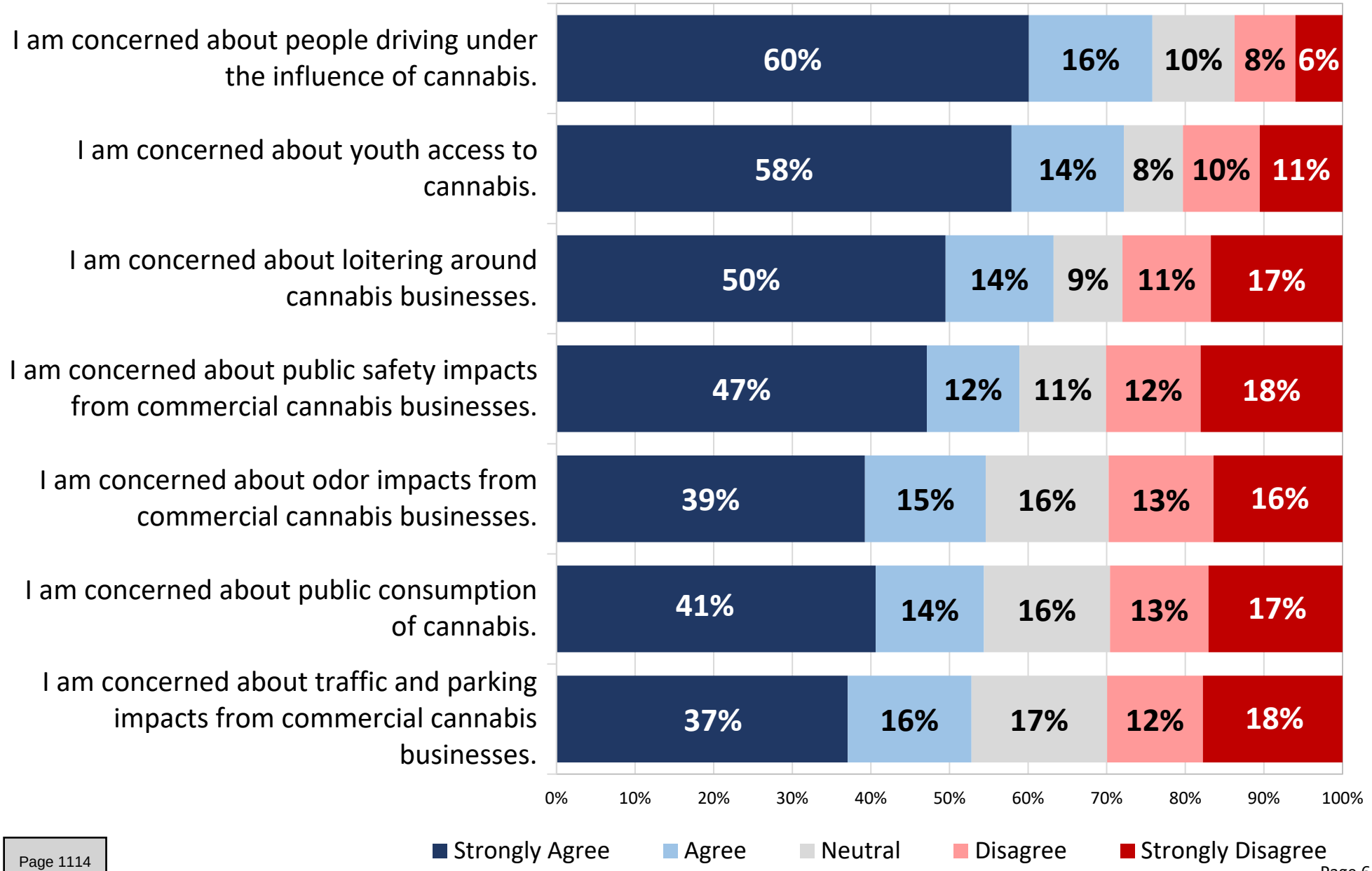
Q1: What is your level of support/opposition for the following…

by percentage of respondents (excluding don't know responses)



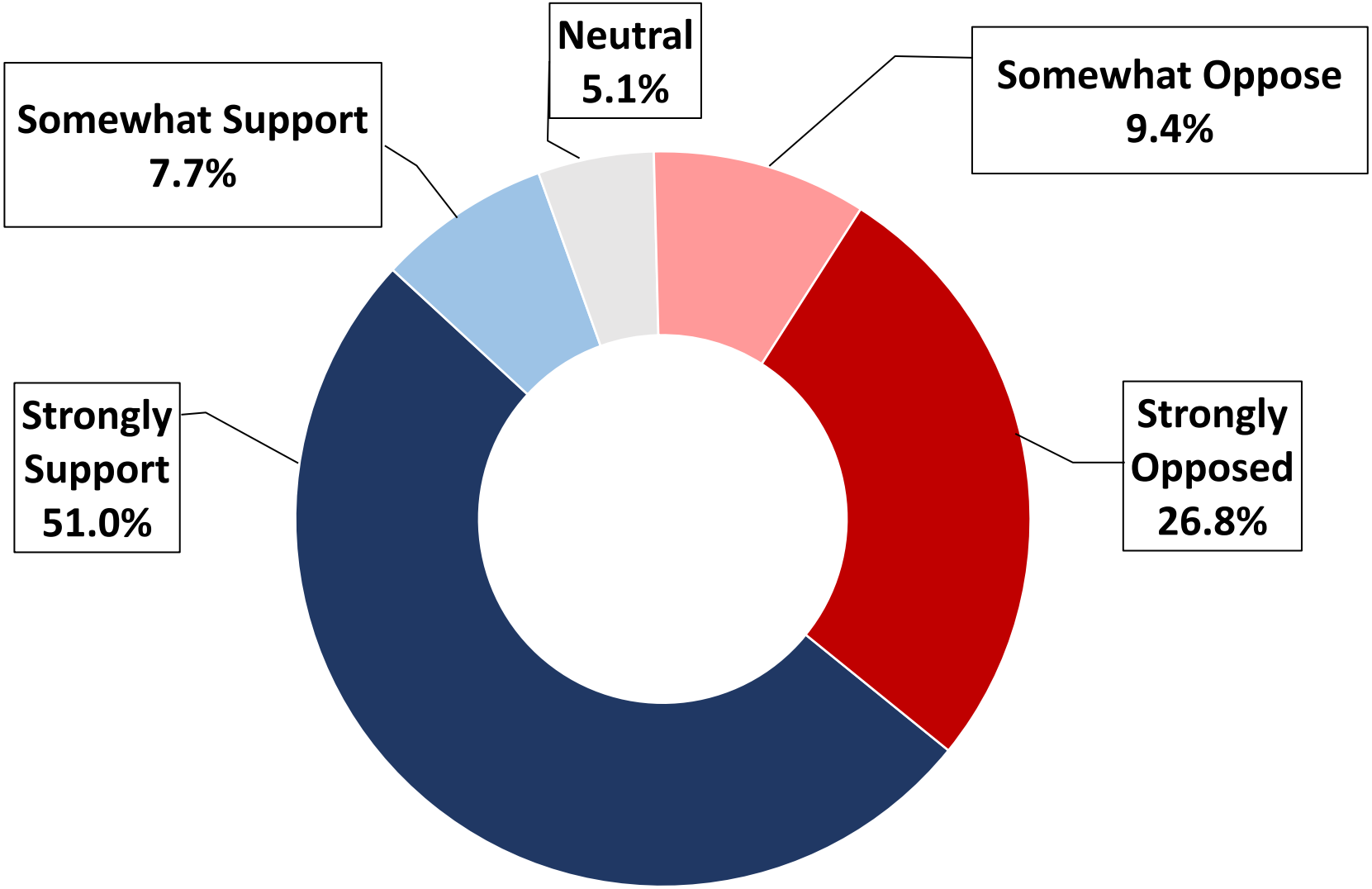
Q2: What is your level of agreement with the following statements…

by percentage of respondents (excluding don't know responses)



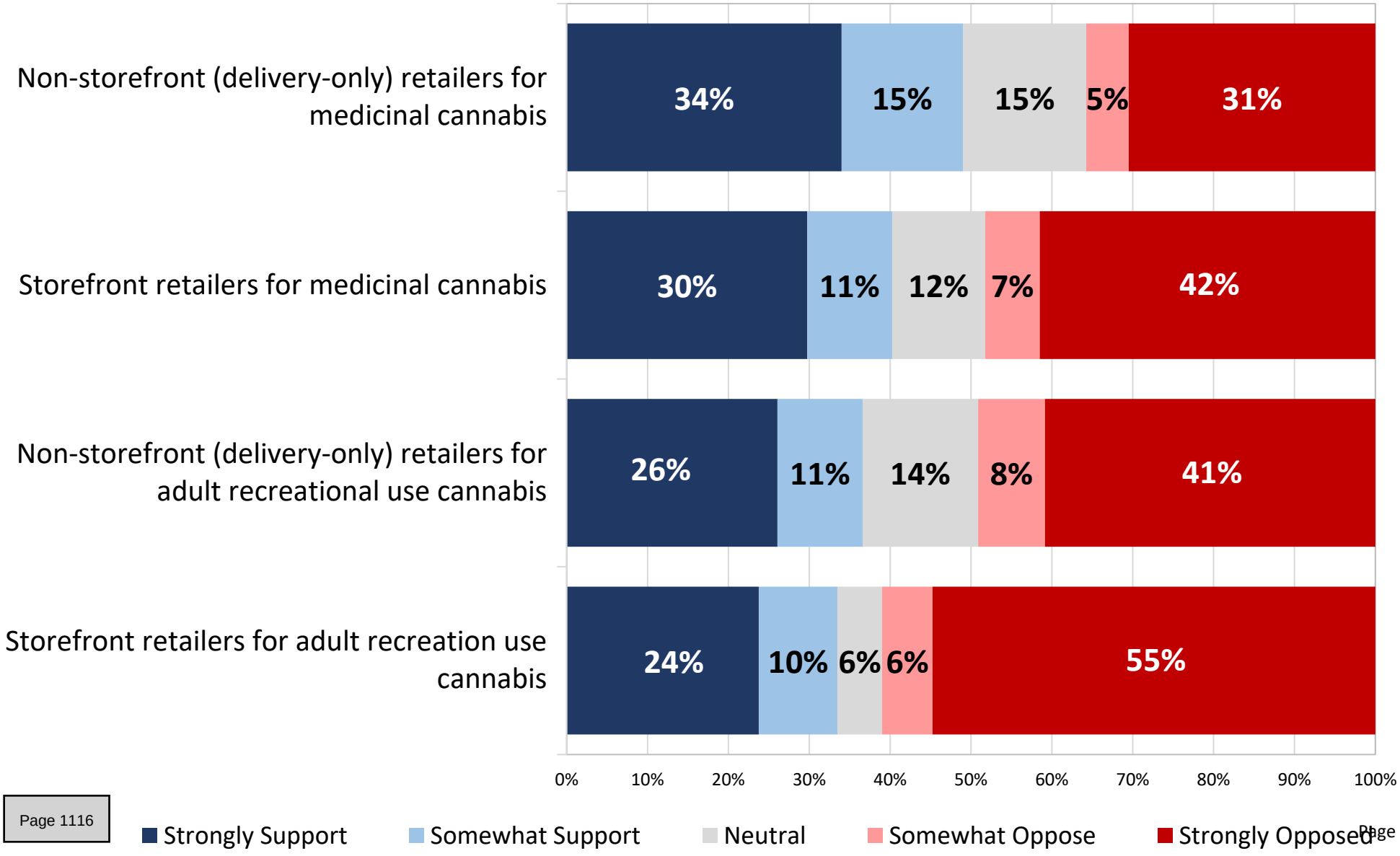
Q3: Based on this information, what is your overall level of support/opposition for allowing commercial cannabis retailers within the Town of Los Gatos?

by percentage of respondents (excluding don't know responses)



