City of South Lake Tahoe
City Council
Meeting Agenda
Tuesday, September 12, 2023 at 9:00 am
City Hall - Council Chambers - 1901 Lisa Maloff Way, South Lake Tahoe

City Council
Cristi Creegan, Mayor
Cody Bass, Mayor Pro Tem
John Friedrich, Councilmember
Tamara Wallace, Councilmember
Scott Robbins, Councilmember

Mission of the City Council
The City was established to provide essential, outstanding and cost-effective services that enhance environmental sustainability, economic vitality and the quality of life for our residents, businesses and guests.

Public Participation
City Council meetings are held in person at the time and location listed on this agenda. Meetings are live-streamed on Channel 21, City website at www.cityofslt.us, YouTube at https://www.youtube.com/channel/UC3LYne8Ih-kTPLnnuyJW9SQ/live and via ZOOM at this link https://us06web.zoom.us/j/88436938069

A public agenda packet is available for review at City Hall, 1901 Lisa Maloff Way, on the City Website at www.cityofslt.us, or by contacting the City Clerk's Office, (530) 542-6005 or sblankenship@cityofslt.us

Providing Public Comment:
In Person: Every agenda for regular meetings provides an opportunity for members of the public to directly address the legislative body (City Council), on any item of public interest which is within the jurisdiction of the City Council during Public Communications. For items on the agenda or in connection with any item which the City Council will consider, the public is given the opportunity to comment before or during the City Council's consideration of the item [Government Code Section 54954.3(a)].

By Phone: If you are joining the meeting via ZOOM and would like to make a comment, press the "raise a hand" button. If you are joining the meeting via Channel 21 or live stream and would like to make a comment, please call (530) 542-6500. The meeting ID is ID: 884 3693 8069 press *9 to indicate a desire to make a comment. Press *6 to unmute your phone. The Clerk will call you by the last three digits of your phone number when it is your turn to speak.

In Writing: Written comments received by 3 p.m. the day before the meeting will be distributed to City Council prior to the meeting. Written public comment regarding any item on this agenda may be sent to PublicComment@cityofslt.us. When emailing comments, identify the agenda item number in the subject line to which your comments relate. Any such comment that is a public record and is emailed to PublicComment@cityofslt.us or otherwise provided to a majority of the City Council before the meeting

will be made available for public inspection during normal business hours at the City Clerk's Office located at City Hall, 1901 Lisa Maloff Way, South Lake Tahoe [Government Code Section 54957.5(b)]. Written comments will not be read out loud during the meeting.

The City Council Chambers meeting facility is accessible to people with disabilities. Every reasonable effort will be made to accommodate any person needing special assistance to attend this meeting. Contact the City Clerk at (530) 542-6005 at least 48 hours in advance of the meeting for assistance [28 CFR 35.102.35.104 ADA Title II and Brown Act Government Code Sections 54953.2, 54954.1, 54954.2, and 54957.5]

Spanish Interpretations: The public may access Spanish interpretation using the ZOOM link listed on the front of the Agenda from an internet device (smartphone, laptop, tablet, home computer) with audio capabilities and selecting the Spanish language option. Persons without an internet device may attend the meeting in-person and a device will be provided while supplies last. Requests for interpreter services to offer public comment may be made by contacting the City Clerk.

Call to Order/Pledge of Allegiance

Roll Call

Closed Session Report

Proclamations

1. Proclamation Recognizing September 2023 as "National Suicide Prevention and Action Month"
Requested Action / Suggested Motions: Issue a Proclamation to Angie Regan of Peace Love Tahoe, Recognizing September 2023 as "National Suicide Prevention and Action Month"
Responsible Staff Member(s): Susan Blankenship, City Clerk
Item 1 - Executive Summary.pdf
Proclamation - National Suicide Prevention and Action Month.docx

2. Proclamation Recognizing September 17-23, 2023 as "National Constitution Week"
Requested Action / Suggested Motions: Issue a Proclamation to the Lake Tahoe Chapter of the Daughters of the American Revolution recognizing September 17-23, 2023 as "National Constitution Week".
Responsible Staff Member(s): Susan Blankenship, City Clerk
Item 2 - Executive Summary.pdf
Proclamation - National Constitution Week.docx

Public Communications
This is the public's opportunity to speak on any topic NOT LISTED on this agenda. Comments shall be limited to four (4) minutes. In accordance with the Brown Act, the City Council cannot deliberate or vote on any matter raised under public communications, but may briefly respond to statements made or questions posed. (Government Code Sections 54954.2)

City Commission and Student Advisory Reports

Consent Agenda
Public Comment - This is the public's opportunity to speak on any topic listed on the Consent Agenda. Comments shall be limited to three (3) minutes.

The consent agenda consists of items of a repeating or routine nature considered under a single action. Any Councilmember may have an item on the consent agenda removed and considered separately upon request.

Pass a Motion to adopt the Consent Agenda in one motion except as indicated at each item.

3. City Council Meeting Minutes
Requested Action / Suggested Motions: Pass a Motion approving the August 8, 2023, City Council meeting minutes.
Responsible Staff Member(s): Susan Blankenship, City Clerk
Item 3 - Executive Summary.pdf
08 08 2023 Minutes.pdf

4. Investment Portfolio Report - June 30, 2023
Requested Action / Suggested Motions: Receive and file.
Responsible Staff Member(s): Olga Tikhomirova, Director of Finance
Item 4 - Executive Summary.pdf
01-Staff Report - Investment Report Jun 2023.docx
02-Operations Cash 06 30 2023.pdf
03-Fiscal Agent 06 30 2023.pdf
04-Graph 06 30 2023.pdf
05-Cash June 2023.pdf

5. Fiscal Year 2023-2024 Investment Policy and Authority
Requested Action / Suggested Motions: Pass a Resolution delegating investment authority to the City Treasurer and adopting the City Investment Policy for the fiscal year from October 1, 2023 to September 30, 2024.
Responsible Staff Member(s): Olga Tikhomirova, Director of Finance
Item 5 - Executive Summary.pdf
01-Staff Report - Investment Policy 23-24.docx
02-Resolution_Investment_Policy 2023_2024.docx
03-Investment Policy - 2023-2024 (Exh. A to Reso).pdf
04-Investment Policy - 2023-2024 reline.pdf

6. Fiscal Year 2022-23 Quarterly Financial Status Report - Quarter Ending June 2023
Requested Action / Suggested Motions: Receive and file.
Responsible Staff Member(s): Andrew Black, Financial Services Supervisor
Item 6 - Executive Summary.pdf
01-Staff Report - FY 2022-2023 Quarterly Budget
02_FY 2022-23 Qtrly Budget Report June 2023.pdf

7. Ordinance Establishing Residential Parking Permit Program (Second Reading)
Requested Action / Suggested Motions: Pass an Ordinance amending South Lake Tahoe City Code, Title 4, Chapter 4.25, Article V (Stopping, Standing and Parking) by adding Section 4.25.365 (Residential Parking Permit Program)
CEQA Determination: This project is categorically exempt from environmental review under CEQA Guidelines section 15301(c) (Existing Facilities) because the Ordinance addresses parking regulations on existing roadways.
Responsible Staff Member(s): Anush Nejad, Director of Public Works and David Stevenson, Chief of Police
Item 7 - Executive Summary.pdf
01-Staff Report - Ordinance for Residential Permit Parking Program.docx
02 - Residential Parking Permit Program Ordinance.docx
03-Proof of Publication.pdf

8. Ordinance Establishing Chain Control Zone (Second Reading)
Requested Action / Suggested Motions: Pass an Ordinance amending South Lake Tahoe City

Code, Title 4, Chapter 4.25, by adding Article IX (Chain Control Zone).
Responsible Staff Member(s): Anush Nejad, Director of Public Works and David Stevenson, Chief of Police
Item 8 - Executive Summary.pdf
01 - Staff Report - Chain Control Ordinance.docx
02 - Chain Control Ordinance.docx
03 - Proof of Publication.pdf

9. Ordinance Establishing Angle Parking Zones (Second Reading)
Requested Action / Suggested Motions: Pass an Ordinance amending City of South Lake Tahoe City Code section 4.25.420 to establish angle parking on the east side of Ski Run Boulevard from David Lane to Regina Road and removing outdated angle parking areas.
CEQA Determination: The actions proposed in this item are exempt from review under CEQA Guidelines section 15301 (Existing Facilities) because the Ordinance addresses parking striping and regulations on an existing roadway.
Responsible Staff Member(s): Anush Nejad, Director of Public Works and David Stevenson, Chief of Police
Item 9 - Executive Summary.pdf
01 - Staff Report - Angle Parking Ordinance.docx
02 - Ordinance - Angle Parking.docx
03 - Proof of Publication.pdf

10. Hazardous Fuel Reduction Agreement with Mountain Enterprises, Inc.
Requested Action / Suggested Motions: Pass a Motion authorizing and directing the City Manager to execute a professional services agreement with Mountain Enterprises, Inc. in an amount not to exceed $136,969.50 for Lake Tahoe Airport Hazardous Fuels Reduction Project
CEQA Determination: The Forest Practice Actâ€™s regulatory scheme has been certified for exemption from CEQAâ€™s requirements for preparation of an Environmental Impact Report. A Timber Harvest Plan in Title 14 of the California Code of Regulations is functionally equivalent to an Environmental Impact Report under the California Environmental Quality Act under Public Resources Code section 21080.5. Because the subject area is within a Fire Hazard Severity Zone Map, it is subject to the forest fire prevention exemption in California Code of Regulations, Title 14, section 1038.3, from the requirement to prepare a Timber Harvest Plan. This exemption is being submitted to Cal Fire for review and approval.
Responsible Staff Member(s): John Dickinson, Airport Manager
Item 10 - Executive Summary.pdf
01 - Staff Report - Airport Fuel Reduction.docx
02 - Mountain Enterprises Agreement.pdf
03 - Mountain Enterprises Bid.pdf

11. Ratification of California Department of Alcoholic Beverage Control Grant Application and Award
Requested Action / Suggested Motions: Pass a Resolution ratifying the application, authorizing the Chief of Police to accept and execute agreement, budget, and reimbursement of grant award by California Department of Alcoholic Beverage Control in Amount up to $98,136.00 to facilitate extra enforcement and education efforts for alcohol-related offenses for State fiscal year 2023/2024, effective July 1, 2023
Responsible Staff Member(s): David Stevenson, Chief of Police
Item 11 - Executive Summary.pdf
01-Staff Report - ABC Grant.docx
02-Resolution - ABC Grant 23-24.docx
03 GRANT AGREEMENT.pdf
04-Exhibits to ABC Grant Agreement

12. Appropriation for Airport Maintenance and Repairs of Pavement and Facilities
Requested Action / Suggested Motions: Pass a Resolution authorizing the Finance Director to

appropriate $150,000 from airport available fund balance into the airport expenditures for winter repair and general facilities maintenance.
CEQA Determination: The project is exempt from review under CEQA Guidelines section 15301(d) (Existing Facilities - restoration or rehabilitation of deteriorated or damaged facilities to meet current standards of public health and safety).
Responsible Staff Member(s): John Dickinson, Airport Manager
Item 12 - Executive Summary.pdf
01-Staff Report - Airport Maintenance Pavement and Facilities.docx
02-Resolution-Budget Appropriation for Airport Maintenance

Regular-Unfinished Business

13. Fire Station 3 Renovation or Replacement Options
Requested Action / Suggested Motions: Pass a Motion to provide direction to the City Manager on whether to (A) Make minor renovations to 2nd floor only of Fire Station 3 for an estimated cost of $500,000; (B) Renovate Fire Station 3 to update living quarters including Building Code and ADA upgrades for an estimated cost of $3.5 million; (C) Begin planning to construct a new two-story fire station behind Fire Station 3 for an estimated cost of $19.25 million; or (D) Begin planning to construct a new one-story fire station on the adjacent Bank of Montreal site for an estimated cost of $19.75 million.
CEQA Determination: For Options A and B, this project is categorically exempt from review under the California Environmental Quality Act (CEQA) under CEQA Guidelines 15301 (Existing Facilities) because it consists of the repair or minor alteration of an existing public structure involving negligible or no expansion of existing or former use. For Options C and D, a CEQA environmental clearance will be required. Direction to move forward with planning for Options C and D are statutorily exempt from CEQA under CEQA Guidelines section 15262 (feasibility and planning studies for possible future actions which the City has not yet approved, adopted, or funded).
Responsible Staff Member(s): Anush Nejad, Director of Public Works and Jim Drennan, Fire Chief
Item 13 - Executive Summary.pdf
01-Staff_Report_-_Fire_Station_3_Options.docx
02 - Fire Station 3 Condition Assessment.pdf
03 - Fire Station 3 2nd Story Renovation Estimate Nov 22.pdf
04 - Fire Station 3 Space Needs.pdf
05 - South Lake Tahoe Site Layout Options C and D Floor Plans.pdf
06 - Estimates of Probable Cost - Option D.pdf
07 - Bank of Montreal Property.pdf
08- Fire_Station_3_Update_Presentation.pptx

14. Chateau at the Village and Zalanta Project Update
Requested Action / Suggested Motions: Receive presentation and pass a motion to provide direction to the City Manager regarding potential public financing options (direct financial contributions, commitment to fee reductions, creation of a Mello-Roos Community Facilities District and special tax assessment to support bond sales, tax increment financing (TIF) district, enhanced Infrastructure Financing District (EIFD), and Infrastructure and Revitalization Financing District (IRFD).
Responsible Staff Member(s): Hilary Roverud, Director of Development Services
Item 14 - Executive Summary.pdf
01-Staff Report - Chateau.docx
02 - Presentation.pdf
03-Market conditions and project challenges summary

15. Supplemental Commercial Linkage Fee Analysis
Requested Action / Suggested Motions: Pass a Motion providing direction to the City Manager to not prepare a commercial linkage fee ordinance at this time.
Responsible Staff Member(s): Zach Thomas, Housing Manger

Item 15 - Executive Summary.pdf
01-Staff_Report_-_Commercial_Linkage.docx
02-Supplemental_Linkage_Analysis.pdf
03-Local Housing Funding Feasibility Study.pdf

Regular-New Business

16. California Department of Housing and Community Development's Prohousing Designation Program
Requested Action / Suggested Motions: Pass a Resolution authorizing the City Manager to submit an application for participation in the California Department of Housing and Community Development's Prohousing Designation Program.
Responsible Staff Member(s): Jessica Wackenhut Lomeli, Associate Housing Planner
Item 16 - Executive Summary.pdf
01-Staff Report - Prohousing Designation.docx
02-Prohousing Designation Program Application.pdf
03-Resolution - Prohousing.docx

17. Affordable Housing Waitlist and Rental Registry Discussion
Requested Action / Suggested Motions: Pass a Motion to provide direction to the City Manager on: (1) whether to conduct affordable housing waitlist monitoring and reporting; and (2) whether to bring back an ordinance to require registration of rental properties.
Responsible Staff Member(s): Zach Thomas, Housing Manager
Item 17- Executive Summary.pdf
01-Staff Report - Affordable Housing Waitlist and Rental Registry.docx
02-Affordable Properties Waitlist.pdf

18. Financial Policy Amendments Regarding Cell Phones, Local Training and Meetings, Procurement, Grant Funding and Compliance, Travel, and Preserving Capital Investments, and New Financial Policy - Leases and Subscription Based Information Technology Arrangements (SBITAs)
Requested Action / Suggested Motions: Pass a Resolution amending financial policies regarding Cell Phones, Local Training and Meeting, Procurement, Grant Funding and Compliance, Travel, and Preserving Capital Investments, and adopting New Financial Policy - Leases and Subscription Based Information Technology Arrangements (SBITAs)
Responsible Staff Member(s): Andrew Black, Financial Services Supervisor, Lori Marino, Principal Management Analyst and Olga Tikhomirova, Finance Director
Item 18- Executive Summary.pdf
01-Staff Report - Financial Policy Amendments and New Policy.docx
02-Resolution - Financial Policy Amendments and New Policy.docx
03-CSLT Cell Phones Policy Redline.pdf
04-CSLT Cell Phones Policy (Exh. A to Reso).pdf
05-CSLT Local Training and Meeting Policy Redline.pdf
06-CSLT Local Training and Meeting Policy (Exh. B to Reso).pdf
07-CSLT Procurement Policy Redline.pdf
08-CSLT Procurement Policy (Exh. C to Reso).pdf
09-CSLT Grant Funding Compliance Policy Redline.pdf
10- CSLT Grant Funding Compliance Policy (Exh. D to Reso).pdf
11-CSLT Travel Policy Redline.pdf
12-CSLT Travel Policy (Exh. E to Reso).pdf
13-CSLT Preserving Capital Investments Redline.pdf
14-CSLT Preserving Capital Investments (Exh. F to Reso).pdf
15-CSLT Leases and SBITAs Policy (Exh. G to Reso).pdf

19. Snow Removal Operations Agreement with Trella Tahoe, Inc.
Requested Action / Suggested Motions: Pass a Resolution amending Fiscal Year 2023-2024 budget and authorizing and directing the Mayor to execute a contract with Trella Tahoe, Inc. for

snow removal services at the Airport, Fire Department, Police Department, and Fire Rescue Facility, sidewalks not maintained by City Park forces, plus on-call service as needed for a term of November 1, 2023 to April 30, 2024 in an amount not to exceed $385,390.00.
CEQA Determination: The Project is categorically exempt from review under CEQA Guidelines section 15301 (Existing Facilities) because it consists of the operation of existing public facilities and mechanical equipment involving negligible or no expansion of use.
Responsible Staff Member(s): John Dickinson, Airport Manager and Anush Nejad, Public Works Director
Item 19- Executive Summary.pdf
01 - Staff Report - Snow Removal Contract.docx
02-Resolution for Snow Operations.docx
03- Snow Removal PSA
04-Trellas Bid.pdf
05-Sidewalk Map
06 - Presentation.pptx

Agenda Planning Calendar

20. Agenda Planning Calendar
Requested Action / Suggested Motions: A Councilmember may request that an item be placed on a future agenda. Upon the support of one (1) additional Council Member, direction shall be given to the City Manager to calendar the item for a convenient future agenda, but no sooner than the second meeting after the request was made, and/or modify the Agenda Planning Calendar as desired.
Responsible Staff Member(s): Joseph Irvin, City Manager
Item 20- Executive Summary.pdf
APC - 09 07 2023.pdf

Updates and Announcements (City Attorney, City Clerk, City Manager)

Councilmember Reports and Comments - Assignments to Boards, Committees, and Commissions

Adjournment
I, Susan Blankenship, City Clerk for the City of South Lake Tahoe, declare that the foregoing agenda for the Tuesday September 12, 2023 meeting of the City of South Lake Tahoe City Council was posted and available for review on Thursday, September 7, 2023 at City Hall, 1901 Lisa Maloff Way, South Lake Tahoe, CA 96150. The agenda was also available on the City website at https://www.cityofslt.us.

Signed September 7, 2023
\\sb\\
Susan Blankenship, Elected City Clerk

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: September 12, 2023

Agenda Item #: 1

Agenda Item: Proclamation Recognizing September 2023 as "National Suicide Prevention and Action Month"

Executive Summary: On August 8, 2023, City Council approved the dafting of this Proclamation.

Requested Action / Suggested Motions: Issue a Proclamation to Angie Regan of Peace Love Tahoe, Recognizing September 2023 as "National Suicide Prevention and Action Month"

Responsible Staff Member: Susan Blankenship, City Clerk

Reviewed and Approved By: Susan Blankenship, City Clerk

Attachments:

Proclamation - National Suicide Prevention and Action Month.docx

City of South Lake Tahoe
Proclamation
Recognizing September 2023 as
"National Suicide Prevention & Action Month"

Whereas; the "National Suicide Prevention & Action Month" Proclamation was created to raise the visibility of mental health and proactive suicide prevention resources in our community. We also want to start the conversation, destigmatize it, and help connect people with the appropriate support services; and

Whereas; according to the American Foundation for Suicide Prevention (A.F.S.P.), suicide is the second leading cause of death among individuals between the ages 10 and 34 with more than 48,000 people dying by suicide annually in the United States; and

Whereas; according to Hope For The Day (H.F.T.D.), with an average of 132 suicides completed daily and each one directly impacting 100 additional people, including friends, service members, family, social media connections, and neighbors we can safely assume everyone has been impacted by suicide; and

Whereas; City of South Lake Tahoe publicly places its' full support behind those who work in the field of mental health, education, and law enforcement; and

Whereas; global organizations like Hope For The Day and our local mental health partners, serve on the front lines of a war that many refuse to discuss due to stigma as suicide and mental health remain too uncomfortable to talk about; and

Whereas; every member of our community should understand that throughout life's struggles we all need the occasional reminder that we are all fighting our own battles; and

Whereas; we encourage all residents to take time to understand mental health through education and recognize that we need to take care of our mental health while we take care of each other. We encourage all residents to take the time to check in with their family, friends, and neighbors on a regular basis and to honestly communicate their appreciation for their existence by any gesture they deem appropriate. A simple phone call, message, handshake, or hug can go a long way towards helping someone realize that suicide is not the answer.

Therefore, the City Council of the City of South Lake Tahoe, do hereby proclaim September 2023 as "National Suicide Prevention & Action Month" in the City of South Lake Tahoe.

_____ _____

Cristi Creegan, Mayor Susan Blankenship, City Clerk

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: September 12, 2023

Agenda Item #: 2

Agenda Item: Proclamation Recognizing September 17-23, 2023 as "National Constitution Week"

Executive Summary: On August 8, 2023, City Council approved the drafting of this Proclamation.

Requested Action / Suggested Motions: Issue a Proclamation to the Lake Tahoe Chapter of the Daughters of the American Revolution recognizing September 17-23, 2023 as "National Constitution Week".

Responsible Staff Member: Susan Blankenship, City Clerk

Reviewed and Approved By: Susan Blankenship, City Clerk

Attachments:

Proclamation - National Constitution Week.docx

City of South Lake Tahoe

Proclamation

Recognizing September 17-23, 2023, as

"Constitution Week"

Whereas, the Constitution of the United State of America, the guardian of our liberties, embodies the principles of limited government in a republic dedicated to rule by law; and

Whereas, September 17, 2023, marks the two hundred and thirty-sixth anniversary of the framing of the Constitution of the United States of America by the Constitutional Convention; and

Whereas, it is fitting and proper to accord official recognition to this magnificent document and its memorable anniversary; and

Whereas, Public Law 915 guarantees the issuing of a proclamation each year by the President of the United States of America designating September 17 through 23 as Constitution Week.

Now therefore, the City Council of the City of South Lake Tahoe do hereby proclaim the week of September 17 through 23 as "Constitution Week" and ask our citizens to reaffirm the ideals the framers of the Constitution had in 1787 by vigilantly protecting the freedoms guaranteed to us through this guardian of our liberties.

Cristi Creegan, Mayor	Susan Blankenship, City Clerk

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: September 12, 2023

Agenda Item #: 3

Agenda Item: City Council Meeting Minutes

Executive Summary: City Council is asked to formally approve the August 8, 2023, City Council meeting minutes.

Requested Action / Suggested Motions: Pass a Motion approving the August 8, 2023, City Council meeting minutes.

Responsible Staff Member: Susan Blankenship, City Clerk

Attachments:

08 08 2023 Minutes.pdf

City of South Lake Tahoe

City Council, South Tahoe Joint Powers Parking Financing Authority and South Tahoe Joint Powers Financing Authority

Meeting Minutes

Tuesday, August 8, 2023 at 9:00 am

City Hall - Council Chambers - 1901 Lisa Maloff Way, South Lake Tahoe

City Council
Cristi Creegan, Mayor
Cody Bass, Mayor Pro Tem
John Friedrich, Councilmember
Tamara Wallace, Councilmember
Scott Robbins, Councilmember

Mission of the City Council
The City was established to provide essential, outstanding and cost-effective services that enhance environmental sustainability, economic vitality and the quality of life for our residents, businesses and guests.

NOTE: The Meeting Minutes represent actions taken during the meeting of the City Council. Complete Council members discussions on Regular Session meeting items can be viewed in archived video recordings on the City's website at http://www.cityofslt.us *Public submittals on items are retained in the administrative record and can be viewed in the City Clerk's repository at* http://www.cityofslt.us

Call to Order/Pledge of Allegiance
At 9:25 a.m. Mayor Creegan called the meeting to order. Creegan then led the pledge of allegiance to the flag.

Roll Call
Present were Mayor Creegan, Mayor Pro Tem Bass, Councilmembers Friedrich, Robbins and Wallace.

Also present were City Manager Irvin, City Attorney Stroud and City Clerk Blankenship.

Closed Session Report 08 08 2023

1. **Conference with Legal Counsel - Anticipated Litigation - Gov. Code section 54956.9(d)(4) (one case)**
   Action: City Attorney Stroud reported that City Council voted 5-0 to authorize initiation of litigation in one case.

2. **Conference with Labor Negotiator - Government Code section 54957.6(a)**
   Action: No reportable action.
   .

Note: Mayor Creegan noted that Item #14 would be heard after Item #19.

City Employee Recognition

1. City Employee Recognitions

Action: Joseph Chaisson, Myles Galdi, Heidi Wilson and Emma Morena, Police Department, . Jeremy Harrison, Development Services, and Nicholas Steffen, Fire Department were introduced to City Council. Sebastian Knapp, Information Technology, and Melissa Dube, Police Department, were recognized for reaching 15 Years-Service. Jeff Roberson, Police Department, and Gildardo Navarro, Public Works Department, were recognized for reaching 20 Years-Service.

Public Communications

Public Comment was heard from the following people:

1. Ed Mosur – e-scooter danger, report from Riva Feldman contract
2. Mary McCall – Bijou Golf Course improvements, transients living in meadows
3. No name provided – banning horse drawn carriages.
4. Angie Reagan – Accessibility for all, horse drawn carriages, Suicide Prevention Month, Access Tahoe meeting
5. Stacy Ballard – Access Tahoe meeting
6. Molly Armanino – banning fireworks
7. Dr. Katie Lawler – animal ethics, and horse drawn carriages
8. Eugene Aguilar – horses are well treated by the Borges family

Written Comment was received from the following people:

9. Jim Bohlen – Diana Madson
10. Asa Briggs – cell towers
11. Shirley Briggs – cell towers
12. Margaret Byers – broadband
13. David Chain – environmental procedures, cell towers
14. Edith Chase – cell towers, Tahoe Prosperity Center
15. Ernest Coe – cell towers
16. Granville Fortescue – scenic corridors, cell towers *2 comments received
17. Steven Hart – cell towers
18. Patrick Henry – cell towers
19. Phillip McGraw – cell towers
20. Peter Norman – over tourism
21. Renuka Ray – cell towers
22. David Sive – cell towers
23. Edgar Wayburn – Danielle Hughes
24. Dennis Weaver - cell towers
25. Brent Wisner – Verizon, cell towers

City Commission Reports

1. Nicole Ramirez Thomas, Parks and Recreation Commission – equitable access to beach and bike paths, need for additional staff at the Recreational Center.

Consent Agenda
Note: Councilmember Robbins requested Item 9 be pulled from the Agenda and added to a future meeting as New Business. This action required a vote of the Council.
Action: Moved/Second: Robbins/Wallace
Yes: Bass, Creegan, Friedrich, Robbins and Wallace
Action: Passed **Motion 2023-064.**
Note: Mayor Creegan recused herself from voting on Item 7 due to property interest in the area and Councilmember Bass recused himself from voting on Item 7 due to financial interest in the industry.
Action: Moved/Seconded: Wallace/Friedrich
Yes: Bass, Creegan, Friedrich, Robbins and Wallace
Action: Passed Consent Agenda with noted recusals and Item 9 pulled.

2. **City Council Meeting Minutes**
   Action: Passed **Motion 2023-062** approving the June 6, 2023 City Council meeting minutes and the June 20, 2023 City Council and South Tahoe Joint Powers Financing Authority meeting minutes.

3. **ALS Cardiac Monitor Lease Agreement with Zoll Medical Corporation**
   Action: Passed **Resolution 2023-066** Authorizing Sole Source Purchase and Execution of Lease Agreement **C-153-2023** with Zoll Medical Corporation for Six Cardiac Monitors and Amending the FY 2022-2023 Budget by Appropriating $147,000 into Emergency Medical Services Account 236 02262 46110.

4. **Quitclaim U.S. Highway 50 - South Lake Tahoe Safety Project Utility Easements**
   Action: Passed **Resolution 2023-067** approving Easement Quitclaim Deed **D-036-2023** to remove City easement rights on APN 029-161-025 as described within the Easement Quitclaim Deed and authorizing the City Manager to sign the Quitclaim Deed.

5. **Amendment No. 1 to California Tahoe License Agreement No. 2022-0214-LT-279**
   Action: Passed **Resolution 2023-068** approving **C-154-2023** Amendment No. 1 to the existing California Tahoe Conservancy License Agreement No. 2022-0214-LT-279 (Tahoe Valley Stormwater and Greenbelt Improvement Project).

6. **Winter Storm 2023 Reconciliation Budget Appropriation**
   Action: Passed **Resolution 2023-069** appropriating $968,447 from General Fund Undesignated Excess Reserves Account for Reconciliation of Winter 2023 Expenditures.

7. **Ordinance - Confirmation of Termination and Rescission of Development Agreement with Perfect Union SLT, LLC (Second Reading)**
   Action: Passed **Ordinance 2023-1175** Confirming Termination and Rescission of Development Agreement with Perfect Union SLT, LLC.

8. **Community Development Block Grant CV 1 Subrecipient Agreement and Scope of Work for the Boys and Girls Club of Lake Tahoe**
   Action: Passed **Motion 2023-063** authorizing and directing the Mayor to execute **C-155-2023** Subrecipient Agreement for the Boys and Girls Club with an expenditure term until February 28th, 2024, and not to exceed amount of $87,594.00.
   Public Comment was heard from the following person:
   1. Jude Wood, Boys and Girls Club of South Lake Tahoe

9. **Financial Policy Amendments Regarding Cell Phones, Local Training & Meeting, Procurement, Grant Funding and Compliance, Travel, and Preserving Capital Investments, and New Financial Policy - Leases and Subscription Based Information Technology Arrangements (SBITAs)**
   This item was pulled and will be placed on a future agenda as New Business.

10. **El Dorado Community Foundation Grant Acceptance**
    Action: Passed **Resolution 2023-070** authorizing the City to (1) execute Agreement **C-156-2023** for Funding with El Dorado Community Foundation to accept the Foundation's grant in the amount of $20,000, and (2) amend FY 22/23 budget and accept El Dorado Community Foundation's grant of $20,000 into the Parks Maintenance account 100-04170-36280 (Contributions and Donations) designated to sustain the Park Ranger Program.

11. **Professional Services Agreement with CentralSquare Technologies LLC. to provide property information and permit management software and Professional Services Agreement with HdL Companies to provide business licensing and transient occupancy tax administration software.**
    Action: Passed **Resolution 2023-071**: (1) authorizing and directing the City Manager to execute the Software and Professional Services Agreement **C-157-2023** with CentralSquare Technologies, LLC in the amount of $279,475 including one-time implementation cost and first year annual maintenance fee of $72,600 (subject to 3% increase for year two, 4% for year three and 5% year over year thereafter) for Community Development Software Implementation for the five year initial term which will automatically renew for additional successive one year terms thereafter; (2) authorizing corresponding budget appropriations transferring a total of $279,475 from Long Term Building Permit Fees account 271-03110-50014 into Software/Hardware Capital Project account 301-70008-46122; and (3) authorizing and directing the City Manager to execute the Software and Professional Services Agreement **C-158-2023** with HdL in the amount of $76,500 for one-time implementation cost and $22,000 for first year annual subscription fee for Prime Cloud Software Implementation for twelve months initial term which will automatically renew for successive twelve months terms thereafter

<u>Public Hearing - City Council and South Tahoe Joint Powers Financing Authority</u>

12. **Issuance of 2023 Lease Revenue Bonds Series A for the Multigenerational Recreation and Aquatic Center Construction Financing in a Principal Amount Not to Exceed $59 Million**
    Note: Mayor Creegan recused herself from this item due to financial interest in the area and left the meeting. Mayor Pro Tem Bass presided.
    Action: Moved/Seconded**:** Wallace/Friedrich
    Yes: Bass, Friedrich, Wallace and Robbins
    Absent (recused): Creegan
    Action: Acting as the City Council, Passed **Resolution 2023-072** approving the issuance of the Authority Lease Revenue Bonds, 2023 Series A, and authorizing the City`s execution and delivery of related documents and taking related actions; and, Acting as the Authority, Passed **STJPFA Resolution 2023-001** authorizing the sale, issuance and delivery of Lease Revenue Bonds, 2023 Series A, and authorizing the execution and delivery of an indenture and other documents and taking related actions.
    The following person addressed City Council:
    1. Christine Choi, PFM Financial Advisors

    Public Comment was heard from the following people:
    2. Jerry Bindel, Chairman Independent Citizens Oversight Committee
    3. Nicole Ramirez, Parks and Recreation
    4. Carl Rubado
    5. Jude Wood, Boys and Girls Club
    6. David Gregorich, Independent Citizens' Oversight Committee, Parks and Recreation

7. Ed Mosur
8. Amelia Richmond
9. Michael Glover, CEO Tahoe Chamber

Regular-Unfinished Business

13. Agreement with Roebbelen Contracting, Inc. for Multi-Generational Recreation and Aquatic Center

Note: Mayor Creegan recused herself from this item due to financial interest in the area and left the meeting. Mayor Pro Tem Bass presided.

