



City Council Agenda

City of Campbell, 70 N. First St., Campbell, California

NOTE: To protect our constituents, City officials, and City staff, the City requests all members of the public follow the guidance of the California Department of Health Services', and the County of Santa Clara Health Officer Order, to help control the spread of COVID-19. Additional information regarding COVID-19 is available on the City's website at www.campbellca.gov.

This Executive Session and Regular City Council meeting will be conducted via telecommunication and is compliant with provisions of the Brown Act and Executive Order N-29-20 issued by the Governor.

The following Councilmembers of the Campbell City Council are listed to permit them to appear electronically or telephonically at the Executive Session and Regular City Council meeting on June 15, 2021: Councilmember Anne Bybee, Councilmember Susan M. Landry, Councilmember Sergio Lopez, Vice Mayor Paul Resnikoff and Mayor Elizabeth "Liz" Gibbons.

Members of the public will not be able to attend meetings at the Campbell City Council Chamber physically. The City Council meeting will be live-streamed on Channel 26, the City's website and on YouTube <https://www.youtube.com/user/CityofCampbell>.

Those members of the public wishing to participate are asked to register in advance at: https://us02web.zoom.us/webinar/register/WN_PLoWptPYROW-ldIPApynIA.

After registering, you will receive a confirmation email containing information about joining the meeting.

Public comment for the City Council meetings will be accepted via email at ClerksOffice@campbellca.gov prior to the start of the meeting. Written comments will be posted on the website and distributed to the Council. If you choose to email your comments, please indicate in the subject line "FOR PUBLIC COMMENT" and indicate the item number.

CITY COUNCIL EXECUTIVE SESSION

Tuesday, June 15, 2021 – 7:00 p.m.

City Hall – 70 N. First Street

- A. **Personnel**
- B. **Litigation** - CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of [Section 54956.9](#) of the California Government Code: (One case): Counsel for a development project has confirmed that facts and circumstances exist arising out of the City's interpretation of requirements for the project that might result in litigation against the City.
- C. **Real Property**
- D. **Labor Negotiations**

REGULAR MEETING OF THE CAMPBELL CITY COUNCIL

Tuesday, June 15, 2021 - 7:30 p.m.

City Hall – 70 N. First Street

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

SPECIAL PRESENTATIONS AND PROCLAMATIONS

1. **Proclamation Declaring June 2021 as Lesbian, Gay, Bisexual, Transgender and Queer (LGBTQ+) Pride Month**

Recommended Action: It is recommended that the City Council approve a proclamation declaring June 2021 as Lesbian, Gay, Bisexual, Transgender and Queer (LGBTQ+) Pride Month in the City of Campbell.

COMMUNICATIONS AND PETITIONS

ORAL REQUESTS

NOTE: This portion of the meeting is reserved for persons wishing to address the City Council on any matter not on the agenda. Persons wishing to address the Council are requested to register in advance at: https://us02web.zoom.us/webinar/register/WN_PLoWptPYRQW-ldIPapyNIA. Speakers are limited to two (2) minutes. The law generally prohibits the Council from discussion or taking action on such items. However, the Council may instruct staff accordingly regarding Oral Requests.

COUNCIL ANNOUNCEMENTS

CONSENT CALENDAR

NOTE: All matters listed under consent calendar are considered by the City Council to be routine and will be enacted by one motion. There will be no separate discussion of these items unless a request is made by a member of City Council, City staff, or a member of the public. Any person wishing to speak on any item on the consent calendar should ask to have the item removed from the consent calendar prior to the time the Council votes to approve. If removed, the item will be discussed in the order in which it appears.

2. **Minutes of City Council Executive Session and Regular Meeting of June 1, 2021**

Recommended Action: Approve the Executive Session and regular meeting minutes of June 1, 2021.

3. **Approving Bills and Claims**

Recommended Action: Approve the bills and claims in the amount of \$1,109,208.31.

4. **Second Amendment to the Contract with County of Santa Clara to Provide a Senior Nutrition Program for Fiscal Year (FY) 2021-22 (Resolution/Roll Call Vote)**

Recommended Action: That the City Council adopt a Resolution authorizing the City Manager to execute the Second Amendment to the contract with the County of Santa Clara to provide a Senior Nutrition Program for FY 2021-22.

5. **Agreement with Bateman Community Living, LLC to Provide Catered Meals for the Senior Nutrition Program for Fiscal Year (FY) 2021-22 (Resolution/Roll Call Vote)**

Recommended Action: That the City Council adopt a Resolution authorizing the City Manager to execute the Agreement with Bateman Community Living, LLC to provide catered meals for the Senior Nutrition Program for FY 2021-22.

6. **Agreement with MoonChef, LLC to Provide Catered Meals for the Senior Nutrition Program for Fiscal Year (FY) 2021-22 (Resolution/Roll Call Vote)**

Recommended Action: That the City Council adopt a Resolution authorizing the City Manager to execute an Agreement with MoonChef, LLC to provide catered meals for the Senior Nutrition Program for FY 2021-22.

7. **Santa Clara County Abandoned Vehicle Abatement Service Authority (AVASA) Agreement (Resolution/Roll Call Vote)**

Recommended Action: That the City Council adopt a Resolution continuing participation in the Santa Clara County Abandoned Vehicle Abatement Service Authority (AVASA) Program and the continued collection by the Department of Motor Vehicles (DMV) of a one-dollar vehicle registration fee for a 10-year period.

8. **Vacation of the Light and Air / Building (Setback) Lines Created by Tract Map No. 1392 (Beverly Court, Ricky Drive, Ricky Court and Portions of Bucknall Road, Virginia Avenue, Christopher Avenue, Wren Way and W. Rincon Avenue) and Directing the City Clerk to Record the Resolution (Resolution/Roll Call Vote)**

Recommended Action: That the City Council adopt a Resolution summarily vacating the Light and Air/Building (Setback) Lines created by Tract Map No. 1392; and directing the City Clerk to record the Resolution.

9. **Resolution Declaring July 2021 as Parks Make Life Better Month (Resolution/Roll Call Vote)**

Recommended Action: That the City Council adopt a Resolution recognizing July 2021 as Parks Make Life Better Month.

10. **Agreement with Hinderliter, De Llamas & Associates (HdL Companies), to Provide Sales or Transaction and Use Tax Audit Services and Sales or Transaction and Use Tax Management Services and for HdL Companies to Examine Sales or Transactions and Use Tax Records (Resolution/Roll Call Vote)**

Recommended Action: That the City Council adopt a Resolution authorizing the City Manager to forgo the competitive bidding process and execute a five-year Agreement with Hinderliter, De Llamas & Associates (HdL Companies) to provide Sales or Transaction and Use Tax Audit Services and Sales or Transaction and Use Tax Management Services and for HdL Companies to examine Sales or Transactions and Use Tax Records.

PUBLIC HEARINGS AND INTRODUCTION OF ORDINANCES

NOTE: Members of the public may be allotted up to two (2) minutes to comment on any public hearing item. Applicants/Appellants and their representatives may be allotted up to a total of five (5) minutes for opening statements and up to a total of three (3) minutes maximum for closing statements. Items requested/recommended for continuance are subject to Council's consent at the meeting.

11. **Adoption of Fiscal Year (FY) 2022 Operating Budget and 2022 - 2026 Five-Year Capital Improvement Plan (CIP) and Establishment of the Appropriations Limit for FY 2022 (Resolutions/Roll Call Vote)**
Recommended Action: That the City Council approve Resolutions adopting the Fiscal Year (FY) 2022 City Operating and Capital budgets, including transfers, in the amounts of \$71,833,189 and \$20,876,967, respectively, for a combined total budget of \$92,710,156; adopting findings that the proposed FY 2022-2026 Capital Improvement Plan (CIP) projects are categorically exempt under the California Environmental Quality Act (CEQA) and are consistent with the City's General Plan; approving the five-year plan total of \$87,117,842 and adopting additional appropriations for FY 2022 projects of \$15,235,558; directing staff to incorporate within the final adopted and published FY 2022 budget document any changes or adjustments pursuant to this public hearing and any other minor corrections prior to the budget's final publication; and establishing the Appropriations Limit for FY 2022 at \$81,053,795 pursuant to Article XIII B of the California State Constitution.

NEW BUSINESS

12. **Reclassify Deputy City Manager to Assistant City Manager (Resolution/Roll Call Vote)**
Recommended Action: That the City Council adopt a Resolution to reclassify the position of Deputy City Manager to Assistant City Manager and modify the associated salary plan.
13. **Information Technology Administrator Job Specification (Resolution/Roll Call Vote)**
Recommended Action: That the City Council adopt a Resolution approving the revised job specification for Information Technology Administrator.
14. **Axon Officer Safety Plan (OSP) and Computer Aided Dispatch/Report Management System (CAD/RMS) Contract Authorizations (Resolution/Roll Call Vote)**
Recommended Action: That the City Council adopt a Resolution authorizing the City Manager to sign 10-year contracts with Axon for the Officer Safety Plan and a Computer Aided Dispatch/Report Management System (CAD/RMS) implementation and authorize the City Manager to execute future amendments to these contracts.
15. **Purchase Five New Police Ford Interceptor Utility Vehicles Via the California E-Procurement Statewide Contract (Resolution/Roll Call Vote)**
Recommended Action: That the City Council adopt a Resolution authorizing the Public Works Director to execute a purchase agreement for five new 2021 Ford Police Interceptor Utility Vehicles, including the installation of after-market equipment, through Ford Credit Municipal Finance, in annual payments of

\$81,713 over a five-year period, not to exceed \$408,565 over the term of the agreement.

UNFINISHED BUSINESS

16. **Strategic Approach to Complete the Envision Campbell General Plan and 2023-2031 Housing Element Updates**

Recommended Action: That the City Council provide direction to staff on the strategic approach and procedural steps to complete the Envision Campbell General Plan and 2023-2031 Housing Element updates.

COUNCIL COMMITTEE REPORTS

17. **Council Committee Reports**

Recommended Action: Report on committee assignments and general comments.

ADJOURN

IMPORTANT NOTICE: Materials related to an item on this agenda submitted to the City Council after distribution of the agenda packet are available for public inspection with the agenda packet in the lobby of City Clerk's Office, 70 N. First Street, Campbell, CA 95008, during normal business hours. These materials will also be available on the City website at <https://www.ci.campbell.ca.us/agendacenter> with the agenda packet following the last item of the agenda, subject to staff's ability to post the documents prior to the meeting. All documents not posted prior to the meeting will be posted the next business day.

In compliance with the Americans with Disabilities Act, listening assistive devices are available for all meetings held in the City Council Chambers. If you require accommodation, please contact the City Clerk's Office, (408) 866-2117, at least one week in advance of the meeting.



*City
Council
Report*

Item: 1
 Category: SPECIAL PRESENTATIONS
 AND PROCLAMATIONS
 Meeting Date: June 15, 2021

TITLE: Proclamation Declaring June 2021 as Lesbian, Gay, Bisexual, Transgender and Queer (LGBTQ+) Pride Month

RECOMMENDED ACTION

It is recommended that the City Council approve a proclamation declaring June 2021 as Lesbian, Gay, Bisexual, Transgender and Queer (LGBTQ+) Pride Month in the City of Campbell.

DISCUSSION

Lesbian, Gay, Bisexual, Transgender and Queer (LGBTQ+) Pride Month is currently celebrated each year in the month of June. The movement towards equal rights for LGBTQ+ people, began with a historic turning point which occurred on June 28, 1969, in New York City, with the Stonewall Riots. An event that continues to inspire us to live up to our Nation's promise of equality, liberty, and justice for all.

Pride Month is both a jubilant communal celebration of visibility and a personal celebration of self-worth and dignity. This Pride Month we recognize the valuable contributions of LGBTQ+ individuals across Campbell and we reaffirm our commitment to standing in solidarity with LGBTQ+ persons in their ongoing struggle against discrimination and injustice.

FISCAL IMPACT

There is no fiscal impact associated with approving this proclamation.

Prepared by: *D. Christopherson*
 Dusty Christopherson, City Clerk

Reviewed by: *D. Christopherson*
 Dusty Christopherson, City Clerk

Approved by:



Brian Loventhal, City Manager

Attachment:

- a. Proclamation - LGBTQ+ Pride Month 2021

PROCLAMATION OF THE
MAYOR OF THE CITY OF CAMPBELL

WHEREAS, Pride Month is currently celebrated each year in the month of June; and

WHEREAS, the movement towards equal rights for lesbian, gay, bisexual, transgender, and queer (LGBTQ+) people, began with a historic turning point which occurred on June 28, 1969, in New York City, with the Stonewall Riots, an event that continues to inspire us to live up to our Nation’s promise of equality, liberty, and justice for all; and

WHEREAS, pride is both a jubilant communal celebration of visibility and a personal celebration of self-worth and dignity, this Pride Month we recognize the valuable contributions of LGBTQ+ individuals across Campbell and we reaffirm our commitment to standing in solidarity with LGBTQ+ persons in their ongoing struggle against discrimination and injustice.

WHEREAS, the City of Campbell recognizes the resilience and determination of the many individuals who are fighting to live freely and authentically and in doing so are opening hearts and minds and laying the foundation for a more just and equitable City.

NOW, THEREFORE, I, Elizabeth “Liz” Gibbons, Mayor of the City of Campbell, do hereby proclaim June 2021 as Lesbian, Gay, Bisexual, Transgender and Queer Pride Month in the City of Campbell.

WITNESS MY HAND AND SEAL OF THE CITY OF CAMPBELL this 15th day of June, 2021.

Elizabeth “Liz” Gibbons, Mayor
City of Campbell, California

CITY COUNCIL MINUTES

City of Campbell, 70 N. First St., Campbell, California



CITY COUNCIL EXECUTIVE SESSION

Tuesday, June 1, 2021 – 5:30 p.m.

City Hall – 70 N. First Street

- A. **Personnel**
- B. **Litigation**
- C. **Real Property** - Conference with Real Property Negotiators – Campbell Community Center, 1 West Campbell Avenue, Campbell CA 95008
City Negotiator: City Manager, Brian Loventhal
Negotiating Parties: Old Orchard School
Under Negotiation: Lease
- D. **Labor Negotiations** - Pursuant to G.C. Section 54957.6: Conference with Labor Negotiator - Agency Designated Representatives: City Council, City Manager Brian Loventhal
Employee Organizations: Campbell Municipal Employees Association (CMEA); Campbell Police Civilian Employees Association (CPCEA); Campbell Peace Officers' Association (CPOA); Carpenters; Management Employees; and Confidential Employees

The City Council met in Executive Session to discuss items C and D. City Manager Loventhal and City Attorney Seligmann were in attendance. Acting Recreation and Community Services Director Bissell was in attendance for Item C. City Manager Loventhal, City Attorney Seligmann, Acting Human Resources Manager Flores, Finance Director Fuentes and attorneys Lisa Charbonneau and Rick Bolanos of Liebert Cassidy Whitmore were in attendance for item D. Executive Session adjourned at 6:57 p.m.

REGULAR MEETING OF THE CAMPBELL CITY COUNCIL

Tuesday, June 1, 2021 – 7:30 p.m.

City Hall – 70 N. First Street

This City Council meeting was conducted pursuant to the Governor’s Executive Order N-29-20.

This meeting was recorded and can be viewed in its entirety at: <https://campbellca.gov/agendacenter> and <https://www.youtube.com/user/CityofCampbell>.

Minutes Acceptance: Minutes of Jun 1, 2021 7:30 PM (CONSENT CALENDAR)

CALL TO ORDER

The City Council of the City of Campbell convened on the regularly scheduled day of June 1, 2021, via telecommunication.

Mayor Gibbons stated that this City Council meeting was conducted pursuant to provisions of the Brown Act and an Executive Order issued by the Governor to facilitate teleconferencing to reduce the risk of COVID-19 transmission at public meetings.

ROLL CALL

Attendee Name	Title	Status
Elizabeth 'Liz' Gibbons	Mayor	Remote
Paul Resnikoff	Vice Mayor	Remote
Anne Bybee	Councilmember	Remote
Susan M. Landry	Councilmember	Remote
Sergio Lopez	Councilmember	Remote

PLEDGE OF ALLEGIANCE

Mayor Gibbons welcomed newly appointed City Clerk Dusty Christopherson to the City of Campbell.

Dusty Christopherson, City Clerk led the Pledge of Allegiance.

SPECIAL PRESENTATIONS AND PROCLAMATIONS

There were no special presentations and proclamations.

COMMUNICATIONS AND PETITIONS

There were no communications or petitions.

ORAL REQUESTS

There were no oral requests.

COUNCIL ANNOUNCEMENTS

El Camino Health is offering free COVID-19 vaccinations to anyone 12 years of age and older at its Sunnyvale location at 1030 W. Maude Avenue, Monday - Friday 9:00 a.m. to 3:00 p.m. Walk-ins are allowed, but appointments are strongly encouraged to ensure vaccination on the preferred date and time. More details and to schedule an appointment are available www.ElCaminoHealth.org.

The Santa Clara County Public Health Department and the Santa Clara Valley Medical Center “Ask the Doctor” event is on Wednesday, June 2, 2021, from 4:00 p.m. to 7:00 p.m. Doctors will be available by phone to answer questions about the COVID-19 vaccine. To ask a question please call 408-970-2999.

Joint Venture Silicon Valley and the Silicon Valley Economic Development Alliance (SVEDA) are hosting a free commercial real estate eviction moratorium webinar on June 2, 2021 from 9:00 a.m. to 10:30 a.m. The webinar will feature a land use attorney who will discuss how businesses and property owners can work together to find a fair agreement to reconcile rent arrears and renegotiate leases as well as what the legal protections are for tenants and the ramifications for property owners. Visit www.CampbellCA.gov for details and to register.

The City Clerk’s Office is currently accepting applications for vacancies on the Civic Improvement and Planning Commissions. To be eligible for appointment for these volunteer advisory commissions applicants must reside within Campbell City limits and be at least eighteen years of age. For more information, please contact the City Clerk’s Office at (408) 866-2117 or visit www.campbellca.gov. The application deadline is 5:00 p.m., Friday, July 30, 2021.

The Campbell Community Center family recreation swim is available by reservation only, Sundays during the summer. Reservations are for one hour and will accommodate up to four people per reservation. Summer programs are also filling up quickly. To register for a summer program or family recreation swim, go to www.campbellca.gov/recreation.

The City of Campbell offers reservable picnic areas at both the John D. Morgan Park and the Edith Morley Park. To learn more, or to reserve a picnic site, please go to www.campbellca.gov/picnic.

The Campbell Museum continues to host online zoom programs, Membership Mondays and History at Home series. Join us for the next History at Home event on June 18, 2021, at 6:00 p.m., to learn about the history of the California gold rush from historian Jerrie Beard from the Marshall Gold State Historic Park. Reservations can be made for this event, as well as other 2021 zoom events, at www.campbellmuseums.com. Do not miss exploring the Campbell Museums’ collections and the fascinating history behind the objects in the Campbell Museums’ YouTube Series: “What’s in the Box?” Videos can be found on the Campbell Museum’s website or YouTube channel.

The Campbell Library’s new temporary facility located at One W. Campbell Avenue in Building E, next to the Orchard City Banquet Hall, is now open. Service hours are Monday – Thursday, 10:00 a.m. – 9:00 p.m. and Friday – Saturday, 10:00 a.m. – 6:00 p.m. The library is closed on Sunday and on all county holidays. Patrons can pick up holds, browse a limited collection and use the public computer and printer. Items can be returned through a book drop at the front of the building. For more information, please visit www.scclid.org.

CONSENT CALENDAR

No items were pulled from the Consent Calendar.

The Consent Calendar was considered as follows:

1. **Minutes of City Council Study Session Meeting of May 18, 2021.**
Recommended Action: Approve the Study Session meeting minutes of May 18, 2021.

This action approves the Study Session meeting minutes of May 18, 2021.

2. **Minutes of City Council Regular Meeting of May 18, 2021.**
Recommended Action: Approve the Regular meeting minutes of May 18, 2021.

This action approves the Regular meeting minutes of May 18, 2021.

3. **Approving Bills and Claims**
Recommended Action: Approve the bills and claims in the amount of \$1,281,283.51.

This action approves the bills and claims in the amount of \$1,281,283.51 as follows: payroll checks dated April 29, 2021, in the amount of \$39,845.39; bills and claims checks dated May 3, 2021, in the amount of \$364,365.51; and bills and claims checks dated May 10, 2021, in the amount of \$877,072.61.

4. **Adopt a Resolution Authorizing the Use of FY21/22 RMRA Funds for the Annual Street Maintenance Project 22-BB: Collector and Residential Street Resurfacing Program (Resolution/Roll Call Vote)**
Recommended Action: That the City Council adopt a resolution authorizing the use of Fiscal Year (FY) 21/22 Road Maintenance and Rehabilitation Account (RMRA) Funds for the Annual Street Maintenance Project 22-BB: Collector and Residential Street Resurfacing Program.

Resolution 12714 authorizes the use of FY 21/22 RMRA Funds for the Annual Street Maintenance Project 22-BB: Collector and Residential Street Resurfacing Program.

5. **Second Reading of Ordinance 2273 Adding Section 3.20.110 to the Campbell Municipal Code to Establish a Standard Procedure for Hearings on Contractor Responsibility. (Ordinance/Roll Call Vote)**
Recommended Action: That the City Council approve the second reading and adopt ordinance 2273 adding section 3.20.110 to the Campbell Municipal Code, which subjects subcontractors to the non-responsibility process.

Ordinance 2273 adds section 3.20.110 to the Campbell Municipal Code, which subjects subcontractors to the non-responsibility process.

6. **Accept the Resignation of Taylor Chase from the Civic Improvement Commission.**

Recommended Action: That the City Council accept the resignation of Taylor Chase from the Civic Improvement Commission and direct the City Clerk to advertise the vacancy and prepare the appropriate recognition of service.

This action accepts the resignation of Taylor Chase from the Civic Improvement Commission and directs the City Clerk to advertise the vacancy and prepare the appropriate recognition of serve.

7. **Destruction of Certain City Records (Resolution/Roll Call Vote)**

Recommended Action: That the City Council adopt a resolution authorizing the destruction of certain City records pursuant to the California Government Code Section 34090; and authorize the implementation of the revised Administrative Use of Technology Policy to destroy email correspondence.

Resolution 12715 authorizes the destruction of certain City records pursuant to the California Government Code Section 34090 and authorizes the implementation of the revised Administrative Use of Technology Policy to destroy email correspondence.

8. **Preliminary Approval of Engineer's Report and Adoption of Resolution of Intention, Lighting and Landscaping District LLA-1, Fiscal Year 2021-22 and Set Time and Place for Public Hearing (Resolution/Roll Call Vote)**

Recommended Action: Adopt Resolutions preliminarily approving the Engineer's Report for the annual levy and collection of assessments for City of Campbell Lighting and Landscaping District LLA-1 for Fiscal Year (FY) 2021-22; and declaring Council's intention to levy and collect assessments within the City of Campbell Lighting and Landscaping District LLA-1 for FY 2021-22 and setting forth the time and place for required Public Hearing. (Resolutions/Roll Call Vote)

Resolution 12716 preliminarily approves the Engineer's Report for the annual levy and collection of assessments for City of Campbell Lighting and Landscaping District LLA-1 for FY2021-22; and Resolution 12717 declares Council's intention to levy and collect assessments within the City of Campbell Lighting and Landscaping District LLA-1 for FY2021-22 and sets forth the time and place for a required Public Hearing.

9. **Extension of Declaration of Local Emergency (Resolution/Roll Call Vote)**

Recommended Action: That the City Council adopt a resolution extending the April 6, 2021, City Council proclamation declaring the existence of a local emergency resulting from community spread of COVID-19 in the City of Campbell to August 11, 2021.

Resolution 12718 extends the April 6, 2021, City Council proclamation declaring the existence of a local emergency resulting from community spread of COVID-19 in the City of Campbell to August 11, 2021.

M/S: Landry/Resnikoff – That the City Council approve the consent calendar. The motion was adopted by the following roll call vote:

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Landry
SECONDER:	Resnikoff
AYES:	Gibbons, Resnikoff, Bybee, Landry, Lopez

PUBLIC HEARINGS AND INTRODUCTION OF ORDINANCES

10. Introduction of Proposed Fiscal Year (FY) 2022 Operating Budget and 2022 – 2026 Five-Year Capital Improvement Plan (CIP)

Recommended Action: That the City Council review the Proposed Fiscal Year (FY) 2022 Operating Budget and 2022-2026 Capital Improvement Plan (CIP) as presented; provide direction to staff to proceed with finalizing the budget; and establish June 15, 2021 as the date for a public hearing and adoption of the FY 2022 Operating Budget and CIP, as well as the Gann Appropriations Limit.

This is the time and place for a public hearing to consider the Proposed FY 2022 Operating Budget and 2022-2026 CIP and provide direction to staff to proceed with finalizing the budget; and establishing June 15, 2021 as the date for a second public hearing and adoption of the FY 2022 Operating Budget and CIP, as well as the Gann Appropriations Limit.

City Manager Loventhal gave an introduction on the FY 2022 Operating Budget noting that Staff has added partial funding for the Crossing Guard Program and has been in contact with neighboring school districts to encourage their participation on the remaining portion of the funding. City Manager Loventhal also noted that funding has been added for the Community Emergency Response Team (CERT) Program and that non-departmental expenses have been moved out of the Finance Department into a separate line item to increase clarity. There was a Community Meeting held on May 20, 2021 on the proposed budget, 23 community members attended, most community member comments expressed support for the continued support of the Heritage Theatre. City Manager Loventhal clarified that the proposed budget does not propose any reductions to the Heritage Theatre. City Manager Loventhal noted that the target reserve policy is estimated to be met by 2025 and that Staff has accelerated the hiring of the Measure O Project Manager.

Finance Manager Vong gave an introduction on the 2022-2026 Five-Year Capital Improvement Plan (CIP) noting that the CIP includes just over \$87 million for the total five-year plan with FY 2022 year one projects totaling just under \$19 million. Finance Manager Vong noted that the CIP was amended slightly to show the year one appropriation schedule with a carryover column, and those that are in need of additional appropriations, as well as providing additional detail on the traffic calming projects.

Mayor Gibbons opened the public hearing. There being no one wishing to speak, Mayor Gibbons closed the public hearing.

Councilmembers expressed appreciation to Staff for their thoughtful edits, being responsive to Council feedback and hard work in preparing the proposed budgets and Capital Improvement Plan for the coming fiscal year.

Councilmember Bybee stated her desire to include the departmental performance measures in the final document and requested a review of the Police Department IT Administrator job specification.

Mayor Gibbons expressed concerns that there was not Council support for considering a review of the Public Employee's Retirement System (PERS) reserve fund in this year's operating budget rather than utilizing the entire American Rescue Plan (ARP) funding.

In response to an inquiry from Mayor Gibbons, Finance Director Fuentes noted that the current budget proposal is to replenish the emergency reserve fund with last fiscal year's surplus funds as well as the projected surplus funds from this coming fiscal year and the next, by FY 2025 the emergency reserve fund should be back up to the maximum policy level. ARP funds are being directed to the general fund and are not assigned to a particular purpose.

M/S: Resnikoff/Landry – That the City Council direct staff to proceed with finalizing the budget; and establishing June 15, 2021 as the date for a public hearing and adoption of the Fiscal Year 2022 Operating Budget and the 2022-2026 Capital Improvement Plan as well as the Gann Appropriations Limit. The motion was adopted by the following roll call vote:

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Resnikoff
SECONDER:	Landry
AYES:	Gibbons, Resnikoff, Bybee, Landry, Lopez

NEW BUSINESS

11. **Amendment to Heritage Theatre Management Agreement (Resolution/Roll Call Vote)**

Recommended Action: That the City Council adopt a resolution authorizing the City Manager to amend the existing agreement for management and consulting services of the Heritage Theatre with VenueTech Management Group, LLC.

Acting Recreation and Community Services Director Bissell, presented a staff report dated June 1, 2021. Noting that the original agreement with VenueTech expires on June 30, 2021 and given the fact that 2020 and the shut-down by COVID-19's community spread was a very difficult year for live arts and the City in supporting the Heritage Theatre, it provided an opportunity to renegotiate the contract with VenueTech prior to renewal. A good faith negotiation took place over several months to develop a mutually agreed upon amendment to address the issue of future closures due to a public health crisis enacting an Emergency Fee Reduction should a public health crisis occur again and restart the initial term of the agreement for five years with an additional two subsequent terms of three years each.

Mayor Gibbons expressed concerns about the template contract form being used, would like to see an updated contract in use for new agreements, and suggested a temporary 6-month extension to the contract to allow an updated contract to be drawn up.

Councilmember Bybee expressed concerns about the need for the contract to address natural disasters as well as public health emergencies and concerns relating to the length of the contract period and whether the City should be conducting a full Request for Proposals (RFP) sooner.

Vice Mayor Resnikoff also expressed concerns about including natural disasters in the contract and noted that the allowed extensions in the contract are not automatic.

Acting Recreation and Community Services Director Bissell, noted that the Heritage Theatre has been retrofitted recently and if the building were to be red tagged as a result of a natural disaster, closing of the building could go through the formal winddown process as allowed in the contract, for public health emergencies that may not be an option. The winddown process includes separating software, databases, staffing concerns, and other duties to close all of the operations at the Heritage Theatre. However, the City will continue to realize

some maintenance costs in support of the building itself.

Vice Mayor Resnikoff expressed his support for an initial 3-year term with an additional two subsequent terms of three years each.

After discussion, Councilmember Landry made a motion to adopt an amended resolution authorizing the City Manager to extend the existing agreement for 6-months to allow time to draw up an updated contract.

Motion failed due to lack of a second.

Council consensus was confirmed for an initial 3-year term, with a requirement that all subsequent renewals come before Council for formal approval.

M/S: Resnikoff/Bybee – That the City Council adopt amended Resolution 12719 authorizing the City Manager to amend the existing agreement for management and consulting services of the Heritage Theatre with VenueTech Management Group, LLC for a 3-year initial term and requiring all renewal periods to be approved by Council. The motion was adopted by the following roll call vote:

RESULT:	ADOPTED [4 TO 1]
MOVER:	Resnikoff
SECONDER:	Bybee
AYES:	Gibbons, Resnikoff, Bybee, Lopez
NOES:	Landry

12. **Consider the Adoption of a Resolution to Authorize the City Manager to Execute a Professional Services Agreement with HouseKeys, Inc. (Resolution/Roll Call Vote)**

Recommended Action: That the City Council take the following actions: (1) Adopt a Resolution, authorizing the City Manager to execute a one-year Professional Services Agreement (expiring June 30, 2022) with HouseKeys, Inc. to serve as the City’s Below-Market Rate Program Administrator; and (2) Direct staff to hold a separate public hearing, to discuss opportunities to improve the City’s Below-Market Rate Housing Program.

City Manager Loventhal introduced the new Community Development Director, Rob Eastwood and welcomed him to the City.

Senior Planner Rose, presented a staff report dated June 1, 2021. Noting HouseKeys, Inc., was originally hired in 2016 to manage the City’s Below Market Rate Housing Program, the proposed contract is for one year and maintains the same fee structure. The program has netted \$176,000 in proceeds and requires quarterly performance measures. HouseKeys, Inc. has met or exceeded all performance measures to date. The Community Development Department has included in the upcoming fiscal year departmental workplan to evaluate

certification compliance and enforcement and to evaluate alternative options for administering the City’s Below Market Rate Housing Program.

Senior Planner Rose noted that Staff made a concerted effort to limit the number of underperforming units and at the end of the contract period had two underperforming units which will be reviewed with Council in closed session. Senior Planner Rose noted that due to the annual recertification process and tight requirements the City has adopted, Campbell realizes a higher rate of turnover than jurisdictions with bi-annual recertification time frames.

Councilmember Lopez disclosed that he met with one complainant of the program who expressed frustration with the timeframe it takes to fill a vacancy.

Julius Nyanda, HouseKey’s Inc., representative explained that the complainant was a new property owner who purchased a building already in the program and was not fully aware of the program rules and that some federal guidelines, such as the reasonable accommodation process, can lengthen the time it takes to fill a vacancy.

Councilmembers expressed appreciation to HouseKey’s, Inc., and the Community Development Department staff for their hard work on the City’s Below Market Rate Program and for meeting or exceeding the performance measures.

Following discussions, Councilmembers confirmed consensus for clarifying the process and timeframe for filling a vacancy and expressed support for changing the recertification process from annually to bi-annually.

M/S: Lopez/Bybee – That the City Council adopt Resolution 12720 authorizing the City Manager to execute a one-year Professional Services Agreement (expiring June 30, 2022) with HouseKeys, Inc. to serve as the City’s Below-Market Rate Program Administrator, clarifying that performance measures with Housekey’s Inc., which references days, are meant as calendar days except where otherwise specified or where required by Federal or State law; and to direct staff to hold a public hearing to discuss opportunities to improve the City’s Below-Market Rate Housing Program. The motion was adopted by the following roll call vote:

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Lopez
SECONDER:	Bybee
AYES:	Gibbons, Resnikoff, Bybee, Landry, Lopez

Minutes Acceptance: Minutes of Jun 1, 2021 7:30 PM (CONSENT CALENDAR)

UNFINISHED BUSINESS

13. **Receive an Update on the Status of the Downtown Campbell Parklet Program and Adopt a Resolution Extending the Duration of the Parklet Program (Resolution/Roll Call Vote)**

Recommended Action: That the City Council adopt a resolution extending the Downtown Campbell Parklet program through September 30, 2021 to allow for continued expansion of outdoor restaurant dining and business operations to support the economic recovery of Downtown businesses.

Public Works Director Capurso presented a staff report dated June 1, 2021, providing an update to Council on the Downtown Campbell Parklet Program noting that throughout the pandemic the City had experimented with identifying the best set up and usage of the parklets to help the downtown businesses, from closing streets, to reopening streets, publishing guidelines and moving the Farmer's Market. Last December staff recommended continuing the program through the Spring and at this time staff is recommending continuing the program through September 30, 2021 and extending the funding for the K-rail set up as well. A survey of downtown businesses showed most were in favor of extending the program, however there is also a desire to have the farmer's market and festivals return to the area. Parklets are most often used by restaurant businesses and less so by retail, however there have been no further complaints from the retail businesses relating to the parklets or their usage.

In response to an inquiry from Vice Mayor Resnikoff, Public Works Director Capurso noted that having the Farmer's Market return to the downtown area with the current parklet set up would not be feasible as there are ingress and egress concerns and parking concerns. However, staff also noted that with the reopening process at the Community Center and as programs and classes resume, there will be parking concerns at the Community Center as well because the Farmer's Market takes up a significant amount of that parking area.

Ken Johnson, Executive Director, Campbell Chamber of Commerce spoke in support of extending the parklet program and welcomed further conversations on what a permanent parklet program could look like, taking into account all unintended consequences. Mr. Johnson noted that the Campbell Chamber of Commerce is in agreement that the best place for the Farmer's Market is at the Community Center while the parklets are in place and stated that holding a festival with the parklets in place would also not be feasible.

In response to an inquiry from Councilmember Lopez, Mr. Johnson stated that the Campbell Chamber of Commerce is excited about the possibility of holding an Oktoberfest this year and that closing side streets in the downtown area may be an option for accommodating the needs of the festival and downtown businesses.

In response to an inquiry from Councilmember Lopez relating to Americans with Disabilities Act (ADA) compliance, Public Works Director Capurso stated that parklets can prove challenging in terms of ADA compliance. Those businesses with sidewalk dining areas could accommodate ADA access but those in the street would be challenged. Some businesses may be more willing to invest in their parklet to enhance ADA compliance, but they would want them to remain for a longer period of time to recover the costs of those enhancements. Council could consider ADA compliance needs as part of the program extension conversations and as a requirement for the permit renewal process.

Councilmember Bybee expressed her support for the extension of the program through September 30, 2021, but requested a further analysis including the Farmer’s Market placement, public parking losses (including the impacts of Measure O construction), safety concerns, noise, and ADA concerns before committing to a permanent program.

Councilmember Lopez expressed support for the extension of the program, for requiring ADA compliance, and for a possible tiered permit fee structure based on square footage of the parklet. Councilmember Lopez expressed support for the downtown businesses and sees this as a big benefit to them.

Council consensus was confirmed for an informational memo to Council prior to the September 30, 2021 expiration date with a full analysis of what a permanent parklet program could look like, including the unintended consequences, and options for the Farmer’s Market placement.

M/S: Bybee/Landry – That the City Council adopt Resolution 12721 extending the Downtown Campbell Parklet program through September 30, 2021 to allow for continued expansion of outdoor restaurant dining and business operations to support the economic recovery of Downtown businesses. The motion was adopted by the following roll call vote:

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Bybee
SECONDER:	Landry
AYES:	Gibbons, Resnikoff, Bybee, Landry, Lopez

COUNCIL COMMITTEE REPORTS

14. Council Committee Reports

Recommended Action: Report on committee assignments and general comments.

--Councilmembers Lopez and Landry attended the Education Subcommittee meeting where mental health issues were discussed with County of Santa Clara Supervisor Ellenberg’s office.

Minutes Acceptance: Minutes of Jun 1, 2021 7:30 PM (CONSENT CALENDAR)

--Mayor Gibbons reported that the West Valley Mayors and Manager’s meeting convened and received an economic outlook update from Santa Clara County Assessor Larry Stone; reminded the Community that as of June 1, 2021, the Time of Use power rates are in effect with the Silicon Valley Clean Energy Authority.

Council consensus was confirmed for bringing forward a City policy relating to suicide prevention.

ADJOURN

Mayor Gibbons adjourned the meeting at 10:59 p.m.

APPROVED:

ATTEST:

Elizabeth 'Liz' Gibbons, Mayor

Dusty Christopherson, City Clerk

Minutes Acceptance: Minutes of Jun 1, 2021 7:30 PM (CONSENT CALENDAR)



*City
Council
Report*

Item: 3
Category: CONSENT CALENDAR
Meeting Date: June 15, 2021

TITLE: Approving Bills and Claims

RECOMMENDED ACTION

Approve the bills and claims in the amount of \$1,109,208.31.

DISCUSSION

The bills and claims that have been audited and approved by staff for payments made as noted below:

<u>Type</u>	<u>Check Date</u>	<u>Amount</u>
Payroll	May 13, 2021	\$40,982.69
Bills & Claims	May 17, 2021	\$724,012.11
Bills & Claims	May 24, 2021	\$344,213.51
	Total	\$1,109,208.31

FISCAL IMPACT

Requested action does not require a budget adjustment. Adequate funding was available to cover all expenses as listed.

Prepared by:

Roberto Garcia-Acosta, Accounting Clerk
II

Reviewed by:

Norite Vong, Finance Manager

Approved by:



Brian Loventhal, City Manager



*City
Council
Report*

Item: 4
Category: CONSENT CALENDAR
Meeting Date: June 15, 2021

TITLE: Second Amendment to the Contract with County of Santa Clara to Provide a Senior Nutrition Program for Fiscal Year (FY) 2021-22 (Resolution/Roll Call Vote)

RECOMMENDED ACTION

That the City Council adopt a Resolution authorizing the City Manager to execute the Second Amendment to the contract with the County of Santa Clara to provide a Senior Nutrition Program for FY 2021-22.

BACKGROUND

The City of Campbell has provided a congregate Senior Nutrition Program since 1975. The goal of the program is to provide nutritionally balanced meals five days a week to help promote the health, dignity, and independence of older adults and to provide socialization activities that enable older adults to remain active and productive members of the Campbell community. This program would not be possible without the support of State and Federal funds administered by the County of Santa Clara. The purpose of this memorandum is to seek Council authorization for the City Manager to execute the Second Amendment to the contract with the County of Santa Clara to provide a Senior Nutrition Program for Fiscal Year (FY) 2021-22.

DISCUSSION

The Second Amendment to the contract with the County extends the term and all provisions for the County's administrative oversight of the program for one more year and to set the maximum reimbursement for program expenses in FY 2021-22. Attached is the County Budget Justification for FY 2021-22 (Attachment B) which outlines the specific terms and maximum reimbursements for the coming year. The City's agreement with the County includes 14,326 meals and a maximum reimbursement of \$80,263.

FISCAL IMPACT

The City and County share in the cost of providing the Senior Nutrition Program. While the participants contribute to the cost of their meals, these contributions are minimal and considered by the County to be voluntary. The City pays for personnel costs and the

County reimburses a per meal rate of \$5.60 which supplements food, supplies and materials, and other non-personnel costs.

The FY 2021-22 program budget is the same from the current fiscal year and therefore no additional fiscal impact to the City. The total cost of operating the Senior Nutrition Program for FY 2021-22 is \$191,845 of which the County will reimburse a maximum of \$80,263. City funding of \$111,582 will be programmed into the Nutrition Program's FY 2021-22 proposed budget.

ALTERNATIVES

Do not authorize the City Manager to execute the Contract with the County and provide alternative direction to staff.

Prepared by:



Tina Wong-Erling, Senior Services
Supervisor

Reviewed by:



Natasha Bissell, Recreation Services
Manager

Approved by:



Brian Loventhal, City Manager

Attachment:

- a. Council Resolution County FY 2021-2022
- b. Senior Nutrition Program Budget Campbell FY 2021-22

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAMPBELL
AUTHORIZING THE CITY MANAGER TO EXECUTE THE SECOND
AMENDMENT TO THE CONTRACT WITH THE COUNTY OF SANTA CLARA
TO PROVIDE A SENIOR NUTRITION PROGRAM IN FISCAL YEAR 2021-22

WHEREAS, the City of Campbell recognizes the need for a nutritious meal program for senior citizens in the City of Campbell; and

WHEREAS, the City agrees to share the cost and administration of operating a Senior Nutrition Program with the County of Santa Clara; and

WHEREAS, the Second Amendment to the contract with the County of Santa Clara is required to extend the terms for one year and clarify the financial obligations of each party.

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Campbell does hereby authorize the City Manager to execute the Second Amendment to the contract with the County of Santa Clara to provide a Senior Nutrition Program for Fiscal Year 2021-22.

PASSED AND ADOPTED this ____ day of _____, _____ by the following roll call vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

APPROVED:

Elizabeth 'Liz' Gibbons, Mayor

ATTEST:

Dusty Christopherson, City Clerk

Attachment: Council Resolution County FY 2021-2022 (Second Amendment Senior Nutrition Program FY 2021-2022)

Agency Name: City of Campbell
Site Location: Campbell Community Center

14,326
Annual Meals

A	B	C	D
Fee for Service Budget Justification*			
Personnel Costs	Total Program Cost	Agency Amount**	SCC Contract Amount
Salaries	\$ 75,995.00	\$ 75,995.00	\$ -
Volunteer Hours (in-kind)	\$ -	\$ -	\$ -
Payroll Taxes	\$ 1,823.00	\$ 1,823.00	\$ -
Retirement Contribution	\$ 3,518.00	\$ 3,518.00	\$ -
Health Insurance	\$ 8,394.00	\$ 8,394.00	\$ -
Other Fringe Benefits	\$ 3,371.00	\$ 3,371.00	\$ -
Subtotal Personnel Costs	\$ 93,101.00	\$ 93,101.00	\$ -
Operating Expenses			
Food Costs @ \$5.6/meal	\$ 80,262.72	\$ 12,736.36	\$ 67,526.36
Non-Food Costs @ \$0.703/meal	\$ 10,069.00	\$ 5,034.50	\$ 5,034.50
In-Kind Donations		\$ -	\$ -
Usage Cost	\$ 6,991.00		\$ 6,991.00
Insurance			\$ -
Fiscal	\$ 842.00	\$ 421.00	\$ 421.00
Staff Mileage @ Federally Approved Rate	\$ 214.00	\$ 107.00	\$ 107.00
Equipment & Repair	\$ 365.36	\$ 182.50	\$ 182.86
Pre-packaged Meals & Special Events Supplies			\$ -
Subtotal Operating Expenses	\$ 98,744.08	\$ 18,481.36	\$ 80,262.72
INDIRECT COSTS (maximum 15% of SCC Contract Amount or federally approved indirect rate)			
Administrative Overhead			\$ -
Grand Total	\$ 191,845.08	\$ 111,582.36	\$ 80,262.72

Unit cost (approximate)*:	\$ 13.39	\$ 7.79	\$ 5.60
Food Cost per Meal:	\$ 5.60	\$ 0.89	\$ 4.71
Food Cost as Percent of Unit Cost (Minimum of 25% less \$.25 for SCC funding)**:	42%	11%	84%

*Actual expenses must be reconciled to the amount of the County per meal reimbursement quarterly and at year end.

**Agency contribution plan must equal at least \$.83/meal. If a higher amount is listed above, that amount is required.



*City
Council
Report*

Item: 5
Category: CONSENT CALENDAR
Meeting Date: June 15, 2021

TITLE: Agreement with Bateman Community Living, LLC to Provide Catered Meals for the Senior Nutrition Program for Fiscal Year 2021-22 (Resolution/Roll Call Vote)

RECOMMENDED ACTION

That the City Council adopt a Resolution authorizing the City Manager to execute the Agreement with Bateman Community Living, LLC to provide catered meals for the Senior Nutrition Program for Fiscal Year 2021-22.

BACKGROUND

The City of Campbell has a long-standing partnership with Bateman Community Living, LLC to provide catered meals for the Senior Nutrition Program. The purpose of this Agreement is to continue that partnership and to continue to provide catered meals for the Senior Nutrition Program for Fiscal Year (FY) 2021-22. The negotiated bulk meal rate is \$5.60 per meal.

DISCUSSION

Bateman Community Living, LLC is designated as an approved caterer by the County of Santa Clara through their competitive bid process for the provision of food services for the City/County Senior Nutrition Program. The proposed Agreement is for the new contract cycle for FY 2021-22 covering the period of July 1, 2021 through June 30, 2022.

FISCAL IMPACT

The City shares the cost for the Senior Nutrition Program's catered meals with the County of Santa Clara. The total FY 2021-22 meal quantities from Bateman Community Living, LLC will be directed by staff based on need. Funds have been requested in the FY 2021-22 Operating Budget and are included in the Recreation & Community Services Department, Adult Services Division budget.

ALTERNATIVES

Do not authorize City Manager to execute an agreement with Bateman Community Living, LLC and provide alternative direction to staff.

Prepared by:



Tina Wong-Erling, Senior Services
Supervisor

Reviewed by:



Natasha Bissell, Recreation Services
Manager

Approved by:



Brian Loventhal, City Manager

Attachment:

- a. Council Resolution Bateman FY 2021-2022
- b. Senior Nutrition Program Budget Campbell FY 2021-22

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAMPBELL AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT WITH BATEMAN COMMUNITY LIVING, LLC TO PROVIDE CATERED MEALS FOR THE SENIOR NUTRITION PROGRAM FOR FISCAL YEAR 2021-22

WHEREAS, the City of Campbell recognizes the need for a nutritious meal program for senior citizens in Campbell; and

WHEREAS, Bateman Community Living, LLC is designated by the County of Santa Clara as an approved caterer for meals for the City/County Senior Nutrition Program for Fiscal Year (FY) 2021-22; and

WHEREAS, the agreement with Bateman Community Living, LLC is required to extend the term for one year and clarify the financial obligations of each party.

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Campbell does hereby authorize the City Manager to execute the Agreement with Bateman Community Living, LLC to continue to provide meals for the Senior Nutrition Program for FY 2021-22.

PASSED AND ADOPTED this _____ day of _____, _____ by the following roll call vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

APPROVED:

Elizabeth 'Liz' Gibbons, Mayor

ATTEST:

Dusty Christopherson, City Clerk

Attachment: Council Resolution Bateman FY 2021-2022 (Second Amendment Bateman Community Living, LLC FY 2021-2022)

Agency Name: City of Campbell
Site Location: Campbell Community Center

14,326
Annual Meals

A	B	C	D
Fee for Service Budget Justification*			
Personnel Costs	Total Program Cost	Agency Amount**	SCC Contract Amount
Salaries	\$ 75,995.00	\$ 75,995.00	\$ -
Volunteer Hours (in-kind)	\$ -	\$ -	\$ -
Payroll Taxes	\$ 1,823.00	\$ 1,823.00	\$ -
Retirement Contribution	\$ 3,518.00	\$ 3,518.00	\$ -
Health Insurance	\$ 8,394.00	\$ 8,394.00	\$ -
Other Fringe Benefits	\$ 3,371.00	\$ 3,371.00	\$ -
Subtotal Personnel Costs	\$ 93,101.00	\$ 93,101.00	\$ -
Operating Expenses			
Food Costs @ \$5.6/meal	\$ 80,262.72	\$ 12,736.36	\$ 67,526.36
Non-Food Costs @ \$0.703/meal	\$ 10,069.00	\$ 5,034.50	\$ 5,034.50
In-Kind Donations		\$ -	\$ -
Usage Cost	\$ 6,991.00		\$ 6,991.00
Insurance			\$ -
Fiscal	\$ 842.00	\$ 421.00	\$ 421.00
Staff Mileage @ Federally Approved Rate	\$ 214.00	\$ 107.00	\$ 107.00
Equipment & Repair	\$ 365.36	\$ 182.50	\$ 182.86
Pre-packaged Meals & Special Events Supplies			\$ -
Subtotal Operating Expenses	\$ 98,744.08	\$ 18,481.36	\$ 80,262.72
INDIRECT COSTS (maximum 15% of SCC Contract Amount or federally approved indirect rate)			
Administrative Overhead			\$ -
Grand Total	\$ 191,845.08	\$ 111,582.36	\$ 80,262.72

Unit cost (approximate)*:	\$ 13.39	\$ 7.79	\$ 5.60
Food Cost per Meal:	\$ 5.60	\$ 0.89	\$ 4.71
Food Cost as Percent of Unit Cost (Minimum of 25% less \$.25 for SCC funding)**:	42%	11%	84%

*Actual expenses must be reconciled to the amount of the County per meal reimbursement quarterly and at year end.

**Agency contribution plan must equal at least \$.83/meal. If a higher amount is listed above, that amount is required.



*City
Council
Report*

Item: 6
Category: CONSENT CALENDAR
Meeting Date: June 15, 2021

TITLE: Agreement with MoonChef, LLC To Provide Catered Meals for the Senior Nutrition Program for Fiscal Year 2021-22 (Resolution/Roll Call Vote)

RECOMMENDED ACTION

That the City Council adopt a Resolution authorizing the City Manager to execute an Agreement with MoonChef, LLC to provide catered meals for the Senior Nutrition Program during Fiscal Year (FY) 2021-22.

BACKGROUND

The City entered into a partnership with MoonChef, LLC in 2017 to provide Asian cuisine meals for the Senior Nutrition Program. MoonChef, LLC caters meals two days per week in conjunction with Bateman, LLC who provides meals three days per week. The negotiated bulk meal rate is \$5.60 per meal.

DISCUSSION

MoonChef, LLC is designated as an approved food caterer by the County of Santa Clara. The Agreement is for FY 2021-22 covering the period of July 1, 2021 through June 30, 2022.

FISCAL IMPACT

The City shares the cost for the Senior Nutrition Program's catered meals with the County of Santa Clara. The total FY 2021-22 meal quantities from MoonChef, LLC will be directed by staff based on need. Funds have been requested in the FY 2021-22 proposed Operating Budget and are included in the Recreation & Community Services Department, Adult Services Division budget.

ALTERNATIVES

Do not authorize City Manager to execute an Agreement with MoonChef, LLC and provide alternative direction to staff.

Prepared by:



Tina Wong-Erling, Senior Services
Supervisor

Reviewed by:



Natasha Bissell, Recreation Services
Manager

Approved by:



Brian Loventhal, City Manager

Attachment:

- a. Council Resolution MoonChef FY 2021-2022
- b. Senior Nutrition Program Budget Campbell FY 2021-22

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAMPBELL
AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT WITH
MOONCHEF, LLC TO PROVIDE CATERED MEALS FOR THE SENIOR
NUTRITION PROGRAM FOR FISCAL YEAR 2021-22

WHEREAS, the City of Campbell recognizes the need for a nutritious meal program for senior citizens in Campbell; and

WHEREAS, MoonChef, LLC has been designated by the County of Santa Clara as an approved caterer for meals for the City/County Nutrition Program for Fiscal Year (FY) 2021-22; and

WHEREAS, the Agreement with MoonChef, LLC is required to clarify the financial obligations of each party.

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Campbell does hereby authorize the City Manager to execute the Agreement with MoonChef, LLC to provide meals for the Senior Nutrition Program for FY 2021-22.

PASSED AND ADOPTED this _____ day of _____, _____ by the following roll call vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

APPROVED:

Elizabeth 'Liz' Gibbons, Mayor

ATTEST:

Dusty Christopherson, City Clerk

Attachment: Council Resolution MoonChef FY 2021-2022 (MoonChef Contract FY 2021-2022)

Agency Name: City of Campbell
Site Location: Campbell Community Center

14,326
Annual Meals

A	B	C	D
Fee for Service Budget Justification*			
Personnel Costs	Total Program Cost	Agency Amount**	SCC Contract Amount
Salaries	\$ 75,995.00	\$ 75,995.00	\$ -
Volunteer Hours (in-kind)	\$ -	\$ -	\$ -
Payroll Taxes	\$ 1,823.00	\$ 1,823.00	\$ -
Retirement Contribution	\$ 3,518.00	\$ 3,518.00	\$ -
Health Insurance	\$ 8,394.00	\$ 8,394.00	\$ -
Other Fringe Benefits	\$ 3,371.00	\$ 3,371.00	\$ -
Subtotal Personnel Costs	\$ 93,101.00	\$ 93,101.00	\$ -
Operating Expenses			
Food Costs @ \$5.6/meal	\$ 80,262.72	\$ 12,736.36	\$ 67,526.36
Non-Food Costs @ \$0.703/meal	\$ 10,069.00	\$ 5,034.50	\$ 5,034.50
In-Kind Donations		\$ -	\$ -
Usage Cost	\$ 6,991.00		\$ 6,991.00
Insurance			\$ -
Fiscal	\$ 842.00	\$ 421.00	\$ 421.00
Staff Mileage @ Federally Approved Rate	\$ 214.00	\$ 107.00	\$ 107.00
Equipment & Repair	\$ 365.36	\$ 182.50	\$ 182.86
Pre-packaged Meals & Special Events Supplies			\$ -
Subtotal Operating Expenses	\$ 98,744.08	\$ 18,481.36	\$ 80,262.72
INDIRECT COSTS (maximum 15% of SCC Contract Amount or federally approved indirect rate)			
Administrative Overhead			\$ -
Grand Total	\$ 191,845.08	\$ 111,582.36	\$ 80,262.72

Unit cost (approximate)*:	\$ 13.39	\$ 7.79	\$ 5.60
Food Cost per Meal:	\$ 5.60	\$ 0.89	\$ 4.71
Food Cost as Percent of Unit Cost (Minimum of 25% less \$.25 for SCC funding)**:	42%	11%	84%

*Actual expenses must be reconciled to the amount of the County per meal reimbursement quarterly and at year end.

**Agency contribution plan must equal at least \$.83/meal. If a higher amount is listed above, that amount is required.



*City
Council
Report*

Item: 7
Category: CONSENT CALENDAR
Meeting Date: June 15, 2021

TITLE: Santa Clara County Abandoned Vehicle Abatement Service Authority (AVASA) Agreement

RECOMMENDED ACTION

That the City Council adopt a Resolution continuing participation in the Santa Clara County Abandoned Vehicle Abatement Service Authority (AVASA) Program and the continued collection by the Department of Motor Vehicles (DMV) of a one dollar vehicle registration fee for a 10-year period.

BACKGROUND

For the past 29 years, the City of Campbell has participated in the Santa Clara County Abandoned Vehicle Abatement Service Authority (AVASA) Program. Over the last 10 years, the Campbell Police Department has abated 13,681 vehicles and the City of Campbell has collected \$777,064 from the AVASA reimbursement program.

Countywide there have been a total of 167,832 vehicles abated and \$14,917,099 received. Sections 9250.7 and 22710 of the California Vehicle Code, provides for the establishment and continuation of a service authority for the abatement of abandoned vehicles in 10-year increments. Each 10-year extension requires an affirming resolution by a majority of cities representing the majority of the population and two-thirds vote from the County Board of Supervisors. Staff is recommending the City of Campbell continue participating in the AVASA Program.

DISCUSSION

The Police Department frequently receives concerns regarding abandoned vehicles. Residents contact the Police Department to request the removal of wrecked, dismantled, or inoperative vehicles which have been abandoned on both public and private property. Unless removed, these vehicles pose a health and safety hazard and are a public nuisance. Adoption of a resolution by the City Council is required for overall continuation of the AVASA Program and for the City's continued participation in the program.

Sections 9250.7 and 22710 of the California Vehicle Code provide for the establishment of a service authority and for a one-dollar vehicle registration fee collected by the DMV to fund the abandoned vehicle abatement efforts if the County Board of Supervisors, and a majority of the cities within that county, adopt resolutions supporting such action.

The one-dollar registration fee is annually imposed on each vehicle registered within the participating county. The fees collected by the State are used to reimburse participating agencies within the county for their expenses related to the abatement of abandoned vehicles. State law allows for the continuation of the service authority in 10-year increments.

Currently, all Cities within Santa Clara County are active participants in the AVASA Program. All City and County representatives have indicated that resolutions will be requested of their respective City Councils and the Board of Supervisors for continued participation in this program and for continuance of the one-dollar registration fee. If adopted, the attached resolution will extend the Santa Clara County Abandoned Vehicle Abatement Service Authority Program until April 30, 2032, continue the City of Campbell's participation in the AVASA Program, and continue the imposition of the one-dollar vehicle registration fee.

The AVASA Board of Directors are attempting to secure all resolutions passed by July 1, 2021 to provide certified copies to the State by the established deadline of August 1, 2021. This will assure a seamless transition into a new decade of participation without interruption of reimbursement collections and quarterly County payments.

FISCAL IMPACT

Fiscal Year (FY) 2021 to date, the City of Campbell has received \$43,326 in AVASA Program revenue. For FY 2022, \$60,000 is budgeted as AVASA Program revenue. Continued participation in the AVASA Program will provide on-going funding for the City's abandoned vehicle abatement program.

Prepared by:



Dan Livingston, Police Sergeant

Reviewed by:



Gary Berg, Police Chief

Approved by:



Brian Loventhal, City Manager

Attachment:

- a. Resolution AVASA Program 2022 2032

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAMPBELL
AUTHORIZING THE EXTENSION OF THE SANTA CLARA COUNTY
ABANDONED VEHICLE ABATEMENT SERVICE AUTHORITY (AVASA)
AGREEMENT

WHEREAS, California Vehicle Code Sections 9250.7 and 22710 provides for the establishment of an abandoned vehicle service authority for the purpose of removal and disposal of abandoned vehicles; and,

WHEREAS, in 2011, the County of Santa Clara, the cities of Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Milpitas, Monte Sereno, Morgan Hill, Mountain View, Palo Alto, San Jose, Santa Clara, Saratoga, Sunnyvale and the Town of Los Gatos adopted resolutions in each local jurisdiction extending the Santa Clara County Abandoned Vehicle Abatement Service Authority (AVASA) agreement; and,

WHEREAS, funding for the AVASA Program, as authorized under California Vehicle Code section 9250.7 is scheduled to expire on April 30, 2022, at which time the AVASA Program would cease to exist; and,

WHEREAS, California Vehicle Code section 9250.7 as amended by Senate Bill 106 authorized the continued collection of the abandoned vehicle abatement fee over increments of time up to 10-years if the County Board of Supervisors, by a two-thirds vote, and a majority of the cities having a majority of the incorporated population within the county adopt resolutions providing for the continued collection of the fee.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Campbell authorizing the continued collection of the abandoned vehicle abatement fee and participation in AVASA Program for the period May 1, 2022 through April 30, 2032; and,

BE IT FURTHER RESOLVED, that the City Manager of the City of Campbell is authorized to execute a renewed or amended Agreement to continue the City's participation in AVASA Program.

PASSED AND ADOPTED this _____ day of _____, _____ by the following roll call vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

APPROVED:

Elizabeth "Liz" Gibbons, Mayor

ATTEST:

Dusty Christopherson, City Clerk



*City
Council
Report*

Item: 8
Category: CONSENT CALENDAR
Meeting Date: June 15, 2021

TITLE: Vacation of the Light and Air / Building (Setback) Lines Created by Tract Map No. 1392 (Beverly Court, Ricky Drive, Ricky Court and Portions of Bucknall Road, Virginia Avenue, Christopher Avenue, Wren Way and W. Rincon Avenue) and Directing the City Clerk to Record the Resolution (Resolution/Roll Call Vote)

RECOMMENDED ACTION

That the City Council adopt the a Resolution summarily vacating the Light and Air/Building (Setback) Lines created by Tract Map No. 1392; and directing the City Clerk to record the Resolution.

BACKGROUND

In January 1955, the City Council of the City of Campbell (City) approved Tract Map No. 1392 Westchester Park which created an 87-lot subdivision (Beverly Court, Ricky Drive, Ricky Court and portions of Bucknall Road, Virginia Avenue, Christopher Avenue, Wren Way, and W. Rincon Avenue) as shown in Exhibit A to the resolution. As was common at the time, the City required the subdivider to dedicate a Light and Air / Building (Setback) Line along the street frontage of the lots requiring that any structures be set back 25 feet from the street the house faces and 12.5 feet from the side street for corner lots.

DISCUSSION

The Building Setback Lines previously required by the City are no longer appropriate. These Building Setback Lines represent outdated standards and are frequently in conflict with the front and side setbacks required by the City's current Zoning Ordinance. For example, the R-1-6 zoning district for this neighborhood requires a 20-foot front setback and 12-foot street side set back, whereas the Building Setback Line shown on Tract Map 1392 requires a 25-foot front setback, and a 12.5-foot street side setback. To eliminate this confusion, staff recommends that the Building Setback Lines be vacated and that building setbacks be determined solely through the requirements of the City's current Zoning Code.

To avoid a piecemeal implementation of the vacation of these easements, staff is recommending City Council vacate all of the Building Setback Lines created with Tract

Map No. 1392. A comprehensive list of the properties to be relieved of this encumbrance is presented in Exhibit B to the resolution. Upon recordation of the resolution approving this vacation, these properties will become unencumbered by these easements.

FISCAL IMPACT

There is no fiscal impact associated with this action.

ALTERNATIVES

Do not approve the vacation of the Building Setback Lines and continue to work around the conflicts between these easements and the City's current Zoning Code.

Prepared by:



Roger Storz, Senior Civil Engineer

Reviewed by:



Todd Capurso, Director of Public Works

Approved by:



Brian Loventhal, City Manager

Attachment:

- a. Resolution with Exhibits A & B

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAMPBELL VACATING THE LIGHT AND AIR / BUILDING SETBACK LINE EASEMENTS AS SHOWN ON TRACT MAP NO. 1392 (BEVERLY COURT, RICKY DRIVE, RICKY COURT AND PORTIONS OF BUCKNALL ROAD, VIRGINIA AVENUE, CHRISTOPHER AVENUE, WREN WAY AND W. RINCON AVENUE), AND DIRECTING THE CITY CLERK TO RECORD THE RESOLUTION

WHEREAS, an easement for light and air purposes was recorded on February 7, 1955 on Tract Map No. 1392 (Beverly Court, Ricky Drive, Ricky Court and portions of Bucknall Road, Virginia Avenue, Christopher Avenue, Wren Way and W. Rincon Avenue) in Book 54 of Maps at Pages 32 and 33 of Official Records, Santa Clara County; and

WHEREAS, this easement is no longer required as it has been superseded by the requirements of the City of Campbell Zoning Code; and

WHEREAS, it is the desire of the City of Campbell to remove this outdated encumbrance from the properties within the subdivision known as Tract No. 1392 as shown on Exhibit A and more particularly described in Exhibit B; and

WHEREAS, the easement vacation is to be made pursuant to Chapter 4, Summary Vacation, of Part 3 of Division 9 of the California Street and Highway Code.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Campbell does hereby vacate the light and air/building setback line easement and directs the City Clerk to record this Resolution for the properties within Tract No. 1392 as shown on Exhibit A and more particularly described in Exhibit B.

PASSED AND ADOPTED this ____ day of _____, 2021 by the following roll call vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

APPROVED:

Elizabeth "Liz" Gibbons, Mayor

ATTEST:

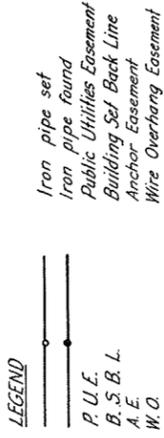
Dusty Christopherson, City Clerk

Attachment: Resolution with Exhibits A & B (Approval of the Vacation of the Light and Air/Building (Setback) Lines Created by Tract Map

TRACT NO. 1392 WESTCHESTER PARK

BEING A PORTION OF THE CLAYTON AND HARRON
TRACT IN THE QUITO RANCHO WITHIN THE
CITY OF CAMPBELL CALIFORNIA

Scale 1" = 80'
November, 1954
LEO W. RUTH - CIVIL ENGINEER
SAN JOSE CALIFORNIA



NOTE
The blue border indicates the boundary of the subdivision.
All distances and dimensions are in feet and decimals thereof.

BASIS OF BEARINGS
The centerline of Bucknall Road, bearing N 89° 17' E, as shown on the final map of Tract No. 819, Canal Manor, Unit No. 2, recorded February 26, 1951, in Book 31 of Maps, page 56, records of Santa Clara County, California, was taken as the basis of bearings shown on this map.

OWNERS CERTIFICATE

We hereby certify that we are the owners of or have some right title or interest in and to the real property included within the subdivision shown on the within map; that we are the only persons whose consent are necessary to pass a clear title to said real property; that we hereby consent to the making of said map and subdivision as shown within the blue border line and hereby offer for dedication to public use all streets, avenues, roads, ways or courts shown on said map within said subdivision. We also dedicate to public use easements for public utilities under, on or over those certain strips of land lying between rear and/or side lines of lots and adjacent dotted lines and designated "P.U.E." (Public Utility Easement) and/or "A.E." (Anchor Easement) and/or "W.O." (Wire Overhang Easement).

SAN JOSE ABSTRACT & TITLE CO, a Corporation, Owner

By *E. L. Anderson* Vice President
By *E. L. Anderson* Asst. Secretary

CORPORATE AGENCY, a Corporation, as Trustee

By *[Signature]* Vice-President
By *[Signature]* Asst. Secretary

STATE OF CALIFORNIA } s. s.
COUNTY OF SANTA CLARA }

On this 27th day of JANUARY, 1955 before me EVY MITCHELL a Notary Public in and for the said County and State, personally appeared A. V. WILDLAND and E. L. ANDERSEN, known to me to be the Vice President and Assistant Secretary, respectively, of San Jose Abstract & Title Co., the corporation that executed the within instrument and also known to me to be the persons who executed it on behalf of such corporation and acknowledged to me that such corporation executed the same.

