



**TO:** Mayor and Councilmembers

**SUBMITTED BY:** Luke Rioux, Finance Director

**PREPARED BY:** Cecilia Rubio, Management Assistant

**SUBJECT:** Finance Department Professional Services Agreements and Amendments with HdL Coren & Cone, Hinderliter, De Llamas and Associates, and Foster and Foster

**RECOMMENDATION:**

- A. Authorize the City Manager to execute Amendment No. 4 to Professional Services Agreement No. 2019-057 with HdL Coren & Cone for property tax management, information, and audit services, increasing the contract authority by \$14,945 for a total not-to-exceed amount of \$94,960 with a term expiring June 30, 2026.
- B. Authorize the City Manager to execute Amendment No. 4 to Professional Services Agreement No. 2018-125 with Hinderliter, De Llamas and Associates for ongoing professional consulting, monitoring and compliance services related to cannabis businesses, increasing the contract authority by \$158,000 for a total not-to-exceed amount of \$542,000 with a term expiring June 30, 2026.
- C. Authorize the City Manager to execute Amendment No. 1 to Professional Services Agreement No. 2022-111 with Foster & Foster Actuaries and Consulting for ongoing professional consulting services related to the valuation of post-retirement medical benefits provided to eligible employees, increasing the contract authority by \$19,450 for a total not-to-exceed amount of \$46,200 with a term expiring June 30, 2028.

**BACKGROUND:**

**HdL Coren & Cone - Property Tax Services**

On June 30, 2019, the City Manager executed Agreement No. 2019-057 between the City and HdL Coren & Cone (HdLCC) to provide annual professional property tax management, information, and audit services for an amount not-to-exceed \$24,300 and a term ending June 30, 2021. On July 8, 2021, the City Manager executed Amendment No. 1 to extend the term to June 30, 2022, and increased the total not-to-exceed amount by \$12,400 to \$36,700. On June 21, 2022, the City Council authorized Amendment No.

2 to increase the total not-to-exceed amount by \$13,315 to \$50,015 and extend the term of the agreement to June 30, 2023. On June 20, 2023, the City Council authorized Amendment No. 3 to extend the term of the agreement to June 30, 2025, and increased the total not-to-exceed amount by \$30,000 to \$80,015. The Amendments Nos. 1 through 3 are provided in Attachment 4.

City staff relies on the specialized expertise and resources of financial consultants and advisors to provide property tax management and audit services on revenues distributed from the County of Santa Barbara. The management services include providing quarterly reports and monthly updates to assist with budget forecasting and detailed property tax analysis. The consultant also provides a property tax database, which allows staff to review parcel information and land ownership. The audit services include identifying, correcting, and recovering any misallocated property tax revenues.

### **Hinderliter, De Llamas and Associates - Cannabis Compliance Services**

In December 2018, the City Manager executed Agreement No. 2018-125 between the City and Hinderliter, De Llamas and Associates (HDL) to provide professional cannabis consulting services and expertise in the development and revision of cannabis ordinances and program implementation. Services also include assistance with regulatory compliance licensing reviews, as well as optional compliance inspections and financial and tax audit services. The processing of cannabis business licenses is a multi-departmental work effort, involving Finance, Human Resources/Risk Management, Planning, Building and Safety, and Public Safety. Contracting with HDL provides the supplemental staffing support and expertise needed for proper review for compliance with state and local law.

The original agreement with HDL was in the not-to-exceed amount \$30,000 and expired June 30, 2019. On June 4, 2019, Amendment No. 1 extended the term of Agreement 2018-125 to June 30, 2021, and increased the total not-to-exceed amount to \$154,000. On June 15, 2021, the City Council authorized Amendment No. 2 to extend the term of the agreement to June 30, 2023, and increased the total not-to-exceed amount by \$170,000 to \$324,000. On October 3, 2023, the City Council authorized Amendment No. 3 to extend the term of the agreement to June 30, 2025, and increased the total not-to-exceed amount by \$60,000 to \$384,000. Amendments Nos. 1 through 3 are provided in Attachment 5.

### **Foster & Foster Actuaries and Consulting – Actuarial Consulting Services**

On December 21, 2022, the City Manager executed Agreement No. 2022-111 with Foster & Foster for professional actuarial services related to Other Post-Employment Benefits (OPEB) for an amount not-to-exceed \$26,750 and a term ending date of December 31, 2024. This included the development of funding valuation reports, updated OPEB liability disclosures, and the preparation of Government Accounting Standards Board (GASB) Statement No. 75 valuation reports. These reports are essential for the preparation of the City's annual audit and financial statements.

The City is required to fulfill the GASB Statement No. 75, which establishes standards for measuring and disclosing liabilities associated with OPEB separate from pensions, such as retiree medical benefits. These actuarial valuations are required to be completed at least biennially and are incorporated into the City's Annual Comprehensive Financial Report (ACFR).

Services under this agreement include actuarial valuations, accounting reports for GASB Statement No. 75 compliance, review of post-retirement healthcare benefits, and consultation on funding strategies, assumptions, and policy considerations. These deliverables support the City's financial transparency, compliance, and long-range planning. The original agreement is provided in Attachment 6.

## **DISCUSSION:**

### **HdL Coren & Cone - Property Tax Services**

The existing agreement expired June 30, 2025. The services provided under contract include all-inclusive property tax management services, a review of property tax revenues due to the City, and assistance with future revenue projections. The consultant review services include, but are not limited to, the preparation of the Gann limit calculation, quarterly reports, web-based software with individual parcel information, and identification and correction of any county errors resulting in the misallocation of tax.

The City is satisfied with HdLCC's services and their continued responsiveness, and therefore, staff is recommending that the City Council approve and authorize the City Manager to execute Amendment No. 4 to Professional Services Agreement No. 2019-057 with HdLCC for property tax management, information, and audit services, retroactively extending the term of the agreement to June 30, 2026, and increasing the contract authority by \$14,945. The proposed Amendment No. 4 is provided in Attachment 1. Agreement No. 2019-057 and prior amendments are included in Attachment 4.

### **Hinderliter, De Llamas and Associates - Cannabis Compliance Services**

The existing agreement expired June 30, 2025. Their expertise is necessary for ongoing cannabis application reviews, on-site inspections, monitoring, and compliance, as well as financial audits of cannabis business license applicants.

Staff is recommending that the City Council authorize the City Manager to execute Amendment No. 4 to Professional Services Agreement No. 2018-125 with Hinderliter, De Llamas and Associates, retroactively extending the term of the agreement to June 30, 2026, and increasing the contract authority by \$158,000. The consultant will continue to review applications, provide preliminary and final site inspections, and tax audits as necessary in accordance with Goleta Municipal Code Chapter 5.09 (Commercial Cannabis Businesses) and 3.08 (Cannabis Business Tax). The proposed Amendment No. 4 is provided in Attachment 2. Agreement No. 2018-125 and prior amendments are included in Attachment 5.

## Foster & Foster – Actuarial Consulting Services

The existing agreement expired December 31, 2024. Foster & Foster's services have been timely, accurate, and well aligned with annual audit requirements and the preparation of the ACFR.

The City is satisfied with the quality and responsiveness of Foster & Foster actuarial services, and therefore, staff recommend retroactively extending the agreement through June 30, 2028, and increasing the contract authority by \$19,450 for a new not-to-exceed amount of \$46,200. The extended term will align with the City's long-term financial planning cycles and ensure continuity of service for the next cycle of actuarial reports, consultation on revised assumptions, and ongoing support through multiple fiscal years. The proposed Amendment No. 1 is provided in Attachment 3. The original agreement (No. 2022-011) is provided in Attachment 6.

### FISCAL IMPACTS:

The cost of all three amendments is supported by the City's General Fund and has sufficient budget appropriations that were included as part of the recent budget adoption. The following table summarizes the recommended amendments described above.

Vendor	Current Amount	Amended Amount	Total Not-To-Exceed
<b>GL 101-30-3100-51200 (Professional Services)</b>			
HdL Coren & Cone (Property Tax)	\$80,015	\$14,945	\$94,960
HDL (Cannabis Compliance)	\$384,000	\$158,000	\$542,000
Foster & Foster (GASB 75)	\$26,750	\$19,450	\$46,200
<b>Total</b>	<b>\$490,765</b>	<b>\$192,395</b>	<b>\$683,160</b>

### ALTERNATIVES:

The City Council may choose not to approve one or more of the recommended amendments and agreements discussed herein; however, this would result in significant delays in critical work related to property tax revenues, cannabis compliance and auditing, and actuarial reporting. Delays may impact budget accuracy, regulatory enforcement, and compliance with GASB No. 75 reporting deadlines.

**LEGAL REVIEW BY:** Isaac Rosen, City Attorney

**APPROVED BY:** Robert Nisbet, City Manager



**ATTACHMENTS:**

1. Amendment No. 4 to Professional Services Agreement No. 2019-057 HdL Coren & Cone
2. Amendment No. 4 to Professional Services Agreement No. 2018-125 Hinderliter, De Llamas and Associates
3. Amendment No. 1 to Agreement No. 2022-111 Foster & Foster Consulting Actuaries Inc.
4. Professional Services Agreement No. 2019-057 with HdL Coren & Cone and Amendments No. 1 through No. 3
5. Professional Services Agreement No. 2018-125 Hinderliter, De Llamas and Associates and Amendments No. 1 through No. 3
6. Professional Services Agreement No. 2022-111 Foster & Foster Consulting Actuaries Inc.

## **ATTACHMENT 1**

Amendment No. 4 to Professional Services Agreement No. 2019-057 with HdL  
Coren & Cone

**AMENDMENT NO. 4  
TO A PROFESSIONAL SERVICES AGREEMENT  
BETWEEN THE CITY OF GOLETA  
AND HDL COREN & CONE**

This **Amendment No. 4** to the Professional Services Agreement by and between the **City of Goleta**, a municipal corporation ("City") and **HDL Coren & Cone** ("Consultant") dated July 17, 2019 ("Agreement," Agreement No. 2019-057) is made on this 15th day of July, 2025.

**SECTION A. RECITALS**

1. This Agreement is for the property tax management, information and audit services; and
2. This Agreement has been amended to provide additional compensation for continued tasks, update the fixed annual fee, and extend the termination date of the agreement (Amendment No. 1, 2, and 3); and
3. The Agreement currently provides in Section 3 Subsection (a) for the total compensation amount not to exceed \$80,015; and
4. The parties desire to amend the Agreement so as to provide for additional compensation in the amount of \$14,945 for continued tasks; and
5. The Agreement currently provides in Section 6 for the termination of the Agreement on June 30, 2025; and
6. The parties desire to retroactively amend this Agreement so that this Amendment is effective as of June 30, 2025, and the term of the Agreement extends to June 30, 2026; and
7. The Agreement currently provides in Exhibit A-3 entitled "Scope of Services" the complete and particular description of services; and
8. The parties desire to amend Exhibit A-3 of the Agreement to identify the new fixed annual fee for Base Services, attached as Exhibit "A-4"; and
9. The City Council approved this Amendment No. 4, on this 15th day of July, 2025.

**SECTION B. AMENDED TERMS**

**Now therefore** City and Consultant retroactively agree that the Agreement be, and hereby is, amended as of June 30, 2025 as follows:

City of Goleta  
Amendment No. 4 to Agreement No. 2019-057  
Page 1 of 8

1. **Subsection (a) of Section 3. COMPENSATION AND PAYMENT** of the Agreement is amended to add an additional authorized amount of \$14,945 and to read in its entirety:

**Maximum and Rate.** The total compensation payable to CONSULTANT by CITY for the services under this AGREEMENT **SHALL NOT EXCEED** the sum of \$94,960 (herein "not-to-exceed amount") and shall be earned as the work progresses on the following bases.

Consultant shall provide the Base Services as described in the Scope of Services, attached as Exhibit "B", for a fixed annual fee of \$14,945 per fiscal year (invoiced quarterly). Consultant shall be paid 25 percent of misallocated revenue identified in the audit. Consultant shall separate and support tax reallocation and provide City with an itemized invoice showing all amounts due as a result of revenue recovery and reallocation. City shall pay audit fees after Consultant's submittal of evidence that corrections have been made by the appropriate agency. Payment to the Consultant shall be made after City receives its first remittance advice during the fiscal year for which the correction applies.

- (a) **Payment.** CONSULTANT shall provide CITY with written verification of the actual compensation earned, which written verification shall be in a form satisfactory to City's Project Manager, as described in Section 5. Invoices shall be made no more frequently than on a monthly basis, and describe the work performed (including a list of hours worked by personnel classification). All payments shall be made within 30 days after City's approval of the invoice.

2. **Section 6. TERM, PROGRESS AND COMPLETION** of the Agreement is amended to extend the term for an additional one (1) year to read in its entirety:

The term of this Agreement is from the date first written above to June 30, 2026, unless the term of this Agreement is extended or the Agreement is terminated as provided for herein.

CONSULTANT shall not commence work on the services to be performed until (i) CONSULTANT furnishes proof of insurance as required by Section 10 below, and (ii) CITY gives written authorization to proceed with the work provided by CITY's Project Manager. All services shall be completed within the term of this Agreement following the notice to proceed.

3. This Agreement is amended to delete and replace in its entirety:

**Exhibit A-3 “Scope of Services”** with **Exhibit A-4 “Scope of Services”** attached hereto and incorporated herein.

4. Except as otherwise specifically provided herein, all other provisions of the Agreement shall remain in full force and effect.

**In concurrence and witness whereof**, this Amendment No. 4 has been executed by the parties effective on the date and year first above written.

**CITY OF GOLETA**

**CONSULTANT**

\_\_\_\_\_  
Robert Nisbet, City Manager

\_\_\_\_\_  
Paula Cone, President

**ATTEST:**

\_\_\_\_\_  
Deborah Lopez, City Clerk

\_\_\_\_\_  
Nichole Cone-Morishita, CFO

**APPROVED AS TO FORM:**  
ISAAC ROSEN, CITY ATTORNEY


Signed by:  
  
\_\_\_\_\_  
4285248AE5424CE  
Scott Shapses, Deputy City Attorney

Exhibit A-4



**PROPERTY TAX MANAGEMENT, INFORMATION AND AUDIT SERVICES**  
**SCOPE OF SERVICES**

Services provided include property tax management service, secured and unsecured parcel audits, budget projections, and Successor Agency support.

**Reports and Management Analyses** <sup>(1)</sup>

HdL Coren & Cone (HdLCC) will provide the following reports. Reports are also available from prior years if required.

- A five-year history of the values within the City, and custom (city defined) geographic areas;
- A listing of the largest value changes, positive and negative between tax years;
- An annual parcel listing of properties with parcel number changes between tax years identifying parcel splits and combines;
- A listing of the major property owners for the City including the combined assessed values of their property and property use code designation;
- A listing and summary of property transfers which occurred since the lien date ordered by month;
- A listing of parcels that have not changed ownership since the enactment of Proposition 13;
- A comparison of property within the City by county use-code designation;
- A multiple year comparison of growth by use code designation over a 5-year period;

- A listing by parcel of new construction activity to identify non-residential parcels with new construction activity and to provide reports for use in the City's preparation of Proposition 4 and 111 State Appropriation Limit calculations;
- A listing of absentee owner parcels;
- Calculate an estimate of property tax revenue anticipated to be received for the current fiscal year by the City based upon the initial information provided by the County and subject to modification. This estimate shall not be used to secure the indebtedness of the City.
- Analyses based on geo areas designated by the City to include assessed valuations and square footage computations for use in economic analysis and community development planning.
- Tracking of Proposition 8 reductions and restorations
- Median sale price data for current year and prior years for comparison
- One and five-year budget projections for the city general fund and special districts. This report is interactive for tax modeling.
- Newsletter summary for public and elected distribution.

### **Successor Agency Services**

Successor Agency Services including but not limited to:

- Annual tax increment projections and, as requested, cash flow analysis for the Successor Agency by Project Area
- Review of Redevelopment Obligation Payment Schedules (ROPS) as requested.
- Provide property tax information to the Oversight Board at the direction of the Successor Agency
- Provide access to the Oversight Board to City and former redevelopment agency documents at the direction of the Successor Agency
- Monitor the County distribution of tax-sharing revenues to the taxing entities of the former redevelopment agency

- Advice and consultation on the City/Successor Agency's preparation of required reports, such as revenue projections; review of Recognized Obligation Payment Schedules (ROPS), submittals to the Oversight Board and/or County or State agencies, and new or revised legislative requirements
- Analysis of legislative and judicial matters impacting Redevelopment Property Tax Trust Fund (RPTTF) revenues to the Successor Agency and to the City.

### **Monthly/Quarterly Reports and System Updates**

- A listing of property tax appeals filed on properties in the City where data is available for purchase from the Clerk of the Board.
- A listing of property transfers that have occurred since the last report will be available through the software provided and updated on a monthly basis.

### **Web-Based Software**

- HdLCC provides a web-based software application to clients as a user-friendly tool to access the City's property tax data. HdLCC provides updates to the data portion of the product on monthly basis to reflect changes in ownership, updated appeals filings, and deed recordings.
- As modifications and enhancements are made to the program, clients receive the enhanced version of the software at no additional cost. Training will be provided to city staff within the first two months after the execution of the agreement for property tax management and audit services and is available annually for new staff members or staff requiring a refresher course. If additional training sessions are required, the fees in the compensation section under hourly fees will be charged.

### **Identification and Correction of Errors**

HdL Coren & Cone has the technology, methodology and trained staff to analyze all secured parcels within the City to identify costly errors resulting in the misallocation of property taxes.



The company audits the secured and unsecured property tax rolls to ensure that each is coded to the appropriate taxing entity. The company performs an analysis of the Assessor Rolls to identify all parcels on both the secured and unsecured tax rolls and verify that parcel assessed valuations and the resulting taxes are correctly allocated to the City. This analysis is accomplished through the use of specialized computer software, GIS maps, assessor maps, city maps, city records, other pertinent documents, and field investigations.

### **Fee for Services**

HdLCC shall provide the Base Services described above for a fixed annual fee of \$14,945 (invoiced quarterly). The fee is based on the number of parcels in the City of Goleta (10,247 parcels).

The Base Fixed Fee shall be adjusted annually by the California Consumer Price Index (CCPI) for all items as determined by the California Department of Industrial Relations as measured February to February by the California All Urban Consumers index.

### **On-Going Consultation**

During the term of the contract, we serve as the resource staff to the County or agency on questions relating to property tax. This includes being "on-call" to assist with any property tax issues. On-going consultation would include but not be limited to inquiries resolved through use of the City data base. All requests for information based upon the County's property tax data sets are provided without additional costs. Special reports, additional research, or requests requiring additional computer programming may entail some additional costs. Attendance at City and/or Successor Agency meetings will be billed at our hourly rates.

Fees for Optional Services shall be billed at the following hourly rates:

Partner	\$250 per hour
Principal	\$225 per hour
Programmer	\$200 per hour

City of Goleta

Amendment No. 4 to Agreement No. 2019-057

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Associate	\$175 per hour
Senior Analyst	\$125 per hour
Analyst	\$ 90 per hour
Administrative	\$ 70 per hour

Hourly rates are exclusive of expenses and are subject to adjustment by HdLCC annually. On July 1st of each year HdLCC shall provide the City with an updated schedule of hourly rates. The rates will not be increased by more than five percent (5%) per year.

#### Identification and Correction of Errors

Fees for the identification and correction of errors are on a contingent basis, HdLCC shall receive 25 percent of general fund or tax increment property tax revenue or other revenues attributable to the City recovered or reallocated which are directly or indirectly the result of an audit, analysis or consultation performed by HdLCC (including but not limited to base year value audits; administration of tax sharing agreements; tax increment allocation reviews; county allocation reviews). HdLCC shall separate and support said reallocation and provide the City with an itemized invoice showing all amounts due as a result of revenue recovery or reallocation. The City shall pay audit fees after Contractor's submittal of evidence that corrections have been made by the appropriate agency. Payment to HdLCC shall be made within thirty (30) days after the City receives its first remittance advice during the fiscal year for which the correction applies.

HdL Coren & Cone  
120 S State College Boulevard, Suite 200  
Brea, California 92821  
714.879.5000

## **ATTACHMENT 2**

Amendment No. 4 to Agreement No. 2018-125 with Hinderliter, De Llamas and Associates

**AMENDMENT NO. 4  
TO A PROFESSIONAL SERVICES AGREEMENT  
BETWEEN THE CITY OF GOLETA  
AND HINDERLITER, DE LLAMAS AND ASSOCIATES**

This **Amendment No. 4** to the Professional Services Agreement by and between the **City of Goleta**, a municipal corporation ("City") and **Hinderliter, De Llamas and Associates** ("Consultant") dated January 4, 2019 ("Agreement," Agreement No. 2018-125) is made on this 15th day of July, 2025.

**SECTION A. RECITALS**

1. This Agreement is for the professional cannabis consulting services; and
2. This Agreement has been amended to provide for additional compensation for continued services, update the scope of services and cost schedule, and extend the termination of the agreement (Amendment No. 1, 2, and 3); and
3. The Agreement currently provides in Section 3 Subsection (a) for the total compensation amount not to exceed \$384,000; and
4. The parties desire to amend the Agreement so as to provide for additional compensation in the amount of \$158,000 for continued tasks; and
5. The Agreement currently provides in Section 6 for the termination of the Agreement on June 30, 2025; and
6. The parties desire to retroactively amend this Agreement so that this Amendment is effective as of June 30, 2025, and the term of the Agreement extends to June 30, 2026; and
7. The Agreement currently provides in Exhibit A-2 entitled "Scope of Services"; and
8. The parties desire to amend Exhibit A-2 of the Agreement, so as to identify the new Scope of Services, attached as Exhibit "A-3"; and
9. The Agreement currently provides in Exhibit B-2 entitled "Cost Schedule"; and
10. The parties desire to amend Exhibit B-2 of the Agreement, so as to identify the new Cost Schedule, attached as Exhibit "B-3"; and
11. The City Council approved this Amendment No. 4, on this 15th day of July, 2025.

**SECTION B. AMENDED TERMS**

**Now therefore** City and Consultant retroactively agree that the Agreement be, and hereby is, amended as of June 30, 2025 as follows:

1. **Subsection (a) of Section 3. COMPENSATION AND PAYMENT** of the Agreement is amended to add an additional authorized amount of \$158,000 and to read in its entirety:

(a) **Maximum and Rate.** The total compensation payable to CONSULTANT by CITY for the services under this AGREEMENT **SHALL NOT EXCEED** the sum of \$542,000 (herein "not-to-exceed amount") and shall be earned as the work progresses.

Consultant shall provide the Base Services as described in the Scope of Services, attached as Exhibit "A-3".

Hourly at the hourly rates and with reimbursement to CONSULTANT for those expenses set forth in CONSULTANT's Cost Schedule marked Exhibit "B-3," attached and incorporated herein. The rates and expenses set forth in that exhibit shall be binding upon CONSULTANT until June 30, 2026, after which any change in said rates and expenses must be approved in writing by CITY's Project Manager as described in Section 5 (CITY is to be given 60 days notice of any rate increase request), provided the not to exceed amount is the total compensation due CONSULTANT for all work described under this AGREEMENT.

2. **Section 6. TERM, PROGRESS AND COMPLETION** of the Agreement is amended to extend the term for an additional one (1) year to read in its entirety:

The term of this Agreement is from the date first written above to June 30, 2026, unless the term of this Agreement is extended or the Agreement is terminated as provided for herein.