Action: Moved/Seconded**:** Friedrich/Wallace

Yes: Bass, Friedrich, Wallace and Robbins

Absent (recused): Creegan

Action: Passed **Resolution 2023-073** appropriating $71,578,652 for the Multi-Generational Recreation and Aquatic Center Project upon successful bond sale and authorizing and directing the Mayor Pro Tem to execute a construction contract **C-161-2023** with Roebbelen Contracting, Inc. in the amount of $67,851,097.00.

The following person address the City Council:

1. Chris Vicencio, JK Architecture Engineering

Public Comment was heard from the following people:

2. David Gregorich
3. Jerry Bindel, Chairman Independent Citizens' Oversight Committee
4. Nicole Ramirez, Parks and Recreation Commission
5. Jude Wood, Boys and Girls Club
6. Amelia Richmond
7. Molly Armanino
8. Mike Glover, Tahoe Chamber

Note: This Item was heard after Item 19 under Regular Unfinished Business (continued)

14. Heavenly Valley Neighborhood Traffic and Parking Plan and Negotiations with Heavenly Resort Related to On-Street Parking Agreement

Note: City Manager Irvin recused himself from this item due to residence in the area, and left the meeting.

Action: Moved/Seconded**:** Wallace/Bass

Yes: Bass, Creegan, Friedrich, Wallace and Robbins

Action: Passed **Motion 2023-065** to Hold the first reading (by title only) of an Ordinance amending South Lake Tahoe City Code, Title 4, Chapter 4.25, by adding Article IX (Chain Control Zone), and refer the second reading and adoption to the September 12, 2023 meeting; and Hold the first reading (by title only) of an Ordinance amending City of South Lake Tahoe City Code Section 4.25.420 to establish Angle Parking on the East Side of Ski Run Boulevard from David Lane to Regina Road and Removing Outdated Angle Parking Areas, and refer the second reading and adoption to September 12, 2023 meeting; Passed **Resolution 2023-074** Establishing Seasonal No Parking Restrictions and Residential Parking Permit zones on Certain Streets in the Heavenly Valley Neighborhoods with a change of one side of Verdon reserved for permit parking; 4) Passed **Resolution 2023-075** appropriating $200,000 from the Parking Bellamy Court Fund Available Fund Balance and Authorizing the City Manager to execute the necessary purchase orders for implementation of the No Parking and Residential Parking Permit program in Heavenly Valley Neighborhood; and **City Council provided** direction to staff to continue negotiating with Heavenly Valley Limited Partnership for On-Street Parking related to the Heavenly Resort area.

15. Supplemental Analysis of Tiered Inclusionary Housing Requirement and In-Lieu Fee

Action: Moved/Seconded**:** Wallace/Bass

Yes: Bass, Creegan, Wallace and Robbins

Absent: Friedrich

Action: Passed **Motion 2023-066** directing staff to draft a Tiered Inclusionary Housing Requirement Ordinance for presentation and adoption by the City Council.

The following person addressed the City Council:

1. Aaron Nousaine, Consultant

Written Comment was received from the following person:

2. Seth Dallob

New Business - City Council and South Tahoe Joint Powers Parking Financing Authority

16. Bellamy Parking Garage Upgrade Project

Action: Moved/Seconded**:** Wallace/Bass

Yes: Bass, Creegan, Friedrich, Wallace and Robbins

Action: Passed **STJPPFA Resolution 2023-001** authorizing and directing the South Tahoe Joint Powers Parking Financing Authority Chair to execute contract **C-163-2023** with JPB Designs, Inc. for $478,300, plus 10% contingency of $47,830 for the Bellamy Parking Garage Upgrade Project and amending FY 2022/23 Parking Garage Budget, including appropriating $171,130 from the Parking Garage Fund balance.

Regular-New Business

17. Citizen Appointments to Commissions and Boards

Note: Updated application from Nolan Barichievich distributed to Council.

El Dorado County Community Action Council

Action: Moved/Seconded**:** Wallace/Bass

Yes: Bass, Creegan, Friedrich, Wallace and Robbins

Action: Passed **Motion 2023-069** appointing Chelsea Thomas.

Airport Land Use Commission

Action: Moved/Seconded**:** Bass/Wallace

Yes: Bass, Creegan, Friedrich, Wallace and Robbins

Action: Passed **Motion 2023-068** appointing Joshua Cleaver

Arts, Culture, and Tourism Commission

Action: Moved/Seconded**:** Wallace/Bass

Yes: Bass, Creegan, Friedrich, and Wallace

No: Robbins

Action: Passed **Motion 2023- 067** appointing Rachel Carlson and Nolan Barichievich and **directed City Clerk** to resolicit for the position of non-voting representative associated with the South Lake Tahoe Tourism Improvement District or Lake Tahoe Lodging Association

Written Comment was received from the following person:

1. Aubrie Williams, applicant Arts, Culture and Tourism Commission
2. Chelcee Thomas, applicant, EDC Community Action Council

18. Residential Parking Permit Program

Note: City Manager Irvin recused himself from this item due to residency in the area and left the meeting.

Action: Moved/Seconded**:** Friedrich/Robbins

Yes: Bass, Creegan, Friedrich, Wallace and Robbins

Action: Passed **Motion 2023-070** to hold the first reading of an Ordinance amending South Lake Tahoe City Code, Title 4, Chapter 4.25, Article V (Stopping, Standing and Parking) by adding Section 4.25.365 (Residential Parking Permit Program), and refer the second reading and adoption to the September 12, 2023 meeting.

Public Comment was heard from the following people:

1. Mike Keck
2. Zoey Siegal

Written Comment was received from the following person:

3. Englehardt

19. Building Energy Efficiency Reach Code

Action: Moved/Seconded**:** Bass/Friedrich

Yes: Bass, Creegan, Friedrich, Wallace and Robbins

Action: Passed **Motion 2023-071 providing direction** components of the reach code, including: applicable building types - **all Single Family Residential, including condominiums, Accessory Dwelling Units, Multi-Family Residential, Commercial Retail, Office, Restaurant and Hotel, and Public Service Facilities**; desired reach code option – **electric preferred**, and exemptions – **all**; a complimentary educational program and associated budget to increase local knowledge of building energy efficiency and electrification measures - **yes**, and to conduct additional economic impact analysis to determine impacts on local construction industry, real estate market and housing costs – **yes**; **and direction to bring this item back in a year for review**.

The following person addressed the City Council:

1. Leila Silver, Sustainable Policy & Programs Manager, Integrated Design 360

Public Comment was heard from the following person:

2. Molly Armanino

Written Comment was received from the following person:

3. Seth Dallob

<u>Agenda Planning Calendar</u>

20. Agenda Planning Calendar

Action: Received and filed.

<u>Updates and Announcements (City Attorney, City Clerk, City Manager)</u>

City Attorney:

1. Petition filed for South Lake Tahoe Property Owners group vs. City – Measure T case

City Clerk:

1. Proclamation request from Angie Reagan to designate September 2023 as Suicide Prevention and Action Month and a Proclamation request from Daughters of the American Revolution to designate September 17 – as Constitution Week. (Council consensus)

City Manager:

1. Update on preliminary Caltrans response on the US 50 and 89 speed limits

Councilmember Reports and Comments - Assignments to Boards, Committees, and Commissions

Councilmember Robbins:

1. Attended Bicycle Advisory Committee meeting
2. Access Tahoe Round Table attendance
3. Scooter corrals for future agenda item (Wallace second)
4. Security analysis for possible ransomware attacks (Bass second)
5. Rental registry discussion (City Manager noted it could be merged into existing APC item)

Councilmember Bass:

1. Upcoming meetings

Councilmember Friedrich:

1. Tahoe Regional Planning Governing Board meeting attendance
2. Upcoming September Multicultural Festival
3. Onsite consumption Ordinance (Wallace second)

Mayor Creegan:

1. Solid Waste JPA meeting attendance
2. Upcoming Tahoe Summit

Adjournment

At 4:44 p.m. Mayor Creegan adjourned the meeting.

_____ _____

Cristi Creegan, Mayor Date

Attest:

_____

Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: September 12, 2023

Agenda Item #: 4

Agenda Item: Investment Portfolio Report - June 30, 2023

Executive Summary: In accordance with the City of South Lake Tahoe Financial Policies and State law, a quarterly investment report is hereby submitted to the members of the City Council. As of June 30, 2023, the City's total cash and investment balances across all funds is $119.1 million.

Requested Action / Suggested Motions: Receive and file.

Responsible Staff Member: Olga Tikhomirova, Director of Finance

Reviewed and Approved By: Susan Blankenship, City Clerk Heather Stroud, City Attorney

Attachments:

01-Staff Report - Investment Report Jun 2023.docx
02-Operations Cash 06 30 2023.pdf
03-Fiscal Agent 06 30 2023.pdf
04-Graph 06 30 2023.pdf
05-Cash June 2023.pdf

City of South Lake Tahoe
Report to **City Council**

Meeting Date: September 12, 2023

Title: Investment Portfolio Report as of June 30, 2023

Location: Citywide

Responsible Staff Member: Olga Tikhomirova, Director of Finance (530) 542-7431

Background: In accordance with the City of South Lake Tahoe Financial Policies and State law a quarterly investment report shall be submitted to the members of the City Council.

Issue and Discussion: The attached report for the period ending June 30, 2023, describes the type of investments, the issuers, the maturity dates, the par value and the market value. Total cash for operations and cash held by fiscal agents is $119,107,061.

Cash available for operations is $110,109,163. This includes Cash in Bank of $12,092,293 with the remaining amount in various investments diversified in accordance with the City's adopted Investment Policy. The total portfolio yield is 3.57%. Based on this report the City of South Lake Tahoe will be able to meet projected operating expenditures for the next six months.

Cash held by fiscal agents for debt service is $8,997,898. These investments comprise the reserves and other accounts held in trust for debt service, lease financing, and capital projects financed with debt.

Fund Type	Total Cash Balance	Operations Balance	Fiscal Agent Balance
Trust and Agency	$ 11,926,677	$ 6,064,321	$ 5,862,356
Special Revenue	$29,327,206	$29,327,206	-
General Fund	$ 37,975,656	$ 37,975,656	-
Internal Service	$6,925,379	$6,925,379	-
Debt Service	$2,840,801	$2,477,056	$363,745
Enterprise	$9,593,262	$6,821,465	$2,771,797
CIP	$20,518,080	$20,518,080	-
Grand Total	**$119,107,061**	**$110,109,163**	**$8,997,898**

The attached documents include investment terms that are defined below:

- Current yield – The investments annual income (interest or dividends) divided by the current price of the security.
- Weighted par – Weighting the price of each bond by the total price of the entire portfolio.
- Weighted yield – The current yield multiplied by the weighted par, provides the yield of the bonds in the portfolio.

Financial Implications: None.

Environmental Considerations: This is not a "project" subject to review under the California Environmental Quality Act (CEQA) Guidelines section 15378(b)(2) (continuing administrative or maintenance activities, such as purchases for supplies)

Policy Implications: Consistent with City's Financial Policies.

CITY OF SOUTH LAKE TAHOE
OPERATIONS CASH INVESTMENT PORTFOLIO REPORT
AS OF JUNE 30, 2023

INVESTMENT TYPE	ISSUER	PAR VALUE	MARKET VALUE	CURRENT YIELD	WEIGHTED PAR	WEIGHTED YIELD	MATURITY DATE
Local Agency Investment Fund	State Treasurer	$ 55,897,120	$ 55,049,077	3.17%	50.8%	1.61%	N/A
Federal Home Loan Bank	Government Agency	$ 1,000,000	$ 892,583	1.00%	0.91%	0.01%	5/27/2026
Federal Farm Credit Banks	Government Agency	$ 1,000,000	$ 889,897	1.50%	0.91%	0.01%	12/14/2026
Federal Farm Credit Banks	Government Agency	$ 1,000,000	$ 972,314	1.67%	0.91%	0.02%	3/8/2024
Fed. Home Loan Bank	Government Agency	$ 1,000,000	$ 936,362	1.75%	0.91%	0.02%	3/29/2027
Federal Farm Credit Banks	Government Agency	$ 1,000,000	$ 942,745	3.11%	0.91%	0.03%	4/13/2026
Fed. Home Loan Bank	Government Agency	$ 2,000,000	$ 1,958,564	2.63%	1.82%	0.05%	2/26/2024
Fed. Home Loan Bank	Government Agency	$ 1,000,000	$ 980,495	4.25%	0.91%	0.04%	6/20/2025
Fed. Home Loan Bank	Government Agency	$ 1,000,000	$ 961,576	4.10%	0.91%	0.04%	6/30/2027
Fed. Home Loan Bank	Government Agency	$ 1,000,000	$ 978,820	5.00%	0.91%	0.05%	9/30/2027
Fed. Home Ln Mtg Corp	Government Agency	$ 1,000,000	$ 989,692	5.05%	0.91%	0.05%	12/19/2024
Fed. Home Ln Mtg Corp	Government Agency	$ 1,000,000	$ 990,828	5.30%	0.91%	0.05%	11/28/2025
Fed. Home Ln Mtg Corp	Government Agency	$ 2,000,000	$ 1,982,659	5.00%	1.82%	0.09%	8/22/2024
Fed. Home Loan Bank	Government Agency	$ 2,000,000	$ 1,968,248	4.75%	1.82%	0.09%	1/30/2025
Fed. Home Ln Mtg Corp	Government Agency	$ 2,000,000	$ 1,985,035	5.50%	1.82%	0.10%	3/13/2025
Fed. Home Loan Bank	Government Agency	$ 1,000,000	$ 996,755	5.00%	0.91%	0.05%	1/5/2024
Fed. National Mtg Association	Government Agency	$ 2,500,000	$ 2,484,193	5.13%	2.27%	0.12%	4/26/2024
Fed. Home Loan Bank	Government Agency	$ 2,500,000	$ 2,492,600	5.13%	2.27%	0.12%	1/26/2024
Fed. Home Loan Bank	Government Agency	$ 2,500,000	$ 2,500,383	5.10%	2.27%	0.12%	2/15/2024
U.S. Treasury Bill	Government Agency	$ 7,307,025	$ 7,317,593	5.37%	6.64%	0.36%	12/14/2023
U.S. Treasury Bill	Government Agency	$ 7,305,975	$ 7,309,506	5.43%	6.64%	0.36%	12/21/2023
Certificate of Deposit	Barclays bank/Delaware	$ 250,000	$ 244,144	2.85%	0.23%	0.01%	6/3/2024
Certificate of Deposit	Capital One NA	$ 250,000	$ 239,545	3.10%	0.23%	0.01%	6/2/2025

CITY OF SOUTH LAKE TAHOE
OPERATIONS CASH INVESTMENT PORTFOLIO REPORT
AS OF JUNE 30, 2023

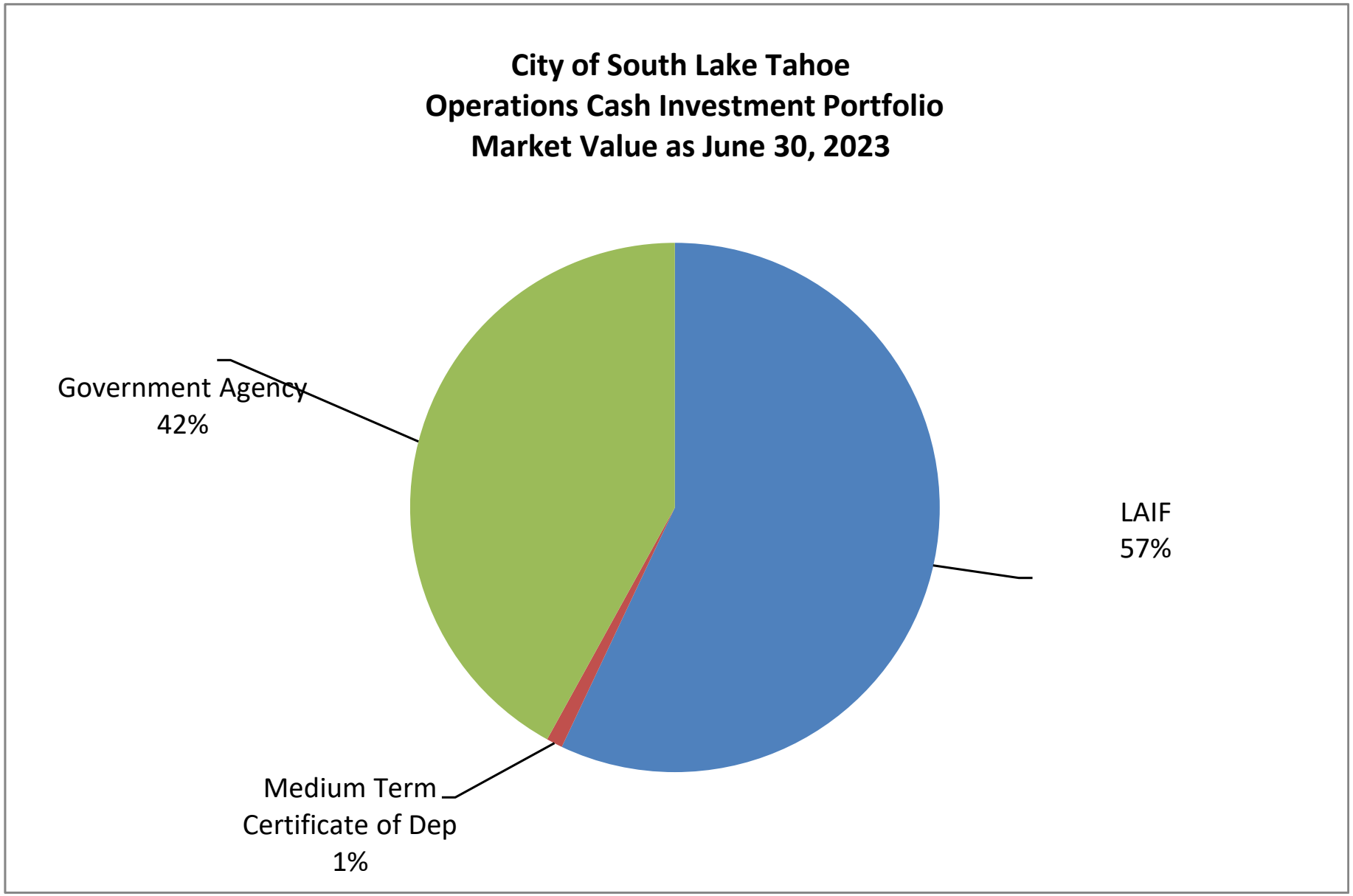
Certificate of Deposit	Capital One Bank (USA) NA	$	250,000	$	234,920	3.15%	0.23%	0.01%	6/2/2026
Certificate of Deposit	State Bank of India	$	250,000	$	232,395	3.30%	0.23%	0.01%	6/1/2027
Cash in Bank General & Sweep		$	12,092,293	$	12,092,293	0% - 4.94614%	10.98%	0.20%	N/A
Petty Cash		$	6,750	$	6,750	N/A	0.01%	0.00%	N/A
TOTAL		$	110,109,163	$	108,629,970			**3.57%**	**(Total Portfolio Yield)**

The Investment porfolio at June 30, 2023 is in compliance with the Investment Policy of the City of South Lake Tahoe. The City of South Lake Tahoe will be able to meet its projected expenditure requirements for the next six months. Valuation is based upon the State Treasurer's Office LAIF quarterly apportionment rates and US Bank Safekeeping.

CITY OF SOUTH LAKE TAHOE INVESTMENT REPORT
CASH AND INVESTMENTS HELD WITH FISCAL AGENTS
AS OF JUNE 30, 2023

BOND ISSUE ACCOUNT	INVESTMENT TYPE	ISSUER	COST VALUE	MARKET VALUE	CURRENT YIELD	MATURITY DATE
So Tahoe JPFA Ref Lease Rev Bonds 2016 A						
Revenue	Blackrock Treasury Trust	Bank of New York Mellon	788	788	5.02%	N/A
Revenue	Blackrock Treasury Trust	Bank of New York Mellon	37	37	5.01%	N/A
Revenue	Blackrock Treasury Trust	Bank of New York Mellon	2	2	5.05%	N/A
Reserve	Assured Guaranty Municipal	Bank of New York Mellon	-	2	0.00%	N/A
So Tahoe JPFA Parking Rev Bonds 2013						
Debt Service Reserve	Blackrock Treasury Trust	Bank of New York Mellon	583,550	583,550	5.02%	N/A
Refunding Account	Blackrock Treasury Trust	Bank of New York Mellon	76	76	5.03%	N/A
Debt Service Account	Blackrock Treasury Trust	Bank of New York Mellon	201,705	201,705	5.02%	N/A
Supplemental Reserve	Blackrock Treasury Trust	Bank of New York Mellon	1,986,466	1,986,466	5.02%	N/A
Principal	Blackrock Treasury Trust	Bank of New York Mellon	0	0	4.76%	N/A
So Tahoe JPFA Ref Rev Bonds 2014 A, 2015 A, 2017 A						
Revenue Fund	Blackrock Treasury Trust	Bank of New York Mellon	3,525	3,526	5.02%	N/A
Interest	Blackrock Treasury Trust	Bank of New York Mellon	1,100	1,100	5.02%	N/A
Principal	Blackrock Treasury Trust	Bank of New York Mellon	1,124	1,124	5.02%	N/A
Surplus	Blackrock Treasury Trust	Bank of New York Mellon	154	154	5.02%	N/A
So Tahoe JPFA (RPA 1) Reserve	Blackrock Treasury Trust	Bank of New York Mellon	5,279,965	5,279,965	5.02%	N/A
Successor Agency to the So Tahoe RDA, CFD 2001-1, Refdg Series 2015						
Special Tax	Blackrock Treasury Trust	Bank of New York Mellon	2,183	2,183	5.02%	N/A
Interest	Blackrock Treasury Trust	Bank of New York Mellon	12,232	12,232	5.02%	N/A
Reserve	Blackrock Treasury Trust	Bank of New York Mellon	561,827	561,827	5.02%	N/A
Surplus	Blackrock Treasury Trust	Bank of New York Mellon	245	245	5.02%	N/A
City of South Lake Tahoe 2014 Pension Obligation Bonds						
Interest	Blackrock Treasury Trust	Bank of New York Mellon	3,246	3,246	5.02%	N/A
Principal	Blackrock Treasury Trust	Bank of New York Mellon	1,103	1,103	5.02%	N/A
City of So Lake Tahoe 2012 COPS, Road Improvmt.						
Lease Payment Fund	First American Govt Obligation Fund/Money Mkt	US Bank	13,961	13,961	4.56%	N/A
Reserve Account	First American Govt Obligation Fund/Money Mkt	US Bank	344,606	344,606	4.56%	N/A
		TOTAL	8,997,895	8,997,898		

Valuation is based upon the valuations contained in the monthly statements provided by the trust departments of the fiscal agents.


City of South Lake Tahoe
Operations Cash Investment Portfolio
Market Value as June 30, 2023
Government Agency
42%
LAIF
57%
Medium Term
Certificate of Dep
1%

CITY OF SOUTH LAKE TAHOE
CASH REPORT
JUNE 30, 2023

FUND #	FUND NAME	OPERATIONS CASH BALANCE	FISCAL AGENT CASH BALANCE	TOTAL CASH BALANCE	SUBTOTAL BY CATEGORY OPERATIONS	SUBTOTAL BY CATEGORY FISCAL AGENT	TOTAL CASH BALANCE
100	General Fund	37,112,730.00		$37,112,730.00			
102	Measure S - Sales Tax	862,925.87		$862,925.87	$37,975,656	$0	$37,975,656
201	Gas Tax 2105	626,063.51		$626,063.51			
207	Snow Removal	(319,017.93)		($319,017.93)			
208	Snow Removal - Equipment Replac	3,237,479.40		$3,237,479.40			
210	Vehicle Replacement	307,725.14		$307,725.14			
211	Police Vehicle Replacement	570,129.09		$570,129.09			
213	Fire Vehicle Replacement	850,028.23		$850,028.23			
216	Transit Center	11,330.02		$11,330.02			
217	Arts Program	14,659.82		$14,659.82			
218	VHR Program	351,788.69		$351,788.69			
220	Parks and Recreation	12,412,931.09		$12,412,931.09			
221	Ice Arena	107,426.92		$107,426.92			
222	Fire Safety Sales Tax	(7,205.17)		($7,205.17)			
223	Cannabis Program	1,640,411.09		$1,640,411.09			
224	PEG Programming	280,475.00		$280,475.00			
225	Tobacco Law Enforcement Grant	(21,273.48)		($21,273.48)			
229	DUI/Traffic Safety Grant	(6,883.44)		($6,883.44)			
230	Local Law Enforcement	874.99		$874.99			
231	AB3229 COPS	119,670.20		$119,670.20			
232	Safety Sales Tax	354,032.32		$354,032.32			
233	Forfeiture - State Fund	37,769.13		$37,769.13			
235	Forfeiture - Justice Fund	10,423.92		$10,423.92			
236	EMS - JPA	326,481.09		$326,481.09			
237	Boat Patrol - Grant	14,297.59		$14,297.59			
238	Domestic Violence (DVRT) Grant	39,835.34		$39,835.34			
240	Solid Waste AB939	(12,663.65)		($12,663.65)			
241	Clean Community	30,391.93		$30,391.93			
242	Vehicle Abatement	161,718.14		$161,718.14			
243	Nuisance Abatement	154,014.25		$154,014.25			
244	Solid Waste JPA	1,118,712.70		$1,118,712.70			
245	Storm Water Mgmt/Sweeping	177,539.96		$177,539.96			
250	Hsng&ED - Work Force Housing	789,139.54		$789,139.54			
251	Hsng & Ed - Home	1,016,113.50		$1,016,113.50			
252	Hsng & Ed - CDBG	130,141.12		$130,141.12			
253	Hsng & Ed - Administration	315,155.66		$315,155.66			
255	CDBG Program Income Loans	140,595.73		$140,595.73			
256	CDBG Economic Development	(72,596.69)		($72,596.69)			
257	CDBG - ED Program Income	0.00		$0.00			
258	Calhome Loan Repayments	129,892.97		$129,892.97			
259	First Time Homebuyers Rev Loan	9,674.99		$9,674.99			
263	TOT Revenue Fund	1,774,916.93		$1,774,916.93			
264	Local Fiscal Recovery (ARPA)	0.00		$0.00			
270	General Plan/Community Plan	605,420.88		$605,420.88			
271	Building Permit Fees	1,175,047.40		$1,175,047.40			
280	Ski Run Business Improvement	4,989.14		$4,989.14			
281	Measure S Maintenance Fund	64,417.77		$64,417.77			
284	Measure S City Maintenance	321,105.28		$321,105.28			
285	Tourism Improvement District (TID)	182,075.68		$182,075.68			
290	Opioid Settlement Proceeds	151,949.74		$151,949.74	$29,327,206	$0	$29,327,206
301	City CIP	19,619,810.31		$19,619,810.31			
303	City CIP - Reg.Surf.Transp.Progr	195,409.79		$195,409.79			
306	Rehab Water Quality Projects	2,838.82		$2,838.82			
310	Long term Capital Replacement	441,917.03		$441,917.03			
320	Housing - CIP Projects	258,103.97		$258,103.97	$20,518,080	$0	$20,518,080
401	City Debt Service	2,477,055.64	363,744.74	$2,840,800.38	$2,477,056	$363,745	$2,840,800
501	Airport	1,914,508.31		$1,914,508.31			
510	Parking Management Bellamy	319,265.09		$319,265.09			
520	Parking Garage	4,006,155.46	2,771,797.56	$6,777,953.02			
550	Transit - Stage	581,536.15		$581,536.15	$6,821,465	$2,771,798	$9,593,263
601	Self Insurance - Health, Vision, Den	614,227.53		$614,227.53			
602	Self Insurance - Workers Comp	5,715,436.98		$5,715,436.98			
604	Payroll	563,330.29		$563,330.29			
605	Health Insurance Savings	32,384.62		$32,384.62	$6,925,379	$0	$6,925,379
701	Trust	917.00		$917.00			
707	Park Avenue CFD Fund	1,265,146.02	576,486.86	$1,841,632.88			
711	Bijou ECP CFD	167,895.95		$167,895.95			
712	Harrison Avenue CFD	154,134.46		$154,134.46			
725	RD Obligation Retirement Fund	4,468,239.88	5,285,868.77	$9,754,108.65			
751	Special Assessment District	4,572.00		$4,572.00			
762	Tahoe Transportation Authority	3,416.00		$3,416.00	$6,064,321	$5,862,356	$11,926,677
	Total Cash and Investments	$110,109,162.70	$8,997,897.93	$119,107,060.63	$110,109,163	$8,997,898	$119,107,061

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: September 12, 2023

Agenda Item #: 5

Agenda Item: Fiscal Year 2023-2024 Investment Policy and Authority

Executive Summary: City Council will formally consider the City's formal Investment Policy, and reaffirm the use of this policy for fiscal year 2023-2024. California law requires all public agencies to annually present a formal investment policy to City Council approval. The fiscal year 2023-2024 policy is submitted with several changes which are explained in the staff report and are identified in the attached Exhibit A. The policy formally delegates investment authority to the City Treasurer, and grants the City Manager the formal authority to assign a second official (Finance Director) to perform investment management during absences of the City Treasurer. The policy prioritizes safety, liquidity, and then yield, and establishes various limits on the term, percentage of the City's portfolio authorized in various instruments and caps on investments in various instruments, and prohibits certain types of investments deemed to carry greater risk. City staff presents a report on the status of the City's investments on a quarterly basis. The most recent, June 30, 2023 report is presented during this council meeting with the next report scheduled for November. The City's primary investment instrument is the Local Agency Investment Fund (LAIF), a California state pool (57% of the City's portfolio as of the quarter ended June 30, 2023). LAIF is highly liquid, safe, and typically generates a competitive yield (3.167% as of the end of the June 30, 2023 quarter). The City's other primary investment instruments are Government Agency funds and certificates of deposit.

Requested Action / Suggested Motions: Pass a Resolution delegating investment authority to the City Treasurer and adopting the City Investment Policy for the fiscal year from October 1, 2023 to September 30, 2024.

Responsible Staff Member: Olga Tikhomirova, Director of Finance

Reviewed and Approved By: Susan Blankenship, City Clerk Heather Stroud, City Attorney

Attachments:

01-Staff Report - Investment Policy 23-24.docx
02-Resolution_Investment_Policy 2023_2024.docx
03-Investment Policy - 2023-2024 (Exh. A to Reso).pdf
04-Investment Policy - 2023-2024 reline.pdf

City of South Lake Tahoe
Report to City Council

Meeting Date: September 12, 2023

Title: Fiscal Year 2023-2024 Investment Policy

Location: Citywide

Responsible Staff Member: Olga Tikhomirova, Director of Finance (530) 542-7431
David Olivo, City Treasurer (530) 307-8972

Background: California State Law requires all public agencies to reduce to writing the investment policy that is followed for investing agency funds.

In accordance with the City's adopted financial policies, the annual review of the investment policy has occurred and is complete.

Included in the Investment Policy is Attachment A which serves as a quick guide to permitted investments and the applicable guidelines. The guide serves as an easy reference to verify that investment purchases are made in accordance with the City Council adopted resolution, minimizing risk exposure while maximizing investment opportunities.

The most recent glossary of terms from the Association of Public Treasurers of the United States and Canada is provided for added clarification.

Issue and Discussion: Changes to the policy are as follows:

II. SCOPE – Added language to show exempt funds not required or covered in the policy.

III. PRUDENCE – Updated language to better represent the City's definition of prudence and to reference California Government Code Section 53600.3.

IX. INVESTMENT POOLS/MUTUAL FUNDS – Removed time-sensitive sentence regarding current City investments in pools or mutual funds.