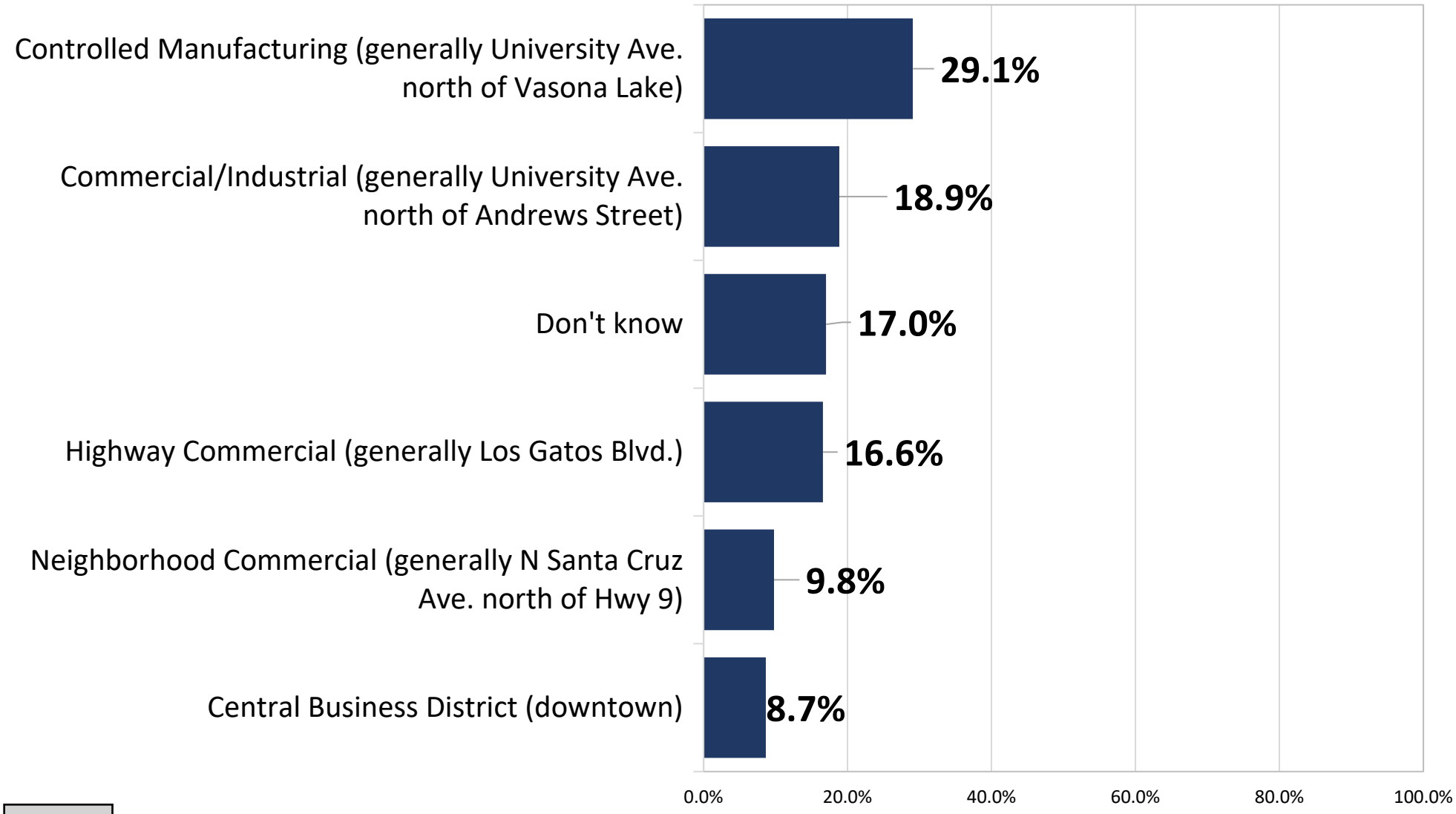
Q4: What is your level of support/opposition for the following types of commercial cannabis retailers within the Town of Los Gatos…

by percentage of respondents (excluding don't know responses)



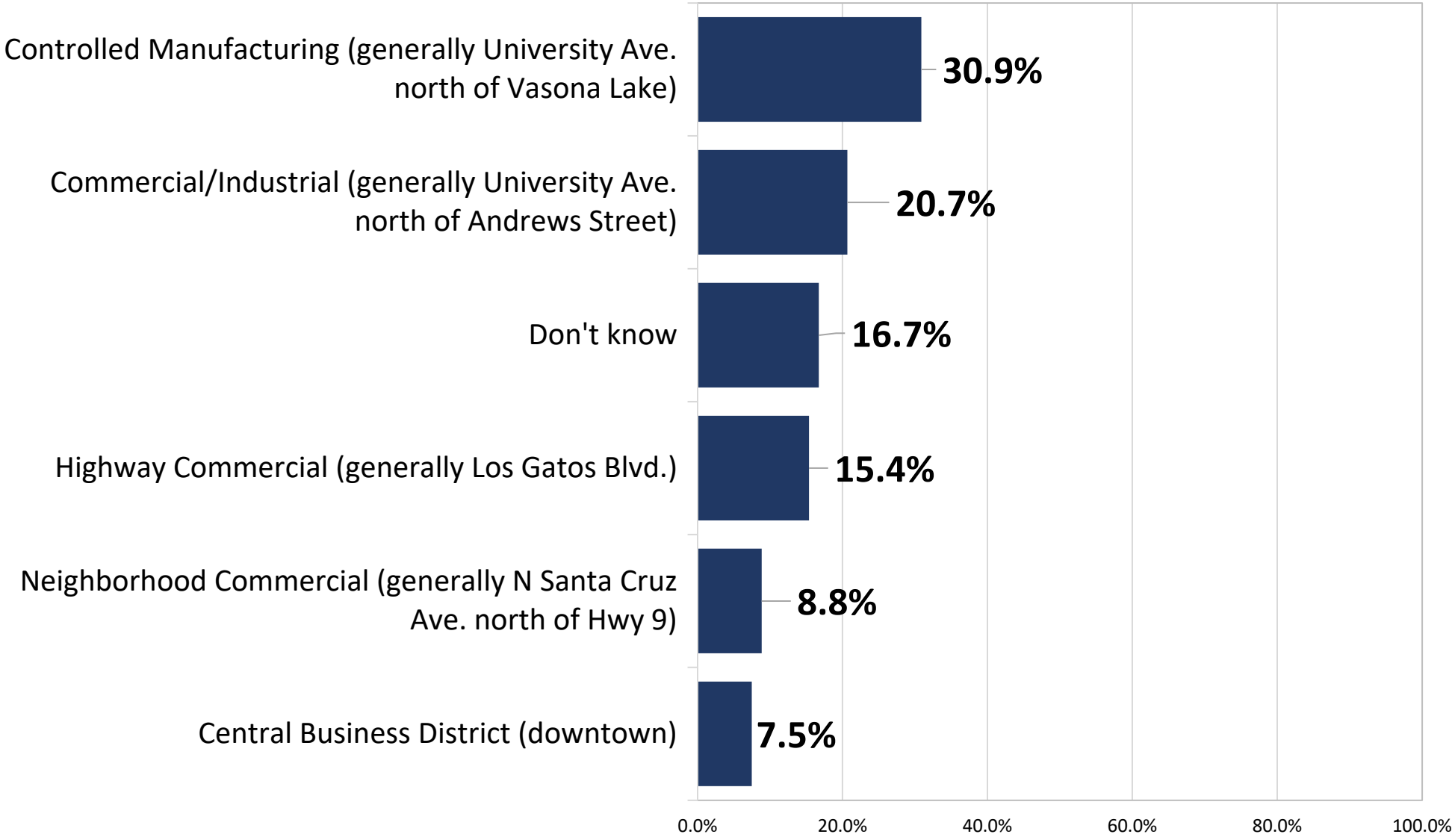
Q5: IF the Town were to allow "Storefront Cannabis Retail" businesses, which zones do you think would be appropriate for business locations?

by the percentage of respondents



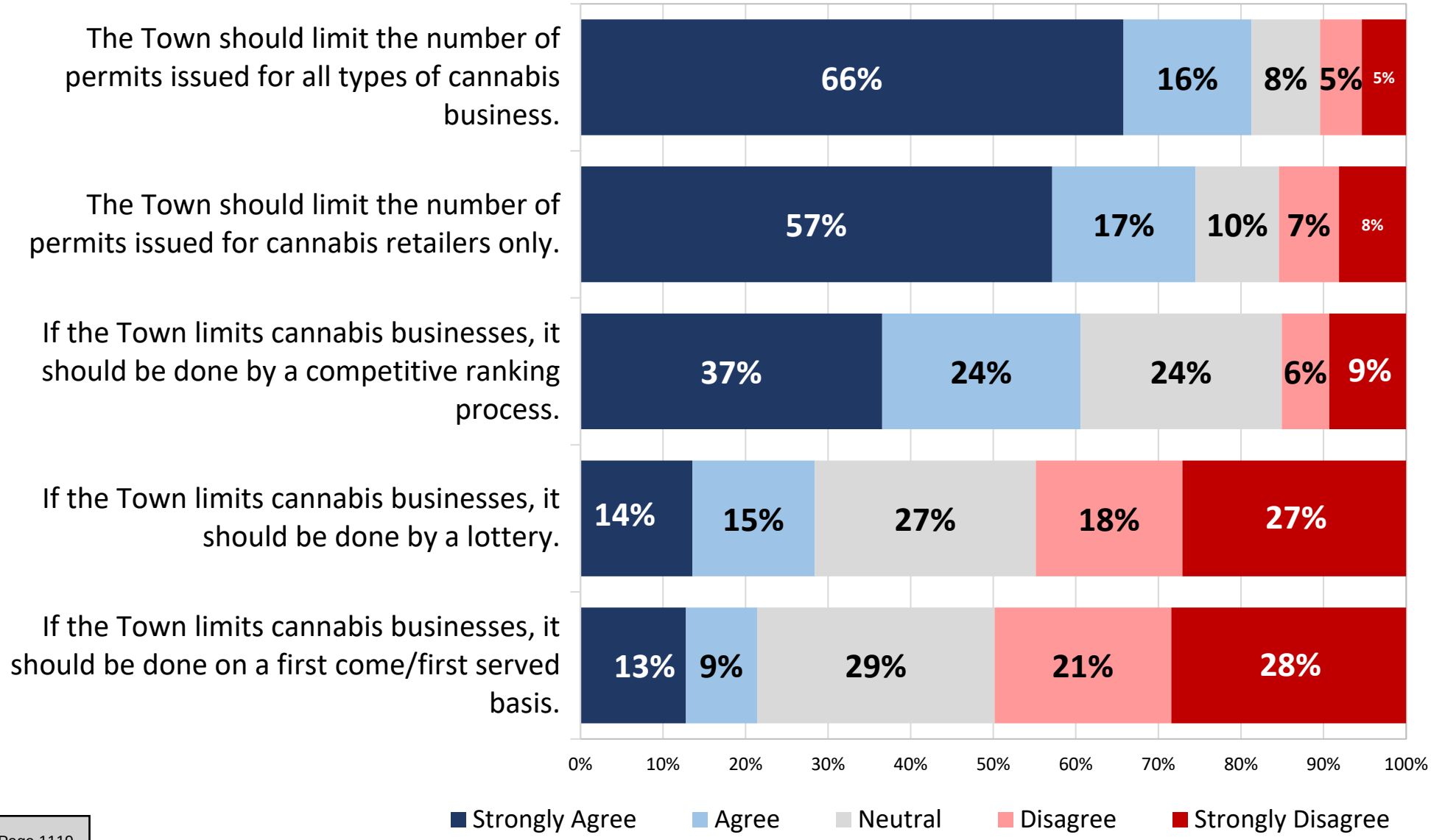
Q6: IF the Town were to allow "Delivery Only Cannabis Retail" businesses, which zones do you think would be appropriate for business locations?

by the percentage of respondents (multiple response question)