CONSULTANT shall not commence work on the services to be performed until (i) CONSULTANT furnishes proof of insurance as required by Section 10 below, and (ii) CITY gives written authorization to proceed with the work provided by CITY's Project Manager. All services shall be completed within the term of this Agreement following the notice to proceed.

3. This Agreement is amended to delete and replace in its entirety:

Exhibit A-2 "Scope of Services" with Exhibit A-3 "Scope of Services" attached hereto and incorporated herein.

4. This Agreement is amended to delete and replace in its entirety:

Exhibit B-2 "Cost Schedule" with Exhibit B-3 "Cost Schedule" attached hereto and incorporated herein.

5. Except as otherwise specifically provided herein, all other provisions of the Agreement shall remain in full force and effect.

**In concurrence and witness whereof**, this Amendment No. 4 has been executed by the parties effective on the date and year first above written.

**CITY OF GOLETA**

**CONSULTANT**

\_\_\_\_\_  
Robert Nisbet, City Manager

\_\_\_\_\_  
Andrew Nickerson, President/CEO

**ATTEST:**

\_\_\_\_\_  
Deborah Lopez, City Clerk

\_\_\_\_\_  
Richard Park, CFO

**APPROVED AS TO FORM:**  
ISAAC ROSEN, CITY ATTORNEY

Signed by:  
  
\_\_\_\_\_  
438524BAE5424CE  
Scott Shapses, Deputy City Attorney



## **EXHIBIT A – 3 SCOPE OF SERVICES**

### **Objective 1: Attendance, Support or Presentations at Meetings or Workshops**

HdL shall provide attendance or presentations at meetings or workshops as needed or requested to help inform ongoing discussion of the City’s cannabis ordinance and associated regulatory program. It is anticipated that this objective may include meetings with Council Members, public meetings of the City Council and/or Planning Commission, community workshops or other public meetings as may be requested. The use and scheduling of these meetings would be determined in consultation with City staff. This objective assumes that all meeting attendance would be virtual. Physical attendance would incur an additional travel charge.

### **Objective 2: Review Permit Renewal Applications**

HdL shall review and evaluate all applications for annual cannabis business permit renewals. The City shall notify HdL upon receipt of an application for a cannabis business permit renewal and shall forward all renewal application materials. HdL’s reviewers shall evaluate whether the application is complete and provides all necessary and requested information as required by the City. Reviews shall include narrative comments noting any deficiencies. If an application is deemed incomplete, the applicant shall be given an opportunity to submit supplemental information to address any deficiencies.

Each renewal application evaluation shall be completed within 60 days of the HdL receiving the application. Permit renewals are conditioned upon satisfactory completion of regulatory compliance inspections. If the inspection identifies any changes to the physical layout of the facility, then the permit renewal may also require a site plan evaluation (Objective 4).

### **Objective 3: Supplemental Background Checks**

HdL shall provide background checks of all owners, principals, managers and employees of cannabis businesses. Our background checks supplement the State-required Live Scan fingerprint check, which will only disclose Department of Justice (DOJ) records regarding arrests or convictions. California’s licensing agencies are only allowed to consider convictions for certain “red line” offenses such as serious or violent felonies, or certain felonies involving fraud, minors or drug trafficking, as automatic disqualifiers before granting or denying a license.

Our supplemental background checks expand upon the Live Scan information to identify other factors that local governments may wish to consider before granting discretionary business licenses or permits. These considerations may include other felony offenses, misdemeanor convictions, arrest records, civil judgements, restraining orders, the terrorist screening database, the national sex offender registry, delinquent child support payments, bankruptcies, employment and credit records, and more. Our search includes

up to 5 variations on the subject's nme and will alert if additional aliases are found which might warrant further investigation.

Our comprehensive background process checks the subject's name and social security number against over 200 million datasets nationwide, including all of the following<sup>1</sup>:

- 7 yr. unlimited county courts and criminal records search
- Social Security, name and address comparison
- DMV search
- National Criminal Court report
- National Sex offender registry
- Federal criminal history
- State Department of Public Safety
- State Department of Corrections
- Terror watch list
- Bankruptcy, lien and judgments
- Delinquent child support payments
- Employment credit report
  - Financial summary
  - Personal information comparison
  - Address comparison
  - Employment comparison
  - Credit bureau report / credit history
  - Public records search

Any felony convictions that would be automatic disqualifiers pursuant to B&P 26057 (Violent and Serious Felony Convictions) must be confirmed through the Live Scan process. The degree to which other records may be used to inform the approval or renewal of a local business license or permit is subject to local ordinance requirements. HdL offers separate rates for owners, principals or managers of cannabis businesses and for regular employees or line staff. We also offer a lower rate for annual renewals after the initial background check has been completed. Our rates include an HdL-designed employee identification badge with the city or county logo which meets all State regulatory requirements.

HdL provides an online portal for applicants to submit their application and authorization for background checks and all necessary documentation. Applicants provide their payment directly to HdL through the portal, so there is no cost to the City.

Background Checks	Owner, Principal or manager	Employee or line staff
Initial background check	\$300	\$125
Annual renewal	\$125	\$100
Reissue lost or stolen badge	\$15	\$15
Renewals and background checks for employees include a lesser level of investigation. Prices valid as of the date of this proposal and subject to change without notice.		



<sup>1</sup> Renewals and background checks for employees include a lesser level of investigation.

#### **Objective 4: Site Plan Evaluations**

HdL shall review the premises diagram for each commercial cannabis business as needed or requested by the City to assist with the review of any permit renewal applications. The review shall ensure that any changes or modifications to the physical layout of the facility are compliant with state law and local regulations and are properly reflected in the site diagram. The review shall specifically address all cannabis-related interior and exterior physical site security requirements including entrances and exits, product and customer flow, limited access areas, locks and alarm systems, surveillance camera locations, safes, signage, and other criteria.

HdL shall provide the City with a report identifying any variances from the premises diagram as previously approved and detailing any deficiencies or recommended changes that need to be addressed prior to permit renewal.

#### **Objective 5: Pre-License Site Visits**

HdL shall review the premises diagram and conduct a site visit of each cannabis business prior to issuance of a certificate of occupancy. Site visits shall complement the final building inspection by verifying all interior and exterior physical site security requirements have been addressed in accordance with the application and all State and local requirements. Site visits shall examine all entrances and exits, limited access areas, locks and alarm systems, access control procedures, surveillance camera locations, safes and cash management procedures, signage, operational protocols and administrative privileges associated with the license type(s) being sought, and other requirements as necessary. The HdL inspector may be accompanied on the inspection by the City's building inspector or representatives from the Police Department and Fire Department, if desired by the City.

The cost for this service includes an initial premises diagram review and report, coordination and arrangements with the business and other agencies, site visit, post-inspection report and any follow-up. This cost assumes 10-days advance notice for scheduling and travel arrangements. Travel will be charged at HdL hourly rates.

#### **Objective 6: Regulatory Compliance Inspections**

HdL will conduct a series of up to four on-site compliance inspections annually, as requested by the City, for each permitted cannabis business to determine compliance with State and/or local laws. If HdL identifies any non-compliant activities, we will provide the City with a recommended appropriate action to address the deficiency and to ensure future compliance by the permittee. The cost for this service includes all of the following:

- Notifying permittee of pending inspection

- Full on-site inspection to ensure that each business complies with all State and local laws and regulatory protocols for all of the following:
  - Inventory management
  - Cash handling procedures
  - Access control
  - Video surveillance
  - Alarm system maintenance and safety
  - Lock standards
  - Packaging and labeling
  - Waste management
  - Transportation documentation
  - Surveillance equipment maintenance
  - Occupational badges
  - Business records
  - Other items as necessary to ensure compliance with laws
- Preparation of a draft report detailing the findings of the inspection and providing recommendations for improvement where needed. If the inspection identifies any violations of law or other non-compliance issues, then HdL will prepare a notice to comply as an included part of the report.
- All travel costs associated with the inspection, assuming a minimum of four inspections per day. If fewer than four inspections are requested, HdL will charge for travel based upon hourly rates.
- All phone, email and other communications involved in preparing for, scheduling and coordinating the inspections and providing the report.

The cost for this service does not include any follow-up re-inspection or review of any supplemental documents provided to address or contest any findings of non-compliance, nor does it include any assistance with the appeal of any enforcement action by the City. Any costs associated with such additional services would be billed at HdL's hourly rate.

### **Objective 7: Cannabis Revenue Audits**

HdL will conduct an annual revenue audit of each cannabis business to verify the accuracy of the revenue reported and remitted to the City during the review period and will recommend a tax assessment should the audit reveal any unreported revenue. As part of the audit process, HdL will conduct a risk-based review of each business using our proprietary Cannabis Analytical Testing System (CATS™). CATS was designed by HdL to address the unique challenges associated with auditing the cannabis industry. CATS allows audit staff to cross-analyze multiple business records to identify reporting variances, discrepancies and outliers to produce the most accurate measure of gross receipts on behalf of the City.

To initiate the process, the City shall provide HdL with a list of all licensed cannabis businesses subject to audit. HdL shall work with the City to determine the appropriate

review period for each business and to develop a schedule for conducting all audits. As the time for each audit approaches, HdL will prepare a notification letter informing the licensee of the impending audit and providing a list of all records and documentation the business is required to provide, including remote access to the business's point-of-sale (POS) system where applicable. HdL recommends that the letter be sent by the City to communicate HdL's authority to conduct the audit and to encourage cooperation by the business.

The full annual audit shall include:

- Review Point-of-Sale (POS) system structure
- Review inventory system (subject to METRC data)
- Analyze and compare POS data with other available data sources, including:
  - City cannabis tax returns
  - State tax returns
  - Federal tax returns
  - METRC sales and inventory data
  - CDTFA data
  - Bank statements
  - ATM or other merchant statements
  - Sales receipts
  - Other financial documents as available
- Identify any variances or over/under reporting
- Calculate any taxes or fees due to the City
- Prepare and issue report

Where cannabis cultivation is taxed on a square-footage basis, the audit shall include one annual site inspection to verify compliance with maximum permitted canopy area. Square footage audits may also consider documented findings from inspections by the City, DCC or other agencies, where available.

A business that holds multiple state cannabis licenses shall be considered a single business for audit purposes, provided that all licenses are held and operated under the same name, ownership, location, and a single tax ID number. Any variation may indicate separate business entities requiring separate audits. Any such determination shall be made on a case-by-case basis in consultation with the City.

HdL will provide a draft audit report to the commercial cannabis business. The business will be given an appropriate opportunity to respond or appeal the report in accordance with the City ordinance. HdL will review any documentation provided by the business to dispute the findings and will adjust the tax/fee assessment as necessary prior to issuing the final report to the City.

The cost for this service assumes a standard 12-month review period. The cost for a longer term shall be increased per each additional 6-month period (2 fiscal quarters). Pricing available upon request. This cost also assumes reasonable cooperation from the licensee. Non-cooperation by the licensee may result in additional charges at HdL's

hourly rate, or in termination of the audit and potential enforcement action by the City. Any such action or additional charges would be determined in consultation with the City.

The cost does not include assistance with administrative appeals or enforcement of audit findings, cannabis tax policy questions or guidance, or other services not directly associated with preparing the revenue audit report. Any costs associated with such additional services would be billed at HdL's hourly rate.

#### **Objective 8: Technical Assistance and Subject Matter Expertise**

HdL will provide additional hours of general consulting to be utilized on an as-needed basis at the City's request. Such assistance may include technical assistance, subject matter expertise, education, monitoring of changes to State laws and regulations, participation in conference calls, responding to staff inquiries via phone and email, reviewing staff reports to the City Council, assisting with responses to inquiries from the public, or other issues yet to be determined as requested by the City. All technical assistance shall be mutually agreed upon by both parties prior to performing services.

#### **Objective 9: Quality Assurance Application Reviews**

HdL staff will conduct an initial screening of all applications for completeness based upon an objective checklist of required documentation. This initial screening shall allow for some limited discretion in determining whether submitted documents are substantively complete but shall not otherwise consider the quality of the submissions. Applications deemed incomplete will be disqualified and those applicants will not be allowed to submit any supplemental information.

Applications which have been deemed complete will move forward for a full review, including quality assurance scoring. Applicants must provide detailed information on how they plan to meet the required criteria. An applicant's point score shall be based on their demonstrated ability to meet or exceed minimum requirements in each category. Scoring shall be in conformance with the criteria established by the City.

Reviews shall include narrative comments that identify any weaknesses, deficiencies or areas of concern for each application. Reviews shall be adequately detailed to inform the subsequent selection process but shall not contain any recommendations for approval or denial, other than a numerical score.

Proposed actions described in the applications shall be considered binding conditions of any resulting permit. Failure to meet or comply with any such requirements after a permit has been granted may subject the applicant to penalties and/or revocation proceedings.

This objective assumes a non-competitive quality assurance process where applications are reviewed only to ensure that they have adequately addressed all required criteria. This objective is offered here as an optional service. Engagement by HdL in any application reviews would require mutual agreement on the process in advance.

### EXHIBIT B – 3 COST SCHEDULE

Once under contract, prices shall be honored for the first full year, with successive years subject to an annual increase based upon the Consumer Price Index for the Los Angeles-Long Beach-Anaheim region.

Scope of Service Objectives	Estimated Cost
<b>Objective 1: Attendance or Presentations at Meetings</b> Includes planning and preparation of a presentation	Hourly Rate
<b>Objective 2: Review Permit Renewal Applications</b>	\$900
<b>Objective 3: Supplemental Background Checks</b> Cost paid directly to HdL by applicant	No Charge to City
<b>Objective 4: Site Plan Evaluations (Optional)</b>	\$1,000 per evaluation
<b>Objective 5: Pre-license Site Visits (Optional)</b>	\$2,500
<b>Objective 6: Regulatory Compliance Inspections</b>	\$2,500
<b>Objective 7: Cannabis Revenue Audits</b> Assuming standard 12-month review period	\$10,000 per audit
<b>Objective 8: Technical Assistance and Subject Matter Expertise</b>	Hourly Rate
<b>Objective 9: Quality Assurance Application Reviews (Optional)</b> Requires mutual agreement on process in advance	\$5,000 per application
<b>Travel</b> (as needed for pre-license site visits and/or meeting attendance)	Hourly Rate*
<b>ESTIMATE OF TOTAL COSTS (assumes 1-year term)</b> Review Permit Renewal Applications (assumes 10)	\$9,000
Regulatory Compliance Inspections (assumes 10)	\$25,000
Cannabis Revenue Audits (assumes 10)	\$100,000
Subject Matter Expertise (assumes 80 hours @ \$300/hr)	\$24,000
<b>TOTAL NOT TO EXCEED</b>	<b>\$158,000</b>
*Or at a flat rate to be negotiated with the City.	

The proposal does not include any additional services that are not specifically enumerated herein. The proposal assumes HdL will not be asked to review any supplemental information provided by applicants, and that HdL will not be a part of any enforcement action, appeal, arbitration, or civil litigation resulting from the findings of an

inspection and/or audit. Any such additional reports, documentation or assistance that may be required would be in addition to the costs shown in the table above and shall be billed at HdL's hourly rate. This includes assistance with administrative hearings and/or civil litigation involving cannabis applicants or licensees.

### Hourly Rates for HdL Staff

The prices in this proposal are calculated based on the hourly rates for HdL staff as shown in the chart below. Any additional services requested by the client that are not specifically described in this proposal would be billed at HdL's standard hourly rate.

HdL Staff Person	Title	Hourly Rate
Standard Hourly Rate	All Subject Matter Expertise	\$300
Matt Eaton	Director of Cannabis Services	\$300
Mark Lovelace	Senior Policy Advisor	\$300
Elizabeth Eumurian	Audit Manager	\$300
Brad Schneider	Compliance Manager	\$300
Valerie Carter	Audit Supervisor	\$275
Tao Lu	Senior Auditor	\$250
Kristi Lervold	Compliance Administrator	\$235
Michelle Shaw	Compliance Inspector	\$235
Teresa Schneider	Compliance Inspector	\$235
Jennifer Erwin	Auditor	\$235
Dante Chegini	Audit Analyst	\$225
Kevin Nguyen	Audit Analyst	\$225
Michael Cimino	Audit Analyst	\$225
All rates current as of the date of this proposal		

### **ATTACHMENT 3**

Amendment No. 1 to Agreement No. 2022-111 Foster & Foster Consulting  
Actuaries Inc.

**AMENDMENT NO. 1  
TO A PROFESSIONAL SERVICES AGREEMENT  
BETWEEN THE CITY OF GOLETA  
AND FOSTER & FOSTER ACTUARIES AND CONSULTING**

This **Amendment No. 1** to the Professional Services Agreement by and between the **City of Goleta**, a municipal corporation ("City") and **Foster & Foster Actuaries and Consulting** ("Consultant") dated December 21, 2022 ("Agreement," Agreement No. 2022-11) is made on this 15th day of July, 2025.

**SECTION A. RECITALS**

1. This Agreement is for the actuarial consulting services for valuing post-retirement medical benefits provided to eligible employees of the City of Goleta; and
2. The Agreement currently provides in Section 3 Subsection (a) for the total compensation amount not to exceed \$26,750; and
3. The parties desire to amend the Agreement so as to provide for additional compensation in the amount of \$19,450 for continued tasks; and
4. The Agreement currently provides in Section 6 for the termination of the Agreement on December 31, 2024; and
5. The parties desire to retroactively amend this Agreement so that this Amendment is effective as of December 31, 2024, and the term of the Agreement extends to June 30, 2028; and
6. The Agreement currently provides in Exhibit A entitled "Scope of Work" the complete and particular description of services; and
7. The parties desire to amend Exhibit A of the Agreement to identify the new fixed annual fee for Base Services, attached as Exhibit "A-1"; and
8. The Agreement currently provides in Exhibit B entitled "Schedule of Fees" the hourly rates; and
9. The parties desire to remove Exhibit B of the Agreement and identify the new hourly rates attached in "Exhibit A-1"; and
10. The City Council approved this Amendment No. 1, on this 15th day of July, 2025.



## SECTION B. AMENDED TERMS

**Now therefore** City and Consultant retroactively agree that the Agreement be, and hereby is, amended as of December 31, 2024 as follows:

1. **Subsection (a) of Section 3. COMPENSATION AND PAYMENT** of the Agreement is amended to add an additional authorized amount of \$19,450 and to read in its entirety:

- (a) **Maximum and Rate.** The total compensation payable to CONSULTANT by CITY for the services under this AGREEMENT **SHALL NOT EXCEED** the sum of \$46,200 (herein "not-to-exceed amount") and shall be earned as the work progresses.

The CONSULTANT shall submit invoices monthly describing the services performed, the date of services were performed, a description of the reimbursable costs, and any other information requested by the City as set forth in CONSULTANT's Scope of Work marked Exhibit "A-1," attached and incorporated herein. The rates and expenses set forth in that exhibit shall be binding upon CONSULTANT until June 30, 2028, after which any change in said rates and expenses must be approved in writing by CITY's Project Manager as described in Section 5 (CITY is to be given 60 days notice of any rate increase request), provided the not to exceed amount is the total compensation due CONSULTANT for all work described under this AGREEMENT.

2. **Section 6. TERM, PROGRESS AND COMPLETION** of the Agreement is amended to extend the term for an additional two (2) years to read in its entirety:

The term of this Agreement is from the date first written above to June 30, 2028, unless the term of this Agreement is extended or the Agreement is terminated as provided for herein.

CONSULTANT shall not commence work on the services to be performed until (i) CONSULTANT furnishes proof of insurance as required by Section 10 below, and (ii) CITY gives written authorization to proceed with the work provided by CITY's Project Manager. All services shall be completed within the term of this Agreement following the notice to proceed.

3. This Agreement is amended to delete and replace in its entirety:

**Exhibit A "Scope of Work" and Exhibit B "Schedule of Fees" with Exhibit A-1 "Scope of Work and Schedule of Fees"** attached hereto and incorporated herein.

4. Except as otherwise specifically provided herein, all other provisions of the Agreement shall remain in full force and effect.

**In concurrence and witness whereof**, this Amendment No. 1 has been executed by the parties effective on the date and year first above written.

**CITY OF GOLETA**

**CONSULTANT**

\_\_\_\_\_  
Robert Nisbet, City Manager

\_\_\_\_\_  
Drew Ballard, Senior Consulting Actuary

**ATTEST:**

\_\_\_\_\_  
Deborah Lopez, City Clerk

\_\_\_\_\_  
Jonathan Davison, Chief Legal Officer

**APPROVED AS TO FORM:**  
ISAAC ROSEN, CITY ATTORNEY


Signed by:  
  
\_\_\_\_\_  
4285248AE5424CE  
Scott Shapses, Deputy City Attorney

Exhibit A-1  
Scope of Work and Schedule of Fees



Foster & Foster would be pleased to provide the City of Goleta actuarial consulting services. This letter summarizes the project background, our fees/timing, and data requirements for a June 30, 2026 actuarial valuation on the City’s retiree healthcare plan.

**Background**

Foster & Foster prepared a June 30, 2024 valuation. The June 30, 2026 actuarial valuation will provide the plan’s June 30, 2026 funded status, fiscal year 2026/27 and 2027/28 actuarially determined contributions, and the basis for fiscal year 2025/26 and 2026/27 GASBS 75 accounting information. GASBS 75 accounting information for each fiscal year will be provided in a separate report. The GASBS 75 reports will include all actuarial information necessary for GASBS 75 including Notes, RSI, supporting exhibits and calculations, and journal entries. We will meet with the City (virtually) to review the results of each report.

Our valuation report will include:

- Historical valuation results and demographic information
- Funded status
- Actuarially determined contributions
- Reconciliation of asset values
- Detailed gain and loss since the prior valuation
- Illustration of implicit subsidy including breakout of actuarial liabilities
- Long term benefit payout projection
- Benefit summary
- Detailed participant statistics, including summary of healthcare plan and coverage elections

**Fees/Timing**

Project	Fees
2024/25 GASB 75 report (roll-forward)	\$ 2,750
6/30/2026 valuation report and meeting	11,000
2025/26 GASB 75 report	2,800
2026/27 GASB 75 report (roll-forward)	2,900
Total	\$ 19,450

Please note that our fees assume:

- The City has made no changes to its retiree healthcare plan or providers since June 30, 2024
- No substantial changes occur after the valuation date which would require revised actuarial assumptions and/or plan provisions for GASBS 75
- Participant census data requested will be provided completely and accurately in an Excel workbook based on the CalPERS OPEB Data Extract with 1 record per participant
- All requested plan, financial, and census information will be internally consistent
- Costs and liabilities will be provided using 1 funding method and 1 set of assumptions
- The City has not changed its funding policy of contributing the full ADC  
Please note our fees may be higher if:
- Results are needed separately for additional employee groups or alternative plan designs
- Assistance with footnotes under GASBS 75 beyond our GASBS 75 reports (which will contain all actuarial related information needed for footnotes)
- A change in the City’s funding policy requires a crossover test under GASBS 75
- The City requests additional meetings or any work outside the scope of this letter

Additional services will be subject to the below hourly rates. If additional work is requested, we will provide a fee quote.

Staff	2025 Hourly Rate
Senior Consulting Actuary	\$450
Consulting Actuary	\$400
Senior Actuarial Analyst	\$325
Actuarial Analyst	\$275

**Data Requirements**

**General Information**

- Summary of OPEB plan provisions and copies of the most recent MOUs for bargained employee groups and agreements for unrepresented groups if they have changed since June 30, 2024.