XII. DIVERSIFICATION – Replaced 50% restriction for Securities of the U.S. Government or its Agencies and U.S. Treasury Notes and Bonds with "no limit". Added Money Market Mutual Funds at 20% maximum per California Code Section 53601(l) and 53601.6(b).

ATTACHMENT A – Replaced 50% restriction with “no limit” for Securities of the U.S. Government or its Agencies and U.S. Treasuries Notes and Bonds. Added Money Market Mutual Funds at 20% maximum as allowed by California Government Code Section 53601(l) and 53601.6(b).

ATTACHMENT B – Added a list of recommended brokers/dealers for City investments for FY 2023-2024, for City Council approval.

Financial Implications: Financial Policies that are up to date with current laws, governmental accounting standards and compliance are essential to the prudent financial management of the City’s assets and resources.

Environmental Considerations: These policy additions and amendments are not a project subject to review under the California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15378(b)(2) (continuing administrative activities such as general policy and procedure making).

Policy Implications: Updating the investment policy yearly ensures it is in compliance with California State law.

Resolution 2023-XXX

Adopted by the City of South Lake Tahoe
City Council

September 12, 2023

Delegating investment authority to the City Treasurer and reconfirming and adopting the City Investment Policy for the fiscal year October 1, 2023 through September 30, 2024

BACKGROUND

A. In accordance with California law, the City has maintained a formal investment policy for many years.

B. City policy requires annual review and approval of the investment policy by the City Council.

C. The Fiscal Year 2023-2024 policy presented for Council review and approval is submitted with several changes which are explained in the staff report and are incorporated in the attached Exhibit A.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of the City of South Lake Tahoe:

1. Hereby reconfirms and adopts the Fiscal Year 2023-2024 Investment Policy (attached hereto as Exhibit A).
2. Delegates formal investment authority to the City Treasurer and the Finance Director (as designated by the City Manager, in the absence of the City Treasurer).

Adopted by the City of South Lake Tahoe City Council on September 12, 2023 by the following vote:

Yes:
No:
Absent:
Abstain:

_____ Date:_____
Cristi Creegan, Mayor

Attest:

_____

Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

City of South Lake Tahoe
Investment Policy
Fiscal Year 2023-2024

I. POLICY

It is the policy of the City of South Lake Tahoe (City) to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the entity and conforming to all state and local statutes governing the investment of public funds.

II. SCOPE

This investment policy applies to all financial assets of the City which are available for investment by the City's Treasurer. These funds are accounted for in the City's Comprehensive Annual Financial Report and include:

- General Fund
- Special Revenue Funds
- Debt Service Funds
- Capital Project Funds
- Enterprise Funds
- Internal Service Funds
- Fiduciary Funds

The following assets are exempt from the policy: proceeds of City bond issues, Hourly/ Part-time Employee Retirement Plan, Other Postemployment Benefits Plan, Pension Rate Stabilization Trust Fund and assets held by the City as fiduciary for other agencies and subject to separate agency agreement(s). The exempt assets are invested in accordance with regulations established by the State of California and any agreements specific to the funds.

III. PRUDENCE

The standard of prudence to be used for managing the City's investments shall be California Government Code Section 53600.3, the prudent investor standard, which states “when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.”
.

IV. OBJECTIVE

1. **Safety**: Safety of principal is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, the City will diversify its investments by investing funds among a variety of securities offering independent returns and financial institutions.

2. **Liquidity**: The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated.

3. **Yield on Investments**: The City's investment portfolio shall be designed with the objective of attaining a benchmark rate of return throughout budgetary and economic cycles, commensurate with the City's investment risk constraints and the cash flow characteristics of the portfolio.

V. DELEGATION OF AUTHORITY

Authority to manage the City's investment program is derived from California Government Code 53607. Management responsibility for the investment program is hereby delegated to the City Treasurer who shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials, and their procedures in the absence of the City Treasurer.

The City Manager shall designate an official to manage investments and designate a second official to perform investment management during absences of the primary designee. The City Manager shall insure that competent investment management is maintained and shall insure that, if both designated investment officials are replaced or are simultaneously absent, any temporary replacement(s) shall be closely supervised, and indoctrinated in the requirements of this Statement of Investment Policy, and given written investment procedures, regulating the authority to invest in maturities beyond six months by means of appropriate controls and restraining requirements. The City Manager shall authorize preparation and filing of documents with all financial institutions with which the City conducts investment activities certifying the names of those persons authorized to effect trades on behalf of the City.

1. Investment Procedures: The City Treasurer shall establish written investment policy procedures for the operation of the investment program consistent with this policy. The procedures should include reference to: safekeeping, SIFMA master repurchase agreements, wire transfer agreements, banking service contracts and collateral/depository agreements. Such procedures shall include explicit delegation of authority of persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the City Treasurer.

VI. ETHICS AND CONFLICT OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which

would impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the City Manager any material financial interests in financial institutions that conduct business within their jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the City. All the City's employees who are listed on the City's Conflict of Interest Policy are required by the Fair Political Practices Commission to complete and file a Form 700 annually. All persons, broker/dealers, financial institutions and advisors providing investment services or bond issuance shall disclose to the Treasurer all fee sharing, fee-splitting, and commission arrangements with other entities or persons prior to the City agreeing to buy an investment or issue bonds.

VII. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

To promote the optimum yield on the investment of City funds, investment procedures shall be designed to encourage competitive bidding on transactions from approved financial institutions or broker/dealers.

1. On an annual basis, the Treasurer shall recommend a list of at least three broker/dealers who are authorized to provide investment services. The list shall be approved by the City Council. All broker/dealers who wish to be considered for the list must meet the following minimum requirements;

    1.1 Must certify that they have read and agree to comply with the investment policies of the City.
    1.2 Must be a "primary" or regional dealer that qualifies under the Securities and Exchange Commission Rule 15C3-1 (Uniform Net Capital Rule).
    1.3 Must be experienced in institutional trading practices and familiar with the California Government Code as related to investments for local governmental agencies.
    1.4 Must have been in business for at least three years.
    1.5 Must provide current audited financial statements.
    1.6 Must provide proof of Financial Industry Regulatory Authority certification.

2. All financial institutions in which the City's public funds are deposited will supply the Treasurer with the following;

    2.1 Current audited financial statements.
    2.2 Depository contracts.
    2.3 Proof that the institution is State or Federally chartered.

VIII. AUTHORIZED AND SUITABLE INVESTMENTS

The City is empowered by statute to invest in the following types of securities: (see Section XII for a description of each investment type)

1. Certificates of Deposit (or Time Deposits) placed with commercial banks and or savings and loan institutions.

2. Bankers' Acceptances.
3. Securities of the U.S. Government or its agencies.
4. Commercial Paper.
5. Medium-Term Corporate Notes.
6. Local Agency Investment Fund (State Pool) Demand Deposits, (LAIF).
7. Negotiable Certificates of Deposit.
8. Passbook Savings Account Demand Deposits.
9. Government Security Mutual Funds.
10. Bonds, Notes or California State and Local Agencies.
11. Bond proceeds may be invested as authorized by California Government Code 53601(m) but may also be invested in authorized investments as outlined in bond covenants and agreements.
12. Notes, Bonds and other securities of all fifty United States.
13. Supranationals

Prohibited Investments: The following investments are either prohibited by law or authorized by law and prohibited by the City Treasurer. Under Provisions of California Code 53601.6 the City shall not invest any funds covered by this Investment Policy in inverse floaters, range notes, interest-only strips derived from mortgage pools or any investment that may result in a zero-interest accrual if held to maturity. Also, the City shall not invest in Reverse Repurchased Agreements and Mortgage Pass Through Securities.

IX. INVESTMENT POOLS/MUTUAL FUNDS

A thorough investigation of the pool/funds is required prior to investing, and on a quarterly basis. There shall be a questionnaire developed which will answer the following general questions:

- A description of eligible investment securities, and a written statement of investment policy and objectives.
- A description of interest calculations and how it is distributed, and how gains and losses are treated.
- A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced, and the program audited.
- A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
- A schedule for receiving statements and portfolio listings.
- Are reserves, retained earnings, etc. utilized by the pool/fund?
- A fee schedule, and when and how is it assessed.
- Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

X. COLLATERIZATION

Collateralization will be required on two types of investments: certificates of deposit and sweep checking accounts. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 110% of market value of principal and accrued

interest.

The City chooses to limit collateral to the following: certificates of deposit and sweep checking accounting held by an independent third party with whom the entity has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the entity and retained. The right of collateral substitution is granted.

Collateral for other investments must be 110% of principal for government securities. and 150% of principal for first mortgages.

XI. SAFEKEEPING AND CUSTODY

All security transactions entered into by the City shall be conducted on a delivery-versus payment (DVP) basis. Securities will be held by a third-party custodian designated by the Treasurer and evidenced by safekeeping receipts.

XII. DIVERSIFICATION

The City will diversify its investments by security type and institution in order to reduce portfolio risk while maintaining market average rates.

Security Type and Institution - U.S. Treasury securities and authorized pools, and any portfolio or institutional limits shall comply with California Government Code. Investments are further limited by specific language relating to each investment type as stated below.

Maximum Maturities - To the extent possible, the City Treasurer will attempt to match investments with anticipated cash flow requirements. The City's portfolio will be directly invested in securities with a maturity of no more than five years from the date of purchase.

The City Treasurer may invest in the following types of Investment Instruments:

1. Certificate of Deposit: Certificates of deposit or "time deposits" of up to $250,000 are federally insured. Beyond that amount, these CDs must be collateralized with the collateral held separately from the issuing institution. The value of the investment must have collateral of at least 110 percent if government securities, or collateral of at least 150 percent if mortgage-backed securities. Statute does not limit CDs, however, this Investment Policy shall limit such investments to a maximum of 25 percent of the portfolio (GC 53601(i)). In addition, time deposits shall be placed in institutions meeting all capital requirements and which maintain a rating equivalent to FDIC rating of "One" or "Two" or a Sheshunoff performance rating of A or better.

2. Bankers' Acceptances: The maximum investment with any one institution will not exceed $1.0 million. The maximum maturity will be 180 days. The maximum proportion of City funds invested in Bankers' Acceptance shall not exceed 20% of the total City portfolio. Maximum 5% invested per issuer. (Note: California Government Code allows a maximum of 40%).

3. Securities of the U.S. Government or its Agencies: Maximum maturity is five years.

4. Commercial Paper: Commercial paper will be used solely as a short-term investment not to exceed 270 days. Commercial paper will be of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization. $2,000,000 combined any issuer, maximum 25% of City portfolio.

5. Medium-Term Corporate Notes: The City may invest in medium-term corporate notes with a maximum of five years maturity issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.

Notes shall be rated in a rating category of "A" or its equivalent or better by a nationally recognized rating service. The maximum proportion of City funds invested in Medium Term Corporate Notes shall not exceed 30% of the total City Portfolio.

6. Local Agency Investment Fund (State Pool): The investment with LAIF may not, by state regulation, exceed $75 million. LAIF transactions, by LAIF guidelines, are not to exceed 15 per month.

7. Negotiable Certificates of Deposit: The maximum maturity is five years. The maximum investment is 30% of the total City Portfolio. Maximum 5% or $1,000,000 invested per issuer. Negotiable Certificates of Deposits (NCD) shall be evaluated in terms of the credit worthiness of the issuer, as these deposits are uninsured and uncollateralized notes.

8. Passbook Savings Account Demand Deposits: This account shall be maintained solely for the following purposes:

a. Investment of amounts over $100,000.00 received too late in the day to invest in other instruments; or,

b. Investment of amounts under $100,000.00 for periods of up to ten working days in order to fine-tune cash flow and minimize LAIF transactions in a given month.

9. Government Security Mutual Funds: Shares of beneficial interest (mutual funds) issued by diversified management companies investing in securities/obligations authorized by California Government Code Section 53600, et. seq., and complying with Section 53601, are permitted investments. Section 53601(l) further defines requirements. A maximum of 20 percent of the portfolio may be so invested.

10. Money Market Mutual Funds: Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.). Must receive the highest ranking or the highest letter and numerical rating by no less than two nationally recognized rating services. A maximum of 20 percent of the portfolio may be so

invested.

11. Bonds, Notes or other evidences of indebtedness issue by the California State and Local Agencies: Bonds issued by the local agency, including bonds payable solely out of the revenues from revenue -producing property owned, controlled, or operated by California state or local agency, or by a department, board, agency, or authority of the local agency as authorized by California Government Code 53601 (a). Notes eligible for investment shall be rated in a category of "A" or its equivalent by two Nationally Recognized Rating Organizations.

Bonds, notes, warrants, or other evidences of indebtedness of any local agency within this state, include bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency. A maximum of 20% of the portfolio may be so invested.

12. Bond Proceeds: Section 53601 (m) allows greater flexibility with respect to the types of investments that may be made with bond proceeds. Specifically, the law permits money from bond proceeds, obligations under a lease, installment sales, or other agreements of a local agency to be invested in any security that meets the statutory provisions governing the issuance of the bond or other agreements made by the issuing agency. In doing so, this section of the code recognizes that outstanding contracts between issuers and bond holders may not comply with the investment statutes and gives local agencies greater discretion in how to invest bond proceeds.

13. U.S. Treasury Notes and Bonds: Registered Treasury notes or bonds of all 50 United States including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency or authority of the state as authorized by California Government Code 53601 (c) and (d). Maximum maturity is five years.

14. Supranationals: United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States.

Investments under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and shall not exceed 30 percent of the agency's moneys that may be invested pursuant to this section.

XIII. MAXIMUM MATURITIES

To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow and authorized by the City Council, the City will not directly invest in securities maturing more than five years from the date of purchase.

CD maturities will normally not exceed five years. U.S. Government or Agency securities will not exceed five years. At least 50% of idle funds can be placed in investments which can be liquidated for at least face value in the event of an emergency. The City uses LAIF for its idle funds to insure this requirement is met.

XIV. INTERNAL CONTROL

The Treasurer shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures.

The Finance department shall establish a system of internal controls, which shall be documented in writing. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the City. Controls deemed most important include; control of collusion, separation of duties, separating transition authority from accounting and record keeping, custodial safekeeping, clear delegation of authority, specific limitations regarding securities losses and remedial action, written confirmation of telephone transactions, minimizing the number of authorized investment officials, documentation of transactions and strategies, and ethical standards.

XV. PERFORMANCE STANDARDS

The investment portfolio will be designed to attain at least a market-average rate of return during budgetary and economic cycles. Whenever possible, and consistent with risk limitations as defined herein and prudent investment principles, the Treasurer shall seek to augment returns above the market average rate of return as shown on the average CMT (Constant Maturity Treasury) whose maturity most closely matches the average maturity of the portfolio. In addition, the City portfolio will be compared with LAIF and the goal is to maintain a higher positive annual yield than LAIF's annual yield.

1. Investment Strategy: The City's investment strategy is to buy and hold investments until maturity. However, the Treasurer may sell a security due to adverse changes in credit risk or due to unexpected cash flow needs.

2. Market Yield (Benchmark): The basis used by the Treasurer to determine whether market yields are being achieved shall be the rates of return from the following combination of indices: Local Agency Investment Fund (LAIF) and 3-month, 6-month, and 1-year Treasury Bills.

3. Review: The investment policy shall be reviewed at least annually by the City Manager and Finance Director and approved by the City Council to ensure its consistency with the overall objectives of safety (including diversification), liquidity and return, as well as its relevance to current law and financial/economic trends.

The City's philosophy prohibits speculation; i.e., the purchase of securities with the intent to profit from favorable changes in market prices or market conditions. Leveraging or borrowing money for the purpose of investing is specifically prohibited.

XVI. REPORTING

The City Treasurer shall provide investment information to City Council.

Periodic Reports – If any, the City Treasurer will provide a monthly transaction report of all investments including any pooled investment fund portfolio to the City Council, City Manager, Chief Financial Officer and City Clerk. Also, within thirty days of the end of each quarter a full report of the City's operational cash investment portfolio report will be provided with additional information such as market pricing. This report shall include the type of investment, issuer, date of maturity, par and dollar amount invested in all securities, investments and moneys held by the local agency, and shall additionally include a description of any of the local agency's funds, investments, or programs, that are under the management of contracted parties, including lending programs. With respect to all securities held by the local agency, and under management of any outside party that is not also a local agency or the State of California Local Agency Investment Fund (LAIF), the report shall also include a current market value as of the date of the report and shall include the source of this same valuation.

Annual Report – This investment policy will be presented annually following the close of the fiscal year, to the City Council for approval.

Financial Statements per GASB #31 – City Treasurer will provide the portfolio's market value gains/losses to Finance to be incorporated in the fiscal year-end balance sheet.

Financial Statements per GASB #40 – Effective June 30, 2005, additional disclosure is required. City Treasurer will provide detailed maturity and rating information to Finance to be incorporated in the Annual Comprehensive Financial Report (ACFR).

XVII. INVESTMENT POLICY ADOPTION

The City's investment policy shall be adopted by resolution of the City's legislative authority. Per Government code, the policy shall be reviewed annually by the City Council and any modifications made thereto must be approved by the City Council.

XVIII. GUIDELINES

Guidelines are established to direct and control activities in such a manner that previously established goals are achieved.

1. Investment Transactions: Every investment transaction must be authorized, documented and reviewed by the local agency Treasurer.

2. Pooled Cash: Whenever practical, local agency cash should be consolidated into one bank account and invested on a pooled concept basis. Interest earnings may be allocated to fund cash and investment balances.

3. Competitive Bids: Purchase and sale of securities should be made on the basis of competitive offers and bids when practical.

4. Cash Forecast: The cash flow for the local agency should be analyzed with the receipt of revenues and maturity of investments scheduled so that adequate cash will be available to meet disbursement requirements.

5. Investment Limitations: Security purchases and holdings shall be maintained within statutory limits imposed by the Investment Policy and California Government code. Any investments not listed are not subject to % limitations.

Bankers' Acceptance	40%	Code Section 53601 (f)
Commercial Paper	25%	Code Section 53601 (g)
Medium-Term Corporate Notes	30%	Code Section 53601 (j)
Negotiable Cert. Of Deposit	30%	Code Section 53601 (h)

6. Liquidity: The marketability (salability) of a security should be considered at the time of purchase as the security may have to be sold at a later date to meet unanticipated cash demand.

7. Long-Term Maturities: As a general rule, long-term maturities should not represent a significant percentage of the total portfolio, as the principal risk involved can outweigh the potential for higher earnings.

8. Authorized Broker/Dealers: Execute investment transactions with previously approved broker/dealers who have certified compliance with the City's investment policy.

9. Diversification: The portfolio should consist of a mix of various types of securities, issuers and maturities.

10. Annual Review: The investment portfolio will be reviewed yearly by the Treasurer, City Manager and Finance department representative.

11. Evaluation of Certificates of Deposit: The following items will govern the valuation:

a. Time Certificates of Deposit (TCD) are FDIC insured.

b. Negotiable Certificates of Deposit (NCD) shall be evaluated in terms of the credit worthiness of the issuer, as these deposits are uninsured and uncollateralized notes.

Attachment A:

The City's specific permitted investment guidelines are summarized below. It should be noted that the City's permitted investments are more restrictive than the State guidelines.

PERMITTED INSTRUMENTS	CITY GUIDELINES
Certificates of Deposits	5 years / 25% max / $250,000 max per issuer
Bankers Acceptances	180 days / 40% max / 5% per issuer/20% max per City Investment policy
Securities of the U.S. Government or its Agencies	5 years / no limit
Commercial Paper	270 days / 25% max / 5% per issuer combined
Medium-Term Corporate Notes	5 years / 30% max / $2,000,000 combined any Issuer / max of 30% of portfolio
Local Agency Investment Fund (State Pool)	LAIF $75,000,000 / no limit
Negotiable Certificates of Deposit	5 years / 30% max / lesser of 5% or $1,000,000 per issuer
Passbook Savings Account	10 days / investments under $100,000
Government Security Mutual Funds	20% max / 10% per issuer
Money Market Mutual Funds	20% max
Bonds, Notes issued by: California State and Local Agencies	5 years / 20% max / 5% per issuer
Bond Proceeds	See section XII - number 11
U.S. Treasuries Notes and Bonds	5 years / no limit
Supranationals	5 years / 30% max / AA rated
Reverse Repurchase Agreements	Not allowed
Mortgage Pass Through Securities	Not allowed
Repurchase Agreements	Not allowed

Percentages of investment allocation and investment maximum limits apply at the time of purchase. The designated portfolio manager may at his/her discretion temporarily exceed these guidelines when repositioning the portfolio. Should the manager recommend an extended departure from the diversification's guideline (more than 90 days) City council approval will be required.

The Investment Policy sets forth minimum credit ratings for each type of permitted security. These credit limits apply at the time of the initial purchase of the said security and a subsequent change in rating status does not necessarily force the sale or disposition of the investment. In the event that the security is later downgraded below minimum required levels, the Treasurer and City staff will assess the risk exposure, make a decision on the course of action, and advise the City council.

Attachment B:

The City's approved and active broker/dealers are shown below:

Douglas Robinson – Robinson Capital
27 Reed Blvd.
Mill Valley, CA 94941
(415) 771-9421

John R. Williams – Wells Fargo Bank
333 Market St.
San Francisco, CA 94105
(415) 644-9026

Rene Molina – Mutual Securities
807-A Camarillo Spring Rd.
Camarillo, CA 93012
(866) 899-5544

<u>Possible new broker/dealer – applied for:</u>

Don Collins – Wedbush Securities
500 Newport Center Dr. #850
Newport Beach, CA 92660
(949) 719-3237

GLOSSARY

AGENCIES: Federal agency securities.

ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR): The official annual report for the City of South Lake Tahoe. It includes five combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

ASKED: The price at which securities are offered.

BANKERS ACCEPTANCES (BA): A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BENCHMARK: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

BID: The price offered for securities. (When you are selling securities, you ask for a bid.) See offer.

BROKER: A broker brings buyers and sellers together for a commission.

CERTIFICATES OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CD's are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COUPON: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DEBENTURE: A bond secured only by the general credit of the issuer.

DELIVERY VERSUS PAYMENT (DVP): There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipts is delivery of securities with an exchange of a signed receipt for the securities.

DERIVATIVES: (1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon national amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities.)

DISCOUNT: The difference between the cost price of a security and its value at maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value (e.g., U.S. Treasury bills).

DIVERSIFICATION: Dividing investment funds among a variety of securities and issuers offering independent returns.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to $250,000 per deposit. FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL HOME LOAN BANKS (FHLB): Government sponsored wholesale banks (currently 12 regional banks), which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLB's is to liquefy the housing related assets of its members who must purchase stock in their district bank.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing & Urban Development, H.U.D. It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL FUNDS: Non-interest bearing deposits held by member banks at the Federal Reserve, also used to denote immediately available funds in the clearing sense. Fed Funds also used to refer to these funds.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven-member Board of Governors in Washington, D.C., 12 Regional Banks and about 5,700 commercial banks that are members of the system.

GOVERNMENTAL NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FMHA mortgages. The term pass-throughs is often used to describe Ginnie Maes.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LAIF (Local Agency Investment Fund): A special fund in the State Treasury which local agencies may use to deposit funds for investment. There is no minimum investment period and the minimum transaction is $5,000, in multiples of $1,000 above that, with a maximum balance of $75,000,000 for any agency. The City is restricted to a maximum of fifteen transactions per month. It offers high liquidity because deposits can be converted to cash in twenty-four hours and no interest is lost. All interest is distributed to those agencies participating on a proportionate share basis determined by the amounts deposited and the length of time they are deposited. Interest is paid quarterly. The State retains an amount for reasonable costs of making the investments, not to exceed one-quarter of one percent of the earnings. The interest rates are competitive with other securities because of pooling the State's surplus cash with the surplus cash deposited. This creates a multi-billion-dollar money pool and allows diversified investments. In a high interest rate market, the City does better than LAIF, but in times of low interest rates, LAIF yields are higher. The City continually invests in the Local Agency Investment Fund.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase-reverse agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer- lender to liquidate the underlying securities in the event of default by the seller-borrower.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET FUNDS: Open-ended mutual fund that invests in highly liquid and safe securities (bills, commercial paper, bankers' acceptances, CD's, etc.) and pays money market rates of interest. The fund's net asset value remains a constant $1 a share.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank, as directed by the FOMC, in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserves most important and most flexible monetary policy tool.

PORTFOLIO: Collection of securities held by an investor.

PRIMARY DEALER: A group of government securities dealers that submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities broker-dealers, banks, and a few unregulated firms.

PRUDENT PERSON RULE: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the state (the so-called legal list). In other states, the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

REPURCHASE AGREEMENTS (RP OR REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security Abuyer@ in effect lends the Aseller@ money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money that is, increasing bank reserves.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC RULE 15C3-l: See uniform net capital rule.

STRUCTURED NOTES: Notes issued by Government Sponsored Enterprises (FHLB, FNMA, SLMA, etc.) and Corporations, which have imbedded options (e.g., call features, step-up coupons, floating rate coupons, derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

SUPRANATIONALS: United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRARO and shall not exceed 30 percent of the agency's moneys that may be invested pursuant to this section.

TREASURY BILLS: A non-interest-bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BOND: Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

TREASURY NOTES: Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from 2 to 10 years.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

YIELD: The rate of annual income return on an investment, expressed as a percentage. (a) INCOME YIELD is obtained by dividing the current dollar income by the current market price for the security. (b) NET YIELD or YIELD TO MATURITY is the current income yield minus any premium above par or plus any discount from par in purchase price with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

City of South Lake Tahoe
Investment Policy
Fiscal Year 2023~~2~~-2023~~3~~4

I. POLICY

It is the policy of the City of South Lake Tahoe (City) to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the entity and conforming to all state and local statutes governing the investment of public funds.

II. SCOPE

This investment policy applies to all financial assets of the City which are available for investment by the City's Treasurer. These funds are accounted for in the City's Comprehensive Annual Financial Report and include:

- General Fund
- Special Revenue Funds
- Debt Service Funds
- Capital Project Funds
- Enterprise Funds
- Internal Service Funds
- Fiduciary Funds

The following assets are exempt from the policy: proceeds of City bond issues, Hourly/Part-time Employee Retirement Plan, Other Postemployment Benefits Plan, Pension Rate Stabilization Trust Fund and assets held by the City as fiduciary for other agencies and subject to separate agency agreement(s). The exempt assets are invested in accordance with regulations established by the State of California and any agreements specific to the funds.

III. PRUDENCE

The standard of prudence to be used for managing the City's investments shall be California Government Code Section 53600.3, the prudent investor standard, which states "when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency."
~~The standard of prudence to be used shall be the "prudent person" standard (as cited in Probate Code Section 16040) and shall be applied in the context of managing the overall portfolio, not to a single item within a diversified portfolio. Investments shall be made with judgment and care (under circumstances then prevailing) which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived~~.

IV. OBJECTIVE

1. **Safety**: Safety of principal is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, the City will diversify its investments by investing funds among a variety of securities offering independent returns and financial institutions.

2. **Liquidity**: The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated.

3. **Yield on Investments**: The City's investment portfolio shall be designed with the objective of attaining a benchmark rate of return throughout budgetary and economic cycles, commensurate with the City's investment risk constraints and the cash flow characteristics of the portfolio.

V. DELEGATION OF AUTHORITY

Authority to manage the City's investment program is derived from California Government Code 53607. Management responsibility for the investment program is hereby delegated to the City Treasurer who shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials, and their procedures in the absence of the City Treasurer.

The City Manager shall designate an official to manage investments and designate a second official to perform investment management during absences of the primary designee. The City Manager shall insure that competent investment management is maintained and shall insure that, if both designated investment officials are replaced or are simultaneously absent, any temporary replacement(s) shall be closely supervised, and indoctrinated in the requirements of this Statement of Investment Policy, and given written investment procedures, regulating the authority to invest in maturities beyond six months by means of appropriate controls and restraining requirements. The City Manager shall authorize preparation and filing of documents with all financial institutions with which the City conducts investment activities certifying the names of those persons authorized to effect trades on behalf of the City.

1. Investment Procedures: The City Treasurer shall establish written investment policy procedures for the operation of the investment program consistent with this policy. The procedures should include reference to: safekeeping, SIFMA master repurchase agreements, wire transfer agreements, banking service contracts and collateral/depository agreements. Such procedures shall include explicit delegation of authority of persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the City Treasurer.

VI. ETHICS AND CONFLICT OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which would impair their ability to make impartial investment decisions. Employees and investment

officials shall disclose to the City Manager any material financial interests in financial institutions that conduct business within their jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the City. All the City's employees who are listed on the City's Conflict of Interest Policy are required by the Fair Political Practices Commission to complete and file a Form 700 annually. All persons, broker/dealers, financial institutions and advisors providing investment services or bond issuance shall disclose to the Treasurer all fee sharing, fee-splitting, and commission arrangements with other entities or persons prior to the City agreeing to buy an investment or issue bonds.

VII. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

To promote the optimum yield on the investment of City funds, investment procedures shall be designed to encourage competitive bidding on transactions from approved financial institutions or broker/dealers.

1. On an annual basis, the Treasurer shall recommend a list of at least three broker/dealers who are authorized to provide investment services. The list shall be approved by the City Council. All broker/dealers who wish to be considered for the list must meet the following minimum requirements;

    1.1 Must certify that they have read and agree to comply with the investment policies of the City.
    1.2 Must be a "primary" or regional dealer that qualifies under the Securities and Exchange Commission Rule 15C3-1 (Uniform Net Capital Rule).
    1.3 Must be experienced in institutional trading practices and familiar with the California Government Code as related to investments for local governmental agencies.
    1.4 Must have been in business for at least three years.
    1.5 Must provide current audited financial statements.
    1.6 Must provide proof of Financial Industry Regulatory Authority certification.

2. All financial institutions in which the City's public funds are deposited will supply the Treasurer with the following;

    2.1 Current audited financial statements.
    2.2 Depository contracts.
    2.3 Proof that the institution is State or Federally chartered.

VIII. AUTHORIZED AND SUITABLE INVESTMENTS

The City is empowered by statute to invest in the following types of securities: (see Section XII for a description of each investment type)

1. Certificates of Deposit (or Time Deposits) placed with commercial banks and or savings and loan institutions.
2. Bankers' Acceptances.
3. Securities of the U.S. Government or its agencies.

4. Commercial Paper.
5. Medium-Term Corporate Notes.
6. Local Agency Investment Fund (State Pool) Demand Deposits, (LAIF).
7. Negotiable Certificates of Deposit.
8. Passbook Savings Account Demand Deposits.
9. Government Security Mutual Funds.
10. Bonds, Notes or California State and Local Agencies.
11. Bond proceeds may be invested as authorized by California Government Code 53601(m) but may also be invested in authorized investments as outlined in bond covenants and agreements.
12. Notes, Bonds and other securities of all fifty United States.
13. Supranationals

Prohibited Investments: The following investments are either prohibited by law or authorized by law and prohibited by the City Treasurer. Under Provisions of California Code 53601.6 the City shall not invest any funds covered by this Investment Policy in inverse floaters, range notes, interest-only strips derived from mortgage pools or any investment that may result in a zero-interest accrual if held to maturity. Also, the City shall not invest in Reverse Repurchased Agreements and Mortgage Pass Through Securities.

IX. INVESTMENT POOLS/MUTUAL FUNDS

A thorough investigation of the pool/funds is required prior to investing, and on a quarterly basis. There shall be a questionnaire developed which will answer the following general questions:

- A description of eligible investment securities, and a written statement of investment policy and objectives.
- A description of interest calculations and how it is distributed, and how gains and losses are treated.
- A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced, and the program audited.
- A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
- A schedule for receiving statements and portfolio listings.
- Are reserves, retained earnings, etc. utilized by the pool/fund?
- A fee schedule, and when and how is it assessed.
- Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

~~At this time there are no City investments in pools or mutual funds.~~

X. COLLATERIZATION

Collateralization will be required on two types of investments: certificates of deposit and sweep checking accounts. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 110% of market value of principal and accrued interest.

The City chooses to limit collateral to the following: certificates of deposit and sweep checking accounting held by an independent third party with whom the entity has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the entity and retained. The right of collateral substitution is granted.

Collateral for other investments must be 110% of principal for government securities. and 150% of principal for first mortgages.

XI. SAFEKEEPING AND CUSTODY

All security transactions entered into by the City shall be conducted on a delivery-versus payment (DVP) basis. Securities will be held by a third-party custodian designated by the Treasurer and evidenced by safekeeping receipts.

XII. DIVERSIFICATION

The City will diversify its investments by security type and institution in order to reduce portfolio risk while maintaining market average rates.