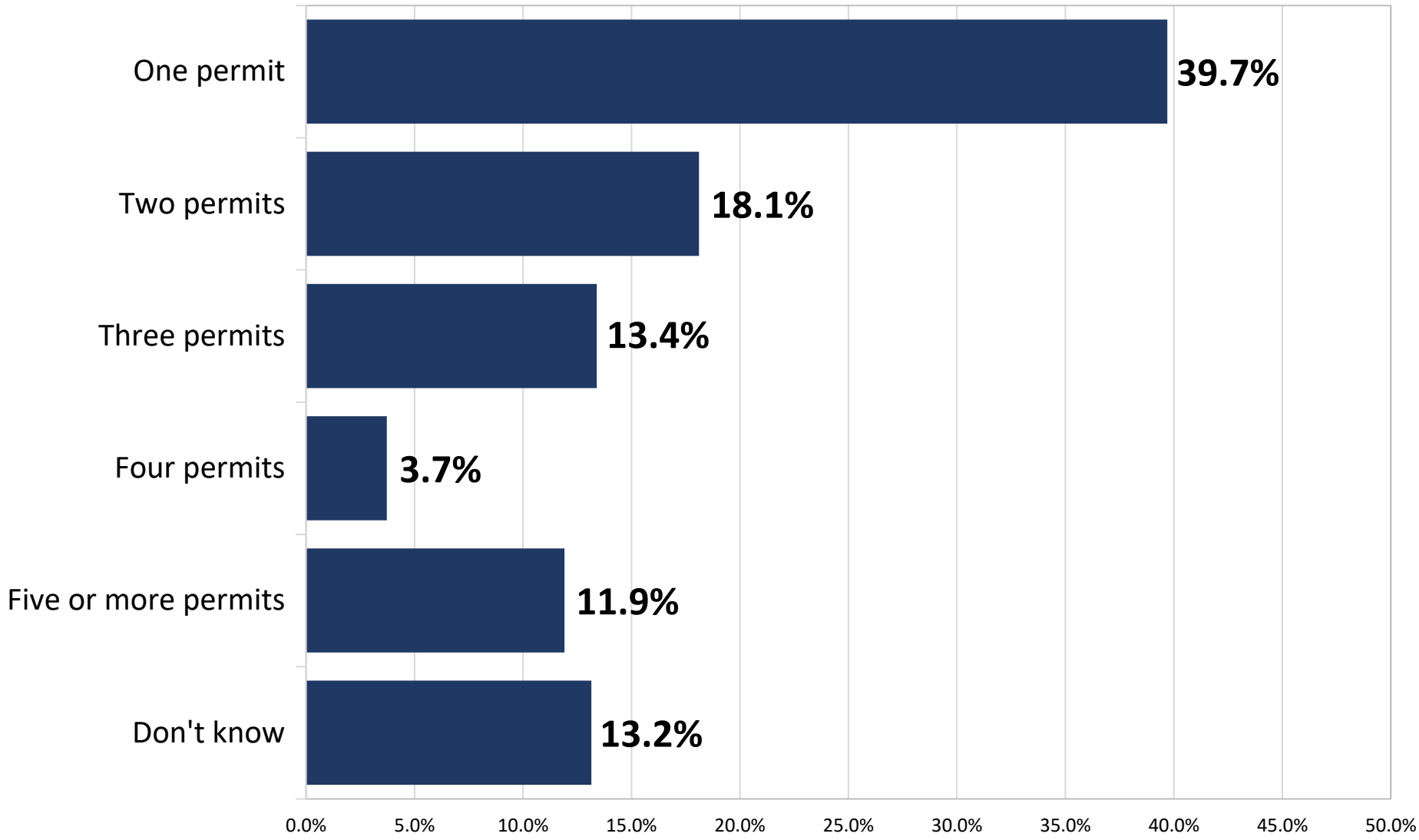
Q7: IF the Town were to allow commercial cannabis businesses, what is your level of agreement with the following statements…

by percentage of respondents (excluding don't know responses)



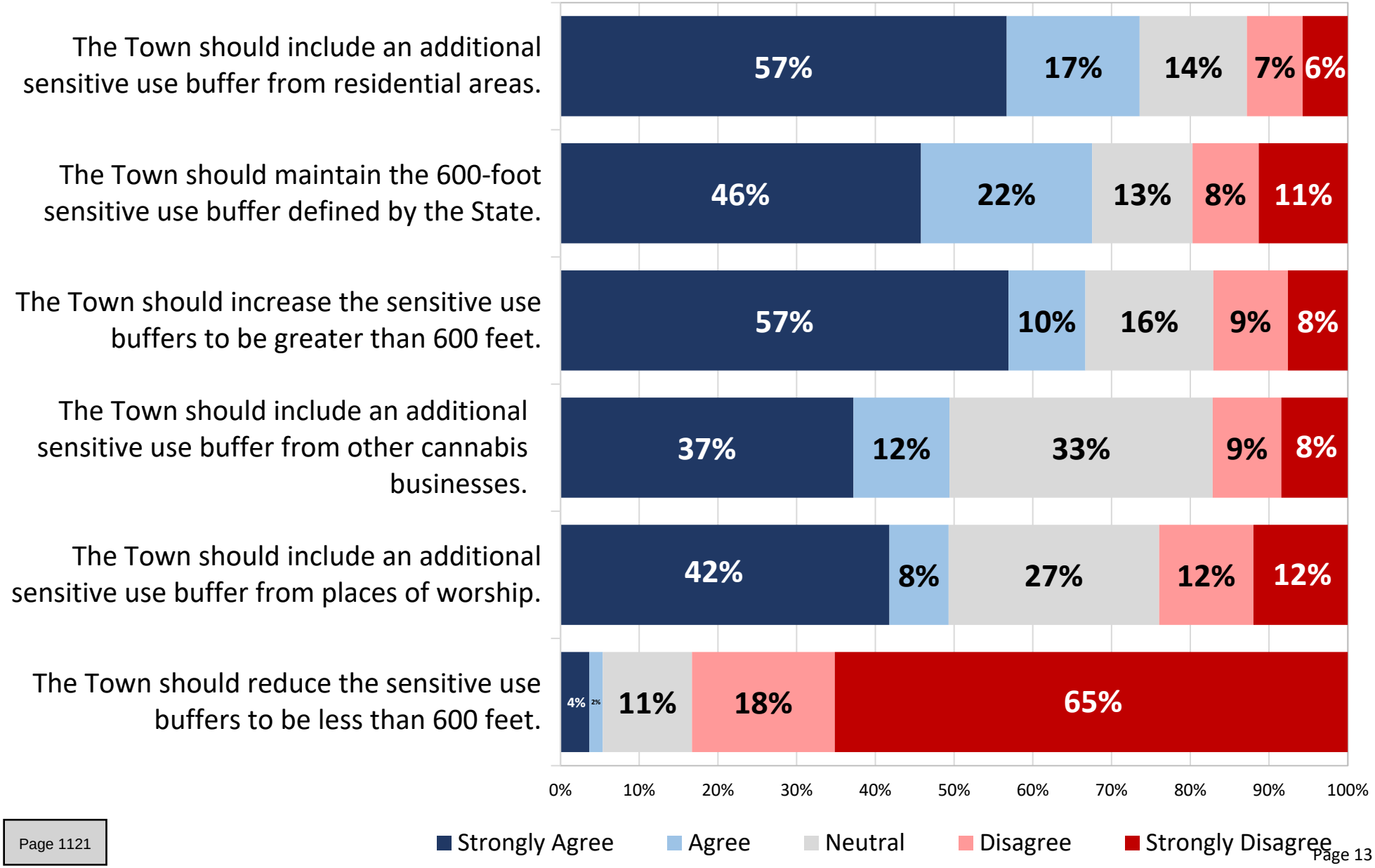
Q8: If the Town were to limit the number of permits issued for cannabis retailers, how many permits should the Town allow?

by the percentage of respondents



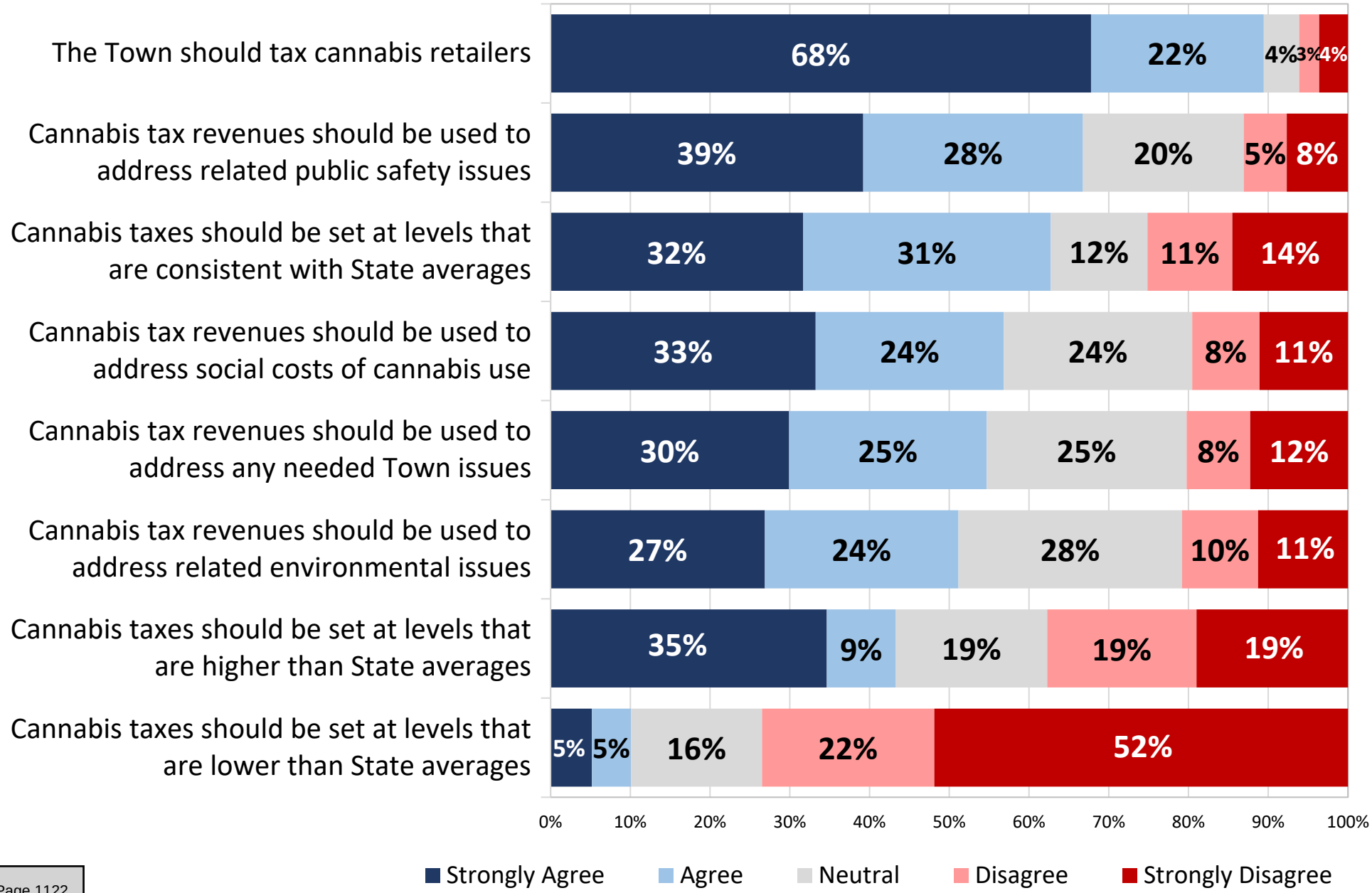
Q9: Based on the information above, what is your level of agreement with the following statements…

by percentage of respondents (excluding don't know responses)