My Commission Expires March 22, 1957
E. V. Mitchell Notary Public

CERTIFICATE OF CITY ENGINEER

I, Mark E. Thomas, City Engineer of the City of Campbell, State of California, hereby certify that I have examined the within final map of Tract No. 1392 Westchester Park; that the subdivision shown hereon is substantially the same as it appeared on the tentative map thereof as approved by the City Planning Commission; that all provisions of the California Subdivision Map Act and of any local ordinance applicable at the time of approval of the tentative map have been complied with, and that I am satisfied that said map is technically correct.

Dated JANUARY 31, 1955
[Signature]
City Engineer of the City of
Campbell, State of California

CERTIFICATE OF CIVIL ENGINEER

I, Leo W. Ruth, a Registered Civil Engineer of the State of California, hereby certify that this map, consisting of two sheets, correctly represents a survey made under my supervision during December 1954; that the survey is true and complete as shown; that all monuments shown hereon actually exist; that their positions are correctly shown and that said monuments are sufficient to enable the survey to be retraced.

[Signature]
Reg. Civil Engineer
Certificate No 7147

CERTIFICATE OF CLERK OF CITY COUNCIL

I hereby certify that the City Council of the City of Campbell, State of California, at its regular meeting held on the 31 day of JANUARY 1955, duly approved the within accompanying map entitled "Tract No. 1392 Westchester Park", authorized its recording and accepted on behalf of the public all parcels of land offered for dedication to public use both for street purposes and public utility, anchor and wire overhang easements, all as shown on said map within said subdivision.

[Signature]
City Clerk and Ex-officio Clerk of
the City Council, City of Campbell

CERTIFICATE OF COUNTY RECORDER

File No. 1051799 Fee \$5.00 Paid
Accepted for Record and filed in Book 54 of Maps at pages 32 and 33 in the office of the County Recorder of the County of Santa Clara, State of California, this 7 day of Feb. 1955, at 2:28 P. M.

[Signature]
County Recorder

STATE OF CALIFORNIA } s. s.
COUNTY OF SANTA CLARA }

On this 27th day of JANUARY, 1955 before me KARA A. LOUPE a Notary Public in and for said County and State, personally appeared W. A. Abbott and E. R. Rivor, known to me to be the Vice President and Asst. Secretary, respectively, of Corporate Agency, the corporation that executed the within instrument and also known to me to be the persons who executed it on behalf of such corporation and acknowledged to me that such corporation executed the same.

My Commission Expires 9-29-55
[Signature] Notary Public

TRACT NO. 1392 WESTCHESTER PARK

BEING A PORTION OF THE CLAYTON AND HARRON
TRACT IN THE QUITO RANCHO WITHIN THE
CITY OF CAMPBELL CALIFORNIA

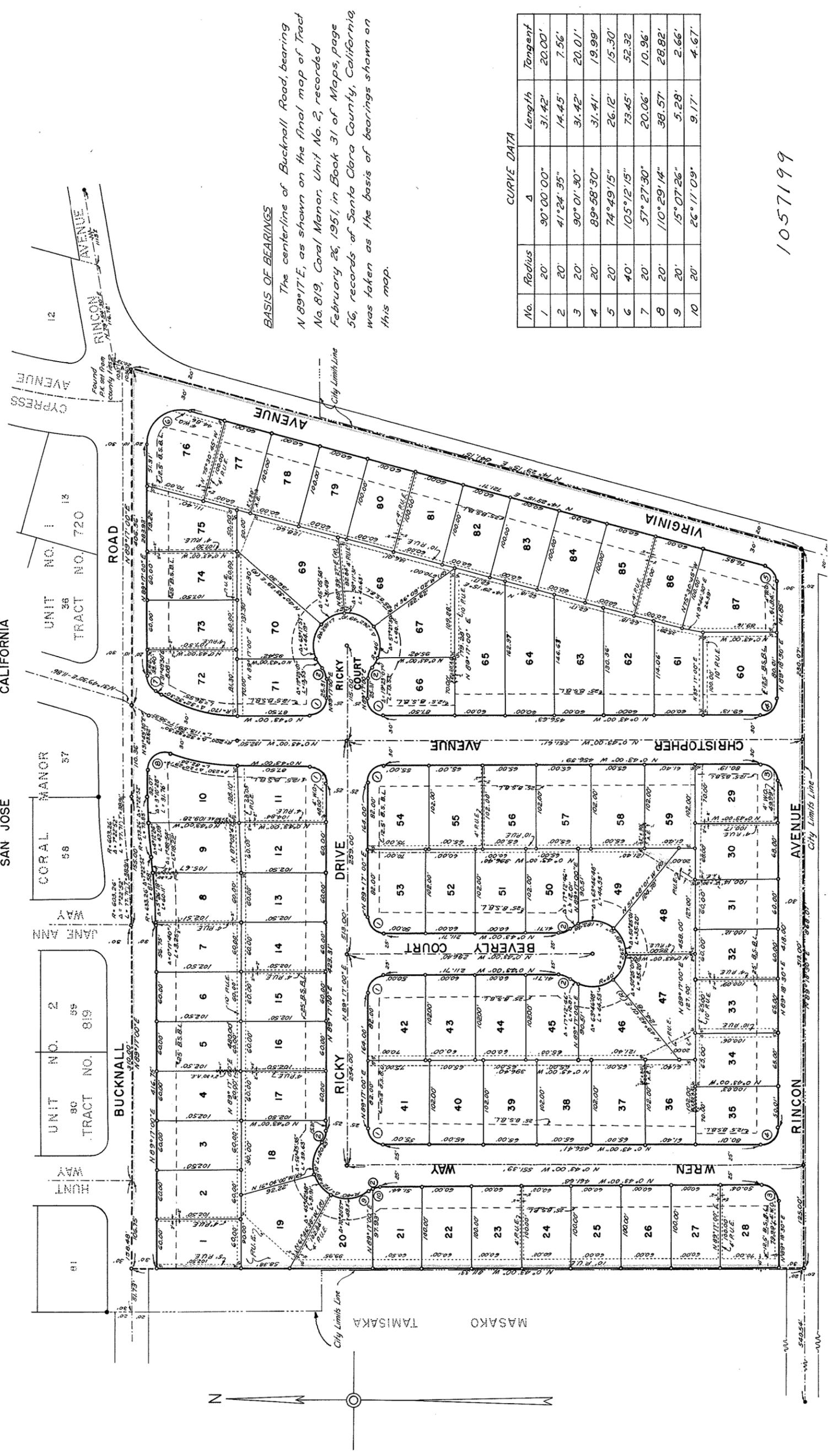
November, 1954

Scale 1" = 80'

LEO W. RUTH - CIVIL ENGINEER
SAN JOSE CALIFORNIA

NOTE
The blue border indicates the boundary of
the subdivision.
All distances and dimensions are in feet and
decimals thereof.

- LEGEND**
- Iron pipe set
 - Iron pipe found
 - Public utilities easement
 - P. U. E.
 - B. S. B. L.
 - A. E.
 - W. O.
 - Building set-back line
 - Anchor easement
 - Wire overhang easement



BASIS OF BEARINGS
The centerline of Bucknall Road, bearing
N 89°17'E, as shown on the final map of Tract
No. 819, Coral Manor, Unit No. 2, recorded
February 26, 1951, in Book 31 of Maps, page
56, records of Santa Clara County, California,
was taken as the basis of bearings shown on
this map.

CURVE DATA

No.	Radius	Δ	Length	Tangent
1	20'	90°00'00"	31.42'	20.00'
2	20'	41°24'35"	14.45'	7.56'
3	20'	90°01'30"	31.42'	20.01'
4	20'	89°58'30"	31.41'	19.99'
5	20'	74°49'15"	26.12'	15.30'
6	40'	105°12'15"	73.45'	52.32'
7	20'	57°27'30"	20.06'	10.96'
8	20'	110°29'14"	38.57'	28.82'
9	20'	15°07'26"	5.28'	2.66'
10	20'	26°11'09"	9.17'	4.67'

1057199

Attachment: Resolution with Exhibits A & B (Approval of the Vacation of the Light and Air/Building (Setback) Lines Created by Tract Map No. 1392)

Exhibit B - Vacation of Light and Air Easement

<u>Assessor Parcel Number</u>	<u>Address</u>	<u>Map Reference</u>
404-08-044	876 Bucknall Road	Tract No. 1392, Lot 1
404-08-045	864 Bucknall Road	Tract No. 1392, Lot 2
404-08-046	850 Bucknall Road	Tract No. 1392, Lot 3
404-08-047	836 Bucknall Road	Tract No. 1392, Lot 4
404-08-048	824 Bucknall Road	Tract No. 1392, Lot 5
404-08-049	812 Bucknall Road	Tract No. 1392, Lot 6
404-08-050	800 Bucknall Road	Tract No. 1392, Lot 7
404-08-051	790 Bucknall Road	Tract No. 1392, Lot 8
404-08-052	780 Bucknall Road	Tract No. 1392, Lot 9
404-08-053	764 Bucknall Road	Tract No. 1392, Lot 10
404-08-054	771 Ricky Drive	Tract No. 1392, Lot 11
404-08-055	781 Ricky Drive	Tract No. 1392, Lot 12
404-08-056	791 Ricky Drive	Tract No. 1392, Lot 13
404-08-057	803 Ricky Drive	Tract No. 1392, Lot 14
404-08-058	813 Ricky Drive	Tract No. 1392, Lot 15
404-08-059	825 Ricky Drive	Tract No. 1392, Lot 16
404-08-060	839 Ricky Drive	Tract No. 1392, Lot 17
404-08-061	855 Ricky Drive	Tract No. 1392, Lot 18
404-08-062	865 Ricky Drive	Tract No. 1392, Lot 19
404-08-063	229 Wren Way	Tract No. 1392, Lot 20
404-08-064	239 Wren Way	Tract No. 1392, Lot 21
404-08-065	255 Wren Way	Tract No. 1392, Lot 22
404-08-066	265 Wren Way	Tract No. 1392, Lot 23
404-08-067	277 Wren Way	Tract No. 1392, Lot 24
404-08-068	291 Wren Way	Tract No. 1392, Lot 25
404-08-069	303 Wren Way	Tract No. 1392, Lot 26
404-08-070	317 Wren Way	Tract No. 1392, Lot 27
404-08-071	325 Wren Way	Tract No. 1392, Lot 28
404-08-025	781 W. Rincon Avenue	Tract No. 1392, Lot 29
404-08-026	795 W. Rincon Avenue	Tract No. 1392, Lot 30
404-08-027	807 W. Rincon Avenue	Tract No. 1392, Lot 31
404-08-028	819 W. Rincon Avenue	Tract No. 1392, Lot 32
404-08-029	831 W. Rincon Avenue	Tract No. 1392, Lot 33
404-08-030	843 W. Rincon Avenue	Tract No. 1392, Lot 34
404-08-031	853 W. Rincon Avenue	Tract No. 1392, Lot 35
404-08-001	306 Wren Way	Tract No. 1392, Lot 36
404-08-002	294 Wren Way	Tract No. 1392, Lot 37
404-08-003	280 Wren Way	Tract No. 1392, Lot 38
404-08-004	268 Wren Way	Tract No. 1392, Lot 39
404-08-005	256 Wren Way	Tract No. 1392, Lot 40
404-08-006	242 Wren Way	Tract No. 1392, Lot 41
404-08-007	243 Beverly Court	Tract No. 1392, Lot 42
404-08-008	257 Beverly Court	Tract No. 1392, Lot 43
404-08-009	271 Beverly Court	Tract No. 1392, Lot 44
404-08-010	281 Beverly Court	Tract No. 1392, Lot 45
404-08-011	291 Beverly Court	Tract No. 1392, Lot 46

Attachment: Resolution with Exhibits A & B (Approval of the Vacation of the Light and Air/Building (Setback) Lines Created by Tract Map

Exhibit B - Vacation of Light and Air Easement

<u>Assessor Parcel Number</u>	<u>Address</u>	<u>Map Reference</u>
404-08-012	295 Beverly Court	Tract No. 1392, Lot 47
404-08-013	294 Beverly Court	Tract No. 1392, Lot 48
404-08-014	290 Beverly Court	Tract No. 1392, Lot 49
404-08-015	280 Beverly Court	Tract No. 1392, Lot 50
404-08-016	270 Beverly Court	Tract No. 1392, Lot 51
404-08-017	256 Beverly Court	Tract No. 1392, Lot 52
404-08-018	242 Beverly Court	Tract No. 1392, Lot 53
404-08-019	249 Christopher Avenue	Tract No. 1392, Lot 54
404-08-020	261 Christopher Avenue	Tract No. 1392, Lot 55
404-08-021	273 Christopher Avenue	Tract No. 1392, Lot 56
404-08-022	285 Christopher Avenue	Tract No. 1392, Lot 57
404-08-023	295 Christopher Avenue	Tract No. 1392, Lot 58
404-08-024	309 Christopher Avenue	Tract No. 1392, Lot 59
404-07-001	324 Christopher Avenue	Tract No. 1392, Lot 60
404-07-002	312 Christopher Avenue	Tract No. 1392, Lot 61
404-07-003	300 Christopher Avenue	Tract No. 1392, Lot 62
404-07-004	288 Christopher Avenue	Tract No. 1392, Lot 63
404-07-005	276 Christopher Avenue	Tract No. 1392, Lot 64
404-07-006	264 Christopher Avenue	Tract No. 1392, Lot 65
404-07-007	750 Ricky Court	Tract No. 1392, Lot 66
404-07-008	738 Ricky Court	Tract No. 1392, Lot 67
404-07-009	730 Ricky Court	Tract No. 1392, Lot 68
404-07-010	729 Ricky Court	Tract No. 1392, Lot 69
404-07-011	737 Ricky Court	Tract No. 1392, Lot 70
404-07-012	749 Ricky Court	Tract No. 1392, Lot 71
404-07-013	738 Bucknall Road	Tract No. 1392, Lot 72
404-07-014	730 Bucknall Road	Tract No. 1392, Lot 73
404-07-015	718 Bucknall Road	Tract No. 1392, Lot 74
404-07-016	708 Bucknall Road	Tract No. 1392, Lot 75
404-07-017	692 Bucknall Road	Tract No. 1392, Lot 76
404-07-018	221 Virginia Avenue	Tract No. 1392, Lot 77
404-07-019	233 Virginia Avenue	Tract No. 1392, Lot 78
404-07-020	245 Virginia Avenue	Tract No. 1392, Lot 79
404-07-021	255 Virginia Avenue	Tract No. 1392, Lot 80
404-07-022	267 Virginia Avenue	Tract No. 1392, Lot 81
404-07-023	281 Virginia Avenue	Tract No. 1392, Lot 82
404-07-024	293 Virginia Avenue	Tract No. 1392, Lot 83
404-07-025	303 Virginia Avenue	Tract No. 1392, Lot 84
404-07-026	313 Virginia Avenue	Tract No. 1392, Lot 85
404-07-027	323 Virginia Avenue	Tract No. 1392, Lot 86
404-07-028	333 Virginia Avenue	Tract No. 1392, Lot 87



*City
Council
Report*

Item: 9
Category: CONSENT CALENDAR
Meeting Date: June 15, 2021

TITLE: Resolution Declaring July 2021 as Parks Make Life Better Month
 (Resolution/Roll Call Vote)

RECOMMENDED ACTION

That the City Council adopt a Resolution recognizing July 2021 as Parks Make Life Better Month.

BACKGROUND

Since 1985, the U.S. House of Representatives designates the month of July as National Parks & Recreation month. In honor of that designation and in recognition of the California Parks and Recreation Society's effort to bring awareness to the importance of Parks and Recreation programs through the state-wide Parks Make Life Better campaign, staff requests that the City Council designate July 2021 as Parks Make Life Better Month in the City of Campbell.

DISCUSSION

The City of Campbell Recreation and Community Services Department offers a variety of programs and services both in person and online that promote physical, emotional and mental health and wellness. The COVID-19 pandemic has disrupted the daily routine of our residents and put greater emphasis on the need for parks, open space, and other outdoor activities. The need for open space, the ability to connect with nature, the option to engage virtually and participate in physically distanced programs has proven to be an essential part of our residents' lives. Programs and services that are offered promote the economic vitality of Campbell, have provided day care for essential workers, and served meals to vulnerable populations.

Recreation programs bring diverse populations together fostering social cohesiveness and strengthen community with facilities that reflect our community character, heritage, culture, and history. Activities and programs create memorable experiences and support ongoing learning opportunities to keep families active and engaged.

The City of Campbell continues to be stewards of natural resources and recognizes the importance of access to local parks, recreation, trails, open space and facilities. The Recreation and Community Services Department helps spread the Parks Make Life Better message to inform citizens of the many benefits of utilizing parks, facilities,

recreation programs and services.

FISCAL IMPACT

There is no fiscal impact associated with approving this resolution.

Prepared by:



Natasha Bissell, Recreation Services
Manager

Approved by:



Brian Loventhal, City Manager

Attachment:

- a. RESOLUTION July is PMLB month 2021

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAMPBELL DECLARING
THE MONTH OF JULY AS PARKS MAKE LIFE BETTER MONTH**

WHEREAS, Parks and Recreation *promotes physical, emotional and mental health and wellness* through organized and self-directed fitness, play, and activity; and

WHEREAS, Parks and Recreation *supports the economic vitality of communities* by providing frontline jobs, childcare for the essential work force and promoting community revitalization; and

WHEREAS, Parks and Recreation *creates memorable experiences* through engaging virtual and physically distanced programs, dynamic online events and new learning opportunities designed to keep families active while stay-at-home orders are in place and beyond; and

WHEREAS, Parks and Recreation *fosters social cohesiveness* in communities by celebrating diversity, providing spaces to come together peacefully, modeling compassion, promoting social equity, connecting social networks, and ensuring all people have access to its benefits; and

WHEREAS, Parks and Recreation *supports human development* and endless learning opportunities that foster social, intellectual, physical and emotional growth in people of all ages and abilities; and

WHEREAS, Parks and Recreation *strengthens community identity* by providing facilities and services that reflect and celebrate community character, heritage, culture, history, aesthetics and landscape; and

WHEREAS, Parks and Recreation *facilitates community problem and issue resolution* by providing safe spaces to come together peacefully and facilitating conversations and services in order that our communities may heal both physically and emotionally; and

WHEREAS, Parks and Recreation *sustains and stewards our natural resources* by protecting habitats and open space, connecting people to nature, and promoting the ecological function of parkland; and

WHEREAS, Parks and Recreation *supports safe, vibrant, attractive, progressive communities* that make life better through positive alternatives offered in their recreational opportunities; and

WHEREAS, The California Park & Recreation Society has released a statewide public awareness campaign, "Parks Make Life Better!" to inform citizens of the many benefits of utilizing parks, facilities, programs, and services; now, therefore, be it resolved that the citizens of California recognize the importance of access to local parks, trails, open space, and facilities for the health, wellness, development, inspiration, and safety of all Californians; and be it further resolved, that we declare the month of July 2021 as "Parks Make Life Better!" Month.

Passed and adopted this ____ day of _____, 2021 by the following roll call vote:

AYES: Councilmembers:
NOES: Councilmembers:
ABSENT: Councilmembers:

APPROVED:

ATTEST:

Elizabeth "Liz" Gibbons, Mayor

Dusty Christopherson, City Clerk



*City
Council
Report*

Item: 10
Category: NEW BUSINESS
Meeting Date: June 15, 2021

TITLE: Agreement with Hinderliter, De Llamas & Associates (HdL Companies), to Provide Sales or Transaction and Use Tax Audit Services and Sales or Transaction and Use Tax Management Services and for HdL Companies to Examine Sales or Transactions and Use Tax Records (Resolution/Roll Call Vote)

RECOMMENDED ACTION

That the City Council adopt a Resolution authorizing the City Manager to forgo the competitive bidding process and execute a five-year Agreement with Hinderliter, De Llamas & Associates (HdL Companies) to provide Sales or Transaction and Use Tax Audit Services and Sales or Transaction and Use Tax Management Services and for HdL Companies to examine Sales or Transactions and Use Tax Records.

BACKGROUND

The City of Campbell has contracted with Avenu MuniServices, LLC (formerly Municipal Resource Consultants) since June 24, 1987 to provide sales or transactions and use tax audit and consulting services. These services have included resolving sales or transaction and use tax reporting errors with the California Department of Tax and Fee Administration (CDTFA) and local businesses, recovering lost sales or transaction and use tax revenue for the City, and meeting with City staff on a quarterly basis to discuss sales or transaction and use tax results, trends, and forecasts utilizing confidential business data accessed from the CDTFA and as approved by City Council resolution. The City originally paid Avenu MuniServices, LLC a fee of 25% for all recovered sales tax, but was later reduced to 15% in August 2019. The City also pays Avenu MuniServices, LLC an annual fee of \$5,000 for access to sales tax records and its quarterly meetings and reports. These costs are budgeted at \$47,000 total under GL Account No. 101.540.7430 (Non-Departmental) in Fiscal Year (FY) 2021-22.

DISCUSSION

Sales and Use Tax is a highly important revenue source and is estimated to be the City's second largest revenue source in FY 2022 at 18.8% and \$15.5 million. While the City has had a long-standing and productive relationship with Avenu MuniServices, LLC, the City would benefit from a fresh perspective related to revenue recovery, reporting, forecasting, collaboration with City staff (including the Economic Development and Planning Department), and data access. Additionally, the Finance Department's

FY 2022 workplan includes an item to evaluate long-range financial forecasting methodologies and determine whether improvements could be made [Council Priority – Fiscal Stability and Financial Recovery]. As such, staff has begun the process of reviewing all its forecasting methodologies as well as the consultants that it works with regularly, to enhance the quality and accuracy of its long-range financial forecasts.

To assist in this effort, staff obtained a proposal from Hinderliter, De Llamas & Associates (HdL Companies) to provide the City with similar services as those provided by Avenu MuniServices, LLC. The proposal is enclosed as Attachment D. With almost 40 years of experience and serving over 500 cities, counties, and special districts, HdL Companies is an industry leader in sales tax consulting as well as property tax and business license services. HdL Companies and Avenu MuniServices, LLC are the top two companies in the sales tax consulting field; with the drop off in experience and service quality being quite considerable for the remaining available companies. Thus, staff does not believe that it is in the City's best interest to obtain proposals from other companies. After thorough research, professional experience and knowledge of the industry, it is recommended that the City forgo the competitive bidding process and enter into an agreement with HdL Companies. This is consistent with the following sections of the Campbell Municipal Code (CMC) which state that bidding procedures may be dispensed with when:

- *3.20.40(4) - The city seeks the special services, consultation or advice in financial, economic, accounting, engineering, legal, administrative or other matters from persons specially trained, experienced and competent to perform the special services required.*
- *3.20.40(8) - The City Council, by a majority vote, determines that it is in the best interest of the public to dispense with the requirements of Section 3.20.050, in which case the City Council shall prescribe the appropriate method of purchase.*

As the proposal shows, HdL Companies has a highly qualified team that could provide a number of sales or transaction and use tax services to the City. Locally, HdL Companies provide sales tax services to the Cities of Cupertino, Fremont, Morgan Hill, Mountain View, and Santa Cruz. And in California, HdL Companies currently provides sales, use, and district tax services to 49 counties, 333 cities and 225 transactions tax districts. Staff recommends terminating the City's contract for Sales or Transactions and Use Tax audit and consulting services with Avenu MuniServices, LLC (effective July 2, 2021) and replacing them with HdL Companies (effective July 1, 2021). This would coincide with the start of FY 2022 and allow for a seamless transition before the City receives Quarter 2 Calendar Year 2021 sales and use tax results in September 2021. A tentative agreement with HdL Companies is enclosed as *Attachment C*. As shown, HdL Companies charges a fee of 15% of all sales tax revenue recovered, 25% of all transaction district tax (Measure O ¼ Cent District Tax – 2008) revenue recovered, and an annual fee of \$9,000 for access to sales tax records and its quarterly meetings and reports. These fees are very similar to those charged by Avenu MuniServices, LLC, but slightly higher for transaction district tax revenue recovery, access to sales tax records, and quarterly meetings and reports. In regard to transaction district tax

recovery, it is a harder and more time-intensive effort than sales tax recovery since the transaction district tax is only levied on those residing or having businesses within the District and individual purchases are analyzed rather than aggregate sales at a business location. Thus, staff feels that the higher fees for transaction district tax recovery are justified given the greater time and effort needed and hopes that this will incentive HdL Companies to achieve even better results in this area than Avenu MuniServices, LLC.

In regard to access to sales tax records and quarterly meetings and reports, HdL Companies has a professional reputation of being very collaborative with its clients and has a modern, cloud-based platform that allows for easy and timely access to business specific sales tax information and reports. Thus, staff feels that the higher fees for this collaborative approach and access to the cloud-based platform are justified given the anticipated benefit the City will receive from the partnership, data, and reports. Details for HdL Companies' cloud-based sales tax platform are shown on page 12 of their proposal and their collaborative approach is shown throughout. Should Council approve the contract with HdL Companies, estimated annual costs of \$56,000 will be programmed into the FY 2022 Operating Budget; \$9,000 higher than FY 2021.

Additionally, while HdL Companies is very strong in sales tax consulting and systems, it is also the industry leader in property tax consulting and business license software and services. Thus, staff is also considering them for property tax consulting and business license software in the future so that the City could have access to robust and interconnected data sources and reports containing Campbell specific property tax, sales tax, and business license information.

Council has expressed a desire to better understand the City's business environment and key revenue sources and pending future analysis and discussions, the City could benefit from a unified solution for property tax, sales tax, and business licensing. In addition, as shown on page 14 of its proposal, HdL Companies also works well with Economic Development divisions to fully leverage sales tax data to strengthen and expand local economies. As such, these benefits align with the Finance Department's FY 2022 workplan item to *evaluate business license systems and operations, develop improvements to better serve the business community, and collaborate with the Economic Development Division to improve data usefulness and report capabilities so as to enhance timely understanding of the City's business climate [Council Priority – Financial Recovery and Operational Need]*. At a future meeting in FY 2022, staff will return to Council with an update on property tax consulting and business license systems.

And lastly, in order to allow HdL Companies to access confidential sales tax records for businesses within Campbell and for Avenu MuniServices, LLC to resolve any remaining sales tax recovery cases that are currently pending, the CDTFA requires City Council approve a resolution shown as Attachment B. This resolution also specifies the City officers that are allowed to view confidential sales tax records and the purposes for which these records may be used. Also enclosed as Attachment A is a resolution

authorizing the City Manager to forgo the competitive bidding process and execute an agreement with HdL Companies.

FISCAL IMPACT

It is estimated that a contract with HdL Companies will cost approximately \$56,000 and if approved, this amount will be programmed into the FY 2022 Operating Budget. This is \$9,000 higher than FY 2021, but \$47,000 of this cost is for Sales or Transactions and Use Tax recovery efforts and it is expected that this will be fully offset by higher Sales or Transactions and Use Tax revenue in FY 2022 and beyond.

ALTERNATIVES

- 1) Direct staff to not enter into an agreement with HdL Companies for Sales or Transactions and Use Tax audit and consulting services and instead continue using Avenu MuniServices, LLC.
- 2) Direct staff to explore other companies via a competitive bidding process to provide Sales or Transactions and Use Tax audit and consulting services.

Prepared by:



Will Fuentes, Finance Director

Approved by:



Brian Loventhal, City Manager

Attachment:

- a. Resolution - Agreement Authorization
- b. Resolution - Access of Confidential CDTFA Sales Tax Records
- c. HdL Agreement
- d. HdL Proposal

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAMPBELL AUTHORIZING THE CITY MANAGER TO FORGO THE COMPETITIVE BIDDING PROCESS AND EXECUTE A FIVE-YEAR AGREEMENT WITH HINDERLITER, DE LLAMAS & ASSOCIATES (HDL COMPANIES) TO PROVIDE SALES OR TRANSACTION AND USE TAX AUDIT SERVICES AND SALES OR TRANSACTION AND USE TAX MANAGEMENT SERVICES

WHEREAS, Sales and Use Tax is estimated to be the City's second largest revenue source in Fiscal Year 2022; and

WHEREAS, the City has contracted with another company to provide Sales or Transactions and Use Tax audit and consulting services since January 24, 1987; and

WHEREAS, the City would benefit from a fresh perspective related to revenue recovery, reporting, forecasting, collaboration with City staff (including Economic Development and Planning Department), and data access; and

WHEREAS, with almost 40 years of experience and serving over 500 cities, counties, and special districts, HdL Companies is an industry leader in sales tax consulting; and

WHEREAS, based on its professional judgement and experience, staff recommends forgoing the competitive bidding process and contracting with HdL Companies for Sales or Transactions and Use Tax audit and consulting services; and

WHEREAS, Section 3.20.030(4) of the Campbell Municipal Code states that bidding procedures may be dispensed with when the City seeks the special services, consultation or advice in financial, economic, accounting, engineering, legal, administrative or other matters from persons specially trained, experienced and competent to perform the special services required; and

WHEREAS, Section 3.20.030(8) of the Campbell Municipal Code states that bidding procedures may be dispensed with when the City Council, by a majority vote, determines that it is in the best interest of the public to dispense with the requirements of Section 3.20.050, in which case the City Council shall prescribe the appropriate method of purchase; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Campbell does hereby authorize the City Manager to forgo the competitive bidding process and execute a five-year Agreement with Hinderliter, De Llamas

& Associates (HdL Companies) to provide Sales or Transaction and Use Tax Audit Services and Sales or Transaction and Use Tax Management Services.

PASSED AND ADOPTED this ____ day of _____, _____ by the following roll call vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

APPROVED:

Elizabeth 'Liz' Gibbons, Mayor

ATTEST:

Dusty Christopherson, City Clerk

Attachment: Resolution - Agreement Authorization (HdL Sales Tax Contract and CDTFA Authorization)

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAMPBELL
AUTHORIZING EXAMINATION OF SALES OR TRANSACTIONS AND USE TAX
RECORDS

WHEREAS, pursuant to Ordinance No. 1177, the City of Campbell (City) entered into a contract with the California Department of Tax and Fee Administration (Department) to perform all functions incident to the administration and collection of sales or transactions and use taxes; and

WHEREAS, pursuant to Ordinance No. 2111, and the City of Campbell Vital City Services, Maintenance & Protection Transactions and Use Tax, Revenue and Taxation Code Section 7270, the City entered into a contract with the California Department of Tax and Fee Administration (Department) to perform all functions incident to the administration and collection of transactions and use taxes; and

WHEREAS, the City Council of the City of Campbell deems it desirable and necessary for authorized officers, employees and representatives of the City to examine confidential sales or transactions and use tax records of the Department pertaining to sales or transactions and use taxes collected by the Department for the City pursuant to that contract; and

WHEREAS, Section 7056 of the California Revenue and Taxation Code sets forth certain requirements and conditions for the disclosure of Department records, and Section 7056.5 of the California Revenue and Taxation Code establishes criminal penalties for the unlawful disclosure of information contained in, or derived from, the sales or transactions and use tax records of the Department;

NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF CAMPBELL HEREBY RESOLVES AS FOLLOWS:

Section 1. That the City Manager, Finance Director, Assistant City Manager, Community Development Director, Economic Development Specialist, or other officer or employee of the City designated in writing by the City Manager to the California Department of Tax and Fee Administration is hereby appointed to represent the City with authority to examine sales or transactions and use tax records of the Department pertaining to sales or transactions and use taxes collected for the City by the Department pursuant to the contract between the City and the Department.

Section 2.

The information obtained by examination of Department records shall be used only for purposes related to the collection of City sales or transactions and use taxes by the Department pursuant to that contract, and for purposes related to the following governmental functions of the City:

(a) Review of sales or transaction and use tax records to ensure proper allocaton and remittance to the City

- (b) Economic Development
- (c) Budget Planning
- (d) Other governmental functions as required by the City

The information obtained by examination of Department records shall be used only for those governmental functions of the City listed above.

Section 3. That Hinderliter, De Llamas & Associates (HdL Companies) is hereby designated to examine the sales or transactions and use tax records of the Department pertaining to sales or transactions and use taxes collected for the City by the Department. The person or entity designated by this section meets all of the following conditions, which are also included in the contract between the City and HdL Companies:

- a) has an existing contract with the City to examine those sales or transactions and use tax records;
- b) is required by that contract to disclose information contained in, or derived from, those sales or transactions and use tax records only to the officer or employee authorized under Section 1 of this resolution to examine the information.
- c) is prohibited by that contract from performing consulting services for a retailer during the term of that contract;
- d) is prohibited by that contract from retaining the information contained in, or derived from those sales or transactions and use tax records, after that contract has expired.

BE IT FURTHER RESOLVED that the information obtained by examination of Department records shall be used only for purposes related to the collection of City sales or transactions and use taxes by the Department pursuant to the contract between the City and the Department and for those purposes relating to the governmental functions of the City listed in section 2 of this resolution.

Section 4. That MuniServices, LLC is hereby designated to examine the sales or transactions and use tax records of the Department pertaining to any petition or appeal for the reallocation/redistribution of sales or transactions and use taxes that was filed by MuniServices, LLC on behalf of the City pursuant to the contract between the MuniServices, LLC and the City. The person or entity designated by this section meets all of the following conditions, which are also included in the contract between the City and the MuniServices, LLC:

- a) has an existing contract with the City to examine those sales or transactions and use tax records;
- b) is required by that contract to disclose information contained in, or derived from, those sales or transactions and use tax records only to the officer or employee authorized under Section 1 of this resolution to examine the information.
- c) is prohibited by that contract from performing consulting services for a retailer during the term of that contract;

d) is prohibited by that contract from retaining the information contained in, or derived from those sales or transactions and use tax records, after that contract has expired.

Section 5. That this resolution supercedes all prior resolutions of the City Council of the City of Campbell adopted pursuant to subdivision (b) of Revenue and Taxation Code section 7056.

Introduced, approved and adopted this _____ day of _____, _____.

(s) _____
Elizabeth "Liz" Gibbons, Mayor

ATTEST: (s) _____
Dusty Christopherson, City Clerk

I, Dusty Christopherson, City Clerk of the City of Campbell, California, DO HEREBY CERTIFY that the foregoing resolution was duly introduced, approved and adopted by the City Council of the City of Campbell, at a regular meeting of said Council held on the _____ day of _____, 20____, by the following roll call vote:

Ayes: (Names of Councilmembers)

Noes: (Names of Councilmembers)

Absent: (Names of Councilmembers)

(s) _____
Dusty Christopherson, City Clerk

Attachment: Resolution - Access of Confidential CDTFA Sales Tax Records (HdL Sales Tax Contract and CDTFA Authorization)

CITY OF CAMPBELL
CONSULTANT SERVICES AGREEMENT

This Agreement is entered into at Campbell, California on the 1st day of **July**, 2021, by and between the **CITY OF CAMPBELL** (hereinafter referred to as "City") and **Hinderliter, De Llamas & Associates (HdL Companies)** (hereinafter referred to as "Consultant").

WHEREAS, City desires to obtain **Sales or Transaction and Use Tax Audit Services** and **Sales or Transaction and Use Tax Management Services**; and

WHEREAS, Consultant represents that it has the expertise, means, and ability to perform said **Sales or Transaction and Use Tax Audit Services** and **Sales or Transaction and Use Tax Management Services**;

NOW, THEREFORE, in consideration of each other's mutual promises, Consultant and City agree as follows:

1. DUTIES OF CONSULTANT

1.1 Consultant agrees to perform services as set forth in Exhibit A - Scope of Services, attached hereto and incorporated herein by reference, and which shall be interpreted together and in harmony with this Agreement. In the event of any conflict between Exhibit A and this Agreement, this Agreement shall govern, control, and take precedence.

1.2 Consultant's project manager will meet with the City's project coordinator prior to commencement of the project to establish a clear understanding of the working relationships, authorities, and management philosophy of City as it relates to this Agreement.

1.3 Consultant, working with the City, will gather available existing information concerning the project, and shall review documents as necessary for compliance with the project's objectives.

1.4 In performance of this Agreement by Consultant, time will be of the essence.

1.5 Notwithstanding Section 1.4, Consultant shall not be responsible for delay caused by activities or factors beyond Consultant's reasonable control, including delays or by reason of strikes, work slow-downs or stoppages, or acts of God.

1.6 Consultant agrees to perform this Agreement in accordance with the highest degree of skill and expertise exercised by members of Consultant's profession working on similar projects under similar circumstances.

1.7 Consultant shall cooperate in good faith with City in all aspects of the performance of this Agreement.

1.8 In the course of the performance of this Agreement, Consultant shall act in the City's best interest as it relates to the project.

1.9 All activities of Consultant, its employees, subcontractors and/or agents will be carried out in compliance with all applicable federal, state, and local laws and regulations.

1.10 The designated project manager for Consultant shall be **Ken Nordhoff**. The Consultant's project manager shall have all the necessary authority to direct technical and professional work within the scope of the Agreement and shall serve as the principal point of contact with the City and the City's project coordinator. The authorized principal of Consultant executing this Agreement for the Consultant shall have authority to make decisions regarding changes in services, termination and other matters related to the performance of this agreement on behalf of Consultant.

1.11 The Consultant (and its employees, agents, representatives, and subconsultants), in the performance of this Agreement, shall act in an independent capacity and not as officers or officials or employees or agents of the City. The City shall not direct the work and means for accomplishment of the services and work to be performed hereunder. The City, however, retains the right to require that work performed by Consultant meet specific standards consistent with the requirements of this Agreement without regard to the manner and means of accomplishment thereof. Subcontractors shall assume all of the rights, obligations and liabilities, applicable to it as an independent contractor hereunder. Consultant represents and warrants that it (i) is fully experienced and properly qualified to perform the class of work and services provided for herein, (ii) has the financial capability and shall finance its own operations required for the performance of the work and services and (iii) is properly equipped and organized to perform the work and services in a competent, timely and proper manner in accordance with the requirements of this Agreement. Consultant agrees to comply with AB5, codified at Labor Code section 2750.3, and shall indemnify, defend and hold harmless the City, its officers, officials, directors, agents representatives, volunteers, and employees against any claim or liability, including attorneys' fees and costs, arising in any manner related to this Agreement that an employee, agent or others under Consultant's supervision or control was misclassified.

1.12 This Agreement contains provisions that permit mutually acceptable changes in the scope, character or complexity of the work if such changes become desirable or necessary as the work progresses. Adjustments to the basis of payment and to the time for performance of the work, if any, shall be established by a written contract amendment (approved and executed by the City) to accommodate the changes in work.

2. DUTIES OF CITY

2.1 City shall furnish to Consultant all available and pertinent data and information requested by Consultant to facilitate the preparation of the documents called for in this Agreement. Consultant shall be entitled to reasonably rely on accuracy and completeness of such information, provided that Consultant shall make any additional investigation reasonably necessary to confirm such information and provide City prompt written notice of any known or discovered defects in such data and information.

2.2 City shall provide contract administration services. City shall notify Consultant of required administrative procedures and shall name representatives, if any, authorized to act in its behalf.

2.3 City shall review documents submitted by Consultant and shall render decisions pertaining thereto as promptly as reasonably possible.

3. COMPENSATION

3.1 For the full performance of the services described herein by Consultant, City agrees to compensate Consultant for all services and direct costs associated with the performance of the project in an amount not to exceed **15% of all new sales and use tax revenue received by the City as a result of audit and recovery work performed by the Consultant, 25% of the initial amount of new transactions or use tax revenue received by the City as a result of audit and recovery work performed by Consultant related to Measure “O” (2008), \$550 per month for sales and use tax management services, and \$200 per month for the transaction district tax (Measure “O” 2008) reports,** as follows:

a. Once each **quarter**, Consultant shall submit for payment by City, an itemized invoice for services performed during the previous billing period. The invoice shall describe the services rendered and the title of the item of work, and shall list labor hours by personnel classification. Said invoice shall be based on all labor and direct expense charges made for work performed on the project. Labor charges shall be in accordance with the fee schedule found in Exhibit A of this Agreement. City shall pay Consultant for services rendered and approved by the City within 30 days from the date the itemized invoice is received by the City, subject to the maximum not to exceed amount specified above and the City’s right to object.

b. Direct costs are those outside costs incurred on or directly for the project, and substantiated with invoices for the charges. Direct expenses include printing, reproduction, and delivery charges.

3.2 If Consultant incurs other costs which are not specifically covered by the terms of this Agreement, but which are necessary for performance of Consultant’s duties, City may approve payment for said costs if authorized in writing by the City in advance.

3.3 City may order changes in the scope or character of services in writing, including decreasing the amount of Consultant's services. In the event that the work is decreased, Consultant is entitled to full compensation for all services performed and expenses incurred prior to receipt of notice of change. Under no conditions shall Consultant make any changes to the work, either as additions or deductions, without the prior written order of the City. In the event, that the City determines that a change to the work or services from that specified in this Agreement is required, the contract time and/or actual costs reimbursable by the City for the project may be adjusted by contract amendment or change order to accommodate the changed work. The maximum not to exceed total amount specified in this Article 3 (Compensation) shall not be exceeded, unless authorized by written contract amendment or change order, approved and executed by the City. Consultant shall obtain prior written approval for a revised fee schedule from the City before exceeding such fee schedule. Only City's authorized representative(s) is authorized to approve changes to this Agreement on behalf of City.

3.4 In no event, will the Consultant be reimbursed for any costs or expenses at any rates that exceed the rates set forth in the fee schedule found in Exhibit A.

3.5 Consultant agrees that the payments to Consultant specified in this Article 3 (Compensation) will constitute full and complete compensation for all obligations assumed by Consultant under this Agreement. Where conflicts regarding compensation may occur, the provisions of this section apply.

4. **SUBCONSULTANTS**

4.1 Consultant may not subcontract any services required under this Agreement without the prior written consent of the City.

4.2 Consultant shall be responsible to City for the performance of any and all subconsultants who perform work under this contract, and any acts of negligence or misconduct on their part. Consultant is solely responsible for all payments due to subconsultants.

4.3 Consultant shall require and verify that all subcontractors maintain insurance meeting all of the requirements stated herein, including naming the City of Campbell, its officers, officials, directors, agents representatives, volunteers, and employees as additional insureds. Any modification to the insurance requirements for subcontractors must be agreed to by the City in writing.

4.4 If at any time, the City determines any subcontractor is incompetent or unqualified, Consultant will be notified and will be expected to immediately cancel the subcontract.

5. **OWNERSHIP OF DOCUMENTS AND MATERIALS**

All original drawings, documents, papers, data, materials, photographs, negatives and other work products prepared by the Consultant and/or its subconsultants in the performance of the services encompassed in this Agreement (whether in printed or electronic format) ("project-related documents and materials") shall be the property of the City and may be used on this project

without the consent of the Consultant or its subcontractors. City acknowledges that such drawings, documents, and other items are instruments of professional services intended for use only on the subject project. Consultant agrees that all copyrights which arise from creation of the Project-related documents and materials pursuant to this Agreement shall be vested in the City and waives and relinquishes all claims to copyright or other intellectual property rights in favor of the City. Any project-related documents and materials related to this Agreement shall be confidential, not to be used by the Consultant on other projects or disclosed to any third party, except by agreement in writing by the City, or except as otherwise provided herein. Upon the completion or termination of this Agreement for any reason, the City shall be entitled to receive, and Consultant shall promptly provide to the City upon request, all finished and unfinished project-related documents and materials, produced or gathered by or on behalf of Consultant that are in Consultant's possession, custody or control. Consultant may retain copies of said documents and materials for its files. In the event of termination, any dispute regarding compensation or damages shall not hinder, prevent, or otherwise impact the City's right to promptly receive and use such documents and materials which are the sole and exclusive property of the City.

6. TERMINATION

6.1 This Agreement may be terminated by either party for cause upon not less than forty-five (45) days' prior written notice given to and received by the other party, if the other party has materially breached this Agreement through no fault of the notifying party and fails to (i) commence correction of such material breach within thirty (30) days of receipt of the above-referenced written notice and (ii) diligently complete the correction thereafter. In addition, either party may terminate this Agreement without cause upon not less than one hundred twenty (120) days' prior written notice to the other party.

6.2 In the event of such termination, Consultant shall be compensated for all work and services performed to the point of termination in accordance with the payment provisions set forth in Section 3.1, unless the termination is for cause, in which event Consultant need be compensated only to the extent required by law.

6.3 Upon notice of termination by City, the Consultant will immediately act to not incur any additional obligations, costs or expenses, except as may be reasonably necessary to terminate its activities. All finished or unfinished work or documents procured or produced under the Agreement will become property of the City upon the termination date. In the event of Consultant's failure to perform pursuant to the Agreement, the City reserves the right to obtain services elsewhere and Consultant will be liable for the difference between the prices set forth in the terminated Agreement and the actual cost to the City. Termination of the Agreement pursuant to this paragraph shall not relieve the Consultant of any liability to City for additional costs, expenses, or damages sustained by City due to failure of the Consultant to perform pursuant to the Agreement. City may withhold any payments to Consultant for the purpose of set off until such time as the exact amount of damages due City from Consultant is determined. After the effective date of termination, Consultant will have no further claims against the City under the Agreement. No other compensation will be payable for anticipated profit on unperformed services.

7. **AUDIT AND INSPECTION**

Consultant shall permit authorized representatives of City to inspect and audit all data and records relating to its performance under this Agreement for a period of three years following acceptance of the final study.

8. **EQUAL EMPLOYMENT OPPORTUNITY**

Consultant agrees to refrain from discriminatory employment practices on the basis of race, religious creed, color, sex, national origin, handicap, sexual orientation, marital status, medical condition, disability, ancestry, organizational affiliation, military or veteran status, or any other consideration made unlawful by local, State or Federal law, of any employee of, or applicant for employment with, such Consultant or subcontractor. City requires Consultant to comply with all applicable Federal and State and local equal employment opportunity laws and regulations.

9. **INSURANCE AND INDEMNIFICATION**

9.1 With respect to any design professional services provided by Consultant, the Consultant agrees to indemnify, and hold harmless the City, its officers, and employees to the fullest extent allowed by law from any and all claims, actions, causes of action, damages, liabilities and losses, that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant, except for any claims, actions, causes of action, losses, damages or liabilities proximately caused by the sole negligence or willful misconduct of City. City shall not be liable for acts of Consultant in performing services described herein. Notwithstanding anything in this paragraph to the contrary, any defense costs charged to the design professional under this paragraph shall not exceed the design professional's proportionate percentage of fault, except:

a. That in the event one or more defendants is unable to pay its share of defense costs due to bankruptcy or dissolution of the business, the design professional shall meet and confer with the other parties regarding unpaid defense costs in good faith effort to agree on the allocation of those costs amongst the parties; and

b. Where a project-specific general liability policy ensures all project participants for general liability exposures on a primary basis and also covers all design professionals for their legal liability arising out of their professional services on a primary basis, then there shall be no limitation on the design professional's duty to provide a defense and cover the City's cost of defense.

With respect to all matters other than those covered by the foregoing paragraph, Consultant agrees to indemnify, defend (with counsel reasonably satisfactory to the City) and hold harmless the City, its officers, officials, directors, agents representatives, volunteers, and employees to the fullest extent allowed by law from and against any and all claims, actions, causes of action, losses, damages, liabilities and costs of every nature, including attorneys' fees and costs (collectively, "Losses") including but not limited to all claims, actions, causes of action, losses, damages, liabilities for property damage, bodily injury, or death, and all costs of defending any

claim, caused by or arising out of, or alleged to have been caused by or arise out of, in whole or in part, Consultant's performance under this Agreement, except for any claims, actions, causes of action, losses, damages, costs or liabilities proximately caused by the sole negligence or willful misconduct of City. City shall not be liable for acts of Consultant in performing services described herein.

In no event shall this section be construed to require indemnification by the Consultant to a greater extent than permitted under the public policy of the State of California; and in the event that this contract is subject to California Civil Code section 2782(b), the foregoing indemnity provisions shall not apply to any liability for the active negligence of the City.

The defense and indemnity provisions obligations of this Agreement are undertaken in addition to, and shall not in any way be limited by the insurance obligations contained in this Agreement. The foregoing indemnity provisions are intended to fully allocate the parties' risk of liability to third-parties; and there shall be no rights to indemnity or contribution, in law or equity or otherwise between the parties that are not set forth in this section. Consultant waives all rights to subrogation for any matters covered by the provisions of this section. Consultant's responsibility for such defense and indemnity obligations as set forth in this section shall survive the termination or completion of this Agreement for the full period of time allowed by law.

9.2 Consultant shall maintain insurance conforming to the following specifications to the fullest amount allowed by law for a minimum of three (3) years following the termination or completion of this Agreement:

A. Types of Coverage

The policies shall afford the following types of coverage:

1. Commercial General Liability;
2. Automotive;
3. Workers' Compensation and Employer Liability; and
4. Professional Liability and/or Errors and Omissions

B. Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. For Commercial General Liability: Insurance Services Office (ISO) CGL Form 00 01 11 85; and
2. For Automotive Liability: ISO CA 00 01 06 92 including symbol 1(any auto); and
3. For Workers' Compensation: insurance as required by the Labor Code of

the State of California and Employer's Liability insurance; and

4. For Professional Liability and/or Errors and Omissions: insurance covering negligence committed by or on behalf of Consultant in rendering services to City.

C. Minimum Limits of Insurance

Consultant shall maintain limits no less than:

1. General Liability: \$1,000,000 combined single limit per occurrence for bodily, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

2. Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage.

3. Workers' Compensation and Employer's Liability: Workers' Compensation limits as required by the Labor Code of the State of California and Employer's Liability limits of \$1,000,000 per accident. The Worker's Compensation policy must be endorsed with a waiver of subrogation in favor of the City for all work performed by the Consultant and its employees.

4. Professional Liability and/or Errors and Omissions: \$1,000,000 per claim and \$2,000,000 in the annual aggregate.

The limits of insurance required in this Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City (as agreed to in this Agreement) before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.

D. Deductible and Self-Insured Retention

Any deductibles or self-insured retention must be declared to and approved by the City, and shall not reduce the limits of liability. At the option of the City, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the City, its agents, officers, attorneys, employees, officials and volunteers; or the Consultant shall procure a bond guaranteeing payment of losses related to investigations, claim administration, and defense expenses. Policies containing any self-insured retention provision shall provide or be endorsed to provide that the self-insured retention may be satisfied by either the named insured or the City.

E. Other Insurance Provisions

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

1. General Liability and Automobile Liability Coverage:

a. The City, its agents, officers, attorneys, employees, officials and volunteers are to be covered as additional insureds as respects: liability arising out of this Agreement performed by or on behalf of the Consultant, products and completed operations of the Consultant, premises owned, occupied or used by the Consultant, or automobiles owned, leased, hired or borrowed by the Consultant. It is a requirement of this Agreement that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits set forth in this Agreement shall be available to the City as an additional insured. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage limits specified in this Agreement, or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured, whichever affords greater coverage.

b. The Consultant's insurance coverage shall be primary insurance as respects the City, its agents, officers, attorneys, employees, officials and volunteers. Any insurance or self-insurance maintained by the City, its agents, officers, attorneys, employees, officials and volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the City, its agents, officers, attorneys, employees, officials, and volunteers.

d. The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought except with respect to the limits of the insurer's liability.

2. Workers' Compensation and Employer's Liability Coverage: The insurer shall agree to waive all rights of subrogation against the City, its agents, officers, attorneys, employees, officials, and volunteers for losses arising from work performed by the Consultant for the City.

3. All Coverages: Any unintentional failure to comply with reporting provisions of the policies shall not affect coverage provided to the City; and unless otherwise approved by the City, each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days prior written notice by regular mail has been given to the City, or ten (10) days for cancellation for non-payment of premium.

F. **Suspension or Cancellation**

If any of the coverages required by this Agreement should be suspended, voided, cancelled or reduced in coverage during the term of this Agreement, Consultant shall immediately notify City and replace such coverage with another policy meeting the requirements of this Agreement.

G. **Subcontractors**

Consultant agrees that any and all contracts with subcontractors for performance of any matter under this Agreement shall require the subcontractors to comply with the same indemnity and insurance requirements set forth in this Agreement to the extent that they apply to the scope of the subcontractors' work. Subcontractors are to be bound to contractor and to City in the same manner and to the same extent as the Consultant is bound to City under this Agreement. Subcontractors shall further agree to include these same provisions with any sub-subcontractor. A copy of this Agreement will be furnished to the subcontractor on request. The Consultant shall require all subcontractors to provide a valid certificate of insurance and the required endorsements included in the Agreement prior to commencing any work, and will provide proof of compliance to the City.

H. **Acceptability of Insurers**

Without limiting Consultant's indemnification provided hereunder, the policies of insurance listed in Article 9.2 of this Agreement are to be issued by an issuer with a current A.M. Best Rating of A:V and who is authorized to transact business in the State of California, unless otherwise approved by the City.

I. **Verification of Coverage**

Consultant shall furnish the City with endorsements and certificates of insurance evidencing coverage required by this clause. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates are to be on forms acceptable to the City. Where required by statute, forms approved by the Insurance Commissioner are to be submitted. All certificates are to be received and approved by the City before work commences.

J. **Special Risks/Circumstances**

City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances and provide notice to Consultant.

10. **MISCELLANEOUS**

10.1 This Agreement shall be binding on the heirs, executors, assigns and successors of Consultant.

10.2 Neither party may assign this Agreement, or any portion hereof, without the prior written consent of the other.

10.3 This Agreement shall not be construed to alter, affect, or waive any lien or stop notice rights, which Consultant may have for the performance of services pursuant to this Agreement.

10.4 Neither party's waiver of any term, condition or covenant, or breach of any term, condition or covenant shall be construed as the waiver of any other term, condition or covenant or waiver of the breach of any other term, condition or covenant.

10.5 This Agreement contains the entire Agreement between City and Consultant relating to the project and the provision of services to the project. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement are of no force or effect. Subsequent modifications to this Agreement shall be in writing and signed by both City and Consultant.

10.6 If any term, condition or covenant of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of this Agreement shall be valid and binding on City and Consultant.

10.7 This Agreement shall be governed and construed in accordance with the laws of the State of California.

10.8 All changes or amendments to this Agreement must be in writing and approved by all parties.

10.9 The initial contract term shall commence upon execution of the contract by the City and shall be for a **five (5)** year period, unless terminated sooner in accordance with the contract. Any extension of the Agreement shall be mutually agreed upon in writing and shall require an amendment to the Agreement signed by both parties.

10.10 Consultant owes the City a duty of undivided loyalty in performing the work and services under this Agreement, including, but not limited to, the obligation to refrain from having economic interests and/or participating in activities that conflict with the City's interests in respect to the work and/or services and project. The Consultant shall list current clients who may have a financial interest in the outcome of this Agreement. The Consultant hereby certifies that it does not now have, nor shall it acquire any financial or business interest that would conflict with the performance of services under this agreement. Consultant shall not make or participate in making or in any way attempt to use Consultant's position to influence a governmental decision in which Consultant knows or has reason to know Consultant has a direct or indirect financial interest other than the compensation promised by this Agreement. Consultant will immediately advise the City if Consultant learns of a financial interest of Consultant's during the term of this Agreement.

10.11 City is a public agency subject to the disclosure requirements of the California Public Records Act ("CPRA"). If Consultant's proprietary information is contained in documents

or information submitted to City, and Consultant claims that such information falls within one or more CPRA exemptions, Consultant must clearly mark such information “Confidential and Proprietary,” and identify the specific lines containing the information. In the event of a request for such information, City will make best efforts to provide notice to Consultant prior to such disclosure. If Consultant contends that any documents are exempt from the CPRA and wishes to prevent disclosure, it is required to obtain a protective order, injunctive relief or other appropriate remedy from a court of law in Santa Clara County before the City is required to respond to the CPRA request. If Consultant fails to obtain such remedy within the time the City is required to respond to the CPRA request, City may disclose the requested information without any liability to Consultant. Consultant further agrees that it shall defend, indemnify and hold City harmless against any claim, action or litigation (including but not limited to all judgments, costs, and attorney’s fees) that may result from denial by City of a CPRA request for information arising from any representation, or any action (or inaction), by the Consultant.

10.12 Neither party hereto shall be considered in default in the performance of its obligation hereunder to the extent that the performance of any such obligation is prevented or delayed by an act of God, natural disaster, pandemic, acts of terrorism, war, or other peril, which is beyond the reasonable control of the affected party and without the negligence of the respective Parties. Each party hereto shall give notice promptly to the other of the nature and extent of any Force Majeure claimed to delay, hinder or prevent performance of the services under this Agreement. Each Party will, however, make all reasonable efforts to remove or eliminate such a cause of delay or default and will, upon the cessation of the cause, diligently pursue performance of its obligations in this Agreement. In the event either party is prevented or delayed in the performance of its respective obligation by reason of such Force Majeure, there may be an equitable adjustment of the schedule and Consultant compensation based on City’s sole discretion.

10.13 Except as City may specify in writing, Consultant shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. Consultant shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever.

10.14 Consultant warrants that Consultant, its subcontractors and/or agents (if any) has/have complied with any and all federal, state, and local licensing requirements

10.15 Each party acknowledges that it has reviewed this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

10.16 The signatories to this Agreement warrant and represent that each is authorized to execute this Agreement and that their respective signatures serve to legally obligate their respective representatives, agents, successors and assigns to comply with the provisions of this Agreement.

10.17 This Agreement is entered into, and to be performed in Santa Clara County, California, and any action arising out of or related to this Agreement shall be maintained in a

court of appropriate jurisdiction in Santa Clara County, California.

10.18 This Agreement may be executed in counterparts which shall, in the aggregate, be deemed an original but all of which, together, shall constitute one and the same instrument. A scanned, electronic, facsimile or other copy of a party's signature shall be accepted and valid as an original.

11. NOTICES

Notices required under this Agreement may be delivered by first class mail addressed to the appropriate party at one of the following addresses:

CITY: City of Campbell
 Attention: **Will Fuentes, Finance Director**
 70 North First Street
 Campbell, CA 95008

CONSULTANT: **HdL Companies**
 Attention: **Andrew Nickerson, President**
 120 S. State College Blvd., Suite 200
 Brea, CA 92821

[SIGNATURES ON FOLLOWING PAGE]

Having read and understood the foregoing Agreement, the undersigned parties agree to be bound hereby:

CONSULTANT

CITY OF CAMPBELL

By Andrew Nickerson

By Brian Loventhal

Title President/CEO

Title City Manager

Approved as to Form

City Attorney

Attachment: HdL Agreement (HdL Sales Tax Contract and CDTFA Authorization)

Exhibit A - Scope of Services and Fees

SCOPE OF SERVICES

The Consultant shall perform the following services (collectively, the “Services”):

A. SALES TAX AND ECONOMIC ANALYSIS SERVICES

1. Consultant shall establish a special database that identifies the name, address and quarterly allocations of all sales tax producers within the City for the most current and all quarters back to fiscal year 1992/1993 or earlier, if the City has prior historical sales tax data available on computer readable magnetic media. This database will be utilized to generate special reports to the City on: major sales tax producers by rank and category, sales tax activity by categories, or business districts, identification of reporting aberrations, and per capita and outlet comparisons with regional and statewide sales.
2. Consultant shall provide updated reports following each calendar quarter identifying changes in sales by individual businesses, business groups and categories and by geographic area. These reports may include, without limitation, quarterly aberrations due to State audits, fund transfers, and receivables along with late or double payments, and quarterly reconciliation worksheets to assist with budget forecasting. Consultant shall meet quarterly with City.
3. Consultant shall additionally provide following each calendar quarter a summary analysis for the City to share with Council Members Chambers of Commerce, other economic development interest groups and the public that analyze City’s sales tax trends by major groups, and geographic areas without disclosing confidential information.
4. Consultant shall make available to City staff Consultant’s web-based sales tax computer software program containing sellers permit and quarterly allocation information for all in-city business outlets registered with the Department of Tax and Fee Administration and updated quarterly. This software shall allow City staff to search businesses by street address, account number, business name, business type and keyword, arrange data by geographic area, and print out a variety of reports.

B. ALLOCATION AUDIT AND RECOVERY SERVICES

1. Consultant shall conduct initial and on-going sales, use and transactions tax audits to identify and correct distribution and allocation errors, and to proactively affect favorable registration, reporting or formula changes thereby

generating previously unrealized sales, use and transactions tax income for the City and/or recovering misallocated tax from previously properly registered taxpayers. Common errors that will be monitored and corrected include, but are not limited to: transposition errors resulting in misallocations; erroneous consolidation of multiple outlets; formula errors, misreporting of “point of sale” to the wrong location; delays in reporting new outlets; misallocating use tax payments to the allocation pools or wrong jurisdiction; and erroneous fund transfers and adjustments.

2. Consultant shall initiate contacts with state agencies, and sales management and accounting officials in companies that have businesses where a probability of error exists to verify whether current tax receipts accurately reflect the local sales activity. Such contacts will be conducted in a professional and courteous manner.
3. Consultant shall (i) prepare and submit to the Department of Tax and Fee Administration information for the purpose of correcting allocation errors that are identified and (ii) follow-up with individual businesses and the California Department of Tax and Fee Administration to promote recovery by the City of back or prospective quarterly payments that may be owing.
4. If during the course of its audit, Consultant finds businesses located in the City that are properly reporting sales and use tax but have the potential for modifying their operation to provide an even greater share to the City, Consultant may so advise City and work with those businesses and the City to encourage such changes.

C. DEFICIENCY/ALLOCATION REVIEWS AND RECOVERY

1. Consultant shall conduct on-going reviews to identify and correct unreported transactions and tax payments and distribution errors thereby generating previously unrealized revenue for the City. Said reviews shall include:
 - (i) Comparison of county-wide local tax allocations to transactions tax for brick and mortar stores and other cash register-based businesses, where clearly all transactions are conducted on-site within the Measure “O” City boundaries, and therefore subject to transactions tax.
 - (ii) Review of any significant one-time use tax allocations to ensure that there is corresponding transaction tax payments for taxpayers with nexus within the City boundaries.
 - (iii) Review of state-wide transactions tax allocations and patterns to identify any obvious errors and omissions.
 - (iv) Identification and follow-up with any potentially large purchasers of supplies and equipment (e.g. hospitals, universities, manufacturing plants, agricultural operations, refineries) to ensure that their major

vendors are properly reporting corresponding transactions tax payments to the Measure “O” Transactions Tax District.

2. Consultant will initiate, where the probability of an error exists, contacts with the appropriate taxpayer management and accounting officials to verify whether current tax receipts accurately reflect the local sales activity. Such contacts will be conducted in a professional and courteous manner so as to enhance City’s relations with the business community.
3. Consultant shall prepare and submit to the Department of Tax and Fee Administration all information necessary to correct any allocation errors and deficiencies that are identified, and shall follow-up with the individual businesses and the California Department of Tax and Fee Administration to ensure that all back quarter payments due the City are recovered.

D. DATA BASE MANAGEMENT, REPORTS AND STAFF SUPPORT

1. Consultant shall establish a database containing all applicable Department of Tax and Fee Administration (CDTFA) registration data for each business within the Measure “O” District boundaries holding a seller’s permit account. Said database shall also identify the quarterly transactions and use tax allocations under each account for the most current and previous quarters where available.
2. Consultant shall provide updated reports each quarter identifying changes in allocation totals by individual businesses, business groups and by categories. Quarterly aberrations due to State audits, fund transfers, and receivables, along with late or double payments, will also be identified. Quarterly reconciliation worksheets to assist finance officer with budget forecasting will be included.
3. Consultant shall advise and work with City Staff on planning and economic questions related to maximizing revenues, preparation of revenue projections and general information on sales, transactions and use tax questions.
4. Consultant shall make available to City the HdL proprietary software program and Measure “O” database containing all applicable registration and quarterly allocation information for City business outlets registered with the Department of Tax and Fee Administration. The database will be updated quarterly.

E. CONSULTING AND OTHER OPTIONAL SERVICES

Consultant may, from time to time in its sole discretion, consult with City staff, including without limitation, regarding (i) technical questions and other issues related to sales, use and transactions tax; (ii) utilization of reports to enhance business license collection efforts; and (iii) sales tax projections for proposed annexations, economic development projects and budget planning. In addition to the

foregoing optional consulting services, Consultant may, from time to time in its sole discretion, perform other optional Services, including without limitation, negotiating/review of tax sharing agreements, establishing purchasing corporations, and meeting with taxpayers to encourage self-assessment of use tax.

COMPENSATION

- A. Consultant shall provide the sales tax and economic analysis Services described in the above for a fee of **\$550 per month**, commencing with the month of the Effective Date (hereafter referred to as “monthly fee”). The monthly fee shall be invoiced quarterly in arrears, and shall be paid by City no later than 30 days after the invoice date. The monthly fee shall increase annually following the month of the Effective Date by the percentage increase in the “CPI” for the preceding twelve month period. In no event shall the monthly fee be reduced by this calculation. For purposes of this Agreement, the “CPI” shall mean the Consumer Price Index - All Urban Consumers for the surrounding statistical metropolitan area nearest City, All Items (1982-84 = 100), as published by the U.S. Department of Labor, Bureau of Labor Statistics, or, if such index should cease to be published, any reasonably comparable index selected by Consultant.
- B. Consultant shall be further paid **15%** of all new and recovered sales, use and transactions tax revenue received by the City as a result, in whole or in part, of the allocation audit and recovery services described in the above (hereafter referred to as “audit fee”), including without limitation, any reimbursement or other payment from any state fund and any point of sale misallocations.
1. The audit fee shall be paid even if City assists, works in parallel with, and/or incurs attorneys’ fees or other costs or expenses in connection with any of the relevant Services. Among other things, the audit fee applies to state fund transfers received for back quarter reallocations and monies received in the first eight consecutive reporting quarters following completion of the allocation audit by Consultant and confirmation of corrections by the California Department of Tax and Fee Administration. City shall pay audit fees upon Consultant’s submittal of evidence of Consultant’s work in support of recovery of subject revenue, including, without limitation, copies of CDTFA 549-S petition forms of any other correspondence between Consultant and the Department of Tax and Fee Administration or the taxpayer.
 2. For any increase in the tax reported by businesses already properly making tax payments to City, it shall be Consultant’s responsibility to support in its invoices the audit fee attributable, in whole or in part, to Consultant’s Services.
- C. Consultant shall be paid **\$200 monthly** billed quarterly for the **transaction district tax reports** that we include with the quarterly sales tax analyses. Consultant shall

be paid **25%** of the initial amount of new transactions or use tax revenue received by the City as a result of audit and recovery work performed by Consultant (hereafter referred to as "audit fees"). New revenue shall not include any amounts determined and verified by City or Consultant to be increment attributable to causes other than Consultant's work pursuant to this agreement. In the event that Consultant is responsible for an increase in the tax reported by businesses already properly making tax payments to the City, it shall be Consultant's responsibility to separate and support the incremental amount attributable to its efforts prior to the application of the audit fee. Said audit fees will apply to state fund transfers received for those specific quarters identified as being missing and/or deficient following completion of the audit by Consultant and confirmation of corrections by the California Department of Tax and Fee Administration but shall not apply prospectively to any future quarter. Consultant shall provide City with an itemized quarterly invoice showing all formula calculations and amounts due for audit fees.