Security Type and Institution - U.S. Treasury securities and authorized pools, and any portfolio or institutional limits shall comply with California Government Code. Investments are further limited by specific language relating to each investment type as stated below.

Maximum Maturities - To the extent possible, the City Treasurer will attempt to match investments with anticipated cash flow requirements. The City's portfolio will be directly invested in securities with a maturity of no more than five years from the date of purchase.

The City Treasurer may invest in the following types of Investment Instruments:

1. Certificate of Deposit: Certificates of deposit or "time deposits" of up to $250,000 are federally insured. Beyond that amount, these CDs must be collateralized with the collateral held separately from the issuing institution. The value of the investment must have collateral of at least 110 percent if government securities, or collateral of at least 150 percent if mortgage-backed securities. Statute does not limit CDs, however, this Investment Policy shall limit such investments to a maximum of 25 percent of the portfolio (GC 53601(i)). In addition, time deposits shall be placed in institutions meeting all capital requirements and which maintain a rating equivalent to FDIC rating of "One" or "Two" or a Sheshunoff performance rating of A or better.

2. Bankers' Acceptances: The maximum investment with any one institution will not exceed $1.0 million. The maximum maturity will be 180 days. The maximum proportion of City funds invested in Bankers' Acceptance shall not exceed 20% of the total City portfolio. Maximum 5% invested per issuer. (Note: California Government Code allows a maximum of 40%).

3. Securities of the U.S. Government or its Agencies: Maximum maturity is five years.

~~and maximum investment is 50% of total City Portfolio.~~

4. Commercial Paper: Commercial paper will be used solely as a short-term investment not to exceed 270 days. Commercial paper will be of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization. $2,000,000 combined any issuer, maximum 25% of City portfolio.

5. Medium-Term Corporate Notes: The City may invest in medium-term corporate notes with a maximum of five years maturity issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.

Notes shall be rated in a rating category of "A" or its equivalent or better by a nationally recognized rating service. The maximum proportion of City funds invested in Medium Term Corporate Notes shall not exceed 30% of the total City Portfolio.

6. Local Agency Investment Fund (State Pool): The investment with LAIF may not, by state regulation, exceed $75 million. LAIF transactions, by LAIF guidelines, are not to exceed 15 per month.

7. Negotiable Certificates of Deposit: The maximum maturity is five years. The maximum investment is 30% of the total City Portfolio. Maximum 5% or $1,000,000 invested per issuer. Negotiable Certificates of Deposits (NCD) shall be evaluated in terms of the credit worthiness of the issuer, as these deposits are uninsured and uncollateralized notes.

8. Passbook Savings Account Demand Deposits: This account shall be maintained solely for the following purposes:

a. Investment of amounts over $100,000.00 received too late in the day to invest in other instruments; or,

b. Investment of amounts under $100,000.00 for periods of up to ten working days in order to fine-tune cash flow and minimize LAIF transactions in a given month.

9. Government Security Mutual Funds: Shares of beneficial interest (mutual funds) issued by diversified management companies investing in securities/obligations authorized by California Government Code Section 53600, et. seq., and complying with Section 53601, are permitted investments. Section 53601(l) further defines requirements. A maximum of 20 percent of the portfolio may be so invested.

10. Money Market Mutual Funds: Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1

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et seq.). Must receive the highest ranking or the highest letter and numerical rating by no less than two nationally recognized rating services. A maximum of 20 percent of the portfolio may be so invested.

1~~0~~1. Bonds, Notes or other evidences of indebtedness issue by the California State and Local Agencies: Bonds issued by the local agency, including bonds payable solely out of the revenues from revenue -producing property owned, controlled, or operated by California state or local agency, or by a department, board, agency, or authority of the local agency as authorized by California Government Code 53601 (a). Notes eligible for investment shall be rated in a category of "A" or its equivalent by two Nationally Recognized Rating Organizations.

Bonds, notes, warrants, or other evidences of indebtedness of any local agency within this state, include bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency. A maximum of 20% of the portfolio may be so invested.

1~~1~~2. Bond Proceeds: Section 53601 (m) allows greater flexibility with respect to the types of investments that may be made with bond proceeds. Specifically, the law permits money from bond proceeds, obligations under a lease, installment sales, or other agreements of a local agency to be invested in any security that meets the statutory provisions governing the issuance of the bond or other agreements made by the issuing agency. In doing so, this section of the code recognizes that outstanding contracts between issuers and bond holders may not comply with the investment statutes and gives local agencies greater discretion in how to invest bond proceeds.

1~~2~~3. U.S. Treasury Notes and Bonds: Registered Treasury notes or bonds of all 50 United States including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency or authority of the state as authorized by California Government Code 53601 (c) and (d). Maximum maturity is five years~~ and maximum investment is 50% of total City Portfolio~~.

1~~3~~4. Supranationals: United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States.

Investments under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and shall not exceed 30 percent of the agency's moneys that may be invested pursuant to this section.

XIII. MAXIMUM MATURITIES

To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow and authorized by the City Council,

the City will not directly invest in securities maturing more than five years from the date of purchase.

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CD maturities will normally not exceed five years. U.S. Government or Agency securities will not exceed five years. At least 50% of idle funds can be placed in investments which can be liquidated for at least face value in the event of an emergency. The City uses LAIF for its idle funds to insure this requirement is met.

XIV. INTERNAL CONTROL

The Treasurer shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures.

The Finance department shall establish a system of internal controls, which shall be documented in writing. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the City. Controls deemed most important include; control of collusion, separation of duties, separating transition authority from accounting and record keeping, custodial safekeeping, clear delegation of authority, specific limitations regarding securities losses and remedial action, written confirmation of telephone transactions, minimizing the number of authorized investment officials, documentation of transactions and strategies, and ethical standards.

XV. PERFORMANCE STANDARDS

The investment portfolio will be designed to attain at least a market-average rate of return during budgetary and economic cycles. Whenever possible, and consistent with risk limitations as defined herein and prudent investment principles, the Treasurer shall seek to augment returns above the market average rate of return as shown on the average CMT (Constant Maturity Treasury) whose maturity most closely matches the average maturity of the portfolio. In addition, the City portfolio will be compared with LAIF and the goal is to maintain a higher positive annual yield than LAIF's annual yield.

1. Investment Strategy: The City's investment strategy is to buy and hold investments until maturity. However, the Treasurer may sell a security due to adverse changes in credit risk or due to unexpected cash flow needs.

2. Market Yield (Benchmark): The basis used by the Treasurer to determine whether market yields are being achieved shall be the rates of return from the following combination of indices: Local Agency Investment Fund (LAIF) and 3-month, 6-month, and 1-year Treasury Bills.

3. Review: The investment policy shall be reviewed at least annually by the City Manager and Finance Director and approved by the City Council to ensure its consistency with the overall objectives of safety (including diversification), liquidity and return, as well as its

relevance to current law and financial/economic trends.

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The City's philosophy prohibits speculation; i.e., the purchase of securities with the intent to profit from favorable changes in market prices or market conditions. Leveraging or borrowing money for the purpose of investing is specifically prohibited.

XVI. REPORTING

The City Treasurer shall provide investment information to City Council.

Periodic Reports – If any, the City Treasurer will provide a monthly transaction report of all investments including any pooled investment fund portfolio to the City Council, City Manager, Chief Financial Officer and City Clerk. Also, within thirty days of the end of each quarter a full report of the City's operational cash investment portfolio report will be provided with additional information such as market pricing. This report shall include the type of investment, issuer, date of maturity, par and dollar amount invested in all securities, investments and moneys held by the local agency, and shall additionally include a description of any of the local agency's funds, investments, or programs, that are under the management of contracted parties, including lending programs. With respect to all securities held by the local agency, and under management of any outside party that is not also a local agency or the State of California Local Agency Investment Fund (LAIF), the report shall also include a current market value as of the date of the report and shall include the source of this same valuation.

Annual Report – This investment policy will be presented annually following the close of the fiscal year, to the City Council for approval.

Financial Statements per GASB #31 – City Treasurer will provide the portfolio's market value gains/losses to Finance to be incorporated in the fiscal year-end balance sheet.

Financial Statements per GASB #40 – Effective June 30, 2005, additional disclosure is required. City Treasurer will provide detailed maturity and rating information to Finance to be incorporated in the Annual Comprehensive Financial Report (ACFR).

XVII. INVESTMENT POLICY ADOPTION

The City's investment policy shall be adopted by resolution of the City's legislative authority. Per Government code, the policy shall be reviewed annually by the City Council and any modifications made thereto must be approved by the City Council.

XVIII. GUIDELINES

Guidelines are established to direct and control activities in such a manner that previously established goals are achieved.

1. Investment Transactions: Every investment transaction must be authorized, documented and reviewed by the local agency Treasurer.

2. Pooled Cash: Whenever practical, local agency cash should be consolidated into one bank account and invested on a pooled concept basis. Interest earnings may be allocated to fund cash and investment balances.

3. Competitive Bids: Purchase and sale of securities should be made on the basis of competitive offers and bids when practical.

4. Cash Forecast: The cash flow for the local agency should be analyzed with the receipt of revenues and maturity of investments scheduled so that adequate cash will be available to meet disbursement requirements.

5. Investment Limitations: Security purchases and holdings shall be maintained within statutory limits imposed by the Investment Policy and California Government code. Any investments not listed are not subject to % limitations.

Bankers' Acceptance	40%	Code Section 53601 (f)
Commercial Paper	25%	Code Section 53601 (g)
Medium-Term Corporate Notes	30%	Code Section 53601 (j)
Negotiable Cert. Of Deposit	30%	Code Section 53601 (h)

6. Liquidity: The marketability (salability) of a security should be considered at the time of purchase as the security may have to be sold at a later date to meet unanticipated cash demand.

7. Long-Term Maturities: As a general rule, long-term maturities should not represent a significant percentage of the total portfolio, as the principal risk involved can outweigh the potential for higher earnings.

8. Authorized Broker/Dealers: Execute investment transactions with previously approved broker/dealers who have certified compliance with the City's investment policy.

9. Diversification: The portfolio should consist of a mix of various types of securities, issuers and maturities.

10. Annual Review: The investment portfolio will be reviewed yearly by the Treasurer, City Manager and Finance department representative.

11. Evaluation of Certificates of Deposit: The following items will govern the valuation:

a. Time Certificates of Deposit (TCD) are FDIC insured.

b. Negotiable Certificates of Deposit (NCD) shall be evaluated in terms of the credit worthiness of the issuer, as these deposits are uninsured and uncollateralized notes.

Attachment A:

The City's specific permitted investment guidelines are summarized below. It should be noted that the City's permitted investments are more restrictive than the State guidelines.

PERMITTED INSTRUMENTS	CITY GUIDELINES
Certificates of Deposits	5 years / 25% max / $250,000 max per issuer
Bankers Acceptances	180 days / 40% max / 5% per issuer/20% max per City Investment policy
Securities of the U.S. Government or its Agencies	5 years / ~~50% max~~no limit
Commercial Paper	270 days / 25% max / 5% per issuer combined
Medium-Term Corporate Notes	5 years / 30% max / $2,000,000 combined any Issuer / max of 30% of portfolio
Local Agency Investment Fund (State Pool)	LAIF $75,000,000 / no limit
Negotiable Certificates of Deposit	5 years / 30% max / lesser of 5% or $1,000,000 per issuer
Passbook Savings Account	10 days / investments under $100,000
Government Security Mutual Funds	20% max / 10% per issuer
Money Market Mutual Funds	20% max
Bonds, Notes issued by: California State and Local Agencies	5 years / 20% max / 5% per issuer
Bond Proceeds	See section XII - number 11
U.S. Treasuries Notes and Bonds	5 years / ~~50% of portfolio~~no limit
Supranationals	5 years / 30% max / AA rated
Reverse Repurchase Agreements	Not allowed
Mortgage Pass Through Securities	Not allowed
Repurchase Agreements	Not allowed

Percentages of investment allocation and investment maximum limits apply at the time of purchase. The designated portfolio manager may at his/her discretion temporarily exceed these guidelines when repositioning the portfolio. Should the manager recommend an extended departure from the diversification's guideline (more than 90 days) City council approval will be required.

The Investment Policy sets forth minimum credit ratings for each type of permitted security. These credit limits apply at the time of the initial purchase of the said security and a subsequent change in rating status does not necessarily force the sale or disposition of the investment. In the event that the security is later downgraded below minimum required levels, the Treasurer and City staff will assess the risk exposure, make a decision on the course of action, and advise the City

council.

Attachment B:

The City's approved and active broker/dealers are shown below:

Douglas Robinson – Robinson Capital
27 Reed Blvd.
Mill Valley, CA 94941
(415) 771-9421

John R. Williams – Wells Fargo Bank
333 Market St.
San Francisco, CA 94105
(415) 644-9026

Rene Molina – Mutual Securities
807-A Camarillo Spring Rd.
Camarillo, CA 93012
(866) 899-5544

Possible new broker/dealer – applied for:

Don Collins – Wedbush Securities
500 Newport Center Dr. #850
Newport Beach, CA 92660
(949) 719-3237

GLOSSARY

AGENCIES: Federal agency securities.

ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR): The official annual report for the City of South Lake Tahoe. It includes five combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

ASKED: The price at which securities are offered.

BANKERS ACCEPTANCES (BA): A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BENCHMARK: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

BID: The price offered for securities. (When you are selling securities, you ask for a bid.) See offer.

BROKER: A broker brings buyers and sellers together for a commission.

CERTIFICATES OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CD's are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COUPON: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DEBENTURE: A bond secured only by the general credit of the issuer.

DELIVERY VERSUS PAYMENT (DVP): There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipts is delivery of securities with an exchange of a signed receipt for the securities.

DERIVATIVES: (1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon national amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities.)

DISCOUNT: The difference between the cost price of a security and its value at maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value (e.g., U.S. Treasury bills).

DIVERSIFICATION: Dividing investment funds among a variety of securities and issuers offering independent returns.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to $250,000 per deposit. FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL HOME LOAN BANKS (FHLB): Government sponsored wholesale banks (currently 12 regional banks), which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLB's is to liquefy the housing related assets of its members who must purchase stock in their district bank.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing & Urban Development, H.U.D. It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL FUNDS: Non-interest bearing deposits held by member banks at the Federal Reserve, also used to denote immediately available funds in the clearing sense. Fed Funds also used to refer to these funds.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven-member Board of Governors in Washington, D.C., 12 Regional Banks and about 5,700 commercial banks that are members of the system.

GOVERNMENTAL NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae):

Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FMHA mortgages. The term pass-throughs is often used to describe Ginnie Maes.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LAIF (Local Agency Investment Fund): A special fund in the State Treasury which local agencies may use to deposit funds for investment. There is no minimum investment period and the minimum transaction is $5,000, in multiples of $1,000 above that, with a maximum balance of $75,000,000 for any agency. The City is restricted to a maximum of fifteen transactions per month. It offers high liquidity because deposits can be converted to cash in twenty-four hours and no interest is lost. All interest is distributed to those agencies participating on a proportionate share basis determined by the amounts deposited and the length of time they are deposited. Interest is paid quarterly. The State retains an amount for reasonable costs of making the investments, not to exceed one-quarter of one percent of the earnings. The interest rates are competitive with other securities because of pooling the State's surplus cash with the surplus cash deposited. This creates a multi-billion-dollar money pool and allows diversified investments. In a high interest rate market, the City does better than LAIF, but in times of low interest rates, LAIF yields are higher. The City continually invests in the Local Agency Investment Fund.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase-reverse agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer- lender to liquidate the underlying securities in the event of default by the seller-borrower.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET FUNDS: Open-ended mutual fund that invests in highly liquid and safe securities (bills, commercial paper, bankers' acceptances, CD's, etc.) and pays money market rates of interest. The fund's net asset value remains a constant $1 a share.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank, as directed by the FOMC, in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserves most important and most flexible monetary policy tool.

PORTFOLIO: Collection of securities held by an investor.

PRIMARY DEALER: A group of government securities dealers that submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and

Exchange Commission (SEC) registered securities broker-dealers, banks, and a few unregulated firms.

PRUDENT PERSON RULE: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the state (the so-called legal list). In other states, the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

REPURCHASE AGREEMENTS (RP OR REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security Abuyer@ in effect lends the Aseller@ money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money that is, increasing bank reserves.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC RULE 15C3-1: See uniform net capital rule.

STRUCTURED NOTES: Notes issued by Government Sponsored Enterprises (FHLB, FNMA, SLMA, etc.) and Corporations, which have imbedded options (e.g., call features, step-up coupons, floating rate coupons, derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

SUPRANATIONALS: United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRARO and shall not exceed 30 percent of the agency's moneys that may be invested pursuant to this section.

TREASURY BILLS: A non-interest-bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BOND: Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

TREASURY NOTES: Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from 2 to 10 years.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

YIELD: The rate of annual income return on an investment, expressed as a percentage. (a) INCOME YIELD is obtained by dividing the current dollar income by the current market price for the security. (b) NET YIELD or YIELD TO MATURITY is the current income yield minus any premium above par or plus any discount from par in purchase price with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: September 12, 2023

Agenda Item #: 6

Agenda Item: Fiscal Year 2022-23 Quarterly Financial Status Report - Quarter Ending June 2023

Executive Summary: In accordance with the City's Financial Policies, the Finance Department submits reports to City Council on a periodic basis to provide assurance of budget compliance and for informational and comparative purposes. Attachment 2, â€œFY 2022/23 Quarterly Budget and Financial Status Report for Period Ending June 30, 2023â€ summarizes operating revenues and operating expenditures (unaudited figures) for the General Fund and Measure S Sales Tax fund for the year-to-date providing an analysis of any significant budget variances.

Requested Action / Suggested Motions: Receive and file.

Responsible Staff Member: Andrew Black, Financial Services Supervisor

Reviewed and Approved By: Susan Blankenship, City Clerk Olga Tikhomirova, Director of Finance Heather Stroud, City Attorney

Attachments:

01-Staff Report - FY 2022-2023 Quarterly Budget
02_FY 2022-23 Qtrly Budget Report June 2023.pdf

City of South Lake Tahoe
Report to **City Council**

Meeting Date: September 12, 2023

Title: Fiscal Year 2022/23 Quarter End Financial Status Report as of June 2023

Location: Citywide

Responsible Staff Member: Olga Tikhomirova, Director of Finance, (530) 542-7431; Andrew Black, Financial Services Supervisor, (530) 542-6016

Background: The Finance Department submits quarterly reports to City Council to provide assurance of budget compliance and for informational and comparative purposes throughout the year. Attachment 2, "FY *2022/23 Quarterly Budget and Financial Status Report for Period Ending June 30, 2023"* is an unaudited snapshot of year-to-date actual revenues and expenditures for the General Fund for that period.

Issue and Discussion: At the end of June 2023 with 75% of the year complete, actual revenues within the primary General Fund were at 70.8% of the amended budget, while expenditures were at 59.2% of appropriations. All departmental expenditures were below the total 75% threshold allocated to the first three quarters of the fiscal year.

Measure S Sales Tax revenue, accounted for in a separate general fund, amounted to approximately 57.8% of the adopted budget, while the scheduled transfers used up 74.3% of the total expenditures budget. See Attachment 2 for further analysis.

Financial Implications: As of June 30, 2023, or after the first nine months of the fiscal year, actual General Fund revenues exceeded expenditures by $5.2 million. Strong performance in the City's top two revenue sources, Property Tax and Transient Occupancy Tax (TOT) including the Project area TOT, as well as Building fees, contributed to this net revenue.

Compared to the same period last year, overall revenues have increased by approximately 7.9%, or $2.8 million, due to increases in Property Tax, TOT, Business License Fees, FEMA public assistance, and interest revenue, while expenditures were down by approximately 7.7%, or $2.8 million, largely as a result of decreased transfers-out compared to FY 2021/22, which included one-time transfer for various capital expenditures and projects.

Environmental Considerations: This is not a "project" subject to review under the California Environmental Quality Act (CEQA) Guidelines section 15378(b)(5) (organizational or administrative activities that will not result in direct or indirect physical changes in the environment).

Policy Implications: Consistent with City's Financial Policies.

CITY OF SOUTH LAKE TAHOE
2022-23 QUARTERLY FINANCIAL REPORT
3rd QUARTER ENDING JUNE 30, 2023

This report summarizes the City's financial position for the General Fund for Fiscal Year 2022-23 displaying expenditures at the department level and revenues by type. It compares actual revenues and expenditures received through June 2023 to the total budget.

General Fund Financial Condition

As of June 30th, with 75% of the year complete, General Fund revenues are at 70.8% of projections and expenditures are at 59.2% of appropriations.

Revenues. The top three revenues, Property Tax, City Transient Occupancy Tax (TOT), and Sales Tax generated 55.7% of the total $38.5 million General Fund revenues collected through June 30th.

Revenues by Type	Total Budget as of June 30	Actuals through June 30	As % of Budget
Property Tax	$ 10,160,000	$ 10,321,582	101.6%
Transient Occupancy Tax - City	10,413,562	5,289,834	50.8%
Transient Occupancy Tax - Project Area	7,040,000	4,324,918	61.4%
Sales Tax	7,100,000	3,806,820	53.6%
Measure Q	3,500,000	2,026,688	57.9%
Motor Vehicle License Fees (MVLF)	2,515,000	2,745,534	109.2%
Franchise Taxes	1,650,000	1,252,886	75.9%
Business License Tax	1,692,000	1,252,019	74.0%
Finance - Other Revenues	1,128,050	1,705,998	151.2%
General Government	252,483	5,635	2.2%
Police	2,233,796	1,376,704	61.6%
Fire	2,946,285	405,108	13.7%
Public Works	493,300	588,655	119.3%
Development Services	1,459,503	2,028,320	139.0%
Parks and Recreation	1,048,481	483,120	46.1%
Transfers In	392,438	362,438	92.4%
Miscellaneous General Fund	351,699	533,162	151.6%
REVENUES TOTAL	$ 54,376,597	$ 38,509,422	70.8%

Property Tax and Motor Vehicle License Fees (MVLF) received through June 30, 2023 reflect two major installments for the current year. Their positive performance compared to the same period last year (with an increase of 12.4% and 8.3% respectively), has resulted in these revenues exceeding their annual budget allocations.

Transient Occupancy Tax (TOT) receipts, including TOT from the Project area but excluding TOT audits, showed an increase of $410K, or 4.5%, despite a decrease in the total number of room nights and units rented compared to the same period last year.

The combined revenue from Sales tax and Measure Q decreased by about $51K, representing a 1% decline.

Increases in various other revenue categories and sources have significantly contributed to the overall revenue growth of $2.8 million in comparison to the first three quarters of the previous year. These increases include Pooled Income ($910K; to be distributed between funds at fiscal year-end), Business License Tax ($398K), Parking/Code Citation Fines ($249K), and building fees ($189K). Furthermore, the City received federal and state public assistance in the current fiscal year: $322K for emergency work during the Caldor Fire and $175K towards protective measures in response to COVID-19.

Expenditures. Out of the actual expenditures totaling $33.3 million through June 30th, approximately $19.7 million or 59.1% was allocated to personnel expenses, covering 19 payroll periods, which represents 73.1% of the total payroll periods for the year. Out of the remaining 40.9% or approximately $13.6 million of actual expenditures, $7.0 million is attributed to transfers-out, $2.2 million to professional, technical and other contract services, $1.7 million to miscellaneous general expense including taxes and fees, travel and training, communications etc., $1.0 million to purchases of tools, parts, software, machinery and equipment, and the remaining $1.7 million to utilities, general

supplies, and other miscellaneous expense. All departments have maintained expenditures below the 75% threshold allocated to the first three quarters of the fiscal year.

Expenditures by Department	Total Budget as of June 30	Actuals through June 30	As % of Budget
General Government	$ 5,326,124	$ 2,694,042	50.6%
Finance	2,636,315	1,929,017	73.2%
Miscellaneous General Fund	12,989,866	8,431,491	64.9%
Police	13,617,368	7,978,134	58.6%
Fire	11,474,696	5,966,075	52.0%
Public Works	4,750,338	3,154,631	66.4%
Development Services	2,120,137	1,186,813	56.0%
Parks and Recreation	3,364,195	1,961,038	58.3%
EXPENDITURES TOTAL	**$ 56,279,039**	**$ 33,301,241**	**59.2%**

In comparison to the same period of the previous fiscal year, overall expenditures were lower by 7.7%, or $2.8 million. The most significant decrease occurred in the Miscellaneous General Fund category, primarily resulting from decreased transfers out for one-time capital projects and a reduction in the required transfer to the TOT Revenue fund, which supports any tax increment revenue shortfalls in the Redevelopment Successor Agency. These expenditure reductions were partially offset by city-wide increases in personnel costs, utilities expense, and technical/professional services.

Measure S Sales Tax General Fund

Measure S, a 1% city-wide sales and use tax, went into effect on April 1, 2021 and is projected to generate $7.0 million for fiscal year 2022/23.

Measure S Sales Tax	Total Budget as of June 30	Actuals through June 30	As % of Budget
REVENUES			
Measure S Sales Tax	$ 7,000,000	$ 4,046,506	57.8%
Interest/Dividends Revenue	-	7,366	100.0%
REVENUES TOTAL	**$ 7,000,000**	**$ 4,053,872**	**57.9%**
EXPENDITURES and FINANCING USES			
Technical Services	5,000	-	0.0%
Transfer out to/for:			
Debt Service - Communication System	554,643	554,643	100.0%
Debt Service - Snow Removal Equip	301,361	301,361	100.0%
Fire Marshall postion (50%)	110,692	-	0.0%
Fire Station II Rehabilitation	500,000	500,000	100.0%
General Fund - Safety Equip.	121,400	29,400	24.2%
Hazardous Fuels Reduction - Airport	200,000	-	0.0%
Police Lieutenant position	271,745	-	0.0%
Police Officer (Tobacco grant not renewed)	70,013	70,013	100.0%
Road Reconstruction	2,500,000	2,500,000	100.0%
Seven (7) Firefighters	979,030	202,830	20.7%
South Shore Fuels Reduction Program	392,987	-	0.0%
Stateline Ave Complete Streets	100,000	100,000	100.0%
Storm Water Program	50,000	50,000	100.0%
Stormdrain Replacement	200,000	200,000	100.0%
Street and Snow Vehicle Replacement	843,263	843,263	100.0%
EXPENDITURES TOTAL	**$ 7,200,134**	**$ 5,351,510**	**74.3%**

Revenues. The City received Measure S Sales Tax totaling approximately $4.0 million as of June 30th, 2023.

Expenditures. During the adoption of the FY 2022/23 budget, City Council allocated a significant portion of the total projected annual revenue for various purposes including funding for annual road reconstruction, seven firefighter positions previously funded by the SAFER grant, setting aside funds for the rehabilitation of Fire Station II, and year 3 debt service for the emergency communications system for Fire, Police, and Public Works. Throughout the fiscal year, City Council additionally designated Measure S funds for the creation of the South Shore Fuels Reduction Program and for the purchase of snow removal equipment and related debt service. As of June 30th, approximately $5.4 million has been transferred out for these Measure S designated projects and programs.

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: September 12, 2023

Agenda Item #: 7

Agenda Item: Ordinance Establishing Residential Parking Permit Program (Second Reading)

Executive Summary: City staff has received several requests for a Residential Parking Permit Program (RPPP). A shortage of reasonably available and convenient residential-related parking spaces exists in some areas in the city and alternative solutions are not feasible or practical. The City has authority under California Vehicle Code section 22507 to grant preferential parking privileges to residents on streets where parking is prohibited. On August 8, 2023, City Council held a first reading (by title only) and referred second reading and adoption to the City Council meeting on September 12, 2023.

Requested Action / Suggested Motions: Pass an Ordinance amending South Lake Tahoe City Code, Title 4, Chapter 4.25, Article V (Stopping, Standing and Parking) by adding Section 4.25.365 (Residential Parking Permit Program)

Responsible Staff Member: Anush Nejad, Director of Public Works and David Stevenson, Chief of Police

Reviewed and Approved By: Susan Blankenship, City Clerk Olga Tikhomirova, Director of Finance Heather Stroud, City Attorney

Attachments:

01-Staff Report - Ordinance for Residential Permit Parking Program.docx
02 - Residential Parking Permit Program Ordinance.docx
03-Proof of Publication.pdf

City of South Lake Tahoe
Report to **City Council**

Meeting Date: September 12, 2023

Title: Residential Parking Permit Program (Second Reading)

Location: Citywide

Responsible Staff Member: Anush Nejad, Director of Public Works - (530) 542-6031
David Stevenson, Chief of Police – (530) 542-6120

Background: City staff has received several requests for a Residential Parking Permit Program (RPPP), specifically from the Heavenly Valley and Tahoe Meadow residents. These neighborhoods and others near recreational and tourist activities are adversely impacted by motor vehicle congestion, particularly the long-term parking of motor vehicles on the streets. In these areas, non-resident vehicles substantially and regularly interfere with the use of most available on-street spaces by adjacent residents, interfering with regular and significant daily or weekly intervals. The volume of non-resident vehicles in these certain areas causes unreasonable traffic hazards, noise, and trash impacts. A shortage of reasonably available and convenient residential-related parking spaces exists in these areas, and alternative solutions are not feasible or practical. The City has authority under California Vehicle Code section 22507 to grant preferential parking privileges to residents on streets where parking is otherwise prohibited.

Issue and Discussion: On August 8, 2023, the City Council passed a Motion to hold the first reading of an Ordinance amending South Lake Tahoe City Code, Title 4, Chapter 4.25, Article V (Stopping, Standing and Parking) by adding Section 4.25.365 (Residential Parking Permit Program), and refer the second reading and adoption to the September 12, 2023 meeting.

Financial Implications: There will be a cost to administer the RPPP program, which is expected to be offset by the permit fees. The permit cost will be calculated once the program is implemented and incorporated into the Fee Schedule. Initially, staff is proposing no fee for the permits for the first year. $20,000 was approved by City Council on August 8, 2023 by Resolution 2023-075 for the initial RPPP implementation. The amount was allocated into account 515-05330 Parking Management Program.

Environmental Considerations: This project is categorically exempt from environmental review under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15301(c) (Existing Facilities) because the Ordinance addresses parking regulations on existing roadways.

Policy Implications: This project advances the City Council's Strategic Priorities and Goals related to traffic safety and neighborhood preservation.

Ordinance 2023-XXX

Adopted by the City of South Lake Tahoe City Council

September 12, 2023

An Ordinance Amending South Lake Tahoe City Code Title 4, Chapter 4.25 to Add Section 4.25.365 (Residential Parking Permit Program) to Designate Areas Where On-Street Parking Permits are Available to Residents of Streets Where Parking is Otherwise Prohibited

FINDINGS

A. The City has authority under California Vehicle Code section 22507 to grant preferential parking privileges to residents on streets where parking is otherwise prohibited.

B. The Public Works Director/City Traffic Engineer recommends adopting this Ordinance to establish a Residential Parking Permit Program that would allow the City Council to designate such areas where on-street parking permits are available to residents of streets where parking is otherwise prohibited.

Now, Therefore, the City Council of City of South Lake Tahoe does ordain as follows:

SECTION 1. South Lake Tahoe City Code Title 4, Chapter 4.25 (Motor Vehicles and Traffic), is hereby amended to add Section 4.25.365 (Residential Parking Permit Program) as follows:

4.25.365 Residential Parking Permit Program.

A. City Council Findings. In certain areas of the City of South Lake Tahoe, non-resident vehicles do or may substantially and regularly interfere with the use of the majority of the available on-street spaces by adjacent residents; this interference occurs at regular and significant daily or weekly intervals; the volume of non-resident vehicles in these certain areas cause unreasonable traffic hazards, noise, and trash impacts; a shortage of reasonably available and convenient residential related parking spaces exist in these areas; and alternative solutions are not feasible or practical.

B. Authorization. The City Council, upon finding that such zone is required to provide reasonably available and convenient parking for the benefit of adjacent residents, may designate certain streets or any portions thereof as residential permit parking zones, in which zones vehicles displaying a permit that is visible from the outside of the vehicle are exempt from parking prohibitions otherwise posted.

C. Definition of resident. For the purpose of this section, a “resident” means a person who owns or rents a dwelling unit within a residential permit parking zone for their own living

accommodations, including owner-occupants, long-term tenants, and second homeowners.

D. Permits. The City Manager is authorized to develop an application for residential parking permits. Applicants for such permits must present proof of residence adjacent to the area designated as a residential permit parking zone. Permits for multifamily units will be issued to the owner of the property for distribution to tenants. Two guest vehicle permits will be issued per address of applicant(s). Permits are to be effective for one year from the date of issuance.