- The City's most current CalPERS PEMHCA resolution(s) if changed since June 30, 2024.
- CalPERS OPEB Data Extract (see instructions below) modified as described below.
- August 2026 PEMHCA Monthly Employer Billing Roster. Please remove any SSNs.

### **Participant Census Data**

The City should obtain its June 30, 2026 CalPERS OPEB Data Extract. Log in to your myCalPERS account for Employers & Business Partners. The system access role required to request the extract is Business Partner Health Contracts. If you need access to myCalPERS, please contact the City's myCalPERS System Administrator. Once logged in, select the Health Contracts tab, then select the OPEB Data Extract link on the left side toolbar. Allow for up to 48 hours for this request to be processed, but typical turnaround times are closer to 24 hours. Two reports will be generated; one for active participants and one for retired participants; please send us both. To retrieve the reports, you'll need to log back in to the myCalPERS system through the same process, as the system will not send a notification email once the reports are available.

Once you have successfully downloaded both the active and retired participant reports, please modify the Excel workbooks by adding columns with the following:

- PERSable compensation (active records)
- Bargaining unit or employee group (active and retiree records)
- Portion of premium reimbursed by City outside of PEMHCA (retiree records)

We may need additional data depending on our review of the City's retiree medical plan design. We understand the above data request could seem extensive; we are available to assist or answer any questions.

### **Timing**

Normally, the valuation results meeting is set about 8 weeks after we receive all the requested information, and the City replies to any questions we may have after our initial review of the requested data. GASBS 75 reports will be completed approximately 3 weeks after year-end information is received, provided we have already completed the valuation.

## **ATTACHMENT 4**

Professional Services Agreement No. 2019-057 with HdL Coren & Cone and  
Amendments No. 1 through No. 3

Project Name: Property Tax Analysis

**AGREEMENT FOR PROFESSIONAL SERVICES  
BETWEEN THE CITY OF GOLETA  
AND  
HDL COREN & CONE**

This AGREEMENT FOR PROFESSIONAL SERVICES (herein referred to as "AGREEMENT") is made and entered into this 30 day of June, 2019, by and between the **CITY OF GOLETA**, a municipal corporation (herein referred to as "CITY"), and **HDL COREN & CONE, INC** (herein referred to as "CONSULTANT").

**WHEREAS**, the CITY has a need for professional audit services for Property Tax Analysis Project; and

**WHEREAS**, the CITY does not have the personnel able and/or available to perform the services required under this AGREEMENT, and therefore, the CITY desires to contract for professional services to accomplish this work; and

**WHEREAS**, the City Manager is authorized to execute this Agreement pursuant to Goleta Municipal Code section 3.05.070 because the Agreement does not exceed \$30,000.

CITY and CONSULTANT agree as follows:

**1. RETENTION AS CONSULTANT**

CITY hereby retains CONSULTANT, and CONSULTANT hereby accepts such engagement, to perform the services described in Section 2. CONSULTANT warrants it has the qualifications, experience, and facilities to properly and timely perform said services.

**2. DESCRIPTION OF SERVICES**

The services to be performed by CONSULTANT are as follows:

Professional property tax service, secured and unsecured parcel audits, assessment district processing, budget projections, Successor Agency support, and bond fiscal analysis. Services included are set forth in the Scope of Services, attached as Exhibit "A", and incorporated herein.

CONSULTANT shall deliver to CITY the deliverables defined in Exhibit "A."

### **3. COMPENSATION AND PAYMENT**

(a) **Maximum and Rate.** The total compensation payable to CONSULTANT by CITY for the services under this AGREEMENT **SHALL NOT EXCEED** the sum of \$24,300. (herein "not to exceed amount"), and shall be earned as the work progresses on the following basis:

CONSULTANT shall provide the Base Services as described in the Scope of Services, attached as Exhibit "A", for a fixed annual fee of \$12,150 per fiscal year (invoiced quarterly).

CONSULTANT shall be paid 25 percent of misallocated revenue identified in the audit. CONSULTANT shall separate and support tax reallocation and provide CITY with an itemized invoice showing all amounts due as a result of revenue recovery and reallocation. CITY shall pay audit fees after CONSULTANT's submittal of evidence that corrections have been made by the appropriate agency. Payment to the CONSULTANT shall be made after CITY receives its first remittance advice during the fiscal year for which the correction applies.

(b) **Payment.** CONSULTANT shall provide CITY with written verification of the actual compensation earned, which written verification shall be in a form satisfactory to CITY's Project Manager, as described in Section 5. Invoices shall be made no more frequently than on a monthly basis, and describe the work performed (including a list of hours worked by personnel classification). All payments shall be made within 30 days after CITY's approval of the invoice.

### **4. EXTRA SERVICES**

CITY shall pay CONSULTANT for those CITY authorized extra services, not reasonably included within the services described in Section 2, as mutually agreed to writing in advance of the incurrence of extra services by CONSULTANT. Unless CITY and CONSULTANT have agreed in writing before the performance of extra services, no liability and no right to claim compensation for such extra services or expenses shall exist. The applicable hourly rates for extra services shall be at the hourly rates set forth in the compensation exhibit. Any compensation for extra services shall be part of the total compensation and shall not increase the not to exceed amount identified in Section 3.

### **5. CITY PROJECT MANAGER AND SERVICES BY CITY**

The services to be performed by CONSULTANT shall be accomplished under the general direction of, and coordinate with, CITY's "Project Manager", as that staff person is designated by CITY from time to time, and who presently is Luke Rioux Project Manager shall have the authority to act on behalf of the CITY in administering



this AGREEMENT but shall not be authorized to extend the term of the AGREEMENT or increase the not to exceed amount.

**6. TERM, PROGRESS AND COMPLETION**

The term of this AGREEMENT is from the date first written above to June 30, 2021, unless term of this AGREEMENT is extended, or the AGREEMENT is terminated as provided for herein.

CONSULTANT shall not commence work on the services to be performed until (i) CONSULTANT furnishes proof of insurance as required by Section 10 below, and (ii) CITY gives written authorization to proceed with the work provided by CITY's Project Manager.

**7. OWNERSHIP OF DOCUMENTS**

All drawings, designs, data, photographs, reports and other documentation (other than CONSULTANT's drafts, notes and internal memorandum), including duplication of same prepared by CONSULTANT in the performance of these services, are the property of CITY. CITY shall be entitled to immediate possession of the same upon completion of the work under this AGREEMENT, or at any earlier or later time when requested by CITY. CITY agrees to hold CONSULTANT harmless from all damages, claims, expenses, and losses arising out of any reuse of the plans and specifications for purposes other than those described in this AGREEMENT, unless written authorization of CONSULTANT is first obtained.

**8. PERSONAL SERVICES/NO ASSIGNMENT/SUBCONTRACTOR**

This AGREEMENT is for professional services which are personal to CITY. Paula Cone is deemed to be specially experienced and is a key member of CONSULTANT's firm, and shall be directly involved in the performance of this work. This key person shall communicate with, and periodically report to, CITY on the progress of the work. Should any such individual be removed from assisting in this contracted work for any reason, CITY may terminate this AGREEMENT. This AGREEMENT may not be assigned or subcontracted without the City Manager's prior written consent.

**9. HOLD HARMLESS AND INDEMNITY**

(a) **Hold Harmless for CONSULTANT's Damages.** CONSULTANT holds CITY, its elected officials, officers, agents, and employees, harmless from all of CONSULTANT's claims, demands, lawsuits, judgments, damages, losses, injuries or liability to CONSULTANT, to CONSULTANT's employees, to CONSULTANT's contractors or subcontractors, or to the owners of CONSULTANT's firm, which damages, losses, injuries or liability occur during the work required under this

AGREEMENT, or occur while CONSULTANT is on CITY property, or which are connected, directly or indirectly, with CONSULTANT's performance of any activity or work required under this AGREEMENT.

**(b) Defense and Indemnity of Third Party Claims/Liability.** CONSULTANT shall investigate, defend, and indemnify CITY, its elected officials, officers, agents, and employees, from any claims, lawsuits, demands, judgments, and all liability including, but not limited to, monetary or property damage, lost profit, personal injury, wrongful death, general liability, automobile, infringement of copyright/patent/trademark, or professional errors and omissions arising out of, directly or indirectly, an error, negligence, or omission of CONSULTANT or any of CONSULTANT's officers, agents, employees, representatives, subconsultants, or subcontractors, or the willful misconduct of CONSULTANT or any of CONSULTANT's officers, agents, employees, representatives, subconsultants, or subcontractors, in performing the services described in, or normally associated with, this type of contracted work. The duty to defend shall include any suits or actions concerning any activity, product or work required under this AGREEMENT, and also include the payment of all court costs, attorney fees, expert witness costs, investigation costs, claims adjusting costs and any other costs required for and related thereto.

**(c) No Waiver.** CITY does not waive, nor shall be deemed to have waived, any indemnity, defense or hold harmless rights under this section because of the acceptance by CITY, or the deposit with CITY, of any insurance certificates or policies described in Section 10.

## **10. INSURANCE**

CONSULTANT shall, at CONSULTANT's sole cost and expense, provide insurance as described herein. All insurance is to be placed with insurers authorized to do business in the State of California with an A.M. Best and Company rating of A- or better, Class VII or better, or as otherwise approved by CITY.

Insurance shall include the following (or broader) coverage:

- a) Insurance Services Office Commercial Liability coverage "occurrence" form CG 00 01 or its exact equivalent with an edition date prior to 2004 and with minimum limits of \$1,000,000 per occurrence and \$2,000,000 general aggregate.
- b) Insurance Services Office form number CA 00 01 or equivalent covering Automobile Liability, including hired and non-owned automobile liability with a minimum limit of \$1,000,000 per accident. If the Service Provider owns no vehicles, this requirement may be satisfied by a non-owned and hired auto endorsement to Service Provider's commercial general liability policy.

- c) Workers' Compensation insurance complying with California worker's compensation laws, including statutory limits for workers' compensation and an Employer's Liability limit of \$1,000,000 per accident or disease.
- d) Professional liability insurance that covers the services to be performed in connection with this agreement, in the minimum amount of \$1,000,000 per claim.

Liability insurance policies required to be provided by CONSULTANT hereunder shall contain or be endorsed to contain the following provisions:

- a) CITY, its employees, officials, agents and member agencies shall be covered as additional insureds. Coverage shall apply to any and all liability arising out of the work performed or related to the contract. Additional insured status under the general liability requirement shall be provided on Insurance Services Office Form CG 20 10, with an edition date prior to 2004, or its equivalent. Additional insured status for completed operations shall be provided either in the additional insured form or through another endorsement such as CG 20 37, or its equivalent.
- b) General and automobile liability 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. Coverage will not be limited to CITY's vicarious liability.
- c) Professional liability insurance policies inception date, continuity date, or retroactive date must be before the effective date of this agreement. CONSULTANT agrees to maintain continuous coverage through a period no less than three years after completion of the services required by this agreement.
- d) Liability coverage shall be primary and non-contributing with any insurance maintained by CITY.
- e) Evidence of coverage (including the workers' compensation and employer's liability policies) shall provide that coverage shall not be suspended, voided, canceled or reduced in coverage or in limits except after 30 days' prior written notice has been given to CITY. Such provision shall not include any limitation of liability of the insurer for failure to provide such notice.
- f) No liability insurance coverage provided to comply with this AGREEMENT shall prohibit CONSULTANT, or CONSULTANT's employees, or agents, from waiving the right of recovery prior to a loss. CONSULTANT waives its right of recovery against CITY.

- g) CONSULTANT agrees to deposit with CITY within fifteen days of Notice to Proceed of the Contract certificates of insurance and required endorsements.
- h) There shall be no recourse against CITY for payment of premiums or other amounts with respect to the insurance required to be provided by CONSULTANT hereunder. Any failure, actual or alleged, on the part of CITY to monitor compliance with these requirements will not be deemed as a waiver of any rights on the part of CITY. CITY has no additional obligations by virtue of requiring the insurance set forth herein. In the event any policy of insurance required under this AGREEMENT does not comply with these requirements or is canceled and not replaced, CITY has the right but not the duty to obtain the insurance it deems necessary and any premium paid by CITY will be promptly reimbursed by CONSULTANT or CITY will withhold amounts sufficient to pay premium from CONSULTANT payments.
- i) CONSULTANT agrees to provide immediate notice to CITY of any claim or loss against CONSULTANT arising out of the work performed under this AGREEMENT. CITY assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve CITY.

#### **11. RELATIONSHIP OF CONSULTANT TO CITY**

The relationship of the CONSULTANT to CITY shall be that of an independent contractor and that in no event shall CONSULTANT be considered an officer, agent, servant or employee of CITY. CONSULTANT shall be solely responsible for any workers compensation insurance, withholding taxes, unemployment insurance, and any other employer obligations associated with the described work.

#### **12. CORRECTIONS**

In addition to the above indemnification obligations, CONSULTANT shall correct, at its expense, all errors in the work that may be disclosed during CITY's review of CONSULTANT's report or plans. Should CONSULTANT fail to make such correction in a reasonably timely manner, such correction shall be made by CITY, and the cost thereof shall be charged to CONSULTANT or withheld from any funds due to CONSULTANT hereunder.

#### **13. TERMINATION BY CITY**

CITY, by notifying CONSULTANT in writing, may upon 10 calendar days notice, terminate without cause any portion or all of the services agreed to be performed under this AGREEMENT. If termination is for cause, no notice period need be given. In the event of termination, CONSULTANT shall have the right and obligation to immediately assemble work in progress for the purpose of closing out the job. All compensation for

actual work performed and charges outstanding at the time of termination shall be payable by CITY to CONSULTANT within 30 days following submission of a final statement by CONSULTANT unless termination is for cause. In such event, CONSULTANT shall be compensated only to the extent required by law.

**14. ACCEPTANCE OF FINAL PAYMENT CONSTITUTES RELEASE**

The acceptance by CONSULTANT of the final payment made under this AGREEMENT shall operate as and be a release of CITY from all claims and liabilities for compensation to CONSULTANT for anything done, furnished, or relating to CONSULTANT'S work or services. Acceptance of payment shall be any negotiation of CITY's check or the failure to make a written extra compensation claim within 10 calendar days of the receipt of that check. However, approval or payment by CITY shall not constitute, nor be deemed, a release of the responsibility and liability of CONSULTANT, its employees, subcontractors, agents and CONSULTANTS for the accuracy and competency of the information provided and/or work performed; nor shall such approval or payment be deemed to be an assumption of such responsibility or liability by CITY for any defect or error in the work prepared by CONSULTANT, its employees, subcontractors, agents and consultants.

**15. AUDIT OF RECORDS**

At any time during normal business hours and as often as it may deem necessary, CONSULTANT shall make available to a representative of CITY for examination of all its records with respect to all matters covered by this AGREEMENT and will permit CITY to audit, examine and/or reproduce such records. CONSULTANT will retain such financial records, time sheets, work progress reports, invoices, bills and project records for at least two years after termination or final payment under this AGREEMENT.

**16. WAIVER; REMEDIES CUMULATIVE**

Failure by a party to insist upon the strict performance of any of the provisions of this AGREEMENT by the other party, irrespective of the length of time for which such failure continues, shall not constitute a waiver of such party's right to demand strict compliance by such other party in the future. No waiver by a party of a default or breach of the other party shall be effective or binding upon such party unless made in writing by such party, and no such waiver shall be implied from any omissions by a party to take any action with respect to such default or breach. No express written waiver of a specified default or breach shall affect any other default or breach, or cover any other period of time, other than any default or breach and/or period of time specified. All of the remedies permitted or available to a party under this AGREEMENT, or at law or in equity, shall be cumulative and alternative, and invocation of any such right or remedy shall not constitute a waiver or election of remedies with respect to any other permitted or available right of remedy.

**17. CONFLICT OF INTEREST**

CONSULTANT is unaware of any CITY employee or official that has a financial interest in CONSULTANT'S business. During the term of this AGREEMENT and/or as a result of being awarded this AGREEMENT, CONSULTANT shall not offer, encourage or accept any financial interest in CONSULTANT'S business by any CITY employee or official.

**18. CONSTRUCTION OF LANGUAGE OF AGREEMENT**

The provisions of this AGREEMENT shall be construed as a whole according to its common meaning of purpose of providing a public benefit and not strictly for or against any party. It shall be construed consistent with the provisions hereof, in order to achieve the objectives and purposes of the parties. Wherever required by the context, the singular shall include the plural and vice versa, and the masculine gender shall include the feminine or neutral genders or vice versa.

**19. MITIGATION OF DAMAGES**

In all situations arising out of this AGREEMENT, the parties shall attempt to avoid and minimize the damages resulting from the conduct of the other party.

**20. GOVERNING LAW**

This AGREEMENT, and the rights and obligations of the parties, shall be governed and interpreted in accordance with the laws of the State of California. Should litigation occur, venue shall be in Superior Court of Santa Barbara County.

**21. NONDISCRIMINATION**

CONSULTANT shall not discriminate on the basis of race, color, gender, gender identity/expression, pregnancy, sexual orientation, disability, marital status, or any other characteristic protected under applicable federal or state law.

**22. TAXPAYER IDENTIFICATION NUMBER**

CONSULTANT shall provide CITY with a complete Request for Taxpayer Identification Number and Certification, Form W-9 (Rev. October 2018), as issued by the Internal Revenue Service.

**23. NON-APPROPRIATION OF FUNDS**

Payments due and payable to CONSULTANT for current services are within the current budget and within an available, unexhausted and unencumbered appropriation of CITY funds. In the event CITY has not appropriated sufficient funds for payment of CONSULTANT services beyond the current fiscal year, this AGREEMENT shall cover only those costs incurred up to the conclusion of the current fiscal year.

**24. MODIFICATION OF AGREEMENT**

The tasks described in this AGREEMENT and all other terms of this AGREEMENT may be modified only upon mutual written consent of CITY and CONSULTANT.

**25. USE OF THE TERM "CITY"**

Reference to "CITY" in this AGREEMENT includes City Manager or any authorized representative acting on behalf of CITY.

**26. PERMITS AND LICENSES**

CONSULTANT, at its sole expense, shall obtain and maintain during the term of this AGREEMENT, all appropriate permits, licenses, and certificates that may be required in connection with the performance of services under this AGREEMENT.

**27. CAPTIONS**

The captions or headings in this AGREEMENT are for convenience only and in no other way define, limit or describe the scope or intent of any provision or section of the AGREEMENT.

**28. AUTHORIZATION**

Each party has expressly authorized the execution of this AGREEMENT on its behalf and bind said party and its respective administrators, officers, directors, shareholders, divisions, subsidiaries, agents, employees, successors, assigns, principals, partners, joint venturers, insurance carriers and any others who may claim through it to this AGREEMENT.

**29. ENTIRE AGREEMENT BETWEEN PARTIES**

Except for CONSULTANT'S proposals and submitted representations for obtaining this AGREEMENT, this AGREEMENT supersedes any other agreements, either oral or in writing, between the parties hereto with respect to the rendering of services, and contains all of the covenants and agreements between the parties with respect to said services.

**30. PARTIAL INVALIDITY**

If any provision in this AGREEMENT is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

**31. NOTICES**

Any notice required to be given hereunder shall be deemed to have been given by depositing said notice in the United States mail, postage prepaid, and addressed as follows:

TO CITY: Attention: Michelle Greene, City Manager  
City of Goleta  
130 Cremona Drive, Suite B  
Goleta, CA 93117

TO CONSULTANT:

**HdL Coren & Cone**

120 S. State College Blvd., Suite 200  
Brea, CA 92821

**32. COUNTERPARTS AND ELECTRONIC/FACSIMILE SIGNATURES**

This Agreement may be executed in several counterparts, which may be facsimile or electronic copies. Each counterpart is fully effective as an original, and together constitutes one and the same instrument.

**In concurrence and witness whereof**, this AGREEMENT has been executed by the parties effective on the date and year first above written.


**CITY OF GOLETA**

  
Michelle Greene, City Manager

**HDL COREN & CONE**

  
Paula Cone, President

**ATTEST**

  
Deborah Lopez, City Clerk

  
By: Paula J. Cone Title: President

**APPROVED AS TO FORM**

  
Winnie Cai, Assistant City Attorney



## **Exhibit A Scope of Work**

### **PROPERTY TAX MANAGEMENT, INFORMATION AND AUDIT SERVICES**

Services provided include property tax management service, secured and unsecured parcel audits, assessment district processing, budget projections, Successor Agency support, and bond fiscal analysis.

#### **Reports and Management Analyses** (1)

The company will provide the following reports. Reports are also available from prior years if required.

- A five year history of the values within the city, successor agency and custom (city defined) geographic area;
- A listing of the largest value changes, positive and negative between tax years;
- A listing of the major property owners, including the assessed value of their property and property use code designation;
- A listing of the major property tax payers, including an estimate of the property taxes;
- A listing of property tax transfers which occurred since the lien date ordered by month;
- A multiple year comparison of growth by use code designation over a 10 year period;
- State Appropriation Limit calculations;
- Calculate an estimate of property tax revenue anticipated to be received for the fiscal year based upon the initial information provided by the County and subject

to modification. This report is interactive for tax modeling. This estimate shall not be used to secure the indebtedness of the City.

- Foreclosure data and Bank Owned Property listings
  - Property sales information, and Proposition 8 exposure and recapturing potential
  - Analyses based on geo areas designated by the City to include assessed valuations and square footage computations for use in economic analysis and community development planning.
  - Budget forecasting model for 1 and 5-year projections for General Fund, Successor Agency and VLF in Lieu Revenues.
- (1) Reports area based upon property tax information obtained from your county and supplemented by additional information from third parties. Some reports are dependent upon the availability of county data in electronic format.

### **Successor Agency Services**

Successor Agency Services including but not limited to:

- Tax increment projections
- Cash flows for the Successor Agency by Project Area
- Assistance with Redevelopment Obligation Payment Schedules
- Assistance in providing property tax information for the taxing agencies receiving property tax revenues from former Project Areas
- Estimates of property tax revenues to be received by the taxing entities from former Project Areas
- Provide property tax information to the Oversight Board at the direction of the Successor Agency
- Provide access to the Oversight Board to City and former redevelopment agency documents at the direction of the Successor Agency

- Monitor the County distribution of tax-sharing revenues to the taxing entities of the former redevelopment agency
- Coordinate with the Auditor-Controller the relationship between the tax-sharing, debt service and other obligations of former redevelopment agency
- Prepare as needed an assessment of resources available to the Successor Agency to meet the long term obligations of the former redevelopment agency.

### Quarterly Reports and System Updates

- A listing of property tax appeals filed on properties in the City where data is available for purchase from the Clerk of the Board.
- A listing of property transfers that have occurred since the last report will be available through the software provided and updated on a quarterly basis.