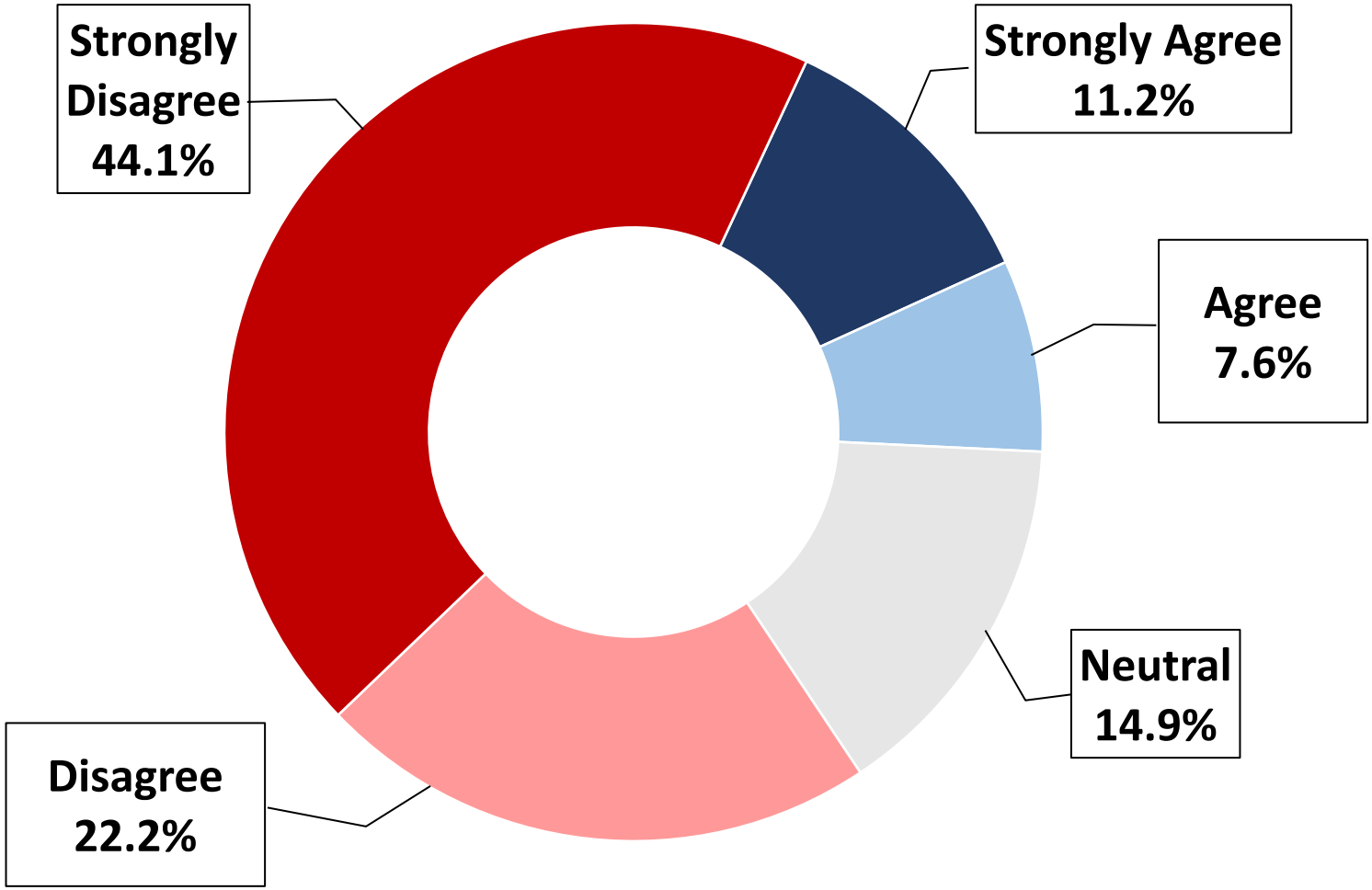
Q10: Based on the information above, what is your level of agreement with the following statements…

by percentage of respondents (excluding don't know responses)



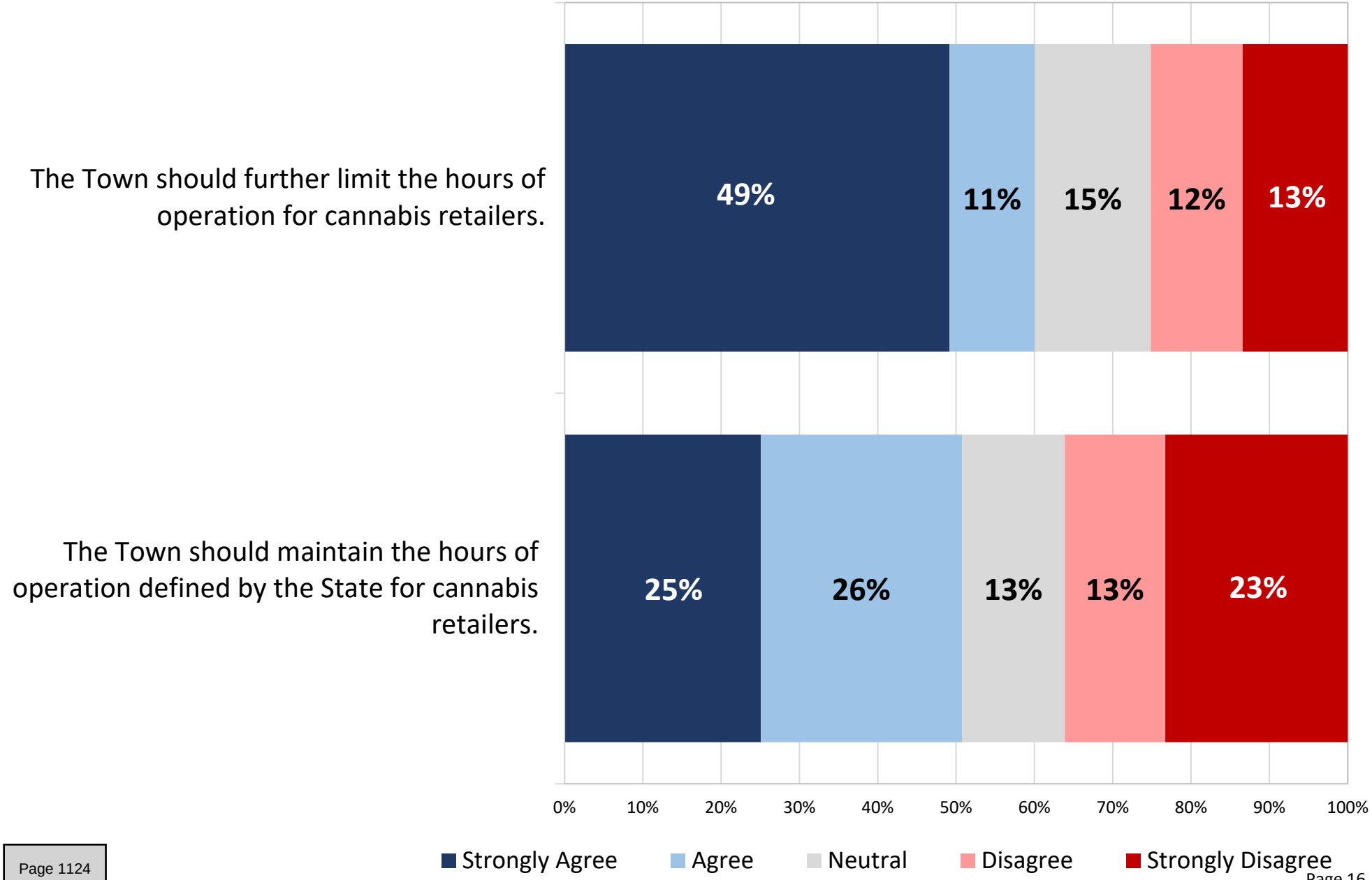
Q11: Based on this information, what is your level of agreement with the following statement: "The Town should require cannabis businesses to provide additional community benefits."

by percentage of respondents (excluding don't know responses)



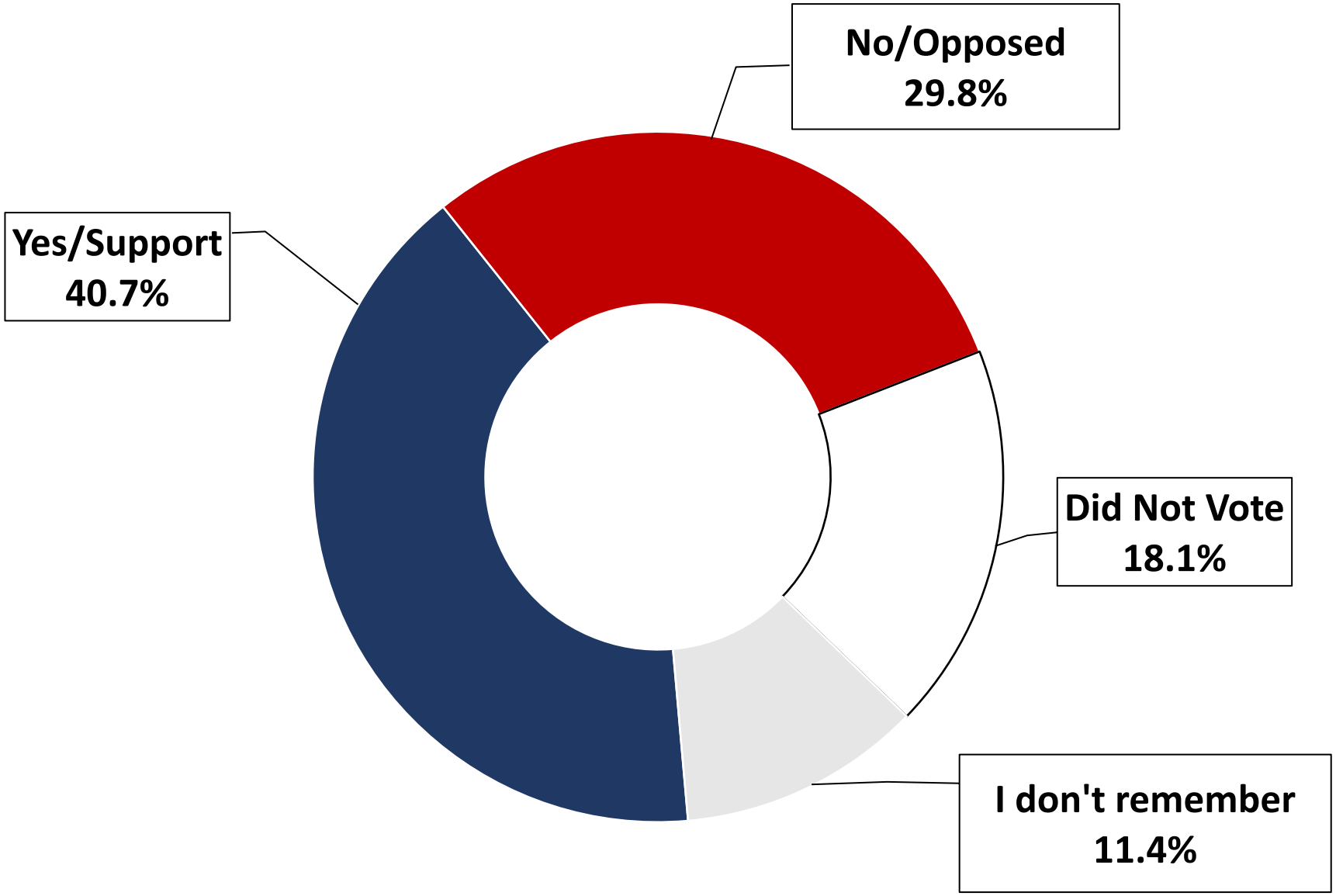
Q12: Based on the information above, what is your level of agreement with the following statements…

by percentage of respondents (excluding don't know responses)