E. Prohibitions. Residential parking permits are not transferable, and it is unlawful for a person to give, sell, or rent a residential parking permit to another person.

SECTION 2. If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision will not affect the validity of the remaining portions of this Ordinance. The City Council declares that it would have passed this Ordinance and each and every section, subsection, sentence, clause, or phrase not declared invalid or unconstitutional without regard to whether any portion of the Ordinance would be subsequently declared invalid or unconstitutional.

SECTION 3. The City Council finds that adoption of the proposed Ordinance is categorically exempt from environmental review under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15301(c) (Existing Facilities) because the Ordinance addresses parking regulations on existing roadways.

SECTION 4. The City Clerk is directed to certify this Ordinance and cause it to be published in the manner required by law.

SECTION 5. This Ordinance shall become effective thirty days after the date of its adoption.

Adopted by the City of South Lake Tahoe City Council on September 12, 2023 by the following vote:

Yes:
No:
Abstain:
Absent:

_____ Date:_____
Cristi Creegan, Mayor

Attest:

_____
Susan Blankenship, City Clerk

First Reading:
Published:
Second Reading:
Effective:

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

Column

INTERIM AD DRAFT

This is the proof of your ad scheduled to run in **Tahoe Daily Tribune** on the dates indicated below. If changes are needed, please contact us prior to deadline at **(530) 541-3880**.

Notice ID: LNV81DMfzZGVY7WACIY1 | **Proof Updated: Aug. 29, 2023 at 01:00pm PDT**
Notice Name: ORD 2023-Residential Parking

This is not an invoice. Below is an estimated price, and it is subject to change. You will receive an invoice with the final price upon invoice creation by the publisher.

FILER	FILING FOR
Jo Mcdonough jmcdonough@cityofslt.us (530) 542-6005	Tahoe Daily Tribune

Columns Wide: 1 **Ad Class:** Legals

09/01/2023: Other	127.86
Affidavit flat charge	4.00
Internet Flat Fee Charge	40.00

Subtotal	$156.24
Tax	$0.00
Processing Fee	$15.62
Total	**$171.86**

See Proof on Next Page

LEGAL PUBLICATION

CITY OF SOUTH LAKE TAHOE
SUMMARY OF PROPOSED ORDINANCE

NOTICE IS HEREBY GIVEN that on August 8, 2023, the City of South Lake Tahoe City Council waived first reading, read by title and referred to second reading and adoption at the September 12, 2023, City Council meeting the following ordinance:

"An Ordinance Amending South Lake Tahoe City Code Title 4, Chapter 4.25 to Add Section 4.25.365 (Residential Parking Permit Program) to Designate Areas Where On-Street Parking Permits are Available to Residents of Streets Where Parking is Otherwise Prohibited"

City Attorney's Summary of Ordinance:

"This ordinance would provide authority for City Council to adopt one or more resolutions designating residential parking permit areas. The purpose of this ordinance is to mitigate the interference, traffic hazards, noise, and trash impacts caused by non-resident vehicles in certain areas of the City, as well as the shortage of reasonably available and convenient parking for residents in these areas. For the purpose of this ordinance, a resident would be defined as a person who owns or rents a dwelling unit within a residential permit parking zone for their own living accommodations, including owner-occupants, long-term tenants, and second homeowners. Such residents would be eligible to receive permits to park on the street in their neighborhood in areas where parking is otherwise prohibited."
A copy of the proposed ordinance in its entirety is available for review in the City Clerk's Office located at 1901 Lisa Maloff Way, South Lake Tahoe, California.

Susan Blankenship
Susan Blankenship
City Clerk
City of South Lake Tahoe
1901 Lisa Maloff Way, Ste 206
South Lake Tahoe, Ca 96150
(530) 542-6005
Published: September 1, 2023

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: September 12, 2023

Agenda Item #: 8

Agenda Item: Ordinance Establishing Chain Control Zone (Second Reading)

Executive Summary: During the winter of 2022-23, City staff received several complaints and concerns from the residents of the Heavenly Valley neighborhood regarding traffic congestion, overflow parking, illegal parking, and general nuisance in the area during winter periods. Staff organized a public meeting on May 15, 2023, and presented options to the City Council on June 6, 2023, for neighborhood preservations, including a chain control zone on Ski Run Blvd. On August 8, 2023, City Council held a first reading (by title only) and referred second reading and adoption to the City Council meeting on September 12, 2023.

Requested Action / Suggested Motions: Pass an Ordinance amending South Lake Tahoe City Code, Title 4, Chapter 4.25, by adding Article IX (Chain Control Zone).

Responsible Staff Member: Anush Nejad, Director of Public Works and David Stevenson, Chief of Police

Reviewed and Approved By: Susan Blankenship, City Clerk Olga Tikhomirova, Director of Finance Heather Stroud, City Attorney

Attachments:

01 - Staff Report - Chain Control Ordinance.docx
02 - Chain Control Ordinance.docx
03 - Proof of Publication.pdf

City of South Lake Tahoe
Report to **City Council**

Meeting Date: September 12, 2023

Title: Chain Control Ordinance (Second Reading)

Location: Ski Run Blvd

Responsible Staff Member: Anush Nejad, Director of Public Works - (530) 542-6031
David Stevenson, Chief of Police – (530) 542-6120

Background: During the winter of 2022-23, City staff received several complaints and concerns from the residents of the Heavenly Valley neighborhood regarding traffic congestion, overflow parking, illegal parking, and general nuisance in the area during winter periods. Staff organized a public meeting on May 15, 2023, and presented options to the City Council on June 6, 2023, for neighborhood preservations, including establishing a chain control zone on Ski Run Blvd.

Issue and Discussion: In order to create a safer driving environment during winter conditions, due to steep grades in the Heavenly Valley area, staff is proposing the adoption of a Chain Control Ordinance on certain streets and recommended establishing a Chain Control Zone on certain Streets including Ski Run Boulevard, Wildwood Avenue, Keller Road, Need Peak Road, Saddle Road, and Regina Road, east of Pioneer Trail, to be activated when winter conditions warrant upon the order of the Police Chief.

Staff recommends establishing a chain control checkpoint on Ski Run Boulevard near David Lane, where vehicles without tire traction devices or four-wheel drive with snow-tread tires will be turned back. The Chief of Police recommends establishing a fine of $205 for drivers of vehicles operating within the Chain Control Zone without tire chains or four-wheel drive with snow-tread tires during times when the Police Chief has issued an order activating the Chain Control Zone.

Financial Implications: No additional funding is needed for the Chain Control program, and Police Staff will manage it.

Environmental Considerations: Adoption of the proposed Ordinance is not a project requiring environmental review under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15378(b)(2) because the Ordinance is general policy and procedure making.

Policy Implications: This project advances the City Council Strategic Priorities and Goals related to traffic safety and neighborhood preservation.

Ordinance 2023-XXX

Adopted by the City of South Lake Tahoe City Council

September 12, 2023

An Ordinance Amending South Lake Tahoe City Code Title 4, Chapter 4.25 (Motor Vehicles and Traffic) to Add Article VIIII (Chain Control Zone) to Establish a Chain Control Zone on Certain Streets in the Heavenly Valley Neighborhood

FINDINGS

A. The city streets leading up to the Heavenly California Base are steep and become icy and slick in winter conditions, which has led to an increasing number of accidents and vehicles becoming stuck and blocking snow removal operations, especially vehicles without proper traction such as tire chains or four-wheel drive with snow-tread tires, further exacerbating the public safety issues on these streets and in surrounding neighborhoods.

B. As part of the ongoing effort to improve parking and traffic conditions in the Heavenly Valley neighborhood, especially during winter conditions and the Heavenly ski season, the Public Works Director/City Traffic Engineer and Police Chief have recommended establishing a Chain Control Zone on certain Streets including Ski Run Boulevard, Wildwood Avenue, Keller Road, Needle Peak Road, Saddle Road, and Regina Road, to be activated when winter conditions warrant upon the order of the Police Chief.

C. The Public Works Director/City Traffic Engineer and Police Chief intend to establish a chain control checkpoint on Ski Run Boulevard near David Lane, where vehicles without tire traction devices or four-wheel drive with snow-tread tires will be turned back.

D. The Public Works Director/City Traffic Engineer and Police Chief recommend establishing a fine of $205 for drivers of vehicles operating within the Chain Control Zone without tire chains or four-wheel drive with snow-tread tires during times when the Police Chief has issued an order activating the Chain Control Zone.

E. The City has authority to establish a chain control zone on highways (including city streets) under California Vehicle Code section 27459.

Now, Therefore, the City Council of City of South Lake Tahoe does ordain as follows:

<u>SECTION 1.</u> South Lake Tahoe City Code Title 4, Chapter 4.25 (Motor Vehicles and Traffic), is hereby amended to add Article IX (Chain Control Zone) as follows:

Article IX. Chain Control Zone

4.25.810 Chain Control Zone Established.

No person shall operate a motor vehicle without tire traction devices on the following streets during times when the Police Chief has issued an order activating the chain control zone and chain control zone signage is in place:

Streets east of Pioneer Trail between the intersection with Price Road and the intersection with Keller Road:

A. Ski Run Boulevard south of Pioneer Trail;
B. Wildwood Avenue south of Pioneer Trail;
C. Keller Road south of Pioneer Trail;
D. Needle Peak Road;
E. Saddle Road; and
F. Regina Road.

4.25.820 Required Tire Traction Devices.

A. Tire traction devices are devices or mechanisms having a composition and design capable of improving vehicle traction, braking, and cornering ability upon snow or ice-covered surfaces, such as chains or cables. Tire traction devices shall meet the requirements in California Vehicle Code section 605, as may be amended from time to time.

B. Snow-tread tires shall be of a type and design manufactured for use on snow as a replacement for tire traction devices, shall be in good condition, and shall bear the marking of M-S, M/S, or other marking indicating that the tire was manufactured for use on snow.

C. When the chain control zone is activated and chain control signage is in place, tire traction devices shall be placed on at least two drive wheels, or in the alternative, four-wheel drive vehicles may be equipped with snow-tread tires on all four wheels.

4.25.830 Penalty.

Any person violating the provisions of this article shall be guilty of an infraction and upon conviction shall be punished by a fine of not less than $205 or a greater amount set by resolution of the city council.

SECTION 2. If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision will not affect the validity of the remaining portions of this Ordinance. The City Council declares that it would have passed this Ordinance and each and every section, subsection, sentence, clause, or phrase not declared invalid or unconstitutional without regard to whether any portion of the Ordinance would be subsequently declared invalid or unconstitutional.

SECTION 3. The City Council finds that adoption of the proposed Ordinance is not a project requiring environmental review under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15378(b)(2) because the Ordinance is general policy and procedure making.

SECTION 4. The City Clerk is directed to certify this Ordinance and cause it to be published in the manner required by law.

SECTION 5. This Ordinance shall become effective thirty days after the date of its adoption.

Adopted by the City of South Lake Tahoe City Council on September 12, 2023 by the following vote:

Yes:
No:
Abstain:
Absent:

_____ Date:_____
Cristi Creegan, Mayor

Attest:

_____
Susan Blankenship, City Clerk

First Reading:
Published:
Second Reading:
Effective:

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

Column

INTERIM AD DRAFT

This is the proof of your ad scheduled to run in **Tahoe Daily Tribune** on the dates indicated below. If changes are needed, please contact us prior to deadline at **(530) 541-3880**.

Notice ID: Nj1Sd8ZL9OOY3eWSZ6z4 | **Proof Updated: Aug. 29, 2023 at 11:52am PDT**
Notice Name: ORD 2023-Chain Control

See Proof on Next Page

This is not an invoice. Below is an estimated price, and it is subject to change. You will receive an invoice with the final price upon invoice creation by the publisher.

FILER	FILING FOR
Jo Mcdonough jmcdonough@cityofslt.us (530) 542-6005	Tahoe Daily Tribune

Columns Wide: 1 **Ad Class:** Legals

09/01/2023: Other	102.37
Affidavit flat charge	4.00
Internet Flat Fee Charge	40.00

Subtotal	$133.06
Tax	$0.00
Processing Fee	$13.31
Total	**$146.37**

LEGAL PUBLICATION

CITY OF SOUTH LAKE TAHOE
SUMMARY OF PROPOSED ORDINANCE

NOTICE IS HEREBY GIVEN that on August 8, 2023, the City of South Lake Tahoe City Council waived first reading, read by title and referred to second reading and adoption at the September 12, 2023, City Council meeting the following ordinance:

"An Ordinance Amending South Lake Tahoe City Code Title 4, Chapter 4.25 (Motor Vehicles and Traffic) to Add Article IX (Chain Control Zone) to Establish a Chain Control Zone on Certain Streets in the Heavenly Valley Neighborhood"

City Attorney's Summary of Ordinance:

"This ordinance would authorize the Police Chief to issue an order activating a chain control zone on streets east of Pioneer Trail between the intersection with Price Road and the intersection with Keller Road. When such an order is issued, tire traction devices or four-wheel drive with snow tires will be required in the chain control zone. Violations would be punishable by a fine of not less than $205."
A copy of the proposed ordinance in its entirety is available for review in the City Clerk's Office located at 1901 Lisa Maloff Way, South Lake Tahoe, California.

Susan Blankenship
Susan Blankenship
City Clerk
City of South Lake Tahoe
1901 Lisa Maloff Way, Ste 206
South Lake Tahoe, Ca 96150
(530) 542-6005
Published: September 1, 2023

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: September 12, 2023

Agenda Item #: 9

Agenda Item: Ordinance Establishing Angle Parking Zones (Second Reading)

Executive Summary: This ordinance will establish angle parking on the east side of Ski Run Boulevard from David Lane and Regina Road and removes outdated angle parking areas. On August 8, 2023, the City Council held a first reading (by title only) and referred second reading and adoption to the City Council meeting on September 12, 2023.

Requested Action / Suggested Motions: Pass an Ordinance amending City of South Lake Tahoe City Code section 4.25.420 to establish angle parking on the east side of Ski Run Boulevard from David Lane to Regina Road and removing outdated angle parking areas.

Responsible Staff Member: Anush Nejad, Director of Public Works and David Stevenson, Chief of Police

Reviewed and Approved By: Susan Blankenship, City Clerk Olga Tikhomirova, Director of Finance Heather Stroud, City Attorney

Attachments:

01 - Staff Report - Angle Parking Ordinance.docx
02 - Ordinance - Angle Parking.docx
03 - Proof of Publication.pdf

City of South Lake Tahoe
Report to **City Council**

Meeting Date: September 12, 2023

Title: Establishing Angle Parking (Second Reading)

Location: Ski Run Blvd between David Lane and Regina Road, and Westerly Side of Harrison Avenue between San Jose Avenue and Los Angeles Ave

Responsible Staff Member: Anush Nejad, Director of Public Works - (530) 542-6031
David Stevenson, Chief of Police – (530) 542-6120

Background: During the winter of 2022-23, City staff received several complaints and concerns from the residents of the Heavenly Valley neighborhood regarding traffic congestion, overflow parking, illegal parking, and general nuisance in the area during winter periods. Staff organized a public meeting on May 15, 2023, and presented options to the City Council on June 6, 2023, for neighborhood preservations, including establishing an angle parking on Ski Run Blvd. In addition, this Ordinance addresses the current angle parking on Harrison Ave.

Issue and Discussion: The City must establish “Angle Parking” by Ordinance to allow parking on Ski Run. The attached Ordinance establishes Angle Parking on Ski Run and updates all Angle Parking in the City.

Financial Implications: No additional funding is required to establish angle parking as described in the Ordinance.

Environmental Considerations: The actions proposed in this item are exempt from review under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15301 (Existing Facilities).

Policy Implications: This project advances the City Council's Strategic Priorities and Goals related to traffic safety and neighborhood preservation.

Ordinance 2023-XXX

Adopted by the City of South Lake Tahoe City Council

September 12, 2023

An Ordinance Amending South Lake Tahoe City Code Section 4.25.420 to Establish Angle Parking on the East Side of Ski Run Boulevard from David Lane to Regina Road and Remove Outdated Angle Parking Areas

FINDINGS

A. As part of the ongoing effort to improve parking and traffic conditions in the Heavenly Valley neighborhood, especially during winter conditions and the Heavenly ski season, the Public Works Director/City Traffic Engineer has recommended angle parking on the east side of Ski Run Boulevard from David Lane to Regina Road.

B. The Public Works Director/City Traffic Engineer recommends removing outdated angle parking areas referencing sections of Ski Run Boulevard where angle parking is no longer used or needed, and updating the segment of Harrison Avenue where angle parking is installed.

C. Under California Vehicle Code section 22503, a local authority may adopt an ordinance to permit angle parking on any roadway.

Now, therefore, the City Council of the City of South Lake Tahoe does ordain as follows:

SECTION 1. Section 4.25.420 (Manner of parking – Angle parking) of the South Lake Tahoe City Code is hereby amended to read as follows:

Angle parking is permitted upon the following city streets upon the following conditions:

A. Upon the westerly side of Harrison Avenue between San Jose Avenue and Los Angeles Avenue; provided that, no portion of any stopped or parked vehicle shall extend over the roadway side of a white line painted upon the road surface parallel to and eight feet from the westerly boundary line of the right-of-way of such Harrison Avenue.

B. Upon the easterly side of Ski Run Boulevard between David Lane and Regina Road; provided that, the front of the vehicle is parked within 18 inches of the edge of the rolled curb and entirely within any white lines painted on the road surface designating parking spaces.

SECTION 2. If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction,

such decision will not affect the validity of the remaining portions of this Ordinance. The City Council declares that it would have passed this Ordinance and each and every section, subsection, sentence, clause, or phrase not declared invalid or unconstitutional without regard to whether any portion of the Ordinance would be subsequently declared invalid or unconstitutional.

SECTION 3. The City Council finds that adoption of the proposed Ordinance is categorically exempt from environmental review under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15301(c) (Existing Facilities) because the Ordinance addresses parking striping and regulations on an existing roadway.

SECTION 4. The City Clerk is directed to certify this Ordinance and cause it to be published in the manner required by law.

SECTION 5. This Ordinance shall become effective thirty days after the date of its adoption.

Adopted by the City of South Lake Tahoe City Council on September 12, 2023, by the following vote:
Yes:
No:
Absent:
Abstain:

_____ Date:_____

Cristi Creegan, Mayor

Attest:

_____

Susan Blankenship, City Clerk

First Reading:
Published:
Second Reading:
Effective:

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

Column

INTERIM AD DRAFT

This is the proof of your ad scheduled to run in **Tahoe Daily Tribune** on the dates indicated below. If changes are needed, please contact us prior to deadline at **(530) 541-3880**.

Notice ID: YjjvrGCz0VImcuCRLSKL | **Proof Updated: Aug. 29, 2023 at 12:52pm PDT**
Notice Name: ORD 2023-Angle Parking

This is not an invoice. Below is an estimated price, and it is subject to change. You will receive an invoice with the final price upon invoice creation by the publisher.

FILER	FILING FOR
Jo Mcdonough jmcdonough@cityofslt.us (530) 542-6005	Tahoe Daily Tribune

Columns Wide: 1 **Ad Class:** Legals

09/01/2023: Other	94.31
Affidavit flat charge	4.00
Internet Flat Fee Charge	40.00

Subtotal	$125.74
Tax	$0.00
Processing Fee	$12.57
Total	**$138.31**

See Proof on Next Page

LEGAL PUBLICATION

CITY OF SOUTH LAKE TAHOE
SUMMARY OF PROPOSED ORDINANCE

NOTICE IS HEREBY GIVEN that on August 8, 2023, the City of South Lake Tahoe City Council waived first reading, read by title and referred to second reading and adoption at the September 12, 2023, City Council meeting the following ordinance:

"An Ordinance Amending South Lake Tahoe City Code Section 4.25.420 to Establish Angle Parking on the East Side of Ski Run Boulevard from David Lane to Regina Road and to Remove Outdated Angle Parking Areas"

City Attorney's Summary of Ordinance:

"This ordinance would amend the City Code to update areas where angle parking is allowed, adding a portion of the east side of Ski Run Boulevard, removing portions of Ski Run Boulevard that no longer have angle parking, and updating the areas around Harrison Avenue."
A copy of the proposed ordinance in its entirety is available for review in the City Clerk's Office located at 1901 Lisa Maloff Way, South Lake Tahoe, California.

Susan Blankenship
Susan Blankenship
City Clerk
City of South Lake Tahoe
1901 Lisa Maloff Way, Ste 206
South Lake Tahoe, Ca 96150
(530) 542-6005
Published: September 1, 2023

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: September 12, 2023

Agenda Item #: 10

Agenda Item: Hazardous Fuel Reduction Agreement with Mountain Enterprises, Inc.

Executive Summary: The Airport is seeking approval to enter into a Professional Services Agreement with Mountain Enterprises, Inc. for hazardous fuels reduction. The scope of work includes environmental permitting and the project operations include the cutting, removal, and/or rearrangement of fuels to meet the vegetation specifications of the Cal Fire Forest Fire Prevention Exemption. The project will take place on 12.7 acres of airport property. The total amount of this contract will not exceed $136,969.50.

Requested Action / Suggested Motions: Pass a Motion authorizing and directing the City Manager to execute a professional services agreement with Mountain Enterprises, Inc. in an amount not to exceed $136,969.50 for Lake Tahoe Airport Hazardous Fuels Reduction Project

Responsible Staff Member: John Dickinson, Airport Manager

Reviewed and Approved By: Anush Nejad, Director of Public Works Susan Blankenship, City Clerk Olga Tikhomirova, Finance Director Heather Stroud, City Attorney

Attachments:

01 - Staff Report - Airport Fuel Reduction.docx
02 - Mountain Enterprises Agreement.pdf
03 - Mountain Enterprises Bid.pdf

City of South Lake Tahoe
Report to **City Council**

Meeting Date: September 12, 2023

Title: Approval of Professional Services Agreement with Mountain F. Enterprises in the amount of $136,969.50 for the "Lake Tahoe Airport Hazardous Fuels Reduction" Project

Location: City of South Lake Tahoe property, as located at the South Lake Tahoe Airport.

Responsible Staff Member: John Dickinson, Airport Manager (530) 542-6182

Background: The City of South Lake Tahoe is committed to protecting life, property, and the environment from the effects of a catastrophic wildfire. The City's objective is to work closely with experts in resource management to plan, implement, and support fuel reduction and forest restoration projects. By preparing for the threat of a catastrophic wildfire, the City looks to create an Fire Adapted Community (FAC) as described in the Lake Tahoe Community Wildfire Protection Plan (CWPP). In support of this objective, the City pursued and received funding through the USDA Forest Service Lake Tahoe Basin Management Unit to support fuel reduction efforts on the Lake Tahoe Airport Hazardous Fuels Reduction project.

Issue and Discussion: The Airport desires to enter an agreement with a competitively selected contractor, Mountain F. Enterprises Inc., not exceeding $136,969.50 to provide hazardous fuels reduction work on the Lake Tahoe Airport Hazardous Fuels Reduction project. Services will include mechanical cutting and vegetation removal based on feasible entry of mechanical equipment and available merchantable timber. The project area, located at the Airport, consists of approximately 12.7 acres, as showcased in the attached treatment area map.

Responsible state land managers and the City will perform all planning and permitting acquisition and serve as project management to the project. Each unit has specific operational plans, specifications, and treatment prescriptions, as outlined in a Vegetation Management Plan included in the RFP and agreement. All timber operations shall comply with the CA Forest Practice Rules and 14 CCR 1038.3, Forest Fire Prevention Exemption.

The RFP-solicitation process was compliant and per City policies and federal funding award terms and regulations. An RFP was posted on Planet Bids on July 10, 2023. Four proposals were received on August 4, 2023, and reviewed by a panel of four evaluators comprised of staff from the Airport, the Fire Department, the Finance Department, and an independent forester. Proposals were reviewed for responsiveness and evaluated on proposal content requirements based on weighted points criteria. Mountain F. Enterprises scored the highest points and was ranked #1. Upon approval of the contract award, Mountain F. Enterprises, Inc. can commence services before the end of the 2023 season and further fuel reduction efforts in the City.

Financial Implications: Available funds for this contract are currently appropriated in the Airport budget through previously awarded USFS grant funding in the amount of $200,000 for Airport Hazardous Fuel Reduction. Funds are available in account number 501 80041 42020 Airport Vegetation Management, Professional Services. The City will follow all federal regulations, OMB circulars, and USFS grant terms and conditions to ensure the highest degree of compliance for full reimbursement of expenses for this project.

Environmental Considerations: The Forest Practice Act's regulatory scheme has been certified for exemption from CEQA's requirements for preparation of an Environmental Impact Report. A Timber Harvest Plan in Title 14 of the California Code of Regulations is functionally equivalent to an Environmental Impact Report under the California Environmental Quality Act under Public Resources Code section 21080.5. Because the subject area is within a Fire Hazard Severity Zone Map, it is subject to the forest fire prevention exemption in California Code of Regulations, Title 14, section 1038.3, from the requirement to prepare a Timber Harvest Plan. This exemption is being submitted to Cal Fire for review and approval. The project will require a Tahoe Basin Tree Removal Permit or be conducted under a valid TRPA Memorandum of Understanding under Section 1038.3(n). No work will begin until all environmental permitting is complete.

Policy Implications: Approval of this contract will allow the City to meet the goals of fuel reduction and vegetation management around the airport.

CITY OF SOUTH LAKE TAHOE

PROFESSIONAL SERVICES AGREEMENT

This Agreement is made and entered into as of the 12th day of September 2023 by and between the **City of South Lake Tahoe**, a municipal corporation ("City") and **Mountain F. Enterprises, Inc.** ("Consultant").

RECITALS

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

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

C. City desires to retain Consultant to render professional services as set forth in this Agreement.

AGREEMENT

1. Scope of Services. Consultant shall perform the services set forth in this agreement and shall provide said services at the time, place, and in the manner specified in this agreement. Consultant shall have no power or authority by this Agreement to bind City in any respect.

   The Consultant agrees that it has satisfied itself by its own investigation and research regarding the conditions affecting the work to be done and labor and materials needed, and that its decision to execute this Contract is based on such independent investigation and research.

   All services provided by Consultant pursuant to this Agreement will be provided in accordance with the terms set forth in the **Exhibit A, "Scope of Services,"** attached hereto and incorporated herein by reference. **Exhibit B, "Compensation Schedule,"** attached hereto and incorporated herein by reference, outlines the fees and compensation which shall be paid pursuant to this Agreement.

2. Term/Time of Performance. The services by Consultant are to commence upon the execution of the Agreement and continue for one year.

3. Compensation. Compensation to be paid to Consultant shall be in accordance with the Schedule set forth in **Exhibit B** which is attached hereto and incorporated herein by reference. In no event shall Consultant's compensation, including travel and out-of-pocket expenses, exceed **$136,969.50** without additional written authorization from City. Payment by City under this Agreement shall not be deemed a waiver of defects, even if such defects were known to City at the time of payment. Payment is contingent upon compliance with all terms and conditions of this Agreement, as set forth herein. Consultant shall obtain prior written authorization from the City Project Manager for any costs in excess of budgeted amounts for each line item, task, or obligation under the Scope of Services.

4. Prevailing Wages Required. Pursuant to the provisions of California Labor Code, Sections 1770 to 1780, inclusive thereof, Consultant, and any subcontractor, of any tier, shall pay not less than the prevailing rate of per diem wages as determined by the Director of the California Department of Industrial Relations. Consultant must comply with all applicable requirements of the California Labor Code, including, without limitation, all requirements set forth in Division 2, Part 7, Chapter 1. Attention is specifically directed to the following sections of the California Labor Code: Prevailing Wage Requirements (§§ 1771.5 and 1776); Apprentices (§1777.5); Working Hours (§§ 1810 to 1815); Workers' Compensation (§ 1860); and Protection of Workers in Trench Excavations (§§ 6705 and 6707). In accordance with Labor Code section 1771.5, that the Project is subject to monitoring and enforcement by the Department of Industrial Relations pursuant to 8 Cal. Code Reg. §§16450 through 16464, including the obligation to furnish certified payroll records directly to the Division of Labor Standards Enforcement's Compliance Monitoring Unit (CMU), using the CMU's electronic certified payroll reporting (eCPR) system.

   Pursuant to the provisions of California Labor Code Section 1773.2, Consultant is hereby advised that copies of the prevailing rate of per diem wages and a general prevailing rate for holidays, Saturdays and Sundays and overtime work in the locality in which the Work is to be performed for each craft, classification, or type of worker required to execute the Agreement, are on file in the City's office. Consultant agrees that not less than said prevailing rates shall be paid to workers employed on this public works contract as required by Labor Code Section 1774. These rate determinations are found on the State of California Department of Industrial Relations' website at: http://www.dir.ca.gov/dlsr/DPreWageDetermination.htm.

Pursuant to the provisions of California Labor Code Section 1813, Consultant or subcontractor shall, as a penalty to the state or political subdivision on whose behalf the contract is made or awarded, forfeit twenty-five dollars ($25) for each worker employed in the execution of the Agreement by the respective Consultant or subcontractor for each calendar day during which the worker is required or permitted to work more than 8 hours in any one calendar day and 40 hours in any one calendar week in violation of the provisions of this article. In awarding any contract for public work, the awarding body shall cause to be inserted in the contract a stipulation to this effect. The awarding body shall take cognizance of all violations of this article committed in the course of the execution of the contract and shall report them to the Division of Labor Standards Enforcement.

5. Method of Payment. Consultant shall submit monthly billings to City describing the work performed during the preceding month. Consultant's bills shall include a brief description of the services performed, the date the services were performed, the number of hours spent and by whom, the applicable hourly rate, and a description of any reimbursable expenditures. City shall pay Consultant no later than 30 days after approval of the monthly invoice by City staff.

6. Extra Work. At any time during the term of this Agreement, City may request that Consultant perform extra work. As used herein, "Extra Work" means any work which is determined by City to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, extra work without prior written authorization from City.

7. Termination. This Agreement may be terminated by City or Consultant immediately for cause or without cause upon thirty days (30) days written notice of termination. Upon termination, Consultant shall be entitled to compensation for services performed up to the effective date of termination, and City shall be entitled to all work performed to that date.

   Termination, revocation, or expiration of this Agreement shall not release either party from liability resulting from an event which occurred prior to such termination, revocation or expiration.

8. Ownership of Documents.
All plans, studies, documents and other writings, including working notes and internal documents, prepared by and for Consultant, its officers, employees and agents and subcontractors in the course of implementing this Agreement, shall become the property of City upon payment to Consultant for such work, and City shall have the sole right to use such materials in its discretion without further compensation to Consultant or to any other party. Consultant shall, at Consultant's expense, provide such reports, plans, studies, documents and other writings to City upon written request. All documents prepared by Consultant are confidential and shall be maintained to preserve their confidential nature. Release of any such documents to third parties shall only be made upon written consent of City.

9. Consultant's Books and Records.

a. Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services, or expenditures and disbursements charged to City for a minimum period of three (3) years, or for any longer period required by law or funding agreements (Exhibit F), from the date of final payment to Consultant for services provided pursuant to this Agreement.

b. Consultant shall maintain all documents and records which demonstrate performance under this Agreement for a minimum period of three (3) years, or for any longer period required by law or funding agreements (Exhibit F), from records shall be available at Consultant's address indicated for the date of termination or completion of this Agreement.

c. Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit, at any time during regular business hours, upon written request by the City Manager, City Attorney, City Auditor or a designated representative of these officers. Copies of such documents shall be provided to City for inspection at City offices when it is practical to do so. Otherwise, unless an alternative is mutually agreed upon, the receipt of notices in this Agreement.

d. Where City has reason to believe that such records or documents may be lost or discarded due to dissolution, disbandment or

termination of Consultant's business, City may, by written request by any of the above-named officers, require that custody of the records be given to City and that the records and documents be maintained at City offices. Access to such records and documents shall be granted to any party authorized by Consultant, Consultant's representatives, or Consultant's successor-in-interest.

10. Independent Contractor. It is understood that Consultant, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and shall not act as an agent or employee of City. Consultant shall obtain no rights to retirement benefits or other benefits which accrue to City's employees, and Consultant hereby expressly waives any claim it may have to any such rights. All employees, agents, contractors or subcontractors hired or retained by Consultant are employees, agents, contractors or subcontractors of Consultant and not of the City.

City is not required to make any deductions or withholdings form the compensation payable to Consultant under the provisions of this Contract, and is not required to issue W-2 Forms for income and employment tax purposes for any of Consultant's assigned personnel. Any third party persons employed by Consultant shall be entirely and exclusively under the direction, supervision, and control of Consultant. Consultant hereby indemnifies and holds City harmless from any and all claims that may be made against City based upon any contention by any third party that an employer-employee relationship exists by reason of this Contract.