### Web-Based Software

Delivering Revenue,  
Insight and Efficiency  
to Local Government

The City Of Goleta  
9,572 parcels

Logout

HdL  
COREN & CONE

Parcel 079-200-012  
Use 07 Commercial Hotel/Motel  
Owner BRS INVESTMENT PROPERTIES LLC

Situs 8301 HOLLISTER AVE  
GOLETA CA 931172348

DBA  
Mail Name BRS INVESTMENT PROPERTIES LLC  
& Address 2532 DUPONT DR IRVINE CA 92612 USA

This Parcel Is: ☒ Absentee Owned ☐ Pre Prop 13

TRA 008-034 The City Of Goleta  
Agency Goleta General Fund  
Zoning Region (unknown)

Net AV \$ 193,126,568 % Chg. from Prior Yr. 7.4%

Revenue type: ☒ General Fund ☐ Successor Agency

Secured	\$97,141.66	% Share of Total Tax	5.02%
Unsecured	\$58.04		
Cross-Ref	\$0.00	Tax Bill	\$0.00
Total Rev	\$97,199.70		
Last Sale Date	02/26/2013	Sale Price	\$0

Values Sales General Unsecured SBE Utilities

	Current Year Values	Exemptions	Prior Year Values	Exemptions
Land	29,287,843		28,847,913	
Improvements	138,112,085		136,037,513	
Fixtures				
Personal Property	25,726,640		14,940,000	
Totals	193,126,568		179,825,426	
Net Total AV	193,126,568		179,825,426	

2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016



- The HdLCC provides a web-based software application to clients as a user-friendly tool to access the City's property tax data. HdLCC provides updates to the data portion of the product on monthly basis to reflect changes in ownership, updated appeals filings, and deed recordings.
- As modifications and enhancements are made to the program, clients receive the enhanced version of the software at no additional cost. Training will be provided to city staff within the first two months after the execution of the agreement for property tax management and audit services and is available annually for new staff members or staff requiring a refresher course. If additional training sessions are required, the fees in the compensation section under hourly fees will be charged.

### **Identification and Correction of Errors**

HdL Coren & Cone has the technology, methodology and trained staff to analyze all secured parcels within the City to identify costly errors resulting in the misallocation of property taxes.

The company audits the secured and unsecured property tax rolls to ensure that each is coded to the appropriate taxing entity. The company performs an analysis of the Assessor Rolls to identify all parcels on both the secured and unsecured tax rolls and verify that parcel assessed valuations and the resulting taxes are correctly allocated to the City. This analysis is accomplished through the use of specialized computer software, GIS maps, assessor maps, city maps, city records, other pertinent documents, and field investigations.

### **On-Going Consultation**

During the term of the contract, we serve as the resource staff to the County or agency on questions relating to property tax. This includes being "on-call" to assist with any property tax issues. On-going consultation would include, but not be limited to inquiries resolved through use of the City data base. All requests for information based upon the County's property tax data sets are provided without additional costs. Special reports, additional research, or requests requiring additional computer programming may entail some additional costs. Attendance at City and/or Successor Agency meetings will be billed at our hourly rates.

Fees for Optional Services shall be billed at the following hourly rates:

Partner	\$225 per hour
Principal	\$195 per hour
Associate	\$150 per hour
Programmer	\$150 per hour
Senior Analyst	\$100 per hour
Analyst	\$ 65 per hour
Administrative	\$ 45 per hour

City of Goleta  
Finance Agreement with HDL Coren & Cone, Inc.  
Page 17 of 18

Hourly rates are exclusive of expenses and are subject to adjustment by CONSULTANT annually. On July 1st of each year CONSULTANT shall provide CITY with an updated schedule of hourly rates. The rates will not be increased by more than five percent (5%) per year. In addition, expenses for Optional Services shall be billed at 1.15 times actual incurred costs.

### **Compensation**

- A. CONSULTANT shall provide the Base Services described in these Scope of Services, for a fixed annual fee of \$12,150.00 (invoiced quarterly).
  
- B. CONSULTANT shall be paid 25 percent of misallocated revenue identified in the audit. CONSULTANT shall separate and support tax reallocation and provide City with an itemized invoice showing all amounts due as a result of revenue recovery or reallocation. City shall pay audit fees after CONSULTANT's submittal of evidence that corrections have been made by the appropriate agency. Payment to the CONSULTANT shall be made after City receives its first remittance advice during the fiscal year for which the correction applies.

**AMENDMENT NO. 1  
TO A PROFESSIONAL SERVICES AGREEMENT  
BETWEEN THE CITY OF GOLETA  
AND  
HDL COREN & CONE**

This **Amendment No. 1** to the Professional Services Agreement by and between the **City of Goleta**, a municipal corporation ("City") and **HdL Coren & Cone** ("Consultant") dated June 30, 2019 ("Agreement," Agreement No. 2019-057) is made on this 8<sup>th</sup> day of ~~June~~, 2021.

<sup>July</sup>  
**SECTION 1. RECITALS**

A. This Agreement is for property tax management, information and audit services; and

B. The Agreement currently provides in Section 3 Subsection (a) for the total compensation amount not to exceed \$24,300; and

C. The parties desire to amend the Agreement so as to provide for additional compensation in the amount of \$12,400 for continued services; and

D. The Agreement currently provides in Section 6 for the termination of the Agreement on June 30, 2021; and

E. The parties desire to amend the Agreement so as to extend the termination of the Agreement to June 30, 2022; and

F. The Agreement currently provides in Exhibit A entitled "Scope of Services" the complete and particular description of services, which includes Base Services for a fixed annual fee; and

G. The parties desire to amend Exhibit A of the Agreement to identify the new fixed annual fee for Base Services, attached as "Exhibit A-1"; and

H. The City Manager approved this Amendment No. 1, on this 8<sup>th</sup> day of ~~June~~, 2021. July

**AMENDED TERMS**

**Now therefore** City and Consultant agree as follows that the Agreement be, and hereby is, amended as follows:

1. **Subsection (a) of Section 3. COMPENSATION AND PAYMENT** of the Agreement is amended to add an additional authorized amount of \$12,400 and to read in its entirety:

- (a) **Maximum and Rate.** The total compensation payable to CONSULTANT by CITY for the services under this AGREEMENT **SHALL NOT EXCEED** the sum of \$36,700 (herein "not-to-exceed amount") and shall be earned as the work progresses on the following basis:

Consultant shall provide the Base Services as described in the Scope of Services, attached as Exhibit "A-1", for a fixed annual fee of \$12,400 per fiscal year (invoiced quarterly).

Consultant shall be paid 25 percent of misallocated revenue identified in the audit. Consultant shall separate and support tax reallocation and provided City with an itemized invoice showing all amounts due as a result of revenue recovery and reallocation. City shall pay audit fees after Consultant's submittal of evidence that corrections have been made by the appropriate agency. Payment to the Consultant shall be made after City receives its first remittance advice during the fiscal year for which the correction applies.

- (b) **Payment.** Consultant shall provide CITY with written verification of the actual compensation earned, which written verification shall be in a form satisfactory to City's Project Manager, as described in Section 5. Invoices shall be made no more frequently than on a monthly basis, and describe the work performed (including a list of hours worked by personnel classification). All payments shall be made within 30 days after City's approval of the invoice.

2. **Section 6. TERM, PROGRESS AND COMPLETION** of the Agreement is amended to extend the term for an additional twelve months to read in its entirety.

The term of this Agreement is from the date first written above to June 30, 2022, unless the term of this Agreement is extended or the Agreement is terminated as provided for herein.

CONSULTANT shall not commence work on the services to be performed until (i) CONSULTANT furnishes proof of insurance as required by Section 10 below, and (ii) CITY gives written authorization to proceed with the work provided by CITY's Project Manager. All services shall be completed within the term of this Agreement following the notice to proceed.

3. This Agreement is amended to delete and replace in its entirety:



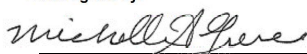
**Exhibit A “Scope of Services”** with **Exhibit A-1 “Scope of Services”** attached hereto and incorporated herein.

4. Except as otherwise specifically provided herein, all other provisions of the Agreement shall remain in full force and effect

**In concurrence and witness whereof**, this Amendment No. 1 has been executed by the parties effective on the date and year first above written.

**CITY OF GOLETA**

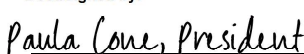
DocuSigned by:



Michelle Greene, City Manager

**CONSULTANT**

DocuSigned by:



Paula Cone, President

**ATTEST:**

DocuSigned by:



Deborah Lopez, City Clerk

DocuSigned by:

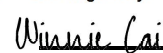


Nichole Cone-Morishita, CFO

**APPROVED AS TO FORM:**

MICHAEL JENKINS, CITY ATTORNEY

DocuSigned by:



Winnie Cai, Assistant City Attorney

June 3, 2021

**PROPERTY TAX MANAGEMENT, INFORMATION AND AUDIT SERVICES****SCOPE OF SERVICES**

Services provided include property tax management service, secured and unsecured parcel audits, assessment district processing, budget projections, and Successor Agency support, and bond fiscal analysis

**Reports and Management Analyses** (1)

The company will provide the following reports. Reports are also available from prior years if required.

- A five year history of the values within the city, successor agency and custom (city defined) geographic area;
- A listing of the largest value changes, positive and negative between tax years;
- A listing of the major property owners, including the assessed value of their property and property use code designation;
- A listing of the major property tax payers, including an estimate of the property taxes;
- A listing of property tax transfers which occurred since the lien date ordered by month;
- A multiple year comparison of growth by use code designation over a 10 year period;
- State Appropriation Limit calculations;
- Calculate an estimate of property tax revenue anticipated to be received for the fiscal year based upon the initial information provided by the County and subject to modification. This report is interactive for tax modeling. This estimate shall not be used to secure the indebtedness of the City.
- Property sales information, and Proposition 8 exposure and recapturing potential
- Analyses based on geo areas designated by the City to include assessed valuations and square footage computations for use in economic analysis and community development planning.

June 3, 2021

- Budget forecasting model for 1 and 5-year projections for General Fund, Successor Agency and VLF In Lieu Revenues.

(1) Reports are based upon property tax information obtained from your county and supplemented by additional information from third parties. Some reports are dependent upon the availability of county data in electronic format.

### **Successor Agency Services**

Successor Agency Services including but not limited to:

- Tax increment projections by project area and for the Successor Agency
- Cash flows for the Successor Agency as requested
- Assistance with Redevelopment Obligation Payment Schedules as requested (additional charges may be required)
- Estimates of property tax revenues to be received by the City as requested
- Provide access to the Oversight Board to City and former redevelopment agency documents at the direction of the Successor Agency
- Monitor the County distribution of tax-sharing revenues to the City and to taxing entities of the former redevelopment agency
- Coordinate as necessary with the Auditor-Controller the relationship between the tax-sharing, debt service and other obligations of former redevelopment agency

### **Monthly/Quarterly Reports and System Updates**

- A listing of property tax appeals filed on properties in the City where data is available for purchase from the Clerk of the Board.
- A listing of property transfers that have occurred since the last report will be available through the software provided and updated on a monthly basis.

### **Web-Based Software**

- The HdLCC provides a web-based software application to clients as a user-friendly tool to access the City's property tax data. HdLCC provides updates to the data portion of the product on monthly basis to reflect changes in ownership, updated appeals filings, and deed recordings.

June 3, 2021

- As modifications and enhancements are made to the program, clients receive the enhanced version of the software at no additional cost. Training will be provided to city staff within the first two months after the execution of the agreement for property tax management and audit services and is available annually for new staff members or staff requiring a refresher course. If additional training sessions are required, the fees in the compensation section under hourly fees will be charged.

**Secured Assessment Details**

Sec. Parcel: 073-050-027 Details ☐

TRA: 008-036 Location: 6380 HOLLISTER AVE

Use Category: Industrial City: GOLETA

Use Code: 31 Zip Code: 93117

Agency: City of Goleta - RDA

Owner: Light Manufacturing

DBA: RAYTHEON COMPANY

Net AV: \$39,030,673

Exem Desc: HOX: \$0

Mail Name: TAX DEPARTMENT

General Fund Revenue: \$5,979.37

Mail Addr: BOX 660248

Successor Agency Revenue: \$273,367.34

DALLAS, TX 75266

Tax Bill: \$417,042.28

Absentee: ☒ Taxable: ☒

**Value History**

Year	Land	Imprvmnts.	Fixtures	Pers.Prop.	Exems	Net Total	% Change	Taxable
2020	\$4,976,045	\$8,877,019	\$1,259,200	\$23,017,510	\$0	\$29,030,672	-10.85%	<input checked="" type="checkbox"/>
2019	\$4,879,358	\$8,703,842	\$1,431,750	\$28,764,680	\$0	\$43,779,630	-2.38%	<input checked="" type="checkbox"/>
2018	\$4,783,685	\$8,533,179	\$1,573,030	\$29,959,150	\$0	\$44,849,044	8.45%	<input checked="" type="checkbox"/>

**General**

**Sales**

Date	Price	Transfer Type	Seller	Transaction
12-05-1980	\$0			

**Overlays**

Map View: Roads, Aerial

Asmt Num: 073-050-027

Use Code: 31

Use Description: Industrial

Owner Name: RAYTHEON COMPANY

Situs Address: 6380 HOLLISTER AVE

Taxable Value: \$39,030,673

Layers

Flagged: 0 Selected: 0

### Identification and Correction of Errors

HdL Coren & Cone has the technology, methodology and trained staff to analyze all secured parcels within the City to identify costly errors resulting in the misallocation of property taxes.

The company audits the secured and unsecured property tax rolls to ensure that each is coded to the appropriate taxing entity. The company performs an analysis of the Assessor Rolls to identify all parcels on both the secured and unsecured tax rolls and verify that parcel assessed valuations and the resulting taxes are correctly allocated to the City. This analysis is accomplished through the use of specialized computer software, GIS maps, assessor maps, city maps, city records, other pertinent documents, and field investigations.

June 3, 2021

### **Fee for Services**

CONTRACTOR shall provide the Base Services described above, for a fixed annual fee of \$12,400 (invoiced quarterly).

The Base Fixed Fee shall be adjusted annually by the California Consumer Price Index (CCPI) for all items as determined by the California Department of Industrial Relations as measured February to February by the California All Urban Consumers index.

### **On-Going Consultation**

During the term of the contract, we serve as the resource staff to the County or agency on questions relating to property tax. This includes being "on-call" to assist with any property tax issues. On-going consultation would include, but not be limited to inquiries resolved through use of the City data base. All requests for information based upon the County's property tax data sets are provided without additional costs. Special reports, additional research, or requests requiring additional computer programming may entail some additional costs. Attendance at City and/or Successor Agency meetings will be billed at our hourly rates.

Fees for Optional Services shall be billed at the following hourly rates:

Partner	\$225 per hour
Principal	\$195 per hour
Associate	\$150 per hour
Programmer	\$175 per hour
Senior Analyst	\$100 per hour
Analyst	\$ 65 per hour
Administrative	\$ 45 per hour

Hourly rates are exclusive of expenses and are subject to adjustment by CONTRACTOR annually. On July 1st of each year CONTRACTOR shall provide CITY with an updated schedule of hourly rates. The rates will not be increased by more than five percent (5%) per year. In addition, expenses for Optional Services shall be billed at 1.15 times actual incurred costs.

### **Identification and Correction of Errors**

Fees for the identification and correction of errors are on a contingent basis, CONTRACTOR shall receive 25 percent of general fund or tax increment property tax revenue or other revenues attributable to CITY recovered or reallocated which are directly or indirectly the result of an audit,

June 3, 2021

analysis or consultation performed by CONTRACTOR (including but not limited to base year value audits; administration of tax sharing agreements; tax increment allocation reviews; county allocation reviews). CONTRACTOR shall separate and support said reallocation and provide CITY with an itemized invoice showing all amounts due as a result of revenue recovery or reallocation. CITY shall pay audit fees after Contractor's submittal of evidence that corrections have been made by the appropriate agency. Payment to CONTRACTOR shall be made within thirty (30) days after CITY receives its first remittance advice during the fiscal year for which the correction applies.

HdL Coren & Cone  
120 S State College Boulevard, Suite 200  
Brea, California 92821  
714.879.5000

**AMENDMENT NO. 2  
TO A PROFESSIONAL SERVICES AGREEMENT  
BETWEEN THE CITY OF GOLETA  
AND  
HDL COREN & CONE**

This **Amendment No. 2** to the Professional Services Agreement by and between the **City of Goleta**, a municipal corporation ("City") and **HdL Coren & Cone** ("Consultant") dated June 30, 2019 ("Agreement," Agreement No. 2019-057) is made on this 21<sup>st</sup> day of June, 2022.

**SECTION 1. RECITALS**

- A. This Agreement is for property tax management, information, and audit services; and
- B. The Agreement currently provides in Section 3 Subsection (a) for the total compensation amount not to exceed \$36,700; and
- C. The parties desire to amend the Agreement so as to provide for additional compensation in the amount of \$13,315 for continued services; and
- D. The Agreement currently provides in Section 6 for the termination of the Agreement on June 30, 2022; and
- E. The parties desire to amend the Agreement so as to extend the termination of the Agreement to June 30, 2023; and
- F. The Agreement currently provides in Exhibit A-1 entitled "Scope of Services" the complete and particular description of services, which includes Base Services for a fixed annual fee; and
- G. The parties desire to amend Exhibit A-1 of the Agreement to identify the new fixed annual fee for Base Services, attached as "Exhibit A-2"; and
- H. The City Council approved this Amendment No. 2, on this 21<sup>st</sup> day of June, 2022.

**AMENDED TERMS**

**Now therefore** City and Consultant agree as follows that the Agreement be, and hereby is, amended as follows:

1. **Subsection (a) of Section 3. COMPENSATION AND PAYMENT** of the Agreement is amended to add an additional authorized amount of \$13,315 and to read in its entirety:

- (a) **Maximum and Rate.** The total compensation payable to CONSULTANT by CITY for the services under this AGREEMENT **SHALL NOT EXCEED** the sum of \$50,015 (herein "not-to-exceed amount") and shall be earned as the work progresses on the following basis:

Consultant shall provide the Base Services as described in the Scope of Services, attached as Exhibit "A-2", for a fixed annual fee of \$13,315 per fiscal year (invoiced quarterly).

Consultant shall be paid 25 percent of misallocated revenue identified in the audit. Consultant shall separate and support tax reallocation and provided City with an itemized invoice showing all amounts due as a result of revenue recovery and reallocation. City shall pay audit fees after Consultant's submittal of evidence that corrections have been made by the appropriate agency. Payment to the Consultant shall be made after City receives its first remittance advice during the fiscal year for which the correction applies.

- (b) **Payment.** Consultant shall provide CITY with written verification of the actual compensation earned, which written verification shall be in a form satisfactory to City's Project Manager, as described in Section 5. Invoices shall be made no more frequently than on a monthly basis, and describe the work performed (including a list of hours worked by personnel classification). All payments shall be made within 30 days after City's approval of the invoice.

2. **Section 6. TERM, PROGRESS AND COMPLETION** of the Agreement is amended to extend the term for an additional twelve months to read in its entirety.

The term of this Agreement is from the date first written above to June 30, 2023, unless the term of this Agreement is extended, or the Agreement is terminated as provided for herein.

CONSULTANT shall not commence work on the services to be performed until (i) CONSULTANT furnishes proof of insurance as required by Section 10 below, and (ii) CITY gives written authorization to proceed with the work provided by CITY's Project Manager. All services shall be completed within the term of this Agreement following the notice to proceed.

3. This Agreement is amended to delete and replace in its entirety:



**Exhibit A-1 “Scope of Services”** with **Exhibit A-2 “Scope of Services”** attached hereto and incorporated herein.

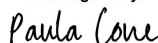
4. Except as otherwise specifically provided herein, all other provisions of the Agreement shall remain in full force and effect

**In concurrence and witness whereof**, this Amendment No. 2 has been executed by the parties effective on the date and year first above written.

**CITY OF GOLETA**


DocuSigned by:  
  
Michelle Greene, City Manager

**CONSULTANT**

DocuSigned by:  
  
Paula Cone, President

**ATTEST:**

DocuSigned by:  
  
Deborah Lopez, City Clerk

DocuSigned by:  
  
Nichole Cone-Morishita, CFO

**APPROVED AS TO FORM:**  
MEGAN GARIBALDI, CITY ATTORNEY

DocuSigned by:  
  
Winnie Cai, Assistant City Attorney



## **PROPERTY TAX MANAGEMENT, INFORMATION AND AUDIT SERVICES**

### **SCOPE OF SERVICES**

Services provided include property tax management service, secured and unsecured parcel audits, assessment district processing, budget projections, Successor Agency support, and bond fiscal analysis.

#### **Reports and Management Analyses (1)**

The company will provide the following reports. Reports are also available from prior years if required.

- A five-year history of the values within the city, successor agency and custom (city defined) geographic area;
- A listing of the largest value changes, positive and negative between tax years;
- A listing of the major property owners, including the assessed value of their property and property use code designation;
- A listing of the major property tax payers, including an estimate of the property taxes;
- A listing of property tax transfers which occurred since the lien date ordered by month;
- A multiple year comparison of growth by use code designation over a 10-year period;
- Calculate an estimate of property tax revenue anticipated to be received for the fiscal year based upon the initial information provided by the County and subject to modification. This report is interactive for tax modeling. This estimate shall not be used to secure the indebtedness of the City.
- Property sales information, and Proposition 8 exposure and recapturing potential
- Budget forecasting model for 1 and 5-year projections for General Fund, Successor Agency and VLF In Lieu Revenues.

(1) Reports are based upon property tax information obtained from your county and supplemented by additional information from third parties. Some reports are dependent upon the availability of county data in electronic format.

**Successor Agency Services**

Successor Agency Services including but not limited to:

- Tax increment projections by project area and for the Successor Agency
- Cash flows for the Successor Agency as requested
- Assistance with Redevelopment Obligation Payment Schedules as requested (additional charges may be required)
- Estimates of property tax revenues to be received by the City as requested
- Monitor the County distribution of tax-sharing revenues to the City and to taxing entities of the former redevelopment agency
- Coordinate as necessary with the Auditor-Controller the relationship between the tax-sharing, debt service and other obligations of former redevelopment agency

**Monthly/Quarterly Reports and System Updates**

- A listing of property tax appeals filed on properties in the City where data is available for purchase from the Clerk of the Board.
- A listing of property transfers that have occurred since the last report will be available through the software provided and updated on a monthly basis.

**Web-Based Software**

- The HdLCC provides a web-based software application to clients as a user-friendly tool to access the City's property tax data. HdLCC provides updates to the data portion of the product on monthly basis to reflect changes in ownership, updated appeals filings, and deed recordings.
- As modifications and enhancements are made to the program, clients receive the enhanced version of the software at no additional cost. Training will be provided to city staff within the first two months after the execution of the agreement for property tax management and audit services and is available annually for new staff members or staff requiring a refresher course. If additional training sessions are required, the fees in the compensation section under hourly fees will be charged.

**Identification and Correction of Errors**

HdL Coren & Cone has the technology, methodology and trained staff to analyze all secured parcels within the City to identify costly errors resulting in the misallocation of property taxes.

The company audits the secured and unsecured property tax rolls to ensure that each is coded to the appropriate taxing entity. The company performs an analysis of the Assessor Rolls to identify all parcels on both the secured and unsecured tax rolls and verify that parcel assessed valuations and the resulting taxes are correctly allocated to the City. This analysis is accomplished through the use of specialized computer software, GIS maps, assessor maps, city maps, city records, other pertinent documents, and field investigations.

**Fee for Services**

CONTRACTOR shall provide the Base Services described above, for a fixed annual fee of \$13,315 (invoiced quarterly).

The Base Fixed Fee shall be adjusted annually by the California Consumer Price Index (CCPI) for all items as determined by the California Department of Industrial Relations as measured February to February by the California All Urban Consumers index.

**On-Going Consultation**

During the term of the contract, we serve as the resource staff to the County or agency on questions relating to property tax. This includes being "on-call" to assist with any property tax issues. On-going consultation would include, but not be limited to inquiries resolved through use of the City data base. All requests for information based upon the County's property tax data sets are provided without additional costs. Special reports, additional research, or requests requiring additional computer programming may entail some additional costs. Attendance at City and/or Successor Agency meetings will be billed at our hourly rates.