- D. Consultant shall invoice City for any consulting and other optional Services rendered to City in accordance with the above based on the following hourly rates on a monthly or a quarterly basis, at Consultant's option. All such invoices shall be payable by City no later than 30 days following the invoice date. City shall not be invoiced for any consulting Services totaling less than an hour in any month. The hourly rates in effect as of the Effective Date are as follows:

Principal	\$325 per hour
Programmer	\$295 per hour
Senior Analyst	\$245 per hour
Analyst	\$195 per hour

Consultant may change such hourly rates from time to time upon not less than 30 days' prior written notice to City.

- E. Any invoices not paid in accordance with the Thirty (30) day payment terms, shall accrue monthly interest at a rate equivalent to ten percent (10%) per annum until paid.
- F. Consultant unilaterally retains the right to divide any recovery bills in excess of \$25,000 over a one (1) year period (Four (4) quarterly billings).
- G. Consultant shall provide City with an itemized quarterly invoice showing all formula calculations and amounts due for the audit fee (including, without limitation, a detailed listing of any corrected misallocations), which shall be paid by City no later than 30 days following the invoice date.

CONFIDENTIALITY; OWNERSHIP/USE OF INFORMATION

- A. Section 7056 of the State of California Revenue and Taxation Code specifically limits the disclosure of confidential taxpayer information contained in the records of

the California Department of Tax and Fee Administration. Section 7056 specifies the conditions under which a City may authorize persons other than City officers and employees to examine State Sales and Use Tax records.

- B. The following conditions specified in Section 7056-(b), (1) of the State of California Revenue and Taxation Code are hereby made part of this Agreement:
1. Consultant is authorized by this Agreement to examine sales, use or transactions and use tax records of the Department of Tax and Fee Administration provided to City pursuant to contract under the Bradley-Burns Uniform Sales and Use Tax Law Revenue and Taxation Code section 7200 et.seq.
 2. Consultant is required to disclose information contained in, or derived from, those sales, use or transactions and use tax records only to an officer or employee of the City who is authorized by resolution to examine the information.
 3. Consultant is prohibited from performing consulting services for a retailer, as defined in California Revenue & Taxation Code Section 6015, during the term of this Agreement.
 4. Consultant is prohibited from retaining the information contained in, or derived from those sales, use or transactions and use tax records, after this Agreement has expired. Information obtained by examination of Department of Tax and Fee Administration records shall be used only for purposes related to collection of local sales and use tax or for other governmental functions of the City as set forth by resolution adopted pursuant to Section 7056 (b) of the Revenue and Taxation Code. The resolution shall designate the Consultant as a person authorized to examine sales and use tax records and certify that this Agreement meets the requirements set forth above and in Section 7056 (b), (1) of the Revenue and Taxation Code.
- C. Software Use. Consultant hereby provides authorization to City to access Consultant's Sales Tax website if City chooses to subscribe to the software and reports option. The website shall only be used by authorized City staff. No access will be granted to any third party without explicit written authorization by Consultant. City shall not sublet, duplicate, modify, decompile, reverse engineer, disassemble, or attempt to derive the source code of said software. The software use granted hereunder shall not imply ownership by City of said software, or any right of City to sell said software or the use of same, or any right to use said software for the benefit of others. This software use authorization is not transferable. Upon termination or expiration of this Agreement, the software use authorization shall expire, and all City staff website logins shall be de-activated.

- D. Proprietary Information. As used herein, the term “proprietary information” means all information or material that has or could have commercial value or other utility in Consultant’s business, including without limitation: Consultant’s (i) computer or data processing programs; (ii) data processing applications, routines, subroutines, techniques or systems; desktop or web-based software; (iii) business processes; (iv) marketing plans, analysis and strategies; and (v) materials and techniques used; as well as the terms and conditions of this Agreement. Except as otherwise required by law, City shall hold in confidence and shall not use (except as expressly authorized by this Agreement) or disclose to any other party any proprietary information provided, learned of or obtained by City in connection with this Agreement. The obligations imposed by this Section shall survive any expiration or termination of this Agreement or otherwise. The terms of this Section shall not apply to any information that is public information.

City of Campbell

PROPOSAL FOR SALES AND USE TAX AUDIT AND MANAGEMENT SERVICES

March 25, 2021

HdL[®] Companies

SUBMITTED BY

HdL Companies
120 S. State College Blvd., Ste 200
Brea, CA 92821
hdlcompanies.com

CONTACT

Andy Nickerson
T: 714.879.5000
E: anickerson@hdlcompanies.com

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Attachment: HdL Proposal (HdL Sales Tax Contract and CDTFA Authorization)

I LETTER OF TRANSMITTAL

March 25, 2021

Brian Loventhal, City Manager
 Will Fuentes, Finance Director
 City of Campbell
 70 N. First Street
 Campbell, CA 95008

HdL Companies (HdL) is pleased to submit our proposal for Sales and Use Tax Audit and Management Services. With almost 40 years of experience, HdL provides revenue enhancement and consulting services to local governments. Our firm serves over 500 cities, counties and special districts across the nation and has recovered more than \$3 billion in revenue. We use our expertise to analyze tax data to provide relevant insights to support your financial strategies. Our commitment to innovative solutions and quality customer service is valued by our clients, proven by our 99.6% client retention rate and the over 60 California municipalities who have switched to HdL from other service providers.

Our contact information is:

Andy Nickerson, President/CEO
 HdL Companies
 120 S. State College Blvd., Suite 200
 Brea, CA 92821
 Ph: 714.879.5000
 Website: www.hdlcompanies.com

HdL offers the following advantages:

- Relevant, timely and ongoing staff support by a team with decades of direct experience in municipal finance and budgeting, economic development and maximization of revenues.
- Technology-driven resources for data analysis and reporting capabilities, providing immediate and convenient access to the most up-to-date tax and fee information.
- Expertise, analysis, recaptured revenues, and precise budget forecasts to maximize your revenue streams.
- Reliable continuity of service by a firm with stable employee ownership and a low staff turnover rate.

We look forward to reviewing the proposal with you in more detail and demonstrate how HdL can enhance Campbell's bottom line. Please call if you have questions or need additional information. I can be reached at 714.879.5000 or by email at anickerson@hdlcompanies.com.

Sincerely,



President/CEO
 HdL Companies

II QUALIFICATIONS

A. Company History and Qualifications

Founded in 1983, HdL was established to maximize local government revenues by providing a variety of financial and compliance audits, analytical services and software solutions. HdL's team of professionals are experts in revenue management, delivering high-quality customer service to over 500 agencies nationwide. Through deep industry knowledge, HdL has recovered over \$3 billion in sales tax revenue.

HdL Companies

**FOUNDED
1983**



HdL has grown from one employee to almost 200 and is proud to be 100% employee-owned. HdL empowers each employee-owner to fulfill our mission by helping local government agencies increase revenues, gain actionable insights, maintain regulatory compliance and operate more efficiently. This approach has led to steady long-term growth and financial stability, making HdL an ideal partner.

HdL maintains the largest privately held sales, property and business tax databases in California. The firm constantly improves and enhances the California Department of Tax and Fee Administration (CDTFA) raw registration data by correcting addresses and business names, differentiating brick and mortar retailers from business to business and online taxpayers and adding new business classifications to better identify emerging trends and economic opportunities. This highly enhanced database includes 28 years of Campbell's sales tax history and serves as the base for identifying emerging economic trends and developing budget projections that take those trends into account.

The database also includes constantly updated registration data for every seller in California, allocation data for 502 of the state's 538 agencies and 180 transactions tax districts, business license data for 668,000 businesses, property tax data for every jurisdiction in the 38 largest counties, a constantly updated automated telephone directory for all of California and thousands of business contacts developed through three decades of audit and business development activity.

HdL monitors an annual sales tax base of over \$5.0 billion encompassing incredibly complex industrial, e-commerce, inventory/delivery, and out-of-state sales and use tax issues. The Company submits an average of 6,000 errors for correction each year with a total value generally ranging from \$40 million to \$50 million. To date, HdL has recovered more than \$3 billion in new sales and use tax revenues for client agencies. Our firm's

commitment to innovative solutions and quality customer service is valued by our clients, as demonstrated by our 99.6% client retention rate and the over 60 municipalities who have switched to HdL from other service providers.

HdL is the leading provider of local tax revenue administration services and compliance in California. Currently partnering with over 75 cities and counties in California for services including business license tax/registration, transient occupancy tax, cannabis tax, and short-term rentals, HdL processes over \$120M in revenues annually from locally collected taxes.

HdL is a Corporate Partner of the League of California Cities and California State Association of Counties and works extensively with the State Association of County Auditors, California Society of Municipal Finance Officers (CSMFO) and California Municipal Revenue and Tax Association (CMRTA) on anticipation and planning of programs to strengthen local government revenues, and monitoring of legislative actions which impact local governments.



CALIFORNIA
SOCIETY OF MUNICIPAL
FINANCE OFFICERS



II QUALIFICATIONS

B. The HdL Advantage

The **HdL Advantage** includes:

Exceptional Personnel: The HdL team is vested in your success. We are 100% employee owned and view your success as our success. Many of our key employees previously served local government agencies in positions of management, and have extensive experience in economic development, finance and revenue collection. We use a team approach so that there is always someone available to take your questions during our normal business hours of 8:00 am – 5:00 pm.

Comprehensive Audits: HdL has the largest database outside of the CDTFA which allows for a “fresh” look at revenue collections. This advantage coupled with the HdL’s advanced technology and processes consistently finds allocation errors and revenue opportunities often missed by other firms.

Accurate Forecasting: HdL has developed a comprehensive, detail-oriented method for projecting and monitoring client sales and use tax revenues that has proved to result in estimates that fall within 2% of actual receipts two-thirds of the time.

Insightful Reports and Timely Services: HdL’s analysis is done in context with the surrounding market region to better identify retail trends, voids and opportunities. The service includes a custom non-confidential newsletter that can be shared with the Council and community. The firm’s sophisticated economic support program provides special reports and data to assist the City in monitoring and leveraging existing economic development programs, identifying new revenue opportunities and maximizing use tax revenues.

Easy-to-Use Software: Our web-based sales tax application is user-friendly and offers clients immediate access to current and historical sales tax data. The application allows for easy printing of reports and data export to other systems or programs. Quarterly reports are available on the website within 5 days of receiving the Quarterly Data Report from the CDTFA.

Seamless Transition: As recent converts will attest, switching sales tax services to HdL is seamless without any loss of historical data or interruption in audit, reporting and support activity.



III KEY PERSONNEL

HdL retains a staff of almost 200 trained and experienced specialists for performing audits, analysis and software support. Below is a current listing of our sales tax management team:



Andrew Nickerson - President/CEO

Mr. Nickerson possesses over 27 years of experience working with cities, counties and special districts on programs to enhance tax revenues, ensure regulatory compliance and provide accurate revenue forecasting and financial planning. Throughout his career, he has been instrumental in guiding market expansion and new product development for the HdL Companies. In his tenure as President/CEO, Mr. Nickerson has led this employee owned company from an established regional firm to a multi-state, multi-service corporation admired for its commitment to quality and client service. With a broad range of experience in leadership, finance, public policy, and taxation, he is a trusted adviser to local government leaders and is known for possessing high standards for responsiveness, accuracy and integrity. Throughout his career, he has been involved in various municipal organizations including The League of California Cities, California Society of Municipal Finance Officers, State Association of County Auditors, California State Association of Counties, Texas Municipal League and Government Finance Officers Association. Mr. Nickerson earned a Bachelor of Science degree (Finance & Real Estate Law) from California State Polytechnic University, Pomona.

Sales and Use Tax Management Team

Led by our Director of Client Services, two principals and a management analyst will provide the City with sales tax, HdL provides the City of Campbell with a team approach of three sales and use tax principals that will provide the City with sales tax, budget and revenue management services. The team will advise the City on economic development opportunities, including analyzing the City's sales tax data for presentations and preparing sales and tax revenue estimates of various terms up to five years. A principal will also meet with City staff quarterly to present the City's quarterly reports and address any issues or concerns.

Providing these services to the City are:



Bobby Young - Director of Client Services

Mr. Young has over 20 years of local government experience. As a Director of Client Services, he leads the team in developing reporting advancements and efficiencies for clients along with providing meaningful presentations regarding both Sales Tax and Transaction Tax Districts. Prior to joining HdL, he served the City of Costa Mesa for 13 years, the last 5 as Finance Director. During much of his tenure, he led the City's strategic financial planning and decision making and fulfilled the duties of City Treasurer. He has also spent time as an external auditor of government and non-profit entities specializing in assessment and documentation of internal controls and annual review and preparation of client's Comprehensive Annual Financial Report (CAFR). He has been an active member in municipal affairs with both the Government Finance Officers Association (GFOA) and California Society of Municipal Finance Officers (CSMFO), and holds a bachelor's degree from California State University, Fullerton in Accounting.

III KEY PERSONNEL



Ken Nordhoff – Principal

Mr. Nordhoff has over 25 years of local government experience in various leadership roles, including Administrative Services Director, Assistant City Manager and more recently as City Manager in San Rafael and Walnut Creek. During his tenures, he was responsible for a broad range of budget, financial management and long-range fiscal planning functions. His experience includes strategic planning and economic development, plus serving on various regional JPA Boards. Prior to his local government service, he spent several years in the private sector as a Certified Public Accountant conducting municipal audits. As an active member of the League of California Cities, he is a former City Manager's Department Officer, recipient of the prestigious John H. Nail award and has served on the Revenue and Taxation Policy Committee. He holds a bachelor's degree from California State Polytechnic University, Pomona in Accounting.



Susie Woodstock – Principal

Ms. Woodstock has been a municipal executive for more than 25 years with experience in accounting, engineering and public works. Most recently she was the Administrative Services Director at the City of Newark where she oversaw accounting, IT, waste management and recycling. With Professional Engineer Certifications in the states of California and Washington, she was also the Public Works Maintenance Superintendent at the City of Newark, a development engineer at the City of Fremont and a bridge engineer in Spokane, Washington. Susie is also a member of the California Society Municipal of Financial Officers (CSMFO) and Government Finance Officers Association (GFOA). Ms. Woodstock earned a bachelor's degree in civil engineering from California State University, Chico and a second bachelor's degree from Whitworth University in Organizational Management.

Audit Services Team

Our Director of Audit Services and Associate Director of Audit Services have over 35 years combined experience auditing local tax, place of sale and CDTFA administrative issues. The firm has continually adapted to legislative changes, CDTFA regulation changes, and technology advances and will utilize these tools for the City. HdL has an audit team in place that is very well trained and familiar with the state regulations and guidelines concerning tax reporting for the City.



Matt Hinderliter - Director of Audit Services

As Director of HdL's Audit Service team, Mr. Hinderliter is responsible for ensuring that the company's clients suffer no missed opportunities for revenue recovery or enhancement. Mr. Hinderliter joined the firm in 1990 after receiving his Bachelor of Arts degree in Business Administration from California State University, Fullerton. During his 30-year tenure Mr. Hinderliter has been instrumental in the development of HdL's multi-dimensional audit program, which includes extensive in-house data mining and web-based analysis combined with thorough field surveys. He is the author of a comprehensive audit training manual, including in-depth information concerning complex point of sale issues and regular updates regarding proposed changes in legislation and regulations. As Director Mr. Hinderliter maintains a personal and team commitment to accurate audit findings, business friendly taxpayer outreach, and to ensuring that HdL's audit programs remain at the industry's leading edge through continuous innovation and improvement.

III KEY PERSONNEL



Quang Dang – Associate Director of Audit Services

Mr. Dang is the lead analyst for the audit services team. He works closely with the Director of Audit Services on operational and management aspects of the team, supervises and trains audit team members and is a principal liaison with CDTFA Allocation Group staff. Mr. Dang holds a Bachelor of Science degree in Computer Electronics and Engineering from ITT Technical Institute.

Production Services Team

Our Production Team ensures that the data from the CDTFA is processed in an accurate and timely manner and is available to the City on our sales tax web application. The team is responsible for running the reports that are delivered at the quarterly meetings with the City staff, as well as processing any special report requests.



Robert Gray – Director of Tax and Fee Administration Solutions

Mr. Gray serves as Director of Tax & Fee Administration, and has been with the firm since 1996. He has extensive experience in the design, development, implementation and support of local tax software systems for local government. He has played a key role in the design of 8 municipal software systems and approximately 275 successful implementations of those systems. He introduced HdL's local tax services, which provide tax administration and consulting services to an ever growing number of municipalities. While leading HdL's Tax & Fee Administration team through a period of significant growth, he has ensured that the team maintains its commitment to providing excellent customer service. He also oversees software development and IT as HdL's CIO. He earned a Bachelor of Science degree in Computer Science and a Master's degree in Business Administration from Azusa Pacific University.



Mary Hubbell – Manager of Production Services

Ms. Hubbell supervises the conversion of the California Department of Tax and Fee Administration sales tax data to HdL's proprietary software and its subsequent translation into various client reports. She assists with client technical support and is responsible for the production of client newsletters and reports. Ms. Hubbell received a Bachelor of Science degree in Administration and Marketing from the University of Arizona.

IV REFERENCES

HdL Sales and Use Tax Services

HdL currently provides sales, use and district tax services in California to 49 counties, 333 cities and 225 transactions tax districts.

City of Cupertino

Project Description: HdL currently provides sales and use tax audit and management services, economic development services and transient occupancy tax services.

Contact: Kristina Alfaro, Director of Administrative Services, 408.777.3221

Email: kristinaa@cupertino.org

City of Fremont

Project Description: HdL currently provides sales and use tax audit and management services and local tax software services.

Contact: Daivd Persselin, Finance Director, 510.284.4000

Email: dpersselin@fremont.gov

City of Morgan Hill

Project Description: HdL currently provides sales, use and transactions tax audit and management services, economic development and business license services.

Contact: Dat Nguyen, Finance Director, 408.776.7379

Email: dat.nguyen@morganhill.ca.gov

City of Mountain View

Project Description: HdL currently provides sales and use tax audit and management services.

Contact: Rafaela Duran, Principal Finance Director, 650.903.6300

Email: rafaela.duran@mountainview.gov

City of Santa Cruz

Project Description: HdL currently provides sales, use and transactions tax audit and management services, local tax software services and short term rental services.

Contact: Bonnie Lipscomb, Director of Redevelopment & Economic Development, 831.420.5159

Email: blipscomb@cityofsantacruz.com



HdL IS EFFECTIVE IN RECOVERING MISALLOCATED REVENUE FOR CLIENT AGENCIES IN 97% OF ALL CASES SUBMITTED TO THE CDTFA.

V SCOPE OF SERVICES

A. Sales and Use Tax Services

Using confidential taxpayer records as authorized by Revenue and Taxation Code Section 7056, HdL will identify and correct errors that result in underpayments of tax to the City of Campbell. The firm will employ a series of analyses, comparisons with other data sources and physical field canvassing to find, document and submit for correction all taxpayer errors that result in lost City revenue or could result in lost revenue in the future. When errors are identified, HdL staff will promptly file claims for their correction following CDTFA procedures. Thereafter, HdL will work with CDTFA to ensure the prompt recovery of all escaped revenues. Documentation of errors will be regularly provided to the City.

In conducting these activities on behalf of the City, HdL will provide reports that accurately depict the City's sales tax base, use tax collections and revenues. All reports, graphs, tables and revenue forecasts are designed to enhance the City's capacity to plan for, expand and manage its sales and use tax revenues. Reports identifying and comparing the retail composition of various sub-geographic areas of the City will also be provided.

1. Audit Method and Approach

To achieve the highest audit and recovery results, HdL employs the following audit techniques and programs:

a. Identification of Errors and Revenue Maximization Opportunities

Field Surveys: Field inventories of the City's business and industrial areas are conducted to identify businesses located within the City that appear to be under-reporting revenues or are not on the CDTFA allocation rolls. Specially trained field auditors, using the latest in mapping, GPS and digital recording technology, document not only the existence of sales tax producing businesses but also any relevant factors such as size, presence of a large stock of goods, will-call windows and any specific references to sales activity. This process identifies a wide range of registration errors including erroneous consolidation of multiple outlets, misreporting of point of sale from an erroneous location and delays in reporting new outlets.

Tax Area Code (TAC) Review: HdL reviews every active account on the CDTFA's allocation rolls reporting \$50 or more in local tax to ensure proper TAC assignment. Government and private sector property tax mapping and GIS databases are used extensively in this process. These programs are important because physical canvassing will not reveal businesses with missing or incomplete signage, or those that are home-based. A complete TAC review is performed at least once every 3-6 months.

Deviation Assessment: Each quarter, HdL applies proprietary queries and analyses to its statewide allocation database to identify all accounts for which there has been a substantial change in allocation pattern. HdL's database, unmatched in size, comprises over 99.8% of all sales and use tax transactions in California and allows for the most comprehensive audits in the state. The review is applied to direct allocations and to the county pools and allows for a much broader view and understanding of what has happened in any given quarter. Well-founded leads are quickly extracted from this process, often without the need for time-consuming manual reviews of taxpayer files. This allows for faster processing and less time used for preparing submittals. This in turn lowers recovery fees by reducing the amount of prior quarter revenue requiring redistribution.

V SCOPE OF SERVICES

Use Tax Errors and Opportunities: HdL analyzes the use tax allocation pools of the 58 counties and the state each quarter to identify instances where a taxpayer may have misidentified a transaction as use tax rather than sales tax. Further specialized reviews and techniques are employed to identify direct allocation opportunities of local use tax. CDTFA Regulation 1802(d) allows for direct allocation of local use tax on qualifying individual sales or purchases over \$500,000. Out-of-state and foreign-based companies often have large transactions that meet the criteria for direct allocation under this section. Under Regulation 1699.6, businesses and organizations (including local government agencies) with aggregate purchases subject to use tax of least \$500,000 per year can apply for a Use Tax Direct Payment Permit, allowing for direct allocation of the corresponding local share. Finally, under a resolution adopted in December 1994, a construction contractor who enters into a contract equal to or greater than \$5,000,000 may elect to obtain a sub-permit for the jobsite resulting in a direct allocation of local use tax to the jurisdiction where the jobsite is located.

Regulation 1699 Evaluations: CDTFA Regulation 1699 controls when and where a permit should be issued to a given business location. Wholesalers, contractors, processors, manufacturers, and other non-retail businesses that do not normally sell merchandise often conduct occasional sales, self-accrue use tax or are levied deficiency assessments by the state. HdL uses proprietary methods for finding companies that should be taking out permits so that those revenues are allocated to the City.

b. Recovery of Misallocated Revenue

Development of Correction Data: Preliminary lead lists developed through the audit programs are further refined using a variety of programs and databases to reduce the need for taxpayer contact. Companies remaining in the audit database are then contacted by a specialized audit team whose members are specifically selected and trained to interview tax preparers and marketing, warehouse and management staff. **Taxpayer interviews are always conducted in a business friendly, non-intrusive manner that emphasizes cooperation and protection of confidentiality.**

Documentation: Telephone contacts are often accompanied by a written follow-up questionnaire concerning business activities, a specific one-time transaction or a written confirmation of our findings. This documentation is always filed with the petition to minimize CDTFA processing time. Solid documentation and follow-up lower client fees by reducing the number of quarters requiring retroactive adjustment and ensures faster recovery of misallocated revenues.

City Review: HdL will provide the City with a quarterly report of all revenue recovery work in progress. This report will include an electronic Work Authorization which, once approved, will include active links to copies of all inquiries filed with the CDTFA on the City's behalf. This information is archived and is accessible to authorized users at any time through the HdL client portal. HdL will also keep the City apprised of any additional oral or written communication with the CDTFA on any matter directly impacting the City. These reports, along with a detailed quarterly invoice listing all relevant information about the taxpayer and the amount of revenue recovered, will keep the City well informed of all ongoing audit activity.

Preparation and Submittal of Corrections: Petitions are prepared (CDTFA Form 549-S or 549-L) that notify the CDTFA the existence and nature of the misallocation. All relevant and available supporting documentation is attached, including any information from taxpayer file reviews or any other sources that provide evidence of an earlier date of knowledge regarding the error.



V SCOPE OF SERVICES

This documentation facilitates the maximum recovery of revenue due the City from prior periods. Copies of all transmittal forms and correspondence with the CDTFA and taxpayers are sent to City staff.

Continuous Follow-up: HdL employs a full-time case manager whose responsibility is to monitor and follow-up on case inventory. An aging report is updated and reviewed monthly and the appropriate follow-up is initiated on cases that are taking an inordinate amount of time to correct. This follow-up emphasizes partnership and cooperation with CDTFA Allocation Group staff. HdL's continuous efforts to check on the status of submittals are made to ensure that corrections are being pursued. Timely follow-up on cases reduces the time it takes for the City to recover its revenue.

Appeals: HdL cases are thoroughly researched, vetted and documented prior to submittal. This ensures the fastest possible processing times and reduces the number of cases that are initially disclaimed and must be further researched and defended through a very lengthy CDTFA appeals process. Nearly all HdL cases are resolved favorably at either the first or second levels of the CDTFA petition process described in Regulation 35056.

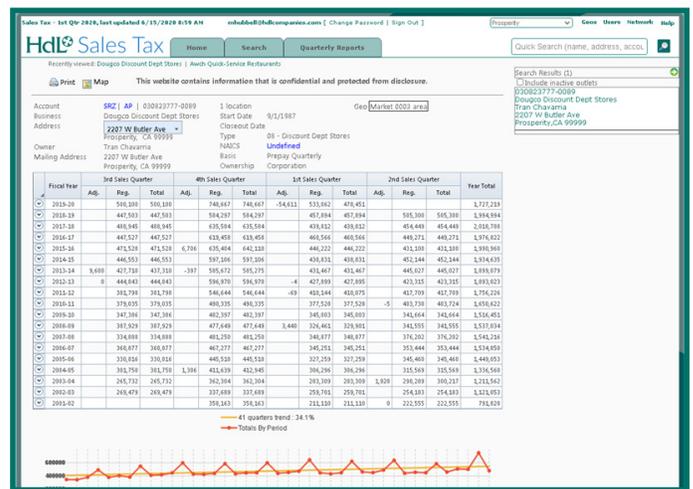
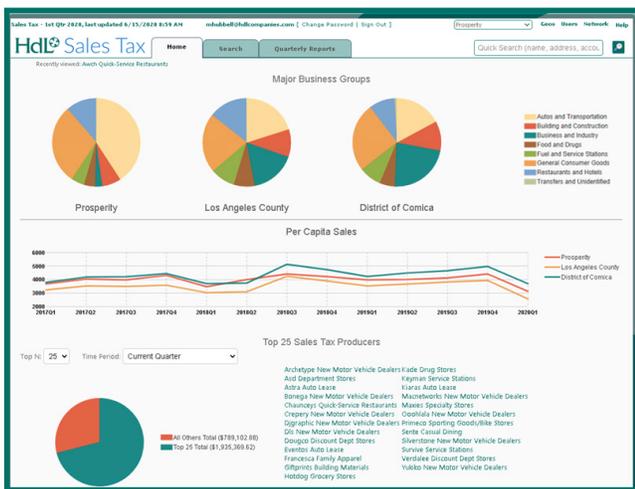
Track Record: HdL is effective in recovering misallocated revenue for client agencies in 97% of all cases submitted to the CDTFA. The small number of cases that do require an appeal is evidence of HdL's thorough research and the quality of the well-documented information included to support claims.

2. Sales and Use Tax Management Services

a. HdL Database, Reports and Training

HdL maintains Campbell's detailed sales tax data back to 1992 and will provide City staff with unlimited access to its quarterly updated web-based sales tax system to facilitate "in-house" analysis and printing of reports. The system allows City staff to search, print and export their sales tax data for a variety of financial, management and planning functions. The system provides the ability to search all sales tax producers in the City by business name, address, CDTFA account number and current or historical sales tax allocations. The web application also provides access to the City's archived quarterly sales tax reports. Data is easily queried and exported to either comma delimited or native Excel formats, allowing for convenient use with standard applications such as the Microsoft Office suite. The web application is accessible from all major operating systems, internet browser platforms, and device types (laptop, tablet, PC, mobile). The City's archived quarterly sales tax reports can also be accessed through the online sales tax application.

HdL's geo-area feature supports use of address ranges, which ensures the inclusion of all CDTFA registrations and allows City staff to create and modify geo-areas without a separate GIS system. HdL also supports interfacing with the City's GIS by including accurately geocoded latitude and longitude for each business. The database includes historical allocation information and can be quickly exported by City staff on demand.



Attachment: HdL Proposal (HdL Sales Tax Contract and CDTFA Authorization)

V SCOPE OF SERVICES

Additionally, City created shape files can be used to define Geo-areas. Training on use of the software and ongoing upgrades is provided at no additional charge.

Quarterly sales tax reports are provided on both a cash and adjusted basis. Cash reports reconcile to CDTFA payments and are necessary for any revenue sharing agreements that the City might have in place. Adjusted reports shift payment aberrations (double-up payments, CDTFA audit adjustments, etc.) into the quarter where the sales occurred to accurately show the City's true economic trends. The quarterly sales tax data will be presented in reports for major sales tax producers by both rank and category, analysis of sales tax activity by category, business or areas specified by the City. HdL's quarterly sales tax reports include a listing of top sales tax producers and comparisons with both regional and statewide trends. Retailer information is provided in grouped form or in business by business detail.

HdL's quarterly sales tax reports include a listing of top sales tax producers and comparisons with both regional and statewide trends. Retailer information is provided in grouped form or in business by business detail. Quarterly information will also include tables that track year-to-date receipts and show comparisons with past periods to measure progress toward achieving the City's annual budgeted revenue amount. HdL staff also prepares sales and use tax projections for proposed development projects, responds to technical questions relating to CDTFA processes and regulations, and monitors revenue sharing agreements.

HdL's services are superior to other vendors because the firm provides analysis done in context with regional market areas, countywide and statewide trends to better monitor and compare the City's economic performance by business category. A non-confidential newsletter is included to support management's efforts to inform and engage the public.

Analysis of sales and use tax data and presentations to City staff are led by seasoned professionals, whose experience and knowledge adds value by identifying emerging retail trends, business retention needs, leveraging of economic clusters and reviewing successes in client jurisdictions with similar characteristics. HdL staff also prepares sales and use tax projections for proposed development projects, responds to technical questions relating to CDTFA processes and regulations, and monitors revenue sharing agreements.

b. Budget Projections and Monitoring

HdL has developed a comprehensive, detail-oriented method for projecting and monitoring client sales and use tax revenues that has proved to result in estimates that fall within 2% of actual receipts two-thirds of the time. Initial and mid-year projections are made by factoring out payment aberrations that skew the base revenue and factoring in known changes such as new or closed businesses.

HdL also incorporates information from over 90 economic sources as well as information gathered from client meetings to develop economic factors to apply to individual retail business segments; the results are combined into a single estimate of anticipated revenue. HdL further enhances its projections by contacting builders of large-scale development projects to better time and estimate the value of potential use tax payments into its estimates. **Three and five-year forecasts are also provided.**

c. Use Tax Maximization

Major construction projects and even ongoing business operations often generate significant use tax revenues from purchases of machinery, equipment and other fixed assets. HdL has worked with numerous clients to ensure that use tax from manufacturing and assembly plants, food processing, cold storage facilities, power/energy projects, medical, research and technical facilities, oil fields/refineries and extraction/mining industries are properly allocated to the host jurisdiction.



V SCOPE OF SERVICES

HdL's sales tax team includes a staff of specialists who review new business startups that might present potential self-assessed use tax opportunities, meets with contractors to advise on sub-permits and reporting procedures and provides materials and advice on purchasing companies and direct payment permits. The firm monitors major construction projects to make sure that any use tax generated is properly allocated to the job site's host jurisdiction.

When brought into a project early, HdL assists clients with inserting provisions in conditional use permits and development agreements to guarantee that use tax maximization procedures are followed and monitors projects and subcontractors to make certain that sales tax is properly allocated back to the client jurisdiction. Direct payment permits and purchasing corporations can sometimes be utilized where conditions offer mutual opportunities for the client agency to capture additional sales tax revenues and the participating company can increase control of sales and use tax liabilities.

d. Economic Development Benefits

When properly refined and organized, sales tax data analysis is an important tool for strengthening and expanding local economies. The data shows companies that are growing and may need expansion space and should be contacted as part of an agency's business retention program. When broken out geographically, the data produces patterns of industries that potentially share common customers, suppliers, technology and labor and therefore offer opportunities for attracting new businesses. The data further exposes retail areas that may be over saturated in some retail segments while also identifying voids and opportunities for additional retail development.

Although numerous companies and agencies use the CDTFA's published data as a basis for analysis, the results are usually inaccurate and misleading due to address and business categorization errors in the data. To correct those deficiencies, HdL performs data validation and scrubbing techniques on an ongoing basis, fixing business addresses and re-categorizing merchants to differentiate brick and mortar retailers from "business to business" suppliers and on-line retailers.

The company further creates and groups businesses into additional categories and classifications, not provided by the CDTFA, to better track new and emerging economic trends. Samples include the breaking out of biotech/medical suppliers, online fulfillment centers, alternate energy and utility providers, wineries and marijuana dispensaries. This focused approach to data management allows agencies to more accurately compare the impact of trends in their jurisdiction with state and regional trends. On a regional basis, it also allows for the identification of true economic voids and opportunities to expand the City's tax base. Accurate addressing allows for improved performance monitoring and comparison of specific economic areas such as shopping centers, downtown districts and auto malls with similar projects throughout California.

In addition to using our large database, HdL's principals leverage their experience analyzing client data throughout California to identify new trends and developments that might help other clients. The service includes analyses to identify retail voids and opportunities and an annual publication of retailers seeking expansion in the region and state.



V SCOPE OF SERVICES



HdL prepares Legislative Updates for clients to keep them informed on any changes that may impact local revenues.

e. Legislative Updates

HdL prepares Legislative Updates for clients to keep them informed of all proposals that may impact local revenues. The firm also provides Issue Updates which are similar in nature but deal with specific issues such as Sales Tax Participation Agreements, legal decisions or regulation changes. Each issue is presented in detail so that City staff is equipped to respond to questions on topics important to their community leaders.

Tim Cromartie, HdL Senior Advisor, who previously worked as the Legislative Representative for the League of California Cities, provides legislative support to clients. Prior to his work with the League of

California Cities, Tim held a variety of positions in the Legislature and state government, including legislative representative for CalPERS Governmental Affairs, legislative director and public safety consultant to former state Senator Gloria Romero, and field representative for Congresswoman Barbara Lee.

The firm also retains Rebecca Marcus as a lobbyist to represent client interests in matters before the CDTFA and the state legislature. With over 20 years of experience in state and national politics, Rebecca has developed the necessary institutional knowledge and established relationships to effectively advance clients' interests in Sacramento. As a Chief of Staff for 13 years in the California State Assembly for several distinguished Members including Assembly members Mark Stone, Mike Feuer and Johan Klehs, Rebecca successfully advanced legislation across a diverse array of policy areas. As a result, over 100 of these Members' bills became law ranging from landmark green chemistry legislative to a transformative transportation tax.

f. Consultation

Quarterly, a principal of the firm analyzes the City's data in detail and meets with appropriate City officials to review trends and discuss and make recommendations regarding the budget implications of the year's data.

HdL also serves as "on-call" staff to provide sales tax estimates for proposed projects, assist with budget projections and answer sales and use tax questions related to economic development, budgeting and related revenue collection. When requested by the City, principals also meet with committees of the City Council and other groups to explain sales tax regulations and their importance to the City's tax base. HdL will, when requested, conduct technical seminars for City personnel on California sales and use tax processes. To support in-house efforts to maximize use tax, the seminars will cover the fundamentals of direct payment permits, purchasing corporations and maximizing "use tax" from construction projects.

HdL maintains close and positive relationships with members of the CDTFA and staff to quickly resolve policy issues unique to individual clients. The firm also advocates regulation and legislative changes when they are of benefit to all clients.

Examples are the Company's work in the change of allocation of "use tax" for major construction projects, securing an Executive Order from the Governor to allow publishing of top taxpayers in public documents and the introduction of the problem of "point of sale" for warehouses to the CDTFA.

VI FEES

A. Sales and Use Tax Audit Services

HdL proposes a fee of 15% of all new sales and use tax revenue received by the City as a result of audit and recovery work performed by the firm. This audit fee applies to monies received in the first eight consecutive reporting quarters beginning with the receipt of the audit revenue in addition to any retroactive back quarter adjustments obtained by HdL.

Audit fees are billed only after completion of the audit, submittal of corrections to the CDTFA and receipt of revenues by the client. 100% of all new revenue generated by HdL flows to the City after the completion of the eight quarters. The fee constitutes the full reimbursement to HdL and covers all direct and indirect costs incurred by the firm under this contract. This includes all salaries of our employees, travel expenses and service contracting costs as well as the software to be delivered to the City under this proposal.

Invoices are submitted only for recoveries previously approved by the City. HdL does not bill for audit revenues until the client has actually received said monies. Further, if during the billing cycle, a taxpayer receives a refund for overpayment of taxes generated during that cycle, HdL credits back any proportionate share of the fee that may have been levied.

Invoices are submitted quarterly after the City has received the revenue from the audit correction. The invoice includes the name, address, and sales tax registration number of each company, and the specific amount of revenue allocated by the CDTFA to the City for those businesses.

If a misallocation correction involves additional revenue from a company that had already been partially allocating revenues to the City, the City and HdL will agree in a Work Authorization, prior to billing, the methodology for identifying the incremental revenue attributable to HdL's work.

B. Sales and Use Tax Management Services (including Quarterly Delivery Meetings)

This service includes access to the City's sales tax database through our web-based software and quarterly meetings with one of our principals. In preparation for each meeting, a principal of the firm analyzes the City's data in detail and meets with appropriate City officials to review trends, point out businesses that should be contacted as part of the City's business retention program and discuss and make recommendations regarding the economic and budget implications of the quarter's data. Also included is a non-confidential newsletter that can be shared with your council and the public. The price for this option is **\$550** per month.*

**The monthly fee will increase annually by the percentage increase in the "CPI" for the preceding twelve-month period.*



VII SAMPLE PACKAGE REPORTS

Trends by Major Groups

Major Industry Groups

Quarterly Line Graph

Annual Line Graph

Major business type changes, including comparisons with state and county averages.

Allocations by Business Type Including Pools

Adjusted for Reporting Aberrations

Top sales tax generators listed in descending order. Used by management to track trends and identify companies who should be contacted as part of a business retention program.

Top 100 Sales Tax Generators

Quarterly Deviation Analysis

Reports for Revenue Projections.

Sales Tax Allocation Summary

Cash Reconciliation Report

Budget Projections

Five Year Forecast

Consensus Forecast

Quarterly customized newsletter summarizing sales tax highlights presented in a manner to protect confidentiality and that can be shared with the public.

City of Cupertino Q2 2020

City of Mountain View Q2 2020

Special reports as needed for economic development and other purposes.

Regional Updates

Market Competition Comparisons

Surplus/Gap Comparison

Retail Analytics Brochure

Sample of Legislative and Issue Updates.

Legislative Update – July 2020

Issue Update – April 2020

HeadLines Bi-Monthly E-Newsletter–Trends Affecting California's Economy





*City
Council
Report*

Item: 11
Category: PUBLIC HEARINGS AND
 INTRODUCTION OF
 ORDINANCES
Meeting Date: June 15, 2021

TITLE: Adoption of Fiscal Year (FY) 2022 Operating Budget and 2022 - 2026 Five-Year Capital Improvement Plan (CIP) and Establishment of the Appropriations Limit for FY 2022 (Resolutions/Roll Call Vote)

RECOMMENDED ACTION

That the City Council approves Resolutions adopting the Fiscal Year (FY) 2022 City Operating and Capital budgets, including transfers, in the amounts of \$71,833,189 and \$20,876,967, respectively, for a combined total budget of \$92,710,156; adopting findings that the proposed FY 2022-2026 Capital Improvement Plan (CIP) projects are categorically exempt under the California Environmental Quality Act (CEQA) and are consistent with the City's General Plan; approving the five-year plan total of \$87,117,842 and adopting additional appropriations for FY 2022 projects of \$15,235,558; directing staff to incorporate within the final adopted and published FY 2022 budget document any changes or adjustments pursuant to this public hearing and any other minor corrections prior to the budget's final publication; and establishing the Appropriations Limit for FY 2022 at \$81,053,795 pursuant to Article XIII B of the California State Constitution.

BACKGROUND

The proposed Fiscal Year (FY) 2022 Operating Budget and 2022 - 2026 Five-Year Capital Improvement Plan (CIP) has been posted on the City's website at <https://www.ci.campbell.ca.us/151/Budget>. Also posted at this location is the complete Fourth Update of the Seven-Year Financial Forecast which covers FY 2022 through FY 2028. The purpose of this item is to formally adopt the proposed operating budget and CIP.

DISCUSSION

For ease of viewing, staff has attached to this report the following items which are also included within the Budget and CIP book. These items have been updated, as needed, based on the June 1 Budget introduction:

- City Manager Transmittal Letter
- Proposed Resolutions
 - FY 2022 Operating and Capital Budget

- FY 2022 CIP Conformance to General Plan (*conformance affirmed by the Planning Commission on June 8, 2021*)
- FY 2022 Appropriations Limit

Thank you for your review and consideration of the proposed Fiscal Year (FY) 2022 Operating Budget and 2022 - 2026 Five-Year Capital Improvement Plan (CIP). Staff looks forward to speaking with you further.

FISCAL IMPACT

Complete fiscal impacts are provided in the City Manager's Transmittal Letter and the Budget and CIP document.

Prepared by:



Will Fuentes, Finance Director

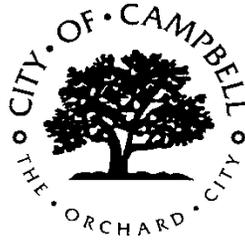
Approved by:



Brian Loventhal, City Manager

Attachment:

- a. City Manager's Transmittal Letter
- b. Resolution - FY 2022 Operating and Capital Budget
- c. Resolution - FY 2022 CIP Conformance to General Plan
- d. Resolution - FY 2022 Appropriations Limit
- e. Correspondence Received as of June 10, 2021



June 15, 2021

Honorable Mayor, Vice-Mayor, and City Councilmembers:

I am pleased to present to you for formal consideration and adoption the **Proposed Fiscal Year (FY) 2022 Operating Budget and 2022 - 2026 Five-Year Capital Improvement Plan (CIP)**. The Operating Budget and CIP serve as a policy document, a financial plan, a communication's device, and an operation's guide; reflecting the policies, goals, programs and service priorities and values of the City Council and the Campbell community. It was developed based on regular discussions and study sessions with the City Council over the last fiscal year as the City sought to address the significant fiscal impacts caused by the COVID-19 pandemic. It is also based on professional recommendations made by each member of the Executive Team, which I have reviewed and provide now for your consideration. The budget development process though is an iterative process and there will also an additional opportunity for Council feedback as well as community input on June 15 (Budget Adoption). Any further Council feedback that reaches majority consensus at the June 15 Budget Adoption will be incorporated into the final Adopted Operating Budget and CIP if it is fiscally feasible.

BUDGET DEVELOPMENT PROCESS TO DATE

As shown in the FY 2022 Budget Development Calendar, which is located in the **"Reference Materials"** section of this book, the budget development process began in December 2020 with collaborative discussions amongst departments on prioritization and mid-year corrective strategies given the persistent fiscal impacts of the pandemic. As a result of those discussions, on **January 19**, staff provided Council with a **Preliminary Recommended Prioritization Process for Mid-Year Adjustments**. This methodology sought to identify all primary services within each department and budget unit and prioritize them as either essential, important, or desirable. For reference, staff prioritized services based on the objective criteria listed below as well as day-to-day operational knowledge of each service area:

- **Priority I – Essential Services (Required)**
 - Required by law, mandate, or ballot measure
 - Satisfies a requirement of an outside regulatory body
 - Satisfies a contractual or debt obligation that cannot be modified
 - Addresses public safety, health, and/or welfare at required level of service
 - Is an internal service necessary to maintain essential City operations without interruption

- **Priority II – Important Services (Recommended)**

- Adheres to a City Policy (e.g., CMC, General Plan, Council Policies, Administrative Policies, etc.)
 - Currently generates positive City Revenue or is Cost Neutral [Revenue (-) Cost of Service]
 - Leverages available state and/or federal funding (e.g., grant matching)
 - Minimizes current or future operating & maintenance costs, risks, and liabilities; protects City assets
 - Advances an approved capital project currently underway, but not yet completed
- **Priority III – Desirable Services (If Resources Available)**
 - Advances Workplan Item, Performance Metric, Strategic Plan, Values, Vision, and/or Mission
 - Normally generates positive City Revenue or is Cost Neutral, but not currently
 - Advances an approved capital project not yet started, but planned in the five-year CIP
 - Addresses any other identified community priority, need, and/or request
 - Provides an enhanced level of service over what is required

While this was not meant to be a perfect and absolute methodology and is subject to further discussion with Council and refinement in the manner it is applied to service areas, staff felt that it could provide an objective framework for budgetary discussions now and into the future. As shown, Priority I criteria are largely external factors such as legal obligations set by outside bodies that the City has little to no control over. Priority II criteria are largely internal factors such as City policy that could be modified by Council action should change be needed. And Priority III criteria are largely internal factors such as Work Plan initiatives, which are desirable, but could also be modified by Council action should fiscal resources not be available.

Using the prioritization methodology discussed above as a starting point, on **February 16**, staff presented the ***FY 2021 Mid-Year Financial Update and Recommended Budget Adjustments*** to address a projected \$7.5 million revenue shortfall and a combined **\$7.6 million** General Fund operating deficit in FY 2021; caused solely by the persistent fiscal impacts of the pandemic. Council did not formally approve staff's recommended actions at that meeting, but instead requested additional information and discussion. Thus, on **March 16**, staff provided a follow up report to Council and sought approval on a number of ***Revised Mid-Year Corrective Strategies for FY 2021***. Council unanimously approved each of staff's recommendations via the following resolutions:

- **Resolution # 12687** - Authorized a mid-year budget adjustment to reflect changes in projected General Fund revenues for FY 2021
- **Resolution # 12688** - Authorized a mid-year budget adjustment to reflect new and extended vacancy freezes and temporary staff reductions for FY 2021
- **Resolution # 12689** - Authorized a mid-year budget adjustment to reflect other proposed departmental reductions for FY 2021
- **Resolution # 12690** - Authorized a mid-year budget adjustment to reflect consensus area reductions for FY 2021 based on the Council meeting of February 16, 2021

- **Resolution # 12691** - Authorized a mid-year budget adjustment to reflect miscellaneous and other necessary adjustments for FY 2021

As a result of the approved mid-year corrective actions, which also factored in a then estimated **\$3.93 million** of “American Rescue Plan Act” (ARPA) funding expected to be received by June 30, 2021 (FY 2021), a revised March 16 projected General Fund operating deficit of \$7.2 million in FY 2021 became a projected General Fund operating surplus of approximately **\$714,000** in FY 2021. A summary of all approved mid-year corrective actions is shown in **Table 1** below:

Table 1 – Summary of FY 2021 Approved Mid-Year Budget Adjustments

Estimated General Fund Operating Deficit ⁽¹⁾	(\$7,241,016)
Recommended Action	
Use of ARPA Federal Assistance (1 st Payment)	\$3,933,309
Transfer Excess Worker's Compensation	1,077,138
Transfer Excess Corporation Yard Sale Proceeds	749,151
Transfer Excess CIP Project Funds	37,932
Transfer of Recreation Donation Fund (794)	154,770
CPOA/CPCEA Net Savings	87,756
Reduction in Required OPEB Contribution	200,000
Anticipated COVID-19 Related Savings	250,000
RCS Program Reductions (Non-Perm Staffing)	942,508
Public Works Reductions (Non-Perm Staffing)	182,000
Legal Services Reductions (Non-Perm Staffing)	28,172
Community Dev Reductions (Non-Perm Staffing)	52,600
Net Additional Vacancy Savings ⁽²⁾	259,325
TOTAL Recommended Actions	\$7,954,661
Remaining Operating (Deficit)/Surplus	\$713,645

(1) - Previously \$7.6 million at the February 16 Council meeting, but due to better than expected actual revenues by \$400,000, it was revised down to \$7.2 million at the March 16 Council meeting.

(2) - After backing out 2% Vacancy Savings of \$780,000 Already in FY 2021 Adopted Budget.

Please note that approved mid-year corrective actions did not require a drawdown of General Fund reserves or a Reduction in Force (RIF) of existing City employees in FY 2021. Additionally, in regard to ARPA funding, as of March 16, the City was expected to receive **\$7.87 million** in total over two fiscal years, with the second payment of **\$3.93 million** expected to be received by June 30, 2022 (FY 2022). However, on June 4, the California State Department of Finance (DOF) released ARPA funding figures for Campbell at **\$9,997,774**¹; \$2.1 million higher than original estimates provided to the City in March 2021 and pending submittal of certification/attestation paperwork to the DOF starting June 9. Thus, staff has made adjustments to FY 2021 Year-End Estimates, the Proposed FY 2022 Operating Budget, and the Long-Range Financial Forecast and now expects the City

¹ **California State DOF** – “Local Fiscal Recovery Fund Allocations” (June 4, 2021) - <https://www.dof.ca.gov/budget/COVID-19/Small%20City%20Allocations%20-%20ARPA/CFRF%20Allocation%20Schedule.pdf>

to receive equal payments of **\$4,998,887** in FY 2021 and FY 2022; \$1.07 higher than originally expected in both fiscal years. For reference, since Campbell’s population is less than 50,000, it is considered a Non-Entitlement Unit (NEU) by the US Treasury Department and all ARPA funding is first sent to the State DOF before being distributed to NEUs. Funding for all NEUs was capped at \$19.53 billion in the ARPA. All cities with populations over 50,000 are considered Entitlement Units or Metro cities that receive their ARPA funding directly from the US Treasury Department. Funding for all Metro cities was capped at \$44.7 billion in the ARPA. And when original estimates were generated by the Congressional House Oversight Committee in March, several Metro cities were accidentally included in the NEU calculations. Thus, once corrected, ARPA allocations increased for most NEUs in California.

While higher ARPA funding for Campbell is certainly welcome news, staff would like to reiterate that this is **one-time** money that can be used to offset actual and anticipated City revenue losses due to the pandemic and must be committed in full by December 31, 2024 and spent by December 31, 2026. Thus, staff continues to advise that it would not be fiscally prudent to program these one-time monies to increase long-term operational costs and is not recommending their use for such purposes. Staff though is proposing that these monies be used to partially bridge budget deficits that would have existed in FY 2021 and FY 2022 absent this funding. So as to ensure long-term fiscal stability, address structural budget issues (i.e., annual ongoing revenues less than annual ongoing expenditures), and recover from the pandemic, staff is also proposing a number of other strategic and operational actions that will place the City in a more stable financial position starting in FY 2022 and progressing into FY 2023 and beyond. These proposed actions will be discussed in more detail in the following sections of this transmittal letter and are incorporated throughout the proposed book before City Council. **However, should Council wish to amend the Operating Budget or CIP and further program ARPA monies given higher than anticipated allocations, staff recommends waiting until the FY 2022 Mid-Year Fiscal Update to be presented in February 2022. This will allow the City appropriate time to verify whether the economy is truly on the path to recovery and whether additional costs can be sufficiently supported. In addition, ongoing labor discussions may further increase costs beyond what is presented at this time.**

Proposed actions to be discussed also incorporate Council feedback provided at the **April 20** and **April 28 Budget Study Sessions**. During these Study Sessions, Council established the following Strategic Priorities in **Table 2** that it would like staff to focus on for FY 2022. These strategies are linked to the City’s comprehensive “**Strategic Plan**”, which is shown in another section of this book. The comprehensive Strategic Plan contains eight (8) elements and forty-two (42) specific objectives. Council has chosen to focus on the following three (3) elements, five (5) priorities, and eleven (11) objectives for FY 2022:

Table 2 – FY 2022 City Council Recommended Priorities

Strategic Objectives	Council Recommended Priorities	Comments by Council Members
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Strategic Objectives	Council Recommended Priorities	Comments by Council Members
Land Use/ Financial Health	Comprehensive Long-Term Land Use Planning	<ul style="list-style-type: none"> • General Plan update • Housing Element • Objective standards • Legislation - Keeping the City Council and community informed about State legislation that would impact the City and implement in a timely manner
	Measure O Implementation	<ul style="list-style-type: none"> • Continue to implement Measure O projects
	Fiscal Stability	<ul style="list-style-type: none"> • Essential services, prioritize services and evaluate service level adjustments • Government efficiency
	Financial Recovery	<ul style="list-style-type: none"> • Long term financial planning • Help business recovery
Open Space/ Cultural/ Historical	Open Space	<ul style="list-style-type: none"> • Maintain parks, playgrounds and trails • Complete new park projects such as the JDM project

Using these Strategic Priorities as a starting point as well as other Council feedback received at the April Budget Study Sessions, staff developed the **Preliminary Proposed FY 2022 Operating Budget and 2022 - 2026 Five-Year Capital Improvement Plan (CIP)** and presented it to Council at the **May 18 Budget Study Session**. Based on feedback received at that meeting, staff incorporated the following changes and formally introduced to Council the updated FY 2022 Proposed Operating Budget and CIP at a **Public Hearing** on **June 1**:

- **Accelerated Planned Hiring of Sr. Public Works (PW) Project Manager (Measure O) from January 1, 2022 to September 1, 2021 - \$68,000** of additional funding and **0.33 FTEs** added to City Manager and Budget Unit 448.518.
- **Partial Funding for Crossing Guard Program - \$53,500** of additional funding and **1.72 FTEs** (50% of pre-pandemic level) added to the Police Department and Budget Unit 101.604; pending further discussions with local school districts and adjacent jurisdictions about cost sharing and operational needs post-pandemic.
- **Additional Funding for Community Emergency Response Team (CERT) - \$5,000** added to the Police Department and Account # 101.604.7427.

- **Funding for Planning Commissioner Training** - **\$7,000** (\$1,000 x 7 Commissioners) added to Community development Department and Account 101.552.7435.
- **New Workplan Item for Evaluation and Analysis of Economic Development Division** – added to the City Manager’s Office Workplan under Budget Unit 101.510.
- **New Workplan Item for Evaluation of Traffic Calming Policy for Potential Revision** – added to the Public Works Department Workplan under Budget Unit 101.720.
- **Year 1 Appropriations Requested Table for CIP Updated** – moved behind CIP Cash Flow Statements and additional narrative and clarification added to explain its purpose and the reason why it doesn’t match other schedules preceding it.

Furthermore, staff held a **Budget Workshop** on **May 20** that was attended by twenty-three (23) members of the community, several Councilmembers, and staff. During this meeting, the Executive Team presented key highlights of their FY 2022 Operating Budget and CIP proposals that might be of interest and impact to the community. Six (6) members of the community also spoke and provided feedback, with many members expressing support in general for Recreation and Community Services programs and all expressing their support for the re-opening and continued operation of the City’s Heritage Theatre. The Proposed FY 2022 Operating Budget before Council does not contain any staff recommendations to permanently close the Heritage Theatre. However, has re-negotiated the City’s agreement with the contracted operator for the venue so that the City’s financial exposure can be limited in the future should the Heritage Theatre be forced to close again due to a public health crisis. An amended agreement was approved by Council on June 1. And as it has done over the past year since the start of the pandemic, staff will follow all CDC, State, and Local guidance as it looks to safely re-open the Heritage Theatre for future events. **Since the Proposed FY 2022 Operating Budget before Council again does not contain any staff recommendations to permanently close the Heritage Theatre, no further Council action or direction is requested at this time in regard to community feedback received at the May 20 Budget Workshop.**

And lastly, staff again formally introduced to Council the updated FY 2022 Proposed Operating Budget and CIP at a **Public Hearing** on **June 1**. During this meeting, staff did not receive feedback receiving majority consensus to modify the FY 2022 Proposed Operating Budget and CIP further. As such, no further Council requested changes have been incorporated into the document currently under consideration for adoption. However, several minor corrections and modifications shown below have been incorporated:

- **Correction for Temporary Staffing** - **\$41,600** more than needed was shown for Temporary staffing costs in the Police Administration budget unit 101.601. This was a double-counting error and has since been removed.
- **Cost Sharing with School District for Crossing Guards** – Pending final agreement, local school districts have agreed to pay for 50% of normal, fully staffed Crossing Guard costs. Thus, staff raised FTEs further by **1.72** to 3.44 total and costs by **\$53,500** in budget unit 101.604; offset by **\$53,500** in anticipated cost reimbursements.
- **Cambrian 36 Annexation** – Per agreement, the City pays the City of San Jose \$230,042 annually for the annexation of the Cambrian 36 area. However, the City

was recently informed that it will receive a street maintenance credit of **\$30,000** and that its payment to the City of San Jose will only be \$200,042 in FY 2022. The payment has been corrected in FY 2022, but it is anticipated to once again be \$230,042 in FY 2023.

- **Volunteer Recognition Program** – The City normally hosts an in-person recognition event for community volunteers. That was not possible during the pandemic, but staff expects to host an event in FY 2022 and is requesting that **\$10,000** be added back in under budget unit 101.515.
- **Sales Tax Services** – Staff has included an agreement on the June 15 Council meeting agenda to change Sales Tax Consultants and enhance the level of service. As such, staff is requesting that **\$9,000** be added to budget unit 101.540 to account for enhanced service; offset by **\$9,000** more in anticipated sales tax audit revenue.

FINANCIAL SUMMARY

Preliminary Proposed FY 2022 Operating and Capital expenditure appropriations across ***all City funds*** currently total **\$92.7 million**; including \$4.9 million in operating transfers out, \$6.5 million in capital transfers out, \$8.5 million relating to Measure O funded capital projects for the Police Station and Library, and \$2.3 million in scheduled debt service payments for Measure O bonds issued in August 2020. Related revenue sources total **\$83.9 million**; including \$4.9 million in operating transfers in and \$6.5 million in capital transfers in. This results in an annual deficit of approximately **\$8.8 million** across all City funds. However, this is largely due to spending down the first issuance of Measure O bond proceeds which were entirely received in FY 2021 in the amount of \$23.1 million (\$20.0 million par value plus \$3.1 million premium to be used to offset debt service and issuance costs). Remaining Measure O bonds in the amount of \$30.0 million are expected to be issued around July/August 2022 (FY 2023). In summary, across all City funds, expenditures for FY 2022 show a 4.9% increase when compared to the FY 2021 Adopted Budget, but a 18.1% decrease when compared to FY 2021 Year-End Estimates. Additionally, across all City funds, revenues for FY 2022 show a 11.2% decrease when compared to the FY 2021 Adopted Budget and a 27.6% decrease when compared to FY 2021 Year-End Estimates. The large decrease in FY 2022 estimated revenues is due entirely to the large receipt of Measure O bond proceeds in FY 2021. As mentioned, remaining Measure O bond proceeds will not be received again until FY 2023.

Preliminary Proposed FY 2022 Operating and Capital expenditure appropriations for the ***General Fund*** total **\$55.0 million**; including \$817,000 in capital transfers out to support Capital Plan Improvement Reserve (CIPR) and Construction Tax funded projects and \$3.5 million in operating transfers out to support other City operational and debt service funds. General Fund operating transfers include those to the 2016 Lease Revenue Bond Debt Service Fund (\$764,000), Vehicle & Equipment Replacement Fund (\$781,000), Environmental Services Fund (\$437,000), Lighting and Maintenance Fund (\$1.5 million), Information Technology Fund (\$34,000), and SLESF Fund (\$29,000). Related General Fund revenue sources total **\$57.1 million**; including \$791,000 in operating transfers in from other funds to pay for indirect overhead costs. This results in an estimated General Fund operating surplus of **\$2.1 million**. As shown at the time of the June 1 Budget Introduction, staff had projected a General Fund operating surplus of approximately \$1.0 million in FY 2022. However, due to higher than expected ARPA funding for Campbell and several other minor modifications as noted, the result is a larger surplus of \$2.1 million in FY 2022. **Staff**

recommends that this surplus not be programmed at this time so as to build back General Fund reserves drawn down in FY 2020 and to act as a buffer should estimated revenues not meet their targets due to longer than expected economic impacts of the pandemic. However, Council also has the discretion to provide staff with direction to program the expected General Fund surplus in FY 2022 so as to meet other strategic priorities and objectives. ***If Council wishes to do so, staff again recommends waiting until at least the FY 2022 Mid-Year Fiscal Update to be presented in February 2022. This will allow the City appropriate time to verify whether the economy is truly on the path to recovery and whether additional costs can be sufficiently supported. In addition, ongoing labor discussions may further increase costs beyond what is presented at this time.*** In summary, in the General Fund, expenditures for FY 2022 are relatively flat and show a 0.3% decrease when compared to the FY 2021 Adopted Budget and a 0.4% decrease when compared to FY 2021 Year-End Estimates. Additionally, in the General Fund, revenues for FY 2022 show a 6.1% increase when compared to the FY 2021 Adopted Budget and a 0.2% increase when compared to FY 2021 Year-End Estimates.

BUDGET HIGHLIGHTS AND ASSUMPTIONS

Citywide and General Fund revenue estimates and proposed expenditures by type are shown in the Proposed FY 2022 Operating Budget document. The following will discuss key assumptions made in its development and significant items of note regarding certain revenue sources and expenditures. All numbers to be presented will reflect all Citywide funds as opposed to just the General Fund:

Top Ten (10) Citywide Revenue Sources

- **Property Tax** is estimated to be the City's largest revenue source in FY 2022 and has been the one bright spot during the COVID-19 pandemic; fueled by increasing housing prices, increasing demand for larger work-from-home spaces, and very low mortgage interest rates. On May 7, 2021, the Santa Clara County Assessor's Office provided an update on FY 2021 property tax collections to date and projected 4.3% assessed value growth for Campbell in FY 2022. This has been factored into the Preliminary Proposed FY 2022 Operating Budget.
- **Sales and Use Tax** is estimated to be the City's second largest revenue source in FY 2022. While staff is conservative in its revenue estimates on the whole, it does note that there is good reason for optimism should current pandemic related trends continue, which may include a full reopening of the State economy on June 15. Consumer spending and sales tax have been significantly impacted by the COVID-19 pandemic, but staff and its sales tax consultants forecast that spending will accelerate through FY 2022 due to vaccinations, decreases in COVID-19 cases, reopening of the economy, pent up demand, \$1.8 trillion in nationwide accumulated personal savings since the start of the pandemic, and prior and recent federal stimulus. According to the advance estimate, real US gross domestic product (GDP) grew at an annualized rate of 6.4% in the first quarter of calendar year 2021, following 4.3% growth in the fourth quarter of calendar year 2020. Economic growth is expected to accelerate even further in the second quarter of calendar year 2021 to an annualized rate of 8.1%. Additionally, a recent forecast by the UCLA Anderson Forecast, a well-renowned economic think tank in California, predicts very robust

6.3% growth in real US GDP for all of 2021 due to these factors². Thus, staff is projecting 9.5% Sales and Use Tax growth in FY 2022 when compared to the FY 2021 Adopted Budget and 18.0% growth when compared to FY 2021 Year-End Estimates. Please note that FY 2021 sales tax numbers were significantly low due to the pandemic and this skews comparisons to FY 2022.

- **Intergovernmental Revenue** is estimated to be the City's third largest revenue source in FY 2022. In FY 2022, this category equals \$11.8 million and is comprised of \$5.0 million of ARP funds, \$1.8 million in Successor Agency Redevelopment Property Tax Trust Fund (RPTTF) payments, \$451,000 from the Santa Clara County Fire Department to reimburse the City for arson investigation services, and \$4.6 million in grant and other state and federal funding to support various operational programs and capital projects. Intergovernmental Revenue for FY 2022 shows a 86.3% increase when compared to the FY 2021 Adopted Budget, but a 10.4% decrease when compared to FY 2021 Year-End Estimates.
- **Other Funding Sources (OFS) – Operating Transfers In** is estimated to be the City's fourth largest revenue source in FY 2022. In FY 2022, this category equals \$11.6 million and is comprised of \$6.5 million of capital transfers out from various restricted Special Revenue Funds to support actual capital project expenditures in the Capital Projects Fund (435) and \$5.1 million of interfund transfers out from various funds to provide support to operating activities in other funds or for various operating funds to pay the General Fund their fair share of overhead expenses. For FY 2022, OFS – Operating Transfers In shows a 24.7% decrease when compared to the FY 2021 Adopted Budget and a 44.3 % decrease when compared to FY 2021 Year-End Estimates. This is largely due to a reduced level of capital projects and a corresponding reduced need to transfer funds to the Capital Projects Fund (435).
- **Other Taxes** is estimated to be the City's fifth largest revenue source in FY 2022. In FY 2022, this category equals \$7.2 million and is comprised of \$2.0 million of Transient Occupancy Tax (TOT), \$3.9 million of Franchise Taxes, \$675,000 of Business License Tax, \$148,000 of Construction Tax, and \$500,000 Real Property Tax Transfers. In regard to TOT, in FY 2019, the last normal year before the COVID-19 pandemic, City TOT revenue equaled \$4.8 million. While many economists forecast a strong rebound for hotels by calendar year 2023 (due to pent up demand for personal travel) staff is much more conservative and feels that there is great uncertainty surrounding Campbell hotels since they appear to be used more for business travel. At this time, it is unknown how quickly that business travel will rebound and whether it will fully rebound to pre-pandemic levels due to increased utility and cost effectiveness of virtual meetings. Thus, staff forecasts a slow return to normal and TOT revenues of \$2.0 million in FY 2022, which is 33.3% higher than FY 2021 Year-End Estimates, but 33.4% lower than the original FY 2021 Adopted Budget. Please note that these estimates do not include any new hotels which may be constructed in the future, potential increases to TOT rates, or the collection of TOT from short-term rentals. Any of those factors could positively impact TOT

² **UCLA Anderson Forecast** – “Robust Economic Growth and Recovery After a Dreadful Year” (March 2021) - http://www.uclaforecast.com/uploads/forecasts/2021/march/uclaforecast_march2021_feler.pdf

revenue estimates. Conversely, hotel closures could also negatively impact TOT revenue. However, remaining hotels might also pick up the travelers that would have otherwise stayed at a shuttered hotel. At this time, staff recommends caution when forecasting TOT revenue, but feels that its forecast for FY 2022 is reasonable and based on sound assumptions and data. And as the updated **“Long-Range Financial Forecast”** as presented in a subsequent section of this book shows, staff predicts TOT revenues not returning to pre-pandemic levels until at least FY 2026.

In regard to Franchise Taxes, this is to account for franchise taxes paid by electric, gas, solid waste, recycling, and cable television utilities that are authorized to operate within Campbell. In FY 2022, this category equals \$3.9 million and shows a 0.75% increase when compared to the FY 2021 Adopted Budget and a 7.9% increase when compared to 2021 Year-End Estimates. With economic activity picking up, more businesses returning to in person work, and public health restrictions easing, staff expects most all utilities to be used more and return to a more normal usage pattern and growth trajectory.