11. Interest of Consultant. Consultant, (and principals, associates and professional employees of consultant) covenants and represents that it does not now have any investment or interest in real property and shall not acquire any interest, direct or indirect, in the area covered by this Agreement or any other source of income, interest in real property or investment which would be affected in any manner or degree by the performance of Consultant's services hereunder. Consultant further covenants and represents that in the performance of its duties hereunder no person having any such interest shall perform any services under this Agreement.

Consultant is not a designated employee within the meaning of the Political Reform Act because Consultant:

a. Will conduct research and arrive at conclusions with respect to his/her rendition of information, advice, recommendation or counsel

independent of the control and direction of City or of any City official, other than normal agreement monitoring; and,

b. Possesses no authority with respect to any city decision beyond rendition of information, advice, recommendation or counsel. [FPPC Reg. 18700(a)(2)].

12. Professional Ability of Consultant. City has relied upon the professional training and ability of Consultant to perform the services hereunder as a material inducement to enter into this Agreement. Consultant shall therefore provide properly skilled professional and technical personnel to perform all services under this Agreement. All work performed by Consultant under this Agreement shall be in accordance with applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent professionals in Consultant's field of expertise.

13. Compliance with Laws. Consultant shall comply with all applicable federal, state, regional and local laws, codes, ordinances and regulations in carrying out his/her duties under this Agreement. Consultant shall observe and comply with all applicable laws, ordinances, regulations and codes of federal, state and local governments, and shall commit no trespass on any public or private property in performing any of the work authorized by this Agreement. The City, its officials, officers, elected officials, appointed officials and employees shall not be liable at law or in equity as a result of any failure of Consultant to comply with this section.

14. Licenses. Consultant represents and warrants to City that it has all licenses, permits, qualifications, insurance and approvals of whatsoever nature which are legally required of Consultant to practice its profession. Consultant represents and warrants to City that Consultant shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, insurance and approvals which are legally required of Consultant to practice its profession. Consultant shall maintain a City of South Lake Tahoe business license at all times services are performed under this Agreement. Consultant acknowledges that payments made pursuant to this Agreement may be withheld until this provision has been satisfied.

15. Indemnity. Consultant hereby agrees to and shall indemnify and hold harmless City, its elected and appointed boards, officers, agents, employees and volunteers from and against any liability for any and all claims, demands, actions, losses, damages and injuries, direct or indirect (including any and all costs and expenses in connection therein), arising out of this Agreement or caused in any way by Consultant's negligent performance of this Agreement

or its breach of its obligations contained in this Agreement, except for any such claims arising out of the negligence or willful misconduct of the City. Consultant agrees to defend City from and against any and all losses, damages, claims costs and fees arising out Consultant's negligent acts, errors, omissions, regarding this Agreement, the Consultant's work under this Agreement, or the consultant's Scope of Work.

City does not, and shall not, waive any rights against Consultant which it may have by reason of the aforesaid hold harmless agreement, because of the acceptance by City, or the deposit with City by Consultant, of any of the insurance policies hereinafter set forth.

This hold harmless agreement by Consultant shall apply to all damages and claims for damages, or alleged to have been suffered, by reason of any of the aforesaid operation of Consultant or any subcontractor, regardless of whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

Consultant further waives any and all rights to any type of express or implied indemnity or right of contribution from the City for any liability, claims, demands, costs, charges and expenses and causes of action of whatsoever arising out of or in any way connected with this Agreement, and consultant's work under this Agreement.

16. Insurance Requirements.

a. Consultant, at Consultant's own cost and expense, shall procure and maintain, for the duration of the contract, the following insurance policies.

i. Workers' Compensation Coverage. Consultant shall maintain Workers' Compensation Insurance and Employer's Liability Insurance for his/her employees in accordance with the laws of the State of California. In addition, Consultant shall require each subcontractor to similarly maintain Workers' Compensation Insurance and Employer's Liability Insurance in accordance with the laws of the State of California for all of the subcontractor's employees. Any notice of cancellation of all Workers' Compensation policies must be received by City at least thirty (30) days prior to such change. Consultant shall provide thirty (30) days written notice of nonrenewal of any

Workers' Compensation policies. The insurer shall agree to waive all rights of subrogation against City, its officers, agents, employees and volunteers for losses arising from work performed by Consultant for City.

ii. Commercial General Liability Coverage. Consultant shall maintain commercial general liability insurance no less broad than ISO form CG 00 01 in an amount not less than one million dollars ($1,000,000) per occurrence for bodily injury, personal injury and property damage. Coverage must be made on the standard Occurrence form. Claims-Made forms are not acceptable without prior written consent of City. City of South Lake Tahoe must be endorsed as an additional insured for liability arising out of ongoing operation by on behalf of Consultant. If a commercial general liability insurance form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit.

iii. Automobile Liability Coverage. Consultant shall maintain automobile liability insurance covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with the work to be performed under this Agreement, including coverage for owned, hired and non-owned vehicles, in an amount of not less than one million dollars ($1,000,000) combined single limit for each occurrence.

iv. Professional Liability Coverage. Consultant shall maintain professional errors and omissions liability insurance for protection against claims alleging negligent acts, errors or omissions which may arise from Consultant or by its employees, or subcontractors. The amount of this insurance shall not be less than one million dollars ($1,000,000) on a claims-made annual aggregate basis, or a combined single-limit per occurrence basis.

b. Endorsements. Each general liability and automobile liability insurance policy shall be with insurers possessing a AM Best's rating of

no less than A:VII and shall be endorsed with the following specific language:

i. City, its elected or appointed officers, officials, employees, agents and volunteers are to be covered as additional insured's under Consultant's General Liability and Automobile Liability policies with respect to liability arising out of this Agreement and/or work performed by or on behalf of the Consultant, including materials, parts or equipment furnished in connection with such work or operations.

ii. This policy shall be considered primary insurance as respects City, its elected or appointed officers, officials, employees, agents and volunteers. Any insurance maintained by City, including any self-insured retention City may have, shall be considered excess insurance only and shall not contribute with it.

iii. This insurance shall act for each insured and additional insured as though a separate policy had been written for each, except with respect to the limits of liability of the insuring Consultant.

iv. The insurer waives all rights of subrogation against City except for Consultant's Professional Liability and Employers' Liability policies, its elected or appointed officers, officials, employees or agents.

v. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to City, its elected or appointed officers, officials, employees, agents or volunteers.

vi. No policies of insurance carried by Consultant shall be suspended, voided, canceled, or changed in coverage or in limits except after thirty (30) days written notice to the City Attorney by Certified Mail.

c. Deductibles and Self-Insured Retentions. The Consultant shall be responsible for all deductibles in all of Consultant's insurance policies. The amount of deductibles for insurance coverage required herein shall be reasonable and approved by the City Attorney.

d. Certificates of Insurance. Consultant shall provide certificates of insurance with original endorsements to City as evidence of the insurance coverage required herein. Consultant shall not commence work under this contract until all insurance required under this section has been approved by City as to form, amount and carrier, nor shall Consultant allow any subcontractor to commence work on any subcontract until all similar insurance required and reasonably consistent limits of the subcontractor has been so obtained and approved. Certificates of insurance shall contain no exclusions unless negotiated with the City Attorney and approved, in writing, by the City Attorney.

17. Notices. Any notice required to be given under this Agreement shall be in writing and either served personally or sent prepaid, first class mail. Any such notice shall be addressed to the other party at the address set forth below. Notice shall be deemed communicated within 48 hours from the time of mailing if mailed as provided in this section.

If to City: City of South Lake Tahoe
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150

Provide a copy to: City Attorney's Office
City of South Lake Tahoe
1901 Lisa Maloff Way, Suite 300
South Lake Tahoe, CA 96150

If to Consultant: Jim Finney
Mountain F. Enterprise
950 Iron Point Rd. Suite 210
Folsom, CA 95630

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

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

20. Dispute Resolution. Any dispute concerning this Agreement will be first submitted to the City Manager or his designee for resolution. If no resolution is reached, such dispute shall be submitted to the City Council. The decision of the City Council shall be final and shall be appealable only to the El Dorado Superior Court pursuant to California Code of Civil Procedure §1094.5, and as provided by law.

21. Controlling Law Venue. This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in the Superior Courts in the County of El Dorado, South Lake Tahoe Division.

22. Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any Consultant or person, other than the independent contractors hired in accordance with Consultant's standard business practice, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any Consultant or person, other than a bona fide employee working solely for Consultant or an independent contractor hired as discussed above, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

23. Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, disability, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Consultant shall also comply with all relevant provisions of City's Minority Business Enterprise program, Affirmative Action Plan, or other related programs or guidelines currently in effect or hereinafter enacted.

24. Drug-Free Workplace Certification. By signing this Agreement, Consultant hereby certifies under penalty of perjury under the laws of the State of California that the Consultant will comply with the requirements of the Drug-

Free Workplace Act of 1990 (Government Code Section 8350, et seq.) and will provide a drug-free work place by taking the following actions:

a. Publish a statement notifying employees that unlawful manufacture, distribution dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8355 (a).

b. Establish a Drug-Free Awareness Program as required by Government Code Section 8355(b) to inform employees about all of the following:

   i. The dangers of drug abuse in the workplace;
   ii. The person's or organization's policy of maintaining a drug-free workplace;
   iii. Any available counseling, rehabilitation and employee assistance program; and
   iv. Penalties that may be imposed upon employees for drug abuse violations.

c. Provide, as required by Government Code Section 8355(c), that every employee who performs grant activities under this Agreement:

   i. Will receive a copy of the Consultant's drug-free policy statement; and
   ii. Will agree to abide by the terms of the Consultant's statement as a condition of employment on this Agreement.

Failure to comply with these requirements may result in suspension of payments under this Agreement or termination of the Agreement, or both, and Consultant may be ineligible for award of any future City agreements if City determines that any of the following has occurred: the Consultant (1) has made false certification, or (2) violates the certification by failing to carry out the requirements as noted above.

25. Anti-Lobbying Certification. Consultant shall submit to City the Anti-Lobbying Certification contained in **Exhibit C**. Further, Consultant shall require that the language of the certification in **Exhibit C** be included in all contracts or subcontracts entered into in connection with this Agreement and that all Consultants and contractors shall certify and disclose accordingly.

26. Debarment, Suspension, Ineligibility and Voluntary Exclusion. By signing this Agreement, Consultant assures that neither it nor its principals, is presently debarred, suspended, proposed for debarment, declared ineligible, or

voluntarily excluded from participating in covered transactions by any Federal department or agency.

27. Americans with Disabilities Act. By signing this Agreement, Consultant assures the City that it complies with the American with Disabilities Act (ADA) of 1990, (42 U.S.C. 12101, et. seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to ADA.

28. Amendments. This Agreement may be modified or amended only by a written document executed by both Consultant and City and approved as to form by the City Attorney.

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

30. Entire Agreement. This Agreement constitutes the complete and exclusive statement of Agreement between City and Consultant. All prior written and oral communications, including correspondence, drafts, memoranda, and representations, are superseded in total by this Agreement.

31. Execution. This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument and shall become binding upon the parties when at least one copy hereof shall have been signed by both parties hereto. In approving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

32. Time is of the Essence. Time is of the essence for this Agreement.

33. Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and to bind each respective party.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first written above.

CITY OF SOUTH LAKE TAHOE:

By_____

City Manager

Date _____

CONSULTANT:

By _____

Jim Finney, Project Manager

Date _____

Business License # _____

APPROVED AS TO FORM:

By_____

City Attorney

Date _____

ATTEST:

By_____

City Clerk

Date _____

Attachments:

Exhibit A – Scope of Services
Exhibit B – Compensation Schedule
Exhibit C- Anti-Lobbying Certification
Exhibit D - COI
Exhibit E – Vegetation Management Plan
Exhibit F – Cal Fire Forest Fire Prevention Exemption
Exhibit G – USDA, Forest Service – Lake Tahoe Basin Management Unit – Agreement #21-PA-11051900-016

EXHIBIT A

SCOPE OF SERVICES

The Consultant will provide hazardous fuels reduction services in the City and consistent to the "Lake Tahoe Airport Hazardous Fuels Reduction" project (Exhibit D, Exhibit E, Exhibit F) during the 2023 operational season. Services will include mechanical cutting and removal of vegetation, based on feasible entry of mechanical equipment and available merchantable timber. The project area consists of a total of approximately 12.7 acres. Responsible state land managers and the City of South Lake Tahoe will perform all planning and permitting acquisition, as well as serve as project management. Each unit has specific operational plans, specifications and treatment prescriptions. Specific project details are outlined in the Vegetation Management Plan (Exhibit D) and all timber operations shall be compliant with the CA Forest Practice Rules and 14 CCR 1038.3, Forest Fire Prevention Exemption.

Project Requirements:

When completed, all requirements for the Vegetation Management Plan (Exhibit D), including special contract requirements not contained in the master contract, will be included in the information furnished to the Contractor with the request for proposal.

Representatives and Certifications during the Contract Performance Period:

Over the period of the contract and any extensions, if there are any changes to the Certifications and Representations submitted by the contractor at the time of award, the contractor shall notify the City of South Lake Tahoe of the changes in writing within 10 days of their occurrence.

EXHIBIT B

SCHEDULE OF CHARGES AND TIMELINE

BUDGET

Estimated fees (not to exceed)	**$136,969.50**
Price per Unit:	**$10,785.00**
Travel and out-of-pocket expenses	**$nil**
(travel is included in the TOTAL (not to exceed amount))	
TOTAL (not to exceed)	**$136,969.50**

TIMELINE

Project start date, ***pending permitting****	**September 12, 2023**
Project end date	**September 12, 2024**

EXHIBIT C

ANTI-LOBBYING CERTIFICATION

Consultant shall submit to City this certification prior to or at the time of the execution of this Agreement.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U. S. Code. Any person who fails to file the required certification shall be subject to a civil penalty not less than $10,000 and no more than $100,000 for such failure.

The undersigned certifies, to the best of his or her knowledge or belief, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement; and

2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instruction.

Consultant:
Jim Finney, Project Manager

By:_____

EXHIBIT D

Certificate of Insurance

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 8/22/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Arthur J. Gallagher Risk Management Services, LLC
419 Flint Street
Reno NV 89501

CONTACT NAME: Vicki Vanderberg
PHONE (A/C, No, Ext): 775-419-0773 **FAX (A/C, No):** 805-545-8224
E-MAIL ADDRESS: Vicki_Vanderberg@ajg.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Houston Specialty Insurance Company	12936
INSURER B : Imperium Insurance Company	35408
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED MOUNFEN-04
Mountain F Enterprises, Inc
950 Iron Point Road, Suite 210
Folsom, CA 95630

COVERAGES **CERTIFICATE NUMBER:** 536205090 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X **COMMERCIAL GENERAL LIABILITY**			ECAP1-HS-GL-000076-04	6/1/2023	6/1/2024	EACH OCCURRENCE	$ 1,000,000
	CLAIMS-MADE X OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 100,000
							MED EXP (Any one person)	$ 5,000
							PERSONAL & ADV INJURY	$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$ 2,000,000
	X POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$ 2,000,000
	OTHER:							$
B	**AUTOMOBILE LIABILITY**			ECAP1-IIC-CA-000076-04	6/1/2023	6/1/2024	COMBINED SINGLE LIMIT (Ea accident)	$ 1,000,000
	X ANY AUTO						BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	X HIRED AUTOS ONLY / X NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
A	**UMBRELLA LIAB** X OCCUR			ECAP1-HS-CX-000076-04	6/1/2023	6/1/2024	EACH OCCURRENCE	$ 4,000,000
	X **EXCESS LIAB** CLAIMS-MADE						AGGREGATE	$ 4,000,000
	DED X RETENTION $ 0							$
B	**WORKERS COMPENSATION AND EMPLOYERS' LIABILITY** Y / N	N / A		ECAP1-IIC-WC-000076-04	6/1/2023	6/1/2024	X PER STATUTE / OTH-ER	
	ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? **(Mandatory in NH)** If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. EACH ACCIDENT	$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Evidence of Coverage

CERTIFICATE HOLDER

The City of South Lake Tahoe
1052 Tata Ln
South Lake Tahoe CA 96150

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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EXHIBIT E

VEGETATION MANGEMENT PLAN

VEGETATION MANAGEMENT PLAN

General Description

The City of South Lake Tahoe will complete approximately 18.5 acres of hazardous fuel reduction located on land owned by the City of South Lake Tahoe. The unit is located within the vicinity of the South Lake Tahoe Airport; a high threat exists of wildland fire damage to both this important community infrastructure from the adjacent wildland due to a fire ignited from within the community or vice-versa. The goal of this Project is to reduce the risk of catastrophic wildfire within the Wildland Urban Interface ("WUI"). This goal will be achieved by reducing the horizontal and vertical continuity of forest fuels, and will allow for effective fire suppression activities as well as offer increased protection to life, property and the natural environment. Positive impacts to forest health can also be expected as inter-tree competition will be reduced, supporting increased vigor and growth rates for residual conifers, thereby reducing damage from agents such as insect and disease. With this increase in forest health comes an increase in fire resiliency; as the post-treatment stand will be dominated by larger, more fire tolerant trees more capable of surviving a wildfire event.

The overall goal of the proposed fuel treatment is to lower fire intensity and create a defense zone where firefighters can safely but aggressively achieve control of an advancing fire. By reducing fuel volume, disrupting fuel continuity, removing ladder fuels, and altering fuel composition; the intensity of the fire can be reduced resulting in shorter flame lengths, slower rates of spread, and flames burning surface fuels rather than spreading through tree crowns. Keeping fire on the surface also reduces the production of airborne embers and firebrands, the major source of spot fires and home ignition. While protecting community homes and lives is the paramount justification for creating the fuel break, the established defense zone also protects the surrounding property and watersheds from fire that may start in and spread from the community. The treatment of fuels at the Lake Tahoe Airport represents the final phase Airport projects hazardous fuels reduction projects.

Project Location

The Lake Tahoe Airport project is located at 1901 Airport Road in the City of South Lake Tahoe, California. More specifically, the fuel treatment unit is located to the west of the airport landing strip between the airport landing strip and Highway 89; Township 12 North, Range 18 East, Sections 9 and 16.

Project Timeframe of Operations

September 13, 2023 – October 15, 2023 Mechanical Treatment unit 1

Fuel Treatment Units

The proposed project contains a single unit of 18.5 net acres.

Maps attached to this Vegetation Management Plan outline the general location of the project area as well as unit specific maps.

1. **Unit 1**

   Location

   East of Hwy 89 at the Lake Tahoe Airport.

   Fuel Type

   Small diameter Jeffrey pine and Lodgepole pine with an average stand diameter of 9.4 inches. Bitterbrush and sagebrush scattered throughout the understory.

   Fuel Treatment

   Cutting and removal of merchantable timber, creating 20 foot spacing between healthy trees. Smaller diameter material to be masticated and spread on-site, or cut and removed via whole tree chipping. Wood chip should not exceed 3 inches in depth.

   Access

   Access for Unit 1 is provided through the Lake Tahoe Airport parking lot, Airport Road, and Kyburz Avenue.

Acres Treated by Combination of Hand Crew and Mastication	0
Acres Treated by Direct Thinning with Follow-Up Mastication	18.5
Acres Treated Total	18.5

EXHIBIT E

CAL FIRE FOREST FIRE PREVENTION EXEMPTION

FOREST FIRE PREVENTION

STATE OF CALIFORNIA, DEPARTMENT OF FORESTRY AND FIRE PROTECTION
NOTICE OF TIMBER OPERATIONS THAT ARE EXEMPT
FROM TIMBER HARVESTING PLAN REQUIREMENTS RM-73 (1038.3) (03/2019)

VALID FOR ONE YEAR FROM DATE OF RECEIPT BY CAL FIRE

FOR ADMIN. USE ONLY

EX. # _____

Date of Receipt _____

Date Validated by CAL FIRE _____

Date Expires _____

The Director of the Department of Forestry and Fire Protection (CAL FIRE) is hereby notified of timber operations under the requirements of 14 CCR § 1038.3 for the purpose of cutting and removing of trees to eliminate the vertical continuity of vegetative fuels and the horizontal continuity of tree crowns for the purpose of reducing flammable materials to reduce fire spread, duration, and intensity, fuel ignitability, or ignition of tree crowns.

NOTE:

- Notice of Exemption SHALL only be used on Timberlands that are within the most recent version of the Departments Fire Hazard Severity Zone Map, located at the Departments website at: https://osfm.fire.ca.gov/divisions/wildfire-prevention-planning-engineering/wildland-hazards-building-codes/fire-hazard-severity-zones-maps/ that shows the exemption will occur in areas determined to be moderate, high, or very high fire threat. 14 CCR § 1038.3(b)
- Harvest Area shall not exceed three-hundred (300) acres. 14 CCR § 1038.3(c)
- Only trees less than 30 inches outside bark stump diameter 8 inches above ground level may be harvested. 14 CCR § 1038.3(h)
- Road Construction and Reconstruction:
  - No tree larger than 36 inches in diameter at stump height, measured 8 inches above ground level, may be removed for the purpose of road construction or reconstruction. 14 CCR § 1038.3(e)(5)(F)
  - Trees between 30 and 36 inches in stump diameter at stump height, measured 8 inches above the ground may be removed for the purpose of road construction and reconstruction, WHEN NO OTHER FEASIBLE OPTION EXISTS FOR ROAD ACTIVITIES. 14 CCR § 1038.3(e)(5)(F)

Timber Operations pursuant to the notice of exemption may not commence for ten (10) working days from the date of the Directors receipt of the notice unless this delay is waived by the director. If the Director does not act within ten (10) working days of receipt of the notice of exemption, Timber Operations may commence. 14 CCR § 1038.3(s)(4)

REGISTERED PROFESSIONAL FORESTER (RPF) CERTIFICATION:

- In the professional judgement of the RPF the post-harvest slash treatment and stand conditions will lead to more moderate fire behavior. 14 CCR § 1038.3(s)(2)(B)
- RPF is certifying that the level of residual stocking SHALL be consistent with maximum sustained production of high-quality timber products. 14 CCR § 1038.3(s)(3)(A)
- RPF affirms that the construction or reconstruction of Temporary Roads is necessary to provide access to Harvest Areas when no other feasible alternatives exist. 14 CCR § 1038.3(s)(3)(B)

The Notice of Exemption SHALL be prepared, signed and submitted by a RPF. The RPF SHALL be retained to oversee all construction of Roads and Landings, and provide for necessary mitigation to avoid potential impacts. 14 CCR § 1038.3(s)

1. REGISTERED PROFESSIONAL FORESTER: Name: Danielle E. Bradfield RPF #: 2808

Address PO Box 1411

City Quincy State CA Zip 95971 Phone (530) 927-7095

Signature: _____ Date: _____

EMAIL: (optional) _____

Per 14 CCR 1038.3(f) The RPF responsible for submission of the Notice of Exemption shall designate Temporary Road locations, Landing locations, Tractor Road crossings of Class III Watercourses, Unstable Areas, or Connected Headwall Swales on the ground prior to submission of the notice of exemption.

Per 14 CCR 1038.3(m) the RPF shall comply with 14 CCR 1035.2 relating to the interaction between LTO and RPF. After approval of the Plan preparation process but before commencement of Timber Operations by each LTO assigned to the Plan, the responsible RPF or Supervised Designee, shall meet with either the LTO, or their representative, who will be on the ground and directly responsible for Timber Operation. The purpose of the meeting shall be for the RPF to familiarize the LTO with the Plan, the Plan area, and specific applicable requirements of the Plan. The meeting shall be on-site if requested by either the RPF or LTO. An on-site meeting is required between the RPF or supervised designee familiar with on-site conditions and LTO to discuss protection of any archaeological or historical sites requiring protection if any such sites exist within the Site Survey Area pursuant to Section 929.2[949.2,969.2](b).

2. LICENSED TIMBER OPERATOR(S): Name: TBD Lic #: _____

Address _____

City _____ State _____ Zip _____ Phone _____

EMAIL: (optional) _____

3. TIMBERLAND OWNER(S) OF RECORD: Name: City of South Lake Tahoe

Address 1052 Tata Ln

City South Lake Tahoe State CA Zip 96150 Phone 530-542-6182

EMAIL: (optional) _____

I certify, under penalty of perjury, that I have read and understand the information on this form and that I am the Timberland Owner of record.

Signature: _____ Date: _____

4. TIMBER OWNER(S) OF RECORD: Name City of South Lake Tahoe

Address 1052 Tata Ln

City South Lake Tahoe State CA Zip 96150 Phone 530-542-6182

EMAIL: (optional) _____

TIMBER TAX NOTICE: The TIMBER OWNER is responsible for payment of a yield tax.

For timber yield tax information or for assistance with these questions call 1-800-400-7115, or write: Timber Tax Section, MIC: 60, California Department of Tax and Fee Administration, P.O. Box 942879, Sacramento, CA 94279-0060; or see the CDTFA Web Page on the Internet http://www.cdtfa.ca.gov.

TIMBER TAX INFORMATION: Some small or low value harvests may be exempt from the timber yield tax (Revenue and Taxation Code sec. 38116)

Timber Owners may be considered exempt if the value of the harvesting operations does not exceed $3,000 dollars within a quarter, according to CDTFA Harvest Value Schedules, Rule 1024.

IF THE TIMBER OWNER BELIEVES HARVESTING MAY BE EXEMPT (see timber tax exemption language above for low value harvests) PLEASE CHECK BELOW:

FINAL DETERMINATION of tax exempt status will be made by the Timber Tax Section of the California Department of Tax and Fees Administration. If you think you are exempt based on the directions above please complete the below information so the Timber Tax Section can make the final determination.

IF YOU WOULD LIKE CDTFA TIMBER TAX SECTION TO CONSIDER A TAX EXEMPTION BASED ON PROJECTED HARVEST PLEASE COMPLETE THE INFORMATION BELOW.

A. Circle/Check the option that most closely estimates the total volume for this harvest, in thousands of board feet (mbf - Net Scribner short log):

Under 8 mbf 8-15 mbf (16-25 mbf) Over 25 mbf

B. Estimate what percentage of timber will be removed during this harvest: (percentages provided should equal 100%)

	%		%		%		%
Redwood		Ponderosa/Sugar Pine	51	Douglas-Fir		Fir	1
Cedar		Port-Orford Cedar		Other Conifer	48	Other Hardwoods	

C. Fuelwood over 150 cords? Yes ☐ No ☑ D. Christmas trees over 3,000 lineal feet? Yes ☐ No ☑

5. 14 CCR § 1038.1(c)(12) NO timber harvesting is permitted within the standard width of a Watercourse or Lake Protection Zone (WLPZ) per 14 CCR § 916.4 [936.4, 956.4](b) (exceptions apply - see below) or within a WLPZ in a watershed identified as Anadromous Salmonids Planning watersheds (ASP) per 14 CCR § 916.9 [936.9, 956.9](s), unless the harvesting in an ASP WLPZ is recommended in writing by CDFW to address specifically identified forest conditions, 14 CCR § 916.9(s)(6) (optional)

Two exceptions permitted in WLPZs outside of an ASP watershed:

(Please indicate below if trees meeting the exception identified below are anticipated to be harvested. (If not, then leave blank)

- ☐ SANITATION-SALVAGE harvesting per 14 CCR § 913.3 [933.3, 953.3] or
- ☑ for the removal of DEAD or DYING trees per 14 CCR § 916.4 [936.4, 956.4](b)

Exception in WLPZ of ASP Watersheds

- Will harvesting occur within a WLPZ of an ASP watershed based on written recommendation from CDFW? Yes ☐ No ☑

If YES then provide a copy of the written recommendation from CDFW identifying the specific reason for the recommended harvesting.

NOTE: Trees to be harvested shall be marked by a RPF or a supervised designee of the RPF, PRIOR TO TIMBER OPERATIONS.

6. 14 CCR § 1038.3(p) No Timber Operations on any site that satisfies the criteria listed in 14 CCR § 895.1 for a Significant Archaeological or Historical Site (information on some of these sites may be available from the Information Centers of the California Historical Resources Information System within the Department of Parks and Recreation):

Per 14 CCR § 1038.3(o) upon submission of the Notice of Exemption, a Confidential Archaeological Letter pursuant to 14 CCR § 929.1[949.1, 969.1] must be provided to the Director.

Per 14 CCR § 1038.3(o) upon submission of the Notice of Exemption the RPF shall send a copy of the Notice of Exemption to the current list of Native Americans as defined in 14 CCR § 895.1.
Has the RPF sent a copy of the Notice of Exemption to the Native Americans on the current Contact List as defined in 14 CCR § 895.1? (required)

☑ YES ☐ NO

DATE Notice of Exemption was mailed: _____

If 'NO" Do not submit Notice of Exemption until the notice has been sent to the appropriate Native Americans

PRE-HARVEST STAND STRUCTURE: (required)

7. Description of the preharvest stand structure: (14 CCR § 1038.3(s)(2)(A): (consider in your description species, basal area, and diameter distributions)

Preharvest stand structure estimates:

Table 1: Pre & Post harvest Stand Density by DBH Class

	Tree Status	Data				
	Cut		Leave		Total TPA	Total TPA %
DBH (inches)	TPA	TPA %	TPA	TPA %		
4	114.6	100.0%		0.0%	114.6	100.0%
6	178.3	100.0%		0.0%	178.3	100.0%
8	157.6	100.0%		0.0%	157.6	100.0%
10	73.3	88.9%	9.2	11.1%	82.5	100.0%
12	6.4	16.7%	31.8	83.3%	38.2	100.0%
14	4.7	25.0%	14.0	75.0%	18.7	100.0%
16	3.6	12.5%	25.1	87.5%	28.6	100.0%
18		0.0%	14.1	100.0%	14.1	100.0%
20		0.0%	4.6	100.0%	4.6	100.0%
22		0.0%	1.9	100.0%	1.9	100.0%
24		0.0%	1.6	100.0%	1.6	100.0%
26		0.0%	2.7	100.0%	2.7	100.0%
28		0.0%	1.2	100.0%	1.2	100.0%
30		0.0%	1.0	100.0%	1.0	100.0%
32		0.0%	0.9	100.0%	0.9	100.0%
34						
36		0.0%	0.7	100.0%	0.7	100.0%
38						
40						
42						
44						
50						
Stand Total	**538.4**	**83.2%**	**108.8**	**16.8%**	**647.2**	**100.0%**

Table 2: Pre & Post Harvest Stand Density by Species

TPA	Tree Status		
Species	Cut	Leave	Stand Total
Jeffrey pine	43%	8%	51%
lodgepole pine	40%	8%	48%
white fir	0%	1%	1%
Stand Total	**83%**	**17%**	**100%**

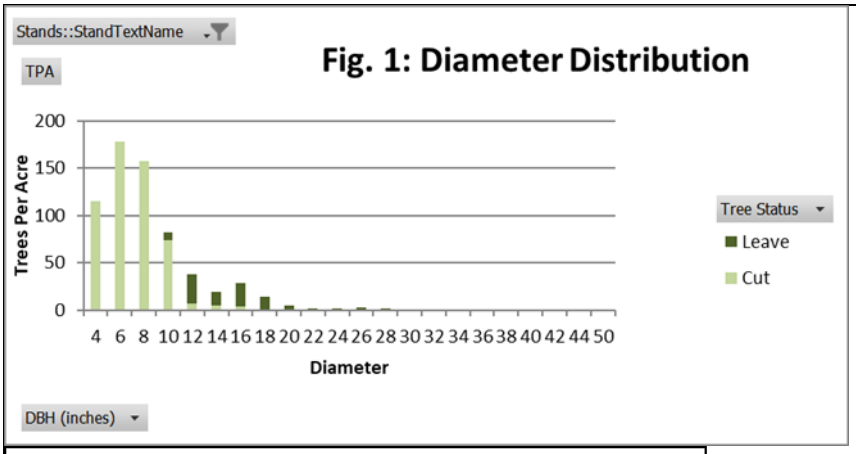


Table 3: Pre & Post Harvest Stand Conditions, Trees 4" DBH+

			Data		
Tree Status	Crown Class	Species	BA	TPA	QMD
Cut	Dead	lodgepole pine	25	126	6.0
	Dead Total		**25**	**126**	**6.0**
	Live	Jeffrey pine	75	277	7.1
		lodgepole pine	55	136	8.6
	Live Total		**130**	**413**	**7.6**
Cut Total			**155**	**538**	**7.3**
Leave	Dead	lodgepole pine	15	10	16.5
		white fir	5	1	30.0
	Dead Total		**20**	**11**	**18.1**
	Dying	white fir	5	1	26.0
	Dying Total		**5**	**1**	**26.0**
	Live	Jeffrey pine	60	54	14.3
		lodgepole pine	60	39	16.9
		white fir	10	4	21.7
	Live Total		**130**	**96**	**15.7**
Leave Total			**155**	**109**	**16.2**
Stand Total			**310**	**647**	**9.4**

Species	Basal Area	Description of Diameter
The exemption area contains the Sierra Mixed Conifer type, including Jeffrey Pine (51%), White Fir (1%), and Lodgepole Pine (48%), as determined through forest inventory sample plots of trees 4" DBH and greater.	The preharvest stand contains excessive stand density of approximately 310 square feet basal area per acre in trees 4" DBH and greater. Table 1 shows preharvest and harvest stand density by diameter class, and Table 2 depicts preharvest and harvest stand density by species. Post-harvest stand density will be consistent with 14 CCR 1038.3(j).	The preharvest project area contains conifers 1" – 36" DBH (see Figure 1) with a QMD of 9.4 inches. The preharvest stand historically had been occupied by mixed conifer forest dominated by Jeffrey Pine. Currently, the project area exhibits a much higher prevalence of trees below 20" DBH, primarily Jeffrey Pine and lodgepole pine with a very small proportion of white fir present. Preharvest stand density in the preharvest stand averages 647 TPA, excessive for Site Class III mixed conifer stand types. The proposed treatment will reduce overstocking in the treatment area through thinning the 4"-16" DBH classes, and it will reduce the TPA to approximately 109 (Table 3). Furthermore, a reduced stand density will aid to increase stand resilience to wildfire.