Fees for Optional Services shall be billed at the following hourly rates:

Partner	\$250 per hour	Senior Analyst	\$125 per hour
Principal	\$225 per hour	Analyst	\$ 90 per hour
Programmer	\$200 per hour	Administrative	\$ 70 per hour
Associate	\$175 per hour		

Hourly rates are exclusive of expenses and are subject to adjustment by CONTRACTOR annually. On July 1st of each year CONTRACTOR shall provide CITY with an updated schedule of hourly rates. The rates will not be increased by more than five percent (5%) per year.

#### Identification and Correction of Errors

Fees for the identification and correction of errors are on a contingent basis, CONTRACTOR shall receive 25 percent of general fund or tax increment property tax revenue or other revenues attributable to CITY recovered or reallocated which are directly or indirectly the result of an audit, analysis or consultation performed by CONTRACTOR (including but not limited to base year value audits; administration of tax sharing agreements; tax increment allocation reviews; county allocation reviews). CONTRACTOR shall separate and support said reallocation and provide CITY with an itemized invoice showing all amounts due as a result of revenue recovery or reallocation. CITY shall pay audit fees after Contractor's submittal of evidence that corrections have been made by the appropriate agency. Payment to CONTRACTOR shall be made within thirty (30) days after CITY receives its first remittance advice during the fiscal year for which the correction applies.

HdL Coren & Cone  
120 S State College Boulevard, Suite 200  
Brea, California 92821  
714.879.5000

**AMENDMENT NO. 3  
TO A PROFESSIONAL SERVICES AGREEMENT  
BETWEEN THE CITY OF GOLETA  
AND  
HDL COREN & CONE**

This **Amendment No. 3** to the Professional Services Agreement by and between the **City of Goleta**, a municipal corporation ("City") and **HdL Coren & Cone** ("Consultant") dated June 30, 2019 ("Agreement," Agreement No. 2019-057) is made on this 20<sup>th</sup> day of June, 2023.

**SECTION A. RECITALS**

1. This Agreement is for property tax management, information and audit services; and
2. This Agreement has been amended to provide additional compensation for continued tasks and to extend the termination of the agreement (Amendment No. 1 and 2); and
3. The Agreement currently provides in Section 3 Subsection (a) for the total compensation amount not to exceed \$50,015; and
4. The parties desire to amend the Agreement so as to provide for additional compensation in the amount of \$30,000 for continued tasks; and
5. The Agreement currently provides in Section 6 for the termination of the Agreement on June 30, 2023; and
6. The parties desire to amend the Agreement so as to extend the termination of the Agreement to June 30, 2025; and
7. The Agreement currently provides in Exhibit A-2 entitled "Scope of Services" the complete and particular description of services, which includes Base Services for a fixed annual fee; and
8. The parties desire to amend Exhibit A-2 of the Agreement to identify the new fixed annual fee for Base Services, attached as Exhibit "A-3"; and
9. The City Council approved this Amendment No. 3, on this 20<sup>th</sup> day of June, 2023.

## SECTION B. AMENDED TERMS

**Now therefore** City and Consultant agree as follows that the Agreement be, and hereby is, amended as follows:

1. **Subsection (a) of Section 3. COMPENSATION AND PAYMENT** of the Agreement is amended to add an additional authorized amount of \$30,000 and to read in its entirety:

- (a) **Maximum and Rate.** The total compensation payable to CONSULTANT by CITY for the services under this AGREEMENT **SHALL NOT EXCEED** the sum of \$80,015 (herein "not-to-exceed amount") and shall be earned as the work progresses on the following basis.

Consultant shall provide the Base Services as described in the Scope of Services, attached as Exhibit "A-3", for a fixed annual fee of \$14,030 per fiscal year (invoiced quarterly).

Consultant shall be paid 25 percent of misallocated revenue identified in the audit. Consultant shall separate and support tax reallocation and provide City with an itemized invoice showing all amounts due as a result of revenue recovery and reallocation. City shall pay audit fees after Consultant's submittal of evidence that corrections have been made by the appropriate agency. Payment to the Consultant shall be made after City receives its first remittance advice during the fiscal year for which the correction applies.

- (b) **Payment.** CONSULTANT shall provide CITY with written verification of the actual compensation earned, which written verification shall be in a form satisfactory to City's Project Manager, as described in Section 5. Invoices shall be made no more frequently that on a monthly basis, and describe the work performed (including a list of hours worked by personnel classification). All payments shall be made within 30 days after City's approval of the invoice.

2. **Section 6. TERM, PROGRESS AND COMPLETION** of the Agreement is amended to extend the term for an additional 2 years to read in its entirety.

The term of this Agreement is from the date first written above to June 30, 2025, unless the term of this Agreement is extended or the Agreement is terminated as provided for herein.

CONSULTANT shall not commence work on the services to be performed until (i) CONSULTANT furnishes proof of insurance as required by Section 10 below, and

City of Goleta

Amendment No. 3 to Agreement No. 2019-057

Page 2 of 3

(ii) CITY gives written authorization to proceed with the work provided by CITY's Project Manager. All services shall be completed within the term of this Agreement following the notice to proceed.

3. This Agreement is amended to delete and replace in its entirety:

**Exhibit A-2 "Scope of Services" with Exhibit A-3 "Scope of Services"** attached hereto and incorporated herein.

4. Except as otherwise specifically provided herein, all other provisions of the Agreement shall remain in full force and effect.

**In concurrence and witness whereof**, this Amendment No. 3 has been executed by the parties effective on the date and year first above written.


#### CITY OF GOLETA

DocuSigned by:  
  
Robert Nisbet, City Manager

#### CONSULTANT

DocuSigned by:  
  
Paula Cone, President

#### ATTEST:

DocuSigned by:  
  
Deborah Lopez, City Clerk

DocuSigned by:  
  
Nichole Cone-Morishita, CFO

**APPROVED AS TO FORM:**  
MEGAN GARIBALDI, CITY ATTORNEY

DocuSigned by:  
  
Scott Shapses, Deputy City Attorney



June 5, 2023  
City of Goleta



## **PROPERTY TAX MANAGEMENT, INFORMATION AND AUDIT SERVICES**

### **SCOPE OF SERVICES**

Services provided include property tax management service, secured and unsecured parcel audits, budget projections, Successor Agency support, and bond fiscal analysis.

#### **Reports and Management Analyses** <sup>(1)</sup>

HdL Coren & Cone (HdLCC) will provide the following reports. Reports are also available from prior years if required.

- A five-year history of the values within the City, and custom (city defined) geographic areas;
- A listing of the largest value changes, positive and negative between tax years;
- An annual parcel listing of properties with parcel number changes between tax years identifying parcel splits and combines;
- A listing of the major property owners for the City including the combined assessed values of their property and property use code designation;
- A listing and summary of property transfers which occurred since the lien date ordered by month;
- A listing of parcels that have not changed ownership since the enactment of Proposition 13;
- A comparison of property within the City by county use-code designation;
- A multiple year comparison of growth by use code designation over a 5-year period;
- A listing by parcel of new construction activity to identify non-residential parcels with new construction activity and to provide reports for use in the City's preparation of Proposition 4 and 111 State Appropriation Limit calculations;
- A listing of absentee owner parcels;

(1) Reports are based upon property tax information obtained from your county and supplemented by additional information from third parties. Some reports are dependent upon the availability of county data in electronic format.

- Calculate an estimate of property tax revenue anticipated to be received for the current fiscal year by the City based upon the initial information provided by the County and subject to modification. This estimate shall not be used to secure the indebtedness of the City.
- Analyses based on geo areas designated by the City to include assessed valuations and square footage computations for use in economic analysis and community development planning.
- Tracking of Proposition 8 reductions and restorations
- Median sale price data for current year and prior years for comparison
- One and five-year budget projections for the city general fund and special districts. This report is interactive for tax modeling.
- Newsletter summary for public and elected distribution.

### **Successor Agency Services**

Successor Agency Services including but not limited to:

- Annual tax increment projections and, as requested, cash flow analysis for the Successor Agency by Project Area
- Review of Redevelopment Obligation Payment Schedules (ROPS) as requested.
- Provide property tax information to the Oversight Board at the direction of the Successor Agency
- Provide access to the Oversight Board to City and former redevelopment agency documents at the direction of the Successor Agency
- Monitor the County distribution of tax-sharing revenues to the taxing entities of the former redevelopment agency
- Advice and consultation on the City/Successor Agency's preparation of required reports, such as revenue projections; review of Recognized Obligation Payment Schedules (ROPS), submittals to the Oversight Board and/or County or State agencies, and new or revised legislative requirements
- Analysis of legislative and judicial matters impacting Redevelopment Property Tax Trust Fund (RPTTF) revenues to the Successor Agency and to the City.

### **Monthly/Quarterly Reports and System Updates**

- A listing of property tax appeals filed on properties in the City where data is available for purchase from the Clerk of the Board.
- A listing of property transfers that have occurred since the last report will be available through the software provided and updated on a monthly basis.

### **Web-Based Software**

- HdLCC provides a web-based software application to clients as a user-friendly tool to access the City's property tax data. HdLCC provides updates to the data portion of the product on monthly basis to reflect changes in ownership, updated appeals filings, and deed recordings.
- As modifications and enhancements are made to the program, clients receive the enhanced version of the software at no additional cost. Training will be provided to city staff within the first two months after the execution of the agreement for property tax management and audit services and is available annually for new staff members or staff requiring a refresher course. If additional training sessions are required, the fees in the compensation section under hourly fees will be charged.

### **Identification and Correction of Errors**

HdL Coren & Cone has the technology, methodology and trained staff to analyze all secured parcels within the City to identify costly errors resulting in the misallocation of property taxes.

The company audits the secured and unsecured property tax rolls to ensure that each is coded to the appropriate taxing entity. The company performs an analysis of the Assessor Rolls to identify all parcels on both the secured and unsecured tax rolls and verify that parcel assessed valuations and the resulting taxes are correctly allocated to the City. This analysis is accomplished through the use of specialized computer software, GIS maps, assessor maps, city maps, city records, other pertinent documents, and field investigations.

**Fee for Services**

HdLCC shall provide the Base Services described above, for a fixed annual fee of \$14,030 (invoiced quarterly).

The Base Fixed Fee shall be adjusted annually by the California Consumer Price Index (CCPI) for all items as determined by the California Department of Industrial Relations as measured February to February by the California All Urban Consumers index.

**On-Going Consultation**

During the term of the contract, we serve as the resource staff to the County or agency on questions relating to property tax. This includes being "on-call" to assist with any property tax issues. On-going consultation would include, but not be limited to inquiries resolved through use of the City data base. All requests for information based upon the County's property tax data sets are provided without additional costs. Special reports, additional research, or requests requiring additional computer programming may entail some additional costs. Attendance at City and/or Successor Agency meetings will be billed at our hourly rates.

Fees for Optional Services shall be billed at the following hourly rates:

Partner	\$250 per hour
Principal	\$225 per hour
Programmer	\$200 per hour
Associate	\$175 per hour
Senior Analyst	\$125 per hour
Analyst	\$ 90 per hour
Administrative	\$ 70 per hour

Hourly rates are exclusive of expenses and are subject to adjustment by HdLCC annually. On July 1st of each year HdLCC shall provide the City with an updated schedule of hourly rates. The rates will not be increased by more than five percent (5%) per year.

**Identification and Correction of Errors**

Fees for the identification and correction of errors are on a contingent basis, HdLCC shall receive 25 percent of general fund or tax increment property tax revenue or other revenues attributable to the City recovered or reallocated which are directly or indirectly the result of an audit, analysis or consultation performed by HdLCC (including but not limited to base year value audits;

administration of tax sharing agreements; tax increment allocation reviews; county allocation reviews). HdLCC shall separate and support said reallocation and provide the City with an itemized invoice showing all amounts due as a result of revenue recovery or reallocation. The City shall pay audit fees after Contractor's submittal of evidence that corrections have been made by the appropriate agency. Payment to HdLCC shall be made within thirty (30) days after the City receives its first remittance advice during the fiscal year for which the correction applies.

HdL Coren & Cone  
120 S State College Boulevard, Suite 200  
Brea, California 92821  
714.879.5000

## **ATTACHMENT 5**

Professional Service Agreement No. 2018-125 Hinderliter, De Llamas and  
Associates and Amendments No. 1 through No. 3

Project: Cannabis Ordinances and Applications

**AGREEMENT FOR PROFESSIONAL SERVICES  
BETWEEN THE CITY OF GOLETA  
AND  
HINDERLITER, DE LLAMAS AND ASSOCIATES**

This AGREEMENT FOR PROFESSIONAL SERVICES (herein referred to as "AGREEMENT") is made and entered into this 7th day of January, 2019, by and between the **CITY OF GOLETA**, a municipal corporation (herein referred to as "CITY"), and **HINDERLITER, DE LLAMAS AND ASSOCIATES**, a California Corporation (herein referred to as "CONSULTANT").

**WHEREAS**, the CITY has a need for professional consulting services for the City's development of new cannabis ordinances and revision of existing cannabis ordinances separate from the City's development of a cannabis ordinance that will focus primarily on land use issues; and

**WHEREAS**, the CITY does not have the personnel able and/or available to perform the services required under this AGREEMENT, and therefore, the CITY desires to contract for professional services to accomplish this work; and

**WHEREAS**, CONSULTANT was recommended for award based on superior experience, familiarity with the needs of the CITY, and capacity to provide the services agreed to herein and was selected for award of this AGREEMENT by the Assistant City Attorney; and

**WHEREAS**, the City Manager is authorized by Goleta Municipal Code Section 3.05.240 to execute this AGREEMENT because the value of the AGREEMENT is less than \$30,000.

CITY and CONSULTANT agree as follows:

**1. RETENTION AS CONSULTANT**

CITY hereby retains CONSULTANT, and CONSULTANT hereby accepts such engagement, to perform the services described in Section 2. CONSULTANT warrants it has the qualifications, experience, and facilities to properly and timely perform said services.

**2. DESCRIPTION OF SERVICES**

The services to be performed by CONSULTANT are as follows:

Professional consulting services in conjunction with the development and revision of cannabis ordinances and implementation program. Services

shall generally include assistance with the preparation of cannabis ordinances, licensing review, implementation program, and taxation auditing, as more particularly set forth in the Scope of Work, attached as Exhibit "A," and incorporated herein. CONSULTANT shall deliver to CITY the deliverables defined in Exhibit "A."

### **3. COMPENSATION AND PAYMENT**

(a) **Maximum and Rate.** The total compensation payable to CONSULTANT by CITY for the services under this AGREEMENT **SHALL NOT EXCEED** the sum of \$30,000 (herein "not to exceed amount"), and shall be earned as the work progresses on the following basis:

Hourly at the hourly rates of CONSULTANT and service charges as set forth in Exhibit "B," attached and incorporated herein. The rates and service charges set forth in that exhibit shall be binding upon CONSULTANT until December 31, 2019, after which any change in said rates and expenses must be approved in writing by CITY's Project Manager as described in Section 5 (CITY is to be given 60 days notice of any rate increase request), provided the not to exceed amount is the total compensation due CONSULTANT for all work described under this AGREEMENT.

(b) **Payment.** CONSULTANT shall provide CITY with written verification of the actual compensation earned, which written verification shall be in a form satisfactory to CITY's Project Manager, as described in Section 5. Invoices shall be made no more frequently than on a monthly basis, and describe the work performed (including a list of hours worked by personnel classification). All payments shall be made within 30 days after CITY's approval of the invoice.

### **4. EXTRA SERVICES**

CITY shall pay CONSULTANT for those CITY authorized extra services, not reasonably included within the services described in Section 2, as mutually agreed to writing in advance of the incurrence of extra services by CONSULTANT. Unless CITY and CONSULTANT have agreed in writing before the performance of extra services, no liability and no right to claim compensation for such extra services or expenses shall exist. The applicable hourly rates for extra services shall be at the hourly rates set forth in the compensation exhibit. Any compensation for extra services shall be part of the total compensation and shall not increase the not to exceed amount identified in Section 3.

### **5. CITY PROJECT MANAGER AND SERVICES BY CITY**

The services to be performed by CONSULTANT shall be accomplished under the general direction of, and coordinate with, CITY's "Project Manager", as that staff person is designated by CITY from time to time, and who presently is Vyto Adomaitis,



Neighborhood Services/Public Safety Director. Project Manager shall have the authority to act on behalf of the CITY in administering this AGREEMENT but shall not be authorized to extend the term of the AGREEMENT or increase the not to exceed amount.

CITY shall perform the services defined in Exhibit "A"

## **6. TERM, PROGRESS AND COMPLETION**

The term of this AGREEMENT is from the date first written above to December 30, 2019, unless term of this AGREEMENT is extended or the AGREEMENT is terminated as provided for herein.

~~CONSULTANT shall not commence work on the services to be performed until (i)~~ CONSULTANT furnishes proof of insurance as required by Section 10 below, and (ii) CITY gives written authorization to proceed with the work provided by CITY's Project Manager.

## **7. OWNERSHIP OF DOCUMENTS**

All drawings, designs, data, photographs, reports and other documentation (other than CONSULTANT's drafts, notes and internal memorandum), including duplication of same prepared by CONSULTANT in the performance of these services, are the property of CITY. CITY shall be entitled to immediate possession of the same upon completion of the work under this AGREEMENT, or at any earlier or later time when requested by CITY. CITY agrees to hold CONSULTANT harmless from all damages, claims, expenses, and losses arising out of any reuse of the plans and specifications for purposes other than those described in this AGREEMENT, unless written authorization of CONSULTANT is first obtained.

## **8. PERSONAL SERVICES/NO ASSIGNMENT/SUBCONTRACTOR**

This AGREEMENT is for professional services which are personal to CITY. David McPherson is deemed to be specially experienced and is a key member of CONSULTANT's firm, and shall be directly involved in the performance of this work. This key person shall communicate with, and periodically report to, CITY on the progress of the work. Should any such individual be removed from assisting in this contracted work for any reason, CITY may terminate this AGREEMENT. This AGREEMENT may not be assigned or subcontracted without the City Manager's prior written consent.

## **9. HOLD HARMLESS AND INDEMNITY**

(a) **Indemnification and Defense for Professional Service.** To the fullest extent permitted by law, Consultant shall indemnify, defend and hold harmless the CITY and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all claims, losses, liabilities, damages, costs and expenses, including

attorney's fees and costs, to the extent they arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the CONSULTANT. CONSULTANT's duty to defend shall consist of reimbursement of defense costs incurred by CITY in direct proportion to the CONSULTANT's proportionate percentage of fault. CONSULTANT's percentage of fault shall be determined, as applicable, by a court of law, jury or arbitrator. In the event any loss, liability or damage is incurred by way of settlement or resolution without a court, jury or arbitrator having made a determination of the CONSULTANT's percentage of fault, the parties agree to mediation with a third party neutral to determine the CONSULTANT's proportionate percentage of fault for purposes of determining the amount of indemnity and defense cost reimbursement owed to the CITY.

**(b) For All Other Liabilities.** Notwithstanding the foregoing and without diminishing any rights of CITY, for any liability, claim, demand, allegation against CITY arising out of, related to, or pertaining to any act or omission of CONSULTANT, but which is not a design professional service, CONSULTANT shall defend, indemnify, and hold harmless CITY, its officials, employees, and agents ("Indemnified Parties") from and against any and all damages, costs, expenses (including reasonable attorney fees and expert witness fees), judgments, settlements, and/or arbitration awards, whether for personal or bodily injury, property damage, or economic injury, and arising out of, related to, any concurrent or contributory negligence on the part of the CITY, except for the sole or active negligence of, or willful misconduct of the CITY.

**(c) No Waiver.** CITY does not waive, nor shall be deemed to have waived, any indemnity, defense or hold harmless rights under this section because of the acceptance by CITY, or the deposit with CITY, of any insurance certificates or policies described in Section 10.

**(d) Disclaimer.** Both parties understand and agree that nothing in this Agreement constitutes advice by CONSULTANT to CITY to violate any existing law and, accordingly, this section does not obligate CONSULTANT to the extent that federal or state law may now, or subsequently, prohibit the actions recommended by CONSULTANT pursuant to this Agreement.

## **10. INSURANCE**

CONSULTANT shall, at CONSULTANT's sole cost and expense, provide insurance as described herein. All insurance is to be placed with insurers authorized to do business in the State of California with an A.M. Best and Company rating of A- or better, Class VII or better, or as otherwise approved by CITY.

Insurance shall include the following (or broader) coverage:

- a) Insurance Services Office Commercial Liability coverage "occurrence" form CG 00 01 or its exact equivalent with an edition date prior to 2004 and with minimum limits of \$1,000,000 per occurrence and \$2,000,000 in the aggregate.

- b) Insurance Services Office form number CA 00 01 or equivalent covering Automobile Liability, including hired and non-owned automobile liability with a minimum limit of \$1,000,000 per accident. If the Service Provider owns no vehicles, this requirement may be satisfied by a non-owned and hired auto endorsement to Service Provider's commercial general liability policy.
- c) Workers' Compensation insurance complying with California worker's compensation laws, including statutory limits for workers' compensation and an Employer's Liability limit of \$1,000,000 per accident or disease.
- d) Professional liability insurance that covers the services to be performed in connection with this agreement, in the minimum amount of \$1,000,000 per claim and in the aggregate.

Liability insurance policies required to be provided by CONSULTANT hereunder shall contain or be endorsed to contain the following provisions:

- a) CITY, its employees, officials, agents and member agencies shall be covered as additional insureds. Coverage shall apply to any and all liability arising out of the work performed or related to the contract. Additional insured status under the general liability requirement shall be provided on Insurance Services Office Form CG 20 10, with an edition date prior to 2004, or its equivalent. Additional insured status for completed operations shall be provided either in the additional insured form or through another endorsement such as CG 20 37, or its equivalent.
- b) General and automobile liability 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. Coverage will not be limited to CITY's vicarious liability.
- c) Professional liability insurance policies inception date, continuity date, or retroactive date must be before the effective date of this agreement. CONSULTANT agrees to maintain continuous coverage through a period no less than three years after completion of the services required by this agreement.
- d) Liability coverage shall be primary and non-contributing with any insurance maintained by CITY.
- e) Evidence of coverage (including the workers' compensation and employer's liability policies) shall provide that coverage shall not be suspended, voided, canceled or reduced in coverage or in limits except after 30 days' prior written notice has been given to CITY. Such provision shall not include any limitation of liability of the insurer for failure to provide such notice.

- f) No liability insurance coverage provided to comply with this AGREEMENT shall prohibit CONSULTANT, or CONSULTANT's employees, or agents, from waiving the right of recovery prior to a loss. CONSULTANT waives its right of recovery against CITY.
- g) CONSULTANT agrees to deposit with CITY within fifteen days of Notice to Proceed of the Contract certificates of insurance and required endorsements.
- h) There shall be no recourse against CITY for payment of premiums or other amounts with respect to the insurance required to be provided by CONSULTANT hereunder. Any failure, actual or alleged, on the part of CITY to monitor compliance with these requirements will not be deemed as a waiver of any rights on the part of CITY. CITY has no additional obligations by virtue of requiring the insurance set forth herein. In the event any policy of insurance required under this AGREEMENT does not comply with these requirements or is canceled and not replaced, CITY has the right but not the duty to obtain the insurance it deems necessary and any premium paid by CITY will be promptly reimbursed by CONSULTANT or CITY will withhold amounts sufficient to pay premium from CONSULTANT payments.
- i) CONSULTANT agrees to provide immediate notice to CITY of any claim or loss against CONSULTANT arising out of the work performed under this AGREEMENT. CITY assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve CITY.