In total, Other Taxes is FY 2022 is 16.1% lower when compared to the FY 2021 Adopted Budget, but 34.7% higher when compared to FY 2021 Year-End Estimates. Please note that FY 2021 other tax estimated numbers were significantly low due to the pandemic and this skews comparisons to FY 2022.

- **Charges for Service** is estimated to be the City’s sixth largest revenue source in FY 2022. As a whole in Charges for Service in FY 2022, staff is estimating a 17.7% decrease when compared to the FY 2021 Adopted Budget, but a 11.9% increase in FY 2022 when compared to FY 2021 Year-End Estimates. FY 2021 was significantly impacted by the COVID-19 pandemic and year-end estimates were revised downward at mid-year to reflect that. While FY 2022 revenue is estimated at \$4.7 million, it will still be well below pre-recessionary levels of approximately \$6.7 million in FY 2019 as staff expects Recreation services and programs to be less than full capacity through FY 2022 due to the lingering effects of the COVID-19 pandemic. However, staff estimates that revenues from Charges for Service will fully return to pre-recessionary levels by FY 2023 due to current trends regarding COVID-19 and could be better than expected in FY 2022 based upon highly encouraging class enrollments to date for the Summer 2021 Recreation season and further easing of public health restrictions.
- **Charges to Operating Departments** is estimated to be the City’s seventh largest revenue source in FY 2022. Please note though that these are internal service charges from the Information Technology (IT) Division and the Vehicle Maintenance Division to provide services to other operating departments. This category also includes Workers Compensation premium expenses charged to all departments to support the City’s self-fund Workers Compensation insurance program. Thus, these are not external revenue sources. In FY 2022, it is estimated that these charges will equal \$3.1 million; comprised of \$1.2 million of IT charges, \$1.3 million of Vehicle Maintenance charges, and \$605,000 in Workers Compensation charges. As a whole in Charges to Operating Departments in FY 2022, staff is proposing no

change in internal service charges when compared to both the FY 2021 Adopted Budget and FY 2021 Year-End Estimates.

- **License & Permits** are estimated to be the City's eighth largest revenue source in FY 2022. While a number of planned development projects in FY 2021 have been deferred until at least FY 2022, staff is expecting conservative growth in this area for FY 2022, slightly above pre-pandemic levels due to the aforementioned deferred projects. While staff is projecting a 16.1% decrease when compared to the FY 2021 Adopted Budget, License & Permits are expected to grow 34.7% in FY 2022 when compared to 2021 Year-End Estimates, due to the aforementioned deferred projects. Should significant new developments be built within Campbell which are not currently known, Licenses and Permits and Other Taxes could increase at a higher rate than what is shown for FY 2022.
- **Leases and Rentals** are estimated to be the City's ninth largest revenue source in FY 2022; equaling \$2.1 million. This category includes both long-term lease revenue for the Campbell Community Center as well as rental revenue for events and use of City facilities. When FY 2022 is compared to the FY 2021 Adopted Budget, a 25.2% decline is shown. However, when compared to FY 2021 Year-End Estimates, Leases and Rentals are expected to increase by 16.8%; reflecting relative strength in long-term lease revenue as well as a continued return to normal for rental revenue for events and use of City facilities. Since it is expected that events will still be restricted by public health orders for the foreseeable future, staff is only forecasting a partial return to normal for this revenue area in FY 2022.
- **Miscellaneous Revenue** is estimated to be the City's tenth largest revenue source in FY 2022; equaling \$1.7 million. For FY 2022, this is a category shows a 65.7% decrease when compared to the FY 2021 Adopted Budget and a 75.0% decrease when compared to FY 2021 Year-End Estimates. This decrease is entirely due to \$4.1 million in ESCO project loan disbursements to fund associated an energy efficiency project that were received in FY 2021, but will not be received in FY 2022.

Expenditures

The following will describe and detail operating expenditures only. Capital expenditures will be described and detailed in the Capital Improvement Plan (CIP) section of this book:

- **Employee Services** – Due to ongoing labor negotiations with most all bargaining groups, staff has included no salary escalators for FY 2022 other than scheduled merit based increases based on anniversary dates and satisfactory performance evaluations. In addition, staff has factored in an 8% healthcare premium increase to all medical plans January 1, 2022 (based upon historical trends) and known rate increases to retirement rates and other employee benefits. Each member of the Executive Team also evaluated their department and given Council's Strategic Priorities, the current and forecasted economic climate given the pandemic, and current operating needs, recommended staffing adjustments when necessary. These staffing adjustments include strategically timing the filling of vacant positions (with some deferred to FY 2023 or later), the elimination of some vacant positions no longer deemed essential, and in some limited cases, Reductions in Force (RIFs) to

existing employees or reclassifications of positions. Due to their complexity, staffing adjustments will be discussed in more detail in a subsequent section of this transmittal letter. As a whole though across all funds in FY 2022, Employee Services costs are expected to decrease by 0.6% when compared to the FY 2022 Adopted Budget, but increase by 3.1% in FY 2022 when compared to 2021 Year-End Estimates. However, as previously mentioned, the City is currently in labor negotiations with most all bargaining groups. Should those negotiations result in savings or additional costs, these savings or costs will be programmed into the budget when known. Additionally, while labor concessions of approximately \$595,000 were expected for FY 2021, these savings are not anticipated to continue into the future and a temporary deferral of allowable vacation and sick leave cash outs equaling approximately \$550,000 will need to be paid back to employees starting in FY 2022. This is shown in budget unit 101.540 (Non-Departmental).

- **Supplies & Services** - As a whole across all funds, Supplies & Services expenses are proposed to be reduced by 3.1% in FY 2022 when compared to the FY 2021 Adopted Budget and 19.0% when compared to FY 2021 Year-End Estimates. Staff is proposing that supplies and services costs that were reduced in FY 2021 partially return in FY 2022. Staff is also estimating that the City may need to continue some expenditures for COVID-19 related activities through FY 2022, but at 50% of the \$250,000 level (\$125,000) shown in the FY 2021 General Fund Amended Budget. Some of these costs may be reimbursable through state or federal funding and staff estimates that they will no longer be necessary after FY 2022. Of note, the Finance Department is proposing two new items for FY 2022 consistent with their proposed Workplan:
 - **Property Tax Consultant Services (\$15,000)** to enhance the City's understanding of property tax revenues and improve the quality of long-range forecasts for the City's largest revenue source. This request aligns with Finance's FY 2022 Proposed Workplan item to ***"Evaluate long-range financial forecasting methodologies and determine whether improvements could be made [Council Priority – Fiscal Stability and Financial Recovery]"***. The estimated cost is based on recent quotes for this service.
 - **New Business License Software (\$60,000)** to enhance business reporting and database capabilities and offer businesses more online options to apply and pay for business licenses. This request aligns with Finance's FY 2022 Proposed Workplan item to ***"Evaluate Business License systems and operations, develop improvements to better serve the business community, and collaborate with the Economic Development Division to improve data usefulness and report capabilities so as to enhance timely understanding of the City's business climate [Council Priority – Financial Recovery and Operational Need]"***. The estimated cost is based on recent quotes for this type of software and includes both implementation costs (\$49,000) and first year annual licensing costs (\$11,000).

- Debt Service** - As a whole across all funds, Debt Service expenses are estimated to increase by 103.3% in FY 2022 when compared to the FY 2021 Adopted Budget and 16.4% when compared to FY 2021 Year-End Estimates. This increase relates mainly to new debt service payments (\$2.3 million) owed for the first issuance of Measure O bonds in August 2020. However, as previously noted, the first issuance of Measure O bonds was issued at a \$3.1 million premium, which offset all payments for FY 2021 and part of the payments for FY 2022. The remainder of the Debt Service increase is due to previously scheduled payments for 2016 TARB Successor Agency debt which is approximately \$150,000 higher in FY 2022 than FY 2021. Successor Agency debt though is fully funded by Redevelopment Property Tax Trust Fund (RPTTF) payments, which the Successor Agency receives annually.

PROPOSED STAFFING PLAN AND ORGANIZATION MODIFICATIONS

As previously stated, each member of the Executive Team evaluated their department and based on Council's Strategic Priorities, the current and forecasted economic climate given the pandemic, and current operating needs, recommended staffing adjustments when necessary. These staffing adjustments, which include strategically timing the filling of vacant positions (with some deferred to FY 2023), the elimination of some vacant positions no longer deemed essential, and in some limited cases, Reductions in Force (RIFs) to existing employees or reclassifications of positions, will be summarized and detailed in the tables and narratives below. In total, proposed permanent and limited-term FTEs equal **168.07** in FY 2022; a decrease of 5.60 FTEs when compared to 173.67 approved FTEs in FY 2021. This is detailed in the "**Personnel Summary (Citywide)**" section of the book as well as in each departmental section. In addition, proposed temporary FTEs equal **24.93** in FY 2022; an increase of 0.88 when compared to 24.05 approved FTEs in FY 2021, but down from 55.70 in FY 2020 and 57.66 in FY 2019 Please note, that some of the FTE decrease is due to the timing of when vacant positions are proposed to be filled. If a position is not proposed to be hired by July 1, 2021, only a partial FTE will be shown in FY 2022. Likewise, if a position is proposed to be deferred until FY 2023, no FTE will be shown in FY 2022; pending further analysis and discussion with Council prior to FY 2023. And lastly, if it is possible that a vacant position could be filled by an internal promotion, the lower level position will be shown as vacant with a partial or no FTE while the higher level position will be shown as filled with a partial or full FTE.

Vacant Positions

Due to the fiscal constraints caused by the pandemic and so as to preserve City resources, the City Council chose to keep several vacant positions frozen and unfunded for various lengths of time in the FY 2021 Adopted Budget. Several more vacant positions were added to this list and some current vacancy freezes were extended when Council approved mid-year corrective actions for FY 2021. The necessity and reasons for vacancy freezes remain the same in FY 2022 as they were in FY 2021. Additionally, due to staff capacity, it would not be operationally feasible to recruit for and hire every vacant position by July 1, 2021 (the start of FY 2022). Thus, staff is proposing to strategically time when vacant positions are hired as shown in **Table 3** below. In some cases, staff is proposing keeping vacant positions unfunded for all of FY 2022 and reassessing in FY 2023 whether these positions are still needed or if they can be eliminated entirely at that time. And in other cases, staff is proposing eliminating vacant positions completely in FY 2022 if they are no longer deemed essential given current operating needs at this time:

Table 3 – Summary of Staff Proposed Plan for Vacant Positions

Dept	Position	Total Comp.	Hire By?	Eliminate?	FY 2022 Savings	General Fund?
CM	Human Resources Manager	\$240,374	07/01/2021		\$0	Yes
CM	Assistant City Manager ⁽¹⁾	256,226	09/01/2021		(42,713)	Yes
CM	IT Administrator	177,338	N/A	Yes	(177,338)	Yes
CM	Sr. PW Project Mgr. (LTD Term) ⁽²⁾	203,343	09/01/2022		(33,891)	No
Sub-Total City Manager's Office		1,066,696			(253,942)	
CD	Building Official ⁽³⁾	208,888	07/01/2021		0	Yes
CD	Sr. Building Inspector ⁽³⁾	175,318	Defer to FY 2023	TBD	(175,318)	Yes
CD	Associate Planner	165,156	01/01/2022		(82,578)	Yes
CD	Planning Technician	129,272	Defer to FY 2023	TBD	(129,272)	Yes
Sub-Total Community Development		678,634			(387,168)	
PD	Executive Assistant ⁽⁴⁾	118,455	07/01/2021		0	Yes
PD	Communications Supervisor	186,663	07/01/2021		0	Yes
PD	Police Officer	168,507	07/01/2021		0	Yes
PD	Police Records Specialist	131,341	Defer to FY 2023	TBD	(131,341)	Yes
Sub-Total Police Department		604,966			(131,341)	
PW	Parks Maintenance Supervisor ⁽⁵⁾	178,722	07/01/2021		0	No
PW	City Arborist ⁽⁵⁾	144,524	Defer to FY 2023	TBD	(144,524)	No
PW	Parks Maintenance Lead Worker ⁽⁶⁾	132,889	08/01/2021		(11,074)	No
PW	Parks Maintenance Worker ⁽⁶⁾	130,836	04/01/2022		(98,127)	No
PW	Building Maintenance Worker	132,026	09/01/2021		(22,004)	Yes
PW	Sr. Engineering Technician ⁽⁷⁾	175,540	09/01/2021		(29,262)	Yes
Sub-Total Public Works		894,537			(304,991)	
RC	Rec/Comm Svs. Director ⁽⁸⁾	238,826	07/01/2021		0	Yes
RC	RCS Manager ⁽⁸⁾	201,953	05/01/2022		(168,287)	Yes
RC	Recreation Program Coordinator	139,094	Defer to FY 2023	TBD	(139,094)	Yes
RC	Recreation Specialist	97,552	N/A	Yes	(97,552)	Yes
Sub-Total Recreation & Community Svs.		677,425			(404,933)	
TOTAL - ALL FUNDS		3,922,258			(1,482,375)	
TOTAL - GENERAL FUND ONLY		3,131,944			(1,194,760)	

(1) – Staff is proposing to reclassify Deputy City Manager to Assistant City Manager. Total compensation and savings shown is for Assistant City Manager. Full description and justification of proposed reclassification will be given below with job specification to be presented to Council June 15, 2021.

(2) – Hiring moved up from January 1, 2022 to September 1, 2021 per Council direction provided at May 18, 2021 Study Session. Functions of Sr. PW Project Manager for Measure O Projects currently being performed by City staff and outside consultant. Proposed FY 2022 Budget includes \$68,397 for other City staff time and \$100,000 for outside consultant time.

(3) – Staff is considering internal promotion. Thus, savings are shown at Sr. Building Inspector level as opposed to Building Official level.

(4) – Staff is proposing that this position be converted from a 0.80 Permanent Part-Time FTE to a 1.00 Permanent Full-Time FTE. Costs and savings reflect staff's proposal.

(5) – Staff is considering internal promotion. Thus, savings are shown at City Arborist level as opposed to Parks Maintenance Supervisor level.

(6) – Staff is considering internal promotion. Thus, most of the savings are shown at Parks Maintenance Worker level as opposed to Parks Maintenance Lead Worker level.

(7) – Staff is proposing to reclassify Assistant Engineer to Sr. Engineering Technician. Total compensation and savings shown is for Sr. Engineering Technician. Full description and justification of proposed reclassification will be given below.

(8) – Staff is considering internal promotion. Thus, savings are shown at RCS Manager level as opposed to RCS Director level.

Please note that in a normal year, staff builds a standard 2% Vacancy Factor into the Proposed Budget to account for regular turnover and the normal processing time between employee separation, recruitment, and hiring of new employees. In FY 2022, the 2% Vacancy Factor would have equaled \$802,400 and that was reflected in the Preliminary Update of the Seven-Year Financial Forecast provided to Council on March 31, 2021. However, given the unusually large number of vacancies that would result from the plan summarized in **Table 3** above, staff felt it prudent to reduce the standard Vacancy Factor from 2% to 1% in FY 2022 so as to not assume an unrealistic level of vacancy savings. As a result, normally programmed vacancy savings have been reduced by **(\$401,200)** in the Proposed FY 2022 Operating Budget. The remaining 1% rate will account for any unexpected vacancies that happen in FY 2022 over and above planned vacancies reflected in **Table 3**. Unexpected vacancies may occur due to retirements, obtainment of employment elsewhere, or performance issues and staff is confident that a 1% Vacancy Factor for FY 2022 is appropriate; still accounting for the normal processing time between employee separation, recruitment, and hiring of new employees.

As shown in **Table 3**, Human Resources Manager is one of the first vacant positions proposed to be filled by July 1, 2021 since it will be highly instrumental in coordinating and overseeing the recruitment of all other positions. The hiring of other positions is strategically staggered over FY 2022 to both allow Human Resources adequate time for recruitments and ramp up operations in areas that may have slowed due to the pandemic, but are anticipated to speed up again. However, based on ongoing operating needs, technological efficiencies gained the last several years, as well as a proposed reclassification of a Public Safety Systems Specialist to an IT Administrator in the Police Department (to be discussed below), staff felt that a vacant IT Administrator in the City Manager's Office could be safely eliminated in FY 2022; saving the city costs going forward.

In addition, the currently frozen Recreation Specialist position in Adult Services is also being proposed to be eliminated from the organizational chart. In the proposed first step in restructuring the Recreation and Community Services Department, it has been identified that this position would not be needed moving forward. Programs and services offered prior to the pandemic are being evaluated and staff is surveying the interests of participants. Any program or service brought back will be within the job capacity and supervision of the Recreation Supervisor for the next fiscal year. Staff is proposing to recruit for the Recreation Coordinator in FY 2023 (pending further Council discussion), at which time staff is confident health restrictions will be lifted and expansion of programs and services will be more successful. However, it must be noted that this reduction will not impact the Senior Nutrition program, which is in a separate budget unit from Adult Services.

Reclassifications

As shown in **Table 3**, staff is proposing 1) the reclassification of a vacant **Deputy City Manager to an Assistant City Manager** in the City Manager's Office and 2) a reclassification of a vacant **Assistant Engineer to a Sr. Engineering Technician** in the Public Works Department. In the City Manager's Office, the Deputy City Manager position has been vacant since the retirement of the incumbent in March 2020. When combined with other vacancies, this has significantly limited the capacity in regard to public information, procurement, civic functions, community outreach, emergency management, and other administrative and analytical functions. Certain job functions have been distributed to other City staff, but some high priority work has also been delayed. Given the complexity of projects in the City Manager's Office and the needs of the City, staff believes that hiring this position by September 1, 2021 and reclassifying it to Assistant City

Manager would increase capacity and the ability to take on higher level assignments, enhance community outreach, public information, and emergency management, provide for succession planning, and possibly provide guidance to an operational area such as Economic Development. A job specification is still being developed and will also be presented to City Council for consideration on June 15, 2021, but staff proposes that the salary range for this position be aligned with Community Development Director since an Assistant City Manager often acts at a level similar to a department head. This would increase ongoing annual costs by approximately \$50,000. And in FY 2022, it would increase costs by approximately \$41,000 since it would not be hired until September 1, 2021.

In the Public Works Department, the Assistant Engineer position has been vacant since March 2018 with various temporary staff performing some of the job duties since that time. This has limited capacity in Public Works to take on and deliver capital projects timely. Given the current capital projects workload, staff is proposing filling this position by September 1, 2021 so as to support the effort to maintain progress on approved (and grant-funded) capital projects. Because this position could also be used to provide support to high priority capital projects such as Measure O and others, staff is proposing that the position be reclassified to a slightly higher level Sr. Engineering Technician. This would allow the City to more easily take on complex capital projects and deliver them in a more timely and higher quality manner. The relative priority of filling this position is directly related to the number of approved capital projects and their complexity. If the number and complexity of approved CIP projects is increased, the priority of this position will likewise increase. This would increase ongoing annual costs by approximately \$7,000. And in FY 2022, it would increase costs by approximately \$6,000 since it would not be hired until September 1, 2021.

Reductions in Force (RIFs)

Due to the fiscal constraints caused by the pandemic and current operating needs, staff is also proposing a Reduction in Force (RIF) in the Preliminary FY 2022 Proposed Operating Budget of 3.5 currently filled positions listed below. However, please note that ***due to 20-day noticing requirements in the City's personnel rules and procedures, any potential layoffs as a result of proposed actions contained within this document would not be effective until August 1, 2021. Additionally, implementation of such items is subject to a meet and confer with designated bargaining unit representatives.*** Initial discussions on RIFs though have been started with potentially impacted bargaining units and employees:

- **Police Department**
 - ***1.0 Public Safety System Specialist (CMEA)***; to be replaced with 1.0 IT Administrator in Police Special Enforcement Division

Over the past several years, the Campbell Police Department has experienced major changes in technology. To keep up with the county and surrounding agencies, staff has implemented many new technologies to assist with interoperability, transparency, data collection, and reporting. These technologies are complex and ever changing and the Police Department has identified a need for someone to maintain and oversee these technologies. The technology the Police Department has acquired is specific to the functions public safety staff perform daily and include, but are not limited to, 9-1-1 systems, Computer Aided Dispatch (CAD), Records Management (RMS), Digital evidence tracking, and digital P25 radio system. The technologies that

will be implemented in the next two (2) fiscal years are Next Generation 911 and Rapid Deploy geo-location accuracy software. With the new technology, Geographic Information Systems (GIS) is going to be of utmost importance because that will drive how the City receives our emergency calls for service.

The anticipated IT needs of the Police Department significantly exceed the job specifications of the current Public Safety Systems Specialist position. The current position attends to applications, account management, and security. In addition to the duties of the current position, the Police Department needs hardware, server maintenance, and network level support. The department currently has several pieces of technology that are several versions behind, and that is problematic due to the newer versions containing patches and fixes to known issues that greatly impacts the end user. Thus, to address these issues, staff is proposing a Reduction in Force (RIF) in the current Public Safety Systems Specialist position; to be replaced by a higher level IT Administrator position. The current incumbent may apply should they meet the minimum qualifications of the upgraded position, but they would be required to go through the full recruitment process. This position upgrade would increase ongoing annual costs by approximately \$25,000. And in FY 2022, it would increase costs by approximately \$23,000 since it would not be hired until August 1, 2021.

- **Recreation and Community Services**

- **2.0 Office Specialists (CMEA)**; 1.0 in the Community Center program and 1.0 in Community Center, Gym, Field, and Special Event rentals
- **0.5 Recreation Specialist Reduction in Hours (CMEA)**; shifting from 1.0 FTE to 0.5 FTE in Youth Commission program

While staff reductions are not an easy decision, the need to be increase cost recovery in the Recreation and Community Services Department has been an ongoing discussion. To address the impact the department has on the General Fund, reductions in supplies and services have been greatly reduced. Temporary personnel are only returning in program areas where costs are fully recovered. As such, the only additional place to effect reductions is with full-time personnel. To make a strategic and sound decision on reducing the workforce, the organization chart and responsibilities of each position were analyzed to identify areas where services could stop, be changed, automated, or distributed to other staff. For several years, the department has utilized temporary personnel to assist customers at the front desk, manage phone calls and emails. Both Office Specialist positions, while valuable, present an opportunity for the department to change service delivery models moving forward, automate some processes, and distribute some responsibilities to other staff within the department. Additionally, the reduction of the Recreation Specialist was another opportunity to address potential changes within the department. Determining what programs and services return along with maximizing staff time is an important component when making these decisions. The Youth Commission, while valuable, takes up a large amount of staff time and this reduction includes a narrowing of scope of the Youth Commission's annual Workplan and a reduced offering of enrichment classes which have proved challenging to offer during the pandemic.

Re-Organizations

Per City Council request and since the City Clerk is selected by and reports directly to the Council, staff has separated the **City's Clerk's Office** from the City Manager's Office and shown it as its own department in the Preliminary FY 2022 Proposed Operating Budget. Additionally, per recommendation of the Economic Development Sub-committee and so as to increase focus on revenue generating opportunities, staff has shifted the Economic Development Division from the Community Development Department to the City Manager's Office in the Preliminary FY 2022 Proposed Operating Budget. **Based on majority consensus received at the May 18 Budget Study Session, staff has kept the shift of the Economic Development Division to the City Manager's Office as proposed. However, staff has again added a Workplan item in FY 2022 to evaluate and analyze the services provided by the Economic Development Division and will discuss with the City Council, Executive Team, and other staff members modifications that may be beneficial to the City.**

ECONOMIC UPDATE AND OUTLOOK

As previously stated, US economic growth accelerated in the first quarter of calendar year 2021. According to the advance estimate, real US gross domestic product (GDP) grew at an annualized rate of 6.4% in the first quarter, following 4.3% growth in the fourth quarter of calendar year 2020. Economic growth is expected to accelerate even further in the current quarter to an annualized rate of 8.1%. The consensus forecast for the full calendar year 2021 US gross domestic product growth is 6.3%, following a 3.5% decline in calendar year 2020. It is likely that accommodative monetary policy, robust fiscal spending, and continued progress on vaccinations will provide meaningful tailwinds for the economy in the coming quarters.

Additionally, The Conference Board's Leading Economic Index (LEI) jumped 1.6% month-over-month in April 2021 (stronger than the 1.2% consensus forecast), following a 1.3% increase in March 2021. On a year-over-year basis, the LEI was up 17.0% in April against a severe decline in the index in April last year. The LEI has now fully recovered and surpassed its previous pre-pandemic peak in January 2020. According to the Conference Board, the index suggests that economic growth may accelerate in the near term.

However, rising inflationary pressure, which the Fed has been expecting, is starting to show up in the data. In April 2021, the Consumer Price Index (CPI) increased 0.8% on a month-over-month basis. On a year-over-year basis, the CPI was up 4.2% in April versus up 2.6% in March 2021. Core CPI (which excludes food and energy prices) was up 3.0% year-over-year in April versus up 1.6% in March. Within the core index, prices on nearly all major components increased in April. While year-over-year inflation rates were expected to increase as we cycle the deflationary impact of the pandemic last year, the big month-over-month jump in the April CPI was even higher than the high end of the consensus range. Meanwhile, producer pricing pressure is also heating up, with the Producer Price Index (PPI-FD) up 0.6% month-over-month in April, versus the consensus estimate of 0.3%. Import prices were also higher than expected, up 10.6% year-over-year in April versus the consensus estimate of 10.2% and a 7.0% year-over-year increase in March. And the price of lumber, as has been widely reported, is up nationwide; causing rising construction costs and potential development delays. However, staff believes policymakers remain more concerned about the potential downside risks to the economy and still uncertain outlook for the global pandemic than they are about an overheating economy. As such, staff believes monetary policy will likely remain unchanged through at least year-end. While a rapid

reacceleration in the pace of vaccinations in the US and elsewhere might pull forward the timeline for policy changes, staff believes the Fed is waiting for more clarity on the pandemic as people return to offices and schools and resume more travel and other activity.

On the heels of his \$2.3 trillion infrastructure spending proposal in March 2021 (named the American Jobs Plan), President Biden also unveiled the details of another \$1.8 trillion spending proposal in April 2021 dubbed the American Families Plan. Both plans would be in addition to the roughly \$5.5 trillion in pandemic-related fiscal spending that has already been approved since early 2020. While the American Jobs Plan was largely focused on physical infrastructure, elderly care, and manufacturing, the American Families Plan would include new spending on childcare, education, and paid family leave. To help offset these spending proposals, the White House would raise corporate tax rates, and the top income-tax and capital gains tax rates. The Biden administration continues to push forward with large-scale spending proposals, despite significant progress on the vaccine rollout in the US, and largely better than expected economic data and corporate earnings. While the magnitude of spending could be watered down through negotiations in Congress, staff ultimately believes an infrastructure spending bill is likely to come to fruition later this calendar year.

Despite this positive news, the economy added far fewer jobs than expected in April. US nonfarm payrolls increased by 266,000, versus the Bloomberg consensus forecast of 1,000,000. March payrolls were also revised down by 146,000. On a trailing 3-month and 6-month basis, payrolls increased by an average of 524,000 and 294,000 per month, respectively. Payrolls in the leisure and hospitality sector have been driving the job gains in recent months and were up 331,000 in April. Meanwhile, multiple sectors lost jobs in April, including transportation and warehousing, motor vehicle and parts manufacturing, and retail trade. The unemployment rate ticked higher to 6.1% in April from 6.0% in March, as the participation rate increased to 61.7% from 61.5%. Workers who classified themselves as employed but absent from work in April continued to understate the unemployment rate by about 0.3%. The U-6 underemployment rate, which includes those who are marginally attached to the labor force and employed part time for economic reasons, declined to 10.4% in April from 10.7% in March.

Although the nonfarm payroll numbers were disappointing, there were a few factors in last week's employment report that suggest the demand for labor is strengthening including a 0.7% month-over-month increase in average hourly earnings, an increase in the average work to 35.0 hours from 34.9 hours, and a decline in the number of workers who were working part-time due to economic conditions. However, health concerns, childcare demands, and supplemental unemployment benefits may also be deterring some people from going back to work. Supply chain issues in the auto manufacturing sector were also likely a factor for the decline in manufacturing jobs, which should resolve over time. Overall, the April employment report may be an anomaly and underlying momentum in the labor market remains positive. Nevertheless, the labor market remains a long way from a full recovery.

In California, total nonfarm employment in the state increased by 101,800 jobs over the month of April 2021; following an increase of 132,400 jobs in March 2021³. Additionally, statewide unemployment stayed steady at a rate of 8.3%; unchanged from March 2021 and down from 16.0% in April 2020. In Santa Clara County, the rate decreased to 5.0% in April 2021; down from 5.1% in March 2021, and down from 12.2% in April 2020. And in Campbell, the rate decreased to 4.8% in April 2021; down from 4.9% in March 2021 and down from 11.7% in April 2020.

LONG-RANGE FORECAST

On June 1, 2021, staff provided City Council with the Third Update of the Seven-Year Financial Forecast and projected a General Fund operating surplus of approximately \$1.0 million in FY 2022, but a General Fund operating deficit of \$422,000 in FY 2023; with increasing surpluses in out years. However, again, due to higher than expected ARPA funding for Campbell and several other minor modifications as noted, the result is a larger surplus of \$2.1 million in FY 2022, a smaller deficit of **\$337,000** in FY 2023, and larger surpluses in out years. The Fourth Update of the Seven-Year Financial Forecast is shown and discussed in more detail in a separate section of this book called **“Long-Range Financial Forecast”**. While cost reduction measures that staff is proposing for FY 2022 reduce the estimated General Fund deficit in FY 2023 and will have a positive impact on future fiscal years as well, the City must remain fiscally disciplined since the pandemic has proven to be very unpredictable. However, as noted throughout this transmittal letter, there is also reason for optimism should the economy continue to recover as expected and the pandemic be brought under control through vaccinations.

REVENUE MEASURES

While much of staff's efforts to ensure long-term fiscal sustainability have focused on reducing costs and making the City leaner and more efficient, the City Council may also want to consider additional revenue sources such as, but not limited to, allowance of short-term rentals and collection of TOT from their owners or rental platforms, an increase to TOT rates, a new Sales Tax add on, a new Utility Users Tax (“UUT”), a parcel tax, and/or a modernization of Business License tax rates as strategies to bridge potential future General Fund operating deficits. Voter approval would be required for all measures identified except enforcement of TOT requirements for short-term rentals. However, the City's Municipal Code would first need to be modified to allow short-term rentals to operate within Campbell. Thus, Finance has added the following Workplan item to their proposed list for FY 2022: **“101.535 (Accounting) - Evaluate and discuss with City Council potential new revenue measures (recommended Fall 2021 Study Session or before if any measures under consideration for November 2021 ballot) [Council Priority – Fiscal Stability and Financial Recovery]”**. **By majority consensus, Council agreed with staff's recommended Workplan item at the May 18 Budget Study Session**. Nevertheless, while staff is currently recommending a Fall 2021 Study Session to discuss and evaluate various revenue options, the November 2021 recall election for the Governor could also provide a more immediate opportunity to place a ballot measure should Council wish for staff to do so. Such timing may make polling very difficult or limited at best, but it could provide means to more immediate additional funding sources than waiting until a 2022

³ **California Employment Development Department (EDD)** – “California unemployment rate holds steady at 8.3% in April 2021” (May 21, 2021) - [https://edd.ca.gov/Newsroom/unemployment-april-2021.htm#:~:text=Data%20for%20the%20month%20of%20May%20is%20scheduled%20for%20release,\(EDD\)%20from%20two%20surveys.](https://edd.ca.gov/Newsroom/unemployment-april-2021.htm#:~:text=Data%20for%20the%20month%20of%20May%20is%20scheduled%20for%20release,(EDD)%20from%20two%20surveys.)

ballot.

FEDERAL AND STATE AID

As previously noted, the City is now expected to receive \$9,997,774 total in one-time American Rescue Plan Act (ARPA) funding; with the first payment of \$4,998,887 expected to be received in FY 2021 and the second payment of \$4,998,887 expected to be received in FY 2022. This has been reflected in updates to FY 2021 Year-End Estimates, the Proposed FY 2022 Operating Budget, and the Long-Range Financial Forecast, as appropriate.

In addition, staff has been in discussions with the State about several other potential opportunities to fund one-time capital project costs such as the currently unfunded portion of Furniture, Fixtures, and Equipment (FFE) costs (\$2.9 million) and other needs (\$1.0 million) at the new Police Station building; \$3.9 million total. While staff has been encouraged by these discussions, additional funding is not guaranteed, and staff may not know with certainty the status of additional State funding until late June 2021. However, once known, staff will provide an update to Council and return to Council at a later date in FY 2022 to amend the Budget or CIP.

And lastly, staff continues to explore grant funding for the Heritage Theatre through the U.S. Small Business Association (SBA) Shuttered Venue Operators Grant (SVOG). Staff recently submitted an application for the SVOG and estimates that between \$100,000 and \$392,000 in aid may be received to offset revenue losses at the Heritage Theatre since the start of the COVID-19 pandemic. This potential aid has not yet been factored into FY 2021 Year-End Estimates or the Proposed FY 2022 Operating Budget since it is as of yet uncertain. The City's Historical Museum and Ainsley House likely do not qualify for aid from this program since they are smaller venues that lack permanent seating. Thus, staff is not planning to submit a SVOG application for them at this time. Staff will provide an update to Council on the SVOG and return to Council at a later date in FY 2022 to amend the Budget or CIP, if appropriate.

BUDGET AND FINANCIAL AWARDS

For the 28th consecutive year, the City's FY 2021 budget received national recognition by earning the Government Finance Officers Association (GFOA) "Distinguished Budget Award." To receive the Distinguished Budget Presentation Award, a city must publish a budget document that serves as a policy document, a financial plan, a communications device, and an operations guide. We believe the FY 2022 budget conforms to GFOA program requirements. Additionally, FY 2021 is the 23rd year an award of "Excellence in Budgeting" has been received from the California Society of Municipal Finance Officers (CSMFO). Copies of both awards appear in the "**Reference Materials**" section of this document. It also should be noted that the City's Annual Financial Report has also been an award-winning document for excellence in financial reporting at both the State and national levels for many years.

NEXT STEPS

- June 15: Adoption of Operating Budget, CIP, and Gann Limit

CONCLUSION AND ACKNOWLEDGEMENTS

The development of the Proposed Fiscal Year (FY) 2022 Operating Budget and 2022 - 2026

Five-Year Capital Improvement Plan (CIP) was made possible through the knowledge and contribution of the City's employees, input and support from our community, and direction of the City Council. The City has benefitted from a robust economy in recent years; however, an economic slowdown due to COVID-19 has greatly changed the landscape under which the City operates. Consequently, the City will continue to be responsive to changes on the horizon, either related to COVID-19 or otherwise, and continue to prioritize what is important for the community; allocating available resources to those programs and services deemed to be most important while seeking more efficient processes for getting our work done. Our ability to manage scarce resources is a key reason Campbell remains a vibrant and desirable place to live and work. Nevertheless, we also look forward to brighter days on the horizon and are hopeful through vaccinations, an improving economy, and stimulus packages that the effects of the pandemic will diminish greatly and that a reality closer to normal will once again resume.

I wish to thank everyone who participated in the budget process this year including the City Council and members of the Executive Team. Finally, I would like to recognize the staff within the Finance Department and the City Manager's Office for their dedication and hard work that went into coordinating, developing, and publishing this budget document.

Respectfully submitted,



Brian Loventhal
City Manager

Exhibit A Proposed FY 2022 Workplans

City Manager's Office

- 101.510 (CM Admin) - Provide overall coordination of Measure O police and library design process [**Council Priority - Measure O Implementation**]
- 101.510 (CM Admin) - Coordinate, plan and staff the State of the City event [**Operational Need**]
- 101.510 (CM Admin) - Coordinate tracking of State Legislation (that may impact City) with Legislative Subcommittee [**Council Priority - Comprehensive Long-Term Land Use Planning**]
- 101.510 (CM Admin) - Provide guidance and support for the General Plan revision process [**Council Priority - Comprehensive Long-Term Land Use Planning**]
- 101.510 (CM Admin) – Develop and implement reopening City Hall plan [**Operational Need**]
- 101.510 (CM Admin) – Evaluate the provision of Economic Development services and consider alternatives [**Council Priority - Fiscal Recovery**]
- 101.515 (HR) - Work with Liebert Cassidy Whitmore on the CalPERS hourly exclusion determination [**Operational Need**]
- 101.515 (HR) - Develop plan to fill key leadership positions with a strategic approach [**Operational Need**]
- 101.515 (HR) - Work with Liebert Cassidy Whitmore on successor labor contract negotiations with CPCEA, CMEA, and CARP. Meet and confer with CPOA. [**Council Priority – Fiscal Stability and Operational Need**]
- 101.556 (Economic Development) - Develop a strategy to leverage City efforts and maximize business recovery from the impacts of COVID-19 [**Council Priority – Financial Recovery**]
- 647.547 (IT) - Continue public meeting recording and management [**Operational Need**]
- 647.547 (IT) - Replace public meeting video and recording systems [**Operational Need**]
- 647.547 (IT) - Provide public GIS access to permit and building information [**Operational Need**]
- 647.547 (IT) - PD - Upgrades related to DOJ mandates (NIBRS) [**Operational Need**]
- 647.547 (IT) - PD - Deploy DOJ mandated RIPA Application [**Operational Need**]
- 647.547 (IT) - Provide IT consultation regarding Measure O projects [**Council Priority - Measure O Implementation**]
- 647.547 (IT) - Move all user data to the Cloud (IaaS) [**Operational Need**]
- 647.547 (IT) - Deploy PRA automation for City Clerk's Office [**Operational Need**]
- 448.518 (Measure O) – Plan, coordinate, and complete design options for both Police and Library buildings [**Council Priority - Measure O Implementation**]
- 448.518 (Measure O) - Provide leadership on the appointment of Citizens' Oversight Committee [**Council Priority - Measure O Implementation**]
- 448.518 (Measure O) - Work with Finance Department and consultants on preparing to issue second round of bonds. [**Council Priority - Measure O Implementation**]

City Clerk

- 101.511 (City Clerk) - Review and implement electronic filing system for the Conflict of Interest Form 700, as well as possible implementation for all other campaign filing statement forms **[Operational Need]**
- 101.511 (City Clerk) - Work with consultant to update City Council election districts based on the 2020 Census and consider related governance issues**[Operational Need]**
- 101.511 (City Clerk) - Work with IT to implement automated public records request system **[Operational Need]**
- 101.511 (City Clerk) - Review, coordinate, and implement a revised records retention schedule and procedures with potential software updates to the Laserfiche system **[Operational Need]**

Recreation & Community Services

- 101.524 (Administration) – Modify service delivery model and develop strategies to reduce general fund assistance **[Council Priority – Fiscal Stability and Recovery]**
- 101.524 (Administration) – Assist with survey of Community Center Buildings for Hazardous Materials.

Finance

- 101.535 (Accounting) - In coordination with City staff, the City's Municipal Advisors, and other members of the financing team, prepare to issue the remaining Measure O bonds (estimated issuance July/August 2022) and establish a Bond Oversight Committee (by January 2022) **[Council Priority - Measure O Implementation]**
- 101.535 (Accounting) - Collaborate with the City Council, Executive Team, Public Works, Police Department, and project consultants, to determine Furniture, Fixture, and Equipment (FFE) requirements for the to-be-constructed new Police Station building and develop an adequate funding plan to support their timely acquisition **[Council Priority - Measure O Implementation]**
- 101.535 (Accounting) - Evaluate Business License systems and operations, develop improvements to better serve the business community, and collaborate with the Economic Development Division to improve data usefulness and report capabilities so as to enhance timely understanding of the City's business climate **[Council Priority – Financial Recovery and Operational Need]**
- 101.535 (Accounting) - Review current reserve policies and levels with City Council and develop recommendations for possible modification (recommended Fall 2021 Study Session) **[Council Priority – Fiscal Stability and Financial Recovery]**
- 101.535 (Accounting) - Evaluate long-range financial forecasting methodologies and determine whether improvements could be made **[Council Priority – Fiscal Stability and Financial Recovery]**
- 101.535 (Accounting) - Evaluate and discuss with City Council potential new revenue measures (recommended Fall 2021 Study Session or before if any measures under consideration for November 2021 ballot) **[Council Priority – Fiscal Stability and Financial Recovery]**

- 101.535 (Accounting) – Continue to provide City Council with monthly Fiscal Updates starting no later than September 2021 [**Council Priority – Fiscal Stability**]

Community Development

- 101.550 (Administration) - Continue to refine the on-line application and permit tracking system [**Operational Need**]
- 101.550 (Administration) - Continue to participate in the Plan Bay Area 2050 implementation process [**Council Priority - Comprehensive Long-Term Land Use Planning**]
- 101.551 (Current Planning) - Work with City Attorney to update the City's density bonus and inclusionary ordinances [**Council Priority - Comprehensive Long-Term Land Use Planning**]
- 101.551 (Current Planning) - Work with the City Attorney's office to amend the City's Camping Ordinance to allow activities in all zones with public assembly uses [**Council Priority - Comprehensive Long-Term Land Use Planning**]
- 101.552 (Policy Development) - Continue to work with consultant on General Plan Update [**Council Priority - Comprehensive Long-Term Land Use Planning**]
- 101.552 (Policy Development) - Work with consultant on Housing Element revision [**Council Priority - Comprehensive Long-Term Land Use Planning**]
- 101.552 (Policy Development) - Continue to work with the consultant to establish objective residential development standards [**Council Priority - Comprehensive Long-Term Land Use Planning**]
- 101.552 (Policy Development) - Work to develop ADU ordinance to allow short term rentals [**Council Priority - Comprehensive Long-Term Land Use Planning**]
- 101.552 (policy Development) – Consider an ADU amnesty program for existing ADUs [**Council Priority - Comprehensive Long-Term Land Use Planning**]
- 101.552 (Policy Development) - Work with City Attorney's Office to revise zoning ordinances to comply with State law [**Council Priority - Comprehensive Long-Term Land Use Planning**]
- 223.557 (Housing Assistance) - Work with consultant to evaluate certification compliance and recommend any necessary enforcement action to the City Council [**Operational Need**]
- 223.557 (Housing Assistance) - Evaluate options for administering the City's housing program [**Operational Need**]

Legal Services

- 101.560 (Legal Services) - Assist Community Development with General Plan and Housing Element Update [**Council Priority - Comprehensive Long-Term Land Use Planning**]
- 101.560 (Legal Services) - Assist Community Development with implementation of objective standards for residential developments [**Council Priority - Comprehensive Long-Term Land Use Planning**]
- 101.560 (Legal Services) - Review/Draft Measure O construction contracts [**Council Priority - Measure O Implementation**]
- 101.560 (Legal Services) - Work with Community Development Department to revise zoning ordinances for density bonus and inclusionary housing, and to comply with State law [**Council Priority - Comprehensive Long-Term Land Use Planning**]

- 101.560 (Legal Services) – Assist Community Development Department with amending the City’s Camping Ordinance to allow activities by public assembly uses in all zones **[Council Priority - Comprehensive Long-Term Land Use Planning]**
- 101.560 (Legal Services) – Assist Community Development on consideration of amnesty program for ADUs **[Council Priority - Comprehensive Long-Term Land Use Planning]**
- 101.560 (Legal Services) – Assist Community Development with consideration of legalizing short-term rentals **[Council Priority - Comprehensive Long-Term Land Use Planning]**
- 101.560 (Legal Services) – Work with Council Subcommittee on process for priority scheduling **[Operational Need]**

Public Safety

- 101.601 (Police Admin) – Support and provide feedback regarding the design of new Police Station funded by Measure O bonds **[Council Priority - Measure O Implementation]**
- 101.601 (Police Admin) - Collaborate with the City Council, Executive Team, Public Works Finance Department, project consultants, and key stakeholders to determine Furniture, Fixture, and Equipment (FFE) requirements for the to-be-constructed new Police Station building and develop an adequate funding plan to support their timely acquisition **[Council Priority - Measure O Implementation]**

Public Works

- 101.701 (PW Admin) - Manage and implement Measure O design process and subsequent related work; complete design of Library and Police building projects **[Council Priority - Measure O Implementation]**
- 101.701 (PW Admin) - Represent Campbell in long range regional transportation planning efforts - Envision Silicon Valley and Plan Bay Area 2050 process **[Council Priority - Comprehensive Long-Term Land Use Planning]**
- 101.701 (PW Admin) - Complete revisions to specifications and contract document requirements in coordination with the City Attorney **[Operational Need]**
- 209.715 (Environmental Programs) – Coordinate and support efforts to implement the requirements of SB 1383 **[Operational Need]**
- 101.720 (Transportation Eng.) - Manage, design, and Implement traffic calming improvements **[CIP Support]**
- 101.720 (Transportation Eng.) - Manage, design, and Implement bicycle and pedestrian enhancements and safety improvements **[Council Priority – Open Space]**
- 101.720 (Transportation Eng.) - Review and consider revisions to the City's Traffic Calming Policy **[CIP Support]**
- 101.730 (Engineering) - Implement the Annual Street Maintenance Program **[CIP Support]**
- 101.730 (Engineering) - Complete design and construction of the Campbell Park improvements **[Council Priority – Open Space]**
- 101.730 (Engineering) - Complete construction of the all-inclusive playground at John D. Morgan Park (Budd Ave. side) **[Council Priority – Open Space]**
- 101.730 (Engineering) - Complete the design of the Harriet Avenue Sidewalk project **[CIP Support]**

- 101.730 (Engineering) – Manage, design, and implement approved Capital Improvement Projects **[CIP Support]**
- 101.730 (Engineering) - Update Standard Plans and Specifications for Public Works Construction **[Operational Need]**
- 101.730 (Engineering) – Support, review, and implement small-cell wireless projects **[Operational Need]**
- 101.730 (Engineering) - Review and update City of Campbell Quality Assurance Plan (QAP) in compliance with Federal Highway Administration and Caltrans **[Operational Need]**
- 101.740 (Land Dev./Environmental Progs.) - Assist with the implementation of the reissued Storm Water Municipal Regional Permit (MRP 3.0), including necessary updates to the Green Infrastructure Plan **[Council Priority - Comprehensive Long-Term Land Use Planning]**
- 101.745 (Maint. Admin) - Complete the acquisition and installation of a new Traffic Signal & Lighting Modular Building at the Service Center **[CIP Support]**
- 641.750 (Equip. Maint.) - Complete approved vehicle & equipment purchase and lease acquisitions **[Operational Need]**
- 204.760 (Streets Maint.) - Complete approved Capital Improvement Projects, including the Campbell Park pathway, Community Center Track resurfacing, and street crack sealing projects **[Council Priority – Open Space]**
- 207.770 (Signals & Lighting) - Inspect and accept Streetlight LED conversions completed by the ESCO project **[Council Priority – Fiscal Stability and CIP Support]**
- 207.775 (Parks Maint.) - Implement water conservation strategies including turf area reductions **[Council Priority – Fiscal Stability]**
- 207.775 (Parks Maint.) - Complete scheduled tree trimming services for two Maintenance Zones **[Operational Need]**
- 101.780 (Building Maint.) - Perform a CASP review for citywide ADA compliance **[Operational Need]**
- 101.780 (Building Maint.) - Complete approved special projects for City buildings **[CIP Support]**
- 101.780 (Building Maint.) - Complete and accept all cost saving measures related to the Energy Savings Improvements (ESCO) Project **[Council Priority – Fiscal Stability]**

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAMPBELL
ADOPTING THE CITY'S OPERATING AND CAPITAL BUDGET
FOR FISCAL YEAR 2022**

WHEREAS, there has been submitted to the City Council a proposed budget for the operation of all departments and facilities of the City of Campbell for FY 2022, and there has been submitted to the City Council a proposed budget for the capital expenditures related to City projects, and

WHEREAS, the City Council held meetings to review the proposed operating and capital budget; and the City Council took action to adopt the proposed budget;

NOW, THEREFORE, BE IT RESOLVED, by the City Council that as of July 1, 2021 the amount of \$71,833,189 be fixed as the amount necessary to meet all municipal operating requirements (excluding any further changes resulting from this public hearing and/or any miscellaneous corrections), and that the amount of \$20,876,967 be fixed as the amount necessary to meet the capital requirements of the City and that the same is hereby approved, confirmed and adopted at the combined total of \$92,710,156; and

NOW THEREFORE, BE IT FURTHER RESOLVED that the Finance Director is hereby authorized to make any changes resulting from the public hearing to adopt the FY 2022 operating and capital budget or any miscellaneous corrections due to more refined estimates and incorporate these changes into the final published FY 2022 operating and capital budget document.

PASSED AND ADOPTED this day _____ of _____, 2021, by the following roll call vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

APPROVED:

Elizabeth "Liz" Gibbons, Mayor

ATTEST:

Dusty Christopherson, City Clerk

Attachment: Resolution - FY 2022 Operating and Capital Budget (Adoption of Fiscal Year (FY) 2022 Operating & Capital Budgets)

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAMPBELL
APPROVING THE PROPOSED FISCAL YEARS 2022-2026 5-YEAR CAPITAL
IMPROVEMENT PLAN (CIP) AND FINDING THE CIP TO BE CONSISTENT WITH
THE CAMPBELL GENERAL PLAN PURSUANT TO § 65401 OF THE STATE OF
CALIFORNIA GOVERNMENT CODE AND EXEMPT FROM REVIEW UNDER THE
CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)**

WHEREAS, after due consideration of all evidence presented, the City Council does find as follows with respect to the FY 2022-2026 CIP:

1. The proposed CIP is consistent with the Campbell General Plan, pursuant to §65401 of the State of California Government Code;
2. The proposed CIP is exempt from review under the California Environmental Quality Act (CEQA) in that it is not a “project” as defined by Public Resources Code § 21065 being an administrative activity of the City that will not result in direct or indirect physical changes to the environment pursuant to CEQA Guidelines § 15378.

WHEREAS, based upon the foregoing findings of fact, the City Council further finds and concludes that:

1. The CIP is consistent with the Campbell General Plan; and
2. No substantial evidence has been presented from which a reasonable argument could be made that the CIP projects would have a significant adverse impact on the environment.

NOW, THEREFORE, BE IT RESOLVED that the City Council finds the proposed CIP to be consistent with the Campbell General Plan pursuant to § 65401 of the State of California Government Code and exempt from review under the California Environmental Quality Act (CEQA); and,

BE IT FURTHER RESOLVED that the City Council approves the Fiscal Year 2022-2026 Capital Improvement Plan with projects totaling \$87,117,842; including new capital projects of \$6,379,677, additional appropriations for existing projects of \$21,054,913, previously approved appropriations for existing projects of \$59,683,252, estimated expenditure activity of \$18,973,903 in FY 2022, and \$15,235,558 for projects that require new or additional appropriations in FY 2022.

PASSED AND ADOPTED this day 15th of June, 2021, by the following roll call vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

APPROVED:

ATTEST:

Elizabeth "Liz" Gibbons, Mayor

Dusty Christopherson, City Clerk

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAMPBELL
ESTABLISHING THE APPROPRIATIONS LIMIT FOR FISCAL YEAR 2022
PURSUANT TO ARTICLE XIII B OF THE CALIFORNIA STATE CONSTITUTION**

WHEREAS, Proposition 4 was adopted by the voters of the State of California on November 6, 1979, adding Article XIII B of the California State Constitution.; and

WHEREAS, Proposition 111 was adopted by the voters of the State of California on June 5, 1990, amending Article XIII B of the California State Constitution; and

WHEREAS, pursuant to Section 8 of Article XIII B of the California State Constitution, the City Council determines that the change in the cost of living shall be measured by the percentage change in Per Capita Personal Income as provided by the State of California Department of Finance from the preceding year and the change in population shall be measured by the change in the County of Santa Clara’s population growth; and

WHEREAS, the City Council of the City of Campbell wishes to establish this appropriations limit for the Fiscal Year 2022 pursuant to Article XIII B of the California State Constitution;

NOW, THEREFORE BE IT RESOLVED that the City Council of the City of Campbell hereby finds and determines that the appropriations limit for Fiscal Year 2022 is \$81,053,795.

PASSED AND ADOPTED this day 15th of June, 2021, by the following roll call vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

APPROVED:

Elizabeth "Liz" Gibbons, Mayor

ATTEST:

Dusty Christopherson, City Clerk

Attachment: Resolution - FY 2022 Appropriations Limit (Adoption of Fiscal Year (FY) 2022 Operating & Capital Budgets)

From: [Liz Gibbons](#)
To: [Dusty Christopherson](#); [Brian Loventhal](#)
Subject: Fwd: Military Assault Vehicle
Date: Tuesday, June 8, 2021 2:58:17 PM

Elizabeth "Liz" Gibbons, AIA, LEED AP
 Mayor, City of Campbell
 Past AIA Strategic Counselor, At-Large

Sent from my iPhone

Begin forwarded message:

From: Douglas Gillison
Date: June 8, 2021 at 1:20:23 PM PDT
To: Liz Gibbons <lizg@campbellca.gov>, Paul Resnikoff
 <paulr@campbellca.gov>, Anne Bybee <anneb@campbellca.gov>, "Susan M.
 Landry" <susanl@campbellca.gov>, Sergio Lopez <sergiol@campbellca.gov>
Subject: Military Assault Vehicle

Honorable Mayor and members of the council,

I am a twenty eight year resident of Campbell, CA. I feel lucky to be able to live in a community such as Campbell. Campbell has highly rated schools, many residents own their own homes, we have a very nice, walkable downtown with lots to offer, and our neighborhoods are safe.

I am writing you to express my concern over the plans that the city has to purchase a military style assault vehicle for the Campbell police department. I believe that such a military style assault vehicle is out of step with the type of town that Campbell is. Campbell is a small town and does not have the issues that face large cities like San Jose, Minneapolis etc...

The purchase and maintenance would be very costly and I fear that acquiring such an vehicle would do more harm to Campbell than good.

I urge you to vote no on this acquisition.

Regards,

Douglas R. Gillison

Campbell, CA.

From: [Liz Gibbons](#)
To: [Dusty Christopherson](#)
Subject: Fwd: Campbell PD Purchase of Military Vehicle
Date: Thursday, June 10, 2021 11:41:52 AM

Elizabeth "Liz" Gibbons, AIA, LEED AP
Mayor, City of Campbell
Past AIA Strategic Counselor, At-Large

Sent from my iPhone

Begin forwarded message:

From: Doug Robinson
Date: June 10, 2021 at 9:43:39 AM PDT
To: Liz Gibbons <lizg@campbellca.gov>, Paul Resnikoff <paulr@campbellca.gov>, Anne Bybee <anneb@campbellca.gov>, "Susan M. Landry" <susanl@campbellca.gov>, Sergio Lopez <sergiol@campbellca.gov>
Subject: Campbell PD Purchase of Military Vehicle

Council Members,

I'm a 24 year citizen and voter of Campbell. I am opposed to the proposed purchase of a military style vehicle by Campbell PD. Please deny the request. I will consider your vote when I vote in the future. Please improve our roads.

Doug Robinson

Campbell, CA
95008



*City
Council
Report*

Item: 12
Category: NEW BUSINESS
Meeting Date: June 15, 2021

TITLE: Reclassify Deputy City Manager to Assistant City Manager
 (Resolution/Roll Call Vote)

RECOMMENDED ACTION

That the City Council adopt the Resolution to reclassify the position of Deputy City Manager to Assistant City Manager and modify the associated salary plan.

DISCUSSION

Staff is proposing to reclassify a vacant Deputy City Manager position to an Assistant City Manager position. The proposed Fiscal Year (FY) 2022 Operating Budget incorporates this reclassification.

This new class specification is being established to increase capacity in the City Manager's Office including the ability to take on higher level assignments, enhancing community outreach, public information, emergency management, and to provide for succession planning and possibly guidance to operational areas such as Economic Development. In addition, this position will plan, organize, and direct several major functional/operational areas at the level of a department head or above, provide policy guidance, and coordinate the activities of assigned departments, divisions, and services. This position will provide highly responsible staff assistance to the City Manager, including internal control and coordination of existing City programs, perform analyses of organizational methods, budget, and administration to supervise assigned operations, forging and fostering cooperative working relationships with civic groups, inter-governmental agencies, City staff, City Council and others; and serve as Acting City Manager as assigned.

After conducting a salary survey of comparable cities with the classification of Assistant City Manager, the recommended salary range shown below for this position will be aligned with the Community Development Director at \$177,257.60 - \$231,836.80 annually. If approved, a recruitment for this position will be conducted beginning July 2021; with a target hire date of September 1, 2021. Attachment B is the recommended new job specification.

ASSISTANT CITY MANAGER	Hourly	85.22	-	-	-	111.46
	Bi-Weekly	6,817.60	-	-	-	8,916.80
	Monthly	14,771.47	-	-	-	19,319.73
	Annual	177,257.60	-	-	-	231,836.80

FISCAL IMPACT

The increase in costs related to the new classification of Assistant City Manager is approximately \$50,000 annually. However, In FY 2022, costs would only increase by approximately \$41,000 given the target hire date of September 1, 2021. These costs have been included in the proposed FY 2022 Operating Budget.

Prepared by:



Salina Flores, Acting Human Resources
Manager

Approved by:



Brian Loventhal, City Manager

Attachment:

- a. Resolution
- b. Assistant CM Job Specification 2021

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAMPBELL APPROVING THE RECLASSIFICATION OF THE DEPUTY CITY MANAGER POSITION TO ASSISTANT CITY MANAGER POSITION AND SALARY PLAN

WHEREAS, the City Manager is required by Section 2.12.030 of the Campbell Municipal Code to prepare and submit to the City Council recommendations for the reorganization of offices, departments, and positions which are considered to be in the best interest of efficient, effective and economical conduct of the municipal services provided by the City; and

WHEREAS, Section 2.16.010 of the Campbell Municipal Code requires that salaries and wages of all employees of the City be fixed by ordinance or resolution and;

WHEREAS, a review has been conducted; and

WHEREAS, an amendment to the current Classification and Salary Plan is needed to meet the requirements of Municipal Code Section 2.12.030.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Campbell does hereby approve the recommendations for the reclassification of Deputy City Manager to Assistant City Manager as outlined in the June 15, 2021 Council Report.

PASSED AND ADOPTED this _____ day of June, 2021, by the following roll call vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

APPROVED:

Elizabeth "Liz" Gibbons, Mayor

ATTEST:

Dusty Christopherson, City Clerk

Attachment: Resolution (Reclassification Deputy City Manager to Assistant City Manager)

CITY OF CAMPBELL

ASSISTANT CITY MANAGER

DEFINITION

Under direction of the City Manager, plan, organize and direct several major functional/operational areas at the level of a department head or above a department head level; provides policy guidance and coordinates the activities of assigned departments, divisions and services. This position provides highly responsible staff assistance to the City Manager, including internal control and coordination of the existing City programs; performs analyses of organization methods, budget and administration to supervise assigned operations, forging and fostering cooperative working relationship with civic groups, inter-governmental agencies, City staff, City council and others; and serves as Acting City Manager as assigned.

DISTINGUISHING CHARACTERISTICS

This job classification is to perform responsible and innovative management in support of the City's goals and objectives as a participating member of the City's executive management team. Assistant City Manager exercises considerable independent judgment in planning, implementing, overseeing and reviewing major city projects and the operations of assigned city departments.

TYPICAL DUTIES

Assist and participate in the development and implementation of goals, objectives, policies, and priorities for assigned departments and services and the City as a whole; conduct studies, surveys, and collect information on difficult operational and administrative problems, analyze findings and prepare reports of practical solutions for the review by the City Manager and City Council; manage departmental and interdepartmental teams and plan, direct and reviews the operations of assigned City departments; serve as acting City Manager as assigned; represent the City before the City Council, community, outside agencies, and at professional meetings are required; make presentations to the City Council and other boards and commission; coordinate and participate in the preparation of the annual City operating and capital improvement budgets and in budget control activities; serve as liaison for the city in governmental relations; analyze, interpret and apply policies and procedures; respond to inquiries and requests for information from the City Council, City staff and citizens; coordinate activities of the City Manager's Office with city departments and divisions and with outside agencies; supervise, train, and evaluate staff; conduct legislative analysis to determine the effect of proposed legislation on city operations and finances; coordinate grant-funded programs and direct the City's grant application and administration efforts; write correspondence and prepare reports on a wide variety of technical, professional and legal matters, delivering verbal presentations on such, and review the correspondence and reports of direct reports; build and maintain positive working relationships with co-workers, city management staff and the community; and performs related duties as required.

EMPLOYMENT STANDARDS

Education and Experience: Graduation from college with major emphasis in Public or Business Administration or related field, and five years increasingly responsible administrative or management experience in a municipal or government administration. (Master's degree in Public or Business Administration or related field may be substituted for one year of the required experience.)

Knowledge of: Functions, principles, practices, and techniques of public administration; principles and practices of management and supervision; methods of contract development and administration; research techniques, sources and availability of information, and methods of report presentation; applicable federal, state, and local laws, rules, principles and practices of leadership, motivation, team building, conflict resolution, and budget preparation and administration; methods of grant proposal development and monitoring; and regulations pertaining to local government operations.

Ability to: Analyze a variety of administrative problems, identify alternative solutions, project consequences of proposed actions and make sound policy and procedural recommendations; establish and maintain effective working relationships with city staff, elected officials, officials from other agencies and the general public; provide leadership to large, complex projects and bring them to completion; communicate clearly and concisely, orally and in writing; properly interpret and make decisions in accordance with laws, regulations, and policies; prepare complete and accurate reports; supervise, train and evaluate assigned personnel.

Possession of: Valid California Driver's License.

Established 2021



*City
Council
Report*

Item: 13
Category: NEW BUSINESS
Meeting Date: June 15, 2021

TITLE: Information Technology Administrator Job Specification
 (Resolution/Roll Call Vote)

RECOMMENDED ACTION

That the City Council adopt a Resolution approving the revised job specification for Information Technology Administrator.

DISCUSSION

The job specification for Information Technology Administrator has been revised and updated to address the current job duties and software system changes since its original development in 2007. Staff believes the proposed changes reflect a more accurate description of the job and responsibilities of the position.

Major changes in technology since 2007 include standardization of communication, increased efficiencies through virtualization, and enhanced security and system redundancies. Upgrades have also included server virtualization using VMWare, network redundancy, fault tolerance using software-defined wide area networks, enhanced backups, cloud-based backups, and power redundancies.

On the application side, the city has moved from on-premises email systems to cloud-based technologies. This includes a desktop application suite, enterprise applications, servers, and data connectors.

FISCAL IMPACT

There are no fiscal impacts to the revision of the Information Technology Administrator job specification. There are no salary range changes being proposed.

ALTERNATIVES

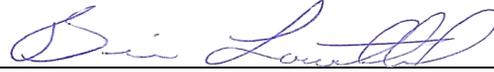
Do not amend the Information Technology Administrator job specification and provide direction to staff for alternative changes.

Prepared by:



Salina Flores, Acting Human Resources
Manager

Approved by:



Brian Loventhal, City Manager

Attachment:

- a. Resolution IT Administrator 2021
- b. Information Technology Administrator Job Specification – redline
- c. Information Technology Administrator Job Specification– Clean Version

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAMPBELL APPROVING THE REVISED JOB SPECIFICATION FOR INFORMATION TECHNOLOGY ADMINISTRATOR

WHEREAS, the City of Campbell intends to revise the job specification of Information Technology Administrator; and

WHEREAS, The City Manager is required by Section 2.12.030 of the Campbell Municipal Code to prepare and submit to the City Council recommendations for the reorganization of offices, departments, and positions which are considered to be in the best interest of efficient, effective and economical conduct of the municipal services provided by the City; and

WHEREAS, an amendment to the current classification is needed to meet the requirements of Municipal Code Section 2.12.030.

NOW, THEREFORE BE IT RESOLVED that the City Council of the City of Campbell does hereby approve the revised job specification of Information Technology Administrator.

PASSED AND ADOPTED this _____ day of _____ 2021, by the following roll call vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

APPROVED:

Elizabeth "Liz" Gibbons, Mayor

ATTEST:

Dusty Christopherson, City Clerk

Attachment: Resolution IT Administrator 2021 (Amendment to the Information Technology Administrator Job Specification)

CITY OF CAMPBELL

INFORMATION TECHNOLOGY ADMINISTRATOR

DEFINITION

Under general direction, provides management and support for all City information systems including: Enterprise software applications such as ERP, Saas, IaaS and PaaS, wired and wireless network infrastructure including the knowledge of router and network switching technology, knowledge of end-point device management such as Microsoft's Active Directory, desktop and end-point device management such as desktop phones, laptop and tablet computers. Knowledge of enterprise security best practices and system administration practices; Data Center production and test operations; Police Department systems and applications; the network infrastructure; and system administration for City-wide applications; and performs related work as required.

TYPICAL DUTIES

Manages and supports Data Center operations involving all servers, databases, workstations, printers and related equipment; manages and supports all Police Department applications, including Computer Aided Dispatch (CAD), Records Management System (RMS), Property Management system, County Law Enforcement Systems, State and Local Law enforcement system, IP based radio systems, and RF based communications system and common frequencies, and banding. Mobile Data Computers and associated systems and equipment, and performs all technical functions related to network infrastructure such as design, security and installation; provides system administrator support in connection with City-wide applications, trains and gives technical assistance to other Information Technology staff and to users; provides recommendations to the IT Manager regarding system needs and improvements; serves on committees; attends training sessions ~~NT and web servers, databases, workstations, printers and related equipment; manages and supports all Police Department systems and applications, including CAD, automated records management, mobile data terminals and associated systems and equipment; performs all technical functions related to the network infrastructure such as design, security and installation; provides system administrator support in connection with City-wide applications; trains and gives technical assistance to other information technology staff and to users; provides recommendations to the Information Technology Manager regarding system needs and improvements; serves on committees; attends training sessions; and performs other related duties as required.~~

EMPLOYMENT STANDARDS

~~Education and Experience: Equivalent to a Bachelor's Degree from an accredited college or university with major course work in computer science, information technology, business administration or a related field; and five years of increasingly responsible experience in information technology design, installation and maintenance. Public sector experience is desired.~~

Equivalent to a Bachelor's Degree from an accredited college or university with major

course work in information technology, business intelligence, data science or closely related field and five years of increasingly responsible experience in information technology design, installation and maintenance.

Additional years of professional experience in related field may be substituted for education on a year for year basis up to two years. Public sector experience is desired.