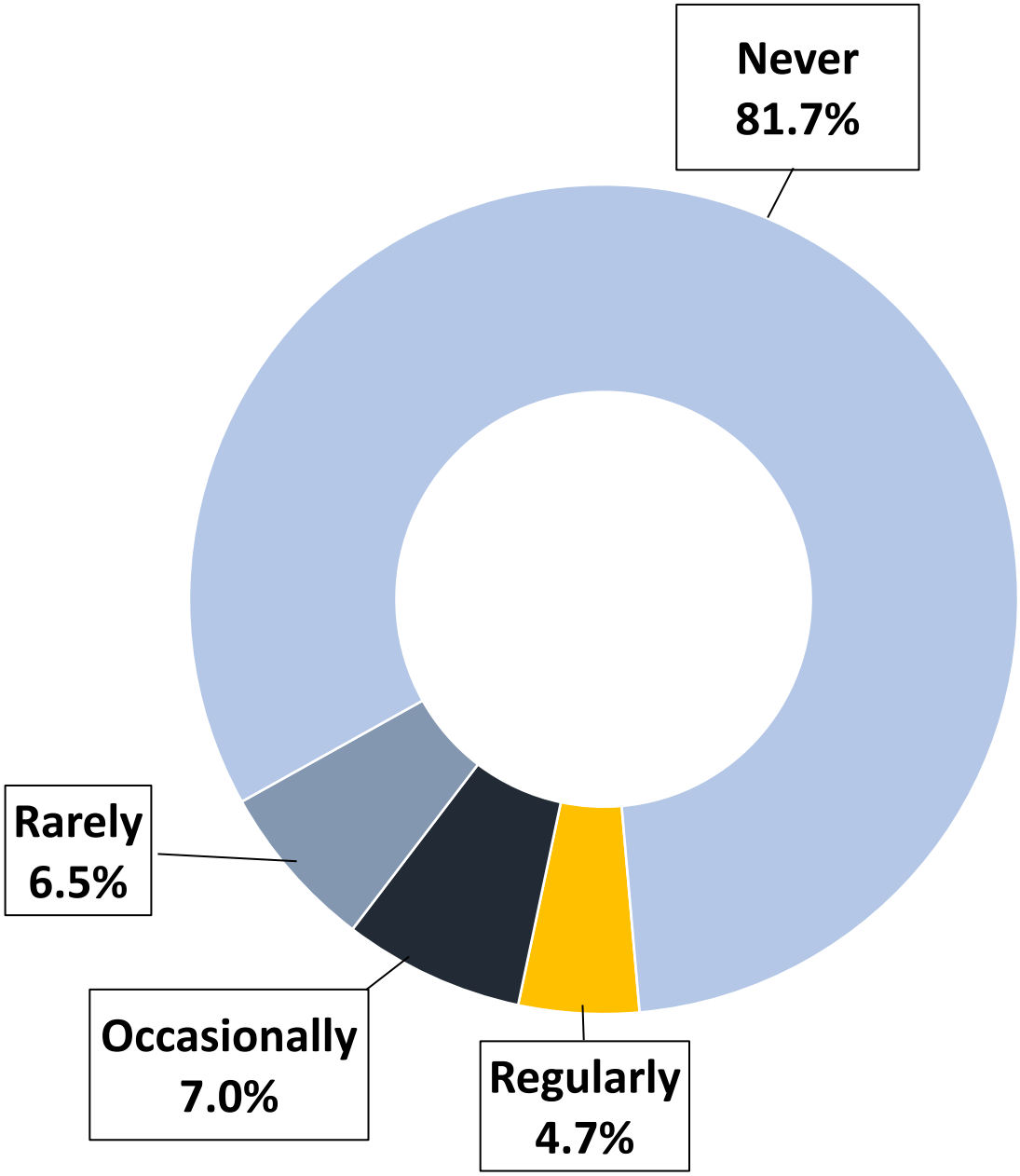
Q13: How did you vote on Proposition 64, the Adult Use of Marijuana Act of 2016?

by percentage of respondents (excluding don't know responses)



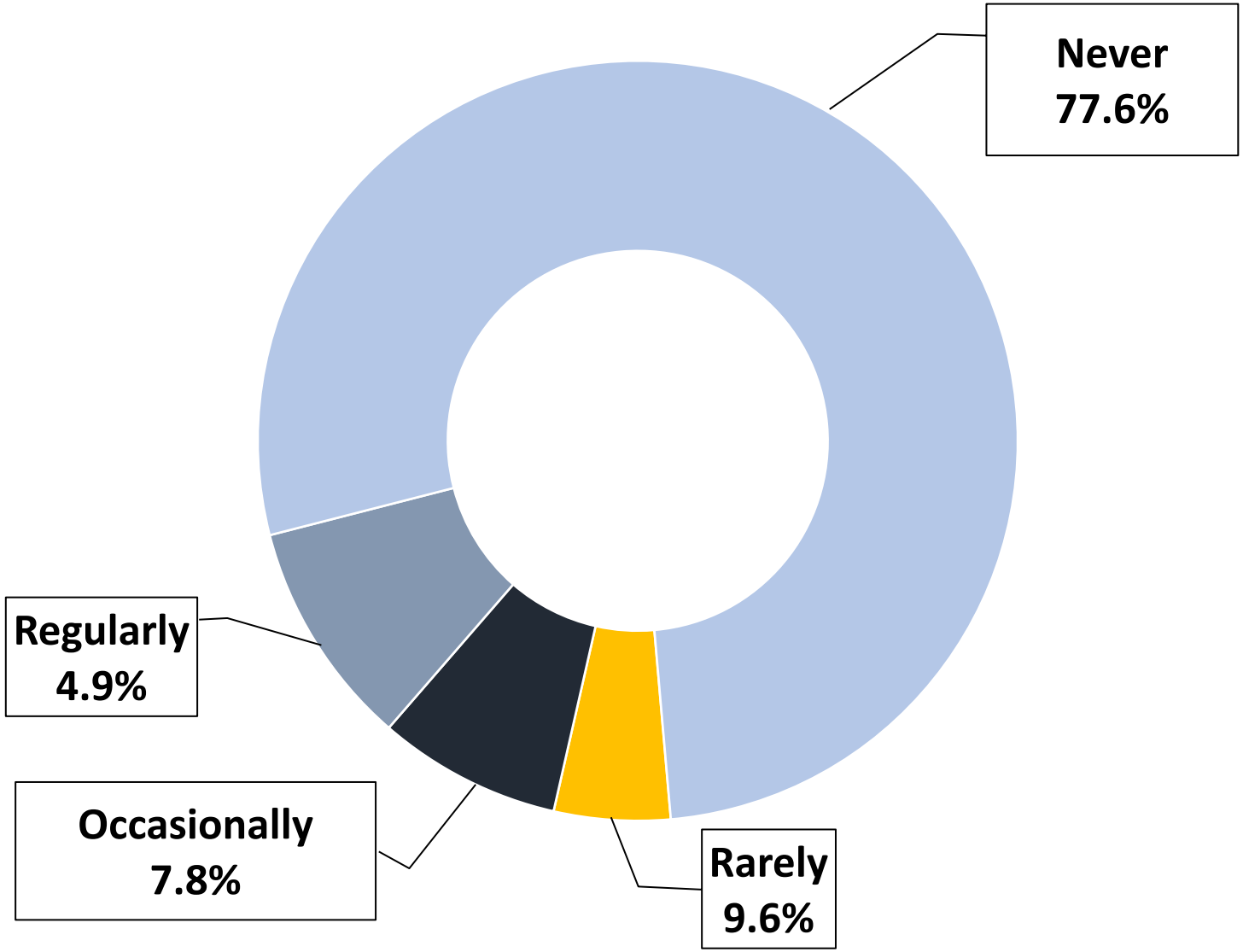
Q14: Do you personally use cannabis for medicinal use?

by percentage of respondents (excluding don't know responses)



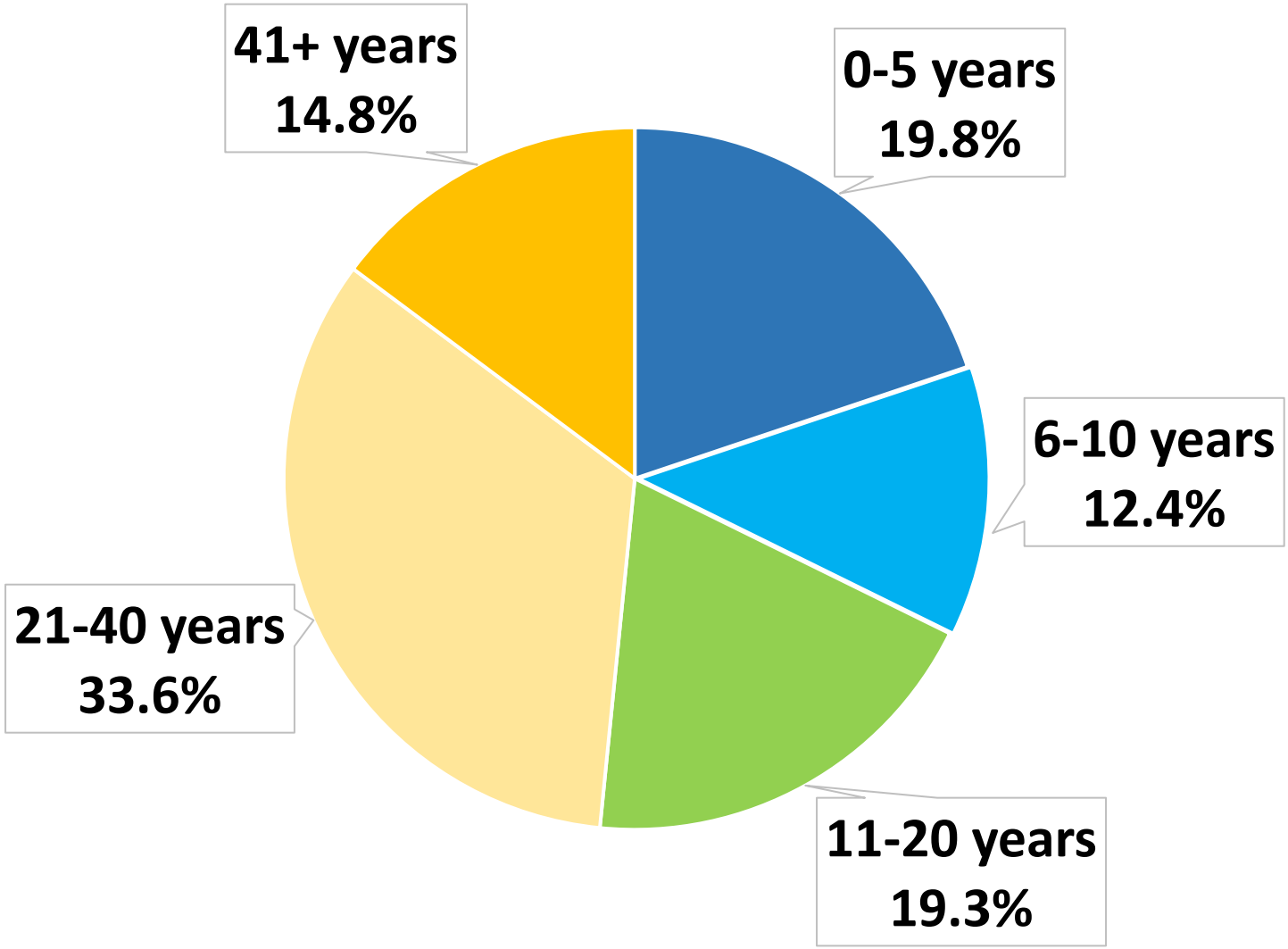
Q15: Do you personally use cannabis for adult recreational use?

by percentage of respondents (excluding don't know responses)