#### **11. RELATIONSHIP OF CONSULTANT TO CITY**

The relationship of the CONSULTANT to CITY shall be that of an independent contractor and that in no event shall CONSULTANT be considered an officer, agent, servant or employee of CITY. CONSULTANT shall be solely responsible for any workers compensation insurance, withholding taxes, unemployment insurance, and any other employer obligations associated with the described work.

#### **12. CORRECTIONS**

In addition to the above indemnification obligations, CONSULTANT shall correct, at its expense, all errors in the work that may be disclosed during CITY's review of CONSULTANT's report or plans. Should CONSULTANT fail to make such correction in a reasonably timely manner, such correction shall be made by CITY, and the cost thereof shall be charged to CONSULTANT or withheld from any funds due to CONSULTANT hereunder.

**13. TERMINATION BY CITY**

CITY, by notifying CONSULTANT in writing, may upon 10 calendar days notice, terminate without cause any portion or all of the services agreed to be performed under this AGREEMENT. If termination is for cause, no notice period need be given. In the event of termination, CONSULTANT shall have the right and obligation to immediately assemble work in progress for the purpose of closing out the job. All compensation for actual work performed and charges outstanding at the time of termination shall be payable by CITY to CONSULTANT within 30 days following submission of a final statement by CONSULTANT unless termination is for cause. In such event, CONSULTANT shall be compensated only to the extent required by law.

**14. ACCEPTANCE OF FINAL PAYMENT CONSTITUTES RELEASE**

The acceptance by CONSULTANT of the final payment made under this AGREEMENT shall operate as and be a release of CITY from all claims and liabilities for compensation to CONSULTANT for anything done, furnished, or relating to CONSULTANT'S work or services. Acceptance of payment shall be any negotiation of CITY's check or the failure to make a written extra compensation claim within 10 calendar days of the receipt of that check. However, approval or payment by CITY shall not constitute, nor be deemed, a release of the responsibility and liability of CONSULTANT, its employees, subcontractors, agents and CONSULTANTS for the accuracy and competency of the information provided and/or work performed; nor shall such approval or payment be deemed to be an assumption of such responsibility or liability by CITY for any defect or error in the work prepared by CONSULTANT, its employees, subcontractors, agents and consultants.

**15. AUDIT OF RECORDS**

At any time during normal business hours and as often as it may deem necessary, CONSULTANT shall make available to a representative of CITY for examination of all its records with respect to all matters covered by this AGREEMENT and will permit CITY to audit, examine and/or reproduce such records. CONSULTANT will retain such financial records, time sheets, work progress reports, invoices, bills and project records for at least two years after termination or final payment under this AGREEMENT.

**16. WAIVER; REMEDIES CUMULATIVE**

Failure by a party to insist upon the strict performance of any of the provisions of this AGREEMENT by the other party, irrespective of the length of time for which such failure continues, shall not constitute a waiver of such party's right to demand strict compliance by such other party in the future. No waiver by a party of a default or breach of the other party shall be effective or binding upon such party unless made in writing by such party, and no such waiver shall be implied from any omissions by a party to take any action with respect to such default or breach. No express written waiver of a specified default or breach shall affect any other default or breach, or cover

any other period of time, other than any default or breach and/or period of time specified. All of the remedies permitted or available to a party under this AGREEMENT, or at law or in equity, shall be cumulative and alternative, and invocation of any such right or remedy shall not constitute a waiver or election of remedies with respect to any other permitted or available right of remedy.

**17. CONFLICT OF INTEREST**

CONSULTANT is unaware of any CITY employee or official that has a financial interest in CONSULTANT'S business. During the term of this AGREEMENT and/or as a result of being awarded this AGREEMENT, CONSULTANT shall not offer, encourage or accept any financial interest in CONSULTANT'S business by any CITY employee or official.

**18. CONSTRUCTION OF LANGUAGE OF AGREEMENT**

The provisions of this AGREEMENT shall be construed as a whole according to its common meaning of purpose of providing a public benefit and not strictly for or against any party. It shall be construed consistent with the provisions hereof, in order to achieve the objectives and purposes of the parties. Wherever required by the context, the singular shall include the plural and vice versa, and the masculine gender shall include the feminine or neutral genders or vice versa.

**19. MITIGATION OF DAMAGES**

In all situations arising out of this AGREEMENT, the parties shall attempt to avoid and minimize the damages resulting from the conduct of the other party.

**20. GOVERNING LAW**

This AGREEMENT, and the rights and obligations of the parties, shall be governed and interpreted in accordance with the laws of the State of California. Should litigation occur, venue shall be in Superior Court of Santa Barbara County.

**21. TAXPAYER IDENTIFICATION NUMBER**

CONSULTANT shall provide CITY with a complete Request for Taxpayer Identification Number and Certification, Form W-9 (Rev. 12-87), as issued by the Internal Revenue Service.

**22. NON-APPROPRIATION OF FUNDS**

Payments due and payable to CONSULTANT for current services are within the current budget and within an available, unexhausted and unencumbered appropriation of CITY funds. In the event CITY has not appropriated sufficient funds for payment of CONSULTANT services beyond the current fiscal year, this AGREEMENT shall cover only those costs incurred up to the conclusion of the current fiscal year.

**23. MODIFICATION OF AGREEMENT**

The tasks described in this AGREEMENT and all other terms of this AGREEMENT may be modified only upon mutual written consent of CITY and CONSULTANT.

**24. USE OF THE TERM "CITY"**

Reference to "CITY" in this AGREEMENT includes City Manager or any authorized representative acting on behalf of CITY.

**25. PERMITS AND LICENSES**

CONSULTANT, at its sole expense, shall obtain and maintain during the term of this AGREEMENT, all appropriate permits, licenses, and certificates that may be required in connection with the performance of services under this AGREEMENT.

**26. CAPTIONS**

The captions or headings in this AGREEMENT are for convenience only and in no other way define, limit or describe the scope or intent of any provision or section of the AGREEMENT.

**27. AUTHORIZATION**

Each party has expressly authorized the execution of this AGREEMENT on its behalf and bind said party and its respective administrators, officers, directors, shareholders, divisions, subsidiaries, agents, employees, successors, assigns, principals, partners, joint venturers, insurance carriers and any others who may claim through it to this AGREEMENT.

**28. ENTIRE AGREEMENT BETWEEN PARTIES**

Except for CONSULTANT'S proposals and submitted representations for obtaining this AGREEMENT, this AGREEMENT supersedes any other agreements, either oral or in writing, between the parties hereto with respect to the rendering of services, and contains all of the covenants and agreements between the parties with respect to said services.

**29. PARTIAL INVALIDITY**

If any provision in this AGREEMENT is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

**30. NOTICES**

Any notice required to be given hereunder shall be deemed to have been given by depositing said notice in the United States mail, postage prepaid, and addressed as follows:

TO CITY: Attention: Michelle Greene, City Manager  
City of Goleta  
130 Cremona Drive, Suite B  
Goleta, CA 93117


TO CONSULTANT: Attention: Andrew Nickerson, President  
Hinderliter, de Llamas and Associates  
120 S State College Blvd., Suite 200  
Brea, CA 92821  
(714) 879-5000

**31. COUNTERPARTS AND ELECTRONIC/FACSIMILE SIGNATURES**

This Agreement may be executed in several counterparts, which may be facsimile or electronic copies. Each counterpart is fully effective as an original, and together constitutes one and the same instrument.

**In concurrence and witness whereof**, this AGREEMENT has been executed by the parties effective on the date and year first above written.

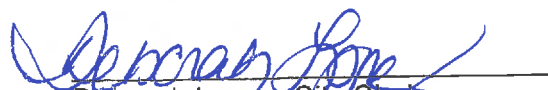
**CITY OF GOLETA**

  
Michelle Greene, City Manager

**CONSULTANT**

  
Andrew Nickerson, President

**ATTEST**

  
Deborah Lopez, City Clerk

  
Jeffrey Schmeier, Chief Financial Officer

**APPROVED AS TO FORM**

  
Winnie Cai, Assistant City Attorney

City of Goleta  
City Attorney's Office and Hinderliter, de Llamas and Associates  
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## **Exhibit A -Scope of Services**

The regulation, compliance and taxation of cannabis is complex and filled with challenging issues. Therefore, the objectives presented in this proposal are based on HdL's experience and the expectations and desired outcomes of the City. However, due to the ongoing evolution of the state's Medical Cannabis Regulation and Safety Act (MCRSA), Proposition 64, Adult Use Marijuana Act (AUMA), and SB 94, the Medicinal Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), HdL is agreeable to modifications to this scope of services as deemed necessary by both HdL and City staff. Amendments to this Scope of Services shall be made in writing and shall not constitute additional hours of work without proper compensation unless otherwise approved by the City and HdL.

The Scope of Services to be provided by HdL shall include:

- Kick-off conference call with City Staff;
- Provide subject matter expertise and technical support on cannabis local and state regulatory issues;
- Conduct three (3) Cannabis Policy Presentations to City Council and staff to provide guidance related to the various types of cannabis activities, policy issues or public safety concerns in order for staff to make informative policy decisions for the implementation of a Cannabis Management Program.
- Provide City staff with technical and policy expertise related to the operations and revenues associated with the understanding of the Cannabis Industry to ensure compliance with the Medical Cannabis and Safety Act (MCRSA), Adult Use Marijuana Act (AUMA), Medicinal Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), and all applicable local ordinances;
- Review City's Cannabis Business License Applications as more particularly described in Objective 3.

### **Objective 1: Provide Subject Matter Expertise & Technical Support**

Subject matter expertise and technical support will begin upon the execution of a contract with the Consultant which will include the following:

- Consultant shall work with City staff on issues related to cannabis regulatory and tax policies;
- Ensure proposed city ordinance complies with all state laws and conforms to the best practices to regulate the cannabis businesses in the City;
- Monitor MAUCRSA and state regulation's policy development and provide feedback to City staff to ensure that the City follows any changes which may

impact the development of the City's strategy to regulate and tax businesses which will be permitted in the City;

- Participate in conference calls and respond to staff inquiries via phone and email, review staff reports to City Council and assist with responses to inquiries from the public to staff;
- Committee/Council Meetings; HdL will provide staff, stakeholders and City Council with technical support at City Committee/Council meetings at the request of the City Administration.

## **Objective 2: Cannabis Policy Outreach and Education**

HdL is recognized throughout the state as the leader in providing public outreach, study sessions and stakeholder meetings for policy makers as well as internal and external stakeholders related to cannabis policy and regulatory issues. The firm will present cannabis policy presentations to the City Council and stakeholders as requested in the scope of service.

Our staff understands the importance of community outreach to ensure a successful Cannabis Management Program is implemented in the City. HdL's Cannabis Policy Advisor has over 16 years of experience in public policy, community engagement and advocacy from both the public and private sector. Our Cannabis Compliance Director has 8 years of experience developing one of the first cannabis regulatory programs in the country for a local municipality. Our Cannabis Compliance Manager has over 6 years of experience developing state regulatory programs and was one of the original regulators to develop marijuana policies for the state of Colorado. HdL also employs a Senior Policy Advisor who has statewide policy training and expertise in developing community-based outreach programs.

In the last 3 years, HdL has conducted over 85 workshops for professional organizations and local governments. Our public involvement process brings together all segments and geographies of the community including: elected officials, public agency staff, law enforcement, industry stakeholders, community groups and cannabis users. Our team will conduct the necessary outreach programs specific to the City of Goleta including public outreach, study sessions with decision makers, stakeholder meetings and public hearings and provide expertise on city code amendments, and application process strategies, cost recovery fees, and tax policy in compliance with Proposition 218.

## **Objective 3: Conduct Compliance Inspections**

HdL will conduct one (1) compliance inspection per business prior to each annual license renewal. HdL will work with the City of Goleta to develop a schedule to conduct the compliance inspections in order to consolidate the site visits to the City

to a minimum. Annual compliance inspections will include an on-site review of statutory and regulatory requirements.

Inspections will be designed to examine and determine compliance in areas related to the following:

- Business records
- Inventory tracking
- Access control
- Money handling
- Product handling standards
- Security/surveillance requirements
- Waste management
- Transportation documentation
- Occupational badges
- Other items as deemed necessary to ensure compliance with State and local laws as requested by the City

#### **Compliance Inspection and Deliverables**

It is the goal of HdL to provide the City with all the technical support and subject matter expertise throughout the year to ensure proper oversight and management of the Commercial Cannabis Businesses. HdL wishes to create “best practices” for the City and the permittee to make sure they are following State and local law. As part of this objective, the proposal incorporates outreach and education for the City Staff and the permittee.

## EXHIBIT B – HOURLY RATES AND SERVICE CHARGES

HdL's fee proposal is based on time, materials and travel expenses associated with the execution of the services. It is based on the current scope of services as outlined in Objectives 1 through 3 for a fee not to exceed \$29,700.

### EMPLOYEE HOURLY RATES:

<b>Current Employee (May be subject to change)</b>	<b>Employee Job Title</b>	<b>Hourly Rate</b>
David McPherson	Cannabis Compliance Director	\$300
Matt Eaton	Cannabis Compliance Manager	\$300
Tim Cromartie	Senior Advisor	\$300
Kami Miller	Senior Advisor	\$300
Mark Lovelace	Senior Advisor w/ CEQA experience	\$300

### SERVICE CHARGES:

<b>Scope of Service Objectives</b>	<b>Estimated Cost of Labor/Budget</b>
Objective 1 – Subject Matter Expertise and Technical Support	54 Hours/\$16,200
Objective 2 – Cannabis Policy Outreach & Education Preparation, Travel Cost and Presentations for Three Council Meetings	Flat Rate of \$2,000 Per Presentation
	Subtotal \$6,000
Objective 3 – Compliance Inspections and Reviews for a Minimum of Six Cannabis Business Operators	Flat Rate of \$1,250 Per Inspection
	Subtotal \$7,500
<b>Total</b>	<b>\$29,700</b>

### **Objective 1: Cost Assumptions – Subject Matter Expertise and Technical Support**

Subject matter expertise and technical support will be provided, however should Consultant be required to attend meetings outside the scope of service, travel time will be billed at a flat rate of \$1,000 per day to attend the meetings. The City

will not be responsible for additional travel time should the Consultant decide to stay within the City additional days.

**Objective 2: Cost Assumptions – Cannabis Policy Outreach & Education**

Consultants anticipates preparing and presenting 3 presentations to City Council and City staff. Consultant's travel cost is included in the pricing for this objective.

**Objective 3: Cost Assumptions – Compliance Inspection Review**

The City must make a reasonable and good faith effort to consolidate the scheduled inspections where ever possible to the bare minimum since there will be no additional travel cost associated with this objective.

**Optional Services**

**Optional Service #1: Application Review**

HdL staff has experience reviewing, scoring and preparing summary reports for over 1,300 cannabis land use applications. Should the City need assistance conducting application reviews, HdL can provide this service at the rate of \$2,500 per application.

**Optional Service #2: Background Checks**

HdL staff has prior law enforcement and cannabis regulatory experience and are trained to review background information on owners and employees of cannabis business. As a result, the Consultant provides background investigations to be utilized as a provisional background for agencies that need assistance in this process at a rate of \$300 per applicant (Owner), Manager or Supervisor and \$150 for line staff.

**Optional Service #3: Regulatory Compliance Reviews and Financial Audit**

The HdL Companies Cannabis Management Team combined has over 20 years of direct experience conducting approximately 11,000 cannabis compliance inspections, investigations and financial audits in Colorado, California and Nevada. HdL can provide annual compliance reviews and financial audits at the following rates per cannabis business permitted in the City.

**Option A:** Conduct one (1) financial audit annually for each permit at a rate of \$6,000.

**Option B:** Conduct one (1) compliance review and one (1) financial audit annually for each permit at a rate of \$7,250.

**Option C:** Conduct two (2) compliance reviews and one (1) financial audit annually for each permit at a rate of \$8,500.

**Option D:** Conduct three (3) compliance reviews and one (1) financial audit annually for each permit at a rate of \$9,750.

**Option E:** Conduct four (4) compliance reviews and one (1) financial audit annually for each permit at a rate of \$11,000.

**Option F:** Tax Analytical Remittance Report (TARR) Summary provided on a quarterly basis for each permit at an annual rate of \$2,500.

**AMENDMENT NO. 1  
TO A PROFESSIONAL SERVICES AGREEMENT  
BETWEEN THE CITY OF GOLETA  
AND  
HINDERLITER, DE LLAMAS AND ASSOCIATES**

This **Amendment No. 1** to a PROFESSIONAL SERVICES AGREEMENT by and between the **City of Goleta**, a municipal corporation ("City") and **HINDERLITER, DE LLAMAS AND ASSOCIATES**, a California Corporation ("Consultant") dated January 4th, 2019 ("Agreement," Agreement No. 2018-125) is made this 4<sup>th</sup> day of June, 2019.

**RECITALS**

**WHEREAS**, this Agreement is for professional cannabis consulting services; and

**WHEREAS**, the Agreement between City and Consultant currently provides in Section 3 Subsection (a) for the total compensation amount not to exceed \$30,000; and

**WHEREAS**, the parties desire to amend the Agreement so as to provide for additional compensation in the amount of \$124,000 for continued work; and

**WHEREAS**, the Agreement currently designates Vyto Adomaitis, Director of Neighborhood Services and Public Safety as Project Manager; and

**WHEREAS**, the City desires to change the Project Manager to Luke Rioux, Finance Director; and

**WHEREAS**, the Agreement between City and Consultant currently provides in Section 6 for the termination of the Agreement on December 30, 2019; and

**WHEREAS**, the parties desire to amend the Agreement so as to extend the termination of the Agreement to June 30, 2021, and

**WHEREAS**, the City Council approved this Amendment No. 1, on this 4<sup>th</sup> day of June, 2019.

**WHEREAS**, the parties desire to amend the Agreement to allow for execution of the Agreement and amendments by facsimile and electronic mail in order to expedite the finalization of the agreements; and

**AMENDED TERMS**

**Now therefore** City and Consultant agree as follows that the Agreement be, and hereby is, amended as follows:

1. **Section 3 Subsection (a). COMPENSATION AND PAYMENT** of the Agreement is amended to add an additional authorized amount of \$124,000 and to read in its entirety:

- (a) **Maximum and Rate.** The total compensation payable to CONSULTANT by CITY for the services under this AGREEMENT **SHALL NOT EXCEED** the sum of \$154,000 (herein "not-to-exceed amount") and shall be earned as the work progresses on the following basis:

Hourly at the hourly rates of CONSULTANT and service charges as set forth in Exhibit "B," attached and incorporated herein. The rates and service charges set forth in that exhibit shall be binding upon CONSULTANT until June 30, 2021, after which any change in said rates and expenses must be approved in writing by CITY's Project Manager as described in Section 5 (CITY is to be given 60 days notice of any rate increase request), provided the not to exceed amount is the total compensation due CONSULTANT for all work described under this AGREEMENT.

- (b) **Payment.** CONSULTANT shall provide CITY with written verification of the actual compensation earned, which written verification shall be in a form satisfactory to CITY's Project Manager, as described in Section 5. Invoices shall be made no more frequently than on a monthly basis, and describe the work performed (including a list of hours worked by personnel classification). All payments shall be made within 30 days after CITY's approval of the invoice.

2. **Section 5. CITY PROJECT MANAGER AND SERVICES BY CITY** is amended to designate Luke Rioux, Finance Director, as Project Manager and to read in its entirety:

The services to be performed by CONSULTANT shall be accomplished under the general director of, and coordinate with, CITY's "Project Manager", as that staff person who is designated by CITY from time to time, and who presently is Luke Rioux, Finance Director. Project Manager shall have the authority to act on behalf of the CITY in administering this AGREEMENT but shall not be authorized to extend the term of the AGREEMENT or increase the not to exceed amount.

3. **Section 6. TERM, PROGRESS AND COMPLETION** of the Agreement is amended to extend the term for an additional one (1) year and six (6) months to read in its entirety:

The term of this Agreement is from the date first written above to June 30, 2021, unless the term of this Agreement is extended or the Agreement is terminated as provided for herein.

CONSULTANT shall not commence work on the services to be performed until (i) CONSULTANT furnishes proof of insurance as required by Section 10 below, and




(ii) CITY gives written authorization to proceed with the work provided by CITY's Project Manager. All services shall be completed within the term of this Agreement following the notice to proceed.

4. Except as otherwise specifically provided herein, all other provisions of the Agreement shall remain in full force and effect

**In concurrence and witness whereof**, this Amendment No. 1 has been executed by the parties effective on the date and year first above written.

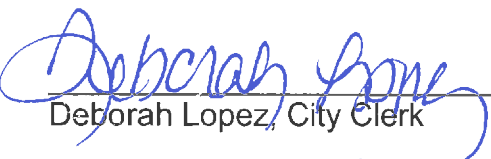
**CITY OF GOLETA**

  
\_\_\_\_\_  
Michelle Greene, City Manager

**CONSULTANT**

  
\_\_\_\_\_  
Andrew Nickerson, President

**ATTEST:**

  
\_\_\_\_\_  
Deborah Lopez, City Clerk

  
\_\_\_\_\_  
Gary Lott, Chief Operation Officer

**APPROVED AS TO FORM**

  
\_\_\_\_\_  
Winnie Cai, Assistant City Attorney

**AMENDMENT NO. 2  
TO A PROFESSIONAL SERVICES AGREEMENT  
BETWEEN THE CITY OF GOLETA  
AND  
HINDERLITER, DE LLAMAS AND ASSOCIATES**

This **Amendment No. 2** to the Professional Services Agreement by and between the **City of Goleta**, a municipal corporation ("City") and **Hinderliter, De Llamas and Associates, a California Corporation** ("Consultant") dated January 4th, 2019\_\_\_\_ ("Agreement," Agreement No. 2018-125) is made on this 15th day of June, 2021.

**RECITALS**

**WHEREAS**, this Agreement is for professional cannabis consulting services; and

**WHEREAS**, on June 4, 2019, the Agreement was amended to amend the amount and extend the term of the Agreement ("Amendment No.1"); and

**WHEREAS**, the Agreement currently provides in Section 3 Subsection (a) for the total compensation amount not to exceed \$154,000; and

**WHEREAS**, the parties desire to amend the Agreement so as to provide for additional compensation in the amount of \$170,000 for continued *cannabis consulting services*; and

**WHEREAS**, the Agreement currently provides in Section 6 for the termination of the Agreement on June 30, 2021; and

**WHEREAS**, the parties desire to amend the Agreement so as to extend the termination of the Agreement to June 30, 2023; and

**WHEREAS**, the City Council approved this Amendment No. 2, on this 15th day of June, 2021.

**AMENDED TERMS**

**Now therefore** City and Consultant agree as follows that the Agreement be, and hereby is, amended as follows:

1. **Subsection (a) of Section 3. COMPENSATION AND PAYMENT** of the Agreement is amended to add an additional authorized amount of \$170,000 and to read in its entirety:

- (a) **Maximum and Rate.** The total compensation payable to CONSULTANT by CITY for the services under this AGREEMENT

**SHALL NOT EXCEED** the sum of \$324,000 (herein "not-to-exceed amount") and shall be earned as the work progresses.

2. **Section 6. TERM, PROGRESS AND COMPLETION** of the Agreement is amended to extend the term for an additional 24 months to read in its entirety.