Knowledge of:

Current version of the Microsoft Server operating system, VMWare and Virtualization, Microsoft Active Directory, Microsoft SQL, DNS, IIS, Network services such as print servers, backup strategies and procedures, network security measures, and all aspects of current desktop and end-point device configurations in enterprise environment; current technology products and offerings; wireless networks, wireless end-point devices, mobile device configuration, and management and security requirements. Current technology and offering for enterprise cloud services and vendors, including Software as a Service (SaaS), Infrastructure as a Service (IaaS), Platform as a service (PaaS), and Unified Communication as a Service (UCaaS). Knowledge of Office365, and services such as SharePoint, Outlook, and OneDrive. Knowledge of Microsoft Azure, Amazon Web Services (AWS), and Google Web Service offerings and integration points. Know of DBMS systems such as Microsoft SQL, Oracle and Structured Query Language (SQL). Microsoft NT, Microsoft Exchange, Microsoft Active Directory and Internet Explorer; SQL and Informix database management; other applicable systems; network-based services including e-mail, printing, back-ups, anti-virus and security; network administration; all aspects of personal computers; the maintenance and repair of electronic and communications systems; and current information technology products and developments.

Ability to:

Effectively maintain and support the City's network infrastructure and other critical systems; acquire a thorough knowledge of department and City policies regarding information systems; identify, and analyze, develop plans and implement approved changes to systems; understand and respond to departmental needs and application requirements; assess personal computer and network administration problems and, as appropriate, take or recommend corrective action; evaluate existing system and software/hardware capabilities relative to user needs; effectively; acquire skills related to special use system used by public safety and other departments within the city, including those used by the Police Department; acquire a thorough knowledge of all City-wide and Police Department systems; acquire a thorough knowledge of department and City policies regarding

~~information systems; identify, analyze, develop plans and implement approved changes to systems; understand and respond to departmental needs and application requirements; assess personal computer and network administration problems and, as appropriate, take or recommend corrective action; evaluate existing system and software/hardware capabilities relative to user needs; Effectively communicate technical information; maintain effective working relationships with those contacted in the course of work; and work extended or irregular hours. On a continuous basis, sit at a desk for long periods of time; intermittently stand, walk, bend squat, climb, kneel, and twist while working on computer equipment; intermittently twist to reach equipment surrounding desk, perform simple grasping and fine manipulation, use telephone and write or use keyboard to communicate; and lift or carry weight of 50 pounds or less.~~

Possession of:

~~A valid California Driver's License. A Microsoft Certified System Engineer certification (MCSE) or equivalent; in Cloud platform and infrastructure, Business Applications, Data Management and Analytics or Mobility may be required within a designated period of time from employment. and a satisfactory driving record. A Microsoft Certified System Engineer certificate (MCSE) is desired and may be required within a designated period of time from employment.~~

Established: June 2007; Rev. [9/176/21](#)

CITY OF CAMPBELL

INFORMATION TECHNOLOGY ADMINISTRATOR

DEFINITION

Under general direction, provides management and support for all City information systems including; Enterprise software applications such as ERP, Saas, IaaS and PaaS, wired and wireless network infrastructure including the knowledge of router and network switching technology, knowledge of end-point device management such as Microsoft's Active Directory, desktop and end-point device management such as desktop phones, laptop and tablet computers. Knowledge of enterprise security best practices and system administration practices; and performs related work as required.

TYPICAL DUTIES

Manages and supports Data Center operations involving all servers, databases, workstations, printers and related equipment; manages and supports all Police Department applications, including Computer Aided Dispatch (CAD), Records Management System (RMS), Property Management system, County Law Enforcement Systems, State and Local Law enforcement system, IP based radio systems, and RF based communications system and common frequencies, and banding. Mobile Data Computers and associated systems and equipment, and performs all technical functions related to network infrastructure such as design, security and installation; provides system administrator support in connection with City-wide applications, trains and gives technical assistance to other Information Technology staff and to users; provides recommendations to the IT Manager regarding system needs and improvements; serves on committees; attends training sessions; and performs other related duties as required.

EMPLOYMENT STANDARDS

Education and Experience: Equivalent to a Bachelor's Degree from an accredited college or university with major course work in information technology, business intelligence, data science or closely related field and five years of increasingly responsible experience in information technology design, installation and maintenance.

Additional years of professional experience in related field may be substituted for education on a year for year basis up to two years. Public sector experience is desired.

Knowledge of: Current version of the Microsoft Server operating system, VMWare and Virtualization, Microsoft Active Directory, Microsoft SQL, DNS, IIS, Network services such as print servers, backup strategies and procedures, network security measures, and all aspects of current desktop and end-point device configurations in enterprise environment; current technology products and offerings; wireless networks, wireless end-point devices, mobile device configuration, and management and security requirements.

Current technology and offering for enterprise cloud services and vendors, including Software as a Service (SaaS), Infrastructure as a Service (IaaS), Platform as a service (PaaS), and Unified Communication as a Service (UCaaS). Knowledge of Office365, and services such as SharePoint, Outlook, and OneDrive. Knowledge of Microsoft Azure, Amazon Web Services (AWS), and Google Web Service offerings and integration points. Know of DBMS systems such as Microsoft SQL, Oracle and Structured Query Language (SQL)

Ability to:

Effectively maintain and support the City's network infrastructure and other critical systems; acquire a thorough knowledge of department and City policies regarding information systems; identify, and analyze, develop plans and implement approved changes to systems; understand and respond to departmental needs and application requirements; assess personal computer and network administration problems and, as appropriate, take or recommend corrective action; evaluate existing system and software/hardware capabilities relative to user needs; and acquire skills related to special use system used by public safety and other departments within the city. Effectively communicate technical information; maintain effective working relationships with those contacted in the course of work; and work extended or irregular hours. On a continuous basis, sit at a desk for long periods of time; intermittently stand, walk, bend squat, climb, kneel, and twist while working on computer equipment; intermittently twist to reach equipment surrounding desk, perform simple grasping and fine manipulation, use telephone and write or use keyboard to communicate; and lift or carry weight of 50 pounds or less.

Possession of:

A valid California Driver's License. A Microsoft Certified System Engineer certification (MCSE) or equivalent; in Cloud platform and infrastructure, Business Applications, Data Management and Analytics or Mobility may be required within a designated period of time from employment.

Established: June 2007; Rev 6/21



*City
Council
Report*

Item: 14
Category: NEW BUSINESS
Meeting Date: June 15, 2021

TITLE: Purchase Five New Police Ford Interceptor Utility Vehicles Via the California E-Procurement Statewide Contract (Resolution/Roll Call Vote)

RECOMMENDED ACTION

That the City Council adopt a Resolution authorizing the Public Works Director to execute a purchase agreement for five new 2021 Ford Police Interceptor Utility Vehicles, including the installation of after market equipment, through Ford Credit Municipal Finance, in annual payments of \$81,713 over a five-year period, not to exceed \$408,565 over the term of the agreement.

BACKGROUND

Each fiscal year, the Public Works Department plans, schedules, and budgets for the replacement of fleet vehicles and equipment that meet the City's policy for replacement. The City's vehicle replacement criteria aligns with the American Public Works Association's recommended replacement criteria; and, in some cases, staff will recommend deferring the replacement of a vehicle if the vehicle is in good condition and replacement parts are readily available.

Upon purchase, all fleet vehicles, including police cars, are placed on maintenance and replacement schedules in order to balance annual fiscal impacts, and provide reliable, safe and effective vehicle operations in support of City services.

The Police Department has a fleet of fourteen marked patrol vehicles that are used to provide 24/7 emergency police services to the City of Campbell. The current replacement criteria for marked police vehicles is five years or 80,000 miles. Historically, the replacement schedule, availability, and reliability of this fleet has been problematic despite attempts to streamline the process. Many factors have played into these issues including delayed replacements due to budgetary constraints, increased incidents of mechanical failures, downtime for repairs as the vehicles are kept past the replacement schedule, and vehicle upfitting delays. All of this has led to a lack of regularly available vehicles, and at times of increased emergency staffing, have left officers without vehicles to respond to calls. It has also placed increased mileage and use on the vehicles that are left available, increasing the wear and tear maintenance issues and costs related to each vehicle.

The City Council has expressed a desire to normalize the vehicle purchasing budget as it relates to the police vehicle fleet in order to have more stability in the year-to-year budget. The COVID-19 pandemic has created additional budgetary constraints that need to be taken into consideration, while still finding ways to maintain a fully functional patrol vehicle fleet.

Ford Credit Municipal Finance offers a leasing program that assists public agencies with the replacement of older, less-effective vehicles in their respective fleets. This program allows municipal agencies to acquire vehicles without having to incur major cash outlays or long-term debt obligations. This lease option allows the City to spread the costs of vehicles over a fixed number of fiscal years and then own the vehicles at the end of the term of the capital lease, which acts more like a traditional automotive loan financing.

The purchasing procedures outlined in the City's Municipal Code (CMC) Section 3.20.050 state that purchases of equipment shall be made according to specified bidding procedures. Additionally, CMC Section 3.20.070 authorizes the City to make purchases of supplies, materials and equipment through the State of California, the County of Santa Clara or any other California county or municipality.

DISCUSSION

The following five marked police vehicles all exceed or are approaching the established replacement criteria. All of these vehicles are past the end of their useful life, are not under warranty, and some have had major mechanical repair work completed.

1. Unit #1349 - a 2013 Chevrolet Caprice – eight years old; 82,600 miles;
2. Unit #1352 – a 2014 Chevrolet Caprice – seven years old; 71,900 miles;
3. Unit #1353 – a 2014 Chevrolet Caprice – seven years old; 68,500 miles;
4. Unit #1354 – a 2014 Chevrolet Caprice – seven years old; 81,300 miles (has been removed from service due to engine failure);
5. Unit #1356 – a 2015 Ford Explorer – six years old; 109,300 miles.

Public Works Fleet Maintenance staff has evaluated the condition of the five requested replacement vehicles and supports the replacement of these units. The Police Department has selected the Ford Interceptor Utility Vehicle equipped with the 3.3 liter direct-injection hybrid engine system with 10-speed automatic transmission as its preferred replacement patrol vehicle. This hybrid model of the Ford Patrol Interceptor will replace the existing fleet over time. This transition to more fuel-efficient vehicles will result in reduced emissions and significant fuel savings, which are further discussed in the fiscal impact portion of this report.

The hybrid model is approximately \$1,000 less expensive than the eco-boost engine model previously specified for marked Police Department vehicles, yet it provides the performance and features required by the Police Department. Additionally, hybrid models will provide fuel efficiency savings as they are rated with a higher miles per gallon (mpg) and require less idling time. The recommended replacement vehicles will cost approximately \$74,000 each, with \$55,000 for base costs and \$19,000 for upfitting costs; for a total cost of approximately \$370,000 for all five vehicles.

The five hybrid vehicles will significantly reduce fuel use and annual operating expenses for the City. In addition, the year-to-year price increases by Ford for the vehicle are usually somewhere between five and ten percent, based on recent purchases. Deferring purchases can ultimately lead to increases in replacement costs.

As will be demonstrated in the fiscal impact section, the interest payments related to financing the fleet are nominal compared to the savings that will be realized in maintenance costs, fuel costs, revenue at time of auction, and the increased potential to reuse equipment from inside the vehicle at its end of life.

The delay in procuring and upfitting new vehicles has also caused the one-year manufacturer's warranty to lapse before the vehicle is placed into service. Recently, staff reevaluated the ordering process and is proposing to fully implement changes that will make the process more efficient. Continuing the City's ongoing relationship with Folsom Ford, but contracting upfitting through their sub-contractor LEHR Automotive, the City does not take possession of the new vehicles until they are fully ready to be placed in service. By ordering vehicles "turnkey," the City does not take ownership of the vehicle until it is delivered fully outfitted. Staff has already found that the "turnkey" purchasing through Folsom Ford and LEHR Automotive has streamlined the process which has resulted in a more expeditious vehicle delivery from the time of purchase.

Staff is recommending Council approve the purchase of the new Ford Interceptors by "piggybacking" on California eProcurement State Contract (Contract ID 1-18-23-14B) to take advantage of savings realized through large state contracts, which are competitively bid. Placing the entire patrol vehicle fleet on a five-year financing plan through Ford Credit Municipal Finance, over time, accomplishes several goals. Payments can be made yearly and would be fixed for the term of the contract. Eventually, financing the entire fleet this way would smooth-out (normalize) year-to-year fleet replacement costs providing the City with more predictable budget expenses.

The vehicles would be placed in service for the term of the loan. At the end of the term the City would own the vehicle outright and staff would propose to send the vehicles to auction at the end of the warranty term. This would reduce costs for ongoing vehicle maintenance. Auctioning the vehicles after the five-year term will also yield higher returns, based on better fleet rotation, and fewer years/miles on the vehicles at time of auction. Currently, vehicles are retained much longer, yielding less return on sale.

FISCAL IMPACT

The acquisition of the Ford Interceptors is funded in the proposed Fiscal Year (FY) 2022 Public Works Operating Budget, in the Vehicle and Equipment Maintenance Program.

The total estimated cost of five Ford Hybrid Police Interceptors fully upfitted is \$354,468.25. Ford Credit Municipal Finance is estimating a financing rate of 4% with an underwriting fee of \$545. The term of the loan is five years with a total amount financed of approximately \$375,000. The annual payments over the life of the loan would be \$81,713. The total amount paid by the City at the end of the loan would be \$408,565. The amount over the original price of the vehicles would be \$33,565 or \$6,713 per year (Attachment B - Ford Credit Municipal Finance Quote).

Over the last two years the City has spent \$86,500 in repairs and maintenance on the five vehicles proposed for replacement. This equals \$8,650 per vehicle per year to keep them running. By contrast, a similar new vehicle is approximately one third the repair cost of these vehicles and would be covered under a five-year warranty leaving the City with basic maintenance costs.

The fuel savings associated with the introduction of the five proposed hybrid vehicles is approximately \$10,000 annually, relative to the five vehicles being replaced. By converting the entire marked patrol fleet to hybrid vehicles, the City would realize approximately \$20,000 in fuel savings annually.

At auction, patrol vehicles currently average \$3,000 in sales. Based on conversations with the auction company, it is estimated that a hybrid Ford Explorer could auction for as much as \$9,000 with an estimated 5 year and 80,000 miles when decommissioned. This results in an additional \$30,000 back to the City at the end of the proposed five-year period.

ALTERNATIVES

1. Direct staff to develop specifications and request the City's own bids for the vehicles. This is not recommended since the City will not receive the benefit of economy of scale as compared to a state contract.
2. Request staff to consider alternative equipment.

Prepared by:



Margarita Mendoza, Administrative Analyst

Reviewed by:



Todd Capurso, Director of Public Works

Approved by:



Brian Loventhal, City Manager

Attachment:

- a. Resolution - Authorizing Purchase of Vehicles
- b. Ford Credit Municipal Finance Quote

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAMPBELL
AUTHORIZING THE PURCHASE OF FIVE NEW FORD INTERCEPTOR UTILITY
VEHICLES BY USING A CALIFORNIA STATE ePROCUREMENT AWARDED
CONTRACT THROUGH FORD MOTOR CREDIT**

WHEREAS, funding for the procurement of five new marked patrol cars is provided in the City's Fiscal Year (FY) 2022 Operating Budget, in the Public Works - Vehicle and Equipment Maintenance program; and

WHEREAS, in accordance with the City's Municipal Code Section 3.20.030(1) if the equipment's estimated fair market value is equal to or greater than \$50,000 City Council approval is required; and

WHEREAS, the Ford Interceptor Utility Vehicle with a 3.3 Liter Direct Injection Hybrid Engine System has been identified as the recommended replacement vehicle for the existing Chevy Caprice Sedan and Ford Explorer; and

WHEREAS, these vehicles will be placed into service by the Campbell Police Department; and

WHEREAS, the Campbell Police Department has identified specific equipment that will be purchased and installed to allow the vehicles to operate effectively and serve the needs of the Campbell community; and

WHEREAS, purchasing and installing this equipment as part of the vehicle purchasing process allows for a more efficient delivery and allows the vehicles to be placed directly into service; and

WHEREAS, staff is requesting authorization to purchase five new Ford Interceptors in an amount not to exceed \$81,713 annually for a total of \$408,565 over five years; and

WHEREAS, staff is requesting authorization to purchase the new vehicles upfitted with after-market equipment, consistent with City specifications and to meet the needs of the Campbell Police Department; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Campbell approves the purchase of five new Ford Interceptor Utility Vehicles using the California State eProcurement Contract and financing the purchase through Ford Motor Credit in an amount not to exceed \$81,713 annually for a total of \$408,565 over five years.

BE IT FURTHER RESOLVED that the City Council hereby authorizes the Public Works Director to execute purchase agreements for procurement of this equipment.

PASSED AND ADOPTED this _____ day of _____ 2021, by the following roll call vote:

AYES: Councilmembers:
NOES: Councilmembers:
ABSENT: Councilmembers:

APPROVED:

Elizabeth "Liz" Gibbons, Mayor

ATTEST:

Dusty Christopherson, City Clerk

Attachment: Resolution - Authorizing Purchase of Vehicles (Purchase and Financing of Five Police Vehicles)



1 American Road, MD 7500
Dearborn, Michigan 48126
1-800-241-4199, press 1

Finance Application for Schedule # 9606100

May 12, 2021

Municipality: City of Campbell
Dealer: Folsom Lake Ford
Attn: Ian White

Thank you for choosing Ford Motor Credit Company for your financing. Below is a review of how we will proceed with the financing of your new vehicle(s).

Description	Unit Price
2021 Ford Police Interceptor Utility w/equipment	\$75,000.00
2021 Ford Police Interceptor Utility w/equipment	\$75,000.00
2021 Ford Police Interceptor Utility w/equipment	\$75,000.00
2021 Ford Police Interceptor Utility w/equipment	\$75,000.00
2021 Ford Police Interceptor Utility w/equipment	\$75,000.00

Total Asset Cost	\$375,000.00
Underwriting Fee	\$545.00
Amount Financed	\$375,545.00
Number of Payments	5
Payment Timing	Annual
Rate	4.40000
Payment Amount	\$81,712.42

In order to begin the approval process, please email the following document to todonne8@ford.com:

- The completed Municipal Finance Application (attached). This one document also needs to be mailed to the address above.
- Proof of Appropriation (we need ONE of the following):
 - Board Meeting Minutes showing approval of vehicle(s) purchase
 - Approval of Budget with the Budget line item highlighted
 - Letter on your letterhead stating the vehicles are approved for purchase
- The most recent Audited Financial Statement
- A copy of your Tax-Exempt Certificate, if applicable.

The rate on this deal will expire on 7/2/2021. If the closing does not occur prior to the expiration date, the rate is subject to change.

Until financing has been approved, this is not a commitment by Ford Motor Credit Company to finance the above. It was prepared assuming the Municipality qualifies for Federal Income Tax Exempt Status for Ford Motor Credit Company, LLC under Section 103 of the IRS Code.

Should you have any questions, please contact me.

Sincerely,

Tom O'Donnell

Tom O'Donnell
Marketing Coordinator
todonne8@ford.com
1-800-241-4199, press 1

Ford Motor Credit Company ("FMCC") is providing the information contained in this document for discussion purposes only in connection with a proposed arm's length commercial leasing transaction between you and FMCC. FMCC is acting for its own interest and has financial and other interests that differ from yours. FMCC is not acting as a municipal advisor or financial advisor to you, and has no fiduciary duty to you. The information provided in this document is not intended to be and should not be construed as "advice" within the meaning of Section 15B of the Securities Exchange Act of 1934 and the municipal advisor rules of the SEC. FMCC is not recommending that you take an action and you should discuss any actions with your own advisors as you deem appropriate.

Attachment: Ford Credit Municipal Finance Quote (Purchase and Financing of Five Police Vehicles)



*City
Council
Report*

Item: 15
Category: NEW BUSINESS
Meeting Date: June 15, 2021

TITLE: Axon Officer Safety Plan (OSP) and Computer Aided Dispatch/Report Management System (CAD/RMS) Contract Authorizations (Resolution/Roll Call Vote)

RECOMMENDED ACTION

That the City Council adopt a Resolution authorizing the City Manager to sign 10-year contracts with Axon for the Officer Safety Plan and a Computer Aided Dispatch/Report Management System (CAD/RMS) implementation, and authorize the City Manager to execute future amendments to these contracts.

BACKGROUND

The research and consolidation of Axon products and contracts was undertaken by staff over the past year based on the direction and strategic goals established by Council and the need to replace Tasers that are currently out of warranty. The execution of the proposed contracts will extend and bundle multiple existing contracts, add new technologies that vastly improve staff efficiency and accuracy while realizing significant cost savings and more budget predictability over the contract term.

Axon is not imposing any penalties for restructuring the existing contracts and entering into a new 10-year contract for all services under the Officer Safety Plan (OSP). The OSP was presented to Council as a Capital Improvement Project (CIP) for the Fiscal Year (FY) 2022 budget

RMS licenses are included in the OSP, which led staff to begin researching Axon's new Computer Aided Dispatch/Report Management System (CAD/RMS) technology as it meets the City's goals of implementing technology that works across all applications. This system is being designed to work with the current technologies the City has already implemented to improve overall efficiencies, and fully leverage the technology the City employs.

The purchasing procedures outlined in the City's Municipal Code Section 3.20.050 state that purchases of equipment shall be made according to specified bidding procedures. However, per Municipal Code Section 3.20.030(7), the bidding procedures may be dispensed with when the supplies, services or equipment can only be obtained from one vendor, in which case the City may negotiate directly with that vendor. In the case of Axon they are the only company that manufactures Tasers and

are the only company that has integrated Tasers, body worn cameras and the rest of their technological platform with a CAD/ RMS system. Also, as a majority of this contract is extending or renegotiating existing contracts for support of equipment the City has already purchased, section 3.20.030(7) would apply.

DISCUSSION

The proposed Axon OSP contract combines several of the City's current Axon contracts into a single 10-year contract while adding additional functionality and efficiencies. There are no penalties for ending previous contracts early and bundling them all into one contract. The proposed single contract involves the ongoing replacement of equipment and cloud and data support for the City's existing Axon equipment. There are no other vendors capable of meeting the requirements of this project.

The Campbell Police Department currently has three existing Axon contracts (body-worn cameras, in-car cameras, holding cell cameras, plus tasers that are out of contract and need to be renegotiated). The Police Department's current tasers are out of warranty and at the end of their useful life. Staff has had to order parts to maintain their functionality, and Axon will no longer support the product.

Going into a contract for a taser-only replacement outside of this combined plan would cost approximately \$60,000 to \$70,000 per year over a five-year contract, which would then need to be renewed after five years at an even higher cost.

The total amount previously budgeted for all Axon products was \$90,500. The entire \$90,500 was removed from the annual operating budget in FY 2022 and all ongoing annual payments for the Axon OSP will be made through the CIP.

During discussions with Axon, and based on the City's stated goals, Axon has offered to include the Campbell Police Department in their initial rollout of CAD/RMS. This product is currently live with beta test agencies and is being assessed by other agencies throughout the country. Based on the City's current use of Axon technology, and the anticipated adoption of the OSP, Axon is interested in working with the City on a CAD/RMS implementation over the next two years.

After several strategic discussions with Axon to fully understand the City's use of existing CAD/RMS systems, and ensuring compatibility, Axon came to the Police Department in May 2021 and conducted a CAD/RMS demonstration with staff from all three divisions of the department. After seeing the product, understanding Axon's roadmap, talking with agencies currently using the products, and thoroughly understanding the needs of the department as it relates to this technology, staff is confident this solution will be an improvement in technology and realize efficiencies moving forward.

As early adopters, the City would have greater influence in the product as it advances and will receive discounted pricing. Based on the quotes received, going into the contract now and making this change over the next two years will realize additional cost savings and remove the need for an anticipated CAD/RMS replacement in FY 2028.

The annual costs for this project over the 10-years is less than what the City is currently paying in annual maintenance costs to Central Square (TriTech). The Axon quoted costs include data conversion, training, and implementation with no additional costs associated with making this change. Any future state or federal mandates that traditionally required additional programming and payments to Central Square (TriTech) would be included as a part of the Axon services.

Two informational memoranda were distributed to council during the FY22 budget process regarding both the Axon OSP and CAD/ RMS projects. These are attached as Exhibit A and B.

FISCAL IMPACT

The total cost of the Axon OSP over the 10-year contract is \$1,686,202 and this is included within the Proposed 2022 – 2026 CIP. (Exhibit C – Axon Quote)

The total cost of the CAD/RMS licensing contract over the 10-year term is \$667,061 which is not anticipated to begin until FY 2024. In comparison, continuing with Central Square (TriTech) and factoring in a new CAD/RMS implementation in FY 2028, the cost for CAD/RMS over the same 10-year period is estimated at \$1,848,475. The City does not currently have a contract with Central Square (TriTech) and there would be no penalty for discontinuing their services. (Exhibit D – Axon Quote for CAD/RMS licensing)

Contractual language for both the Axon OSP and the CAD/RMS are contained in the attached Master Services Agreement and Statement of Work. (Exhibits E and F respectively)

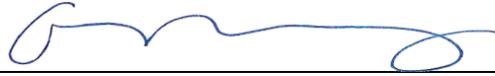
If the CAD/RMS and OSP contracts are both executed, staff anticipates an estimated savings in excess of \$3,000,000 over the 10-year contract period.

Prepared by:



Ian White, Police Captain

Reviewed by:



Gary Berg, Police Chief

Approved by:



Brian Loventhal, City Manager

Attachment:

- a. Resolution
- b. Axon OSP Informational Memo 1
- c. Axon OSP Informational Memo 2
- d. Axon Quote
- e. Axon Quote for CAD/RMS
- f. Axon Master Services Agreement
- g. Axon Statement of Work

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE THE CONTRACTS WITH AXON FOR THE OFFICER SAFETY PLAN AND CAD/RMS SERVICES AND EQUIPMENT, AND AUTHORIZE THE CITY MANAGER TO EXECUTE FUTURE AMENDMENTS.

WHEREAS, the Campbell Police Department currently contracts services through Axon for body worn cameras, in-car cameras, interview room recording, and cloud data storage through separate contractual agreements; and

WHEREAS, the Campbell Police Department’s Tasers are currently out of warranty and in need of replacement; and

WHEREAS, entering into a ten-year contract with Axon for the Officer Safety Plan will combine all existing contracts, provide for new Tasers and updated training equipment, while adding technology that will maximize staff time and efficiency; and

WHEREAS, the addition of Axon CAD and RMS provides the Campbell Police Department with a platform that connects cloud, mobile and wearable technologies for a true end-to-end solution; and

WHEREAS, a cloud-based CAD and RMS product will continue to advance throughout the length of the contract, keeping the police department on the forefront of law enforcement technology; and

WHEREAS, the restructuring and combining of Axon contracts and the addition of CAD/ RMS over the ten year term results in a significant financial savings for the City of Campbell and provides for year-to-year budget stability; and

WHEREAS, Axon is the only vendor capable of providing the equipment and services required by the City and the purchase of equipment and services is being made pursuant to Campbell Municipal Code 3.20.030 (7).

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Campbell that the City Manager is hereby authorized to execute 10-year contracts with Axon for the Officer Safety Plan and CAD/RMS, and authorize the City Manager to execute future amendments.

APPROVED:

Elizabeth “Liz” Gibbons, Mayor

ATTEST:

Dusty Christopherson, City Clerk

Attachment: Resolution [Revision 1] (Axon OSP CAD/RMS Contract Authorization)

MEMORANDUM

City of Campbell
Police Department

To: Honorable Mayor and City Council

Date: April 16, 2021

From: Ian White, Police Captain

Via: Brian Loventhal, City Manager
 Gary Berg, Chief of Police

Subject: Axon Officer Safety Plan

The purpose of this memorandum is to provide information related to the Axon Officer Safety Plan (OSP) CIP request. This multi-faceted project combines several of our current Axon contracts into a single ten-year contract while adding additional functionality and efficiencies. This proposed contract involves the ongoing replacement of equipment and cloud and data support for our existing Axon equipment. There are no other vendors capable of meeting the requirements of this project.

Included in the current Axon OSP CIP request is the following:

- Taser replacement: Our current tasers are out of warranty and at the end of their useful life. We have had to order parts to maintain their functionality, and Axon will no longer support the product. Going into a contract for a taser-only replacement outside of this plan would cost approximately \$60,000 to \$70,000 per year over a five-year contract. The contract would then need to be renewed after five years at an even higher cost.
 - Plan includes replacement of current tasers.
 - Technology will be connected to Axon Evidence.com cloud and automatically update, which was previously done by staff members collecting all tasers and manually updating them quarterly.
 - Taser cartridge replacement is included in the contract. Cartridges expire and previously had to be tracked by staff and replacement cartridges ordered. Using OSP, these would be tracked by Axon through Evidence.com with automatic replacement.
 - Improved accuracy and effectiveness of the technology lead to safer deployments and less risk of having to escalate force based on a taser failure.
 - Improved train the trainer course for the Police Department's training staff.
 - New virtual reality training technology places officers in realistic scenarios, including from the civilian's perspective, is provided through the OSP.

Attachment: Axon OSP Informational Memo 1 (Axon OSP CAD/RMS Contract Authorization)

- Body-worn camera and Evidence.com contract extension.
 - Current contract is set to expire in FY 2022. Savings are realized by bundling these with other products and extending the length of the contract.
 - Currently, the budget is \$54,000 per year for only body-worn cameras.
 - OSP provides licenses to all officers in the field that will allow them to provide victims of crimes with a link to automatically upload surveillance and photo evidence to Evidence.com. This addition will streamline the evidence chain of custody and prevent officers from providing flash drives or other digital evidence storage.
 - OSP includes improved editing functionality to save staff time when preparing videos for public release. As state laws change, we anticipate the need to quickly edit personal information and identities of victims from videos to comply with release timelines. This could cause significant staff time implications without the improved editing abilities.
 - OSP transcription of videos will improve report writing times and accuracy.
 - OSP transcription word searching functionality will assist officers in locating specific points in what is sometimes multiple hours of video evidence. It will also assist supervisors and the District Attorney's Office when reviewing arrests and use of force incidents.
 - OSP officer location and remote camera viewing functionality for supervisors and dispatchers. Supervisors and or dispatchers would be able to geolocate officers by the location of their body camera, vastly improving safety if the officer were to become non-responsive on the radio and away from their vehicle.
 - OSP provides camera activation sensors if the officers' firearm is removed from the holster.
 - Dispatchers and supervisors will receive an alert if the officers' taser or firearm are drawn on a call and can access a live view of the officer's body-worn camera.
 - Includes Evidence.com RMS licenses as a part of the OSP. Significant savings year to year, advanced efficiencies and functionality places all evidence and report writing in one atmosphere.
- Axon Fleet and Evidence.com contract extension.
 - Police Department currently budgets \$24,000 per year.
 - Extends current contract set to expire in FY 2024 with built-in equipment replacement and maintenance schedule.
 - Includes front-facing cameras and rear seat recording functionality.
- Axon Interview room recording system and Evidence.com contract.
 - Police Department currently budgets \$9,500 per year.
 - Currently covers the department's three interview rooms.

When exploring this contract with Axon, they understood the current fiscal impacts of the COVID-19 pandemic on municipalities. They were able to offer us last year's pricing for OSP and structured the contract in a way that the FY 2022 payment of \$83,861.78 would be lower than the anticipated costs of our current Axon budget. Below is the quoted ten-year price breakdown for Axon OSP.

Payment	Amount (USD)
Year 1	55,789.12
Year 1 - Fleet	23,676.66
Year 1 - Interview Room	4,396.00
Spares	0.00
Year 2	178,031.41
Year 3	178,031.41
Year 4	178,031.41
Year 5	178,031.41
Year 6	177,742.81
Year 7	177,742.81
Year 8	177,742.81
Year 9	177,742.81
Year 10	177,742.81
Grand Total	1,684,126.49

Axon anticipates cost increases at around 4% per year for services not included in an ongoing contract. If we choose to enter into a new contract for the tasers alone, we will have to renegotiate the existing three contracts (body-worn cameras, in-car cameras, interview room cameras) over the next few years with cost increases and without the improved technologies.

While we have been at the forefront of incorporating new technology as an agency, this has come with lessons learned. One major takeaway is that new technologies can lead to inefficiencies if they are not compatible or well supported. As we gained insight into these inefficiencies, we began to adopt Axon products since they are very user friendly, well supported, work together seamlessly, and automate many of the functions that lead to officer time spent managing the digital evidence and preparing it for court discovery.

As we work to create more efficient and accurate records and streamline processes to get officers back in the field, Axon has become the clear leader in creating a complete technology environment for law enforcement that works in concert to improve officer safety and performance both in the field and in the courtroom.

Axon has worked to create a complete records management system that streamlines computer automated dispatch, report writing, records, discovery, filing with the District Attorney's office, and evidence management in a cloud environment. As part of the Axon Officer Safety Plan, the yearly records management licensing fees are included in this service level package regardless of whether an agency uses their RMS.

Axon's RMS and CAD programs are in their initial beta deployment at several larger agencies. We would be amongst the first agencies of our size to deploy these products with the understanding that we would have increased input into the product development as updated versions roll out over time. Once Axon can fully deliver this product to the open market, the implementation costs and yearly contract rates will increase.

Our current yearly maintenance costs for RMS are approximately \$18,736. These costs go up 5% every year. Central Square requires us to purchase new modules when we need increased functionality. For example, we did not purchase the citation module when we first implemented the product so all that data entry must be done by hand. As was recently presented to Council, the FBI has required all agencies to start reporting crime statistics on a National Incident-Based Reporting System. To become compliant, we were required to purchase a new module at the cost of \$52,152 plus ongoing maintenance fees.

Projected costs for RMS if we continue with Central Square over the next ten years are charted below.

RMS										
FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/00	
21,736.00	22,822.80	23,963.94	25,162.14	26,420.24	27,741.26	29,128.32	283,916.00	24,900.00	24,900.00	510,690.70

The Axon RMS includes these upgrades and mandatory modules at no additional cost to the agency.

Our current yearly maintenance costs for CAD with Central square are \$60,860.72, with anticipated increases similar to RMS over a ten-year period. The projected CAD costs and replacements are charted below:

CAD										
FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/00	
60,860.72	63903.76	67098.94	70453.89	73976.59	77675.41	81559.19	487,061.00	44,122.00	44,122.00	1,070,833.50

These projections include an anticipated CAD/RMS replacement in FY 2028 based on the end of life of our current software. This also does not include any new mandated reporting that would require the purchase of additional modules.

There would be additional yearly costs related to the CAD licenses through Axon, and for the initial data conversion for RMS. However, even when these costs are factored into the 10-year contract, there is significant costs savings attained by utilizing Axon.

The combination of RMS through OSP and Axon CAD compared to our current Central Square CAD and RMS costs would lead to year-to-year cost savings in excess of \$60,000/year. This would also eliminate the need for a CAD/RMS replacement in FY 2028, with a projected cost of \$770,997. All RMS/CAD maintenance, mandated reporting buildouts, and other functionality would be included in the Axon licensing cost.

Central Square has struggled to deliver on many of the RMS builds we have engaged them in. One of the implementation hurdles with Central Square has been the lack of robust IT support at the Police Department that is required to maintain and operate this type of system. We are several versions behind on CAD updates and in a similar position with RMS due to a lack of sufficient IT support.

The cloud functionality of Axon and automated updates relieves a lot of the onsite IT support requirement. If there is an internet interruption, the software will catalog and run locally, automatically backing up once internet connection resumes. This removes the need for any onsite servers related to CAD of RMS functionality, which results in additional hardware cost savings.

We believe that by utilizing the Axon OSP, the Police Department will be able to increase officer safety, increase staff time for other projects, decrease city liability, and expand our technological abilities while gaining significant costs saving over the 10-year contract. Axon estimates that by bundling the products, there will be a savings of \$2,400,000 over the ten-year contract (including additional functionality) with an additional \$60,000+ savings each year for the CAD/RMS integration. Between the bundling and CAD/RMS integration, we are estimating a savings of \$300,000+ per year.

MEMORANDUM
City of Campbell
Police Department
To: Honorable Mayor and City Council

Date: April 30, 2021

From: Ian White, Police Captain

Via: Brian Loventhal, City Manager
 Gary Berg, Chief of Police

Subject: Axon Officer Safety Plan

The purpose of this memorandum is to address questions from Council that were discussed at the April 20, 2021 Study Session and provide additional information about Axon and the Officer Safety Plan (OSP).

The consolidation of Axon contracts was undertaken by staff based on the direction and strategic goals established by Council. If approved, the project will extend and bundle multiple existing contracts, add new technologies that vastly improve staff efficiency and accuracy while realizing significant cost savings, and more budget predictability over the contract term. Axon is not imposing any penalties for restructuring the existing contracts and entering a new ten-year contract for all these services.

Campbell PD currently has three existing Axon contracts (plus one that needs to be renegotiated now). The total amount currently budgeted is \$92,500 with estimated 4% increases each year. If the 10-year contract is approved, the \$92,500 will be removed from the annual operating budget and all annual payments will be made through CIP.

Tasers are no longer within warranty and will need to be replaced in FY 2022. A new standalone 5-year taser contract is estimated to cost between \$60,000.00 and \$70,000.00 per year. This would not add any of the other to new technology that is included in the OSP.

Council can choose to direct staff to continue to negotiate each of these contracts separately moving forward as we have been. Costs for each will increase year to year which will result in less budget stability and none of the additional technology that is included in the OSP. If Council chooses this option, the budget requirements are as follows:

Fiscal Year	Status Quo Axon Contracts & CAD/RMS	Axon OSP Contract
FY 2022	\$180,000 (including RMS)	\$83,861
FY 2023	\$186,000 (including RMS)	\$178,031
FY 2024	\$256,000 (including CAD & RMS)	\$178,031
FY 2025	\$268,000 (including CAD & RMS)	\$178,031

Attachment: Axon OSP Informational Memo 2 (Axon OSP CAD/RMS Contract Authorization)

Projected out over the 10-year contract, there is an estimated savings in excess of \$3,000,000 which includes CAD/RMS integration.

The current Axon contracts and expiration dates are:

	Annual Budget	Contract Expires
Body-worn cameras	\$58,500	FY 2022
In-car cameras	\$24,000	FY 2024
Holding cell cameras	\$9,500	FY 2024
Taser	\$5,000 for repairs	Out of Contract
Total	\$92,500	

Agencies in Santa Clara County that use Axon equipment:

- San Jose PD, Santa Clara County Sheriff's Office, Sunnyvale DPS, Los Gatos PD, Milpitas PD, Mountain View PD, Santa Clara PD, Morgan Hill PD, San Jose State University PD, Los Altos PD, and Campbell PD all use Axon for their body-worn cameras and other digital evidence solutions.
- Gilroy PD and Palo Alto PD use Watch Guard for body-worn cameras. Watch Guard is a Motorola company and provides only body-worn and in-car camera solutions. These would not work with our current Axon digital evidence solution Evidence.com. These agencies still use Axon for their Tasers. One of these agencies is currently exploring moving to Axon for their body-worn camera solution after using Watch Guard.
- California Highway Patrol has not fully deployed body-worn cameras, but they are currently testing Axon systems.
- Axon is the standard in Santa Clara County and has a streamlined discovery to the DA's office through their use of Evidence.com.

Background on Axon:

- Every Axon product, from conducted energy weapons (tasers) to body-worn cameras and the digital evidence management system Axon Evidence (Evidence.com), integrates seamlessly with one another, complementing the systems and processes law enforcement already use. That connectedness does not stop at the company's products. With the features built into Axon's solutions, law enforcement can connect with partners, from county officials to neighboring agencies to prosecutors working a case. Axon believes that better and more

accessible information can help agencies save valuable time and resources, and most importantly, reduce crime.

- The Axon network includes more than 397,800 licensed users domestically plus thousands worldwide. Law enforcement agencies that use Axon Evidence have collectively uploaded more than 60 petabytes of data. Forty-eight members of the Major City Chiefs Association, representing the largest cities in the US and Canada, have deployed the Axon cameras and evidence management solutions. The largest purchase of body cameras globally is 22,000 Axon Body 2 cameras by the London Metropolitan Police Service in London, UK, and the largest purchase in the U.S. is the Los Angeles Police Department with 7,545 Axon cameras.
- Axon's growing platform connects cloud, mobile, and wearable technologies to give law enforcement agencies a true end-to-end solution. Products on the platform include wearable and in-car camera technologies, tasers, Signal technology, Records Management Systems, AI capabilities, and the digital evidence management system Axon Evidence.

Benefits of being connected to the Axon network include:

- A reduction in the number of false complaints/allegations
- Decreased use of force and increased quality of evidence gathered.
- Enhanced public trust creates safer communities at a lower cost.
- Decreased litigation and increased cost savings
- Expedited pleas and associated cost savings
- Technology infrastructure savings
- Allows agencies to securely store and track any digital evidence, including videos, photos, reports, and download logs from tasers
- Turns geospatial multi-media evidence, such as GPS tagged video, into visual dashboards with tactical maps and full click-through to underlying video data.
- CAD/ RMS Integration
 - The addition of CAD and RMS in the Axon product environment sets them entirely apart from any other Law Enforcement vendor.



AXON

Campbell Police Dept. - CA

AXON SALES REPRESENTATIVE
Mike Schmidt
(480) 502-6277
mschmidt@axon.com

ISSUE
5/11/2022

Q-298374-44328.695MS

Issued: 05/11/2021

Quote Expiration: 06/30/2021

Account Number: 112742

Payment Terms: Net 30
Delivery Method: Fedex - Ground**SALES REPRESENTATIVE**

Mike Schmidt

Phone: (480) 502-6279

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PRIMARY CONTACT

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70 N. First Street
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BILL TO

Campbell Police Dept. - CA
70 N. First Street
Campbell, CA 95008
US

Year 1

Item	Description	Term (Months)	Quantity	List Unit Price	Net Unit Price	Total (USD)
Axon Plans & Packages						
20248	TASER 7 EVIDENCE.COM ACCESS LICENSE	120	1	0.00	0.00	0.00
20242	TASER CERTIFICATION PROGRAM YEAR 6-10 ACCESS	120	50	0.00	0.00	0.00
73746	PROFESSIONAL EVIDENCE.COM LICENSE	120	50	0.00	0.00	0.00
73686	EVIDENCE.COM UNLIMITED AXON DEVICE STORAGE	120	50	0.00	0.00	0.00
73683	10 GB EVIDENCE.COM A-LA-CART STORAGE	120	1,500	0.00	0.00	0.00
73680	RESPOND DEVICE PLUS LICENSE	120	50	0.00	0.00	0.00
73681	AXON RECORDS FULL	120	50	0.00	0.00	0.00
73739	PERFORMANCE LICENSE	120	50	0.00	0.00	0.00
20248	TASER 7 EVIDENCE.COM ACCESS LICENSE	120	50	0.00	0.00	0.00
20246	TASER 7 DUTY CARTRIDGE REPLACEMENT ACCESS LICENSE	120	50	0.00	0.00	0.00
85760	AUTO-TRANSCRIBE UNLIMITED ACCESS SERVICE (LE ONLY)	120	50	0.00	0.00	0.00
73618	CITIZEN FOR COMMUNITIES USER ACCESS LICENSE	120	50	0.00	0.00	0.00
73478	REDACTION ASSISTANT USER ACCESS LICENSE	120	50	0.00	0.00	0.00
11642	THIRD-PARTY VIDEO SUPPORT LICENSE	120	50	0.00	0.00	0.00
73687	EVIDENCE.COM VIEWER LICENSE	120	1	0.00	0.00	0.00
73682	AUTO TAGGING LICENSE	120	50	0.00	0.00	0.00

Attachment: Axon Quote (Axon OSP CAD/RMS Contract Authorization)

Year 1 (Continued)

Item	Description	Term (Months)	Quantity	List Unit Price	Net Unit Price	Total (USD)
Hardware						
20160	TASER 7 HOLSTER - SAFARILAND, RH+CART CARRIER		60	0.00	0.00	0.00
75015	SIGNAL SIDEARM KIT		50	0.00	0.00	0.00
20050	HOOK-AND-LOOP TRAINING (HALT) SUIT		1	0.00	0.00	0.00
20008	TASER 7 HANDLE, YLW, HIGH VISIBILITY (GREEN LASER), CLASS 3R		50	0.00	0.00	0.00
20034	TASER 7 10 YEAR HANDLE WARRANTY		50	0.00	0.00	0.00
22175	TASER 7 LIVE CARTRIDGE, STANDOFF (3.5-DEGREE) NS		150	0.00	0.00	0.00
22176	TASER 7 LIVE CARTRIDGE, CLOSE QUARTERS (12-DEGREE) NS		150	0.00	0.00	0.00
71044	BATTERY, SIGNAL SIDEARM, CR2430 SINGLE PACK		100	0.00	0.00	0.00
22179	TASER 7 INERT CARTRIDGE, STANDOFF (3.5-DEGREE) NS		30	0.00	0.00	0.00
22181	TASER 7 INERT CARTRIDGE, CLOSE QUARTERS (12-DEGREE) NS		30	0.00	0.00	0.00
22175	TASER 7 LIVE CARTRIDGE, STANDOFF (3.5-DEGREE) NS		100	0.00	0.00	0.00
22176	TASER 7 LIVE CARTRIDGE, CLOSE QUARTERS (12-DEGREE) NS		100	0.00	0.00	0.00
22177	TASER 7 HOOK-AND-LOOP TRN (HALT) CARTRIDGE, STANDOFF NS		100	0.00	0.00	0.00
22178	TASER 7 HOOK-AND-LOOP TRN (HALT) CARTRIDGE, CLOSE QUART NS		100	0.00	0.00	0.00
20018	TASER 7 BATTERY PACK, TACTICAL		72	0.00	0.00	0.00
20035	TASER 7 10 YEAR BATTERY WARRANTY		72	0.00	0.00	0.00
20036	TASER 7 10 YEAR DOCK WARRANTY		1	0.00	0.00	0.00
70033	WALL MOUNT BRACKET, ASSY, EVIDENCE.COM DOCK		1	0.00	0.00	0.00
74200	TASER 7 6-BAY DOCK AND CORE		1	0.00	0.00	0.00
80090	TARGET FRAME, PROFESSIONAL, 27.5 IN. X 75 IN., TASER 7		2	0.00	0.00	0.00
Other						
73943	OFFICER SAFETY PLAN 7+ PREMIUM 10 YR BUNDLE HEADER	120	50	0.00	0.00	0.00
73995	OFFICER SAFETY PLAN 7 + PREMIUM 10Y PAYMENT Y1-5	12	50	2,868.00	1,599.14	79,957.00

Attachment: Axon Quote (Axon OSP CAD/RMS Contract Authorization)

Year 1 (Continued)

Item	Description	Term (Months)	Quantity	List Unit Price	Net Unit Price	Total (USD)
Other (Continued)						
	Not Eligible/Customer Declined Channel Services		50	0.00	0.00	0.00
20271	AXON VR CONTROLLER KIT		1	2,500.00	2,500.00	2,500.00
20120	TASER 7 INSTRUCTOR COURSE VOUCHER		1	0.00	0.00	0.00
20119	TASER 7 MASTER INSTRUCTOR SCHOOL VOUCHER		1	0.00	0.00	0.00
80087	TASER 7 TARGET, CONDUCTIVE, PROFESSIONAL (RUGGEDIZED)		2	0.00	0.00	0.00
73265	TRANSFERRED AB3 CAMERA TAP WARRANTY	60	50	0.00	0.00	0.00
Services						
79999	AUTO TAGGING / PERFORMANCE IMPLEMENTATION SERVICE		1	0.00	0.00	0.00
85144	AXON STARTER		1	2,750.00	0.00	0.00
85147	CEW STARTER		1	2,750.00	0.00	0.00
20379	VR 1-DAY SERVICE		1	2,000.00	0.00	0.00
20382	FULL VR TRAINING ENTERPRISE (21 - 50) LICENSE	60	1	0.00	0.00	0.00
					Subtotal	82,457.00
					Estimated Shipping	0.00
					Estimated Tax	7,627.22
					Total	90,084.22

Year 1 - Fleet

Item	Description	Term (Months)	Quantity	List Unit Price	Net Unit Price	Total (USD)
Axon Plans & Packages						
80410	FLEET, EVIDENCE LICENSE, 1 CAMERA STORAGE, ACCESS	120	28	0.00	0.00	0.00
80400	FLEET, VEHICLE LICENSE, ACCESS	120	14	0.00	0.00	0.00
80401	FLEET 3, ALPR LICENSE, 1 CAMERA, ACCESS	120	14	0.00	0.00	0.00
Other						
80472	FLEET 3 RENEWAL WITH TAP	120	14	0.00	0.00	0.00

Attachment: Axon Quote (Axon OSP CAD/RMS Contract Authorization)

Year 1 - Fleet (Continued)

Item	Description	Term (Months)	Quantity	List Unit Price	Net Unit Price	Total (USD)
Other (Continued)						
80425	TAP, FLEET 3, 2 CAMERA KIT, 1 REFRESH ACCESS		14	0.00	0.00	0.00
80475	FLEET 3 RENEWAL WITH TAP PAYMENT	12	14	1,308.00	0.00	0.00
73392	FLEET 3 UPGRADE INSTALLATION (PER VEHICLE)		14	0.00	0.00	0.00
80441	FLEET 3, ALPR LICENSE, 1 CAMERA, PAYMENT	12	14	588.00	0.00	0.00
					Subtotal	0.00
					Estimated Tax	0.00
					Total	0.00

Year 1 - Interview Room

Item	Description	Term (Months)	Quantity	List Unit Price	Net Unit Price	Total (USD)
Axon Plans & Packages						
50055	INTERVIEW ROOM UNLIMITED EVIDENCE.COM LICENSE YEAR 1 PAYMENT	12	2	1,188.00	0.00	0.00
50072	AXON STREAMING SERVER SOFTWARE MAINTENANCE ANNUAL PAYMENT	12	2	350.00	0.00	0.00
50074	AXON CLIENT SOFTWARE MAINTENANCE ANNUAL PAYMENT	12	2	300.00	0.00	0.00
73683	10 GB EVIDENCE.COM A-LA-CART STORAGE	120	150	0.00	0.00	0.00
Other						
73831	10 GB EVIDENCE.COM A-LA-CART STORAGE PAYMENT	12	150	4.80	0.00	0.00
					Subtotal	0.00
					Estimated Tax	0.00
					Total	0.00

Spares

Item	Description	Term (Months)	Quantity	List Unit Price	Net Unit Price	Total (USD)
Hardware						
73202	AXON BODY 3 - NA10		2	0.00	0.00	0.00
20008	TASER 7 HANDLE, YLW, HIGH VISIBILITY (GREEN LASER), CLASS 3R		2	0.00	0.00	0.00
20034	TASER 7 10 YEAR HANDLE WARRANTY		2	0.00	0.00	0.00
74028	WING CLIP MOUNT, AXON RAPIDLOCK		2	0.00	0.00	0.00

Attachment: Axon Quote (Axon OSP CAD/RMS Contract Authorization)

Spares (Continued)

Item	Description	Term (Months)	Quantity	List Unit Price	Net Unit Price	Total (USD)
Hardware (Continued)						
11534	USB-C to USB-A CABLE FOR AB3 OR FLEX 2		2	0.00	0.00	0.00
Other						
73827	AB3 CAMERA TAP WARRANTY	120	2	0.00	0.00	0.00
					Subtotal	0.00
					Estimated Tax	0.00
					Total	0.00

Year 2

Item	Description	Term (Months)	Quantity	List Unit Price	Net Unit Price	Total (USD)
Axon Plans & Packages						
50056	INTERVIEW ROOM UNLIMITED EVIDENCE.COM LICENSE YEAR 2 PAYMENT	12	2	1,188.00	1,188.00	2,376.00
50072	AXON STREAMING SERVER SOFTWARE MAINTENANCE ANNUAL PAYMENT	12	2	350.00	350.00	700.00
50074	AXON CLIENT SOFTWARE MAINTENANCE ANNUAL PAYMENT	12	2	300.00	300.00	600.00
Hardware						
22175	TASER 7 LIVE CARTRIDGE, STANDOFF (3.5-DEGREE) NS		100	0.00	0.00	0.00
22176	TASER 7 LIVE CARTRIDGE, CLOSE QUARTERS (12-DEGREE) NS		100	0.00	0.00	0.00
Other						
73995	OFFICER SAFETY PLAN 7 + PREMIUM 10Y PAYMENT Y1-5	12	50	2,868.00	2,581.20	129,060.00
20120	TASER 7 INSTRUCTOR COURSE VOUCHER		1	0.00	0.00	0.00
20119	TASER 7 MASTER INSTRUCTOR SCHOOL VOUCHER		1	0.00	0.00	0.00
73831	10 GB EVIDENCE.COM A-LA-CART STORAGE PAYMENT	12	150	4.80	4.80	720.00
80475	FLEET 3 RENEWAL WITH TAP PAYMENT	12	14	1,308.00	1,504.20	21,058.80
80441	FLEET 3, ALPR LICENSE, 1 CAMERA, PAYMENT	12	14	588.00	617.40	8,643.60
					Subtotal	163,158.40
					Estimated Tax	13,886.00
					Total	177,044.40

Attachment: Axon Quote (Axon OSP CAD/RMS Contract Authorization)

Year 3

Item	Description	Term (Months)	Quantity	List Unit Price	Net Unit Price	Total (USD)
Axon Plans & Packages						
50057	INTERVIEW ROOM UNLIMITED EVIDENCE.COM LICENSE YEAR 3 PAYMENT	12	2	1,188.00	1,188.00	2,376.00
50072	AXON STREAMING SERVER SOFTWARE MAINTENANCE ANNUAL PAYMENT	12	2	350.00	350.00	700.00
50074	AXON CLIENT SOFTWARE MAINTENANCE ANNUAL PAYMENT	12	2	300.00	300.00	600.00
Hardware						
22175	TASER 7 LIVE CARTRIDGE, STANDOFF (3.5-DEGREE) NS		100	0.00	0.00	0.00
22176	TASER 7 LIVE CARTRIDGE, CLOSE QUARTERS (12-DEGREE) NS		100	0.00	0.00	0.00
22177	TASER 7 HOOK-AND-LOOP TRN (HALT) CARTRIDGE, STANDOFF NS		100	0.00	0.00	0.00
22178	TASER 7 HOOK-AND-LOOP TRN (HALT) CARTRIDGE, CLOSE QUART NS		100	0.00	0.00	0.00
Other						
73995	OFFICER SAFETY PLAN 7 + PREMIUM 10Y PAYMENT Y1-5	12	50	2,868.00	2,581.20	129,060.00
73309	AXON CAMERA REFRESH ONE		50	0.00	0.00	0.00
20120	TASER 7 INSTRUCTOR COURSE VOUCHER		1	0.00	0.00	0.00
73309	AXON CAMERA REFRESH ONE		2	0.00	0.00	0.00
20119	TASER 7 MASTER INSTRUCTOR SCHOOL VOUCHER		1	0.00	0.00	0.00
73831	10 GB EVIDENCE.COM A-LA-CART STORAGE PAYMENT	12	150	4.80	4.80	720.00
80475	FLEET 3 RENEWAL WITH TAP PAYMENT	12	14	1,308.00	1,504.20	21,058.80
80441	FLEET 3, ALPR LICENSE, 1 CAMERA, PAYMENT	12	14	588.00	617.40	8,643.60
Subtotal						163,158.40
Estimated Tax						13,886.00
Total						177,044.40

Attachment: Axon Quote (Axon OSP CAD/RMS Contract Authorization)

Year 4

Item	Description	Term (Months)	Quantity	List Unit Price	Net Unit Price	Total (USD)
Axon Plans & Packages						
50058	INTERVIEW ROOM UNLIMITED EVIDENCE.COM LICENSE YEAR 4 PAYMENT	12	2	1,188.00	1,188.00	2,376.00
50072	AXON STREAMING SERVER SOFTWARE MAINTENANCE ANNUAL PAYMENT	12	2	350.00	350.00	700.00
50074	AXON CLIENT SOFTWARE MAINTENANCE ANNUAL PAYMENT	12	2	300.00	300.00	600.00
Hardware						
22175	TASER 7 LIVE CARTRIDGE, STANDOFF (3.5-DEGREE) NS		100	0.00	0.00	0.00
22176	TASER 7 LIVE CARTRIDGE, CLOSE QUARTERS (12-DEGREE) NS		100	0.00	0.00	0.00
Other						
73995	OFFICER SAFETY PLAN 7 + PREMIUM 10Y PAYMENT Y1-5	12	50	2,868.00	2,581.20	129,060.00
20120	TASER 7 INSTRUCTOR COURSE VOUCHER		1	0.00	0.00	0.00
20119	TASER 7 MASTER INSTRUCTOR SCHOOL VOUCHER		1	0.00	0.00	0.00
73831	10 GB EVIDENCE.COM A-LA-CART STORAGE PAYMENT	12	150	4.80	4.80	720.00
80475	FLEET 3 RENEWAL WITH TAP PAYMENT	12	14	1,308.00	1,504.20	21,058.80
80441	FLEET 3, ALPR LICENSE, 1 CAMERA, PAYMENT	12	14	588.00	617.40	8,643.60
					Subtotal	163,158.40
					Estimated Tax	13,886.00
					Total	177,044.40

Year 5

Item	Description	Term (Months)	Quantity	List Unit Price	Net Unit Price	Total (USD)
Axon Plans & Packages						
50059	INTERVIEW ROOM UNLIMITED EVIDENCE.COM LICENSE YEAR 5 PAYMENT	12	2	1,188.00	1,188.00	2,376.00

Attachment: Axon Quote (Axon OSP CAD/RMS Contract Authorization)

Year 5 (Continued)

Item	Description	Term (Months)	Quantity	List Unit Price	Net Unit Price	Total (USD)
Axon Plans & Packages (Continued)						
50072	AXON STREAMING SERVER SOFTWARE MAINTENANCE ANNUAL PAYMENT	12	2	350.00	350.00	700.00
50074	AXON CLIENT SOFTWARE MAINTENANCE ANNUAL PAYMENT	12	2	300.00	300.00	600.00
Hardware						
22175	TASER 7 LIVE CARTRIDGE, STANDOFF (3.5-DEGREE) NS		100	0.00	0.00	0.00
22176	TASER 7 LIVE CARTRIDGE, CLOSE QUARTERS (12-DEGREE) NS		100	0.00	0.00	0.00
Other						
73995	OFFICER SAFETY PLAN 7 + PREMIUM 10Y PAYMENT Y1-5	12	50	2,868.00	2,581.20	129,060.00
73310	AXON CAMERA REFRESH TWO		50	0.00	0.00	0.00
20120	TASER 7 INSTRUCTOR COURSE VOUCHER		1	0.00	0.00	0.00
73310	AXON CAMERA REFRESH TWO		2	0.00	0.00	0.00
20119	TASER 7 MASTER INSTRUCTOR SCHOOL VOUCHER		1	0.00	0.00	0.00
73831	10 GB EVIDENCE.COM A-LA-CART STORAGE PAYMENT	12	150	4.80	4.80	720.00
72040	FLEET REFRESH, 2 CAMERA KIT		14	0.00	0.00	0.00
80475	FLEET 3 RENEWAL WITH TAP PAYMENT	12	14	1,308.00	1,504.20	21,058.80
80441	FLEET 3, ALPR LICENSE, 1 CAMERA, PAYMENT	12	14	588.00	617.40	8,643.60
					Subtotal	163,158.40
					Estimated Tax	13,886.00
					Total	177,044.40

Year 6

Item	Description	Term (Months)	Quantity	List Unit Price	Net Unit Price	Total (USD)
Axon Plans & Packages						
50072	AXON STREAMING SERVER SOFTWARE MAINTENANCE ANNUAL PAYMENT	12	2	350.00	350.00	700.00
50074	AXON CLIENT SOFTWARE MAINTENANCE ANNUAL PAYMENT	12	2	300.00	300.00	600.00
Other						
73964	OFFICER SAFETY PLAN 7+ PREMIUM PAYMENT Y6	12	50	2,954.04	2,643.87	132,193.50
80475	FLEET 3 RENEWAL WITH TAP PAYMENT	12	14	1,308.00	1,504.20	21,058.80

Attachment: Axon Quote (Axon OSP CAD/RMS Contract Authorization)

Year 6 (Continued)

Item	Description	Term (Months)	Quantity	List Unit Price	Net Unit Price	Total (USD)
Other (Continued)						
80441	FLEET 3, ALPR LICENSE, 1 CAMERA, PAYMENT	12	14	588.00	617.40	8,643.60
					Subtotal	163,195.90
					Estimated Tax	14,175.80
					Total	177,371.70

Year 7

Item	Description	Term (Months)	Quantity	List Unit Price	Net Unit Price	Total (USD)
Axon Plans & Packages						
50072	AXON STREAMING SERVER SOFTWARE MAINTENANCE ANNUAL PAYMENT	12	2	350.00	350.00	700.00
50074	AXON CLIENT SOFTWARE MAINTENANCE ANNUAL PAYMENT	12	2	300.00	300.00	600.00
Other						
73965	OFFICER SAFETY PLAN 7+ PREMIUM PAYMENT Y7	12	50	3,042.72	2,654.77	132,738.50
80475	FLEET 3 RENEWAL WITH TAP PAYMENT	12	14	1,308.00	1,504.20	21,058.80
80441	FLEET 3, ALPR LICENSE, 1 CAMERA, PAYMENT	12	14	588.00	617.40	8,643.60
					Subtotal	163,740.90
					Estimated Tax	14,226.20
					Total	177,967.10

Year 8

Item	Description	Term (Months)	Quantity	List Unit Price	Net Unit Price	Total (USD)
Axon Plans & Packages						
50072	AXON STREAMING SERVER SOFTWARE MAINTENANCE ANNUAL PAYMENT	12	2	350.00	350.00	700.00
50074	AXON CLIENT SOFTWARE MAINTENANCE ANNUAL PAYMENT	12	2	300.00	300.00	600.00
Other						
73966	OFFICER SAFETY PLAN 7+ PREMIUM PAYMENT Y8	12	50	3,133.92	2,640.33	132,016.50
73345	AXON CAMERA REFRESH THREE		50	0.00	0.00	0.00
73345	AXON CAMERA REFRESH THREE		2	0.00	0.00	0.00
80475	FLEET 3 RENEWAL WITH TAP PAYMENT	12	14	1,308.00	1,504.20	21,058.80

Attachment: Axon Quote (Axon OSP CAD/RMS Contract Authorization)

Year 8 (Continued)

Item	Description	Term (Months)	Quantity	List Unit Price	Net Unit Price	Total (USD)
Other (Continued)						
80441	FLEET 3, ALPR LICENSE, 1 CAMERA, PAYMENT	12	14	588.00	617.40	8,643.60
					Subtotal	163,018.90
					Estimated Tax	14,159.40
					Total	177,178.30

Year 9

Item	Description	Term (Months)	Quantity	List Unit Price	Net Unit Price	Total (USD)
Axon Plans & Packages						
50072	AXON STREAMING SERVER SOFTWARE MAINTENANCE ANNUAL PAYMENT	12	2	350.00	350.00	700.00
50074	AXON CLIENT SOFTWARE MAINTENANCE ANNUAL PAYMENT	12	2	300.00	300.00	600.00
Other						
73967	OFFICER SAFETY PLAN 7+ PREMIUM PAYMENT Y9	12	50	3,228.00	2,646.96	132,348.00
80475	FLEET 3 RENEWAL WITH TAP PAYMENT	12	14	1,308.00	1,504.20	21,058.80
80441	FLEET 3, ALPR LICENSE, 1 CAMERA, PAYMENT	12	14	588.00	617.40	8,643.60
					Subtotal	163,350.40
					Estimated Tax	14,190.10
					Total	177,540.50

Year 10

Item	Description	Term (Months)	Quantity	List Unit Price	Net Unit Price	Total (USD)
Axon Plans & Packages						
50072	AXON STREAMING SERVER SOFTWARE MAINTENANCE ANNUAL PAYMENT	12	2	350.00	350.00	700.00
50074	AXON CLIENT SOFTWARE MAINTENANCE ANNUAL PAYMENT	12	2	300.00	300.00	600.00
Other						
73968	OFFICER SAFETY PLAN 7+ PREMIUM PAYMENT Y10	12	50	3,324.84	2,653.22	132,661.00
73346	AXON CAMERA REFRESH FOUR		50	0.00	0.00	0.00
73346	AXON CAMERA REFRESH FOUR		2	0.00	0.00	0.00
72040	FLEET REFRESH, 2 CAMERA KIT		14	0.00	0.00	0.00
80475	FLEET 3 RENEWAL WITH TAP PAYMENT	12	14	1,308.00	1,504.20	21,058.80

Attachment: Axon Quote (Axon OSP CAD/RMS Contract Authorization)

Year 10 (Continued)

Item	Description	Term (Months)	Quantity	List Unit Price	Net Unit Price	Total (USD)
Other (Continued)						
80441	FLEET 3, ALPR LICENSE, 1 CAMERA, PAYMENT	12	14	588.00	617.40	8,643.60
					Subtotal	163,663.40
					Estimated Tax	14,219.00
					Total	177,882.40
					Grand Total	1,686,202.20

Attachment: Axon Quote (Axon OSP CAD/RMS Contract Authorization)



Discounts (USD)

Quote Expiration: 06/30/2021

List Amount	1,805,096.00
Discounts	253,035.90
Total	1,552,060.10

**Total excludes applicable taxes*

Summary of Payments

Payment	Amount (USD)
Year 1	90,084.27
Year 1 - Fleet	0.00
Year 1 - Interview Room	0.00
Spares	0.00
Year 2	177,044.40
Year 3	177,044.40
Year 4	177,044.40
Year 5	177,044.40
Year 6	177,371.75
Year 7	177,967.17

Attachment: Axon Quote (Axon OSP CAD/RMS Contract Authorization)



Summary of Payments (Continued)

Payment	Amount (USD)
Year 8	177,178.38
Year 9	177,540.54
Year 10	177,882.49
Grand Total	1,686,202.20

Attachment: Axon Quote (Axon OSP CAD/RMS Contract Authorization)

Notes

Agency has existing contract #00012811 (originated via Q-1044015) and is terminating that contract upon the new license start date (7/1/20221) of this quote.

The parties agree that Axon is charging a debit of \$11,482.02 (applied to Year 1 licenses) to capture remaining value of services. This discount is based on a ship date range of 6/1/2021-6/15/2021, resulting in a 7/1/2021 license date. Any change in this date and resulting license start date will result in modification of this value which may result in additional fees due to or from Axon.

Purchase of TASER 7 are governed by the TASER 7 Agreement located at <https://www.axon.com/legal/sales-terms-and-conditions> and not the Master Services and Purchasing Agreement referenced below.

Tax is subject to change at order processing with valid exemption.