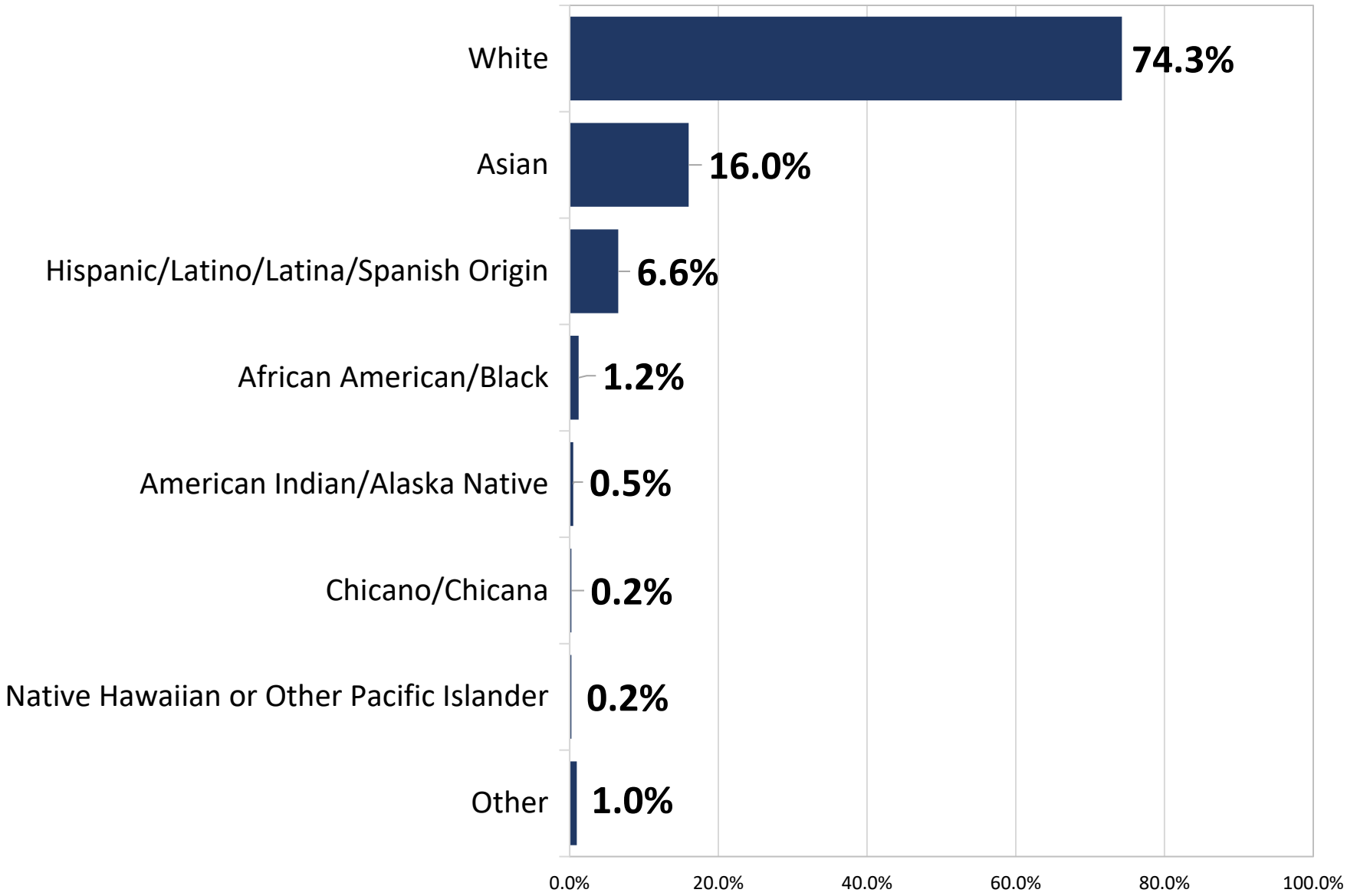


Q16: Approximately how many years have you lived in Los Gatos?

by percentage of respondents (excluding not provided responses)

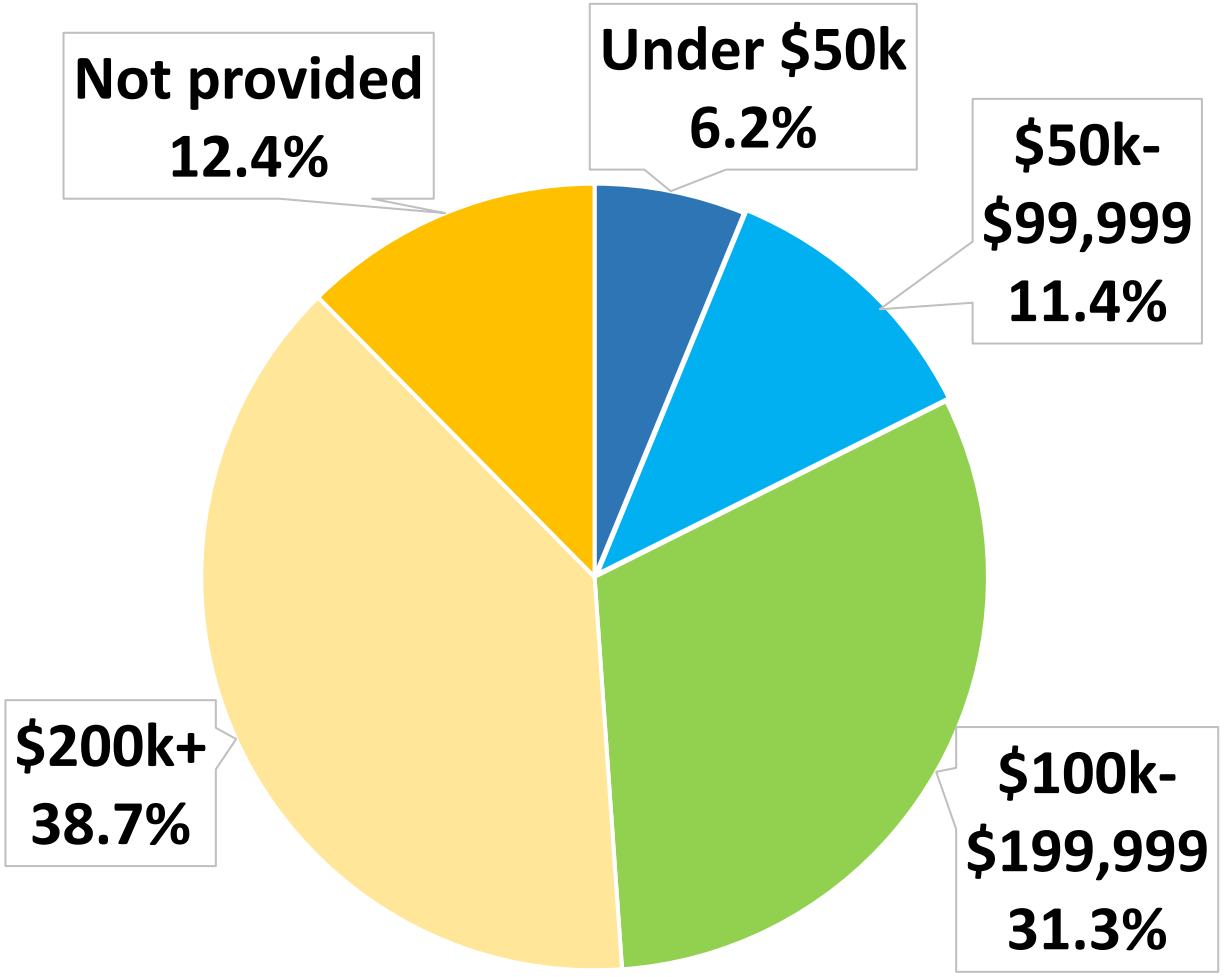


Q17: Which of the following best describes your race/ethnicity? *by the percentage of respondents (multiple response question)*



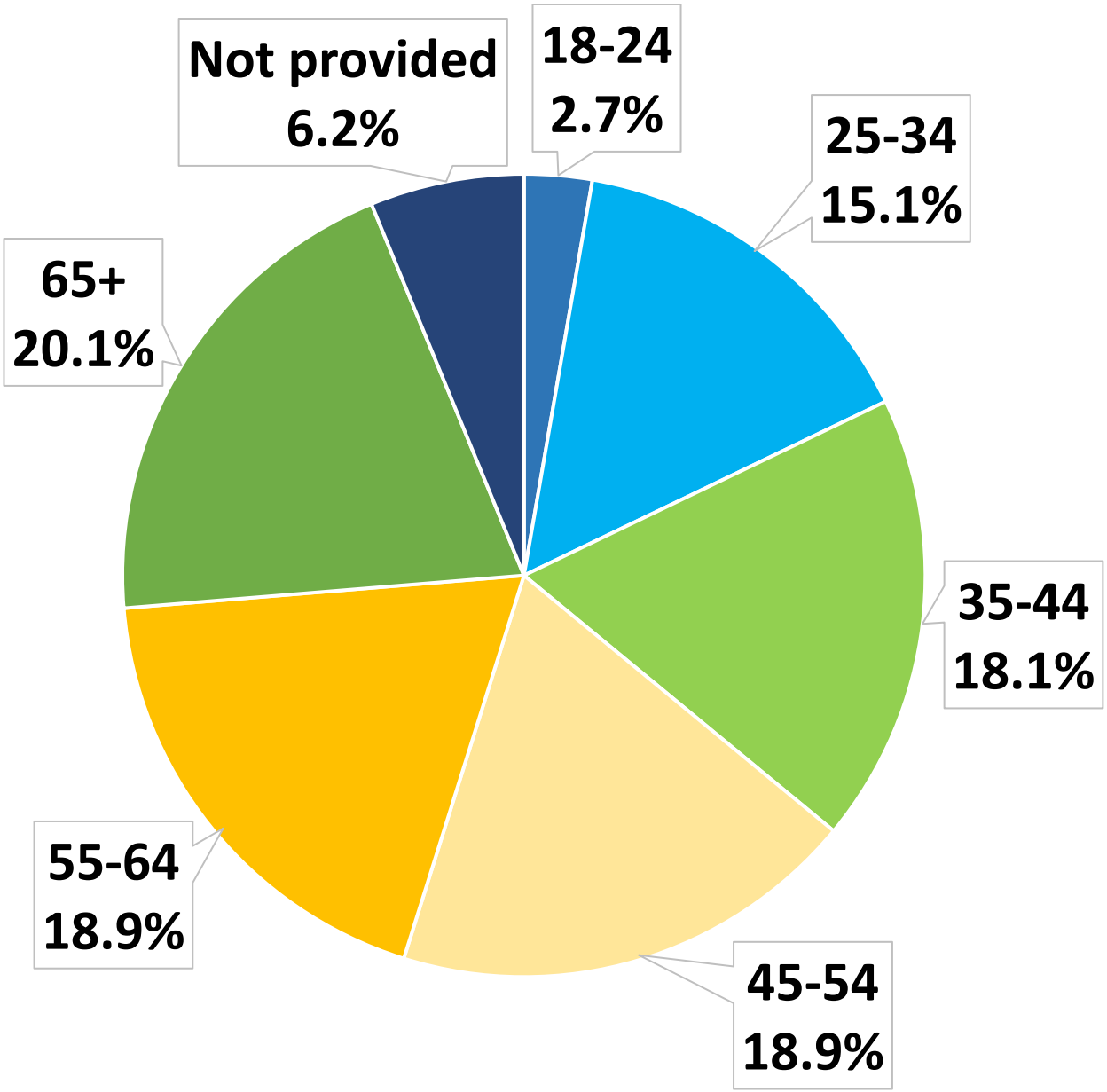
Q18: Would you say your total annual household income is...

by percentage of respondents (excluding not provided responses)