PRE & POST-HARVEST Quadratic Mean Diameter (QMD): (required)

8. QMD of trees 8 inches dbh or greater in the pre-harvest stand SHALL be increased in the post-harvest stand. The submitted notice of exemption SHALL report the expected post-harvest increase in QMD: 14 CCR § 1038.3(g)

   Pre-harvest QMD: 9.4 Post-harvest QMD: 16.2 14 CCR § 1038.3(s)(2)(B)
   Expected Post-harvest QMD Increase: 6.8

9. TIMBER MARKING: 14 CCR § 1038.3(i) All trees that are harvested or all trees that are retained SHALL be marked or sample marked by, or under the supervision of a RPF before felling operations.

   Completed by ☐ RPF ☐ Supervised Designee ☒ Both

   Trees marked: ☐ Leave trees ☐ Harvest trees ☒ Both

Harvest area marked: ☐ Entire area

☒ Sample area ☒ 10% ☐ up to 20 acres per stand type ☐ Both

NOTE: **Sample marking shall be limited to homogeneous forest stand conditions typical of plantations.**

When trees are sample-marked, the prescription for unmarked areas SHALL be in writing. 14 CCR 1038.3(i) RPF shall provide written prescription describing how trees will be designated in the unmarked areas: (required)

RPF Prescription for unmarked areas:	Trees to be harvested in unmarked areas shall be harvested according to the following designation prescription: A) Tree removal shall target suppressed, Intermediate, and understory trees In order to increase crown to base height and the Quadratic Mean Diameter of the stand. B) Only trees less than thirty (30) Inches in stump diameter, measured eight (8) Inches above ground level, may be removed as per 14 CCR 1038.3(h). C) In stands where the preharvest crown canopy of Dominants and Codominants is occupied by trees less than fourteen (14) inches in dbh, a minimum of one-hundred (100) trees over four inches in diameter shall be retained per acre for site I, II, and III lands as per 14 CCR 1038.3(j). D) The following canopy, retention, and spacing standards shall be achieved on at least eighty (80) percent of the Harvest Area as per 14 CCR 1038.3(k): (1) Minimum 50% post treatment canopy closure shall be retained as per 14 CCR 1052.4 (d)(3)(A) for the mixed conifer stand type. (2) Post treatment stand shall contain no more than two-hundred (200) trees per acre over three (3) inches in dbh. (3) Vertical spacing shall be achieved by treating dead fuels, excluding dead branches on the trees retained for stocking, to a minimum clearance distance of eight (8) feet measured from the base of the live crown of the post-harvest Dominants and Codominants to the top of the dead surface or ladder fuels, whichever Is taller. E) Slash and woody debris shall be treated to achieve a maximum post-harvest depth of eighteen (18) Inches above the ground as per 14 CCR 1038.3(d)(1) except within one-hundred-fifty (150) feet from any point of an approved and legally permitted structure that complies with the California Standards Building Code. (1) All surface fuels within one-hundred-fifty (150) feet of an Approved and Legally Permitted Structure, which could promote the spread of wildfire, shall be chipped, burned, or removed within forty-five (45) days from the start of Timber Operations. (2) All fuel treatments shall be completed within one (1) year from the date the Director receives the notice. This requirement does not apply to burning, which Instead shall be completed within two (2) years from the date the Director receives the notice. F) To provide for wildlife habitat as per 14 CCR 1038.3(s)(3)(C), conifer snags 16" DBH and greater and over 20 feet tall shall be retained at a minimum rate of 2 per acre where they exist in the preharvest stand, provided they do not pose a safety risk during and following timber operations. Native shrubs, brush, large down woody debris, and similar ground cover may be retained in a "mosaic" arrangement provided such arrangement does not provide for the vertical or horizontal continuity of fuels within the residual stand. G) The level of residual Stocking shall be consistent with maximum sustained production of high-quality timber products. The residual stand shall consist primarily of healthy and vigorous Dominants and Codominants from the preharvest stand. Trees retained to meet the Basal Area stocking standards shall be selected from the largest trees available on the project area prior to harvest. In no case shall stocking be reduced below the standards found within 14 CCR § 913.3 [933.3, 953.3] (a): 14 CCR 933.3(a)(1)(A)(Southern) states: On Site III mixed conifer lands, at least 75 sq. ft. per acre of basal area shall be left, and on Site III lands where greater than 50% of the basal area Is pine, at least 75 sq. ft. per acre of basal area shall be left.

(if prescription will exceed the space provided, please send as attachment)

TREE SELECTION CRITERIA: 14 CCR § 1038.3(s)(3)(C) (required)

10. Provide the selection criteria for the trees to be removed or the trees to be retained. The RPF SHALL consider retaining elements, where feasible, including, but not limited to ground level cover necessary for the long-term management of local wildlife populations. Selection criteria shall specify how the trees to be removed, or how the trees to be retained, will be designated.

Describe how trees will be designated: (for removal or retention)	TREE SELECTION: Trees to be harvested will include select codominant, intermediate, and suppressed trees where upon removal will eliminate the vertical continuity of fuels (ladder fuels) and horizontal continuity of fuels (tree crowns) for the purpose of reducing the rate of spread, duration and intensity, fuel ignitability, or ignition of tree crowns. Only trees less than thirty (30) inches in stump diameter, measured eight (8) inches above ground level, may be removed as per 14 CCR 1038.3(h). Trees specifically targeted for removal include those 1) In the suppressed and Intermediate crown classes, 2) those with poor vigor such as less than 30% live crown, sparse crown, or otherwise poor form; 3) and those with visible structural defects, and/or evidence of insect and/or disease infestation. Codominant trees may be removed to reduce horizontal crown fuel continuity and stand density, provided the stand QMD increases within the residual stand as per 14 CCR 1038.3(g) and the minimum stocking standards of 14 CCR 933.3 are met. WILDLIFE CONSIDERATIONS: Conifer Snags 16"+ DBH and over 20 feet tall shall be retained at a minimum rate of 2 per acre where they exist in the preharvest stand provided they do not pose a safety risk during and following timber operations. Native shrubs, brush, large down woody debris, and similar ground cover may be retained in a "mosaic" arrangement provided such arrangement does not provide vertical or horizontal continuity of fuels within the residual stand.

(if description will exceed the space provided, please send as attachment)

POST-HARVEST CANOPY STOCKING LEVELS: 14 CCR § 1038.3(s)(3)((A) (required)

The residual stand shall consist primarily of healthy and vigorous Dominants and Codominants from the preharvest stand. Trees retained to meet the Basal Area stocking standards shall be selected from the largest trees available on the project area prior to harvest. In no case, shall stocking be reduced below the standards found within 14 CCR § 913.3 [933.3, 953.3] (a).

11. Will stocking be met where the pre-harvest dominant and codominant crown canopy is occupied primarily by trees? (optional)
    Specify the dominant and codominant crown canopy which will be occupied by the following tree sizes:
    ☐ Greater than 14 inches dbh ■ Less than 14 inches dbh
    ☐ Coastal Forest District ☐ Northern Forest District ■ Southern Forest District

12. Site Classification: ☐ Site I ☐ Site II ■ Site III ☐ Site IV ☐ Site V (optional)

13. Forest Type: ■ Mixed Conifer ☐ Pine ☐ East Side Pine Conifer ☐ Coast Redwood ☐ Douglas Fir (optional)

NOTE: Basal area stocking standard requirements may change based on Forest District Site Classification, and Forest Type per 14 CCR § 913.3 [933.3, 953.3] (a).

POST-HARVEST CANOPY CLOSURE REQUIREMENTS:

14. 14 CCR § 1038.3(j): if the preharvest crown canopy of Dominants and Codominants is occupied by trees less than 14 inches in dbh, a minimum of 100 trees over 4 inches in dbh shall be retained per acre for Site I, II, and III lands and a minimum of 75 trees over 4 inches in dbh shall be retained per acre for Site IV and V lands. 14 CCR § 1038.3(j)

    Please select below:

    ■ Trees less than 14 inches dbh for Site I, II, and III lands (100 trees per acre)

    ☐ Trees less than 14 inches dbh for site IV and V lands (75 trees per acre)

    14 CCR § 1038.3(k)(1-2) reference 14 CCR § 1052.4(d)(3)(A) Minimum post treatment canopy closure of dominant and codominant trees shall be:
    - 40% east side pine forest types.
    - 50% for Coastal Redwood and Douglas-fir forest types in or adjacent to communities and legal structures per 14 CCR 1052.4(c)(1-2)
    - 60% for Coastal Redwood and Douglas-fit types outside of communities and legal structures per 1052.4(c)(1-2)
    - 50% for mixed conifer and all forest types.

15. Will operations within Coastal Redwood and Douglas-fir forest types occur within ¼ mile or 500 feet of an approved and legally permitted structure defined by the California Building Code? ☐ YES ☑ NO

16. Is the legally permitted structure within or adjacent to a "Community at Risk" defined by the "California Fire Alliance List of Communities at Risk".
    ☑ YES ☐ NO
    If yes, Identify the name of the Community at Risk: South Lake Tahoe

17. Is structure density greater than 1 structure per 20 acres? ☑ YES ☐ NO

NOTE: • Canopy closure requirements change based on forest type and proximity to legally permitted structures within or

adjacent to communities at risk identified by the "California Fire Alliance List of Communities at Risk."

- **Post-harvest treatment stand shall contain no more than 200 trees per acre over 3 inches in dbh. 14 CCR § 1038.3(k)(2)**
- **Vertical spacing shall be achieved by treating dead fuels excluding dead branches on the tree retained for stocking, to a minimum clearance distance of 8 feet measured from the base of the live crown of the post-harvest Dominants and Codominants to the top of the dead surface or ladder fuels, whichever is taller. 14 CCR § 1038.3(k)(3)**

FUEL TREATMENT: 14 CCR § 1038.3(d)(1-4)

- All logging slash created by the timber operations shall be treated to achieve a maximum post-harvest depth of **18" inches** above the ground except within 150 feet from any point of a legally permitted structure that complies with the California Standards Building Code. 14 CCR § 1038.3(d)(1)
- All surface fuels within 150 feet of an Approved and Legally Permitted Structure, which could promote the spread of wildfire, SHALL be chipped, burned, or removed within 45 days from the start of Timber Operations. 14 CCR § 1038.3(d)(2)
- All fuel treatments SHALL be completed within 1 year from the date the Director receives the Notice. This does not apply to burning, which instead shall be completed within 2 years from the date the Director receives the notice. 14 CCR § 1038.3(d)(3)
- The requirements of this subsection shall not supersede the requirements of PRC § 4291

18. Will any timber operations be within 150 feet of an Approved and Legally Permitted Structure? ☑ YES ☐ NO

Fuel Treatment Method: ■ Chipping ■ Removing ☐ Burning ■ Other

OTHER:	Machine Mastication

CONSTRUCTION or RECONSTRUCTION OF TEMPORARY ROADS ON SLOPES OF 30% OR LESS: 14 CCR § 1038.3(e)

14 CCR § 1038.3(e) The construction or reconstruction of temporary roads on slopes of 30% or less shall be allowed if ALL of the following conditions are meet.

- Temporary Roads or Landings SHALL NOT be located on unstable areas. 14 CCR § 1038.3(e)(1) •
  Temporary Roads SHALL BE single lane in width. 14 CCR § 1038.3(e)(2)
- Temporary Roads SHALL NOT be located across a Connected Headwall Swale. 14 CCR § 1038.3(e)(3)
- Construction or reconstruction of Temporary Roads, Landings or Watercourse crossings SHALL NOT occur during the winter period. 14 CCR § 1038.3(e)(4)
- NO operations SHALL BE permitted on roads that are not subject to Hydrological Disconnection, or exhibit Saturated Soil Conditions. 14 CCR § 1038.3(e)(4)(A)
- NO Logging Road or Landing construction, or re-construction, activities shall occur within 200 feet of a Class I and II watercourse. 14 CCR § 1038.3(e)(4)(D)
- NO Logging Road or Landing Construction, or re-construction, activities shall occur within 50 feet of a Class III watercourse. 14 CCR § 1038.3(e)(4)(D)

14 CCR § 1038.3(e)(5) Temporary Road construction or re-construction, shall be limited to no more than two (2) miles of road per ownership within a single Planning Watershed (CALWATER 2.2) per any five (5) year period.

- Has temporary road construction or reconstruction within the planning watershed occurred within the last 5 years under a Forest Fire Prevention Exemption?

  ☐ YES ☑ NO

  If YES indicate how many feet/miles:_____

  NOTE: If total is greater than 2 miles, within the previous 5 years no additional road construction may occur.

20. **Temporary road construction and/or reconstruction shall not exceed:**

(please select which criteria below will be applied to this Exemption and list the total length of temporary road(s) to be constructed or reconstructed)

14 CCR § 1038.3(e)(5)(A-C)		✓	Feet/ Miles
Exemptions **Less than 40 acres**	Cumulative length of 300 feet		
Exemptions **between 40 and 80 acres**	NOT to exceed 300 to 600 feet determined on a pro rata basis by total acreage affected by exemption.		
Exemptions **over 80 acres**	Shall not exceed 600 feet		

Will any temporary roads constructed or reconstructed be connected to other temporary roads construction under previous or subsequent exemptions filed pursuant of this section 14 CCR § 1038.3(e)(5)(D)?

☐ YES ■ NO

If YES then no additional road construction may occur

NOTE: • **Prior to the completion of Timber Operations, all Temporary Roads constructed or reconstructed under this section shall undergo Abandonment in a manner which uses protective measures that will effectively remove them from the Permanent Road Network, as defined in 14 CCR § 895.1.** 14 CCR § 1038.3(e)(5)(E)

• **The RPF responsible for submission of the Notice of Exemption shall designate Temporary Road locations, Landing locations, Tractor Road crossings of Class III Watercourses, Unstable Areas, or Connected Headwall Swales on the ground prior to submission of the Notice of Exemption.** 14 CCR § 1038.3(f)

21. TENTATIVE COMMENCEMENT DATE OF TIMBER OPERATIONS: (required) TBD Following Approval 14 CCR § 1038.3(s)(D)
Before beginning Timber Operations, the RPF responsible for submittal of the Notice of Exemption shall notify the Department, the appropriate RWQCB, the CDFW, and the CGS of the actual commencement date of operations. The notification, by telephone, mail, or email, shall be directed to the appropriate agency personnel and contact information for the appropriate agency personnel shall be provided by the Department on the notice of exemption form (see Below) If the notification is provided by mail, Timber Operations may not commence for three (3) days after the postmark date of notification.

Region	Email	Region	Email	Region	Email
CDFW		CRWQB		CGS	
1 – Inland	r1inland.timber@wildlife.ca.gov	1	RB1-Timber@waterboards.ca.gov	Sacramento	CGSTHP.Sacramento@conservation.ca.gov
1 – Coast	ctp@wildlife.ca.gov .	5	RB5R-Timber@waterboards.ca.gov	Eureka	CGSTHP.Eureka@conservation.ca.gov
2	R2Timber@wildlife.ca.gov	6	RB6-Timber@waterboards.ca.gov	Redding	CGSTHP.Redding@conservation.ca.gov
3	R3Timber@wildlife.ca.gov			Santa Rosa	CGSTHP.SantaRosa@conservation.ca.gov
4	R4Timber@wildlife.ca.gov				

22. 14 CCR 1038.2 - The submitted Notice of Exemption shall indicate if more than one Yarding system is to be used and identify the systems.
CHECK each Yarding method to be utilized**: If more than one type of method is selected, these methods must be identified on the accompanying maps**. (required)

- ☐ Tractor, including end/long lining
- ☐ Cable, ground lead
- ☐ Helicopter
- ■ Rubber tired skidder, Forwarder
- ☐ Cable, High lead
- ☐ Other
- ☐ Feller buncher
- ☐ Cable, Skyline
- ☐ Shovel yarding

23. 14 CCR § 1038.3(s)(C) - Designate the legal land description of the location of the Timber Operation. 14 CCR § 1038.4 attach a USGS 7.5-minute quadrangle map or equivalent map showing the location of:

- Boundaries of logging areas 14 CCR § 1038.4(a)
- Boundaries of Yarding (logging) systems, if more than one system is used. 14 CCR § 1038.4(b)
- Location of all roads to be used for, or potentially impacted by, Timber Operations. 14 CCR § 1038.4(c)
  - Classification of ALL roads as Proposed, Permanent, Seasonal, Temporary, Deactivated, or Proposed. 14 CCR § 1038.4(c)(1)
  - Roads and Landings located in Watercourses, Lakes, WLPZs, Marshes, Wet Meadows and other Wet Areas, other than at road Watercourse crossings. 14 CCR § 1038.4(c)(2)
  - Logging Roads that provide access to rock pits and water drafting sites, and the location of water drafting sites. 14 CCR § 1038.4(c)(3)
  - Public Roads within one-quarter (1/4) mile of the Harvest Area. 14 CCR § 1038.4(c)(4)
  - The location of Significant or Existing Potential Erosion Sites on all Roads and Landings pursuant to 14 CCR § 923.1 (e). 14 CCR § 1038.4(c)(5)
- For all constructed and reconstructed Logging Roads and Landings, the following shall be mapped: 14 CCR § 1038.4(d)
  - Location of Logging Road grades greater than fifteen (15) percent for over two-hundred (200) continuous feet or Logging Roads grades exceeding twenty (20) percent. 14 CCR § 1038.4(d)(1)
  - Location of Road Failures on existing Logging Roads to be Reconstructed. 14 CCR § 1038.4(d)(2)
  - Location of Landings, specifying those that require substantial excavation and those in excess of one-quarter acre in size. 14 CCR § 1038.4(d)(3)
  - Location of excess material disposal sites on slopes greater than forty (40) percent or on active Unstable Areas. 14 CCR § 1038.4(d)(4)
- Location of all Tractor Road Watercourse crossings of classified Watercourses. 14 CCR § 1038.4(e)
  - Location of Erosion Hazard Ratings, if more than one rating exists. 14 CCR § 1038.4(f)
  - Location of Watercourses and Lakes with Class I, II, III, or IV waters. 14 CCR § 1038.4(g)
  - Location of known Unstable Areas. 14 CCR § 1038.4(h)
  - Location of understocked areas prior to Timber Operations, and other areas not normally bearing timber to at least a 20-acre minimum, or as specified in the district rules. 14 CCR § 1038.4(i)
  - Location of boundaries of timber-site classes needed for determination of Stocking Standards to be applied, down to at least a twenty (20) acre minimum, or as specified in the Forest Practice District Rules. 14 CCR § 1038.4(j)
  - Location of any Special Treatment Areas. 14 CCR § 1038.4(k)
- Appurtenant Roads may be shown on a separate map which may be planimetric with a scale as small as one-half inch equals one mile. Color coding may not be used. 14 CCR § 1038.4

Additional maps, which may be topographic or planimetric, may be used to provide additional information, to show details, and improve map clarity. **A legend shall be included indicating the meaning of the symbols used**. It will be helpful to describe the access route to the timber operation so that it can be easily located, and/or include an assessor's parcel map for small areas. (required)

Base Meridian	Township	Range	Section	County	Acreage (estimated)	Assessors Parcel # (optional)
MDBM	12N	18E	9,16	El Dorado	12.7	

PLANNING WATERSHED - CALWATER V2.2		
Name	Watershed Identification Number	CALWATER Version
Truckee Marsh	8634.100402	V2.2

The following are limitations or requirements for timber operations conducted under a Notice of Exemption for the cutting and removing of

trees to eliminate the vertical continuity of vegetative fuels and the horizontal continuity of tree crowns for the purpose of reducing flammable materials to reduce fire spread, duration, intensity, fuel ignitability, or ignition of tree crowns:

1. This Notice of Exemption SHALL be prepared, signed, and submitted to the Department by a Registered Professional Forester (RPF) 14 CCR § 1038.3(s) and received by CAL FIRE at the appropriate office listed below prior to the commencement of timber operations.
   - **Coastal Special Treatment Areas** and **Marin County** the Director shall have ten calendar days from date of receipt to accept or reject the Notice of Timber Operations.

2. 14 CCR § 1038.3(a-t) places certain limits on the harvesting. These limits need to be reviewed to assure compliance.

3. 14 CCR § 1038.3 Timber operations conducted under this notice shall comply with all operational provisions of the Forest Practice Act and District Forest Practice Rules applicable to "Timber Harvest Plan," "THP," and "plan." The requirements to submit a completion and stocking report normally do not apply. **However, Completion and Stocking reports are required for areas when operations occur within COASTAL SPECIAL TREATMENT AREAS and / or MARIN COUNTY.** The landowner shall submit to CAL FIRE a RM-71 Completion and Stocking report, per PRC 4585 and PRC 4587**.** The requirements for environmental review under the California Environmental Quality Act (See 14 CCR § 15300.1) do not apply.

4. There are special requirements for timber operations conducted in Coastal Commission Special Treatment Areas and in counties with special rules adopted by the Board of Forestry and Fire Protection. These rules should be reviewed prior to submitting this notice to CAL FIRE. 14 CCR § 1038.1(c)(6)

5. All timber operations conducted in the Lake Tahoe Region must have a valid Tahoe Basin Tree Removal Permit, as defined by the Tahoe Regional Planning Agency (TRPA), or shall be conducted under a valid TRPA Memorandum of Understanding, when such a permit is required by TRPA, 14 CCR § 1038.3(n)

6. Harvesting under this Notice of Exemption is limited to those trees that eliminate the vertical continuity of vegetative fuels and the horizontal continuity of tree crowns, for the purpose of reducing the rate of fire spread, duration intensity, fuel ignitability, or ignition of tree crowns. 14 CCR § 1038.3

7. The logging area shall not exceed 300 acres in size. 14 CCR § 1038.3(c) and tree harvesting shall decrease fuel continuity and Increase the quadratic mean diameter (QMD) of the stand. 14 CCR § 1038(j)(1)

8. No trees larger than thirty (30) inches outside bark stump diameter, measured eight (8) inches above ground level may be removed for commercial purposes. 14 CCR § 1038.3(h)

9. 14 CCR § 1038.3(s)(3)(A) The residual stand shall consist primarily of healthy and vigorous Dominants and Codominants from the preharvest stand. Trees retained to meet the Basal Area stocking standards shall be selected from the largest trees available on the project area prior to harvest. In no case shall stocking be reduced below the standards found within 14 CCR § 913.3 [933.3, 953.3] (a).

10. Road Construction and Reconstruction:
    - No tree larger than 36 inches in diameter at stump height, measured 8 inches above ground level, may be removed for the purpose of road construction or reconstruction. 14 CCR § 1038.3(e)(5)(F)
    - Trees between 30 and 36 inches in stump diameter at stump height, measured 8 inches above the ground may be removed for the purpose of road construction and reconstruction, WHEN NO OTHER FEASIBLE OPTION EXISTS FOR ROAD ACTIVITIES. 14 CCR § 1038.3(e)(5)(F)

11. Timber Operations conducted during the Winter Period shall comply with the applicable Rule sections under 14 CCR § 923 [943, 963] et seq. 14 CCR § 1038.3(e)(4)(B)

12. Use of Temporary Roads shall comply with the operational provisions of 14 CCR § 923 [943, 963] et seq. 14 CCR § 1038.3(e)(4)(C)

13. Per 14 CCR 1038.3(f) The RPF responsible for submission of the Notice of Exemption shall designate Temporary Road locations, Landing locations, Tractor Road crossings of Class III Watercourses, Unstable Areas, or Connected Headwall Swales on the ground prior to submission of the nNotice of Exemption.

14. No helicopter yarding shall be allowed 14 CCR § 1038.3(l)

15. 14 CCR § 1038.3(d)(1-3) Slash and Woody Debris shall be treated to achieve a maximum post-harvest depth of eighteen (18) inches above the ground except within one-hundred-fifty (150) feet from any point of an approved and legally permitted structure that complies with the California Standards Building Code.
    - All surface fuels within one-hundred-fifty (150) feet of an Approved and Legally Permitted Structure, which could promote the spread of wildfire, shall be chipped, burned, or removed within forty-five (45) days from the start of Timber Operations.
    - All fuel treatments shall be completed within one (1) year from the date the Director receives the notice. This requirement does not apply to burning, which instead shall be completed within two (2) years from the date the Director receives the notice.

16. No tractor or heavy equipment operations on slopes greater than 50%. 14 CCR § 1038.1(c)(5)

17. No construction of new tractor roads on slopes greater than 40%. 14 CCR § 1038.1(c)(5)

18. No tractor or heavy equipment operations on known Unstable Areas. 14 CCR § 1038.1(c)(7)

19. **No timber harvesting within the standard width of a watercourse or lake protection zone**, as defined in 14 CCR § 916.4 [936.4, 956.4](b), except Sanitation-Salvage harvesting, as defined in 14 CCR § 913.3 [933.3,953.3], where immediately after completion of operations, the area shall meet the stocking standards of 14 CCR § 912.7 [932.7,952.7](b)(2), or, except the removal of dead or dying trees where consistent with 14 CCR § 916.4 [936.4,956.4] (b). **Trees to be harvested within a WLPZ shall be marked by, or under the supervision of, a RPF prior to timber operations.** 14 CCR § 1038.1(c)(12)

20. **ASP watersheds –** No timber operations are allowed in a WLPZ, or within any ELZ or EEZ designated for watercourse or lake protection, under exemption notices except **(1)** Hauling on existing roads **(2)** Road maintenance **(3)** Operations conducted for public safety **(4)** Construction or reconstruction of approved watercourse crossings **(5)** Temporary crossings of dry Class III watercourses that do not require notification under Fish and Game Code §1600 et seq. **(6) Harvesting recommended in writing by CDFW to address specifically identified forest conditions**.

21. If a Notice of Exemption has been accepted by the Director and will use pesticides or herbicides on the Harvest Area within one (1) calendar year of the date of acceptance, the timberland owner shall notify the appropriate Regional Water Quality Control Board within ten (10) days prior to application of pesticides or herbicides.

22. Subsequent to the completion of Timber Operations operating under this section, the Department shall conduct an onsite inspection to determine compliance with this section. The Department shall notify the appropriate RWQCB, the CDFW, and the CGS seven (7) days prior to conducting the onsite inspection

23. Operations conducted under a Notice of Exemption are NOT permitted in known sites of rare, candidate, threatened or endangered plants and animals if the sites will be disturbed or damaged. NO timber operations may occur within a buffer zone of a listed, or sensitive species defined by 14 CCR § 895.1. 14 CCR § 1038.1(c)(10-11)

24. If any activities related to timber operations, as defined by PRC 4527, are to include any of the following activities in any river, stream or lake, including episodic and perennial waterways, a notification to the California Department Fish and Wildlife is required pursuant to Fish and Game Code §1602: 1) A substantial alteration of the bed, bank, or channel; 2) A substantial diversion (i.e. water drafting) or obstruction of the natural flow; or 3) use of material from or deposit of material into the watercourse. Information on the Lake and Streambed Alteration Program, as well as notification forms, may be found at the following link: https://www.wildlife.ca.gov/conservation/lsa.

25. All activities conducted pursuant to this Notice of Exemption occur within the most recent version of the Department's "Fire Hazard Severity Zone Map in moderate, high, and very high fire threat zones. 14 CCR § 1038.3(b)

26. The requirements to submit a completion and stocking report do not normally apply. **However, Completion and Stocking reports are required for areas when operations occur within COAST, SPECIAL TREATMENT AREAS and / or MARIN COUNTY.** The landowner shall submit to CAL FIRE form RM-71 Completion and Stocking report. Per PRC 4585 and PRC 4587**.**

27. A Licensed Timber Operator must be designated upon submission of this notice.

28. RPF shall include a Confidential Archaeological Letter (CAL) with the exemption notice submitted to the Director. The CAL shall include all information required by 14 CCR § 929.1 [949.1, 969.1](c)(2), (7), (8), (9), (10) and (11), including site records, if required pursuant to 14 CCR §§ 929.1 [949.1, 969.1](g) and 929.5. The discovery of human remains requires immediate notification to appropriate agencies. 14 CCR § 929.3 [949.3, 969.3] requires notification to CAL FIRE. The area must not be further disturbed, and any area reasonably suspected to overlie adjacent human remains, until an evaluation is completed by the County Coroner pursuant to Health and Safety Code § 7050.5. If the human remains are determined to be Native American, the Native American Heritage Commission must also be notified pursuant to Public Resources Code § 5097.98. 14 CCR § 1038(j)(11)

The following suggestions may help ensure your compliance with the Forest Practice Rules:

1. Timber Owners, Timberland owners and Timber Operators should obtain and review copies of the Forest Practice Rules pertaining to the Notice of Emergency. Copies may be obtained from BARCLAYS LAW PUBLISHERS, P.O. Box 2006, San Francisco, CA 94126, CAL FIRE, Forest Practice, P.O. Box 944246, Sacramento, CA 94244-2460; or CAL FIRE's Web Page at http://www.fire.ca.gov.

2. Contact the CAL FIRE office listed below for questions regarding the use of this notice.

FILE THIS NOTICE WITH THE CAL FIRE OFFICE BELOW FOR THE COUNTY IN WHICH THE OPERATION WILL OCCUR:

Alameda, Colusa, Contra Costa, Del Norte Humboldt, Lake, Marin, Mendocino, Napa, San Mateo, Santa Clara, Santa Cruz, Solano, Sonoma, western Trinity and Yolo Counties.