Axon's Sales Terms and Conditions

This Quote is limited to and conditional upon your acceptance of the provisions set forth herein and Axon's Master Services and Purchasing Agreement (posted at www.axon.com/legal/sales-terms-and-conditions) and the Axon Customer Experience Improvement Program Appendix, which includes the sharing of de-identified segments of Agency Content with Axon to develop new products and improve your product experience (posted at www.axon.com/legal/sales-terms-and-conditions), as well as the attached Statement of Work (SOW) for Axon Fleet and/or Axon Interview Room purchase, if applicable. **The Axon Customer Experience Improvement Program Appendix ONLY applies to Customers in the USA.** In the event you and Axon have entered into a prior agreement to govern all future purchases, that agreement shall govern to the extent it contemplates the products and services being purchased and does not conflict with the Axon Customer Experience Improvement Program Appendix. Any purchase order issued in response to this Quote is subject solely to the above referenced terms and conditions. By signing below, you represent that you are lawfully able to enter into contracts. If you are signing on behalf of an entity (including but not limited to the company, municipality, or government agency for whom you work), you represent to Axon that you have legal authority to bind that entity. If you do not have this authority, please do not sign this Quote.

Signature: _____ **Date:** _____
Name (Print): _____ **Title:** _____
PO# (Or write N/A): _____

Please sign and email to Mike Schmidt at mschmidt@axon.com or fax to

Thank you for being a valued Axon customer. For your convenience on your next order, please check out our online store buy.axon.com

The trademarks referenced above are the property of their respective owners.

Attachment: Axon Quote (Axon OSP CAD/RMS Contract Authorization)

*****Axon Internal Use Only*****

		SFDC Contract #:
		Order Type:
		RMA #:
		Address Used:
		SO #:
Review 1	Review 2	
Comments:		

Q-297622-44351.008WA

Issued: 06/03/2021

Quote Expiration: 12/31/2021

Account Number: 112742

Payment Terms: Net 30
Delivery Method: Fedex - Ground

SALES REPRESENTATIVE

Will Alexander

Phone:

Email: walexander@axon.com

Fax:

PRIMARY CONTACT

Phone:

Email:



Axon Enterprise, Inc.
17800 N 85th St.
Scottsdale, Arizona 85255
United States
Phone: (800) 978-2737

SHIP TO

Campbell Police Dept. - CA
70 N. First Street
Campbell, CA 95008
US

BILL TO

Campbell Police Dept. - CA
70 N. First Street
Campbell, CA 95008
US

Year 1

Item	Description	Term (Months)	Quantity	List Unit Price	Net Unit Price	Total (USD)
Axon Plans & Packages						
50300	RESPOND CAD USER LICENSE - DISPATCHER	96	3	0.00	0.00	0.00
50302	RESPOND CAD USER LICENSE - DISPATCHER PAYMENT	12	3	600.00	0.00	0.00
50300	RESPOND CAD USER LICENSE - DISPATCHER	96	56	0.00	0.00	0.00
50302	RESPOND CAD USER LICENSE - DISPATCHER PAYMENT	12	56	600.00	600.00	33,600.00
73681	AXON RECORDS FULL	96	10	0.00	0.00	0.00
Other						
73833	AXON RECORDS FULL PAYMENT	12	10	348.00	348.00	3,480.00
Services						
85159	PROFESSIONAL SERVICES MILESTONE PAYMENT: DISPATCH		1	500.00	35,000.00	35,000.00
73896	STANDARDS SERVICE, BASIC		1	10,000.00	2,000.00	2,000.00
85157	PROFESSIONAL SERVICES MILESTONE PAYMENT: RECORDS		1	500.00	35,000.00	35,000.00
					Subtotal	109,080.00
					Estimated Shipping	0.00
					Estimated Tax	0.00
					Total	109,080.00

Attachment: Axon Quote for CAD/RMS (Axon OSP CAD/RMS Contract Authorization)

Year 2

Item	Description	Term (Months)	Quantity	List Unit Price	Net Unit Price	Total (USD)
Axon Plans & Packages						
50302	RESPOND CAD USER LICENSE - DISPATCHER PAYMENT	12	3	600.00	0.00	0.00
50302	RESPOND CAD USER LICENSE - DISPATCHER PAYMENT	12	56	600.00	600.00	33,600.00
Other						
73833	AXON RECORDS FULL PAYMENT	12	10	348.00	348.00	3,480.00
Services						
73896	STANDARDS SERVICE, BASIC		1	10,000.00	2,000.00	2,000.00
85159	PROFESSIONAL SERVICES MILESTONE PAYMENT: DISPATCH		1	500.00	35,000.00	35,000.00
85157	PROFESSIONAL SERVICES MILESTONE PAYMENT: RECORDS		1	500.00	35,000.00	35,000.00
Subtotal						109,080.00
Estimated Tax						0.00
Total						109,080.00

Year 3

Item	Description	Term (Months)	Quantity	List Unit Price	Net Unit Price	Total (USD)
Axon Plans & Packages						
50302	RESPOND CAD USER LICENSE - DISPATCHER PAYMENT	12	3	600.00	0.00	0.00
50302	RESPOND CAD USER LICENSE - DISPATCHER PAYMENT	12	56	600.00	600.00	33,600.00
Other						
73833	AXON RECORDS FULL PAYMENT	12	10	348.00	348.00	3,480.00
Services						
73896	STANDARDS SERVICE, BASIC		1	10,000.00	2,000.00	2,000.00
85159	PROFESSIONAL SERVICES MILESTONE PAYMENT: DISPATCH		1	500.00	35,000.00	35,000.00

Attachment: Axon Quote for CAD/RMS (Axon OSP CAD/RMS Contract Authorization)

Year 3 (Continued)

Item	Description	Term (Months)	Quantity	List Unit Price	Net Unit Price	Total (USD)
Services (Continued)						
85157	PROFESSIONAL SERVICES MILESTONE PAYMENT: RECORDS		1	500.00	35,000.00	35,000.00
					Subtotal	109,080.00
					Estimated Tax	0.00
					Total	109,080.00

Year 4

Item	Description	Term (Months)	Quantity	List Unit Price	Net Unit Price	Total (USD)
Axon Plans & Packages						
50302	RESPOND CAD USER LICENSE - DISPATCHER PAYMENT	12	3	600.00	0.00	0.00
50302	RESPOND CAD USER LICENSE - DISPATCHER PAYMENT	12	56	600.00	600.00	33,600.00
Other						
73833	AXON RECORDS FULL PAYMENT	12	10	348.00	348.00	3,480.00
Services						
73896	STANDARDS SERVICE, BASIC		1	10,000.00	2,000.00	2,000.00
85159	PROFESSIONAL SERVICES MILESTONE PAYMENT: DISPATCH		1	500.00	35,000.00	35,000.00
85157	PROFESSIONAL SERVICES MILESTONE PAYMENT: RECORDS		1	500.00	35,000.00	35,000.00
					Subtotal	109,080.00
					Estimated Tax	0.00
					Total	109,080.00

Year 5

Item	Description	Term (Months)	Quantity	List Unit Price	Net Unit Price	Total (USD)
Axon Plans & Packages						
50302	RESPOND CAD USER LICENSE - DISPATCHER PAYMENT	12	3	600.00	0.00	0.00
50302	RESPOND CAD USER LICENSE - DISPATCHER PAYMENT	12	56	600.00	600.00	33,600.00
Other						
73833	AXON RECORDS FULL PAYMENT	12	10	348.00	348.00	3,480.00
Services						
73896	STANDARDS SERVICE, BASIC		1	10,000.00	2,000.00	2,000.00

Attachment: Axon Quote for CAD/RMS (Axon OSP CAD/RMS Contract Authorization)

Year 5 (Continued)

Item	Description	Term (Months)	Quantity	List Unit Price	Net Unit Price	Total (USD)
Services (Continued)						
85159	PROFESSIONAL SERVICES MILESTONE PAYMENT: DISPATCH		1	500.00	35,000.00	35,000.00
85157	PROFESSIONAL SERVICES MILESTONE PAYMENT: RECORDS		1	500.00	35,000.00	35,000.00
					Subtotal	109,080.00
					Estimated Tax	0.00
					Total	109,080.00

Year 6

Item	Description	Term (Months)	Quantity	List Unit Price	Net Unit Price	Total (USD)
Axon Plans & Packages						
50302	RESPOND CAD USER LICENSE - DISPATCHER PAYMENT	12	3	600.00	0.00	0.00
50302	RESPOND CAD USER LICENSE - DISPATCHER PAYMENT	12	56	600.00	656.21	36,747.76
Other						
73833	AXON RECORDS FULL PAYMENT	12	10	348.00	380.60	3,806.00
					Subtotal	40,553.76
					Estimated Tax	0.00
					Total	40,553.76

Year 7

Item	Description	Term (Months)	Quantity	List Unit Price	Net Unit Price	Total (USD)
Axon Plans & Packages						
50302	RESPOND CAD USER LICENSE - DISPATCHER PAYMENT	12	3	600.00	0.00	0.00
50302	RESPOND CAD USER LICENSE - DISPATCHER PAYMENT	12	56	600.00	656.21	36,747.76
Other						
73833	AXON RECORDS FULL PAYMENT	12	10	348.00	380.60	3,806.00
					Subtotal	40,553.76
					Estimated Tax	0.00
					Total	40,553.76

Attachment: Axon Quote for CAD/RMS (Axon OSP CAD/RMS Contract Authorization)

Year 8

Item	Description	Term (Months)	Quantity	List Unit Price	Net Unit Price	Total (USD)
Axon Plans & Packages						
50302	RESPOND CAD USER LICENSE - DISPATCHER PAYMENT	12	3	600.00	0.00	0.00
50302	RESPOND CAD USER LICENSE - DISPATCHER PAYMENT	12	56	600.00	656.21	36,747.76
Other						
73833	AXON RECORDS FULL PAYMENT	12	10	348.00	380.60	3,806.00
					Subtotal	40,553.76
					Estimated Tax	0.00
					Total	40,553.76
					Grand Total	667,061.28

Attachment: Axon Quote for CAD/RMS (Axon OSP CAD/RMS Contract Authorization)



Summary of Payments

Payment	Amount (USD)
Year 1	109,080.00
Year 2	109,080.00
Year 3	109,080.00
Year 4	109,080.00
Year 5	109,080.00
Year 6	40,553.76
Year 7	40,553.76
Year 8	40,553.76
Grand Total	667,061.28

Attachment: Axon Quote for CAD/RMS (Axon OSP CAD/RMS Contract Authorization)

Notes

Axon Dispatch & Records Subscription Terms. For the purposes of invoicing and payment, the Axon Dispatch & Records subscription begins upon the later of (i) the Go-Live detailed in this SOW, or (ii) March 31, 2024.

Tax is subject to change at order processing with valid exemption.

Axon's Sales Terms and Conditions

This Quote is limited to and conditional upon your acceptance of the provisions set forth herein and Axon's Master Services and Purchasing Agreement (posted at www.axon.com/legal/sales-terms-and-conditions) and the Axon Customer Experience Improvement Program Appendix, which includes the sharing of de-identified segments of Agency Content with Axon to develop new products and improve your product experience (posted at www.axon.com/legal/sales-terms-and-conditions), as well as the attached Statement of Work (SOW) for Axon Fleet and/or Axon Interview Room purchase, if applicable. **The Axon Customer Experience Improvement Program Appendix ONLY applies to Customers in the USA.** In the event you and Axon have entered into a prior agreement to govern all future purchases, that agreement shall govern to the extent it contemplates the products and services being purchased and does not conflict with the Axon Customer Experience Improvement Program Appendix. Any purchase order issued in response to this Quote is subject solely to the above referenced terms and conditions. By signing below, you represent that you are lawfully able to enter into contracts. If you are signing on behalf of an entity (including but not limited to the company, municipality, or government agency for whom you work), you represent to Axon that you have legal authority to bind that entity. If you do not have this authority, please do not sign this Quote.

Signature: _____ Date: _____

Name (Print): _____ Title: _____

PO# (Or write N/A): _____

Please sign and email to Will Alexander at walexander@axon.com or fax to

Thank you for being a valued Axon customer. For your convenience on your next order, please check out our online store buy.axon.com

The trademarks referenced above are the property of their respective owners.

Attachment: Axon Quote for CAD/RMS (Axon OSP CAD/RMS Contract Authorization)

*****Axon Internal Use Only*****

		SFDC Contract #: Order Type: RMA #: Address Used: SO #:
Review 1	Review 2	
Comments:		



Master Services and Purchasing Agreement between Axon and Agency

This Master Services and Purchasing Agreement ("**Agreement**") is between Axon Enterprise, Inc., a Delaware corporation ("**Axon**"), and the agency on the Quote ("**Agency**"). This Agreement is effective as of the later of the (a) last signature date on this Agreement or (b) signature date on the Quote ("**Effective Date**"). Axon and Agency are each a "**Party**" and collectively "**Parties**". This Agreement governs Agency's purchase and use of the Axon Devices and Services detailed in the Quote Appendix ("**Quote**"). It is the intent of the Parties that this Agreement act as a master agreement governing all subsequent purchases by Agency for the same Axon products and services in the Quote, and all such subsequent quotes accepted by Agency shall be also incorporated into this Agreement by reference as a Quote. The Parties therefore agree as follows:

1 **Definitions.**

"**Axon Cloud Services**" means Axon's web services for Axon Evidence, Axon Records, Axon Dispatch, and interactions between Evidence.com and Axon Devices or Axon client software. Axon Cloud Service excludes third-party applications, hardware warranties, and my.evidence.com.

"**Axon Device**" means all hardware provided by Axon under this Agreement.

"**Quote**" means an offer to sell and is only valid for devices and services on the quote at the specified prices. Any terms within Agency's purchase order in response to a Quote will be void. Orders are subject to prior credit approval. Changes in the deployment estimated ship date may change charges in the Quote. Shipping dates are estimates only. Axon is not responsible for typographical errors in any offer by Axon, and Axon reserves the right to cancel any orders resulting from such errors.

"**Services**" means all services provided by Axon under this Agreement, including software, Axon Cloud Services, and professional services.

2 **Term.** This Agreement begins on the Effective Date and continues until all subscriptions hereunder have expired or have been terminated ("**Term**").

All subscriptions including Axon Evidence, Axon Fleet, Officer Safety Plans, Technology Assurance Plans, and TASER 7 plans begin after shipment of the applicable Axon Device. If Axon ships the Axon Device in the first half of the month, the start date is the 1st of the following month. If Axon ships the Axon Device in the second half of the month, the start date is the 15th of the following month. For purchases solely of Axon Evidence subscriptions, the start date is the Effective Date. Each subscription term ends upon completion of the subscription stated in the Quote ("**Subscription Term**").

Upon completion of the Subscription Term, the Subscription Term will automatically renew for an additional 5 years ("**Renewal Term**"). For purchase of TASER 7 as a standalone, Axon may increase pricing to its then-current list pricing for any Renewal Term. For all other purchases, Axon may increase pricing on all line items in the Quote up to 3% at the beginning of each year of the Renewal Term. New devices and services may require additional terms. Axon will not authorize services until Axon receives a signed Quote or accepts a purchase order, whichever is first.

3 **Payment.** Axon invoices upon shipment. Payment is due net 30 days from the invoice date. Payment obligations are non-cancelable. Agency will pay invoices without setoff, deduction, or withholding. If Axon sends a past due account to collections, Agency is responsible for collection and attorneys' fees.

4 **Taxes.** Agency is responsible for sales and other taxes associated with the order unless Agency provides Axon a valid tax exemption certificate.

5 **Shipping.** Axon may make partial shipments and ship Axon Devices from multiple locations. All shipments are FOB shipping point via common carrier Title and risk of loss pass to Agency upon delivery to Agency. Agency is responsible for any shipping charges in the Quote.

6 **Returns.** All sales are final. Axon does not allow refunds or exchanges, except warranty returns or as provided by state or federal law.

Title: Master Services and Purchasing Agreement between Axon and Agency

Department: Legal

Version: 13.0

Release Date: 3/31/2021

Page 1 of 26

Packet Pg. 192

Attachment: Axon Master Services Agreement [Revision 1] (Axon OSP CAD/RMS Contract Authorization)



Master Services and Purchasing Agreement between Axon and Agency

7 Warranty.

7.1 Hardware Limited Warranty. Axon warrants that Axon-manufactured Devices are free from defects in workmanship and materials for 1 year from the date of Agency's receipt, except Signal Sidearm, which Axon warrants for 30 months from the date of Agency's receipt. Axon warrants its Axon-manufactured accessories for 90-days from the date of Agency's receipt. Used conducted energy weapon ("CEW") cartridges are deemed to have operated properly. Extended warranties run from the expiration of the 1-year hardware warranty through the extended warranty term. Non-Axon manufactured Devices are not covered by Axon's warranty. Agency should contact the manufacturer for support of non-Axon manufactured Devices.

7.2 Claims. If Axon receives a valid warranty claim for an Axon manufactured Device during the warranty term, Axon's responsibility is to repair or replace the Device with the same or like Device, at Axon's option. A replacement Axon Device will be new or like new. Axon will warrant the replacement Axon Device for the longer of (a) the remaining warranty of the original Axon Device or (b) 90-days from the date of repair or replacement.

If Agency exchanges a device or part, the replacement item becomes Agency's property, and the replaced item becomes Axon's property. Before delivering a Axon Device for service, Agency must upload Axon Device data to Axon Evidence or download it and retain a copy. Axon is not responsible for any loss of software, data, or other information contained in storage media or any part of the Axon Device sent to Axon for service.

7.3 Spare Axon Devices. For qualified purchases, Axon may provide Agency a predetermined number of spare Axon Devices as detailed in the Quote ("**Spare Axon Devices**"). Spare Axon Devices are intended to replace broken or non-functioning units while Agency submits the broken or non-functioning units, through Axon's warranty return process. Axon will repair or replace the unit with a replacement Axon Device. Title and risk of loss for all Spare Axon Devices shall pass to Agency in accordance with shipping terms under Section 5. Axon assumes no liability or obligation in the event Agency does not utilize Spare Axon Devices for the intended purpose.

7.4 Limitations. Axon's warranty excludes damage related to: (a) failure to follow Axon Device use instructions; (b) Axon Devices used with equipment not manufactured or recommended by Axon; (c) abuse, misuse, or intentional damage to Axon Device; (d) force majeure; (e) Axon Devices repaired or modified by persons other than Axon without Axon's written permission; or (f) Axon Devices with a defaced or removed serial number.

7.4.1 To the extent permitted by law, the above warranties and remedies are exclusive. Axon disclaims all other warranties, remedies, and conditions, whether oral, written, statutory, or implied. If statutory or implied warranties cannot be lawfully disclaimed, then such warranties are limited to the duration of the warranty described above and by the provisions in this Agreement.

7.4.2 Except for the indemnity and warranty obligations set forth herein, and except where caused by the gross negligence, or willful misconduct of Axon, Axon's employees, contractors, agents, officers, or directors, Axon's cumulative liability to any Party for any loss or damage resulting from any claim, demand, or action arising out of or relating to any Axon Device or Service will not exceed three times (3x) the purchase price paid to Axon for the Axon Device, or if for Services, the amount paid for such Services over the 24 months preceding the claim. Except for the indemnity and warranty obligations set forth herein, and except where caused by the gross negligence, or willful misconduct of either party, neither Party will be liable for direct, special, indirect, incidental, punitive or consequential damages, however caused, whether for breach of warranty or contract, negligence, strict liability, tort or any other legal theory.

8 Statement of Work. Certain Axon Devices and Services, including Axon Interview Room, Axon Channel Services, and Axon Fleet, may require a Statement of Work that details Axon's Service deliverables ("**SOW**"). In the event Axon provides an SOW to Agency, Axon is only responsible to perform Services



Master Services and Purchasing Agreement between Axon and Agency

described in the SOW. Additional services are out of scope. The Parties must document scope changes in a written and signed change order. Changes may require an equitable adjustment in fees or schedule and shall be agreed to in writing by both Parties. The SOW is incorporated into this Agreement by reference.

- 9 **Axon Device Warnings.** See www.axon.com/legal for the most current Axon Device warnings.
- 10 **Design Changes.** Axon may make design changes to any Axon Device or Service without notifying Agency or making the same change to Axon Devices and Services previously purchased by Agency.
- 11 **Bundled Offerings.** Some offerings in bundled offerings may not be generally available at the time of Agency's purchase. Axon will not provide a refund, credit, or additional discount beyond what is in the Quote due to a delay of availability or Agency's election not to utilize any portion of an Axon bundle.
- 12 **Insurance.**
- 12.1 Axon will maintain insurance coverage as set forth below. Insurance coverage and policy limits set forth herein shall constitute the minimum amount of coverage required. Agency will be entitled to coverage for the highest limits maintained by Axon. Axon shall supply certificates of insurance to Agency.
- **Commercial General Liability (CGL):** \$1,000,000 per occurrence; \$2,000,000 aggregate. Proof of coverage for \$1 Million per occurrence including products and completed operations, property damage, bodily injury, personal and advertising injury will be provided on Insurance Services Office (ISO) Form CG 00 01 covering CGL. If a general aggregate limit applies, either the general aggregate limit will apply separately to this project/location or the general aggregate limit will be at least twice the required occurrence limit.
 - **Automobile Liability:** Proof of coverage for \$1,000,000 provided on ISO Form Number CA 00 01 covering any auto (Code 1), or if Axon has no owned autos, hired, (Code 8) and non-owned autos (Code 9), per accident for bodily injury and property damage.
 - **Workers' Compensation as required by the State of California, with Statutory Limits, and Employer's Liability Insurance:** \$1,000,000 per accident for bodily injury or disease. The Worker's Compensation policy must be **endorsed** with a waiver of subrogation in favor of the City of Campbell for all work performed by the Axon and its employees.
 - Consultant shall maintain one or more insurance policies - **Privacy, Technology and Data Security Liability, Cyber Liability, or Technology Professional Liability Insurance** coverage in the amount of \$5,000,000 per occurrence or claim, \$10,000,000 aggregate. Coverage shall be sufficiently broad to respond to the duties and obligations undertaken by Axon in this Agreement.
 - The policies shall include coverage for claims involving infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion and network security.
 - The policies shall provide coverage for breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations.
 - The policies shall include, or be endorsed to include, property damage liability coverage for damage to, alteration of, loss of, or destruction of electronic data and/or information "property" of the Agency in the care, custody, or control of the Axon.
- 12.2 The insurance policies set forth in section 12.1 of this Agreement are to comply with the following provisions:

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- **Additional Insured Status:** The Agency, its officers, officials, employees, agents, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of Axon including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage will be provided in the form of an **endorsement** to Axon's insurance at least as broad as ISO Form CG 20 10 11 85, or if not available, through the addition of **both** CG 20 10 CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 (if a later edition is used).
- **Primary Coverage:** For any claims related to this Agreement, Axon's insurance coverage will be **primary** insurance as respects the Agency, its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the Agency, its officers, officials, employees, agents, or volunteers will be excess of Axon's insurance and will not contribute with it.
- **Notice of Cancellation:** Each insurance policy required above shall state that the coverage shall not be canceled, except with notice to the Agency.
- **Waiver of Subrogation:** Axon hereby grants to the Agency a waiver of any right to subrogation, except as otherwise not applicable, which any insurer of Axon may acquire against the Agency by virtue of the payment of any loss, including attorney's fees under such insurance. Axon agrees to obtain any endorsement that may be necessary to effectuate this waiver of subrogation, but this provision applies regardless of whether or not the Agency has received a waiver of subrogation endorsement from the insurer.
- **Excess Liability/Umbrella Insurance Policies:** The excess/liability policies will provide similar coverage as the primary CGL policy with no new exclusions. Excess liability insurance must **follow form** the terms, conditions, definitions, and exclusions of the underlying CGL insurance. The excess/umbrella policy must also be written on a primary and noncontributory basis for an additional insured, and that it will apply before any other insurance that is available to such additional insured which covers that person or organization as a named insured, and we will not share with that other insurance.

The policy regarding Limits of Insurance regarding Aggregates must provide that the aggregate limits if applicable shall apply in the same manner as the aggregate limits shown in the Schedule of the Underlying Insurance.

- **Self-Insured Retentions:** Self-insured retentions must be declared to and approved by the Agency. Agency may require Axon to purchase coverage with a lower retention or provide proof of ability to pay losses and related expenses. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or Agency.
- **Acceptability of Insurers:** Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII, unless otherwise acceptable to the Agency.
- **Subcontractor:** Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Contractor shall ensure that City is an additional insured on insurance required from subcontractors.

- 13 **Indemnification.** Axon will to the fullest extent permitted by law, indemnify Agency's, officials, officers, directors, agents, and employees ("Agency Indemnitees") against all claims, demands, losses, and reasonable expenses (including attorneys' fees) against an Agency Indemnitee resulting from any negligent act, error or omission, or willful misconduct by Axon or Axon's employees, contractors, agents, officers, or directors under this Agreement, except to the extent such claim arises out of Agency's sole negligence or willful misconduct, or claims under workers compensation.

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- 14 **IP Rights.** Axon owns and reserves all right, title, and interest in Axon devices and services and suggestions to Axon, including all related intellectual property rights. Agency will not cause any Axon proprietary rights to be violated. Axon represents and warrants that any Intellectual Property (including but not limited to: patent, patent application, trade secret, copyright, and any applications or right to apply for registration, computer software programs or applications, tangible or intangible proprietary information, or any other intellectual property right in connection with any services and/or products) related to this Agreement does not violate or infringe upon any patent, trademark, or copyright, or misappropriate any trade secret or other proprietary rights of any other person or entity.
- 15 **IP Indemnification.** To the fullest extent permitted by law, Axon will defend, indemnify and hold Agency Indemnitees harmless from and against all claims, losses, damages, liabilities and reasonable expenses (including attorneys' fees) from any third-party claim alleging that the use of Axon Devices or Services infringes or misappropriates the third-party's intellectual property rights. Agency must promptly provide Axon with written notice of such claim, tender to Axon the defense or settlement of such claim at Axon's expense and cooperate fully with Axon in the defense or settlement of such claim. Axon's IP indemnification obligations do not apply to claims based on (a) modification of Axon Devices or Services by Agency or a third-party not approved by Axon; (b) use of Axon Devices and Services in combination with hardware or services not approved by Axon; (c) use of Axon Devices and Services other than as permitted in this Agreement; or (d) unauthorized use of Axon software that is not the most current release provided by Axon.
- 16 **Agency Responsibilities.** Agency is responsible for (a) Agency's use of Axon Devices; (b) breach of this Agreement or violation of applicable law by Agency or an Agency end user within Agency's control; and (c) a dispute between Agency and a third-party over Agency's use of Axon Devices.
- 17 **Termination.**
- 17.1 **For Breach.** A Party may terminate this Agreement for cause if it provides 30 days written notice of the breach to the other Party, and the breach remains uncured at the end of 30 days. If Agency terminates this Agreement due to Axon's uncured breach, Axon will refund prepaid amounts on a prorated basis based on the effective date of termination.
- 17.2 **By Agency.** If sufficient funds are not appropriated or otherwise legally available to pay the fees, Agency may terminate this Agreement. Agency will deliver notice of termination under this section as soon as reasonably practicable.
- 17.3 **Effect of Termination.** Upon termination of this Agreement, Agency rights immediately terminate. Agency remains responsible for all fees incurred before the effective date of termination. If Agency purchases Axon Devices for less than the manufacturer's suggested retail price ("MSRP") and this Agreement terminates before the end of the Term, Axon will invoice Agency the difference between the MSRP for Axon Devices received, including any Spare Axon Devices, and amounts paid towards those Axon Devices. Only if terminating for non-appropriation, Agency may return Axon Devices to Axon within 30 days of termination. MSRP is the standalone price of the individual Axon Device at the time of sale. For bundled Axon Devices, MSRP is the standalone price of all individual components.
- 18 **Confidentiality.** "Confidential Information" means nonpublic information designated as confidential or, given the nature of the information or circumstances surrounding disclosure, should reasonably be understood to be confidential. Each Party will take reasonable measures to avoid disclosure, dissemination, or unauthorized use of the other Party's Confidential Information. Unless required by law, neither Party will disclose the other Party's Confidential Information during the Term and for 5-years thereafter. Axon pricing is Confidential Information and competition sensitive. If Agency is required by law to disclose Axon pricing, to the extent allowed by law, Agency will provide notice to Axon before disclosure. Axon may publicly announce information related to this Agreement.
- 19 **General.**
- 19.1 **Force Majeure.** Neither Party will be liable for any delay or failure to perform due to, an act of God,

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natural disaster, pandemic, acts of terrorism, war, or other peril, which is beyond a Party's reasonable control and without the negligence of the respective Party. Each party hereto shall give notice promptly to the other of the nature and extent of any Force Majeure claimed to delay, hinder or prevent performance of the services under this Agreement.

- 19.2 Independent Contractors.** The Parties are independent contractors. Neither Party has the authority to bind the other. This Agreement does not create a partnership, franchise, joint venture, agency, fiduciary, or employment relationship between the Parties.
- 19.3 Third-Party Beneficiaries.** There are no third-party beneficiaries under this Agreement.
- 19.4 Non-Discrimination.** Neither Party nor its employees will discriminate against any person based on race; religion; creed; color; sex; gender identity and expression; pregnancy; childbirth; breastfeeding; medical conditions related to pregnancy, childbirth, or breastfeeding; sexual orientation; marital status; age; national origin; ancestry; genetic information; disability; veteran status; or any class protected by local, state, or federal law.
- 19.5 Export Compliance.** Each Party will comply with all import and export control laws and regulations.
- 19.6 Assignment.** Neither Party may assign this Agreement without the other Party's prior written consent. Axon may assign this Agreement, its rights, or obligations without consent: (a) to an affiliate or subsidiary; or (b) for purposes of financing, merger, acquisition, corporate reorganization, or sale of all or substantially all its assets. This Agreement is binding upon the Parties respective successors and assigns.
- 19.7 Waiver.** No waiver or delay by either Party in exercising any right under this Agreement constitutes a waiver of that right.
- 19.8 Severability.** If a court of competent jurisdiction holds any portion of this Agreement invalid or unenforceable, the remaining portions of this Agreement will remain in effect.
- 19.9 Survival.** The following sections will survive termination: Payment, Warranty, Axon Device Warnings, Indemnification, IP Rights, and Agency Responsibilities.
- 19.10 Governing Law.** The laws of the state where Agency is physically located, without reference to conflict of law rules, govern this Agreement and any dispute arising from it. The United Nations Convention for the International Sale of Goods does not apply to this Agreement.
- 19.11 Notices.** All notices must be in English. Notices posted on Agency's Axon Evidence site are effective upon posting. Notices by email are effective on the sent date of the email. Notices by personal delivery are effective immediately. Contact information for notices:

Axon: Axon Enterprise, Inc.
 Attn: Legal
 17800 N. 85th Street
 Scottsdale, Arizona 85255
 legal@axon.com

Agency:
 Attn:
 Street Address
 City, State, Zip
 Email

19.12 Entire Agreement. This Agreement, including the Appendices and any SOW(s), represents the entire agreement between the Parties. This Agreement supersedes all prior agreements or understandings, whether written or verbal, regarding the subject matter of this Agreement. This Agreement may only be modified or amended in a writing signed by the Parties.

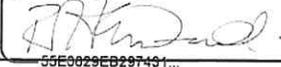
19.13 Counterparts. The Parties may execute this Agreement in two or more counterparts, which shall, in the aggregate, be deemed an original but all of which, together, shall constitute one and the

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same instrument. A scanned, electronic, facsimile or other copy of a party's signature shall be accepted and valid as an original.

Each representative identified below declares they have been expressly authorized to execute this Agreement as of the date of signature.

Axon Enterprise, Inc

Signature: 

Name: Robert Driscoll

Title: VP, Assoc. General Counsel

Date: 6/9/2021

Agency

Signature: _____

Name: Brian Loventhal

Title: City Manager

Date: _____

Approved as to Form:

Signature: _____
Office of the City Attorney

Date: _____

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Axon Cloud Services Terms of Use Appendix

1 Definitions.

"**Agency Content**" is data uploaded into, ingested by, or created in Axon Cloud Services within Agency's tenant, including media or multimedia uploaded into Axon Cloud Services by Agency. Agency Content includes Evidence but excludes Non-Content Data.

"**Evidence**" is media or multimedia uploaded into Axon Evidence as 'evidence' by an Agency. Evidence is a subset of Agency Content.

"**Non-Content Data**" is data, configuration, and usage information about Agency's Axon Cloud Services tenant, Axon Devices and client software, and users that is transmitted or generated when using Axon Devices. Non-Content Data includes data about users captured during account management and customer support activities. Non-Content Data does not include Agency Content.

"**Personal Data**" means any information relating to an identified or identifiable natural person. An identifiable natural person is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person.

- 2 Access. Upon Axon granting Agency a subscription to Axon Cloud Services, Agency may access and use Axon Cloud Services to store and manage Agency Content. Agency may not exceed more end users than the Quote specifies. Axon Air requires an Axon Evidence subscription for each drone operator. For Axon Evidence Lite, Agency may access and use Axon Evidence only to store and manage TASER CEW and TASER CAM data ("**TASER Data**"). Agency may not upload non-TASER Data to Axon Evidence Lite.

- 3 Agency Owns Agency Content. Agency controls and owns all right, title, and interest in Agency Content. Except as outlined herein, Axon obtains no interest in Agency Content, and Agency Content is not Axon's business records. Agency is solely responsible for uploading, sharing, managing, and deleting Agency Content. Axon will only have access to Agency Content for the limited purposes set forth herein. Agency agrees to allow Axon access to Agency Content to (a) perform troubleshooting, maintenance, or diagnostic screenings; and (b) enforce this Agreement or policies governing use of the Axon products.

Security. Axon will implement commercially reasonable and appropriate measures to secure Agency Content against accidental or unlawful loss, access or disclosure. Axon will maintain a comprehensive information security program to protect Axon Cloud Services and Agency Content including logical, physical access, vulnerability, risk, and configuration management; incident monitoring and response; encryption of uploaded digital evidence; security education; and data protection. Axon agrees to the Federal Bureau of Investigation Criminal Justice Information Services Security Addendum.

- 4 Agency Responsibilities. Agency is responsible for (a) ensuring Agency owns Agency Content; (b) ensuring no Agency Content or Agency end user's use of Agency Content or Axon Cloud Services violates this Agreement or applicable laws; and (c) maintaining necessary computer equipment and Internet connections for use of Axon Cloud Services. If Agency becomes aware of any violation of this Agreement by an end user, Agency will immediately terminate that end user's access to Axon Cloud Services.

Agency will also maintain the security of end user names and passwords and security and access by end users to Agency Content. Agency is responsible for ensuring the configuration and utilization of Axon Cloud Services meet applicable Agency regulation and standards. Agency may not sell, transfer, or sublicense access to any other entity or person. Agency shall contact Axon immediately if an unauthorized party may be using Agency's account or Agency Content, or if account

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information is lost or stolen.

To the extent Agency uses the Axon Cloud Services to interact with YouTube®, such use may be governed by the YouTube Terms of Service, available at <https://www.youtube.com/static?template=terms>.

Privacy. Agency's use of Axon Cloud Services is subject to the Axon Cloud Services Privacy Policy, a current version of which is available at <https://www.axon.com/legal/cloud-services-privacy-policy>. Agency agrees to allow Axon access to Non-Content Data from Agency to (a) perform troubleshooting, maintenance, or diagnostic screenings; (b) provide, develop, improve, and support current and future Axon products and related services; and (c) enforce this Agreement or policies governing the use of Axon products.

- 5 **Axon Body 3 Wi-Fi Positioning.** Axon Body 3 cameras offer a feature to enhance location services where GPS/GNSS signals may not be available, for instance, within buildings or underground. Agency administrators can manage their choice to use this service within the administrative features of Axon Cloud Services. If Agency chooses to use this service, Axon must also enable the usage of the feature for Agency's Axon Cloud Services tenant. Agency will not see this option with Axon Cloud Services unless Axon has enabled Wi-Fi Positioning for Agency's Axon Cloud Services tenant. When Wi-Fi Positioning is enabled by both Axon and Agency, Non-Content and Personal Data will be sent to Skyhook Holdings, Inc. ("Skyhook") to facilitate the Wi-Fi Positioning functionality. Data controlled by Skyhook is outside the scope of the Axon Cloud Services Privacy Policy and is subject to the Skyhook Services Privacy Policy.
- 6 **Storage.** For Axon Unlimited Device Storage subscriptions, Agency may store unlimited data in Agency's Axon Evidence account only if data originates from Axon Capture or the applicable Axon Device. Axon may charge Agency additional fees for exceeding purchased storage amounts. Axon may place Agency Content that Agency has not viewed or accessed for 6 months into archival storage. Agency Content in archival storage will not have immediate availability and may take up to 24 hours to access.
- 7 **Location of Storage.** Axon may transfer Agency Content to third-party subcontractors for storage. Axon will determine the locations of data centers for storage of Agency Content. For United States agencies, Axon will ensure all Agency Content stored in Axon Cloud Services remains within the United States. Ownership of Agency Content remains with Agency.
- 8 **Suspension.** Axon may temporarily suspend Agency's or any end user's right to access or use any portion or all of Axon Cloud Services immediately upon notice, if Agency or end user's use of or registration for Axon Cloud Services may (a) pose a security risk to Axon Cloud Services or any third-party; (b) adversely impact Axon Cloud Services, the systems, or content of any other customer; (c) subject Axon, Axon's affiliates, or any third-party to liability; or (d) be fraudulent.

Agency remains responsible for all fees incurred through suspension. Axon will not delete Agency Content because of suspension, except as specified in this Agreement.
- 9 **Axon Cloud Services Warranty.** Axon disclaims any warranties or responsibility for data corruption or errors before Agency uploads data to Axon Cloud Services.
- 10 **Axon Records.** Axon Records is the software-as-a-service product that is generally available at the time Agency purchases an OSP 7 bundle. During Agency's Axon Records Subscription Term, Agency will be entitled to receive Axon's Update and Upgrade releases on an if-and-when available basis.

The Axon Records Subscription Term will end upon the competition of the Axon Records Subscription as documented in the Quote, or if purchased as part of an OSP 7 bundle, upon

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competition of the OSP 7 Term ("**Axon Records Subscription**")

An "**Update**" is a generally available release of Axon Records that Axon makes available from time to time. An "**Upgrade**" includes (i) new versions of Axon Records that enhance features and functionality, as solely determined by Axon; and/or (ii) new versions of Axon Records that provide additional features or perform additional functions. Upgrades exclude new products that Axon introduces and markets as distinct products or applications.

New or additional Axon products and applications, as well as any Axon professional services needed to configure Axon Records, are not included. If Agency purchases Axon Records as part of a bundled offering, the Axon Record subscription begins on the later of the (1) start date of that bundled offering, or (2) date Axon provisions Axon Records to Agency.

- 11 **Axon Cloud Services Restrictions.** Agency and Agency end users (including employees, contractors, agents, officers, volunteers, and directors), may not, or may not attempt to:
- 11.1 copy, modify, tamper with, repair, or create derivative works of any part of Axon Cloud Services;
 - 11.2 reverse engineer, disassemble, or decompile Axon Cloud Services or apply any process to derive any source code included in Axon Cloud Services, or allow others to do the same;
 - 11.3 access or use Axon Cloud Services with the intent to gain unauthorized access, avoid incurring fees or exceeding usage limits or quotas;
 - 11.4 use trade secret information contained in Axon Cloud Services, except as expressly permitted in this Agreement;
 - 11.5 access Axon Cloud Services to build a competitive device or service or copy any features, functions, or graphics of Axon Cloud Services;
 - 11.6 remove, alter, or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices) of Axon's or Axon's licensors on or within Axon Cloud Services; or
 - 11.7 use Axon Cloud Services to store or transmit infringing, libelous, or other unlawful or tortious material; to store or transmit material in violation of third-party privacy rights; or to store or transmit malicious code.
- 12 **After Termination.** Axon will not delete Agency Content for 90-days following termination. There will be no functionality of Axon Cloud Services during these 90-days other than the ability to retrieve Agency Content. Agency will not incur additional fees if Agency downloads Agency Content from Axon Cloud Services during this time. Axon has no obligation to maintain or provide Agency Content after these 90-days and will thereafter, unless legally prohibited, delete all Agency Content. Upon request, Axon will provide written proof that Axon successfully deleted and fully removed all Agency Content from Axon Cloud Services.
- 13 **Post-Termination Assistance.** Axon will provide Agency with the same post-termination data retrieval assistance that Axon generally makes available to all customers. Requests for Axon to provide additional assistance in downloading or transferring Agency Content, including requests for Axon's data egress service, will result in additional fees and Axon will not warrant or guarantee data integrity or readability in the external system.
- 14 **U.S. Government Rights.** If Agency is a U.S. Federal department or using Axon Cloud Services on behalf of a U.S. Federal department, Axon Cloud Services is provided as a "commercial item," "commercial computer software," "commercial computer software documentation," and "technical data", as defined in the Federal Acquisition Regulation and Defense Federal Acquisition Regulation Supplement. If Agency is using Axon Cloud Services on behalf of the U.S. Government and these terms fail to meet the U.S. Government's needs or are inconsistent in any respect with federal law, Agency will immediately discontinue use of Axon Cloud Services.
- 15 **Survival.** Upon any termination of this Agreement, the following sections in this Appendix will

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survive: Agency Owns Agency Content, Storage, Axon Cloud Services Warranty, and Axon Cloud Services Restrictions.

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Axon Customer Experience Improvement Program Appendix

1 **Axon Customer Experience Improvement Program (ACEIP).** The ACEIP is designed to accelerate Axon’s development of technology, such as building and supporting automated features, to ultimately increase safety within communities and drive efficiency in public safety. To this end, subject to the limitations on Axon as described below, Axon, where allowed by law, may make limited use of Agency Content from all of its customers, to provide, develop, improve, and support current and future Axon products (collectively, “ACEIP Purposes”). However, at all times, Axon will comply with its obligations pursuant to the Axon Cloud Services Terms of Use Appendix to maintain a comprehensive data security program (including compliance with the CJIS Security Policy for Criminal Justice Information), privacy program, and data governance policy, including high industry standards of de-identifying Personal Data, to enforce its security and privacy obligations for the ACEIP. ACEIP has 2 tiers of participation, Tier 1 and Tier 2. By default, Agency will be a participant in ACEIP Tier 1. If Agency does not want to participate in ACEIP Tier 1, Agency can revoke its consent at any time. If Agency wants to participate in Tier 2, as detailed below, Agency can check the ACEIP Tier 2 box below. If Agency does not want to participate in ACEIP Tier 2, Agency should leave box unchecked. At any time, Agency may revoke its consent to ACEIP Tier 1, Tier 2, or both Tiers.

1.1 **ACEIP Tier 1.**

1.1.1. When Axon uses Agency Content for the ACEIP Purposes, Axon will extract from Agency Content and may store separately copies of certain segments or elements of the Agency Content (collectively, “ACEIP Content”). When extracting ACEIP Content, Axon will use commercially reasonable efforts to aggregate, transform or de-identify Agency Content so that the extracted ACEIP Content is no longer reasonably capable of being associated with, or could reasonably be linked directly or indirectly to a particular individual (“Privacy Preserving Technique(s)”). For illustrative purposes, some examples are described in footnote 1¹. For clarity, ACEIP Content will still be linked indirectly, with an attribution, to the Agency from which it was extracted. This attribution will be stored separately from the data itself, but is necessary for and will be solely used to enable Axon to identify and delete all ACEIP Content upon Agency request. Once de-identified, ACEIP Content may then be further modified, analyzed, and used to create derivative works. At any time, Agency may revoke the consent granted herein to Axon to access and use Agency Content for ACEIP Purposes. Within 30 days of receiving the Agency’s request, Axon will no longer access or use Agency Content for ACEIP Purposes and will delete any and all ACEIP Content. Axon will also delete any derivative works which may reasonably be capable of being associated with, or could reasonably be linked directly or indirectly to Agency. In addition, if Axon uses Agency Content for the ACEIP Purposes, upon request, Axon will make available to Agency a list of the specific type of Agency Content being used to generate ACEIP Content, the purpose of such use, and the retention, privacy preserving extraction technique, and relevant data protection practices

¹ For example; (a) when extracting specific text to improve automated transcription capabilities, text that could be used to directly identify a particular individual would not be extracted, and extracted text would be disassociated from identifying metadata of any speakers, and the extracted text would be split into individual words and aggregated with other data sources (including publicly available data) to remove any reasonable ability to link any specific text directly or indirectly back to a particular individual; (b) when extracting license plate data to improve Automated License Plate Recognition (ALPR) capabilities, individual license plate characters would be extracted and disassociated from each other so a complete plate could not be reconstituted, and all association to other elements of the source video, such as the vehicle, location, time, and the surrounding environment would also be removed; (c) when extracting audio of potential acoustic events (such as glass breaking or gun shots), very short segments (<1 second) of audio that only contains the likely acoustic events would be extracted and all human utterances would be removed.

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applicable to the Agency Content or ACEIP Content ("Use Case"). From time to time, Axon may develop and deploy new Use Cases. At least 30 days prior to authorizing the deployment of any new Use Case, Axon will provide Agency notice (by updating the list of Use Case at <https://www.axon.com/aceip> and providing Agency with a mechanism to obtain notice of that update or another commercially reasonable method to Agency designated contact) ("New Use Case").

1.1.2. Expiration of ACEIP Tier 1. Agency consent granted herein, will expire upon termination of the Agreement. In accordance with section 1.1.1, within 30 days of receiving the Agency's request, Axon will no longer access or use Agency Content for ACEIP Purposes and will delete ACEIP Content. Axon will also delete any derivative works which may reasonably be capable of being associated with, or could reasonably be linked directly or indirectly to Agency.

1.2 ACEIP Tier 2. In addition to ACEIP Tier 1, if Agency wants to help further improve Axon's services, Agency may choose to participate in Tier 2 of the ACEIP. ACEIP Tier 2, grants Axon certain additional rights to use Agency Content, in addition to those set forth in Tier 1 above, without the guaranteed deployment of a Privacy Preserving Technique to enable product development, improvement, and support that cannot be accomplished with aggregated, transformed or de-identified data.

Check this box if Agency wants to help further improve Axon's services by participating in ACEIP Tier 2 in addition to Tier 1. By checking this box, Agency hereby agrees to the Axon Customer Experience Improvement Program Tier 2 Terms of Service, available at <https://www.axon.com/sales-terms-and-conditions> and incorporated herein by reference.

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Professional Services Appendix

1 **Utilization of Services.** Agency must use professional services as outlined in the Quote and this Appendix within 6 months of the Effective Date.

2 **Body-Worn Camera Starter Service (BWC Starter).** BWC Starter includes advance remote project planning and configuration support and one day of on-site Services and a professional services manager to work closely with Agency to assess Agency's deployment and determine which Services are appropriate. If Agency requires more than 1 day of on-site Services, Agency must purchase additional on-site Services. The BWC Starter options include:

<p>System set up and configuration (Remote Support)</p> <ul style="list-style-type: none"> • Instructor-led setup of Axon View on smartphones (if applicable) • Configure categories & custom roles based on Agency need • Troubleshoot IT issues with Axon Evidence and Axon Dock ("Dock") access
<p>Dock configuration</p> <ul style="list-style-type: none"> • Work with Agency to decide the ideal location of Dock setup and set configurations on Dock • Authenticate Dock with Axon Evidence using "Administrator" credentials from Agency • Does not include physical mounting of docks
<p>Axon instructor training (Train the Trainer) Training for Agency's in-house instructors who can support Agency's Axon camera and Axon Evidence training needs after Axon's has fulfilled its contracted on-site obligations</p>
<p>End user go-live training and support sessions</p> <ul style="list-style-type: none"> • Assistance with device set up and configuration • Training on device use, Axon Evidence, and Evidence Sync
<p>Implementation document packet Axon Evidence administrator guides, camera implementation guides, network setup guide, sample policies, and categories & roles guide</p>

3 **Body-Worn Camera Virtual 1-Day Service (BWC Virtual).** BWC Virtual includes all items in the BWC Starter Service Package, except one day of on-site services.

4 **CEW Services Packages.** CEW Services Packages are detailed below:

<p>System set up and configuration</p> <ul style="list-style-type: none"> • Configure Axon Evidence categories & custom roles based on Agency need. • Troubleshoot IT issues with Axon Evidence. • Register users and assign roles in Axon Evidence. • For the CEW Full Service Package: On-site assistance included • For the CEW Starter Package: Virtual assistance included
<p>Dedicated Project Manager Assignment of specific Axon representative for all aspects of planning the rollout (Project Manager). Ideally, Project Manager will be assigned to Agency 4–6 weeks before rollout</p>
<p>Best practice implementation planning session to include:</p> <ul style="list-style-type: none"> • Provide considerations for the establishment of CEW policy and system operations best practices based on Axon's observations with other agencies • Discuss the importance of entering metadata and best practices for digital data management • Provide referrals to other agencies using TASER CEWs and Axon Evidence • For the CEW Full Service Package: On-site assistance included • For the CEW Starter Package: Virtual assistance included



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<p>System Admin and troubleshooting training sessions On-site sessions providing a step-by-step explanation and assistance for Agency's configuration of security, roles & permissions, categories & retention, and other specific settings for Axon Evidence</p>
<p>Axon Evidence Instructor training</p> <ul style="list-style-type: none"> • Provide training on the Axon Evidence to educate instructors who can support Agency's subsequent Axon Evidence training needs. • For the CEW Full Service Package: Training for up to 3 individuals at Agency • For the CEW Starter Package: Training for up to 1 individual at Agency
<p>TASER CEW inspection and device assignment Axon's on-site professional services team will perform functions check on all new TASER CEW Smart weapons and assign them to a user on Axon Evidence.</p>
<p>Post go-live review For the CEW Full Service Package: On-site assistance included. For the CEW Starter Package: Virtual assistance included.</p>

5 Smart Weapon Transition Service. The Smart Weapon Transition Service includes:

<p>Archival of CEW Firing Logs Axon's on-site professional services team will upload CEW firing logs to Axon Evidence from all TASER CEW Smart Weapons that Agency is replacing with newer Smart Weapon models.</p>
<p>Return of Old Weapons Axon's on-site professional service team will ship all old weapons back to Axon's headquarters. Axon will provide Agency with a Certificate of Destruction</p>

*Note: CEW Full Service packages for TASER 7 include Smart Weapon Transition Service instead of 1-Day Device Specific Instructor Course.

6 Signal Sidearm Installation Service. If Agency purchases Signal Sidearm Installation Service, Axon will provide one day of on-site Services and one professional services manager and will cover the installation of up to 100 Signal Sidearm devices per package purchased. Agency is responsible for providing an appropriate work area and ensuring all holsters that will have Signal Sidearm installed onto them are available on the agreed-upon installation date(s). Installation includes:

Removal of existing connection screws that affix a holster to a holster mount
Proper placement of the Signal Sidearm Mounting Plate between the holster and the mount
Reattachment of the holster to the mount using appropriate screws
Functional testing of Signal Sidearm device

7 Out of Scope Services. Axon is only responsible to perform the professional services described in the Quote and this Appendix. Any additional professional services are out of scope. The Parties must document scope changes in a written and signed change order. Changes may require an equitable adjustment in the charges or schedule.

8 Delivery of Services. Axon personnel will work Monday through Friday, 8:30 a.m. to 5:30 p.m., except holidays. Axon will perform all on-site tasks over a consecutive timeframe. Axon will not charge Agency travel time by Axon personnel to Agency premises as work hours.

9 Access Computer Systems to Perform Services. Agency authorizes Axon to access relevant Agency computers and networks, solely for performing the Services. Axon will work to identify as soon as reasonably practicable resources and information Axon expects to use and will provide an initial itemized list to Agency. Agency is responsible for and assumes the risk of any problems, delays, losses, claims, or expenses resulting from the content, accuracy, completeness, and consistency of all data, materials, and information supplied by Agency.

10 Site Preparation. Axon will provide a hardcopy or digital copy of current user documentation for

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the Axon Devices ("**User Documentation**"). User Documentation will include all required environmental specifications for the professional Services and Axon Devices to operate per the Axon Device User Documentation. Before installation of Axon Devices (whether performed by Agency or Axon), Agency must prepare the location(s) where Axon Devices are to be installed ("**Installation Site**") per the environmental specifications in the Axon Device User Documentation. Following installation, Agency must maintain the Installation Site per the environmental specifications. If Axon modifies Axon Device User Documentation for any Axon Devices under this Agreement, Axon will provide the update to Agency when Axon generally releases it

- 11 **Acceptance.** When Axon completes professional Services, Axon will present an acceptance form ("**Acceptance Form**") to Agency. Agency will sign the Acceptance Form acknowledging completion. If Agency reasonably believes Axon did not complete the professional Services in substantial conformance with this Agreement, Agency must notify Axon in writing of the specific reasons for rejection within 7 calendar days from delivery of the Acceptance Form. Axon will address the issues and re-present the Acceptance Form for signature. If Axon does not receive the signed Acceptance Form or written notification of reasons for rejection within 7 calendar days of delivery of the Acceptance Form, Axon will deem Agency to have accepted the professional Services.
- 12 **Agency Network.** For work performed by Axon transiting or making use of Agency's network, Agency is solely responsible for maintenance and functionality of the network. In no event will Axon be liable for loss, damage, or corruption of Agency's network from any cause.



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Technology Assurance Plan Appendix

If Technology Assurance Plan ("TAP") or a bundle including TAP is on the Quote, this appendix applies.

- 1 **TAP Warranty.** The TAP warranty is an extended warranty that starts at the end of the 1-year Hardware Limited Warranty.
- 2 **Officer Safety Plan.** If Agency purchases an Officer Safety Plan ("OSP"), Agency will receive the deliverables detailed in the Quote. Agency must accept delivery of the TASER CEW and accessories as soon as available from Axon.
- 3 **OSP 7 Term.** OSP 7 begins after Axon ships the Axon Body 3 or TASER 7 hardware to Agency. If Axon ships in the first half of the month, OSP 7 starts the 1st of the following month. If Axon ships in the second half of the month, OSP 7 starts the 15th of the following month ("**OSP 7 Term**").
- 4 **TAP BWC Upgrade.** If Agency has no outstanding payment obligations and purchased TAP, Axon will provide Agency a new Axon body-worn camera ("**BWC Upgrade**") as scheduled in the Quote. If Agency purchased TAP Axon will provide a BWC Upgrade that is the same or like Axon Device, at Axon's option. Axon makes no guarantee the BWC Upgrade will utilize the same accessories or Axon Dock.
- 5 **TAP Dock Upgrade.** If Agency has no outstanding payment obligations and purchased TAP, Axon will provide Agency a new Axon Dock as scheduled in the Quote ("**Dock Upgrade**"). Accessories associated with any Dock Upgrades are subject to change at Axon discretion. Dock Upgrades will only include a new Axon Dock bay configuration unless a new Axon Dock core is required for BWC compatibility. If Agency originally purchased a single-bay Axon Dock, the Dock Upgrade will be a single-bay Axon Dock model that is the same or like Axon Device, at Axon's option. If Agency originally purchased a multi-bay Axon Dock, the Dock Upgrade will be a multi-bay Axon Dock that is the same or like Axon Device, at Axon's option.
- 6 **Upgrade Delay.** Axon may ship the BWC and Dock Upgrades as scheduled in the Quote without prior confirmation from Agency unless the Parties agree in writing otherwise at least 90 days in advance. Axon may ship the final BWC and Dock Upgrade as scheduled in the Quote 60 days before the end of the Subscription Term without prior confirmation from Agency.
- 7 **Upgrade Change.** If Agency wants to change Axon Device models for the offered BWC or Dock Upgrade, Agency must pay the price difference between the MSRP for the offered BWC or Dock Upgrade and the MSRP for the model desired. If the model Agency desires has an MSRP less than the MSRP of the offered BWC Upgrade or Dock Upgrade, Axon will not provide a refund. The MSRP is the MSRP in effect at the time of the upgrade.
- 8 **Return of Original Axon Device.** Within 30 days of receiving a BWC or Dock Upgrade, Agency must return the original Axon Devices to Axon or destroy the Axon Devices and provide a certificate of destruction to Axon including serial numbers for the destroyed Axon Devices. If Agency does not return or destroy the Axon Devices, Axon will deactivate the serial numbers for the Axon Devices received by Agency.
- 9 **Termination.** If Agency's payment for TAP, OSP, or Axon Evidence is more than 30 days past due, Axon may terminate TAP or OSP. Once TAP or OSP terminates for any reason:
 - 9.1 TAP and OSP coverage terminate as of the date of termination and no refunds will be given.
 - 9.2 Axon will not and has no obligation to provide the Upgrade Models.
 - 9.3 Agency must make any missed payments due to the termination before Agency may purchase any future TAP or OSP.



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TASER 7 Appendix

This TASER 7 Appendix applies to Agency's TASER 7, OSP 7, or OSP 7 Plus purchase from Axon.

- 1 **Duty Cartridge Replenishment Plan.** If the Quote includes "Duty Cartridge Replenishment Plan", Agency must purchase the plan for each CEW user. A CEW user includes officers that use a CEW in the line of duty and those that only use a CEW for training. Agency may not resell cartridges received. Axon will only replace cartridges used in the line of duty.
- 2 **Training.** If the Quote includes a training voucher, Agency must use the voucher within 1 year of issuance, or the voucher will be void. Axon will issue Agency a voucher annually beginning on the start of the TASER Subscription Term. The voucher has no cash value. Agency cannot exchange it for another device or service. Unless stated in the Quote, the voucher does not include travel expenses and will be Agency's responsibility. If the Quote includes Axon Online Training or Virtual Reality Content Empathy Development for Autism/Schizophrenia (collectively, "Training Content"), Agency may access Training Content. Axon will deliver all Training Content electronically.
- 3 **Extended Warranty.** If the Quote includes an extended warranty, the extended warranty coverage period warranty will be for a 5-year term, which includes the hardware manufacturer's warranty plus the 4-year extended term.
- 4 **Trade-in.** If the Quote contains a discount on CEW-related line items, including items related to OSP, then that discount may only be applied as a trade-in credit, and Agency must return used hardware and accessories associated with the discount ("Trade-In Units") to Axon. Agency must ship batteries via ground shipping. Axon will pay shipping costs of the return. If Axon does not receive Trade-In Units within the timeframe below, Axon will invoice Agency the value of the trade-in credit. Agency may not destroy Trade-In Units and receive a trade-in credit.

Agency Size	Days to Return from Start Date of TASER 7 Subscription
Less than 100 officers	30 days
100 to 499 officers	90 days
500+ officers	180 days

- 5 **TASER 7 Subscription Term.** The TASER 7 Subscription Term for a standalone TASER 7 purchase begins on shipment of the TASER 7 hardware. The TASER 7 Subscription Term for OSP 7 begins on the OSP 7 Start date.
- 6 **Access Rights.** Upon Axon granting Agency a TASER 7 Axon Evidence subscription, Agency may access and use Axon Evidence for the storage and management of data from TASER 7 CEW devices during the TASER 7 Subscription Term. Agency may not upload any non-TASER 7 data or any other files to Axon Evidence. Agency may not exceed the number of end users than the Quote specifies.
- 7 **Privacy.** Axon will not disclose Agency Content or any information about Agency except as compelled by a court or administrative body or required by any law or regulation. Axon will give notice if any disclosure request is received for Agency Content, so Agency may file an objection with the court or administrative body.
- 8 **Termination.** If payment for TASER 7 is more than 30 days past due, Axon may terminate Agency's TASER 7 plan by notifying Agency. Upon termination for any reason, then as of the date of termination:



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-
- 8.1 TASER 7 extended warranties and access to Training Content will terminate. No refunds will be given.
 - 8.2 Axon will invoice Agency the remaining MSRP for TASER 7 products received before termination. If terminating for non-appropriations, Axon will not invoice Agency if Agency returns the CEW, rechargeable battery, holster, dock, core, training suits, and unused cartridges to Axon within 30 days of the date of termination.
 - 8.3 Agency will be responsible for payment of any missed payments due to the termination before being allowed to purchase any future TASER 7 plan.

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Axon Auto-Tagging Appendix

- 1 **Scope.** Axon Auto-Tagging consists of the development of a module to allow Axon Evidence to interact with Agency's Computer-Aided Dispatch ("CAD") or Records Management Systems ("RMS"). This allows end users to auto-populate Axon video meta-data with a case ID, category, and location-based on data maintained in Agency's CAD or RMS.
- 2 **Support.** For thirty days after completing Auto-Tagging Services, Axon will provide up to 5 hours of remote support at no additional charge. Axon will provide free support due to a change in Axon Evidence, so long as long as Agency maintains an Axon Evidence and Auto-Tagging subscription. Axon will not provide support if a change is required because Agency changes its CAD or RMS.
- 3 **Changes.** Axon is only responsible to perform the Services in this Appendix. Any additional Services are out of scope. The Parties must document scope changes in a written and signed change order. Changes may require an equitable adjustment in fees or schedule.
- 4 **Agency Responsibilities.** Axon's performance of Auto-Tagging Services requires Agency to:
 - 4.1 Make available relevant systems, including Agency's current CAD or RMS, for assessment by Axon (including remote access if possible);
 - 4.2 Make required modifications, upgrades or alterations to Agency's hardware, facilities, systems and networks related to Axon's performance of Auto-Tagging Services;
 - 4.3 Provide access to the premises where Axon is performing Auto-Tagging Services, subject to Agency safety and security restrictions, and allow Axon to enter and exit the premises with laptops and materials needed to perform Auto-Tagging Services;
 - 4.4 Provide all infrastructure and software information (TCP/IP addresses, node names, network configuration) necessary for Axon to provide Auto-Tagging Services;
 - 4.5 Promptly install and implement any software updates provided by Axon;
 - 4.6 Ensure that all appropriate data backups are performed;
 - 4.7 Provide assistance, participation, and approvals in testing Auto-Tagging Services;
 - 4.8 Provide Axon with remote access to Agency's Axon Evidence account when required;
 - 4.9 Notify Axon of any network or machine maintenance that may impact the performance of the module at Agency; and
 - 4.10 Ensure reasonable availability of knowledgeable staff and personnel to provide timely, accurate, complete, and up-to-date documentation and information to Axon.
- 5 **Access to Systems.** Agency authorizes Axon to access Agency's relevant computers, network systems, and CAD or RMS solely for performing Auto-Tagging Services. Axon will work diligently to identify as soon as reasonably practicable resources and information Axon expects to use and will provide an initial list to Agency. Agency is responsible for and assumes the risk of any problems, delays, losses, claims, or expenses resulting from the content, accuracy, completeness, and consistency of all data, materials, and information supplied by Agency.



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Axon Fleet Appendix

- 1 **Agency Responsibilities.** Agency must ensure its infrastructure and vehicles adhere to the minimum requirements to operate Axon Fleet 2 or Axon Fleet 3 (collectively, "Axon Fleet") as established by Axon during the qualifier call and on-site assessment at Agency and in any technical qualifying questions. If Agency's representations are inaccurate, the Quote is subject to change.
- 2 **Cradlepoint.** If Agency purchases Cradlepoint Enterprise Cloud Manager, Agency will comply with Cradlepoint's end user license agreement. The term of the Cradlepoint license may differ from the Axon Evidence Subscription. If Agency requires Cradlepoint support, Agency will contact Cradlepoint directly.
- 3 **Third-party Installer.** Axon will not be liable for the failure of Axon Fleet hardware to operate per specifications if such failure results from installation not performed by, or as directed by Axon.
- 4 **Wireless Offload Server.**
 - 4.1 **License Grant.** Axon grants Agency a non-exclusive, royalty-free, worldwide, perpetual license to use Wireless Offload Server ("WOS"). "Use" means storing, loading, installing, or executing WOS solely for data communication with Axon Devices for the number of licenses purchased. The WOS term begins upon the start of the Axon Evidence Subscription.
 - 4.2 **Restrictions.** Agency may not: (a) modify, alter, tamper with, repair, or create derivative works of WOS; (b) reverse engineer, disassemble, or decompile WOS, apply any process to derive the source code of WOS, or allow others to do so; (c) access or use WOS to avoid incurring fees or exceeding usage limits; (d) copy WOS in whole or part; (e) use trade secret information contained in WOS; (f) resell, rent, loan or sublicense WOS; (g) access WOS to build a competitive device or service or copy any features, functions or graphics of WOS; or (h) remove, alter or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices) of Axon or Axon's licensors on or within WOS.
 - 4.3 **Updates.** If Agency purchases WOS maintenance, Axon will make updates and error corrections to WOS ("WOS Updates") available electronically via the Internet or media as determined by Axon. Agency is responsible for establishing and maintaining adequate Internet access to receive WOS Updates and maintaining computer equipment necessary for use of WOS. The Quote will detail the maintenance term.
 - 4.4 **WOS Support.** Upon request by Axon, Agency will provide Axon with access to Agency's store and forward servers solely for troubleshooting and maintenance.
- 5 **Axon Vehicle Software.**
 - 5.1 **License Grant.** Axon grants Agency a non-exclusive, royalty-free, worldwide, perpetual license to use ViewXL or Dashboard (collectively, "Axon Vehicle Software".) "Use" means storing, loading, installing, or executing Axon Vehicle Software solely for data communication with Axon Devices. The Axon Vehicle Software term begins upon the start of the Axon Evidence Subscription.
 - 5.2 **Restrictions.** Agency may not: (a) modify, alter, tamper with, repair, or create derivative works of Axon Vehicle Software; (b) reverse engineer, disassemble, or decompile Axon Vehicle Software, apply any process to derive the source code of Axon Vehicle Software, or allow others to do so; (c) access or use Axon Vehicle Software to avoid incurring fees or exceeding usage limits; (d) copy Axon Vehicle Software in whole or part; (e) use trade secret information contained in Axon Vehicle Software; (f) resell, rent, loan or sublicense Axon Vehicle Software; (g) access Axon Vehicle Software to build a competitive device or service or copy any features, functions or graphics of Axon Vehicle Software; or (h)

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remove, alter or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices) of Axon or Axon's licensors on or within Axon Vehicle Software.

- 6 **Axon Fleet Upgrade.** If Agency has no outstanding payment obligations and has purchased the "Fleet Technology Assurance Plan" (Fleet TAP), Axon will provide Agency with the same or like model of Fleet hardware ("Fleet Upgrade") as schedule on the Quote.

If Agency would like to change models for the Axon Fleet Upgrade, Agency must pay the difference between the MSRP for the offered Axon Fleet Upgrade and the MSRP for the model desired. The MSRP is the MSRP in effect at the time of the upgrade. Agency is responsible for the removal of previously installed hardware and installation of the Axon Fleet Upgrade.

Within 30 days of receiving the Axon Fleet Upgrade, Agency must return the original Axon Devices to Axon or destroy the Axon Devices and provide a certificate of destruction to Axon, including serial numbers of the destroyed Axon Devices. If Agency does not destroy or return the Axon Devices to Axon, Axon will deactivate the serial numbers for the Axon Devices received by Agency.

- 7 **Privacy.** Axon will not disclose Agency Content or any information about Agency except as compelled by a court or administrative body or required by any law or regulation. Axon will give notice if any disclosure request is received for Agency Content, so Agency may file an objection with the court or administrative body.