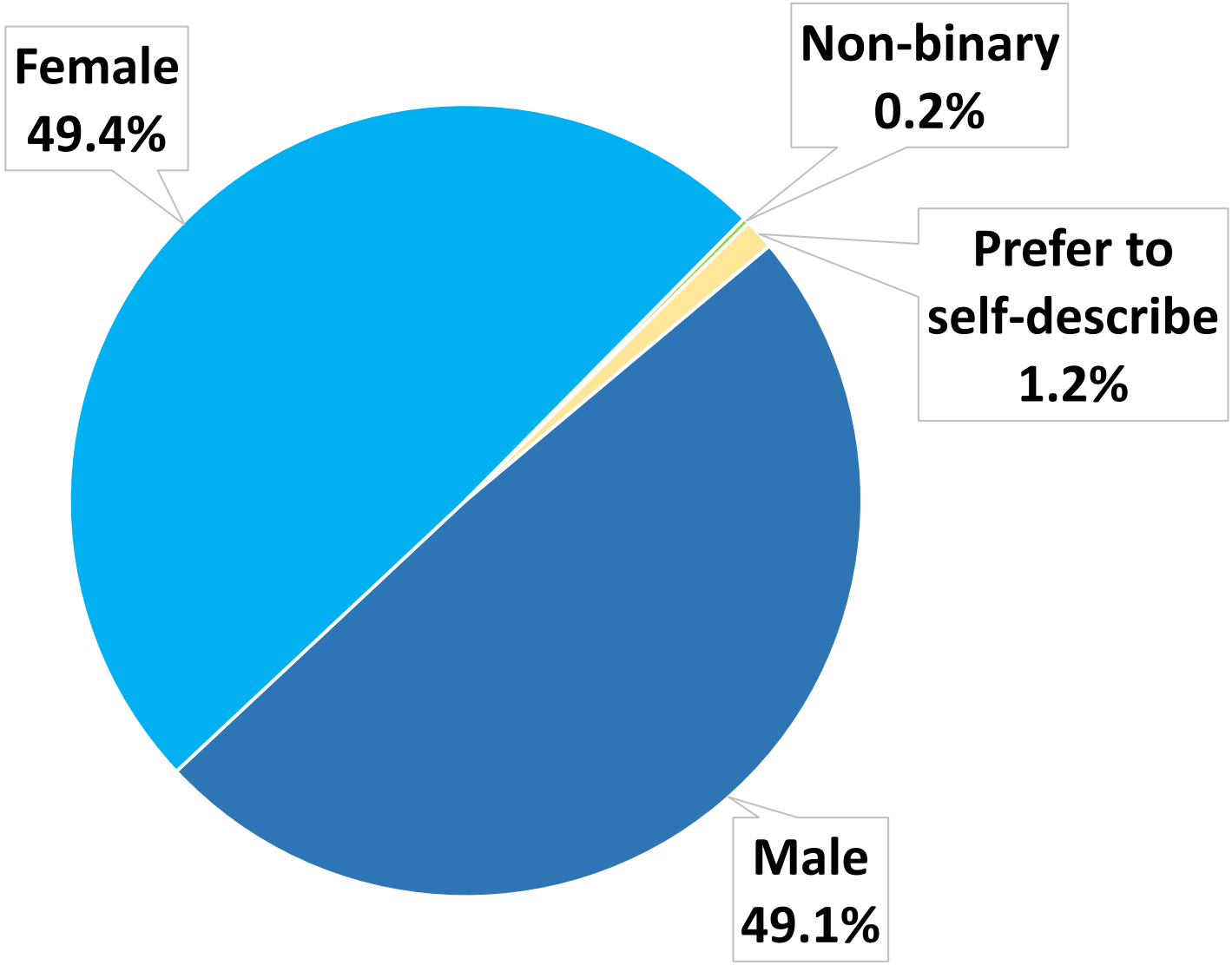
Q19: What is your age?

by percentage of respondents (excluding not provided responses)



Q20: What is your gender identity?

by percentage of respondents (excluding not provided responses)



Section 3: Tabular Data

1. What is your level of support/opposition for the following…	**Strongly Support**	**Somewhat Support**	**Neutral**	**Somewhat Oppose**	**Strongly Opposed**
Legalized cannabis for medicinal use	55.8%	15.8%	12.5%	3.3%	12.8%
Legalized cannabis for adult recreational use	32.1%	12.2%	14.4%	8.5%	32.8%
Allowing commercial cannabis businesses in Los Gatos	25.8%	7.5%	7.3%	6.3%	53.1%

2. What is your level of agreement with the following statements…	**Strongly Agree**	**Agree**	**Neutral**	**Disagree**	**Strongly Disagree**
I am concerned about odor impacts from commercial cannabis businesses.	39.2%	15.4%	15.6%	13.3%	16.4%
I am concerned about traffic and parking impacts from commercial cannabis businesses.	37.1%	15.7%	17.3%	12.2%	17.8%
I am concerned about public safety impacts from commercial cannabis businesses.	47.1%	11.8%	11.0%	12.0%	18.0%
I am concerned about loitering around cannabis businesses.	49.5%	13.8%	8.8%	11.3%	16.8%
I am concerned about youth access to cannabis.	57.9%	14.3%	7.5%	9.8%	10.5%
I am concerned about public consumption of cannabis.	40.6%	13.8%	16.0%	12.5%	17.0%
I am concerned about people driving under the influence of cannabis.	60.1%	15.7%	10.5%	7.7%	6.0%

	Strongly Support	**Somewhat Support**	**Neutral**	**Somewhat Oppose**	**Strongly Opposed**
3. Based on this information, what is your overall level of support/opposition for allowing commercial cannabis retailers within the Town of Los Gatos?	51.0%	7.7%	5.1%	9.4%	26.8%

4. What is your level of support/opposition for the following types of commercial cannabis retailers within the Town of Los Gatos…	**Strongly Support**	**Somewhat Support**	**Neutral**	**Somewhat Oppose**	**Strongly Opposed**
Storefront retailers for medicinal cannabis	29.8%	10.5%	11.5%	6.8%	41.5%
Storefront retailers for adult recreation use cannabis	23.8%	9.8%	5.5%	6.3%	54.8%
Non-storefront (delivery-only) retailers for medicinal cannabis	34.0%	15.0%	15.3%	5.3%	30.5%
Non-storefront (delivery-only) retailers for adult recreational use cannabis	26.1%	10.5%	14.3%	8.3%	40.9%

There are a variety of commercial cannabis business types, not all of which may be suitable for the same locations in the Town. IF the Town were to allow each of the following types of cannabis businesses, which zones do you think would be appropriate for each one?

5. Storefront Cannabis Retail	Number	Percent
Neighborhood Commercial (generally N Santa Cruz Ave. north of Hwy 9)	69	9.8%
Central Business District (downtown)	61	8.7%
Highway Commercial (generally Los Gatos Blvd.)	117	16.6%
Commercial/Industrial (generally University Ave. north of Andrews Street)	133	18.9%
Controlled Manufacturing (generally University Ave. north of Vasona Lake)	205	29.1%
Don't know	120	17.0%
Total	705	100.0%

6. Delivery Only Cannabis Retail	Number	Percent
Neighborhood Commercial (generally N Santa Cruz Ave. north of Hwy 9)	65	8.8%
Central Business District (downtown)	55	7.5%
Highway Commercial (generally Los Gatos Blvd.)	113	15.4%
Commercial/Industrial (generally University Ave. north of Andrews Street)	152	20.7%
Controlled Manufacturing (generally University Ave. north of Vasona Lake)	227	30.9%
Don't know	123	16.7%
Total	735	100.0%

7. Based on the information above, IF the Town were to allow commercial cannabis businesses, what is your level of agreement with the following statements…	**Strongly Agree**	**Agree**	**Neutral**	**Disagree**	**Strongly Disagree**
The Town should limit the number of permits issued for cannabis retailers only.	57.1%	17.4%	10.1%	7.3%	8.1%
The Town should limit the number of permits issued for all types of cannabis business.	65.8%	15.5%	8.3%	5.1%	5.3%
If the Town limits cannabis businesses, it should be done on a first come/first served basis.	12.8%	8.6%	28.8%	21.4%	28.4%
If the Town limits cannabis businesses, it should be done by a lottery.	13.5%	14.8%	26.8%	17.7%	27.1%
If the Town limits cannabis businesses, it should be done by a competitive ranking process.	36.5%	24.0%	24.4%	5.8%	9.3%

8. If the Town were to limit the number of permits issued for cannabis retailers, how many permits should the Town allow?	Number	Percent
One permit	160	39.7%
Two permits	70	18.1%
Three permits	54	13.4%
Four permits	15	3.7%
Five or more permits	48	11.9%
Don't know	53	13.2%
Total	400	100.0%

9. Based on the information above, what is your level of agreement with the following statements…	**Strongly Agree**	**Agree**	**Neutral**	**Disagree**	**Strongly Disagree**
The Town should maintain the 600-foot sensitive use buffer defined by the State.	45.8%	21.7%	12.8%	8.4%	11.3%
The Town should increase the sensitive use buffers to be greater than 600 feet.	56.9%	9.8%	16.3%	9.5%	7.6%
The Town should reduce the sensitive use buffers to be less than 600 feet.	3.7%	1.7%	11.3%	18.1%	65.2%
The Town should include an additional sensitive use buffer from residential areas.	56.7%	16.9%	13.6%	7.1%	5.7%
The Town should include an additional sensitive use buffer from places of worship.	41.8%	7.5%	26.7%	12.0%	12.0%
The Town should include an additional sensitive use buffer from other cannabis businesses.	37.2%	12.2%	33.4%	8.7%	8.4%

10. Based on the information above, what is your level of agreement with the following statements…	**Strongly Agree**	**Agree**	**Neutral**	**Disagree**	**Strongly Disagree**
The Town should tax cannabis retailers	67.8%	21.7%	4.4%	2.5%	3.6%
Cannabis taxes should be set at levels that are consistent with State averages	31.7%	31.1%	12.1%	10.7%	14.5%
Cannabis taxes should be set at levels that are lower than State averages	5.2%	4.9%	16.4%	21.6%	51.9%
Cannabis taxes should be set at levels that are higher than State averages	34.6%	8.7%	19.0%	18.7%	19.0%
Cannabis tax revenues should be used to address social costs of cannabis use	33.2%	23.6%	23.6%	8.5%	11.1%
Cannabis tax revenues should be used to address related public safety issues	39.2%	27.6%	20.2%	5.4%	7.7%
Cannabis tax revenues should be used to address related environmental issues	26.9%	24.3%	28.0%	9.5%	11.3%
Cannabis tax revenues should be used to address any needed Town issues	29.9%	24.8%	25.1%	8.0%	12.3%

11. Based on this information, what is your level of agreement with the following statement: "The Town should require cannabis businesses to provide additional community benefits."	Number	Percent
Strongly Agree	40	11.2%
Agree	27	7.6%
Neutral	53	14.9%
Disagree	79	22.2%
Strongly Disagree	157	44.1%
Total	356	100.0%

12. Based on the information above, what is your level of agreement with the following statements…	**Strongly Agree**	**Agree**	**Neutral**	**Disagree**	**Strongly Disagree**
The Town should maintain the hours of operation defined by the State for cannabis retailers.	25.1%	25.7%	13.1%	12.8%	23.3%
The Town should further limit the hours of operation for cannabis retailers.	49.2%	10.9%	14.8%	11.7%	13.4%

13. How did you vote on Proposition 64, the Adult Use of Marijuana Act of 2016?	Number	Percent
Yes/Support	164	40.7%
No/Opposed	120	29.8%
Did Not Vote	73	18.1%
I don't remember	46	11.4%
Total	403	100.0%

14. Do you personally use cannabis for medicinal use?	Number	Percent
Regularly	18	4.7%
Occasionally	27	7.0%
Rarely	25	6.5%
Never	313	81.7%
Total	383	100.0%

15. Do you personally use cannabis for adult recreational use?	Number	Percent
Regularly	19	4.9%
Occasionally	30	7.8%
Rarely	37	9.6%
Never	298	77.6%
Total	384	100.0%

16. Approximately how many years have you lived in Los Gatos?	Number	Percent
0-5 years	75	19.8%
6-10 years	47	12.4%
11-20 years	73	19.3%
21-40 years	127	33.6%
41+ years	56	14.8%
Total	378	100.0%

17. Which of the following best describes your race/ethnicity?	Number	Percent
Asian	66	16.0%
African American/Black	5	1.2%
American Indian/Alaska Native	2	0.5%
White	306	74.3%
Native Hawaiian or Other Pacific Islander	1	0.2%
Hispanic/Latino/Latina/Spanish Origin	27	6.6%
Chicano/Chicana	1	0.2%
Other	4	1.0%
Total	412	

18. Would you say your total annual household income is...		
Under 50k	25	6.2%
50-99,999	46	11.4%
100k-199,999	126	31.3%
200k+	156	38.7%
Not provided	50	12.4%
Total	403	100.0%

19. What is your age?	Number	Percent
18-24	11	2.7%
25-34	61	15.1%
35-44	73	18.1%
45-54	76	18.9%
55-64	76	18.9%
65+	81	20.1%
Not provided	25	6.2%
Total	403	100.0%

20. What is your gender identity?	Number	Percent
Male	198	49.1%
Female	199	49.4%
Non-binary	1	0.2%
Prefer to self-describe	5	1.2%
Total	403	100.0%

Section 4: Survey Instrument

Dear Los Gatos Resident,

You have been selected to participate in the 2022 Town of Los Gatos Cannabis Business Survey! Town Council and Town staff believe it is crucial to ask our residents their opinion about various legalized cannabis topics as the Town explores potentially allowing cannabis retail businesses. Asking questions ensures the Town's priorities are aligned with the needs of our residents; it is important to know what you think.