The term of this Agreement is from the date first written above to June 30, 2023, unless the term of this Agreement is extended or the Agreement is terminated as provided for herein.

CONSULTANT shall not commence work on the services to be performed until (i) CONSULTANT furnishes proof of insurance as required by Section 10 below, and (ii) CITY gives written authorization to proceed with the work provided by CITY's Project Manager. All services shall be completed within the term of this Agreement following the notice to proceed.

3. Except as otherwise specifically provided herein, all other provisions of the Agreement shall remain in full force and effect

**In concurrence and witness whereof**, this Amendment No. 2 has been executed by the parties effective on the date and year first above written.

#### CITY OF GOLETA

DocuSigned by:

*Michelle Greene*

Michelle Greene, City Manager

#### CONSULTANT

DocuSigned by:

*Andrew Nickerson*

Andrew Nickerson, President

#### ATTEST:

DocuSigned by:

*Deborah Lopez*

Deborah Lopez, City Clerk

DocuSigned by:

*Gary Lott*

Gary Lott, Chief Operating Officer

#### APPROVED AS TO FORM:

MICHAEL JENKINS, CITY ATTORNEY

DocuSigned by:

*Winnie Cai*

Winnie Cai, Assistant City Attorney

## **EXHIBIT B: Hourly Rates and Service Charges**

HdL shall provide all services under this agreement in accordance with the rates described below. Prices shall be honored for the first full year of the agreement, with successive years subject to an annual increase based upon the Consumer Price Index for the Los Angeles-Long Beach-Anaheim region.

### **Optional Service #1: Cannabis Business Application Reviews**

HdL's Cannabis Management Team can review and evaluate cannabis business applications to ensure they meet or exceed all state and local regulatory requirements.

Cannabis Business Application Reviews: \$2,500 each

### **Optional Service #2: Permit Renewal Application Reviews**

HdL's Cannabis Management Team can review and evaluate cannabis business applications to ensure they meet or exceed all state and local regulatory requirements. Should the City need assistance conducting application reviews, HdL can provide this service at the rate of \$2,500 per application.

Permit Renewal Application Reviews: Hourly Rate

### **Optional Service #3: Premises Site Plan Review**

HdL shall review the premises diagram of each cannabis business prior to issuance of building permits for site improvements to ensure all proposed cannabis-specific improvements are in compliance with all State and local requirements. The cost for this service includes an initial premises diagram review and report.

Premises Site Plan Review: Hourly Rate

### **Optional Service #4: Pre-License Site Visits**

HdL shall conduct a site visit of each cannabis business prior to issuance of a certificate of occupancy to verify compliance with all cannabis-specific State and local requirements. The cost for this service includes coordination and arrangements with the business and other agencies, site visit, post-inspection report, all travel costs and any follow up.

Pre-License Site Visits: \$1,275 each

### **Optional Service #5: Regulatory Compliance Reviews**

HdL will conduct a series of up to four on-site compliance inspections annually, or as otherwise requested by the City, for each permitted cannabis business to determine compliance with State and/or local laws.

Regulatory Compliance Reviews: \$1,275 each

**Optional Service #6: Cannabis Revenue Audits**

HdL will conduct an annual revenue audit of each cannabis business to verify the accuracy of the revenue reported and remitted to the City during the review period and will recommend a tax assessment should the audit reveal any unreported revenue.

Cannabis Revenue Audits:

\$7,000 each

**Optional Service #7: Background Checks**

HdL provides an online portal for applicants to submit their application and authorization for background checks and all necessary documentation. Applicants provide their payment directly to HdL through the portal, so there is no cost to the City.

Background Checks	Owner, principal or manager	Employee or line staff
Initial background check	\$300	\$100
Annual renewal	\$100	\$75
Reissue lost or stolen badge	\$10	\$10

**Hourly Rates for HdL Staff**

The prices in this proposal are based on the hourly rates for HdL staff as shown in the chart below. Any additional services requested by the client that are not specifically described in this proposal would be billed at the standard rate for the assigned staff person.

HdL Staff Person	Title	Hourly Rate
David McPherson	Compliance Director	\$250
Matt Eaton	Deputy Compliance Director	\$250
Ajay Kolluri	Deputy Audit Director	\$250
Mark Lovelace	Senior Policy Advisor	\$250
Kami Miller	Senior Compliance Inspector	\$195
Michelle Shaw	Compliance Inspector	\$195
Elizabeth Eumurian	Senior Auditor	\$195
Odette Mikhail	Auditor	\$195
Tao Lu	Auditor	\$195
Valerie Carter	Auditor	\$195
Mark Brogan	Auditor	\$195
Teresa Schneider	Business Application Reviewer	\$195
Cheryl Lee	Business Application Reviewer	\$195
Jeff Burris	Business Application Reviewer	\$195
Kristi Lervold	Administrative Assistant	\$195
All rates current as of the date of this proposal		

**AMENDMENT NO. 3  
TO A PROFESSIONAL SERVICES AGREEMENT  
BETWEEN THE CITY OF GOLETA  
AND HINDERLITER, DE LLAMAS AND ASSOCIATES**

This **Amendment No. 3** to the Professional Services Agreement by and between the **City of Goleta**, a municipal corporation ("City") and **Hinderliter, De Llamas and Associates** ("Consultant") dated January 4, 2019 ("Agreement," Agreement No. 2018-125) is made on this 3 day of October 2023.

**SECTION A. RECITALS**

1. This Agreement is for the professional cannabis consulting services; and
2. This Agreement has been amended to provide for additional compensation for continued services, change the Project Manager, and extend the termination of the agreement (Amendment No. 1, and 2.); and
3. The Agreement currently provides in Exhibit A entitled "Scope of Services"; and
4. The parties desire to amend Exhibit A of the Agreement so as to update the description of services, attached as Exhibit "A-2"; and
5. The Agreement currently provides in Section 3 Subsection (a) for the total compensation amount not to exceed \$324,000; and
6. The parties desire to amend the Agreement so as to provide additional compensation in the amount of \$60,000 for continued cannabis consulting services; and
7. The Agreement currently provides in Exhibit B entitled "Hourly Rates and Service Charges"; and
8. The parties desire to amend Exhibit B of the Agreement, so as to update the hourly rates and cost schedule, attached as Exhibit B-2 entitled "Cost Schedule"; and
9. The Agreement currently provides in Section 6 for the termination of the Agreement on June 30, 2023; and
10. The parties desire to retroactively amend this Agreement so that this Amendment is effective as of June 30, 2023 and the term of the Agreement extends to June 30, 2025; and
11. The City Council approved this Amendment No.3, on this 3<sup>rd</sup> day of October 2023.

## SECTION B. AMENDED TERMS

**Now therefore** City and Consultant agree as follows that the Agreement be, and hereby is, amended as follows:

1. Subsection (a) of Section 5. **COMPENSATION AND PAYMENT** of the Agreement is amended to add an additional authorized amount of \$60,000 and to read in its entirety:

- (a) **Maximum and Rate.** The total compensation payable to SERVICE PROVIDER by CITY for the services under this AGREEMENT **SHALL NOT EXCEED** the sum of \$384,000 (herein "not-to-exceed amount") and shall be earned as the work progresses.

Consultant shall provide the Base Services as described in the Scope of Services, attached as Exhibit "A-2".

Hourly at the hourly rates and with reimbursement to CONSULTANT for those expenses set forth in CONSULTANT's Schedule of Fees marked Exhibit B-2, attached, and incorporated herein. The rates and expenses set forth in that exhibit shall be binding upon CONSULTANT until June 30 2025, after which any change in said rates and expenses must be approved in writing by CITY's Project Manager as described in Section 10 (CITY is to be given 60 days' notice of any rate increase request), provided the not to exceed amount is the total compensation due CONSULTANT for all work described under this AGREEMENT.

2. **Section 6. TERM, PROGRESS AND COMPLETION** of the Agreement is amended to extend the term for an additional 24 months to read in its entirety.

The term of this Agreement is from the date first written above to June 30, 2025, unless the term of this Agreement is extended, or the Agreement is terminated as provided for herein.

CONSULTANT shall not commence work on the services to be performed until (i) CONSULTANT furnishes proof of insurance as required by Section 10 below, and (ii) CITY gives written authorization to proceed with the work provided by CITY's Project Manager. All services shall be completed within the term of this Agreement following the notice to proceed.

3. This Agreement is amended to delete and replace in its entirety: Exhibit A "Scope of Services" with Exhibit A-2 "Scope of Services" attached hereto and incorporated herein.
4. This Agreement is amended to delete and replace in its entirety: Exhibit B "Hourly Rates and Service Charges" with Exhibit B-2 "Cost Schedule" attached hereto and incorporated herein.
5. Except as otherwise specifically provided herein, all other provisions of the Agreement shall remain in full force and effect.

**In concurrence and witness whereof**, this Amendment No. 3 has been executed by the parties effective on the date and year first above written.

**CITY OF GOLETA**

DocuSigned by:

*Robert Nisbet*

Robert Nisbet, City Manager

**CONSULTANT**

DocuSigned by:

*Andrew Nickerson*

Andrew Nickerson, President/CEO

**ATTEST:**

DocuSigned by:

*Deborah Lopez*

Deborah Lopez, City Clerk

DocuSigned by:

*Richard Park*

Richard Park, CFO

**APPROVED AS TO FORM:**

MEGAN GARIBALDI, CITY ATTORNEY

DocuSigned by:

*Scott Shapses*

Scott Shapses, Deputy City Attorney





## EXHIBIT A SCOPE OF SERVICES

### **Objective 1: Attendance, Support or Presentations at Meetings or Workshops**

HdL shall provide attendance or presentations at meetings or workshops as needed or requested to help inform ongoing discussion of the City's cannabis ordinance and associated regulatory program. It is anticipated that this objective may include meetings with Council Members, public meetings of the City Council and/or Planning Commission, community workshops or other public meetings as may be requested. The use and scheduling of these meetings would be determined in consultation with City staff. This objective assumes that all meeting attendance would be virtual. Physical attendance would incur an additional travel charge.

### **Objective 2: Review Permit Renewal Applications**

HdL shall review and evaluate all applications for annual cannabis business permit renewals. The City shall notify HdL upon receipt of an application for a cannabis business permit renewal and shall forward all renewal application materials. HdL's reviewers shall evaluate whether the application is complete and provides all necessary and requested information as required by the City. Reviews shall include narrative comments noting any deficiencies. If an application is deemed incomplete, the applicant shall be given an opportunity to submit supplemental information to address any deficiencies.

Each renewal application evaluation shall be completed within 60 days of the HdL receiving the application. Permit renewals are conditioned upon satisfactory completion of regulatory compliance inspections. If the inspection identifies any changes to the physical layout of the facility, then the permit renewal may also require a site plan evaluation (Objective 4).

### **Objective 3: Supplemental Background Checks**

HdL shall provide background checks of all owners, principals, managers and employees of cannabis businesses. Our background checks supplement the State-required Live Scan fingerprint check, which will only disclose Department of Justice (DOJ) records regarding arrests or convictions. California's licensing agencies are only allowed to consider convictions for certain "red line" offenses such as serious or violent felonies, or certain felonies involving fraud, minors or drug trafficking, as automatic disqualifiers before granting or denying a license.

Our supplemental background checks expand upon the Live Scan information to identify other factors that local governments may wish to consider before granting discretionary business licenses or permits. These considerations may include other felony offenses, misdemeanor convictions, arrest records, civil judgements, restraining orders, the terrorist screening database, the national sex offender registry, delinquent child support payments, bankruptcies, employment and credit records, and more. Our search includes up to 5 variations on the subject's name and will alert if additional aliases are found which might warrant further investigation.

Our comprehensive background process checks the subject's name and social security number against over 200 million datasets nationwide, including all of the following<sup>1</sup>:

- 7 yr. unlimited county courts and criminal records search
- Social Security, name and address comparison
- DMV search
- National Criminal Court report
- National Sex offender registry
- Federal criminal history
- State Department of Public Safety
- State Department of Corrections
- Terror watch list
- Bankruptcy, lien and judgments
- Delinquent child support payments
- Employment credit report
  - Financial summary
  - Personal information comparison
  - Address comparison
  - Employment comparison
  - Credit bureau report / credit history
  - Public records search

Any felony convictions that would be automatic disqualifiers pursuant to B&P 26057 (Violent and Serious Felony Convictions) must be confirmed through the Live Scan process. The degree to which other records may be used to inform the approval or renewal of a local business license or permit is subject to local ordinance requirements.

HdL offers separate rates for owners, principals or managers of cannabis businesses and for regular employees or line staff. We also offer a lower rate for annual renewals after the initial background check has been completed. Our rates include an HdL-designed employee identification badge with the city or county logo which meets all State regulatory requirements.

HdL provides an online portal for applicants to submit their application and authorization for background checks and all necessary documentation. Applicants provide their payment directly to HdL through the portal, so there is no cost to the City.

Background Checks	Owner, principal or manager	Employee or line staff
Initial background check	\$300	\$100
Annual renewal	\$100	\$75
Reissue lost or stolen badge	\$10	\$10

Prices valid as of the date of this proposal and subject to change without notice.

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<sup>1</sup> Renewals and background checks for employees include a lesser level of investigation.

**Objective 4: Site Plan Evaluations**

HdL shall review the premises diagram for each commercial cannabis business as needed or requested by the City to assist with the review of any permit renewal applications. The review shall ensure that any changes or modifications to the physical layout of the facility are compliant with state law and local regulations and are properly reflected in the site diagram. The review shall specifically address all cannabis-related interior and exterior physical site security requirements including entrances and exits, product and customer flow, limited access areas, locks and alarm systems, surveillance camera locations, safes, signage, and other criteria.

HdL shall provide the City with a report identifying any variances from the premises diagram as previously approved and detailing any deficiencies or recommended changes that need to be addressed prior to permit renewal.

**Objective 5: Pre-License Site Visits**

HdL shall review the premises diagram and conduct a site visit of each cannabis business prior to issuance of a certificate of occupancy. Site visits shall complement the final building inspection by verifying all interior and exterior physical site security requirements have been addressed in accordance with the application and all State and local requirements. Site visits shall examine all entrances and exits, limited access areas, locks and alarm systems, access control procedures, surveillance camera locations, safes and cash management procedures, signage, operational protocols and administrative privileges associated with the license type(s) being sought, and other requirements as necessary. The HdL inspector may be accompanied on the inspection by the City's building inspector or representatives from the Police Department and Fire Department, if desired by the City.

The cost for this service includes an initial premises diagram review and report, coordination and arrangements with the business and other agencies, site visit, post-inspection report and any follow-up. This cost assumes 10-days advance notice for scheduling and travel arrangements. Travel will be charged at HdL hourly rates.

**Objective 6: Regulatory Compliance Inspections**

HdL will conduct a series of up to four on-site compliance inspections annually, as requested by the City, for each permitted cannabis business to determine compliance with State and/or local laws. If HdL identifies any non-compliant activities, we will provide the City with a recommended appropriate action to address the deficiency and to ensure future compliance by the permittee. The cost for this service includes all of the following:

- Notifying permittee of pending inspection
- Full on-site inspection to ensure that each business complies with all State and local laws and regulatory protocols for all of the following:
  - Inventory management
  - Cash handling procedures
  - Access control

- Video surveillance
  - Alarm system maintenance and safety
  - Lock standards
  - Packaging and labeling
  - Waste management
  - Transportation documentation
  - Surveillance equipment maintenance
  - Occupational badges
  - Business records
  - Other items as necessary to ensure compliance with laws
- Preparation of a draft report detailing the findings of the inspection and providing recommendations for improvement where needed. If the inspection identifies any violations of law or other non-compliance issues, then HdL will prepare a notice to comply as an included part of the report.
  - All travel costs associated with the inspection, assuming a minimum of four inspections per day. If fewer than four inspections are requested, HdL will charge for travel based upon hourly rates.
  - All phone, email and other communications involved in preparing for, scheduling and coordinating the inspections and providing the report.

The cost for this service does not include any follow-up re-inspection or review of any supplemental documents provided to address or contest any findings of non-compliance, nor does it include any assistance with the appeal of any enforcement action by the City. Any costs associated with such additional services would be billed at HdL's hourly rate.

### **Objective 7: Cannabis Revenue Audits**

HdL will conduct an annual revenue audit of each cannabis business to verify the accuracy of the revenue reported and remitted to the City during the review period and will recommend a tax assessment should the audit reveal any unreported revenue. As part of the audit process, HdL will conduct a risk-based review of each business using our proprietary Cannabis Analytical Testing System (CATS™). CATS was designed by HdL to address the unique challenges associated with auditing the cannabis industry. CATS allows audit staff to cross-analyze multiple business records to identify reporting variances, discrepancies and outliers to produce the most accurate measure of gross receipts on behalf of the City.

To initiate the process, the City shall provide HdL with a list of all licensed cannabis businesses subject to audit. HdL shall work with the City to determine the appropriate review period for each business and to develop a schedule for conducting all audits. As the time for each audit approaches, HdL will prepare a notification letter informing the licensee of the impending audit and providing a list of all records and documentation the business is required to provide, including remote access to the business's point-of-sale (POS) system where applicable. HdL recommends that the letter be sent by the City to communicate HdL's authority to conduct the audit and to encourage cooperation by the business.

The full annual audit shall include:

- Review Point-of-Sale (POS) system structure
- Review inventory system (subject to METRC data)
- Analyze and compare POS data with other available data sources, including:
  - City cannabis tax returns
  - State tax returns
  - Federal tax returns
  - METRC sales and inventory data
  - CDTFA data
  - Bank statements
  - ATM or other merchant statements
  - Sales receipts
  - Other financial documents as available
- Identify any variances or over/under reporting
- Calculate any taxes or fees due to the City
- Prepare and issue report

Where cannabis cultivation is taxed on a square-footage basis, the audit shall include one annual site inspection to verify compliance with maximum permitted canopy area. Square footage audits may also consider documented findings from inspections by the City, DCC or other agencies, where available.

A business that holds multiple state cannabis licenses shall be considered a single business for audit purposes, provided that all licenses are held and operated under the same name, ownership, location, and a single tax ID number. Any variation may indicate separate business entities requiring separate audits. Any such determination shall be made on a case-by-case basis in consultation with the City.

HdL will provide a draft audit report to the commercial cannabis business. The business will be given an appropriate opportunity to respond or appeal the report in accordance with the City ordinance. HdL will review any documentation provided by the business to dispute the findings and will adjust the tax/fee assessment as necessary prior to issuing the final report to the City.

The cost for this service assumes a standard 12-month review period. The cost for a longer term shall be increased per each additional 6-month period (2 fiscal quarters). Pricing available upon request. This cost also assumes reasonable cooperation from the licensee. Non-cooperation by the licensee may result in additional charges at HdL's hourly rate, or in termination of the audit and potential enforcement action by the City. Any such action or additional charges would be determined in consultation with the City.

The cost does not include assistance with administrative appeals or enforcement of audit findings, cannabis tax policy questions or guidance, or other services not directly associated with preparing the revenue audit report. Any costs associated with such additional services would be billed at HdL's hourly rate.

### **Objective 8: Technical Assistance and Subject Matter Expertise**

HdL will provide additional hours of general consulting to be utilized on an as-needed basis at the City's request. Such assistance may include technical assistance, subject matter expertise, education, monitoring of changes to State laws and regulations, participation in conference calls, responding to staff inquiries via phone and email, reviewing staff reports to the City Council, assisting with responses to inquiries from the public, or other issues yet to be determined as requested by the City. All technical assistance shall be mutually agreed upon by both parties prior to performing services.

### **Objective 9: Quality Assurance Application Reviews**

HdL staff will conduct an initial screening of all applications for completeness based upon an objective checklist of required documentation. This initial screening shall allow for some limited discretion in determining whether submitted documents are substantively complete but shall not otherwise consider the quality of the submissions. Applications deemed incomplete will be disqualified and those applicants will not be allowed to submit any supplemental information.

Applications which have been deemed complete will move forward for a full review, including quality assurance scoring. Applicants must provide detailed information on how they plan to meet the required criteria. An applicant's point score shall be based on their demonstrated ability to meet or exceed minimum requirements in each category. Scoring shall be in conformance with the criteria established by the City.

Reviews shall include narrative comments that identify any weaknesses, deficiencies or areas of concern for each application. Reviews shall be adequately detailed to inform the subsequent selection process but shall not contain any recommendations for approval or denial, other than a numerical score.

Proposed actions described in the applications shall be considered binding conditions of any resulting permit. Failure to meet or comply with any such requirements after a permit has been granted may subject the applicant to penalties and/or revocation proceedings.

This objective assumes a non-competitive quality assurance process where applications are reviewed only to ensure that they have adequately addressed all required criteria. This objective is offered here as an optional service. Engagement by HdL in any application reviews would require mutual agreement on the process in advance.

## EXHIBIT B COST SCHEDULE

Once under contract, prices shall be honored for the first full year, with successive years subject to an annual increase based upon the Consumer Price Index for the Los Angeles-Long Beach-Anaheim region.

Scope of Service Objectives	Estimated Cost
<b>Objective 1: Attendance or Presentations at Meetings</b> Includes planning and preparation of a presentation	Hourly Rate
<b>Objective 2: Review Permit Renewal Applications</b>	Hourly Rate
<b>Objective 3: Supplemental Background Checks</b> Cost paid directly to HdL by applicant	No Charge to City
<b>Objective 4: Site Plan Evaluations</b>	\$1,000 per evaluation
<b>Objective 5: Pre-license Site Visits</b>	\$2,250
<b>Objective 6: Regulatory Compliance Inspections</b> One or more inspections per year as requested	\$2,250
<b>Objective 7: Cannabis Revenue Audits</b>	\$10,000 per audit
<b>Objective 8: Technical Assistance and Subject Matter Expertise</b>	Hourly Rate
<b>Objective 9: Quality Assurance Application Reviews (Optional)</b> Requires mutual agreement on process in advance	\$5,000 per application
<b>Travel</b> (as needed for pre-license site visits and/or meeting attendance)	Hourly Rate*
<b>ESTIMATE OF TOTAL COSTS (assumes 2-year term)</b> Site Plan Evaluations (assumes 5) Pre-License Site Visits (assumes 6) Regulatory Compliance Inspections (assumes 24) Cannabis Revenue Audits (assumes 10) Subject Matter Expertise (assumes 80 hours @ \$300/hr))	\$5,000 \$13,500 \$54,000 \$100,000 \$24,000
<b>TOTAL NOT TO EXCEED</b>	<b>\$196,500</b>
*Or at a flat rate to be negotiated with the City.	

This proposal does not include any additional services that are not specifically enumerated herein. The proposal assumes HdL will not be asked to review any supplemental information provided by applicants, and that HdL will not be a part of any enforcement action, appeal, arbitration, or civil litigation resulting from the findings of an inspection and/or audit. Any such additional reports, documentation or assistance that may be required would be in addition to the costs shown in the table above and shall be billed at HdL's hourly rate. This includes assistance with administrative hearings and/or civil litigation involving cannabis applicants or licensees.

### **Hourly Rates for HdL Staff**

The prices in this proposal are based on the hourly rates for HdL staff as shown in the chart below. Any additional services requested by the client that are not specifically described in this proposal would be billed at the standard rate for the assigned staff person.