- 8 **Axon Fleet Termination.** Axon may terminate Agency's Fleet subscription for non-payment. Upon any termination:

- 8.1 Axon Fleet subscription coverage terminates, and no refunds will be given.
- 8.2 Axon will not and has no obligation to provide the Axon Fleet Upgrade.
- 8.3 Agency will be responsible for payment of any missed payments due to the termination before being allowed to purchase any future Fleet TAP.

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Axon Respond Appendix

This Axon Respond Appendix applies to both Axon Respond and Axon Respond Plus.

- 1 **Axon Respond Subscription Term.** If Agency purchases Axon Respond as part of a bundled offering, the Axon Respond subscription begins on the later of the (1) start date of that bundled offering, or (2) date Axon provisions Axon Respond to Agency.

If Agency purchases Axon Respond as a standalone, the Axon Respond subscription begins the later of the (1) date Axon provisions Axon Respond to Agency, or (2) first day of the month following the Effective Date.

The Axon Respond subscription term will end upon the completion of the Axon Evidence Subscription associated with Axon Respond.

- 2 **Scope of Axon Respond.** The scope of Axon Respond is to assist Agency with real-time situational awareness during critical incidents to improve officer safety, effectiveness, and awareness. In the event Agency uses Axon Respond outside this scope, Axon may initiate good-faith discussions with Agency on upgrading Agency's Axon Respond to better meet Agency's needs.
- 3 **Axon Body 3 LTE Requirements.** Axon Respond is only available and usable with an LTE enabled body-worn camera. Axon is not liable if Agency utilizes the LTE device outside of the coverage area or if the LTE carrier is unavailable. LTE coverage is only available in the United States, including any U.S. territories. Axon may utilize a carrier of Axon's choice to provide LTE service. Axon may change LTE carriers during the Term without Agency's consent.
- 4 **Axon Fleet 3 LTE Requirements.** Axon Respond is only available and usable with a Fleet 3 system configured with LTE modem and service. Agency is responsible for providing LTE service for the modem. Coverage and availability of LTE service is subject to Agency's LTE carrier.
- 5 **Axon Respond Service Limitations.** Agency acknowledges that LTE service is made available only within the operating range of the networks. Service may be temporarily refused, interrupted, or limited because of: (a) facilities limitations; (b) transmission limitations caused by atmospheric, terrain, other natural or artificial conditions adversely affecting transmission, weak batteries, system overcapacity, movement outside a service area or gaps in coverage in a service area and other causes reasonably outside of the carrier's control such as intentional or negligent acts of third parties that damage or impair the network or disrupt service; or (c) equipment modifications, upgrades, relocations, repairs, and other similar activities necessary for the proper or improved operation of service.

With regard to Axon Body 3, Partner networks are made available as-is and the carrier makes no warranties or representations as to the availability or quality of roaming service provided by carrier partners, and the carrier will not be liable in any capacity for any errors, outages, or failures of carrier partner networks. Agency expressly understands and agrees that it has no contractual relationship whatsoever with the underlying wireless service provider or its affiliates or contractors and Agency is not a third-party beneficiary of any agreement between Axon and the underlying carrier.

- 6 **Termination.** Upon termination of this Agreement, or if Agency stops paying for Axon Respond or bundles that include Axon Respond, Axon will end Aware services, including any Axon-provided LTE service.



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Add-on Services Appendix

This Appendix applies to Axon Citizen for Communities, Axon Redaction Assistant, and Axon Performance.

- 1 Subscription Term.** If Agency purchases Axon Citizen for Communities, Axon Redaction Assistant, or Axon Performance as part of OSP 7, the subscription begins on the later of the (1) start date of the OSP 7 Term, or (2) date Axon provisions Axon Citizen for Communities, Axon Redaction Assistant, or Axon Performance to Agency.

If Agency purchases Axon Citizen for Communities, Axon Redaction Assistant, or Axon Performance as a standalone, the subscription begins the later of the (1) date Axon provisions Axon Citizen for Communities, Axon Redaction Assistant, or Axon Performance to Agency, or (2) first day of the month following the Effective Date.

The subscription term will end upon the completion of the Axon Evidence Subscription associated with the add-on.

- 2 Axon Citizen Storage.** For Axon Citizen, Agency may store an unlimited amount of data submitted through the public portal ("**Portal Content**"), within Agency's Axon Evidence instance. The post-termination provisions outlined in the Axon Cloud Services Terms of Use Appendix also apply to Portal Content.
- 3 Performance Auto-Tagging Data.** In order to provide some features of Axon Performance to Agency, Axon will need to store call for service data from Agency's CAD or RMS.



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Axon Auto-Transcribe Appendix

This Appendix applies to Axon Auto-Transcribe.

- 1) **Subscription Term.** If Agency purchases Axon Auto-Transcribe as part of a bundle or Axon Cloud Services subscription, the subscription begins on the later of the (1) start date of the bundle or Axon Cloud Services license term, or (2) date Axon provisions Axon Auto-Transcribe to Agency. If Agency purchases Axon Auto-Transcribe minutes as a standalone, the subscription begins on the date Axon provisions Axon Auto-Transcribe to Agency.

Axon Auto-Transcribe minutes expire one year after being provisioned to Agency by Axon.

If Agency cancels Auto-Transcribe services, any amounts owed by the Parties will be based on the amount of time passed under the annual subscription, rather than on the number of minutes used, regardless of usage.

- 2) **Auto-Transcribe A-La-Carte Minutes.** Upon Axon granting Agency a set number of minutes, Agency may utilize Axon Auto-Transcribe, subject to the number of minutes allowed on the Quote. Agency will not have the ability to roll over unused minutes to future Auto-Transcribe terms. Axon may charge Agency additional fees for exceeding the number of purchased minutes.
- 3) **Axon Auto-Transcribe On-Demand.** Upon Axon granting Agency an On-Demand subscription to Axon Auto-Transcribe, Agency may utilize Axon Auto-Transcribe with no limit on the number of minutes. The scope of Axon Auto-Transcribe On-Demand is to assist Agency with reviewing and transcribing individual evidence items. In the event Agency uses Axon Auto-Transcribe On-Demand outside this scope, Axon may initiate good-faith discussions with Agency on upgrading Agency's Axon Auto-Transcribe On-Demand to better meet Agency's needs.
- 4) **Warranty.** Axon does not warrant the accuracy of Axon Auto-Transcribe.



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Axon Virtual Reality Content Terms of Use Appendix

- 1 **Term.** The Quote will detail the duration of the Virtual Reality Content license.
- 2 **Headsets.** Agency may purchase additional virtual reality headsets from Axon. In the event Agency decides to purchase additional virtual reality headsets for use with Axon's Virtual Reality Content, Agency must purchase those headsets from Axon.
- 3 **License Restrictions.** All licenses will immediately terminate if Agency does not comply with any term of this Agreement. If Agency utilizes more users than stated in this Agreement, Agency must purchase additional Virtual Reality Content licenses from Axon. Agency may not use Virtual Reality Content for any purpose other than as expressly permitted by this Agreement. Agency may not:
 - 3.1 modify, tamper with, repair, or otherwise create derivative works of Virtual Reality Content;
 - 3.2 reverse engineer, disassemble, or decompile Virtual Reality Content or apply any process to derive the source code of Virtual Reality Content, or allow others to do the same;
 - 3.3 copy Virtual Reality Content in whole or part, except as expressly permitted in this Agreement;
 - 3.4 use trade secret information contained in Virtual Reality Content;
 - 3.5 resell, rent, loan or sublicense Virtual Reality Content;
 - 3.6 access Virtual Reality Content to build a competitive device or service or copy any features, functions, or graphics of Virtual Reality Content; or
 - 3.7 remove, alter, or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices) of Axon or Axon's licensors on or within Virtual Reality Content or any copies of Virtual Reality Content.
- 4 **Termination.** Axon may terminate Agency's license immediately for Agency's failure to comply with any of the terms in this Agreement.

**STATEMENT OF WORK FOR
THE IMPLEMENTATION OF
AXON RECORDS AND
DISPATCH FOR CAMPBELL
POLICE DEPARTMENT
("SOW")**

Submitted By:

Axon Enterprise, Inc. (Axon)

17800 North 85th Street

Scottsdale, AZ 85255



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1. PROJECT OVERVIEW:

1.1 SOFTWARE

The software detailed in this SOW includes, the listed functionality.

- ▶ Axon Dispatch
- ▶ Axon Records
- ▶ Axon Standards

1.2 DEFINITIONS

TERM	DEFINITION
PARTIES	
Agency	Campbell Police Department who is identified within this SOW
End-Users	Specific Agency groups that will use the system
Professional Services	The services that Axon will provide within the scope of this SOW
SYSTEMS	
Axon Systems	Software solutions and Agency specific integrations developed by Axon
CJIS	The Federal Bureau of Investigation's Criminal Justice Information System
NIBRS	National Incident Based Reporting System
DataStore	The database Axon provides allowing Agency to query data
Product	The software solution(s) being implemented as part of this SOW
Production Environment	The operational environment where the Product will be accessed
Service Portal	An online portal provided by Axon where issues identified are entered and triaged
PROJECT & MILESTONES	
Project	Scope of this SOW as defined by the work to be completed described herein
Project Change Order (PCO)	Change order form outlined in Attachment B to be executed between Axon and Agency if a material change in scope is required to this SOW
Go-Live	All End-Users are activated and Agency is actively using the product
Milestone	Event that constitutes completion of work as listed in Attachment A
Milestone Completion Report	The report outlined in Attachment A to be executed at key Milestones between Agency and Axon to approve completion of Project phases
Third-Party Products and Services	Software, hardware, and services that are not owned by Axon but are being provided by Axon for this Project as listed in Attachment C

Attachment: Axon Statement of Work (Axon OSP CAD/RMS Contract Authorization)



TERM	DEFINITION
ACCEPTANCE	
Blocker	Issue impacting 50% or more users
Integration Acceptance Testing	Scheduled events for testing of each integration point and associated functionality in collaboration with Agency and Agency's vendors
Functional Acceptance Testing	Testing the functionality of the system as configured for Agency
DISPATCH SPECIFIC	
CLIPS	Commsys standalone terminal application that provides access to all CJS transactions supported by state, regional or national providers

1.3 OUT OF PROJECT SCOPE

Axon is only responsible for performing the Professional Services described within this SOW. Any additional Professional Services that are not defined explicitly by this SOW shall be done so through a Project Change Order. The following are considered outside the scope of this Project:

- ▶ Administration, management, or support of any internal City, County, State, Federal or Agency IT network or infrastructure
- ▶ Third Party Products and Services costs related to the vendors or Agency's cost of implementing the vendors or Agency's side of the integration
- ▶ Changes made by Agency or Agency's vendors



2. PROFESSIONAL SERVICES:

2.1 GENERAL

- ▶ Agency will provide a Master Charge Table that Axon will load.

2.2 INTERFACES

- ▶ Agency must provide technical documentation and/or facilitation of meetings with all third-party systems vendors where an integration is required.
- ▶ Axon will provide any relevant API documentation to Agency.
- ▶ Axon will conduct Integration Acceptance Testing demonstrating the functionality of each integration.
- ▶ Agency must notify Axon of any changes in Agency's side of the integration that is beyond Axon's control and may impact the integration.

2.2.1 Dispatch | Cradlepoint | E911 (ANI/ALI) Interface: Axon Dispatch will ingest information from the 911 service provider and Agency will provide an Ubuntu Linux server with 2 cores, 1024mb ram, 20gb of storage in order to facilitate this interface.

2.2.2 Dispatch | Automatic Vehicle Locator ("AVL") Interface: Axon Dispatch will ingest AVL data from Agency's AVL technology vendor

2.2.3 Dispatch | Auto-Tagging Data Services Interface: Axon will deliver an integration between Axon Dispatch and Axon Evidence that will populate Axon Evidence with data from the Axon Dispatch events

2.2.4 Dispatch | NCIC Interface: Axon will deliver an interface between Axon Dispatch and the established message switch. The following basic queries will be generated by Axon Dispatch: QDRV (Driver's License), QVEH (Vehicle Registration), QA (Article), QBOT (Boat), QG (Gun). The Axon Dispatch interface then sends the queries on to NCIC, where query returns are then sent back to Axon Dispatch

2.2.5 Dispatch | RapidSOS: Axon Dispatch will import 9-1-1 call data from RapidSOS

2.2.6 Records | Crossroads: Axon Records will import crash data from Crossroads.

2.2.7 Records | Coplogic: Axon Records will import online reports from Coplogic



2.3 DATA CONVERSION

- ▶ Axon will work with Agency to map the data from the legacy data structures and formats into Axon Records and Axon Dispatch.
- ▶ Data quality shall be addressed by Agency prior to provisioning to Axon.
- ▶ If necessary, as determined by Axon, Agency must facilitate meetings with all third-party system vendors where a data conversion is required.
- ▶ Agency's third-party system vendors will perform the extractions and provide Axon with data dictionaries, the structure, format, and any documentation that will allow effective migration of the data.

2.3.1 Trittech | CAD Data Conversion: Axon Dispatch will ingest legacy CAD data from Trittech.

2.3.2 Trittech | Records Data Conversion: Axon Records will ingest legacy RMS data from Trittech.

2.4 REPORTING AND DATASTORE

- ▶ Axon will configure and make available to Agency a read only Azure SQL Database containing information within the Axon Systems allowing Agency to utilize available data.
- ▶ Axon will provide Agency with a data dictionary and/or other appropriate documentation.
- ▶ If Axon provides reports for specific purposes as indicated, it is the responsibility of Agency to maintain them.

2.5 READINESS

- ▶ Axon will conduct Functional Acceptance Testing via use cases approved by Axon and Agency.
- ▶ All issues discovered during and after training will be entered into the service portal for triage.

2.6 TRAINING

- ▶ Axon will document and propose a Training Plan to Agency based on user types and availability, including additional IT and Admin Training.



- ▶ All training will be hands on in an Axon provided Training environment.
- ▶ Agency will provide facilities and equipment for conducting the Training.
- ▶ Train the Trainer: Axon will provide session(s), materials and support allowing Agency's in-house trainers to conduct their own Training. Agency is responsible for updating all Training materials after final acceptance.

2.7 GO-LIVE

- ▶ Axon will choreograph and orchestrate the Go-Live event.



3. PROJECT MANAGEMENT:

3.1 MANAGEMENT RESOURCES

- ▶ Both Parties will assign a Project Manager to ensure completion of deliverables.
- ▶ Axon's Project Manager will ensure all team members from Axon and Agency are continually updated on the status of the Project.

3.2 REQUIREMENTS PLANNING

- ▶ All Project requirements will be documented in Requirements Planning.
- ▶ Once all requirements are agreed to, Axon's Project Manager will work with Agency's Project Manager to develop a Project plan for Axon's implementation.

3.3 CHANGE CONTROL

- ▶ If any changes in the Project cause a material increase or decrease in fees, as determined by Axon, an adjustment in the fees will be agreed upon and included in a signed PCO form.
- ▶ Agency acknowledges a proposed change request might have an impact on both scheduling and cost for the Project that will be outlined in the PCO form.

3.4 MILESTONE COMPLETION REPORT ("MCR")

- ▶ Axon will submit an MCR to Agency for approval upon completion of a Milestone.
- ▶ Upon receiving an MCR, Agency has 14 calendar days to approve or respond in writing with issues related to the MCR. Failure to reply within 14 calendar days will be deemed approval.



4. AGENCY COMMITMENTS:

- ▶ Ensure the reasonable availability for meetings, phone or email of knowledgeable staff and personnel to provide timely and accurate documentation and information to Axon.
- ▶ Identify holidays, non-workdays or major events that may impact the Project.
- ▶ Ensure Agency desktop or mobile systems and devices can access the Product.
- ▶ Make available relevant systems if needed for assessment by Axon (including making these systems available to Axon via remote access if possible).
- ▶ Provide Axon with remote access to Agency's Axon Evidence account when required.



5. SUPPORT:

- ▶ Axon will provide on-site Go-Live support the week the system is cut-over.
- ▶ The Product undergoes updates and enhancements which Agency will automatically receive.
- ▶ Axon will provide Agency's End Users access to the help.axon.com support portal to submit and review service tickets.
- ▶ For Technical Support assistance, Agency may contact a Technical Support representative at 800-978-2737, or via email at Support@Axon.com. Online, email-based support and remote-location troubleshooting are included on an ongoing basis as part of Agency's investment in the Axon ecosystem. Phone support is available 24/7.



6. TERMS AND CONDITIONS:

This SOW is governed by the Master Services and Purchasing Agreement executed by the Parties.

AXON ENTERPRISE, INC.

AGENCY

Signature: _____

Signature: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Attachment: Axon Statement of Work (Axon OSP CAD/RMS Contract Authorization)



ATTACHMENT A - MILESTONE COMPLETION REPORT TEMPLATE

By signing for the items in this Milestone Completion Checklist, I agree that Axon's Professional Services Organization has reached the following milestone(s) for the Project agreed upon in the SOW between Axon and Campbell Police Department:

- Project Kickoff
- Requirements Completion
- Completion of Configuration
- Functional Review and Acceptance Testing
- Completion of Agency Training
- Go-Live
- Final Acceptance

Date Services were completed on:

_____ day of _____, 20__

Today's Date: _____

Agency Name: _____

Signature: _____

Printed Name: _____

Title: _____



Email: _____

Attachment: Axon Statement of Work (Axon OSP CAD/RMS Contract Authorization)



ATTACHMENT B - PROJECT CHANGE ORDER TEMPLATE

Date:
Axon Product or Service:
Change Order Details

AXON ENTERPRISE, INC.

AGENCY

Signature: _____

Signature: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Attachment: Axon Statement of Work (Axon OSP CAD/RMS Contract Authorization)



ATTACHMENT C - THIRD-PARTY PRODUCTS AND SERVICES

In order to deliver a complete solution to Agency, Axon employs Third-Party Products and Services providers.

Axon will be responsible for the management of third parties identified within this Attachment C for the purposes of this Project. All communications between those third parties, Agency and Axon will be managed by Axon including any supporting requirements, Integration Acceptance Testing, Functional Acceptance Testing or the processing of PCO or MCR documentation.

The following Third-Party Products and Services are included within the scope of this SOW:

- ▶ Environmental Systems Research Institute (“ESRI”):
 - ▶ Axon employs ESRI’s ArcGIS On-line geographic information application more fully described at <https://www.esri.com/en-us/arcgis/products/arcgis-online/overview> for visual mapping, geolocation, routing and other Axon Dispatch use cases.
 - ▶ Agency agrees that it has currently or will have in place within 90 days of the execution of this SOW the proper licenses between Agency and ESRI that provides the Agency with at least one ArcGIS Online Creator account, the ability to configure an
 - Address Locator Service with the following endpoints:
 - Find Address Candidates (Single Location Geocode) Endpoint
 - Suggestions Endpoint
 - Reverse Geocoding Endpoint
 - Geocode Addresses (Batch Geocoding) Endpoint
 - Routing Service with the following endpoints:
 - Routing and Directions
 - Traffic Layer
 - Map Display Service
 - ▶ Agency is responsible for all fees associated with the ArcGIS Online service.
- ▶ Commsys (“Commsys”):
 - ▶ Included within this Project are products and services from Commsys for purposes of connecting to and conducting transactions with state and/or regional information providers.
 - ▶ Agency agrees to provide a CJIS compliant server and operating environment for hosting of the Commsys software and make remote connectivity available to Axon as required in order to install, configure and test the software and its integration with Axon products. The technical requirements are:



- 1.4GHz 32 or 64 bit dual core processor, 4GB RAM, 120GB Hard Drive, Video Adapter and Monitor with a minimum resolution 1280x1024 and 256 colors, TCP/IP LAN Network connectivity to any client and software components on same or separate hardware, Established connectivity to a CJIS Interface
- Microsoft Operating System (32 or 64-bit), Microsoft Windows Server 2012 R2 with Microsoft SQL Server 2012 and higher
 - Or Microsoft Windows Server 2008 R2 SP1 with SQL Server 2014 and lower
- Microsoft SQL Server Management Studio, Microsoft Internet Information Services, IIS Management Console, IIS 6 Metabase Compatibility, IIS 6 Management Console, FastCGI Support, Internet Explorer 11



*City
Council
Report*

Item: 16
Category: NEW BUSINESS
Meeting Date: June 15, 2021

TITLE: Strategic Approach to Complete the Envision Campbell General Plan and 2023-2031 Housing Element Updates

RECOMMENDED ACTION

That the City Council provide direction to staff on the strategic approach and procedural steps to complete the Envision Campbell General Plan and 2023-2031 Housing Element updates.

EXECUTIVE SUMMARY

This Item intends to seek Council direction regarding the strategic approach for completing the Envision Campbell General Plan in relation to the required update to the 2023-2031 Housing Element. As both of these planning efforts overlap with respect to timing, land use element modifications, and CEQA requirements, the City must identify the best strategic path for completing both.

BACKGROUND

On March 1, 2016, the City Council approved the selection of De Novo Planning Group (De Novo) to facilitate the preparation of the Envision Campbell General Plan (General Plan) update. Over the past five years De Novo has prepared a Draft General Plan and Land Use Map, significant portions of the Administrative Draft Environmental Impact Report, and several sections of the Climate Action Plan (see Attachment D – General Plan Progress Report & Attachment E – General Plan Progress Meeting Minutes).

On March 16, 2021, the City Council authorized distribution of a Request for Proposals (RFP) to prepare an updated 2023-2031 Housing Element and directed staff to return to Council with a proposal and preferred consultant.

The Housing Element RFP was released on March 17, 2021, and circulated for 29-days, ending April 15, 2021 (reference Attachment A). While the RFP was posted on the American Planning Association (APA) website and emailed to over 30 consultants with relevant experience, the City received no proposals.

On April 19, 2021, the City released a survey soliciting feedback from the consultants who received the Housing Element RFP, relating to the reason why they did not submit a proposal, and if there would be interest to submit a proposal if the City recirculated the RFP. In response to the survey, the City received six responses, all which cited

workload constraints and funding concerns as the primary reasons for not submitting a proposal. One firm, Dyett & Bhatia, identified timeline constraints as the reason for not responding to the RFP, but offered to prepare a scope of work if the City were interested in engaging their firm in sole-source negotiations.

DISCUSSION

The City is required to have adopted a certified Housing Element¹ for the 2023-2031 planning period by January 15, 2023. Recognizing this update will be broader in scope² and more complicated than previous cycles, the California Department of Housing and Community Development (hereinafter 'HCD') has stressed the importance of starting early to complete the effort. With roughly a year and a half left to complete the Housing Element update – it is important to begin this work effort as soon as possible, with consultant support, to meet the State mandated deadlines.

As the City has a General Plan update under development, there is a recognized overlap with the Housing Element update with respect to the public review process, costs, land use mapping, and required environmental review. For example, both the General Plan update and the Housing Element will identify housing sites, to be designated on the General Plan land use map. In addition, the land use designation of these housing sites requires environmental review in accordance with CEQA and the preparation of an Environmental Impact Report (EIR). If the General Plan Update and Housing Element were prepared independently and on different timelines, the General Plan land use map updates may need to be updated twice, with two separate EIR's.

In consideration of this, and the lack of response to the City's Housing Element RFP, staff has identified four potential approaches to address the preparation of the General Plan and Housing Element updates. While Option 1 is anticipated to be the most expedient and cost effective, the Council may prefer to segment the effort in order to spread costs over fiscal years and/or to provide the opportunity for greater public participation and analysis.

- **Option 1 (Recommended):** Synchronize Housing Element and General Plan under a single update.
 - Pros: Most expedient and cost-effective approach; consolidates public hearings and environmental review; allows for policies to be considered concurrently with land use changes
 - Cons: Requires completion of the General Plan and Housing Element within one-year; not all sites studied/considered may be accepted by HCD

¹ The Housing Element is one of the seven state mandated elements of the General Plan and serves to identify and evaluate existing and projected housing needs of the City and includes a statement of goals, policies, quantified objectives and scheduled programs for the preservation, improvement, and development of housing. The Housing Element also establishes the framework in which the City will accommodate the Regional Housing Needs Allocation (RHNA) within the community.

² The City of Campbell expects an allocation of approximately 2,977 units for RHNA 6, compared to 933 units in RHNA 5, representing a 219% increase from the last planning cycle.

potentially resulting in unnecessary review; longer and more complicated public hearings

This approach is preferred by staff as it would result in substantial cost savings to the City, create efficiencies between both planning workplans, and reduce redundancies. Meetings may be longer and more complicated but provide the opportunity to consider policy and 'land use changes'³ at the same time, avoiding confusion. A consolidated EIR would be used to study land-use impacts, and public hearings and review could be consolidated into fewer meetings.

➤ **Option 2: Certify Housing Element with Land Use Changes**

- Pros: Retains local land use authority; allows independent review of the General Plan
- Cons: Requires the preparation of two separate EIRs and land use maps; substantially more expensive; delays adoption of General Plan

Under this option, the City would complete the Housing Element and all associated land use changes but postpone work on the General Plan. This approach would require the preparation of two separate EIRs and land use maps, one to study and effectuate land use changes called for by the Housing Element, and one to complete the General Plan update. As a result, this approach would be the least cost-effective of the options but allow for review of the Housing Element independent of changes to the General Plan.

➤ **Option 3: Certify Housing Element without implementing the associated land use changes and later incorporate required land use changes into the General Plan with a comprehensive EIR.**

- Pros: Defers costs of implementing land-use changes and environmental review post-certification; ensures environmental analysis is focused on sites accepted by HCD
- Cons: Requires the preparation of an *Adequate Sites Program* that diminishes local land use authority; requires preparation of two CEQA documents, a Negative Declaration and EIR under CEQA (additional environmental study)

Under this option, the City would complete the Housing Element in two phases. The first phase would focus on adopting a certified Housing Element that meets the minimum statutory requirements by January 2023. To facilitate the certification of the Housing Element, a Negative Declaration would be prepared under CEQA. Under the second phase, land use changes would be implemented, providing the opportunity to combine the EIR with the General Plan update and spread the cost of preparing the review over multiple fiscal years. A significant drawback to pursuing Option 3 is that it would require the City to prepare an *Adequate Sites Program* to make up for the housing-shortfall in accordance with Government Code Section

³ Including changes to the Land Use Element of the General Plan and related zoning documents (e.g. Area Plans, Municipal Code, Zoning Map).

65583(f) and 65583.2(h). While the *Adequate Sites Program* would provide the City up to 3-years following certification to effectuate land use changes it would require the City to allow at least 16-units on any housing opportunity site identified and permit multifamily uses by-right for developments in which 20% or more of the units are affordable to lower income households. As a result, the City would lose some control over the number of units allowed on smaller sites and lose its discretionary review authority for qualifying affordable developments by selecting this Option. A summary of the General Program Requirements may be found on pages 33 and 34 of the Site Inventory Guidebook prepared by HCD (reference Attachment C – Adequate Sites Program).

- **Option 4:** Complete General Plan Update first; then Certify Housing Element with Land Use Changes
 - Pros: Expedites adoption of General Plan; Housing Element could potentially ‘tier’ environmental studies from the General Plan EIR; avoids the preparation of a Negative Declaration
 - Cons: Unknown if General Plan can be completed ahead of Housing Element; may result in some overlap between separate planning efforts and significantly reduces time available to complete Housing Element update and would likely require re-modification of the General Plan land use map at the time the Housing Element is certified.

Under this option, the City would complete the General Plan by the end of this year. Following the adoption of the General Plan, a consultant would then prepare a Housing Element update that accounts for the land use changes and policy changes included in the new General Plan that potentially tiers off the EIR prepared for the General Plan. As the General Plan update likely will not identify all housing sites necessary to meet RHNA requirements, the General Plan land use map would need to be modified a second time at the time of Housing Element certification.

Staff Recommendation and Next Steps:

To maximize efficiencies of the work effort, reduce costs, and avoid redundancies in environmental review and zoning and general plan modifications, staff recommends the City pursue Option 1: Synchronize Housing Element and General Plan under a single update.

If this Option is selected, the work could either be completed under a single source procurement with De Novo, who prepared the draft General Plan, or alternatively a new Request for Proposal would be distributed to select a consultant to prepare the Housing Element and complete the General Plan update. In discussions with staff, De Novo has indicated interest and capacity to perform this work, pending Council direction.

If directed to prepare a proposal, De Novo would update their billing rate for the General Plan and Housing Element to conform with current service costs. De Novo would also plan on using the ‘Preferred Land Use Map’ (reference Attachment B), from the draft

General Plan as a starting point, and assume a change in residential density calculations from 'gross to net' acres⁴ when preparing the Opportunity Sites analysis for the Housing Element. Further, recognizing that environmental studies prepared for the draft General Plan are now several years out of date, De Novo would update the Administrative Draft Environmental Impact Report to account for changes with an expanded scope of work.

If supportive of De Novo's proposal, staff would return to Council with a request to dispense with the formal bidding process, as set forth in CMC Section 3.20.091, for the preparation of the 2023-2031 Housing Element and completion of the General Plan under a consolidated Environmental Impact Report.

FISCAL IMPACT

The City has secured approximately \$190,000 to prepare the Housing Element update from grant funding made available through Local Early Action Planning (LEAP) (\$150,000) and Regional Early Action Planning (REAP) (\$40,839). Of the available funds, staff oversight and administration of the project was anticipated to run 35% of the LEAP application (\$37,500) which will be programmed to support personnel costs in the Planning Division for the Fiscal Year (FY) 2021/22 and FY 2022/23 budget for its oversight of the contract. The remaining funds (\$153,339) would be made available to the selected consultant for preparation of the updated Housing Element and related policy documents.

As the funds allocated to the Housing Element update are not anticipated to cover the cost of preparing an EIR for the consolidated work effort (see 'Approach'), additional funding will need to be identified in the FY 2022/23 budget depending on the specific Option selected. Pending receipt of an itemized proposal, staff will return with recommendations on where cost-savings may be realized and potential funding sources to complete the work effort.

ALTERNATIVES

In deliberation of this item, the Council may consider the following alternatives:

1. Direct staff to release a Request for Qualifications (RFQ), which would be used to select a 'top three' list of consultants which would be invited to submit a proposal. Staff would then return with a recommended consultant if any responsive proposals are received.
2. Direct staff to modify the Request for Proposals, making changes to clarify the scope of work or available funding and recirculate.

⁴ The change from gross to net is a significant change from current practice; the impacts of this decision are discussed within the General Plan Progress Report (reference **Attachment D**; Page 8). Consensus on this point has not yet been reached by the Council.

Prepared by:



Stephen Rose, Senior Planner

Approved by:



Brian Loventhal, City Manager

Attachment:

- a. Housing Element RFP
- b. Preferred Land Use Map
- c. Adequate Sites Program
- d. General Plan Progress Report - October 20, 2020
- e. General Plan Progress Report Minutes - October 20, 2020



REQUEST FOR PROPOSALS

**Housing Element Update
2023-2031**



March 17, 2021

**City of Campbell
Community Development Department
70 N. First Street
Campbell, CA 95008**



Attachment: Housing Element RFP (Envision Campbell General Plan & 2023-2031 Housing Element Updates)

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Overview

The City of Campbell seeks proposals from qualified consultants or consultant teams to complete a housing element update and all necessary environmental review as required under State law, in a manner consistent with the Regional Housing Needs Allocation 6 (RHNA 6) planning period (2023-2031) and in compliance with AB 686 - Affirmatively Furthering Fair Housing (AFFH).

For context, the City of Campbell expects an allocation of approximately 2,977 units for RHNA 6, compared to 933 units in RHNA 5, representing a 219% increase from the last planning cycle. To ensure an adequate inventory of viable sites, we anticipate the update may require the creation of policies requiring the rezoning of specific parcels or increases in base densities. While the City of Campbell is also actively working on a General Plan update at this time ([‘Envision Campbell’](#)), which may serve as a valuable resource to reduce the amount of effort required to perform the update, for the purposes of this proposal, and to achieve the deadline outlined by HCD, it should be assumed the Housing Element and its supporting environmental documentation will be self-sufficient.

The City of Campbell’s last housing element was certified by the California Department of Housing and Community Development (HCD) and is available online as follows: [Housing Element](#). Further, the City prepares Annual Progress Reports on the Housing Element which may be found available online as follows: [2020 Reporting Year – Housing Element Annual Progress Report](#) and has implemented numerous housing policies, including an Inclusionary Housing Ordinance which requires housing developments with 10 or more units to provide at least 15% of their units as units for low- and moderate-income households and an Accessory Dwelling Unit (ADU) Ordinance which requires single-family residential developments with five or more units to plan for interior accessory dwelling units in at least twenty percent of the units.

While several important housing issues will need to be considered and addressed through the update process, the most significant work effort will be meeting the 2,977 unit RHNA allocation in the site inventory as well as planning for an appropriate buffer to that figure to accommodate flexibility in the development of individual sites. To achieve that, we anticipate pursuing the following approaches:

- Conducting an analysis of the effectiveness of the prior Housing Element in accordance with Government Code Section 65588.
- Reusing existing Housing Element opportunity sites in compliance with AB 1397 and AB 725.
- Considering ‘by-right’ housing as well as density increases for existing opportunity sites.
- Identifying new opportunity sites using data and assistance from City staff and on forms provided by HCD in accordance with SB 6.
- Review and consider potential land use changes contemplated by the Envision Campbell General Plan draft Land Use Plan

Further, the Housing Element update should serve to develop clear goals, policies, objectives and a schedule (with estimated staff time) to bring the City into compliance with recent housing

legislation and achieve consistency with other elements of the General Plan (e.g., Land Use Element / Circulation Element), Campbell Municipal Code, and Area Plans (e.g., Winchester Boulevard Master Plan, South of Campbell Avenue Area Plan). The following are examples of policy directives which may be considered for implementation over the course of the eight-year planning period covered by the Housing Element:

- Updating the City’s Density Bonus Ordinance to account for AB 2345, 2753, and 2372 as well as SB 1227 (if appropriate).
- Updating the City’s Housing in-lieu fee/impact fee and inclusionary ordinance to provide alternative means of compliance in accordance with AB 1505.
- Adopting streamlining measures where called for by SB 35 (as amended by AB 831 and AB 168), SB 540 and AB 74.
- Adopting processing times for ADUs and Junior ADU units in accordance with AB 3182.
- Reducing parking requirements for housing in religious institution parking lots in accordance with AB 1851.
- Implementing accountability measures where called for by SB 167, AB 676 and AB 1515.
- Evaluating what programs from the prior Housing Element should be continued, revised, or removed as part of the update.
- Developing an affordable housing overlay district with suitable incentives to exceed minimum affordability requirements.
- Developing an ADU amnesty program that encourages homeowners to bring their units into compliance and have their units counted.
- Other updates and measures called for by AB 879.

The selected consultant(s) will partner with city staff to explore and analyze these approaches in addition to facilitating community engagement, preparing reports and presentations, maintaining a dedicated project website, working with our elected and appointed officials to present recommendations and get feedback, and coordinating with HCD to ensure ultimate certification of the updated element.

Through the City of Campbell’s engagement in a countywide collaborative and ABAG’s Regional Housing Technical Assistance Program, we anticipate a reduction in costs for some core update tasks. The collaborative is supported by an approximately half-time technical assistance provider, who is expected to start in early 2021 and will produce draft material for some sections of the housing element that are similar throughout the county, as noted below:

- Housing Needs Assessment
- Non-Governmental Constraints Analysis
- Accessory Dwelling Unit (ADU) Affordability Study

Respondents should consider utilizing this material as appropriate, and factor that into their proposal. For more information on ABAG’s assistance, review this slide deck and webinar recording:

- Slide Deck: https://abag.ca.gov/sites/default/files/planning_innovations_regional_data_tools_10.29.2020_final_cl.pdf
- Webinar: <https://www.youtube.com/watch?v=6cS2ZIGTE4g&feature=youtu.be>

Preliminary Scope of Work

The following preliminary scope of work is presented as an initial outline to help the consultants gauge the minimum level of work requested and to submit a realistic project proposal. If the consultant identifies opportunities to improve the required scope of work leading to a stronger more functional planning document(s), the consultant is encouraged to submit proposals for alternative options.

Project Approach

- Determine if the preliminary scope of work includes the steps necessary to prepare the Housing Element update as described in the ‘Overview’. You are encouraged to include additional steps and options so long as it results in a stronger planning product.
- Review the preliminary project schedule and amend it, if it is determined that a revised schedule will achieve an improved outcome.

Staff Coordination

- Facilitate bi-weekly conference calls (~30 min between the City and Consultant Project Manager).

Meeting Attendance and Community Facilitation

- Attend one (1) kick-off meeting with staff.
- Facilitate a minimum of two (2) community meetings.
- Prepare reports and materials, present, and actively participate in four (4) Planning Commission meetings and five (5) City Council meetings. (Plan to attend, present, and prepare reports for additional meetings as an optional task). The cost for each meeting should be priced out individually in the event a fewer or greater number of meetings are required.
- Coordination with HCD for Submittal.

Deliverables

- Kick-Off Meeting Agenda.
- Community/Stakeholder Outreach and Engagement Plan.
- Legislative Summary and Consistency Analysis Memo.

- RHNA Opportunity Maps.
- CEQA Preparation Plan.
- Community Workshop Materials.
- Project Website (ongoing).
- Planning Commission Staff Report preparation and presentations.
- City Council Staff Report preparation and presentations.
- Administrative Review Draft Housing Element & Environmental Documents.
- Screen Check Draft.
- Public Review Draft Housing Element incorporating comments on Administrative Draft Housing Element from City staff.
- Revised Public Review Draft.
- Final Environmental Documents.
- Final Housing Element incorporating comments on Draft Housing Element from HCD and any other parties that provide comments.

Note: All products noted with an asterisk shall be provided in Word and PDF format.

Tasks¹

- A. Project Kick Off.** Consultant will attend a kickoff meeting with City staff to discuss expectations, general goals, resources, and schedule for the project.
- ✓ *Deliverable:* Kick-Off Meeting Agenda
- B. Community Outreach Plan Preparation.** Following the project kick-off meeting, consultant shall schedule a meeting with staff to outline the approach to community and stakeholder engagement/participation – with an emphasis on the approach to reuse or identify new housing opportunity sites to satisfy the City’s RHNA allocation.
- ✓ *Deliverable:* Community/Stakeholder Outreach and Engagement Plan
 - ✓ *Deliverable:* Project Website (ongoing)
- C. Prepare a Legislative Summary/Consistency Analysis.** Consultant will review applicable documents/legislation and provide a summary of updates that must be addressed concurrently and changes which may be deferred following the adoption of the Housing Element as part of the project. Consultant will identify revisions necessary to other elements of the General Plan, draft General Plan, area plans, municipal code, guidelines, and standards to ensure consistency with the proposed update and state law. The consultant should also identify potential conflicts

¹ In response to COVID-19 the consultant should operate under the assumption all meetings and workshops shall be held virtually.

with any new state or federal legislation and/or recent court rulings that would require changes to the city's development and policy documents (Municipal Code, Area Plans, etc.), including but not limited to density bonuses and inclusionary housing.

✓ *Deliverable:* Legislative Summary and Consistency Analysis Memo

D. RHNA Inventory Analysis: Consultant shall prepare an updated inventory of housing opportunity sites including any new sites and/or increases in density to be considered in the update and for discussion at community meetings.

✓ *Deliverable:* RHNA Opportunity Map

E. CEQA Recommendations: Consultant will prepare recommendations and a schedule for the preparation of appropriate environmental documentation.

✓ *Deliverable:* CEQA Preparation Plan

F. Facilitate City Council Meeting #1. Consultant will hold a meeting introducing the team, explaining the process, and soliciting direction from the City Council.

✓ *Deliverable:* City Council Staff Report

✓ *Deliverable:* City Council Presentation

G. Facilitate Planning Commission Meeting #1. Consultant will hold a meeting introducing the team, explaining the process, and direction given by the City Council to the Planning Commission.

✓ *Deliverable:* Planning Commission Staff Report

✓ *Deliverable:* Planning Commission Presentation

H. Facilitate Community Workshop #1. Consultant will facilitate a community meeting which will serve to:

1. Educate the public on the purpose of the update and City obligations under RHNA.
2. Present the consultant's approach to updating the Housing Element and identifying housing opportunity sites.
3. Solicit feedback from the public on the potential sites included on the RHNA Opportunity Map.

✓ *Deliverable:* Community Meeting & Related Presentation/Informational Materials

I. Prepare Draft RHNA Opportunity Maps. Consultant will prepare a Draft RHNA opportunity sites map identifying potential housing opportunity sites.

✓ *Deliverable:* Draft RHNA Opportunity Map

J. Facilitate City Council Meeting #2. Consultant will prepare a staff report and present findings from the first community meeting to the City Council. This meeting will serve to be 'direction setting' prior to preparation of the Administrative Draft.

- ✓ *Deliverable:* City Council Staff Report
- ✓ *Deliverable:* City Council Presentation

K. Prepare Administrative Draft. Consultant will prepare administrative drafts, for staff review, of the Housing Element and related documents, based on the identified issues and feedback from the City Council and the public at the community meetings.

- ✓ *Deliverable:* Administrative Draft & Environmental Document

L. Prepare Screen Check Draft. Prior to distribution of the Public Review Draft, consultant shall prepare a Screen Check Draft for staff's review to confirm changes were made to the administrative draft reflecting feedback provided.

- ✓ *Deliverable:* Screen Check Draft

M. Prepare Public Review Draft. Consultant will prepare public review drafts of each of the required documents, following initial review and comment by City staff. These draft documents will be presented to the public for feedback, prior to finalizing the draft documents and scheduling formal hearings to review final draft documents.

- ✓ *Deliverable:* Public Review Draft
- ✓ *Deliverable:* Environmental Review Document

N. Facilitate City Council Meeting #3. Consultant will hold a meeting to present the Public Review Draft and Environmental Review Document to the City Council.

- ✓ *Deliverable:* City Council Staff Report
- ✓ *Deliverable:* City Council Presentation

O. Facilitate Planning Commission #2. Consultant will hold a meeting to present the Public Review Draft and Environmental Review Document to the Planning Commission.

- ✓ *Deliverable:* Planning Commission Staff Report
- ✓ *Deliverable:* Planning Commission Presentation

P. Facilitate Community Workshop #2. Consultant will facilitate a second community meeting which will serve to facilitate feedback on the Public Review Draft and Environmental Review Document.

- ✓ *Deliverable:* Community Meeting & Related Presentation/Informational Materials

Q. Prepare Housing Element and Environmental Review Documents for HCD Submittal. The consultant shall address any feedback received from the Planning Commission, and the second community workshop into draft documents ready for consideration/adoption by the decision-making body.

- ✓ *Deliverable:* Draft Housing Element for HCD Submittal, Environmental Review Documents

- R. Facilitate Planning Commission #3.** Consultant to present the Housing Element and Environmental Review Documents to the Planning Commission for review and recommendation to the City Council.
- ✓ *Deliverable:* Planning Commission Staff Report
 - ✓ *Deliverable:* Planning Commission Presentation
- S. Facilitate City Council Meeting #4.** Consultant shall revise materials to reflect feedback from the Planning Commission and hold a meeting with the City Council to solicit authorization to submit the draft Housing Element and related documents to HCD.
- ✓ *Deliverable:* City Council Staff Report
 - ✓ *Deliverable:* City Council Presentation
- T. HCD Submittal/Review.** Incorporating any feedback from the City Council in its motion the consultant shall prepare and submit materials to HCD for review and facilitate a second round of revised materials to HCD if necessary.
- ✓ *Deliverable:* HCD Submittal #1 & 2
- U. Facilitate Planning Commission #4.** Consultant shall hold a meeting with the Planning Commission to present changes to the draft Housing Element in response to HCD feedback. The Planning Commission shall review and provide a recommendation to the City Council on the submittal of a final Housing Element and related documents to HCD.
- ✓ *Deliverable:* Planning Commission Staff Report
 - ✓ *Deliverable:* Planning Commission Presentation
- V. Facilitate City Council Meeting #5.** Consultant shall revise the Housing Element and related documents based on the recommendation from the Planning Commission and hold a meeting with the City Council to solicit approval for final submittal to HCD.
- ✓ *Deliverable:* City Council Staff Report
 - ✓ *Deliverable:* City Council Presentation
- W. Final Submittal to HCD.** Incorporating any feedback from the City Council in its motion the consultant shall prepare and submit materials to HCD for final review and approval.
- ✓ *Deliverable:* Final HCD Submittal
 - ✓ *Deliverable:* Appropriate Environmental Filings

Optional Tasks

The following tasks should be priced out for consideration should the consultant elect not to use information prepared by the Planning Collaborative.

- Housing Needs Assessment
- Non-Governmental Constraints Analysis
- Accessory Dwelling Unit (ADU) Affordability Study

Project Funding

- Cost proposals that stay within the City’s \$153,339 available through LEAP and REAP grant funding are strongly desired; however, the City will consider all proposals that reflect the true cost of providing a superior product with optional items being itemized in addition to this amount. In terms of budgeting, it should be noted that final invoices for LEAP grant funding and REAP grant funding must be submitted to HCD for reimbursement by September 30, 2023.

Desired Qualifications

The ideal consulting firm would include the following disciplines and attributes:

- A focus on policy development, city planning, and community facilitation.
- A highly organized and responsive team who listens to, partners with, and is passionate about collaboration with city staff, decision makers, and the community.
- A strategic project manager with substantial experience and success in community education, visioning, and public relations.
- Talented writers, illustrators, and that can prepare user-friendly and graphically enriched presentations, maps, diagrams.
- Experience with GIS and technical analysis.
- Experience creating programs that expedite the processing of projects.

Submittal Information

Minimum Eligibility Requirements

Eligible firms shall be those with experience in land use planning, and community facilitation related to the major components of this Request for Proposals. Experience preparing a Housing Element update in compliance with RHNA 6 and demonstrated ability coordinating with HCD a plus.

Submittal Requirements

Proposals must contain the following information listed in the following order:

1. **Cover Letter**. Please include a cover letter stating project interest which includes:
 - A statement describing why your firm is qualified to complete the project and perform the work required in a responsive manner.

- A description of the anticipated interaction between consultant and City.
 - Identification of the project manager and main point of contact.
2. Review of Preliminary Scope of Work. Review the preliminary scope of work and provide comments, suggested modifications, changes and/or additions as appropriate.
 3. Review of Preliminary Project Schedule. Review the preliminary project schedule and provide comments, suggested modifications, changes and/or additions as appropriate. Indicate resources that will be allocated to each major task to meet this schedule, and discuss your firm’s flexibility and record in “catching up” if milestone dates are not met. Discuss your firm’s commitments to other projects in the time frame coinciding with this project.
 4. Qualifications and Capabilities. Provide a detailed discussion of the qualifications and experience of the Project Manager that would be assigned to this project. Provide additional information regarding the qualifications and experience of all others that will be assigned to work on the project team. Please submit resumes of only those individuals that will actually be assigned to work on the project. Indicate how your firm’s resources will work together to complete this project. An organizational chart is recommended.
 5. Subconsultants. Identify any subconsultants your firm will utilize to complete this project. Briefly describe your firm’s past experience, working relationship and involvement in joint projects with these subconsultants.
 6. Related Project Experience. Describe your firm’s Project Manager’s past performance on similar projects, including coordinating the work of subconsultants. Provide locations, description of work, work samples or links to samples, completion dates, and value of contracts. Address your firm’s record of meeting schedules and controlling costs. Provide an explanation gauging how successful implementation of the referenced project experience has been in realizing the municipality’s goals.
 7. Sample Products. Gaining an understanding of the products prepared by the consulting firm is important for the evaluation committee. Please provide PDF files on a CD/DVD or memory stick (or internet links) to no more than three comparable documents prepared by the consulting firm.
 8. Project Team Consistency. Explain how you can guarantee that the project team members will be accessible and able to complete the project without change.
 9. References. Include name, address and phone number for a minimum of three (3) references you prepared similar projects.
 10. Fee Estimate. Submit a fee estimate for each task outlined in the preliminary Scope of Work. Provide a breakdown of the fee for each task showing the estimated hours of each project staff member assigned to the task and the associated fee for that project staff member or subconsultant. Also provide hourly rate schedules for all key project staff, including subconsultants.

11. Insurance Coverage. Identify carriers, A.M. Best ratings, types and limits of insurance carried by your firm. Provide a statement verifying that your firm meets or will meet the insurance requirements.
12. Additional Information. Please provide a list of contracts/agreements terminated for convenience or default within the past three years, if any. List any litigation that now affects or may affect in the future the firm's ability to perform.

Submittal Deadline and Instructions

The submittal should be prepared in 8 ½" x 11" format using a 12-point font size for the text. Please submit three (3) hard copies of the proposal and one copy on a flash drive or CD ROM. Please do not submit information that must be returned.

Proposals must be received no later than 5:00 p.m., April 15, 2021 and delivered to the **City Contact:**

Stephen Rose, Senior Planner
Community Development Department
City of Campbell
70 N. First Street,
Campbell, California 95008

Questions related to the Request for Proposals (RFP) must be submitted in writing and/or via email to stephenr@campbellca.gov.

Consultant Selection Process

Short List Selection Process

A review committee will evaluate all responses to the Request for Proposals that meet the submittal requirements and the submittal deadline. Those submittals that do not meet the submittal requirements or the deadline will not be considered.

A preliminary ranking of consultant firms will be developed based on a review of each respective applicant's Proposal. Based on this ranking, a short list of consultants will be established, and contacted in writing for interviews.

Finalists Invited for Interview

One interview with each of the top-ranking firms will be held to establish the final ranking. Approximately twenty (20) minutes will be allowed for presentations and no more than thirty (30) minutes for questions by the selection group. The consultant's proposed Project Manager must lead the presentation.

1. A selection group of city staff / decision makers will evaluate the finalists.
2. Presentations should focus on the consultant's initial ideas for addressing the City's RHNA allocation and approaching the Housing Element update. Other factors that should be discussed include the project team's relevant experience, project approach, philosophy, and decision-making processes. The selection team may ask questions related to the proposed coordination and communication between the City and consultant and the consultant's ability to complete projects on time and on budget.
3. Final ranking of consultants will be based on the submitted proposal, the interview, and the results of reference checks. The City will proceed with negotiating a contract with the highest-ranked consultant. If the City and the consultant cannot reach agreement in the negotiation, the City will terminate negotiation and, at its option, negotiate with the next-ranked consultant.
4. Upon completion of negotiations, City staff will recommend approval of the agreement to the City Council to formerly award the contract. The City's consultant contract template is available upon request.

Selection Criteria

The following selection criteria will be used to rank both the Proposal and interview of the finalists.

1. Responsiveness to the issues identified in the RFP.
2. Familiarity with the challenges presented by the project.
3. Technical skills and expertise of the firm and their ability to manage a team of subconsultants to produce a complete and coordinated set of documents required by this project.
4. Relevant experience and demonstrated ability to complete a Housing Element in difficult communities.
5. Proven ability to complete all phases of a project within the budget and aggressive work schedule established by past clients.
6. Reputation for personal and professional integrity and competence, and key personnel's professional background, caliber and availability for this project.
7. Qualifications and experience of proposed subconsultants identified for this project.
8. Experience of lead consultant and subconsultant working together as a team (if applicable).
9. Familiarity with and proximity to the City of Campbell.
10. Review of firm's current, and projected workload in the time frame coinciding with this project.
11. Ability to communicate clearly and concisely.

Additional Information

The City reserves the right to accept or reject any or all Request for Proposals, or to alter the selection process in any way, to postpone the selection process for its own convenience at any time, and to waive any defects in the Request for Proposals. The City also reserves the right to accept or reject any individual subconsultant that a candidate proposes to use. This RFP and the interview process shall in no way be deemed to create a binding contract or agreement of any kind between the City and the candidate. The City's standard form of consultant agreement will form the basis of the contract between the parties.

Each candidate submitting a proposal acknowledges and agrees that the preparation of all materials for submittal to the City and all presentations, related costs and travel expenses are at the candidate's sole expense and the City shall not, under any circumstances, be responsible for any cost or expense incurred by the candidate. In addition, each candidate acknowledges and agrees that all documentation and/or materials submitted with the RFP shall remain the property of the City.

Project Schedule

The project schedule has been conceptually prepared to provide opportunities to conduct community workshops and public hearing opportunities that will allow sufficient opportunity to conduct a public involved planning process.

3/16/2021	<i>City Council Meeting #0 (Authorizing RFP Transmittal)</i> ²
4/15/2021	<i>Proposal Deadline (30 days)</i> ²
4/20/2021	<i>End of Consultant Interviews</i>
5/18/2021	<i>City Council Meeting to Approve Consultant</i>
5/21/2021	<i>Finalize Consultant Contract</i>
Start of Consultant Services	
5/24/2021	Project Kick-Off Meeting (6-days)
5/30/2021	Legislative Summary/Consistency/RHNA Inventory/CEQA (30 days)
6/15/2021	City Council Meeting #1 (Direction Setting) (16 days)
7/8/2021	Planning Commission Meeting #1 (23 days)
7/18/2021	Public/Stakeholder Workshop #1 (10 days)
8/7/2021	Prepare Draft RHNA Opportunity Maps (20 days)
9/7/2021	City Council Meeting #2 (31 days)
9/22/2021	Prepare/Review Administrative Draft (15 days)
10/2/2021	Prepare Screen Check Draft (10 days)
10/12/2021	Prepare Public Review Draft/Environmental Review (10 days)
11/9/2021	City Council Meeting #3 (28 days)
12/14/2021	Planning Commission Meeting #2 (35 days)
12/19/2021	Public/Stakeholder Workshop #2 (5 days)
1/8/2022	Finalize HE/ Environmental Review (20 days)
1/25/2022	Planning Commission Meeting #3 (Recommendation) (17 days)
2/15/2022	City Council Meeting #4 (HCD Submittal Authorization) (21 days)
4/17/2022	HCD First Draft Review (61 days)
5/7/2022	Consultant/Staff review (20 days)
7/7/2022	HCD Second (2nd) Draft Review (61 days)
7/27/2022	Consultant/Staff review (20 days)
8/23/2022	Planning Commission Meeting #4 (Recommendation) (27 days)
9/20/2022	City Council Meeting #5 (Final Approval) (28 days)
12/20/2022	Housing Element Approved by HCD ³ (91 days)
1/15/2023	Housing Element Adoption Deadline

² Dates in *italics* provided for reference only.

³ Up to 120 days may be available for continued coordination with HCD after the deadline.

Insurance Requirements

CONSULTANT shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to properties, which may arise from, or in connection with, the performance of the work hereunder by the CONSULTANT, his agents, representatives, employees, or sub-consultants. The cost of such insurance shall be included in the CONSULTANT's fee.

A. Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Insurance Services Office form number GL 0002 (Ed. 1/96) covering Commercial General Liability and Insurance Services Office form number GL 0404 covering Broad Form Commercial General Liability; or Insurance Services Office Commercial General Liability coverage ("occurrence" form CG 0001), including X, C, U (explosion, collapse, underground).
2. Insurance Services Office form number CA 0001 (Ed. 12/93) covering Automobile Liability, code 1 "any auto", or code 2 "owned autos" and endorsement CA 0025. Coverage also to include code 8 "hired autos" and code 9 "non owned" autos.
3. Workers' Compensation insurance as required by the Labor Code of the State of California and Employers Liability insurance.
4. Errors and Omissions Liability insurance appropriate to the CONSULTANT's profession.

B. Minimum Limits of Insurance

CONSULTANT shall maintain limits no less than:

1. Commercial General Liability: \$5,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage.

3. Workers' Compensation and Employers Liability: Workers' Compensation limits as required by the Labor Code of the State of California and Employers Liability limits of \$1,000,000 per accident.
4. Errors and Omissions Liability: \$1,000,000 per occurrence.

C. Deductibles and Self-Insured Retentions

Any deductibles of self-insured retentions must be declared to, and approved by, the CITY. At the options of the CITY, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the CITY, its officials, employees, agents, and contractors; or the CONSULTANT shall procure a bond guaranteeing payment of losses and related investigations, claim administration, and defense expenses in an amount specified by the CITY.

D. Other Insurance Provisions

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

1. General Liability and Automobile Liability Coverages

- a. The CITY, its officials, employees, agents, and contractors are to be covered as an additional insureds as respects: liability arising out of activities performed by, or on behalf of, CONSULTANT; products and completed operations of the CONSULTANT; premises owned, leased, or used by the CONSULTANT; or automobiles owned, leased, hired, or borrowed by the CONSULTANT. The coverage shall contain no special limitations on the scope of protection afforded to the CITY, its officials, employees, agents, and contractors.
- b. The CONSULTANT's insurance coverage shall be the primary insurance as respects the CITY, its officials, employees, agents, and contractors. Any insurance or self-insurance maintained by the CITY, its officials, employees, agents, or contractors shall be excess of the CONSULTANT's insurance shall not contribute with it.
- c. Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to the CITY, its officials, employees, agents, or contractors.
- d. Coverage shall state that CONSULTANT's insurance shall apply separately to each insured against whom claim is made or suit is brought except with respect to the limits of the insurer's ability.

2. All Coverages

Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled, or reduced in limits except after thirty (30) days' prior written notice has been given to the CITY.

E. Acceptability of Insurers

Without limiting Consultant's indemnification provided hereunder, Consultant shall take out and maintain at all times during the life of this contract, up to the date of acceptance of the work by the City, the policies of insurance listed in Article 9.2 of this Agreement. Insurance is to be issued by an issuer with a current A.M. Best Rating of A:VII and be authorized to transact business in the State of California, unless otherwise approved by the City.

F. Verification of Coverage

CONSULTANT shall furnish the CITY with certificates of insurance and with original endorsements affecting coverage required by this clause. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

Copies of all the required ENDORSEMENTS shall be attached to the CERTIFICATE OF INSURANCE, which shall be provided by the CONSULTANT's insurance company as evidence of the stipulated coverages. This proof of insurance shall then be mailed to:

CITY OF CAMPBELL
Community Development Department
70 North First Street
Campbell, CA 95008-1423

G. Subconsultants

CONSULTANT shall include all subconsultants as insureds under its policies or shall obtain separate certificates and endorsements for each subconsultant.

CITY OF CAMPBELL
GENERAL PLAN UPDATE

Preferred Land Use Map

January 14, 2020

Legend

- Low Density Residential <3.5
- Low Density Residential <4.5
- Low Density Residential <6
- Low-Medium Density Residential
- Medium Density Residential
- High Density Residential
- Mobile Home Park
- Neighborhood Commercial
- General Commercial
- Central Commercial
- Professional Office
- Light Industrial
- Research and Development
- Commercial/Light Industrial
- Office/Low-Medium Density Residential
- Residential/Commercial/Professional Office
- Institutional
- Open Space
- Hamilton Avenue Specific Plan Overlay
- City of Campbell
- Surrounding Cities
- Unincorporated Santa Clara County

Hamilton Avenue Specific Plan Overlay

This area has been identified for a future specific plan to allow for mixed-use, high density residential development. The specific plan would address connectivity and access to the VTA station east of SR 17, address infrastructure financing strategies and requirements, design and land use, etc.

Hamilton Avenue Corridor

These two areas changed from General Commercial to Residential/Commercial/Professional Office.

Bascom Avenue Corridor - East

This area changed from General Commercial to Neighborhood Commercial.

Bascom Avenue Corridor - West

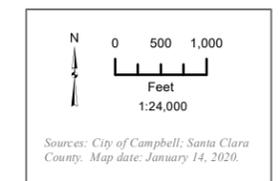
This area changed from General Commercial to Residential/Commercial/Professional Office.

South of Campbell Avenue

This area changed from Commercial/High-Medium Density Residential to Residential/ Commercial/ Professional Office (RCPO). The Commercial/ High-Medium Density Residential designation has been eliminated due to its similarity and redundancy with the RCPO designation.

Camden and Winchester Blvd. Corridors

These areas changed from General Commercial to Neighborhood Commercial.



CITY OF CAMPBELL
GENERAL PLAN UPDATE

Preferred Land Use Map
Changed Areas

January 14, 2020

Legend

- Low Density Residential <3.5
- Low Density Residential <4.5
- Low Density Residential <6
- Low-Medium Density Residential
- Medium Density Residential
- High Density Residential
- Mobile Home Park
- Neighborhood Commercial
- General Commercial
- Central Commercial
- Professional Office
- Light Industrial
- Research and Development
- Commercial/Light Industrial
- Office/Low-Medium Density Residential
- Residential/Commercial/Professional Office
- Institutional
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- City of Campbell
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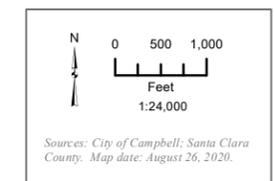
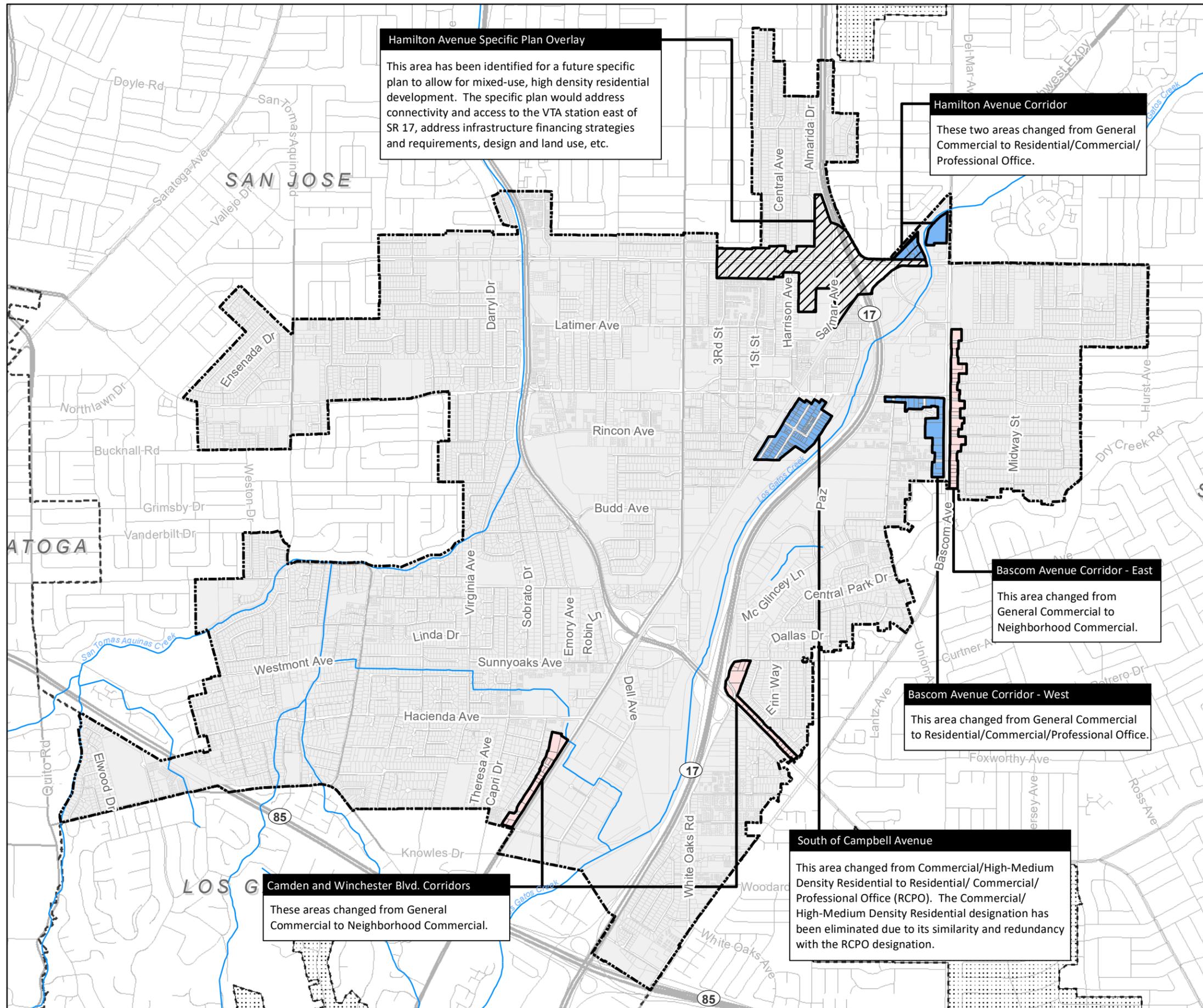
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Camden and Winchester Blvd. Corridors

These areas changed from General Commercial to Neighborhood Commercial.



Step 3: Adequate Sites Program

Government Code section 65583(f) and Government Code section 65583.2(h)

Where the inventory of sites does not identify adequate sites to accommodate the RHNA for lower income households, a program must be included to identify sites that can be developed for housing within the planning period. The housing element should include an inventory of potential sites for rezoning. Those sites must meet the adequate sites requirements in terms of the suitability and availability outlined above.

General Program Requirements

A jurisdiction's adequate sites program must accommodate 100 percent of the shortfall of sites necessary to accommodate the remaining housing need for housing for very low- and low-income households during the planning period and include the following components:

- Permit owner-occupied and rental multifamily uses by right for developments in which 20 percent or more of the units are affordable to lower income households. By right means local government review must not require a conditional use permit, planned unit development permit, or other discretionary review or approval.
- Permit the development of at least 16 units per site.
- Ensure sites within suburban and metropolitan jurisdictions — as defined by Government Code Section 65583.2(c)(3)(B)(iii) and (iv) — permit a minimum of 16 dwelling units per acre for incorporated cities within nonmetropolitan/rural counties and nonmetropolitan counties with micropolitan areas or 20 dwelling units per acre for suburban and metropolitan jurisdictions.
- Ensure a) at least 50 percent of the shortfall of low- and very low-income regional housing need can be accommodated on sites designated for exclusively residential uses, or b) if accommodating more than 50 percent of the low- and very low-income regional housing need on sites designated for mixed-uses, all sites designated for mixed-uses must allow 100 percent residential use and require residential use to occupy at least 50 percent of the floor area in a mixed-use project.

Timing

Rezoned due to a shortfall from the current planning period:

A locality's ability to accommodate needed housing during the planning period requires designating appropriate zoning as early as possible. Generally, however, a rezoning should occur no later than three years and 120 days from the beginning of the planning period. A one-year extension to the deadline to complete required rezoning may be allowed if a local government has completed rezoning at sufficient densities to accommodate at least 75 percent of the units for very-low and low-income households. Also, the jurisdiction must determine after a public meeting that substantial evidence supports findings and adoption of a resolution that the rezone deadline was not met due to one of the following reasons:

- Action or inaction beyond the control of the local government of any other state, federal, or local agency.
- Infrastructure deficiencies due to fiscal or regulatory constraints.

- The local government must undertake a major revision to its general plan in order to accommodate the housing-related policies of a sustainable communities strategy or an alternative planning strategy adopted pursuant to Section 65080.

The jurisdiction must provide HCD a copy of the resolution and findings along with: - a detailed budget and schedule for preparation and adoption of required rezoning within one year of the adoption of the resolution, - plans for citizen participation, and - expected interim actions to complete the rezoning, and any revisions to the general plan (Government Code section 65583(f)).