Your feedback is essential, especially since your household was among a limited number of randomly selected households that were invited to participate in this survey. Your participation is necessary to make the survey a success.

We greatly appreciate your time. We realize this survey takes some time to complete, but every question is crucial. The time you invest in this survey will influence decisions that will be made about the Town's future.

Please return your survey or complete it online sometime during the next two weeks. ETC Institute recently administered our 2022 Community Survey and we have selected ETC Institute to administer this survey. Since 1982, ETC Institute has been serving local government organizations and is the leading market research firm in the nation. Your responses will remain confidential. Please return your survey in the enclosed postage-paid envelope addressed to ETC Institute, 725 W. Frontier Circle, Olathe, Kansas, 66061 or go to *LGCannabisSurvey.org* to complete the survey online. If you have any questions, please contact: Esther Campbell, Senior Research Analyst for ETC Institute, at esther.campbell@etcinstitute.com or (913) 254-4528.

Thank you very much for taking the time to provide your valuable input to help us as we explore the possibility of allowing cannabis retail businesses in our Town. Your participation is greatly appreciated.

Sincerely,

Laurel Prevetti

Laurel Prevetti
Town Manager
Town of Los Gatos

Si tiene preguntas acerca de la encuesta y no habla inglés, par favor llame al 1-844-811-0411.

如果您对调查有任何疑问并且不会说英语，请致电 ***1-844-872-2562.***

2022 Town of Los Gatos Cannabis Business Survey

Please take a few minutes to complete this survey. Your input is an important part of the Town's exploration of potentially allowing cannabis retail businesses. You may complete the survey by filling it out online at LGCannabisSurvey.org or returning the paper survey in the postage-paid envelope that has been provided.

General Views of Cannabis

1.	What is your level of support/opposition for the following…	Strongly Support	Somewhat Support	Neutral	Somewhat Oppose	Strongly Opposed	Don't Know
1.	Legalized cannabis for medicinal use	5	4	3	2	1	9
2.	Legalized cannabis for adult recreational use	5	4	3	2	1	9
3.	Allowing commercial cannabis businesses in Los Gatos	5	4	3	2	1	9

2.	What is your level of agreement with the following statements…	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Don't Know
1.	I am concerned about odor impacts from commercial cannabis businesses.	5	4	3	2	1	9
2.	I am concerned about traffic and parking impacts from commercial cannabis businesses.	5	4	3	2	1	9
3.	I am concerned about public safety impacts from commercial cannabis businesses.	5	4	3	2	1	9
4.	I am concerned about loitering around cannabis businesses.	5	4	3	2	1	9
5.	I am concerned about youth access to cannabis.	5	4	3	2	1	9
6.	I am concerned about public consumption of cannabis.	5	4	3	2	1	9
7.	I am concerned about people driving under the influence of cannabis.	5	4	3	2	1	9

Commercial Cannabis Businesses

Commercial cannabis retailers are the only businesses that can sell cannabis to consumers. A cannabis retailer may have a storefront location where customers buy cannabis, or it may sell cannabis through a delivery service. Storefront retailers may also offer delivery. Non-storefront, delivery-only retailers must have a physical location, but it is not allowed to be open to the public. Cannabis retailers can be licensed to sell cannabis for medicinal use, or adult recreational use, or both.

3. Based on this information, what is your overall level of support/opposition for allowing commercial cannabis retailers within the Town of Los Gatos?

____(1) Strongly Support
____(2) Somewhat Support
____(3) Neutral
____(4) Somewhat Oppose
____(5) Strongly Opposed
____(9) Don't Know

4.	What is your level of support/opposition for the following types of commercial cannabis retailers within the Town of Los Gatos…	Strongly Support	Somewhat Support	Neutral	Somewhat Oppose	Strongly Opposed	Don't Know
1.	Storefront retailers for medicinal cannabis	5	4	3	2	1	9
2.	Storefront retailers for adult recreation use cannabis	5	4	3	2	1	9
3.	Non-storefront (delivery-only) retailers for medicinal cannabis	5	4	3	2	1	9
4.	Non-storefront (delivery-only) retailers for adult recreational use cannabis	5	4	3	2	1	9

Commercial Cannabis Business Locations

There are a variety of commercial cannabis business types, not all of which may be suitable for the same locations in the Town. IF the Town were to allow each of the following types of cannabis businesses, which zones do you think would be appropriate for each one?

5. Storefront Cannabis Retail

____(1) Neighborhood Commercial (generally N Santa Cruz Ave. north of Hwy 9)
____(2) Central Business District (downtown)
____(3) Highway Commercial (generally Los Gatos Blvd.)
____(4) Commercial/Industrial (generally University Ave. north of Andrews Street)
____(5) Controlled Manufacturing (generally University Ave. north of Vasona Lake)
____(9) Don't Know

6. Delivery Only Cannabis Retail

____(1) Neighborhood Commercial (generally N Santa Cruz Ave. north of Hwy 9)
____(2) Central Business District (downtown)
____(3) Highway Commercial (generally Los Gatos Blvd.)
____(4) Commercial/Industrial (generally University Ave. north of Andrews Street)
____(5) Controlled Manufacturing (generally University Ave. north of Vasona Lake)
____(9) Don't Know

Some cities have chosen to limit the number of permits that will be issued for various types of cannabis businesses. This can be done on a "first come/first served" basis, or by a lottery, or by a competitive ranking process. Limiting the number of permits can make the application process competitive and makes each one permit more valuable, which generally benefits those applicants with more business experience and greater financial capacity. This is especially true for retailers, as it can drive more customer traffic to each location.

7.	Based on the information above, IF the Town were to allow commercial cannabis businesses, what is your level of agreement with the following statements…	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Don't Know
1.	The Town should limit the number of permits issued for cannabis retailers only.	5	4	3	2	1	9
2.	The Town should limit the number of permits issued for all types of cannabis business.	5	4	3	2	1	9
3.	If the Town limits cannabis businesses, it should be done on a first come/first served basis.	5	4	3	2	1	9
4.	If the Town limits cannabis businesses, it should be done by a lottery.	5	4	3	2	1	9
5.	If the Town limits cannabis businesses, it should be done by a competitive ranking process.	5	4	3	2	1	9

8. If the Town were to limit the number of permits issued for cannabis retailers, how many permits should the Town allow?

____(1) One permit ____(2) Two permits ____(3) Three permits ____(4) Four permits ____(4) Five or more permits

The State of California generally requires that commercial cannabis businesses be located a minimum of 600 feet from certain sensitive uses, including K-12 schools, daycare centers, or youth centers. Cities are allowed to increase or decrease these sensitive use buffers and may even reduce them to zero if desired. Cities may also define additional sensitive uses.

9.	Based on the information above, what is your level of agreement with the following statements…	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Don't Know
1.	The Town should maintain the 600-foot sensitive use buffer defined by the State.	5	4	3	2	1	9
2.	The Town should increase the sensitive use buffers to be greater than 600 feet.	5	4	3	2	1	9
3.	The Town should reduce the sensitive use buffers to be less than 600 feet.	5	4	3	2	1	9
4.	The Town should include an additional sensitive use buffer from residential areas.	5	4	3	2	1	9
5.	The Town should include an additional sensitive use buffer from places of worship.	5	4	3	2	1	9
6.	The Town should include an additional sensitive use buffer from other cannabis businesses.	5	4	3	2	1	9

Commercial Cannabis Business Taxes

Many cities have chosen to establish taxes for commercial cannabis businesses. These taxes can generate revenues for the Town to use for any desired purpose. Setting taxes too high can make it harder for cannabis businesses to compete. Often cities will use revenue from cannabis taxes to address public safety issues related to cannabis use, including drug treatment, youth programs, law enforcement or environmental issues.

10.	Based on the information above, what is your level of agreement with the following statements…	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Don't Know
1.	The Town should tax cannabis retailers	5	4	3	2	1	9
2.	Cannabis taxes should be set at levels that are consistent with State averages	5	4	3	2	1	9
3.	Cannabis taxes should be set at levels that are lower than State averages	5	4	3	2	1	9
4.	Cannabis taxes should be set at levels that are higher than State averages	5	4	3	2	1	9
5.	Cannabis tax revenues should be used to address social costs of cannabis use	5	4	3	2	1	9
6.	Cannabis tax revenues should be used to address related public safety issues	5	4	3	2	1	9
7.	Cannabis tax revenues should be used to address related environmental issues	5	4	3	2	1	9
8.	Cannabis tax revenues should be used to address any needed Town issues	5	4	3	2	1	9

In addition to requiring cannabis businesses to pay a cannabis business tax, some cities also require cannabis businesses to provide specified community benefits. These may include requiring them to pay a living wage, provide health insurance and other employee benefits, contribute to community organizations and non-profits, provide paid volunteer hours for their employees, or other benefits. As with taxes, these benefits impose an additional cost on the business that can affect their profitability.

11. Based on this information, what is your level of agreement with the following statement: "The Town should require cannabis businesses to provide additional community benefits."

____(1) Strongly Agree
____(2) Agree
____(3) Neutral
____(4) Disagree
____(5) Strongly Disagree
____(9) Don't Know

Other Topics

The State allows cannabis retailers to sell and deliver cannabis only between the hours of 6:00 a.m. and 10:00 p.m. Some cities choose to limit these hours even further.

12.	Based on the information above, what is your level of agreement with the following statements…	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Don't Know
1.	The Town should maintain the hours of operation defined by the State for cannabis retailers.	5	4	3	2	1	9
2.	The Town should further limit the hours of operation for cannabis retailers.	5	4	3	2	1	9

13. How did you vote on Proposition 64, the Adult Use of Marijuana Act of 2016?

____(1) Yes/Support ____(2) No/Opposed ____(3) Did Not Vote

14. Do you personally use cannabis for medicinal use?

____(1) Regularly ____(2) Occasionally ____(3) Rarely ____(4) Never

15. Do you personally use cannabis for adult recreational use?

____(1) Regularly ____(2) Occasionally ____(3) Rarely ____(4) Never

Demographics

16. Approximately how many years have you lived in Los Gatos? _____ years

17. Which of the following best describes your race/ethnicity? *[Check all that apply.]*

____(01) Asian
____(02) American/Black
____(03) American Indian/Alaska Native
____(04) White
____(05) Native Hawaiian or Other Pacific Islander
____(06) Hispanic/Latino/Latina/Spanish Origin
____(07) Chicano/Chicana
____(99) Other: _____

18. Would you say your total annual household income is...

____(1) Under $50,000 ____(2) $50,000 to $99,999 ____(3) $100,000 to $199,999 ____(4) $200,000+

19. What is your age?

____(1) 18-24 years
____(2) 25-34 years
____(3) 35-44 years
____(4) 45-54 years
____(5) 55-64 years
____(6) 65+ years

20. What is your gender identity?

____(1) Male ____(2) Female ____(3) Non-binary/third gender (4) Prefer to self-describe:_____

21. Please provide any additional comments you may have:

_____

_____

_____

The information shown to the right will ONLY be used to help ensure the survey results are statistically representative of residents in the area. Thank you.

This concludes the survey. Thank you for your time!

Please return your survey in the postage-paid envelope addressed to:
ETC Institute, 725 W. Frontier Circle, Olathe, KS 66061