<b>HdL Staff Person</b>	<b>Title</b>	<b>Hourly Rate</b>
Ajay Kolluri	Director	\$300
Matt Eaton	Deputy Director of Compliance	\$300
Mark Lovelace	Senior Policy Advisor	\$300
Elizabeth Eumurian	Audit Manager	\$300
David Ross	Senior Compliance Inspector	\$250
Michelle Shaw	Compliance Inspector	\$235
Valerie Carter	Senior Auditor	\$250
Tao Lu	Auditor	\$235
Pamela Davis	Auditor	\$235
Eric Magana	Auditor	\$235
Tonson Chieng	Audit Analyst	\$225
Dante Chegini	Audit Analyst	\$225
Jennifer Erwin	Audit Analyst	\$225
Kristi Lervold	Administrative Assistant	\$150
<b>All rates current as of the date of this proposal</b>		



## **ATTACHMENT 6**

Professional Service Agreement No. 2022-111 Foster & Foster Consulting  
Actuaries Inc.

**Project Name: Actuarial Consulting Services**

**AGREEMENT FOR PROFESSIONAL SERVICES  
BETWEEN THE CITY OF GOLETA  
AND  
FOSTER & FOSTER CONSULTING ACTUARIES, INC.**

This AGREEMENT FOR PROFESSIONAL SERVICES (herein referred to as "AGREEMENT") is made and entered into this 21st day of December, 2022, by and between the **CITY OF GOLETA**, a municipal corporation (herein referred to as "CITY"), and **FOSTER & FOSTER CONSULTING ACTUARIES, INC.** (herein referred to as "CONSULTANT").

**SECTION A. RECITALS**

1. The CITY has a need for professional actuarial consulting services for valuing post-retirement medical benefits providing to eligible employees of the City of Goleta; and
2. The CITY does not have the personnel able and/or available to perform the services required under this AGREEMENT, and therefore, the CITY desires to contract for professional services to accomplish this work; and
3. The CITY procured these services in compliance with Goleta Municipal Code Section 3.05.260 and was selected based on expertise and can provide the services agreed to herein and are sufficiently familiar with the needs of the CITY.
4. The City Manager approved this AGREEMENT pursuant to Goleta Municipal Code section 3.05.070.

**SECTION B. TERMS**

**1. RETENTION AS CONSULTANT**

CITY hereby retains CONSULTANT, and CONSULTANT hereby accepts such engagement, to perform the services described in Section 2. CONSULTANT warrants it has the qualifications, experience, and facilities to properly and timely perform said services.

**2. DESCRIPTION OF SERVICES**

The services to be performed by CONSULTANT are as follows:

Professional actuarial consulting services in conjunction with Government Accounting Standards Board (GASB) Statement No.

75 compliance and review of the post-retirement medical benefits providing to eligible employees of the City of Goleta as more particularly set forth in the Scope of Work, attached as Exhibit "A" and incorporated herein.

CONSULTANT shall deliver to CITY the deliverables defined in Exhibit "A."

### **3. COMPENSATION AND PAYMENT**

**(a) Maximum and Rate.** The total compensation payable to CONSULTANT by CITY for the services under this AGREEMENT **SHALL NOT EXCEED** the sum of \$26,750 (herein "not to exceed amount"), and shall be earned as the work progresses on the following basis:

The CONSULTANT shall submit invoices monthly describing the services performed, the date services were performed, a description of reimbursable costs, and any other information requested by the CITY as set forth in CONSULTANT's Schedule of Fees marked Exhibit "B," attached and incorporated herein. The rates and expenses set forth in that exhibit shall be binding upon CONSULTANT until December 31, 2024 after which any change in said rates and expenses must be approved in writing by CITY's Project Manager as described in Section 5 (CITY is to be given 60 days notice of any rate increase request), provided the not to exceed amount is the total compensation due CONSULTANT for all work described under this AGREEMENT.

**(b) Payment.** CONSULTANT shall provide CITY with written verification of the actual compensation earned, which written verification shall be in a form satisfactory to CITY's Project Manager, as described in Section 5. Invoices shall be made no more frequently than on a monthly basis, and describe the work performed (including a list of hours worked by personnel classification). All payments shall be made within 30 days after CITY's approval of the invoice.

### **4. EXTRA SERVICES**

CITY shall pay CONSULTANT for those CITY authorized extra services, not reasonably included within the services described in Section 2, as mutually agreed to writing in advance of the incurrence of extra services by CONSULTANT. Unless CITY and CONSULTANT have agreed in writing before the performance of extra services, no liability and no right to claim compensation for such extra services or expenses shall exist. The applicable hourly rates for extra services shall be at the hourly rates set forth in Exhibit B, if one is included as part of this agreement. Any compensation for extra services shall be part of the total compensation and shall not increase the not to exceed amount identified in Section 3.

## **5. CITY PROJECT MANAGER AND SERVICES BY CITY**

The services to be performed by CONSULTANT shall be accomplished under the general direction of, and coordinate with, CITY's "Project Manager", as that staff person is designated by CITY from time to time, and who presently is Luke Rioux. Project Manager shall have the authority to act on behalf of the CITY in administering this AGREEMENT but shall not be authorized to extend the term of the AGREEMENT or increase the not to exceed amount.

## **6. TERM, PROGRESS AND COMPLETION**

The term of this AGREEMENT is from the date first written above to December 31, 2024, unless term of this AGREEMENT is extended, or the AGREEMENT is terminated as provided for herein.

CONSULTANT shall not commence work on the services to be performed until (i) CONSULTANT furnishes proof of insurance as required by Section 10 below, and (ii) CITY gives written authorization to proceed with the work provided by CITY's Project Manager.

## **7. OWNERSHIP OF DOCUMENTS**

All drawings, designs, data, photographs, reports and other documentation (other than CONSULTANT's drafts, notes and internal memorandum), including duplication of same prepared by CONSULTANT in the performance of these services, are the property of CITY. CITY shall be entitled to immediate possession of the same upon completion of the work under this AGREEMENT, or at any earlier or later time when requested by CITY. CITY agrees to hold CONSULTANT harmless from all damages, claims, expenses, and losses arising out of any reuse of the plans and specifications for purposes other than those described in this AGREEMENT, unless written authorization of CONSULTANT is first obtained.

## **8. PERSONAL SERVICES/NO ASSIGNMENT/SUBCONTRACTOR**

This AGREEMENT is for professional services which are personal to CITY. Foster & Foster Consulting Actuaries, Inc. is deemed to be specially experienced and is a key member of CONSULTANT's firm and shall be directly involved in the performance of this work. This key person shall communicate with, and periodically report to, CITY on the progress of the work. Should any such individual be removed from assisting in this contracted work for any reason, CITY may terminate this AGREEMENT. This AGREEMENT may not be assigned or subcontracted without the City Manager's prior written consent.

## 9. INSURANCE

CONSULTANT shall, at CONSULTANT's sole cost and expense, provide insurance as described herein. All insurance is to be placed with insurers authorized to do business in the State of California with an A.M. Best and Company rating of A- or better, Class VII or better, or as otherwise approved by CITY.

Insurance shall include the following (or broader) coverage:

- a) Insurance Services Office Commercial Liability coverage "occurrence" form CG 00 01 or its exact equivalent with an edition date prior to 2004 and with minimum limits of \$1,000,000 per occurrence and \$2,000,000 general aggregate.
- b) Insurance Services Office form number CA 00 01 or equivalent covering Automobile Liability, including hired and non-owned automobile liability with a minimum limit of \$1,000,000 per accident. If the Service Provider owns no vehicles, this requirement may be satisfied by a non-owned and hired auto endorsement to Service Provider's commercial general liability policy.
- c) Workers' Compensation insurance complying with California worker's compensation laws, including statutory limits for workers' compensation and an Employer's Liability limit of \$1,000,000 per accident or disease.
- d) Professional liability insurance that covers the services to be performed in connection with this agreement, in the minimum amount of \$1,000,000 per claim.

Liability insurance policies required to be provided by CONSULTANT hereunder shall contain or be endorsed to contain the following provisions:

- a) CITY, its employees, officials, agents and member agencies shall be covered as additional insureds. Coverage shall apply to any and all liability arising out of the work performed or related to the contract. Additional insured status under the general liability requirement shall be provided on Insurance Services Office Form CG 20 10, with an edition date prior to 2004, or its equivalent. Additional insured status for completed operations shall be provided either in the additional insured form or through another endorsement such as CG 20 37, or its equivalent.
- b) General and automobile liability 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. Coverage will not be limited to CITY's vicarious liability.

- c) Professional liability insurance policies inception date, continuity date, or retroactive date must be before the effective date of this agreement. CONSULTANT agrees to maintain continuous coverage through a period no less than three years after completion of the services required by this agreement.
- d) Liability coverage shall be primary and non-contributing with any insurance maintained by CITY.
- e) Evidence of coverage (including the workers' compensation and employer's liability policies) shall provide that coverage shall not be suspended, voided, canceled or reduced in coverage or in limits except after 30 days' prior written notice has been given to CITY. Such provision shall not include any limitation of liability of the insurer for failure to provide such notice.
- f) No liability insurance coverage provided to comply with this AGREEMENT shall prohibit CONSULTANT, or CONSULTANT's employees, or agents, from waiving the right of recovery prior to a loss. CONSULTANT waives its right of recovery against CITY.
- g) CONSULTANT agrees to deposit with CITY within fifteen days of Notice to Proceed of the Contract certificates of insurance and required endorsements.
- h) There shall be no recourse against CITY for payment of premiums or other amounts with respect to the insurance required to be provided by CONSULTANT hereunder. Any failure, actual or alleged, on the part of CITY to monitor compliance with these requirements will not be deemed as a waiver of any rights on the part of CITY. CITY has no additional obligations by virtue of requiring the insurance set forth herein. In the event any policy of insurance required under this AGREEMENT does not comply with these requirements or is canceled and not replaced, CITY has the right but not the duty to obtain the insurance it deems necessary, and any premium paid by CITY will be promptly reimbursed by CONSULTANT or CITY will withhold amounts sufficient to pay premium from CONSULTANT payments.
- i) CONSULTANT agrees to provide immediate notice to CITY of any claim or loss against CONSULTANT arising out of the work performed under this AGREEMENT. CITY assumes no obligation or liability by

such notice but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve CITY.

#### **10. RELATIONSHIP OF CONSULTANT TO CITY**

The relationship of the CONSULTANT to CITY shall be that of an independent contractor and that in no event shall CONSULTANT be considered an officer, agent, servant or employee of CITY. CONSULTANT shall be solely responsible for any workers compensation insurance, withholding taxes, unemployment insurance, and any other employer obligations associated with the described work.

#### **11. CORRECTIONS**

In addition to the above indemnification obligations, CONSULTANT shall correct, at its expense, all errors in the work that may be disclosed during CITY's review of CONSULTANT's report or plans. Should CONSULTANT fail to make such correction in a reasonably timely manner, such correction shall be made by CITY, and the cost thereof shall be charged to CONSULTANT or withheld from any funds due to CONSULTANT hereunder.

#### **12. TERMINATION BY CITY**

CITY, by notifying CONSULTANT in writing, may upon 10 calendar days' notice, terminate without cause any portion or all of the services agreed to be performed under this AGREEMENT. If termination is for cause, no notice period need be given. In the event of termination, CONSULTANT shall have the right and obligation to immediately assemble work in progress for the purpose of closing out the job. All compensation for actual work performed and charges outstanding at the time of termination shall be payable by CITY to CONSULTANT within 30 days following submission of a final statement by CONSULTANT unless termination is for cause. In such event, CONSULTANT shall be compensated only to the extent required by law.

#### **13. ACCEPTANCE OF FINAL PAYMENT CONSTITUTES RELEASE**

The acceptance by CONSULTANT of the final payment made under this AGREEMENT shall operate as and be a release of CITY from all claims and liabilities for compensation to CONSULTANT for anything done, furnished, or relating to CONSULTANT'S work or services. Acceptance of payment shall be any negotiation of CITY's check or the failure to make a written extra compensation claim within 10 calendar days of the receipt of that check. However, approval or payment by CITY shall not constitute, nor be deemed, a release of the responsibility and liability of CONSULTANT, its employees, subcontractors, agents and CONSULTANTS for the accuracy and competency of the information provided and/or work performed; nor shall such approval or

payment be deemed to be an assumption of such responsibility or liability by CITY for any defect or error in the work prepared by CONSULTANT, its employees, subcontractors, agents and consultants.

#### **14. AUDIT OF RECORDS**

At any time during normal business hours and as often as it may deem necessary, CONSULTANT shall make available to a representative of CITY for examination of all its records with respect to all matters covered by this AGREEMENT and will permit CITY to audit, examine and/or reproduce such records. CONSULTANT will retain such financial records, time sheets, work progress reports, invoices, bills and project records for at least two years after termination or final payment under this AGREEMENT.

#### **15. WAIVER; REMEDIES CUMULATIVE**

Failure by a party to insist upon the strict performance of any of the provisions of this AGREEMENT by the other party, irrespective of the length of time for which such failure continues, shall not constitute a waiver of such party's right to demand strict compliance by such other party in the future. No waiver by a party of a default or breach of the other party shall be effective or binding upon such party unless made in writing by such party, and no such waiver shall be implied from any omissions by a party to take any action with respect to such default or breach. No express written waiver of a specified default or breach shall affect any other default or breach, or cover any other period of time, other than any default or breach and/or period of time specified. All of the remedies permitted or available to a party under this AGREEMENT, or at law or in equity, shall be cumulative and alternative, and invocation of any such right or remedy shall not constitute a waiver or election of remedies with respect to any other permitted or available right of remedy.

#### **16. CONFLICT OF INTEREST**

CONSULTANT is unaware of any CITY employee or official that has a financial interest in CONSULTANT'S business. During the term of this AGREEMENT and/or as a result of being awarded this AGREEMENT, CONSULTANT shall not offer, encourage or accept any financial interest in CONSULTANT'S business by any CITY employee or official.

#### **17. CONSTRUCTION OF LANGUAGE OF AGREEMENT**

The provisions of this AGREEMENT shall be construed as a whole according to its common meaning of purpose of providing a public benefit and not strictly for or against any party. It shall be construed consistent with the provisions hereof, in order to achieve the objectives and purposes of the parties. Wherever required by the context, the singular shall include the plural and vice



versa, and the masculine gender shall include the feminine or neutral genders or vice versa.

#### **18. MITIGATION OF DAMAGES**

In all situations arising out of this AGREEMENT, the parties shall attempt to avoid and minimize the damages resulting from the conduct of the other party.

#### **19. GOVERNING LAW**

This AGREEMENT, and the rights and obligations of the parties, shall be governed and interpreted in accordance with the laws of the State of California. Should litigation occur, venue shall be in Superior Court of Santa Barbara County.

#### **20. NONDISCRIMINATION**

CONSULTANT shall not discriminate on the basis of race, color, gender, gender identity/expression, pregnancy, sexual orientation, disability, marital status, or any other characteristic protected under applicable federal or state law.

#### **21. TAXPAYER IDENTIFICATION NUMBER**

CONSULTANT shall provide CITY with a complete Request for Taxpayer Identification Number and Certification, Form W-9 (Rev. October 2018), as issued by the Internal Revenue Service.

#### **22. NON-APPROPRIATION OF FUNDS**

Payments due and payable to CONSULTANT for current services are within the current budget and within an available, unexhausted and unencumbered appropriation of CITY funds. In the event CITY has not appropriated sufficient funds for payment of CONSULTANT services beyond the current fiscal year, this AGREEMENT shall cover only those costs incurred up to the conclusion of the current fiscal year.

#### **23. MODIFICATION OF AGREEMENT**

The tasks described in this AGREEMENT and all other terms of this AGREEMENT may be modified only upon mutual written consent of CITY and CONSULTANT.

#### **24. USE OF THE TERM "CITY"**

Reference to "CITY" in this AGREEMENT includes City Manager or any authorized representative acting on behalf of CITY.

## **25. PERMITS AND LICENSES**

CONSULTANT, at its sole expense, shall obtain and maintain during the term of this AGREEMENT, all appropriate permits, licenses, and certificates that may be required in connection with the performance of services under this AGREEMENT.

## **26. CAPTIONS**

The captions or headings in this AGREEMENT are for convenience only and in no other way define, limit or describe the scope or intent of any provision or section of the AGREEMENT.

## **27. AUTHORIZATION**

Each party has expressly authorized the execution of this AGREEMENT on its behalf and bind said party and its respective administrators, officers, directors, shareholders, divisions, subsidiaries, agents, employees, successors, assigns, principals, partners, joint venturers, insurance carriers and any others who may claim through it to this AGREEMENT.

## **28. ENTIRE AGREEMENT BETWEEN PARTIES**

Except for CONSULTANT'S proposals and submitted representations for obtaining this AGREEMENT, this AGREEMENT supersedes any other agreements, either oral or in writing, between the parties hereto with respect to the rendering of services and contains all of the covenants and agreements between the parties with respect to said services.

## **29. PARTIAL INVALIDITY**

If any provision in this AGREEMENT is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

## **30. NOTICES**

Any notice required to be given hereunder shall be deemed to have been given by depositing said notice in the United States mail, postage prepaid, and addressed as follows:

TO CITY:

Attention: Robert Nisbet, City Manager  
City of Goleta  
130 Cremona Drive, Suite B  
Goleta, CA 93117

TO CONSULTANT:                      Attention: Mary Elizabeth Redding, Vice  
President Foster & Foster Consulting  
Actuaries, Inc. 411 Borel Avenue, Suite  
620, San Mateo, CA 94402

**31. COUNTERPARTS AND ELECTRONIC/FACSIMILE SIGNATURES**

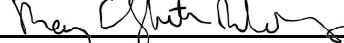
This Agreement may be executed in several counterparts, which may be facsimile or electronic copies. Each counterpart is fully effective as an original, and together constitutes one and the same instrument.

**In concurrence and witness whereof**, this AGREEMENT has been executed by the parties effective on the date and year first above written.

**CITY OF GOLETA**


**CONSULTANT**

DocuSigned by:  
  
Robert Nisbet, City Manager

DocuSigned by:  
  
Mary Elizabeth Redding, Senior Consulting

**ATTEST**

**SECRETARY**

DocuSigned by:  
  
Deborah Lopez, City Clerk

DocuSigned by:  
  
Sandra Heinrichs, Secretary

DocuSigned by:  
  
Winnie Cai, Assistant City Attorney

## EXHIBIT “A” SCOPE OF WORK

### Project: Actuarial Consulting Services

The services to be performed for the City of Goleta in connection with healthcare benefits provided to retirees (OPEB) are as follows:

Project	Approximate Start/Completion Date
6/30/22 funding valuation report, including <ul style="list-style-type: none"> <li>▪ 6/30/2022 funded status</li> <li>▪ 22/23 and 23/24 recommended contributions (ADC) if requested by the City.</li> </ul> <i>The ADC is not a required disclosure if it is not calculated by the actuary, and some agencies with an ad hoc contribution strategy prefer not to report an ADC.</i>	September 2022/ October 2022
GASB Statement 75 accounting report for FY21/22 containing all required actuarial information for financial reporting under Statement 75. This is based on the 6/30/22 valuation. Asset information will be based on either PARS monthly asset statement or audited assets, as required by your auditors.	October 2022
GASB Statement 75 accounting report for FY212/23 containing all required actuarial information for financial reporting under Statement 75. This is based on a roll-forward of the 6/30/22 valuation, updated if required for the measurement date’s municipal bond rate. Asset information will be based on either PARS monthly asset statement or audited assets, as required by your auditors.	July 2023/ August 2023
6/30/24 funding valuation report, including <ul style="list-style-type: none"> <li>▪ 6/30/2024 funded status</li> <li>▪ 24/25 and 25/26 recommended contributions (ADC) if requested by the City. The ADC is not a required disclosure if it is not calculated by the actuary, and some agencies with an ad hoc contribution strategy prefer not to report an ADC.</li> </ul>	September 2024/ October 2024
GASB Statement 75 accounting report for FY23/24 containing all required actuarial information for financial reporting under Statement 75. This is based on the 6/30/24 valuation. Asset information will be based on either PARS monthly asset statement or audited assets, as required by your auditors.	October 2024

The valuations will be conducted in accordance with Actuarial Standards of Practice issued by the Actuarial Standards Board and Governmental Accounting Standards Board (GASB) Statement 75. As required by actuarial standards and GASB Statement 75, the valuations will include the implied subsidy - the amount by which active employee premiums subsidize retiree healthcare costs. This subsidy occurs because active employees are, on the whole, younger than retirees with lower health care costs and because PEMHCA uses the same premium for both actives and retirees not eligible for Medicare.

The funding reports will include the following items requested in the RFP:

- i. Actuarial present value of total projected benefits
- ii. Actuarial accrued liability
- iii. OPEB assets
- iv. Unfunded actuarial accrued liability
- v. Normal cost
- vi. Annual required contribution as a dollar amount and as a percentage of Payroll (if requested by the City)
- ix. Summary of data used for the valuation
- x. Summary of actuarial methods and assumptions

The funding reports will include a breakdown of results by cash subsidy and implied subsidy along with projected benefit payments.

The GASB Statement 75 reports will include all information required by GASB Statement 75 for financial statement notes and required supplementary information in the prescribed format, along with detailed backup. They will not include Annual OPEB cost (RFP item vii) and Net OPEB obligation (RFP item viii) since they are no longer required under GASB Statement 75.

In addition, the GASB Statement 75 reports provide journal entries, following the CCMA GASB Statement 75 White Paper.

We will review the reports with you over a video call.

## EXHIBIT “B” SCHEDULE OF FEES

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### PROPOSED COST OF SERVICES

#### *V. PROPOSAL REQUIREMENTS*

*5. Provide the proposed cost of services. The City requires a firm, fixed fee for the actuarial valuation services for the three terms.*

Project	Fees
6/30/22 funding valuation report, including <ul style="list-style-type: none"> <li>6/30/2022 funded status</li> <li>22/23 and 23/24 recommended contributions (ADC)</li> </ul>	\$ 9,500
GASB Statement 75 accounting report for 21/22 and a draft footnote disclosure if requested	2,000
GASB Statement 75 accounting report for 3/30/2023 (Roll-forward) (complete disclosures require contribution and payroll information for FY 2023)	2,500
6/30/24 funding valuation report, including <ul style="list-style-type: none"> <li>6/30/2024 funded status</li> <li>24/25 and 25/26 recommended contributions (ADC)</li> </ul>	10,500
GASB Statement 75 accounting report for 6/30/2024 and a draft footnote disclosure if requested	2,250
<b>Total for 2 full valuation and 1 roll-forward valuation (fixed fee):</b>	<b>\$26,750</b>
<i>Optional: roll forward 6/30/2025 GASB 75 accounting report based on the 6/30/24 valuation</i>	<i>2,750</i>

**Please note that our fee quote assumes:**

- We will bill the City monthly for project progress. The valuation fees are all-inclusive fixed fees and no expenses or other add-on charges will apply.
- The following hourly rates will apply to any work out of scope. The hourly rates change every year per cost of living, but the fee quote above will not change.

Position	2022 Hourly Rates
Partner & Vice President (Redding)	\$ 310
Assistant Vice President	280
Associate Actuary (Moore)	230
Senior Actuarial Analyst	210
Actuarial Analyst	170

- Participant census data will be based on CalPERS OPEB Data Extract and all requested plan, financial, and census information will be internally consistent.
- Costs and liabilities will be presented for the plan as a whole with no breakdowns for employee groups.
- No substantial changes occur between the valuation date and the fiscal year end that would require us to revise actuarial assumptions and/or plan provisions.