Consequences for Failing to Complete Rezoning Deadline:

If a local government fails to complete all rezoning's by the prescribed deadline, a local government may not disapprove a housing development project⁷, nor require a conditional use permit, planned unit development permit, or other locally imposed discretionary permit, or impose a condition that would render the project infeasible, if the housing development project:

- Is proposed to be located on a site included in a housing element program to be rezoned.
- Complies with applicable objective general plan and zoning standards and criteria, including design review standards, described in the rezone program action.

However, any subdivision of the site is subject to the Subdivision Map Act.

A jurisdiction may disapprove a housing development or approve it upon the condition that the project be developed at a lower density only if it makes written findings supported by substantial evidence on the record that both of the following conditions exist:

- The housing development project would have a specific, adverse impact upon the public health or safety⁸.
- There is no feasible method to satisfactorily mitigate or avoid the adverse impact.

The local government may also be subject to enforcement actions by HCD, including a determination that the housing element no longer complies with the requirements of state law and referral to the Attorney General pursuant to Government Code section 65585(i) and (j).

⁷ "Housing development project" is defined a project to construct residential units for which the project developer provides sufficient legal commitments to the appropriate legal agency to ensure the continued availability and use of at least 49 percent of the housing units for very-low, low-, and moderate-income households with an affordable housing cost or affordable rent.

⁸ "Specific, adverse impact" means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete.



City Council Report

Item: 6
 Category: UNFINISHED BUSINESS
 Meeting Date: October 20, 2020

TITLE: Receive an Update from the City's General Plan Consultant on the Status of the General Plan Update and Next Steps Necessary to Advance the General Plan through the City's Decision Making Process

RECOMMENDED ACTION

Accept the consultant's staff report presentation on the General Plan update and consider the next steps as discussed within the staff report.

BACKGROUND

The purpose of this meeting is to provide an overview of the process and work that has been completed on the General Plan Update to-date, disclose the remaining budget to complete the work, summarize the content and format of the Draft General Plan, provide an overview of key land use and policy changes in the Draft General Plan, and discuss recommended steps for moving forward towards completion and adoption of the General Plan Update.

KEY MILESTONE DOCUMENTS AND REPORTS THAT HAVE BEEN COMPLETED

Several reports and documents have been prepared to-date, which have informed the development of the Draft General Plan. These key milestone documents include:

- **Existing Conditions Report (January 2017).** The Existing Conditions Report takes a "snapshot" of Campbell's current (2017) trends and conditions. It provides a detailed description of a wide range of topics within the city, such as demographic and economic conditions, land use, public facilities, and environmental resources. The Existing Conditions Report provides decision-makers, the public, and local agencies with context for making policy decisions.
- **Campbell Community Profile (April 2017).** To prepare a meaningful General Plan, existing conditions must be understood and documented. The Community Profile (pdf) summarizes key development patterns, natural resources, socioeconomic conditions, and environmental constraints in the city that must be considered when charting the course for Campbell's future.
- **Issues and Opportunities Report (July 2017).** The Issues and Opportunities Report provides a means of focusing the community's attention on key issues

and opportunities that have major policy implications as Campbell considers how to accommodate growth over the next 20-30 years, while balancing the city's economic development, sustainability, cultural and community identity, and natural resource needs.

The Issues and Opportunities Report includes a summary of the input received from the community during the initial stages of the General Plan Update. Community surveying and initial GPAC meetings at the outset of the General Plan Update process provided extensive input that were used to help guide the General Plan Update, and identify community priorities, values, and focus areas for the General Plan Update.

- **Land Use Alternatives Report (January 2018).** The Land Use Alternatives Report (pdf) provides the City with a resource tool to examine different possible approaches to accommodate future development, economic growth, maintain fiscal sustainability, and ensure adequate protection of resources and open space.
- **Community Workshops Summary Report (April 2018).** As part of the City's ongoing General Plan update efforts, a concerted effort was made to engage members of the community at this stage of the process in order to gather public input and direction regarding key issues related to Campbell's future growth patterns and community priorities.

The project team conducted five public workshops and published an interactive online survey and Story Map in order to gather community input on key project issues.

This report (pdf) summarizes the public participation and input received during the General Plan Update outreach activities conducted from January 22, 2018 through March 22, 2018.

- **General Plan Policy Sets (2017-2019).** Over the course of 18 meetings, the General Plan Advisory Committee (GPAC) worked diligently to help craft a comprehensive update to the Campbell General Plan. The GPAC discussed key issues and topics, reviewed and commented on the existing General Plan, and provided direction on the development of new goals, policies, and actions. As these revised policy sets were prepared by the project team, they were reviewed by the GPAC, and subsequently revised to incorporate GPAC edits and direction.
- **GPAC Preferred Land Use Map (November 2019).** Over the course of several meetings, the General Plan Advisory Committee completed its work on the Preferred General Plan Land Use Map (pdf). The Land Use Map identifies land use designations for all parcels within Campbell. Parcels which are proposed to change from the existing Land Use Map are identified.
- **Draft General Plan (August 2020).** The Draft General Plan represents the culmination of the work effort completed to-date. The first Draft of the updated General Plan was completed in May 2020 and provided to the GPAC for review and comment. Input received from the GPAC on July 8, 2020 was incorporated

into the August 2020 Draft General Plan, which can be **accessed HERE**, and is included as Appendix A to this staff report.

- **Environmental Impact Report (EIR).** Some initial work on the EIR has been completed by the project team. However, key EIR work related to the traffic analysis was significantly delayed due to lengthy negotiations between the City and VTA with regard to the City receiving access to the necessary VTA Travel Demand Model. The project team is now in receipt of the VTA Travel Demand Model, however, additional technical work is required to properly calibrate the model and reconcile some technical challenges.
- **Climate Action Plan (CAP).** Several sections of the Climate Action Plan have been completed. Pending completion of the calculation of vehicle miles traveled (VMT) in the Traffic Impact Analysis, the project team will work towards completion of the Draft CAP. The VMT calculations rely on the VTA Travel Demand Model, which, as noted above, has been delayed.

KEY PUBLIC OUTREACH EFFORTS THAT HAVE BEEN COMPLETED

- **GPAC:** 18 meetings, plus two joint sessions with Council.
 - The most recent meeting involving the GPAC occurred as a joint session with the City Council on September 1, 2020. During this meeting the Council posed a series of questions to the GPAC members. These questions included:
 - Does the Draft General Plan accurately reflect the GPAC's input and direction?
 - Is the Draft General Plan ready for City Council consideration?
 - Are additional GPAC meetings needed or desired in order to further refine the Draft General Plan?
 - The GPAC responded unanimously that the Draft General Plan does reflect the GPAC's direction and input.
 - The GPAC responded unanimously that the Draft General Plan is now ready for City Council consideration.
 - The GPAC responded unanimously that no additional meetings are needed or warranted in order to further revise or refine the Draft General Plan.
- **City Council:** 8 meetings/hearings with the Consultant team
- **Public Workshops: 5 workshops (Jan-Mar 2018):** Included direct mailers to all business and residences in Campbell. Over 250 members of the community participated.
- **Online Surveys:** 2 surveys (late 2016 and early 2018). Over 250 members of the community participated.
- **Project Newsletters**

- **General Plan Website**

STATUS OF KEY TASKS IN THE GENERAL PLAN CONSULTANT AGREEMENT

The contract agreement with the project consultant consists of four primary tasks:

1. **General Plan Update**, including all supporting reports, studies and outreach efforts.
 - a. The consultant team has completed all of the supporting reports and studies identified in the contract scope of work (as identified previously in this report), and the Draft General Plan, including the Land Use Map, has been completed and delivered to the City Council.
 - b. The consultant team has completed all GPAC meetings identified in the scope of work.
 - c. The consultant team has completed most of the public outreach activities identified in the scope of work (as identified previously in this report). Remaining outreach activities include conducting a community-wide open house during the public review period for the Draft General Plan. Additionally, the consultant team will present the Draft General Plan to various City Boards and Commissions during the public review period, and will return to the Planning Commission and City Council for a series of adoption hearings.
2. **Environmental Impact Report (EIR)**, including technical studies and reports.
 - a. The consultant team has completed a draft of the Notice of Preparation (NOP) and has completed significant portions of the Administrative Draft EIR. Work on the Administrative Draft EIR is ongoing, and the schedule for completion hinges upon resolution of traffic-related VMT data and the VTA travel demand model. This work is ongoing.
 - b. The Final EIR will be prepared following completion of the Draft EIR public review period.
3. **Climate Action Plan.**
 - a. Significant work on the Climate Action Plan (CAP) has been completed. In order to complete the CAP, the VTA VMT data must be reconciled and analyzed. This work is ongoing.
4. **Zoning Code Update.**
 - a. The General Plan Update contract has a placeholder for this task, which would be reevaluated and revisited following adoption of the General Plan. No work on this task has been conducted to-date.

CONTRACT BUDGET STATUS

The table below identifies the contract budget for the primary project tasks, and the budget remaining for each task.

Task	Contract Budget	Remaining Budget
General Plan Update		
Initiation and Data Collection	\$13,850	\$0
Community Participation Program	\$112,660	\$7,104.50
Existing Conditions Report	\$218,940	\$3,422.72
Issues/Ops Report and Land Use Alts Report	\$86,695	\$6,709.08
Draft General Plan	\$127,820	\$1,533.98
Final General Plan	\$23,630	\$23,630
Meetings and Project Management	\$56,300	\$17,153.38
Subtotal General Plan	\$639,895	\$59,553.66
Environmental Impact Report		
NOP and Scoping	\$6,510	\$1,780
Draft EIR	\$124,420	\$83,406.49
Public Hearings	\$2,960	\$2,960
Final EIR	\$30,680	\$30,680
Meetings and Project Management	\$7,675	\$6,460
Subtotal EIR	\$172,245	\$125,286.49
Climate Action Plan		
GHG Baseline Inventory	\$22,540	\$2,060
Emissions Reduction Target	\$4,440	\$0
Prepare CAP	\$30,020	\$11,248.75
Implementation and Monitoring	\$9,670	\$9,670
Subtotal CAP	\$66,670	\$22,978.75
Zoning Code Update		
Zoning Code Update	\$87,380	\$87,380
Overall Project Total	\$966,190	\$295,198.90

DISCUSSION

CONTENTS OF THE DRAFT GENERAL PLAN

California law requires each city to adopt a comprehensive, long-term general plan for the physical development of the city. The general plan must be an integrated, internally consistent, and compatible statement of policies for the city.

The City of Campbell Draft General Plan identifies the community's vision for the future and provides a framework that will guide decisions on growth, development, and conservation of open space and resources in a manner that is consistent with the quality of life desired by the city's residents and businesses. Once adopted, the General Plan will supersede and replace the 2001 General Plan. The General Plan carries forward some of the major goals and policy framework of the 2001 General Plan yet has been substantially updated to address current local conditions, community priorities/goals, and has been reorganized to make the document more user-friendly.

The Draft General Plan incorporates all of the policy sets that the GPAC developed, reviewed and commented on. The Draft General Plan includes the GPAC preferred Land Use Map, which was developed over the course of 4 dedicated GPAC meetings, and included consideration of the Land Use Alternatives Report, direction from City Council, and community feedback from the online interactive mapping survey and 5 community workshops. The Draft General Plan was developed to meet all applicable requirements of State Planning Law.

The Draft General Plan includes the following elements:

- Introduction
- Land Use
- Transportation
- Community Design
- Economic Development
- Fiscal Sustainability
- Conservation and Open Space
- Community Services and Facilities
- Safety
- Noise
- Community Health and Wellness
- Sustainability
- Implementation

LAND USE MAP CHANGES

The most notable changes to the General Plan relate to the Land Use Map, and the maximum allowed residential densities in two Land Use designation categories.

The Land Use Map has been revised to change land use designations in only six focused areas of Campbell, as shown on the GPAC Preferred Land Use Map (Attachments B and C). These changes include:

Hamilton Avenue Corridor East: Two limited areas located north of Hamilton Avenue and east of SR 17 were changed from General Commercial (GC) to Residential/Commercial/Professional Office (RCPO). The RCPO designation would allow for residential mixed-use development, at residential densities ranging from 21-45 units per acre. Residential-only projects are not permitted.

Hamilton Avenue Corridor West: This area has been identified for a future specific plan to allow for mixed-use and high density residential development. The specific plan would address connectivity and access to the VTA station east of SR 17, address infrastructure financing strategies and requirements, design and land use, and other key topics and areas of interest to the City. Prior to the preparation and adoption of a new specific plan for this area, development projects would be required to comply with the existing underlying land use designations, which have not changed from the existing Land Use Map.

Bascom Avenue Corridor East: The existing commercial parcels located along the eastern side of Bascom Avenue were changed from General Commercial (GC) to Neighborhood Commercial (NC). The NC designation would allow for similar commercial uses, but at more of a neighborhood scale.

Bascom Avenue Corridor West: This area includes parcels on the south side of Campbell Avenue, east of SR 17, and parcels on the west side of Bascom Avenue, south of Campbell Avenue. This area was changed from General Commercial (GC) to Residential/Commercial/Professional Office (RCPO). As noted above, the RCPO designation would allow for residential mixed-use development, at residential densities ranging from 21-45 units per acre. Residential-only projects are not permitted.

South of Campbell Avenue: This area changed from Commercial/High-Medium Density Residential to Residential/Commercial/Professional Office (RCPO). The Commercial/High-Medium Density Residential designation has been eliminated due to its similarity and redundancy with the RCPO designation.

Camden Avenue and Winchester Boulevard Corridors. The existing commercial parcels located along limited areas of these corridors were changed from General Commercial (GC) to Neighborhood Commercial (NC). The NC designation would allow for similar commercial uses, but at more of a neighborhood scale.

DENSITY CHANGES

A couple of notable changes were made to allowed residential densities, and to how density in Campbell is to be calculated.

The existing General Plan currently calculates residential density by gross acre, meaning that the entire acreage of a project site is used to determine the maximum allowed residential density. The updated Draft General Plan mandates that residential density levels shall be calculated using “**dwelling units per net acre.**” (see Policy LU-1.4 and Action LU-1b).

Net Acreage means the developable portion of a given site, less public rights-of-way, wetlands, water bodies, and easements. Public and dedicated parks and open space included in a project shall be included in the net acreage calculation. One of the challenges of this change in density calculations pertains to a developer’s ability to plan for density without knowing the extent of public right-of-way dedication that may be required for a given project. It should also be noted that changing from a gross to a net acreage density calculation will decrease the development capacity of properties within Campbell, which may pose additional challenges to the City in demonstrating capacity to accommodate its fair share of regional housing needs during future updates to the Housing Element.

The details of this new net acreage density calculation will need to be incorporated in the City’s zoning code and other General Plan implementation tools.

Land Use Designations. The proposed Land Use Designations are identified under Policy LU-1.4, on pages LU-2 through LU-6 of the Land Use Element. Most of these designations are essentially unchanged from the current General Plan, with the following notable exceptions:

- The **High Density Residential (HDR)** and the **Residential/ Commercial/ Professional Office (RCPO)** categories have been changed to allow a maximum density of 45 units/acre. In the current General Plan, the maximum density in the HDR and RCPO categories is 27 units/acre. There are several reasons for this proposed change:
 - The City Council, the GPAC, and the community-at-large have all identified the need for more housing options, including more affordable housing, within Campbell. There is very little vacant land within Campbell, and the City is surrounded by urban development on all sides. As such, the only viable option for adding additional housing resources in Campbell is to allow for and encourage the redevelopment of parcels in Campbell at higher densities. During the initial outreach efforts conducted for the GP update, several housing developers and local real estate brokers were contacted to discuss their thoughts on the local housing market. There was near unanimous consensus that if

the City were to allow higher residential densities, the market would most likely respond by redeveloping existing developed parcels. At the current density levels (max. of 27 units/acre) there is much less incentive for property owners and developers to invest in redevelopment projects, as they are not as financially feasible at the relatively low density of 27 units/acre.

- Both the GPAC and the City Council have stated that new multi-family residential development should be spread throughout the City, rather than over-concentrated in a single area. Rather than attempting to identify specific parcels within Campbell that should change to allow for higher density residential uses, this approach would apply density increases more uniformly through the areas of Campbell that are already identified for high density residential and mixed uses. This approach will help preserve the character of existing, established residential areas, while allowing for modest increases in development potential.
- The City will need to update its adopted Housing Element no later than 2023. As part of all housing elements, cities are required to demonstrate how they will accommodate their fair share of regional housing needs (referred to as the Regional Housing Needs Allocation, or RHNA). City staff has seen the tentatively created draft RHNA of 3,960 units, which has yet to be formally approved by the MTC/ABAG Board. Although this number remains draft, designating areas within the land use map will help pre-plan the City to address future housing needs and housing growth. Should these areas theoretically not achieve the desired growth numbers, the City always reserves the right to alter the land use map at a future time.

NEXT STEPS AND PATH FORWARD TOWARDS GENERAL PLAN ADOPTION

The following represents the project team's recommendations for proceeding through adoption of the General Plan Update:

- **Council Feedback.** Staff is looking for Council feedback and direction to move the project forward to a decision. Understanding the Council's comments at this juncture will help staff plan the process.
- **CEQA Notice of Preparation.** Preparing and publishing the Notice of Preparation (NOP) is the first step in formally kicking off the CEQA process. The NOP notifies the public and interested agencies that the City is preparing an Environmental Impact Report (EIR) and provides a 30-day public comment period on the scope and content of the EIR. It is recommended that this step occur immediately.

- **Draft EIR.** The Draft EIR includes a detailed analysis of the potential environmental effects of implementation of the General Plan and recommends mitigation measures to reduce potentially significant impacts. Once complete, the Draft EIR is circulated for a 45-day public review and comment period. Work on the Draft EIR is underway. It is recommended that work towards completion of the Draft EIR be completed as expeditiously as possible, with a goal of completing the Draft EIR before the end of 2020.
- **Public Review of Draft General Plan.** Pending any revisions and specific direction from the City Council, the Draft General Plan should be released for a formal public review and comment period. The Draft General Plan can either be released for review and comment in the near future, or alternatively, the public review period for the Draft General Plan could be scheduled to run concurrent with the Draft EIR public review period.

Several opportunities for public review of the Draft General Plan would be provided during the 45-day review period. These include:

- A **community open-house workshop** to present the Draft General Plan to the public, answer questions, and receive feedback and input.
- Present the Draft General Plan to various **City boards and commissions**, potentially including but not limited to, the Planning Commission, Bicycle and Pedestrian Advisory Committee, Civic Improvement Commission, Historic Preservation Board, and the Parks and Recreation Commission.
- **Final EIR.** The Final EIR will be prepared following completion of the 45-day public review and comment period on the Draft EIR. The Final EIR will include all written comments received on the Draft EIR, responses to those comments, and any changes or corrections to the Draft EIR.
- **Public Hearings.** A series of public hearings would be held with the Planning Commission and City Council following the public review and comment period for the Draft General Plan and Draft EIR. The purpose of these hearings would be to review public and agency comments on the Draft General Plan and Draft EIR, receive additional public comments on the Draft General Plan, and receive Planning Commission and City Council direction on any final changes to the Draft General Plan. The hearings would culminate with adoption of the General Plan and certification of the EIR.

COUNCIL DISCUSSION AND DIRECTION TO THE PROJECT TEAM

The project team is seeking direction on how to proceed with the General Plan update.

1. Should the project team proceed with the steps outlined above, including completion of the Draft EIR and release of the Draft General Plan for public review?
 - a. If not, are there other specific steps the project team should take at this point?
2. If the project team is directed to proceed, as outlined above, are there any specific revisions that should be made to the Draft General Plan before it is released for public review and comment?

Prepared by:


Ben Ritchie, De Novo Planning Group

Reviewed by:


Paul Kermoyan, Community
Development Director

Approved by:


Brian Loventhal, City Manager

Attachment:

- a. Draft General Plan link
- b. CGP Preferred Land Use Map
- c. CGP Preferred Land Use Map - Grey Out

Attachment A

[Click here for Draft General Plan Link](#)

CITY OF CAMPBELL
GENERAL PLAN UPDATE

Preferred Land Use Map

January 14, 2020

Legend

- Low Density Residential <3.5
- Low Density Residential <4.5
- Low Density Residential <6
- Low-Medium Density Residential
- Medium Density Residential
- High Density Residential
- Mobile Home Park
- Neighborhood Commercial
- General Commercial
- Central Commercial
- Professional Office
- Light Industrial
- Research and Development
- Commercial/Light Industrial
- Residential/Commercial/Professional Office
- Institutional
- Open Space
- Hamilton Avenue Specific Plan Overlay
- City of Campbell
- Surrounding Cities
- Unincorporated Santa Clara County

Hamilton Avenue Specific Plan Overlay

This area has been identified for a future specific plan to allow for mixed-use, high density residential development. The specific plan would address connectivity and access to the VTA station east of SR 17, address infrastructure financing strategies and requirements, design and land use, etc.

Hamilton Avenue Corridor

These two areas changed from General Commercial to Residential/Commercial/Professional Office.

Bascom Avenue Corridor - East

This area changed from General Commercial to Neighborhood Commercial.

Bascom Avenue Corridor - West

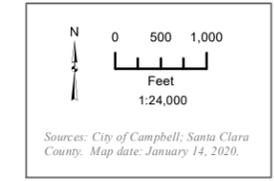
This area changed from General Commercial to Residential/Commercial/Professional Office.

South of Campbell Avenue

This area changed from Commercial/High-Medium Density Residential to Residential/ Commercial/ Professional Office (RCPO). The Commercial/ High-Medium Density Residential designation has been eliminated due to its similarity and redundancy with the RCPO designation.

Camden and Winchester Blvd. Corridors

These areas changed from General Commercial to Neighborhood Commercial.



CITY OF CAMPBELL
GENERAL PLAN UPDATE

Preferred Land Use Map
Changed Areas

January 14, 2020

Legend

- Low Density Residential <3.5
- Low Density Residential <4.5
- Low Density Residential <6
- Low-Medium Density Residential
- Medium Density Residential
- High Density Residential
- Mobile Home Park
- Neighborhood Commercial
- General Commercial
- Central Commercial
- Professional Office
- Light Industrial
- Research and Development
- Commercial/Light Industrial
- Office/Low-Medium Density Residential
- Residential/Commercial/Professional Office
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- City of Campbell
- Surrounding Cities
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Hamilton Avenue Specific Plan Overlay

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Hamilton Avenue Corridor

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Bascom Avenue Corridor - East

This area changed from General Commercial to Neighborhood Commercial.

Bascom Avenue Corridor - West

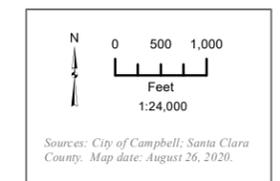
This area changed from General Commercial to Residential/Commercial/Professional Office.

South of Campbell Avenue

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Camden and Winchester Blvd. Corridors

These areas changed from General Commercial to Neighborhood Commercial.



Adopt Resolution 12468 approving a Planned Development Permit with a Parking Modification Permit to allow construction of a 7,002 square-foot single-story industrial building; and adopt Resolution 12469 approving a Variance to allow retention of existing overhead utility lines with the addition of the condition of approval to allow no overnight parking from 11:00 p.m. to 6:00 a.m.

Councilmember Resnikoff made a friendly amendment to change requiring a condition of approval prohibiting overnight parking to requiring mandatory signage that would help the property owner monitor parking issues.

Vice Mayor Gibbons accepted the friendly amendment to add signage.

The motion was as follows: **That the City Council adopt Resolution 12468 approving a Planned Development Permit with a Parking Modification Permit to allow construction of a 7,002 square-foot single-story industrial building; and adopt Resolution 12469 approving a Variance to allow retention of existing overhead utility lines with the addition of requiring the property owner to add mandatory signage prohibiting overnight parking. The motion was adopted by the following roll call vote:**

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Gibbons
SECONDER:	Waterman
AYES:	Landry, Gibbons, Waterman, Bybee, Resnikoff

UNFINISHED BUSINESS

6. **Receive an Update from the City's General Plan Consultant on the Status of the General Plan Update and Next Steps Necessary to Advance the General Plan through the City's Decision Making Process**

Recommended Action: Accept the consultant's staff report presentation on the General Plan update and consider the next steps as discussed within the staff report.

City Manager Loventhal introduced the item and spoke about the process to complete the remaining work on the General Plan.

General Plan consultant Ben Ritchie addressed the Council and was available for questions.

Council discussed how to formalize the process and steps to move forward.

Council commented on drive through facilities.

Council spoke about the changes to the Land Use Map designation, significant policy changes / implementations; objective versus subjective standards listed;

and housing.

Council discussed having their individual questions given to staff and bringing this back with changes at a study session for a comprehensive discussion.

NEW BUSINESS

7. Receive a Monthly Fiscal Update for October 2020

Recommended Action: That the City Council receive a monthly fiscal update for October 2020.

Finance Director Fuentes presented a staff report dated October 20, 2020.

Council discussed the importance of knowing any protection strategies in advance and requested updates to any concerning issues as soon as possible.

COUNCIL COMMITTEE REPORTS

8. Council Committee Reports

Recommended Action: Report on committee assignments and general comments.

--Councilmember Waterman attended the County Library JPA Board of Directors Finance Subcommittee meeting.

--Councilmember Resnikoff attended the West Valley Sanitation Treatment Plan Advisory Committee (TPAC) meeting; Cities Association of Santa Clara County meeting; and the West Valley Sanitation District meeting.

--Councilmember Bybee attended the Downtown Campbell Business Association meeting (DCBA); the Valley Transportation Authority Policy Advisory Committee; and the League of California Cities annual conference.

--Vice Mayor Gibbons attended the Association of Bay Area Governments (ABAG) meeting and the Silicon Valley Clean Energy meeting.

--Mayor Landry spoke of the upcoming Recycling and Waste Reduction Commission of Santa Clara County meeting; participated in the Valley Transportation Plan (VTP) 2040; and spoke of Santa Clara County Supervisor Cindy Chavez's Town Hall meetings.

Vice Mayor Gibbons commented on the Campbell Ministerial Group holding a virtual Thanksgiving event.

ADJOURN

Mayor Landry adjourned the meeting at 9:15 p.m.



*City
Council
Report*

Item: 17
Category: COUNCIL COMMITTEE REPORTS
Meeting Date: June 15, 2021

TITLE: Council Committee Reports

RECOMMENDED ACTION

Report on committee assignments and general comments.

DISCUSSION

This is the section of the City Council Agenda that allows the City Councilmembers to report on items of interest and the work of City Council Committees.

MAYOR GIBBONS:

Association of Bay Area Governments Executive Committee**
 Campbell Historical Museum & Ainsley House Foundation Liaison
 Cities Association Selection Committee & Legislative Action Committee
 City Attorney Performance/Compensation Subcommittee
 City Clerk Performance/Compensation Subcommittee
 City Manager Performance/Compensation Subcommittee
 Santa Clara County Expressway Planning Study Policy Advisory Board**
 Economic Development Advisory Subcommittee
 Legislative Subcommittee
 Silicon Valley Clean Energy JPA Board of Directors and Executive Committee (SVCE)
 West Valley Mayors and Managers

Santa Clara County Emergency Operational Area Council** (Alt.)

VICE MAYOR RESNIKOFF:

City Clerk Performance/Compensation Subcommittee
 City Manager Performance/Compensation Subcommittee
 Finance Subcommittee
 Silicon Valley Animal Control Authority Board (SVACA)
 West Valley Clean Water JPA
 West Valley Sanitation District
 West Valley Sanitation Treatment Plant Advisory Committee**
 West Valley Solid Waste Authority JPA

County Library District JPA Board of Directors (Alt.)

West Valley Mayors and Managers (Alt.)

COUNCILMEMBER BYBEE

Advisory Commissioner Appointment Interview Subcommittee
 Cities Association of Santa Clara County Representative
 Downtown Subcommittee
 Finance Subcommittee
 Friends of the Heritage Theater Liaison

Association of Bay Area Governments (Alt.)
 Cities Association Selection Committee & Legislative Action Committee (Alt.)
 SCC Housing and Community Development Advisory Committee (Alt.)
 Santa Clara County Expressway Planning Study Policy Advisory Board**
 Silicon Valley Animal Control Authority Board (SVACA) (Alt.)
 Valley Transportation Authority Policy Advisory Committee (Alt.)

COUNCILMEMBER LANDRY

Advisory Commissioner Appointment Interview Subcommittee
 City Attorney Performance/Compensation Subcommittee
 County Library District JPA Board of Directors
 Education Subcommittee
 Economic Development Subcommittee
 Recycling and Waste Reduction Commission of SCC**
 Santa Clara Valley Water District: County Water Commission

Cities Association of Santa Clara County Representative (Alt.)
 Downtown Subcommittee (Alt.)
 State Route (SR) 85 Corridor Policy Advisory (Alt.)
 West Valley Solid Waste Authority JPA (Alt.)
 West Valley Clean Water JPA (Alt.)

COUNCILMEMBER LOPEZ:

Association of Bay Area Governments
 Education Subcommittee
 Legislative Subcommittee
 SCC Housing and Community Development Advisory Committee
 State Route (SR) 85 Corridor Policy Advisory Board
 Valley Transportation Authority Policy Advisory Committee

Campbell Historical Museum & Ainsley House Foundation Liaison (Alt.)
 Friends of the Heritage Theater Liaison (Alt.)
 Santa Clara Valley Water District: County Water Commission (Alt.)
 Silicon Valley Clean Energy JPA Board of Directors and Executive Committee (Alt.)
 West Valley Sanitation District (Alt.)

****Appointed by other agencies**

Prepared by:

D. Christopherson

Andrea Sanders, Deputy City Clerk

MEMORANDUM



City of Campbell
City Clerk's Office

To: Honorable Mayor and City Council **Date:** June 11, 2021
From: Dusty Christopherson, City Clerk
Via: Brian Loventhal, City Manager
Subject: Desk Item 11 – FY2022 Operating Budget and CIP Adoption

Please see the attached Desk Item 11, correspondence received after agenda publication relating to the armored rescue vehicle purchase.

From: [Liz Gibbons](#)
To: [Dusty Christopherson](#); [Brian Loventhal](#)
Subject: Fwd:
Date: Thursday, June 10, 2021 7:08:27 PM

Elizabeth “Liz” Gibbons, AIA, LEED AP
Mayor, City of Campbell
Past AIA Strategic Counselor, At-Large

Sent from my iPhone

Begin forwarded message:

From: Anthony Talaich

Date: June 10, 2021 at 5:10:15 PM PDT
To: Liz Gibbons <lizg@campbellca.gov>

Please fund or police. Let them buy the assault vehicle
Sent from my iPad

From: [Liz Gibbons](#)
To: [Dusty Christopherson](#); [Brian Loventhal](#)
Subject: Fwd: Assault Vehicle
Date: Thursday, June 10, 2021 7:08:06 PM

Elizabeth “Liz” Gibbons, AIA, LEED AP
Mayor, City of Campbell
Past AIA Strategic Counselor, At-Large

Sent from my iPhone

Begin forwarded message:

From: linapr
Date: June 10, 2021 at 6:52:16 PM PDT
To: Liz Gibbons <lizg@campbellca.gov>
Subject: Assault Vehicle

Hello,
As a Campbell resident , voter and a taxpayer i am against the purchase
of the assault vehicle.
Thank You,
Adelina

Sent from my Galaxy

From: [Liz Gibbons](#)
To: [Dusty Christopherson](#); [Brian Loventhal](#)
Subject: Fwd: Lenco Bearcat
Date: Friday, June 11, 2021 9:37:12 AM

Elizabeth “Liz” Gibbons, AIA, LEED AP
Mayor, City of Campbell
Past AIA Strategic Counselor, At-Large

Sent from my iPhone

Begin forwarded message:

From: Ted Kafer

Date: June 11, 2021 at 7:56:03 AM PDT **To:**
Liz Gibbons <lizg@campbellca.gov>
Subject: Lenco Bearcat
Reply-To: Ted Kafer

Please do not purchase this vehicle.
Thanks,
Ted Kafer

From: [Liz Gibbons](#)
To: [Dusty Christopherson](#); [Brian Loventhal](#)
Subject: Fwd: military vehicle
Date: Friday, June 11, 2021 12:19:51 PM

Elizabeth "Liz" Gibbons, AIA, LEED AP
Mayor, City of Campbell
Past AIA Strategic Counselor, At-Large

Sent from my iPhone

Begin forwarded message:

From: Christopher Schalge
Date: June 11, 2021 at 10:57:32 AM PDT
To: Liz Gibbons <lizg@campbellca.gov>, Paul Resnikoff <paulr@campbellca.gov>, Anne Bybee <anneb@campbellca.gov>, "Susan M. Landry" <susanl@campbellca.gov>, Sergio Lopez <sergiol@campbellca.gov>
Subject: military vehicle

Dear Madame and Sir,

The militarization of our police force is a disturbing trend. The acquisition of a military vehicle to the Campbell Police will serve to increase the us / them mentality between the police and citizens. In giving military style equipment to police, sooner or later, they will act like soldiers. Hang out at the barbershop long enough you will end up getting a haircut. Police are supposed to be peacekeepers. This vehicle will not serve to keep citizens or police safer. This includes not only people engaged in crimes, but also people engaged in legal protest, serving warrants, non-lethal situations, etc. I am categorically against the police owning and using such items paid for with my tax dollars. Rather, I would rather this money go to de-escalation training, personal stress-reduction training for police officers, and dealing with the underlying issues that lead to crime such as addiction and poverty.

Warm regards,

Dr. Christopher J. Schalge

There are no answers, only choices.

There are more things in heaven and earth, Horatio, Than are dreamt of in your philosophy.

--From *Hamlet* (I, v, 166-167)

And the Mystery itself is the doorway to all understanding.

From the *Tao Te Ching* (liberal translation)

From: [Liz Gibbons](#)
To: [Dusty Christopherson](#); [Brian Loventhal](#)
Subject: Fwd: NO to Assault Vehicle Purchase
Date: Thursday, June 10, 2021 1:45:54 PM

Elizabeth “Liz” Gibbons, AIA, LEED AP
Mayor, City of Campbell
Past AIA Strategic Counselor, At-Large

Sent from my iPhone

Begin forwarded message:

From: Shiv Kumar
Date: June 10, 2021 at 12:18:42 PM PDT
To: Liz Gibbons <lizg@campbellca.gov>
Subject: **NO to Assault Vehicle Purchase**

Money set aside for roads, parks, and infrastructure should not be used for assault vehicle purchases.

Besides, we don't need to militarize the police. Instead, we need better policing, without guns and senseless and unnecessary escalation of violence.

MEMORANDUM



City of Campbell
City Clerk's Office

To: Honorable Mayor and City Council

Date: June 14, 2021

From: Dusty Christopherson, City Clerk

Via: Brian Loventhal, City Manager

Subject: Desk Item 11 – FY2022 Operating Budget and CIP Adoption

Please see the attached Desk Item 11, correspondence received on Monday, June 14, 2021, relating to the armored rescue vehicle purchase.

From: [Liz Gibbons](#)
To: [Dusty Christopherson](#); [Brian Loventhal](#)
Subject: Fwd: Campbell does NOT need assault vehicles!!!
Date: Friday, June 11, 2021 11:52:56 PM

Elizabeth “Liz” Gibbons, AIA, LEED AP
Mayor, City of Campbell
Past AIA Strategic Counselor, At-Large

Sent from my iPhone

Begin forwarded message:

From: Soher Youssef
Date: June 11, 2021 at 9:20:54 PM PDT
To: Liz Gibbons <lizg@campbellca.gov>, Paul Resnikoff <paulr@campbellca.gov>, Anne Bybee <anneb@campbellca.gov>, "Susan M. Landry" <susanl@campbellca.gov>, Sergio Lopez <sergiol@campbellca.gov>
Subject: Campbell does NOT need assault vehicles!!!

For goodness sakes, this is Campbell, not East San Jose, East Oakland, Chicago (add your “dangerous” city here)!!! We do NOT need assault vehicles, we need parks, we need community centers, we need senior services, we don’t need military ware!!!

Soher Youssef

From: [Liz Gibbons](#)
To: [Dusty Christopherson](#); [Brian Loventhal](#)
Subject: Fwd: Tank Request
Date: Sunday, June 13, 2021 2:44:15 PM
Attachments: [Robot sheild.docx](#)

Elizabeth "Liz" Gibbons, AIA, LEED AP
Mayor, City of Campbell
Past AIA Strategic Counselor, At-Large

Sent from my iPhone

Begin forwarded message:

From: I
Date: June 13, 2021 at 2:35:00 PM PDT
To: Liz Gibbons <lizg@campbellca.gov>, Paul Resnikoff <paulr@campbellca.gov>, Anne Bybee <anneb@campbellca.gov>, "Susan M. Landry" <susanl@campbellca.gov>, Sergio Lopez <sergiol@campbellca.gov>
Subject: Tank Request
Reply-To: I

Greeting Council Members,
There has been a complete lack of transparency concerning the methods used to gather and judge public support for the police request for an armored personal carrier. First word I received about this request was the city alerting the residents that an armored personal vehicle was being requested and a video on the city's web site was available for viewing. I personally searched the City's web site and could not find the page. I reach out to one of your members and was connected to the video. The second presentation was a three hour display of a borrowed Bear Cat in the police parking lot. Myself, a Council member and one adult male were the only people I saw during the two hours that I was there. This visit required me to sign up on the City's web site. Once again, I had to be shown where the sign up was on the city's web site.
Police officer safety is of primary concern. Speaking with the Chief, the most important thing he wanted was a armored shield between an active shooter and police. I understand the need for a protective shield but does it have to have wheels, a gun turret for machine guns or a cannon, a battering ram and other battlefield needs. Thinking outside the box, I suggested a robot shield and was thanked, **Attachment 1**.
Stuck on the Bear Cat concept and wanting a status symbol in the city stable at a \$315,000.00 cost, \$15,000.00 a year maintenance and an unknown amount of dollars in training of city police staff to mount up and ride the pony.

This request started out asking for an armored assault vehicle and now it's called a "hostage rescue vehicle". Does that makes a tank on our streets that much more palatable. Also presented was that old cliché; "If it saves just one life, its worth it". Seems we are told anything that will put a tank on the streets.

Campbell is a small non-urban town. Are we facing the same problems that San Jose(over 1 million residents), Santa Clara(over 100,000) and Sunnyvale(over 100,000) face?

The need for a armored assault vehicle at an police incident is subjective choice. Is a tank needed in Campbell? How many times in the last ten years has the Campbell PD requested a tank from another jurisdiction? One of the two borrowed tanks called into the Denny's incident was used to hold the back door shut. Any patrol could have accomplished that task. When deemed needed, Campbell has and can continue to borrow a tank from adjacent police departments.

The money for this request is coming out of a pool of money tagged for emergency use. I do not see a Bear Cat as an emergency expense. This is money that could better be used to help feed the homeless. Help out with the many evictions that will be happening soon in Campbell. General street repair and maintenance would be a better use of these funds.

Look into you heart and ask yourself, is this purchase going to be used for the betterment of Campbell residents or a feather in the Chief's cap.

Thank you for your consideration,
Harry Greenwood

Suggested Reading

Rise of the Warrior Cop, The Militarization of America's Police



Armored shields: A SWAT robot, a remote-controlled small tank-like vehicle with a ballistic shield for officers.

Possible Backside bullets:

Campbell PD is pushing for a military style troop carrier.

Tremendous cost. \$315,000.00

Not appropriate for our neighborhoods,

Let's stop this silliness. Visit the following for info on this subject.

What makes Rise of the Warrior Cop so important is that Mr. Balko makes police militarization real for all of us. This is a meticulously researched history book that casts needed light on a central civil liberties issue. Police militarization is something we should all care about, and Rise of the Warrior Cop will show you why."—

[Rise of the Warrior Cop: The Militarization of America's ...](#)

www.amazon.com/Rise-Warrior-Cop-Militarization-Americas/dp/1610394577

MEMORANDUM



City of Campbell
City Clerk's Office

To: Honorable Mayor and City Council

Date: June 15, 2021

From: Dusty Christopherson, City Clerk

Via: Brian Loventhal, City Manager

Subject: Desk Item 11 – FY2022 Operating Budget and CIP Adoption

Please see the attached Desk Item 11, correspondence received on Tuesday, June 15, 2021, relating to the armored rescue vehicle purchase.

From: [Paul Resnikoff](#)
To: [Dusty Christopherson](#)
Subject: Fw: Campbell Rescue Vehicle Replacement
Date: Monday, June 14, 2021 4:23:22 PM

From: Phil Audet
Sent: Thursday, June 10, 2021 4:13 PM
To: Liz Gibbons <lizg@campbellca.gov>; Paul Resnikoff <paulr@campbellca.gov>; Anne Bybee <anneb@campbellca.gov>; Susan M. Landry <susanl@campbellca.gov>; Sergio Lopez <sergiol@campbellca.gov>
Subject: Campbell Rescue Vehicle Replacement

I wholeheartedly support the investment in a replacement rescue vehicle. Do you envision a situation where we would need two? If so I support a second as well.

[Phil Audet](#)

From: [Liz Gibbons](#)
To: [Dusty Christopherson](#)
Subject: Fwd: NO Assault Vehicle
Date: Tuesday, June 15, 2021 3:16:10 PM

Elizabeth “Liz” Gibbons, AIA, LEED AP
Mayor, City of Campbell
Past AIA Strategic Counselor, At-Large

Sent from my iPhone

Begin forwarded message:

From: Amy Harper
Date: June 15, 2021 at 2:56:26 PM PDT
To: Liz Gibbons <lizg@campbellca.gov>, Paul Resnikoff <paulr@campbellca.gov>, Anne Bybee <anneb@campbellca.gov>, "Susan M. Landry" <susanl@campbellca.gov>, Sergio Lopez <sergiol@campbellca.gov>
Subject: NO Assault Vehicle

Dear Campbell City Council,

I do not support the purchase of a tank-style vehicle for the city’s police. Though I value our police and their safety, a purchase like this is irresponsible for several reasons. First, thankfully, we do not have the kind of crime that would warrant this kind of vehicle, and if a situation ever did arise, Campbell could ask for help from several neighboring cities that already have a vehicle like this. Additionally, as I understand it, the money has already been earmarked for much-needed expenses like road repairs and civic improvements. Finally, it is ethically wrong to treat a small city police force like a military organization. That is not their function. If they feel they can’t do their job with the kinds of weapons they have, I’d like to see a re-thinking of their assets—I’d much rather spend police money on mental health and crisis support training than on a tank. Our city, as well as our country, needs fewer weapons, not more. Do not spend our money on assault weapons.

Thank you,
Amy Harper
Campbell resident for 25 years

MEMORANDUM



City of Campbell

City Clerk's Office

To: Honorable Mayor and City Council

Date: June 15, 2021

From: Dusty Christopherson, City Clerk

Via: Brian Loventhal, City Manager

Subject: **Desk Item 10 – Agreement with HdL Companies to provide Sales or Transaction and Use Tax Audit and Management Services**

Please see the attached Desk Item 10 relating to the Agreement with HdL Companies to provide Sales or Transaction and Use Tax Audit and Management Services. Enclosed is an amended Resolution further limiting access to confidential sales tax records.

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAMPBELL
AUTHORIZING EXAMINATION OF SALES OR TRANSACTIONS AND USE TAX
RECORDS**

WHEREAS, pursuant to Ordinance Number 1177, the City of Campbell (City) entered into a contract with the California Department of Tax and Fee Administration (Department) to perform all functions incident to the administration and collection of sales or transactions and use taxes; and

WHEREAS, pursuant to Ordinance Number 2111, City of Campbell Vital City Services, Maintenance & Protection Transactions and Use Tax, Revenue and Taxation Code section 7270, the City entered into a contract with the California Department of Tax and Fee Administration (Department) to perform all functions incident to the administration and collection of transactions and use taxes; and

WHEREAS, the City Council of the City of Campbell deems it desirable and necessary for authorized officers, employees and representatives of the City to examine confidential sales or transactions and use tax records of the Department pertaining to sales or transactions and use taxes collected by the Department for the City pursuant to that contract; and

WHEREAS, Section 7056 of the California Revenue and Taxation Code sets forth certain requirements and conditions for the disclosure of Department records, and Section 7056.5 of the California Revenue and Taxation Code establishes criminal penalties for the unlawful disclosure of information contained in, or derived from, the sales or transactions and use tax records of the Department;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CAMPBELL HEREBY
RESOLVES AS FOLLOWS:**

Section 1. That the City Manager, Finance Director, Assistant City Manager, Community Development Director, ~~Economic Development Specialist~~, or other officer or employee of the City designated in writing by the City Manager to the California Department of Tax and Fee Administration is hereby appointed to represent the City with authority to examine sales or transactions and use tax records of the Department pertaining to sales or transactions and use taxes collected for the City by the Department pursuant to the contract between the City and the Department.

Section 2.

The information obtained by examination of Department records shall be used only for purposes related to the collection of City sales or transactions and use taxes by the Department pursuant to that contract, and for purposes related to the following governmental functions of the City:

(a) Review of sales or transaction and use tax records to ensure proper allocaton and remittance to the City

- (b) Economic Development
- (c) Budget Planning
- (d) Other governmental functions as required by the City

The information obtained by examination of Department records shall be used only for those governmental functions of the City listed above.

Section 3. That Hinderliter, De Llamas & Associates (HdL Companies) is hereby designated to examine the sales or transactions and use tax records of the Department pertaining to sales or transactions and use taxes collected for the City by the Department. The person or entity designated by this section meets all of the following conditions, which are also included in the contract between the City and HdL Companies:

- a) has an existing contract with the City to examine those sales or transactions and use tax records;
- b) is required by that contract to disclose information contained in, or derived from, those sales or transactions and use tax records only to the officer or employee authorized under Section 1 of this resolution to examine the information.
- c) is prohibited by that contract from performing consulting services for a retailer during the term of that contract;
- d) is prohibited by that contract from retaining the information contained in, or derived from those sales or transactions and use tax records, after that contract has expired.

BE IT FURTHER RESOLVED that the information obtained by examination of Department records shall be used only for purposes related to the collection of City sales or transactions and use taxes by the Department pursuant to the contract between the City and the Department and for those purposes relating to the governmental functions of the City listed in section 2 of this resolution.

Section 4. That MuniServices LLC is hereby designated to examine the sales or transactions and use tax records of the Department pertaining to any petition or appeal for the reallocation/redistribution of sales or transactions and use taxes that was filed by MuniServices LLC on behalf of the City pursuant to the contract between the MuniServices LLC and City. The person or entity designated by this section meets all of the following conditions, which are also included in the contract between the City and the MuniServices LLC:

- a) has an existing contract with the City to examine those sales or transactions and use tax records;
- b) is required by that contract to disclose information contained in, or derived from, those sales or transactions and use tax records only to the officer or employee authorized under Section 1 of this resolution to examine the information.

- c) is prohibited by that contract from performing consulting services for a retailer during the term of that contract;
- d) is prohibited by that contract from retaining the information contained in, or derived from those sales or transactions and use tax records, after that contract has expired.

Section 5. That this resolution supercedes all prior resolutions of the City Council of the City of adopted pursuant to subdivision (b) of Revenue and Taxation Code section 7056.

Introduced, approved and adopted this 15th day of June 2021.

ATTEST: (s) _____ (s) _____
City Clerk Mayor

I, _____, City Clerk of the City of _____, California, DO HEREBY CERTIFY that the foregoing resolution was duly introduced, approved and adopted by the City Council of the City of _____, at a regular meeting of said Council held on the _____ day of _____, 20____, by the following roll call vote:

Ayes: (Names of Councilmembers)

Noes: (Names of Councilmembers)

Absent: (Names of Councilmembers)

(s) _____
City Clerk

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAMPBELL
AUTHORIZING EXAMINATION OF SALES OR TRANSACTIONS AND USE TAX
RECORDS**

WHEREAS, pursuant to Ordinance Number 1177, the City of Campbell (City) entered into a contract with the California Department of Tax and Fee Administration (Department) to perform all functions incident to the administration and collection of sales or transactions and use taxes; and

WHEREAS, pursuant to Ordinance Number 2111, City of Campbell Vital City Services, Maintenance & Protection Transactions and Use Tax, Revenue and Taxation Code section 7270, the City entered into a contract with the California Department of Tax and Fee Administration (Department) to perform all functions incident to the administration and collection of transactions and use taxes; and

WHEREAS, the City Council of the City of Campbell deems it desirable and necessary for authorized officers, employees and representatives of the City to examine confidential sales or transactions and use tax records of the Department pertaining to sales or transactions and use taxes collected by the Department for the City pursuant to that contract; and

WHEREAS, Section 7056 of the California Revenue and Taxation Code sets forth certain requirements and conditions for the disclosure of Department records, and Section 7056.5 of the California Revenue and Taxation Code establishes criminal penalties for the unlawful disclosure of information contained in, or derived from, the sales or transactions and use tax records of the Department;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CAMPBELL HEREBY
RESOLVES AS FOLLOWS:**

Section 1. That the City Manager, Finance Director, Assistant City Manager, Community Development Director, or other officer or employee of the City designated in writing by the City Manager to the California Department of Tax and Fee Administration is hereby appointed to represent the City with authority to examine sales or transactions and use tax records of the Department pertaining to sales or transactions and use taxes collected for the City by the Department pursuant to the contract between the City and the Department.

Section 2.

The information obtained by examination of Department records shall be used only for purposes related to the collection of City sales or transactions and use taxes by the Department pursuant to that contract, and for purposes related to the following governmental functions of the City:

(a) Review of sales or transaction and use tax records to ensure proper allocation and remittance to the City

- (b) Economic Development
- (c) Budget Planning
- (d) Other governmental functions as required by the City

The information obtained by examination of Department records shall be used only for those governmental functions of the City listed above.

Section 3. That Hinderliter, De Llamas & Associates (HdL Companies) is hereby designated to examine the sales or transactions and use tax records of the Department pertaining to sales or transactions and use taxes collected for the City by the Department. The person or entity designated by this section meets all of the following conditions, which are also included in the contract between the City and HdL Companies:

- a) has an existing contract with the City to examine those sales or transactions and use tax records;
- b) is required by that contract to disclose information contained in, or derived from, those sales or transactions and use tax records only to the officer or employee authorized under Section 1 of this resolution to examine the information.
- c) is prohibited by that contract from performing consulting services for a retailer during the term of that contract;
- d) is prohibited by that contract from retaining the information contained in, or derived from those sales or transactions and use tax records, after that contract has expired.

BE IT FURTHER RESOLVED that the information obtained by examination of Department records shall be used only for purposes related to the collection of City sales or transactions and use taxes by the Department pursuant to the contract between the City and the Department and for those purposes relating to the governmental functions of the City listed in section 2 of this resolution.

Section 4. That MuniServices LLC is hereby designated to examine the sales or transactions and use tax records of the Department pertaining to any petition or appeal for the reallocation/redistribtuion of sales or transactions and use taxes that was filed by MuniServices LLC on behalf of the City pursuant to the contract between the MuniServices LLC and City. The person or entity designated by this section meets all of the following conditions, which are also included in the contract between the City and the MuniServices LLC:

- a) has an existing contract with the City to examine those sales or transactions and use tax records;
- b) is required by that contract to disclose information contained in, or derived from, those sales or transactions and use tax records only to the officer or employee authorized under Section 1 of this resolution to examine the information.
- c) is prohibited by that contract from performing consulting services for a retailer during the term of that contract;

d) is prohibited by that contract from retaining the information contained in, or derived from those sales or transactions and use tax records, after that contract has expired.

Section 5. That this resolution supercedes all prior resolutions of the City Council of the City of adopted pursuant to subdivision (b) of Revenue and Taxation Code section 7056.

Introduced, approved and adopted this 15th day of June 2021.

ATTEST: (s) _____ (s) _____
City Clerk Mayor

I, _____, City Clerk of the City of _____, California, DO HEREBY CERTIFY that the foregoing resolution was duly introduced, approved and adopted by the City Council of the City of _____, at a regular meeting of said Council held on the _____ day of _____, 20____, by the following roll call vote:

Ayes: (Names of Councilmembers)

Noes: (Names of Councilmembers)

Absent: (Names of Councilmembers)

(s) _____
City Clerk

From: [Susan](#)
To: [Web Distribution City Clerk](#); [Susan](#)
Subject: Fwd: Resident's oral comment to distribute @ the 6/15/21 meeting
Date: Tuesday, June 15, 2021 4:04:07 PM

WARNING: This email originated from an external sender! Please do not open attachments or click on links unless you are certain it is legitimate.

>
>

> *****

>

> Here is my comment for the city council:

>

> Good evening Campbell mayor and city council members,

>

> As a "transplant" from the northeast nine years ago I became very curious about the water wars in California's farm sector and how precious water rights are. Little did I suspect that drought and water usage would become such a "hot" topic in the Bay Area! As per the NOAA and drought.gov websites 100% of Santa Clara county is in "extreme drought." I would have expected this with little to no rainfall these past two winters, but coupled with the draining down to 3% of Santa Clara county's Anderson Reservoir we need to get the word out to residents about how they can take responsibility in conserving water usage.

>

> Thus, I suggest putting a message on the front page of Campbell's city website regarding water usage with concrete water saving suggestions and a link to Valley Water District's very helpful website. Campbell could also strategically place those programmable wheeled machines that I see on the roadsides posting "buckle up," etc. with water usage PSAs. And lastly, I'm trying to find out from the Valley Water District if they will be producing and distributing signs saying "Brown is the New Green" as they did in summer 2014. If and/or when it does these would be great to distribute to our neighbors. In the meantime I'm going to make my own!

>

> Thank you for reading and considering my ideas.

>

> Susan, Campbell resident

> 6/15/2021

>

>

> Sent from my iPhone

From: [Liz Gibbons](#)
To: [Dusty Christopherson](#)
Subject: Fwd: Armored Vehicle
Date: Tuesday, June 15, 2021 4:23:46 PM

Elizabeth "Liz" Gibbons, AIA, LEED AP
Mayor, City of Campbell
Past AIA Strategic Counselor, At-Large

Sent from my iPhone

Begin forwarded message:

From: Alan Zisser
Date: June 15, 2021 at 3:39:43 PM PDT
To: Sergio Lopez <sergiol@campbellca.gov>, Liz Gibbons <lizg@campbellca.gov>
Subject: Armored Vehicle

I know this is last minute, and you may not get to this before tonight's meeting, but I wanted to get my opposition on the purchase of the Bearcat on the record with you.

At our last Planning Commission meeting, we were required to review the CIP and vote to approve that it was in accordance with the General Plan. The implication was that we were not to discuss any specific budget items, unless they were potentially out of line with General Plan. Chief Berg was in attendance to answer any questions on his portion of the CIP. I did ask if there was other detailed info on justification of the BearCat beyond what was on the website or in the agenda. Chief Berg indicated that he could forward me any additional information (which he did a day or two later).

You should know that two other commissioners questioned the purchase of the vehicle more directly, which I interpreted as opposition to its purchase. I then spoke briefly again, reinforcing their opposition. This should all be in the minutes. The staff took no opposition to our statements.

Upon receiving Chief Berg's email last week providing me with links to more info, some of which I had already seen, I responded to him yesterday with my explanation of my opposition, including questioning the draft proposal for use of the vehicle.

Below is my entire email to Chief Berg for your review. Chief Berg was kind enough to reply and offered to meet in the future to further discuss any policing issues.
I apologize for its length.

Regards,
Alan Zisser

(dated 6/13/2021 and copied to City Manager)

Dear Chief Berg,

I'll apologize in advance for the long winded response. If I'm going to respond

to this issue, I need to be more comprehensive in putting forth my views and positions. It's who I am.

Thank you for your response to my inquiries at the Planning Commission meeting, and sending me additional information. Just so you know, I had already reviewed the descriptions of the vehicle and its use that is posted on the CPD site. Including the draft proposal for Purpose and Use. I had not seen your Q&A video, so I did watch it in its entirety. It was well done, and attempted to cover many of the questions that residents have posted on its cost and use.

However, I personally don't find this information is sufficiently compelling to justify Campbell purchasing one for CPD's use.

I should also tell you that although I am not someone from law enforcement, my interest and knowledge of this issue dates back a number of years, especially since there has been an outcry on police methods and tactics nationally in the past 5-6 years. From Ferguson to the trial of Chauvin, and all the incidents reported in between.

Additionally, I have a close relative who has considerable experience in law enforcement reform, police use-of-force, and police oversight.

This has allowed me to follow these issues closer than most citizens, and get a more comprehensive perspective.

I also am not someone who has a quick gut position, based on my personal political leanings. I listen, read, and research issues; listening to both sides of the argument.

Additionally, I grew up having a natural respect for police. As a boy, I grew up in a small city in rural Western NY. My father was a downtown merchant who knew the town's police officers, and had a good relationship with the police. But we were white, middle class people living in a white middle class world in the 1950's. I was unaware of what often went on in big city police departments in terms of corruption, or the way law enforcement treated blacks and other minorities. Suffice to say, I learned a lot in the last 60 years since leaving that small town and ending up in California after college. Prior to then, I had never really had interactions with African Americans, Latinos, Asians or other minority groups. My childhood was not untypical of a lot of white Americans, especially in rural, dominantly white communities. A lot has changed, and I have learned a great deal.

All that said, let me comment on a few things:

1. Armored Rescue Vehicle: *Just the fact that you use this as a descriptor for the BearCat seems disingenuous, and a way to downplay its non-defensive purpose. Although one aspect of its use is rescue, I don't think it is fair to suggest that this is its primary purpose. Even the manufacturer refers to it as an "Armored Tactical Vehicle". And the term BearCat is an acronym for "Ballistic Engineered Armored Response Counter Attack Truck". That sounds like more than a*

rescue vehicle.

Lenco also emphasizes its sale and use primarily to SWAT, which is less about rescue and more about highly trained police who attack in a potentially highly volatile violent situation.

2. Anecdotal evidence: *Much of your arguments have been to remind us of one or two incidents that have occurred in the past few years. First, the Denny's standoff, and then the one you mentioned to me, the mobile home murder attempt/suicide incident. In my reading of the Denny incident, there were no hostages (all evacuated almost immediately), and one possibly mentally unbalanced man holed up in Denny's by himself with a handgun. Although the standoff was long, it ended peacefully, after apparently using a flash bang grenade. I would question whether it needed to go on this long, but more importantly, whether the tactical vehicle was really necessary in retrospect. As for the mobile home incident, it is my understanding that this was over either by the time the police arrived or very soon after. The man had killed himself after shooting his wife. The situation was handled without the use of a tactical vehicle. My question on this one, is why would you consider this a situation where the vehicle was needed. Was it simply because a call came in about shots fired, or that you thought you had potentially a hostage situation? My bigger question is where do you draw the line on a need for the vehicle?*

In your video, you also use an incident in Ben Lomond last year where a deputy sheriff was killed and another injured. I think your point was that if it could happen in a small town like Ben Lomond, it can happen here, so needing this capability makes sense.

I don't see this argument as relevant. Ben Lomond (about 7,000 population) is a small town, but it is nothing like Campbell. I once worked in Santa Cruz for years and am familiar with the mountain towns in that area. Ben Lomond, Felton, Boulder Creek, Bonny Doon, Zayante. There is known drug activity in the mountain communities and Santa Cruz County in general that has been going on a long time. I could make an argument that Ben Lomond and the surrounding area is as dangerous or more so, than any other small or medium sized city in the Bay Area.

Using a handful of anecdotal evidence is not compelling evidence for having this vehicle. I would prefer to see a history that goes back 10 or 20 years on the use of the previous vehicle that was returned in 1999. There must be a long history of use or lack of use in the last two decades that would be much more relevant. How often was it used for incidents each year, what were these incidents, how were they resolved, and in retrospect, was it really necessary to have the vehicle available? This is data that I would find more useful and relevant.

Which brings me to the next point.

3. The Proposed Policy on its Use

It seems to me that this policy is quite broad.

“The rescue vehicle should be deployed in situations that would enhance the tactical advantage of officers, aid in the rescue of injured persons, protect life and property, or improve the likelihood that an incident would be resolved without the use of deadly force or other force options.”

This seems like it could cover an awfully lot of incidents. If any one of these reasons are used (you use the term “or”), that could apply to any incident deemed dangerous.

You also indicate that it will not be used on “crowd control situations or during time of civil unrest, protests or demonstrations”. This seems to be an apparent response to where all this started in places like Ferguson, and the national outcry of militarization of the police. Yet, you follow that restriction with “unless there are objective facts demonstrating a risk of injury or death to police officers and/or the police”.

This “unless” qualifier pretty much leaves it open to use based on your or your designee’s decision, despite the statement to the contrary.

Unless you can specifically list all the possible likely situations where this vehicle would be used that is clearly articulated, this policy seemed to be too broad, and pretty much allows you and the CPD to use the vehicle over a very broad set of criteria.

4. This is more about Campbell’s Police Department, and not about what is going on nationally.

You used this argument at our recent Planning Commission meeting, and ask us in your video to trust CPD’s progressive history, and not consider what is going on beyond our city limits, in other jurisdictions and nationally with regards to racial equity, and use of force.

With all due respect, many of us cannot separate the two. This is not an indictment of CPD, but a strong belief that law enforcement needs to transform the way they do their job on every local level. Whether it is Campbell, San Francisco, Minneapolis, Los Angeles or NYC.

CPD may be among the most progressive, well-trained police forces in the country (we only have your word for this). But the fact is that there is often an ingrained culture within many police forces, based on a long history of corruption, brutal tactics, and training techniques on use-of-force. Again, CPD may be better than most, but that does not justify the purchase and use of what is perceived as a military-like vehicle in a time

of national reckoning over this issue.

Besides, you may be a great, progressive Chief overseeing a police force with a good record, but you might leave tomorrow or next year. Also, do we really have any oversight of CPD outside of the department? Small departments rarely have any independent oversight or are transparent in the problems they have, either with complaints or personnel problems. Are complaints submitted to the police department available to review by the public or even the City Council?

5. Other References

I did a little research on this issue, and found some articles on the question of whether small cities should have these tactical vehicles (BearCats or MRAPs).

Forbes article 2014:

Why Are Small Towns Across America Acquiring Mine-Resistant Military Vehicles?

“The police chief of Keene, a small town in New Hampshire, gave an unimpressive explanation for his department’s purchase of a \$286,000 BearCat armored personnel-carrier. He said it would be used to patrol Keene’s “Pumpkin Festival and other dangerous situations,” according to (a quote from) [The Economist](#).”

“The MRAPs (Mine-Resistant Ambush Protected) have been distributed as part of the “1033 Program,” a section of the National Defense Authorization Act passed by Congress in the 1990s to help law-enforcement officials fight terrorism and organized crime. The program allows the Department of Defense to transfer to Federal and State agencies property, including small arms and ammunition, that it determines is [“suitable for use by such agencies in counter-drug activities”](#) and “excess to the needs of the Department of Defense.”

Since 1997, the program has transferred more than \$4.3 billion in equipment to local law enforcement agencies, (it is now over \$7B) according to [The Washington Post](#). As Tim Lynch, director of the Cato Institute’s project on criminal justice, told [The Daily](#) in 2011, “The trend toward militarization was well under way before 9/11, but it’s the federal policy of making surplus military equipment available almost for free that has poured fuel on this fire.”

From 2020 article in SeattleWeekly on small cities having MRAPs.

Why the small town of Snoqualmie has a mine-resistant armored vehicle

“Alison Holcomb, political director for the ACLU of Washington, said acquiring heavily armored vehicles has been justified by local officials through an increased emphasis on enforcement stemming from the “War on Terror” and the “War on Drugs.”

“Officers having military gear — whether it be armored vehicles or AR-15 rifles — can emphasize an armed response to a crisis instead of serving as community partners, she said. Even simply deploying the equipment can change the relationship between communities and police.”

“Everything about equipment, uniforms, the training they receive that comes from a military source is by definition designed to prepare a soldier that’s going into a combat zone, rather than a peace officer who’s patrolling a neighborhood,” Holcomb said.

She said visual cues like armored vehicles can be viewed as an escalation of force.

“If you drive up in an armored car at any scene, any situation, you are automatically conveying that we think that there is a serious threat of significant damage to life and limb and that we need to have very powerful weapons at the ready, which is a display of force,” Holcomb said.

2020 Atlanta Journal Constitution article titled:

Police killings more likely in agencies that get military gear, data shows

A new AJC analysis of a decade of records across 651 Georgia police departments and sheriff’s offices found departments that took more than \$1,000 in 1033 money, on average, fatally shot about four times as many people as those that didn’t. The newspaper’s analysis used the military’s database and paired it with a database of fatal police shootings from across the state, controlling for statistical variables like community income, rural-urban differences, racial makeup, and violent crime rates.

The results paint a troubling picture: The more equipment a department receives, the more people are shot and killed, even after accounting for violent crime, race, income, drug use and population.

Goes on to quote an oversight expert:

“The cost that we are dealing with now is a highly militarized police force that is no longer looking like police but (is) looking like they are patrolling a hostile foreign nation,” he said.

Social science research suggests militarization also impacts how citizens view police — both positively and negatively, depending on who was asked.

McElrath, who has both law enforcement and military experience, has been critical of the 1033 program going back to his days directing investigations for the Government Accountability Office, an independent congressional watchdog agency. He said government initiatives like the 1033 program have encouraged police departments and the public to think of police as a fighting a war rather than their traditional role of ensuring public safety.

"They are changing the culture," he said. "But we are beginning to accept that it is the norm."

This CBS news article was after the San Bernardino mass shooting in 2015:

Experts: Most police depts. don't need armored trucks

*They also end up spending a lot to adapt them for police work, and to maintain them, said James Stewart, a former director of the National Institute of Justice. **Both Stewart and Bueermann (former police chief of Redlands and a fellow with Center for Evidence Based Crime Policy) said in most places, armored trucks and SWAT teams should be shared among several police departments, instead of each town having its own military-style force.***

Bueermann said that "false economy" is what can cause police departments to overuse their armored equipment, leading to scenarios like the one seen in Ferguson, where SWAT teams road atop Bearcats, pointing their guns at protesters.

"You have an armored vehicle or SWAT, and you don't get a lot of use, you're going to get creative in how you use it, because your boss is going to ask why you're spending \$80,000 a year," Bueermann said.

Referring to an executive order at the time to limit their use and get approval from the local legislative body, Bueerrman commented:

"If you can't explain to your community why you need a Bearcat then you have a problem," Bueermann said.

In conclusion, if you read through all of this, I much appreciate it. I really don't expect you to change your position, but want you to know that there are residents (possibly a majority of residents from what I can tell) who are philosophically opposed to a city like Campbell having such a piece of equipment, independent of its cost. That we are now in a period where we should be thinking of ways to transform our law enforcement (here and

elsewhere) into a more community-based service, while eliminating uses of force whenever possible. And changing the culture of policing, which is often a toxic "you versus us" situation. Again, this is not an indictment of CPD directly. But you can't ignore what is going on beyond our city limits.

Regards,

Alan Zisser

Campbell CA