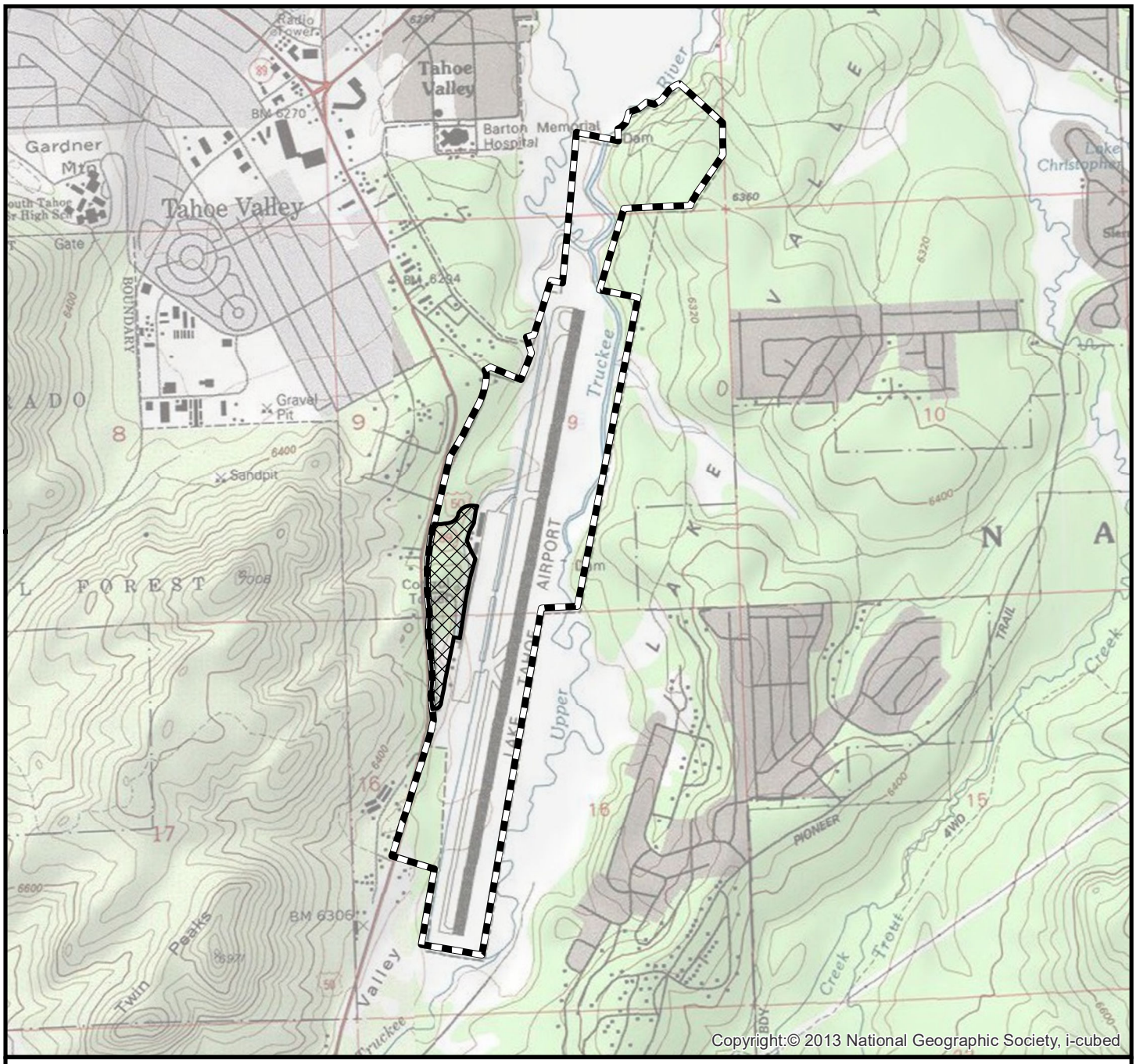
Forest Practice Program Manager
CAL FIRE
135 Ridgway Avenue
Santa Rosa, CA 95401

Butte, Glenn, Lassen, Modoc, Nevada, Placer, Plumas, Shasta, Sierra, Siskiyou, Sutter, Tehama, eastern Trinity and Yuba Counties.

Forest Practice Program Manager
CAL FIRE
6105 Airport Road
Redding, CA 96002

Alpine, Amador, Calaveras, El Dorado, Fresno, Imperial, Inyo, Kern, Los Angeles, Madera, Mariposa, Merced, Mono, Monterey, Orange, Riverside, San Benito, San Bernardino, San Diego, San Luis Obispo, Santa Barbara, Stanislaus, Tuolumne, Tulare, and Ventura Counties.

Forest Practice Program Manager
CAL FIRE
1234 East Shaw Avenue
Fresno, CA 93710



Lake Tahoe Airport Forest Fire Prevention Exemption
General Vicinity Map
T12N, R18E, S9,16, MDBM
South Lake Tahoe, CA USGS 7.5' Quad Contour Interval = 40'

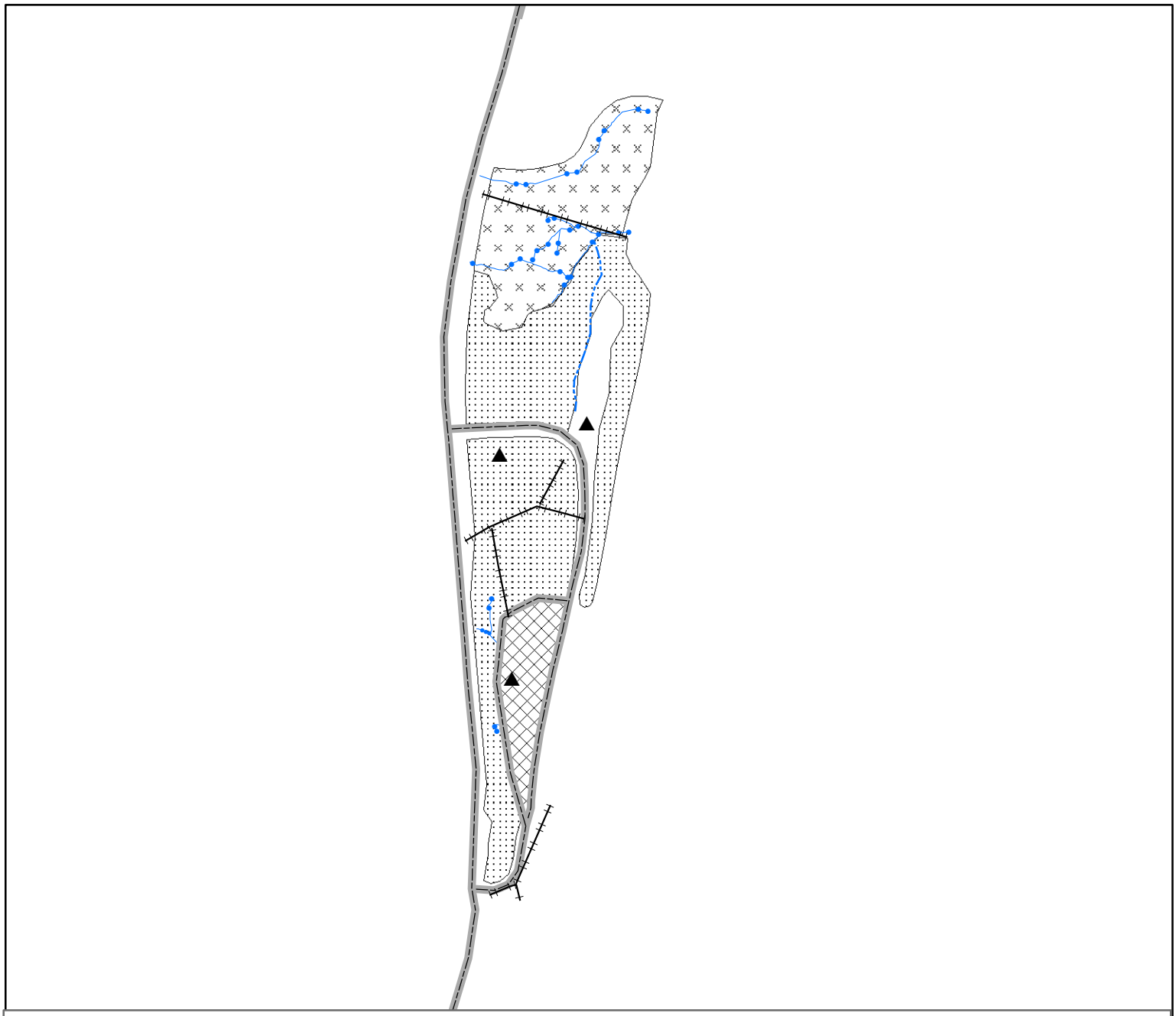
Ownership Boundary

Exemption Area

0 0.25 0.5 1
Miles

1 in = 2,000 ft
1:24,000

Feather River Forestry LLC
Danielle E. Bradfield, RPF #2808
PO Box 1411
Quincy, CA. 95971
(530) 927-7095



City of South Lake Tahoe "Lake Tahoe Airport Fuels Reduction Project"
Exemption Map
T12N, R18E, S9,16, MDBM South Lake Tahoe USGS 7.5' Quad Contour Interval = 40'

Exemption Area **name**

Watercourse

- Class 2 Watercourse
- Class 3 Watercourse
- Class 4 Watercourse
- Class_2_Riparian_Area
- Existing Road, Public, Permanent
- Overhead_Power_Line
- Landing, Existing
- Non_Treatment_Area (Existing Parking Lot)

0 340 680 1,360 Feet

1:6,000

NORTH

Feather River Forestry LLC
P.O. Box 1411
Quincy, CA. 95971
(530) 927-7095

EXHIBIT F

USDA, FOREST SERVICE

LAKE TAHOE BASIN MANAGEMENT UNIT

AGREEMENT #21-PA-11051900-016

FS Agreement No. 21-PA-11051900-016

Cooperator Agreement No. _____

PARTICIPATING AGREEMENT
Between The
CITY OF SOUTH LAKE TAHOE
And The
USDA, FOREST SERVICE
LAKE TAHOE BASIN MANAGEMENT UNIT

This PARTICIPATING AGREEMENT is hereby entered into by and between the City of South Lake Tahoe, hereinafter referred to as "COOPERATOR," and the United States Department of Agriculture (USDA), Forest Service, Lake Tahoe Basin Management Unit, hereinafter referred to as the "U.S. Forest Service," under the authority: Wyden Amendment, Section 323(a) of the Department of Interior and Related Agencies Appropriations Act, 1999, as included in Pub.L. 105-277, Div. A., Section 101 (e), as amended by Pub.L. 109-54, Sec. 434, and the Omnibus Public Land Management Act, Pub.L. 111-11, Sec. 3001.

Background:

The project, Lake Tahoe Airport Hazardous Fuels Reduction, is intended to meet the mutual objectives of the Cooperator and the U.S. Forest Service to serve the community of South Lake Tahoe by protecting life, property, and the environment from the effects of a catastrophic wildfire. The hazardous fuels reduction goals of this project will contribute towards the achievement of a Fire Adapted Community (FAC) as described in the Lake Tahoe Community Wildfire Protection Plan (CWPP). The Lake Tahoe Airport is owned and operated by the City of South Lake Tahoe. The Cooperator has fire protection responsibility within the Lake Tahoe Airport lands.

Forest vegetation in the Lake Tahoe Basin has been altered by forest management, urban development, and fire suppression since the Comstock Era of the 1870's. Pre-settlement species composition has shifted from fewer, larger diameter fir and pine stands to an increased stocking of smaller diameter trees. Currently, these over-stocked stands contain increased shade-tolerant tree species such as white fir and chaparral species such as manzanita, acting as ladder fuels, increasing the risk for a catastrophic wildfire. Hazardous fuels reduction projects are critical for protecting communities in the Wildland Urban Interface (WUI) areas of the Lake Tahoe Basin (Basin).

Title: Lake Tahoe Airport Hazardous Fuels Reduction

I. PURPOSE:

The purpose of this agreement is to document the cooperation between the parties to collaboratively work together to address hazardous fuels conditions and community fire protection for the communities within the City of South Lake Tahoe Direct Protection Authority (DPA) by completing and maintaining hazardous fuels reduction work on lands within the City of South Lake Tahoe DPA and adjacent to National Forest System lands; in accordance with the following provisions and the hereby incorporated Operating and Financial Plan (Attachment A).

This participating agreement between the City of South Lake Tahoe and USFS, Lake Tahoe Basin Management Unit is intended to accomplish hazardous fuels reduction work on the Lake Tahoe Airport property. The work involves the use of mechanical harvesting equipment using a variety of techniques to alter the structure and composition of the forest stands occurring on the airport property. The work will likely be completed within three years of the agreement being signed, but it is possible it will last a total of five years from the time of signature.

The participating agreement is to facilitate cooperation between parties in specific restoration, enhancement, or protection efforts, which are described in the above paragraph under the Wyden Authority. The objectives of this hazardous fuels reduction work are in alignment with the Wyden Amendment's objectives: "the protection, restoration, and enhancement of fish and wildlife habitat and other resources on non-National Forest Service lands and for the reduction of risk from natural disaster where public safety is threatened." The parties have a common interest in improving or protecting the current condition within the Upper Truckee River Watershed. This Agreement provides for the interchange of services, equipment, and funds as specifically outlined in the agreement to meet the mutually agreed upon objectives of the project, which is to reduce hazardous fuels on Non-Federal lands to protect critical infrastructure (Lake Tahoe Airport), build fire resilient communities, and improve the forest health of the Upper Truckee River Watershed.

This agreement will serve as an umbrella agreement under which the U.S. FOREST SERVICE and the Cooperator may develop collaborative hazardous fuels reduction projects, where the Cooperator may implement hazardous fuels reduction work on non-Federal lands within the Cooperator DPA. These projects will allow the U.S. FOREST SERVICE and the Cooperator to create a cohesive fire defensible landscape by maintaining hazardous fuels and defensible space treatments on private, non-Federal lands over time in conjunction with hazardous fuels reduction treatments occurring on adjoining Federal lands, in accordance with the following provisions.

II. STATEMENT OF MUTUAL BENEFIT AND INTERESTS:

It is mutually beneficial to enter into this agreement to establish a framework for the parties to work together on projects to accomplish their mutual goals.

The Cooperator has fire protection responsibility on private lands within the city limits of South Lake Tahoe. The Lake Tahoe Airport is owned and operated by the City of South Lake Tahoe and is within city limits.

The Forest Service is focused on maximizing results and outcomes to meet USDA Strategic Goal 6: "Ensuring Productive and Sustainable Use of our National Forest System Lands." The FY 2021 Budget request prioritizes investments in risk-based wildland fire management and in improving forest conditions. Wildland Fire Management is a top priority for the Forest Service and aligns with USDA Strategic Objective 6.3 "Mitigate Wildfire Risk."

In consideration of the above premises, the parties agree as follows:

III. The Cooperator SHALL:

A. LEGAL AUTHORITY. The Cooperator shall have the legal authority to enter into this agreement, and the institutional, managerial, and financial capability to ensure proper planning, management, and completion of the project, which includes funds sufficient to pay the non-Federal share of project costs, when applicable.

B. Provide all materials, supplies and equipment necessary to complete projects at no cost to the U.S. FOREST SERVICE, unless otherwise stated in the financial plan.

C. Provide a Project Liaison who can act as the COOPERATOR's representative and maintain contact for the U.S. FOREST SERVICE for all project work conducted under this agreement.

D. COOPERATOR will provide U.S. FOREST SERVICE with a Project Operations Schedule (POS), detailing COOPERATOR's scheduled work. COOPERATOR will update the POS if they fall behind schedule.

E. The COOPERATOR is responsible for general liability. The COOPERATOR, which shall include but not necessarily be limited to, its employees, agents, assigns, transferees, and/or successors in interest, covenants and agrees to indemnify, hold harmless, and defend the United States of America, its agencies and officers, for and/or against any and all claims, injuries, and/or damages relating to, or resulting from, the COOPERATOR's activities under this Agreement. The COOPERATOR shall have bodily injury liability insurance coverage written on the comprehensive form of a policy of at least $1,000,000 per occurrence. Property Damage liability insurance shall be required in the amount of $500,000.

IV. THE U.S. FOREST SERVICE SHALL:

A. PAYMENT/REIMBURSEMENT. The U.S. Forest Service shall reimburse the City of South Lake Tahoe for the U.S. Forest Service's share of actual expenses incurred, not to exceed $200,000 as shown in the Financial Plan. In order to approve a Request

for Reimbursement, the U.S. Forest Service shall review such requests to ensure payments for reimbursement are in compliance and otherwise consistent with the terms of the agreement. The U.S. Forest Service shall make payment upon receipt of the Cooperator's invoice. Each invoice from the Cooperator shall display the total project costs for the billing period, separated by U.S. Forest Service and the City of South Lake Tahoe's share. In-kind contributions must be displayed as a separate line item and must not be included in the total project costs available for reimbursement. The final invoice must display the Cooperator's full match towards the project, as shown in the financial plan, and be submitted no later than 120 days from the expiration date.

Each invoice must include, at a minimum:

1. The Cooperator's name, address, and telephone number.
2. U.S. Forest Service agreement number: 21-PA-11051900-016
3. Invoice date.
4. Performance dates of the work completed (start & end).
5. Total invoice amount for the billing period, separated by the U.S. Forest Service and The Cooperator share with in-kind contributions displayed as a separate line item.
6. Display all costs, both cumulative and for the billing period, by separate cost element as shown on the financial plan.
7. Cumulative amount of U.S. Forest Service payments to date.
8. Statement that the invoice is a request for payment by "reimbursement".
9. If using SF-270, a signature is required.
10. Invoice Number, if applicable.

The invoice must be forwarded to:

EMAIL: SM.FS.ASC_GA@USDA.GOV

FAX: 877-687-4894

POSTAL: USDA Forest Service
Albuquerque Service Center
Payments – Grants & Agreements
101B Sun Ave NE
Albuquerque, NM 87109

Send a copy to: Lake Tahoe Basin Management Unit
35 College Drive
South Lake Tahoe, CA. 96151
ATTN: Tod Flowers, Fuels Management

V. IT IS MUTUALLY UNDERSTOOD AND AGREED BY AND BETWEEN THE PARTIES THAT:

A. PRINCIPAL CONTACTS. Individuals listed below are authorized to act in their respective areas for matters related to this agreement.

Principal Cooperator Contacts:

Cooperator Project Contact	Cooperator Financial Contact
Mark Gibbs, Airport Manager 1901 Airport Road South Lake Tahoe, CA 96150 Telephone: 530-542-6182 FAX: 530-542-6366 Email: mgibbs@cityofslt.us	Lori Marino Principal Management Analyst 1901 Airport Road, Suite 210 South Lake Tahoe, CA 96150 Telephone: 530-542-7410 FAX: 530-542-6041 Email: lmarino@cityofslt.us

Principal U.S. Forest Service Contacts:

U.S. Forest Service Program Manager Contact	U.S. Forest Service Administrative Contact
Tod Flowers, Fuels Mgmt. Specialist 35 College Drive South Lake Tahoe, CA 96150 Telephone: 916-897-0688 FAX: 530-543-2655 Email: tod.flowers@usda.gov	Genevieve Villemaire Grants Mgmt. Specialist 35 College Drive South Lake Tahoe, CA 96150 Telephone: 530-543-2783 FAX: 530-543-2693 Email: genevieve.villemaire@usda.gov

B. NOTICES. Any communications affecting the operations covered by this agreement given by the U.S. Forest Service or the City of South Lake Tahoe are sufficient only if in writing and delivered in person, mailed, or transmitted electronically by e-mail or fax, as follows:

To the U.S. Forest Service Program Manager, at the address specified in the agreement.

To the City of South Lake Tahoe, at the address shown in the agreement or such other address designated within the agreement.

Notices are effective when delivered in accordance with this provision, or on the effective date of the notice, whichever is later.

C. PARTICIPATION IN SIMILAR ACTIVITIES. This agreement in no way restricts the U.S. Forest Service or the City of South Lake Tahoe from participating in similar activities with other public or private agencies, organizations, and individuals.

D. ENDORSEMENT. Any of the City of South Lake Tahoe's contributions made under this agreement do not by direct reference or implication convey U.S. Forest Service endorsement of the City of South Lake Tahoe's products or activities.

E. NON-FEDERAL STATUS FOR COOPERATOR PARTICIPANTS. The Cooperator agree(s) that any of the City of South Lake Tahoe's employees, volunteers, and program participants shall not be deemed to be Federal employees for any purposes including Chapter 171 of Title 28, United States Code (Federal Tort Claims Act) and Chapter 81 of Title 5, United States Code (OWCP), as the City of South Lake Tahoe has hereby willingly agreed to assume these responsibilities.

Further, the City of South Lake Tahoe shall provide any necessary training to the City of South Lake Tahoe's employees, volunteers, and program participants to ensure that such personnel are capable of performing tasks to be completed. The Cooperator shall also supervise and direct the work of its employees, volunteers, and participants performing under this agreement.

F. MEMBERS OF CONGRESS. Pursuant to 41 U.S.C. 22, no member of, or delegate to, Congress shall be admitted to any share or part of this agreement, or benefits that may arise therefrom, either directly or indirectly.

G. NONDISCRIMINATION. The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, and so forth.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

H. ELIGIBLE WORKERS. The Cooperator shall ensure that all employees complete the I-9 form to certify that they are eligible for lawful employment under the Immigration and Nationality Act (8 USC 1324a). The Cooperator shall comply with regulations regarding certification and retention of the completed forms. These requirements also apply to any contract awarded under this agreement.

I. SYSTEM FOR AWARD MANAGEMENT REGISTRATION REQUIREMENT (SAM). The Cooperator shall maintain current information in the System for Award Management (SAM) until receipt of final payment. This requires review and update to the information at least annually after the initial registration, and more frequently if required by changes in information or agreement term(s). For purposes of this agreement, System for Award Management (SAM) means the Federal

repository into which an entity must provide information required for the conduct of business as a Cooperative. Additional information about registration procedures may be found at the SAM Internet site at www.sam.gov.

J. STANDARDS FOR FINANCIAL MANAGEMENT.

1. Financial Reporting

The Cooperator shall provide complete, accurate, and current financial disclosures of the project or program in accordance with any financial reporting requirements, as set forth in the financial provisions.

2. Accounting Records

The Cooperator shall continuously maintain and update records identifying the source and use of funds. The records shall contain information pertaining to the agreement, authorizations, obligations, unobligated balances, assets, outlays, and income.

3. Internal Control

The Cooperator shall maintain effective control over and accountability for all U.S. Forest Service funds, real property, and personal property assets. The Cooperator shall keep effective internal controls to ensure that all United States Federal funds received are separately and properly allocated to the activities described in the agreement and used solely for authorized purposes.

4. Source Documentation

The Cooperator shall support all accounting records with source documentation. These documentations include, but are not limited to, cancelled checks, paid bills, payrolls, contract and contract documents. These documents must be made available to the U.S. Forest Service upon request.

K. LIMITATION OF FUNDS. U.S. Forest Service funds in the amount of $ 200,000.00 are currently available for performance of this agreement through 12/31/2024. The U.S. Forest Service's obligation for performance of this agreement beyond this date is contingent upon the availability of appropriated funds from which payment can be made. There is no legal liability on the part of the U.S. Forest Service for any payment may arise for performance under this agreement beyond this amount until the City of South Lake Tahoe receive(s) notice of availability to be confirmed in a written modification by the U.S. Forest Service.

L. INDIRECT COST RATES- PARTNERSHIP. Indirect costs are approved for reimbursement or as a cost-share requirement and have an effective period applicable to the term of this agreement.

1. If the Cooperator has never received or does not currently have a negotiated indirect cost rate, they are eligible for a de minimis indirect cost rate up to 10 percent of modified total direct costs (MTDC). MTDC is defined as all salaries and wages, fringe benefits, materials and supplies, services, travel, and contracts up to the first $25,000 of each contract.

2. For rates greater than 10 percent and less than 25 percent, the Cooperator shall maintain documentation to support the rate. Documentation may include, but is not limited to, accounting records, audit results, cost allocation plan, letter of indirect cost rate approval from an independent accounting firm, or other Federal agency approved rate notice applicable to agreements.

3. For a rate greater than 25 percent, the U.S. Forest Service may require that request a federally approved rate from the Cooperator's cognizant audit agency no later than 3 months after the effective date of the agreement. The Cooperator will be reimbursed for indirect costs or allowed to cost-share at the rate reflected in the agreement until the rate is formalized in the negotiated indirect cost rate (NICRA) at which time, reimbursements for prior indirect costs or cost-sharing may be subject to adjustment.

4. Failure to provide adequate documentation supporting the indirect cost rate, if requested, could result in disallowed costs and repayment to the U.S. Forest Service.

M. OVERPAYMENT. Any funds paid to the City of South Lake Tahoe in excess of the amount entitled under the terms and conditions of this agreement constitute a debt to the Federal Government. The following must also be considered as a debt or debts owed by the City of South Lake Tahoe to the U.S. Forest Service:

- Any interest or other investment income earned on advances of agreement funds; or

- Any royalties or other special classes of program income which, under the provisions of the agreement, are required to be returned;

If this debt is not paid according to the terms of the bill for collection issued for the overpayment, the U.S. Forest Service may reduce the debt by:

1. Making an administrative offset against other requests for reimbursement.
2. Withholding advance payments otherwise due to the City of South Lake Tahoe.
3. Taking other action permitted by statute (31 U.S.C. 3716 and 7 CFR, Part 3, Subpart B).

Except as otherwise provided by law, the U.S. Forest Service may charge interest on an overdue debt.

N. AGREEMENT CLOSE-OUT. Within 120 days after expiration or notice of termination The Cooperator shall close out the agreement.

Any unobligated balance of cash advanced to the City of South Lake Tahoe must be immediately refunded to the U.S. Forest Service, including any interest earned in accordance with 7CFR3016.21/2CFR 215.22.

Within a maximum of 120 days following the date of expiration or termination of this agreement, all financial performance and related reports required by the terms of the agreement must be submitted to the U.S. Forest Service by the City of South Lake Tahoe.

If this agreement is closed out without audit, the U.S. Forest Service reserves the right to disallow and recover an appropriate amount after fully considering any recommended disallowances resulting from an audit which may be conducted later.

O. PROGRAM MONITORING AND PROGRAM PERFORMANCE REPORTS. The parties to this agreement shall monitor the performance of the agreement activities to ensure that performance goals are being achieved.

Performance reports must contain information on the following:

- A comparison of actual accomplishments to the goals established for the period. Wherever the output of the project can be readily expressed in numbers, a computation of the cost per unit of output, if applicable.

- Reason(s) for delay if established goals were not met.

- Additional pertinent information.

The Cooperator shall submit ANNUAL performance reports to the U.S. Forest Service Program Manager. These reports are due 30 days after the reporting period. The final performance report must be submitted either with the City of South Lake Tahoe's final payment request, or separately, but not later than 120 days from the expiration date of the agreement.

P. RETENTION AND ACCESS REQUIREMENTS FOR RECORDS. The Cooperator shall retain all records pertinent to this agreement for a period of no less than 3 years from the expiration or termination date. As used in this provision, records includes books, documents, accounting procedures and practice, and other data, regardless of the type or format. The Cooperator shall provide access and the right to examine all records related to this agreement to the U.S. Forest Service, Inspector General, or Comptroller General or their authorized representative. The rights of access in this section must not be limited to the required retention period but must last as long as the records are kept.

If any litigation, claim, negotiation, audit, or other action involving the records has been started before the end of the 3-year period, the records must be kept until all issues are resolved, or until the end of the regular 3-year period, whichever is later.

Records for nonexpendable property acquired in whole or in part, with Federal funds must be retained for 3 years after its final disposition.

Q. FREEDOM OF INFORMATION ACT (FOIA). Public access to grant or agreement records must not be limited, except when such records must be kept confidential and would have been exempted from disclosure pursuant to Freedom of Information regulations (5 U.S.C. 552). Requests for research data are subject to 2 CFR 215.36.

Public access to culturally sensitive data and information of Federally-recognized Tribes may also be explicitly limited by P.L. 110-234, Title VIII Subtitle B §8106 (2008 Farm Bill).

R. TEXT MESSAGING WHILE DRIVING. In accordance with Executive Order (EO) 13513, "Federal Leadership on Reducing Text Messaging While Driving," any and all text messaging by Federal employees is banned: a) while driving a Government owned vehicle (GOV) or driving a privately owned vehicle (POV) while on official Government business; or b) using any electronic equipment supplied by the Government when driving any vehicle at any time. All Cooperators, their Employees, Volunteers, and Contractors are encouraged to adopt and enforce policies that ban text messaging when driving company owned, leased or rented vehicles, POVs or GOVs when driving while on official Government business or when performing any work for or on behalf of the Government.

S. PUBLIC NOTICES. It is The U.S. Forest Service's policy to inform the public as fully as possible of its programs and activities. The Cooperator is/are encouraged to give public notice of the receipt of this agreement and, from time to time, to announce progress and accomplishments. Press releases or other public notices should reference the Agency as follows:

"Lake Tahoe Basin Management Unit of the U.S. Forest Service, U.S. Department of Agriculture"

The Cooperator may call on The U.S. Forest Service's Office of Communication for advice regarding public notices. The Cooperator is/are requested to provide copies of notices or announcements to the U.S. Forest Service Program Manager and to The U.S. Forest Service's Office of Communications as far in advance of release as possible.

T. CONTRACT REQUIREMENTS. Any contract under this agreement must be awarded following the City of South Lake Tahoe's established procurement procedures, to ensure free and open competition, and avoid any conflict of interest (or appearance of conflict). The Cooperator shall maintain cost and price analysis

documentation for potential U.S. Forest Service review. The Cooperator is/are encouraged to utilize small businesses, minority-owned firms, and women's business enterprises.

U. REMEDIES FOR COMPLIANCE RELATED ISSUES. If the City of South Lake Tahoe materially fail(s) to comply with any term of the agreement, whether stated in a Federal statute or regulation, an assurance, or the agreement, the U.S. Forest Service may take one or more of the following actions:

1. Temporarily withhold cash payments pending correction of the deficiency by the City of South Lake Tahoe or more severe enforcement action by the U.S. Forest Service;

2. Disallow (that is, deny both use of funds and matching credit for) all or part of the cost of the activity or action not in compliance;

3. Wholly or partly suspend or terminate the current agreement for the City of South Lake Tahoe's program;

4. Withhold further awards for the program, or

5. Take other remedies that may be legally available, including debarment procedures under 2 CFR part 417.

V. TERMINATION BY MUTUAL AGREEMENT. This agreement may be terminated, in whole or part, as follows:

1. When the U.S. Forest Service and the City of South Lake Tahoe agree upon the termination conditions, including the effective date and, in the case of partial termination, the portion to be terminated.

2. By 30 days written notification by the City of South Lake Tahoe to the U.S. Forest Service setting forth the reasons for termination, effective date, and in the case of partial termination, the portion to be terminated. If the U.S. Forest Service decides that the remaining portion of the agreement will not accomplish the purposes for which the agreement was made, the U.S. Forest Service may terminate the agreement in its entirety.

Upon termination of an agreement, the City of South Lake Tahoe shall not incur any new obligations for the terminated portion of the agreement after the effective date, and shall cancel as many outstanding obligations as possible. The U.S. Forest Service shall allow full credit to the City of South Lake Tahoe for the U.S. Forest Service share of obligations that cannot be cancelled and were properly incurred by the City of South Lake Tahoe up to the effective date of the termination. Excess funds must be refunded within 60 days after the effective date of termination.

W. ALTERNATE DISPUTE RESOLUTION – PARTNERSHIP AGREEMENT. In the event of any issue of controversy under this agreement, the parties may pursue Alternate Dispute Resolution procedures to voluntarily resolve those issues. These procedures may include, but are not limited to conciliation, facilitation, mediation, and fact finding.

X. DEBARMENT AND SUSPENSION. The Cooperator shall immediately inform the U.S. Forest Service if they or any of their principals are presently excluded, debarred, or suspended from entering into covered transactions with the Federal Government according to the terms of 2 CFR Part 180. Additionally, should the City of South Lake Tahoe or any of their principals receive a transmittal letter or other official Federal notice of debarment or suspension, then they shall notify the U.S. Forest Service without undue delay. This applies whether the exclusion, debarment, or suspension is voluntary or involuntary.

Y. PROHIBITION AGAINST INTERNAL CONFIDENTIAL AGREEMENTS. All non federal government entities working on this agreement will adhere to the below provisions found in the Consolidated Appropriations Act, 2016, Pub. L. 114-113, relating to reporting fraud, waste and abuse to authorities:

(a) The recipient may not require its employees, contractors, or subrecipients seeking to report fraud, waste, or abuse to sign or comply with internal confidentiality agreements or statements prohibiting or otherwise restricting them from lawfully reporting that waste, fraud, or abuse to a designated investigative or law enforcement representative of a Federal department or agency authorized to receive such information.

(b) The recipient must notify its employees, contractors, or subrecipients that the prohibitions and restrictions of any internal confidentiality agreements inconsistent with paragraph (a) of this award provision are no longer in effect.

(c) The prohibition in paragraph (a) of this award provision does not contravene requirements applicable to any other form issued by a Federal department or agency governing the nondisclosure of classified information.

(d) If the Government determines that the recipient is not in compliance with this award provision, it:

(1) Will prohibit the recipient's use of funds under this award, in accordance with sections 743, 744 of Division E of the Consolidated Appropriations Act, 2016, (Pub. L. 114-113) or any successor provision of law; and

(2) May pursue other remedies available for the recipient's material failure to comply with award terms and conditions.

Z. MODIFICATIONS. Modifications within the scope of this agreement must be made by mutual consent of the parties, by the issuance of a written modification signed and dated by all properly authorized, signatory officials, prior to any changes being performed. Requests for modification should be made, in writing, at least 30 days prior to implementation of the requested change. The U.S. Forest Service is not obligated to fund any changes not properly approved in advance.

AA. COMMENCEMENT/EXPIRATION DATE. This agreement is executed as of the date of the last signature and is effective through 12/31/2024 at which time it will expire. The expiration date is the final date for completion of all work activities under this agreement.

BB. AUTHORIZED REPRESENTATIVES. By signature below, each party certifies that the individuals listed in this document as representatives of the individual parties are authorized to act in their respective areas for matters related to this agreement. In Witness Whereof, the parties hereto have executed this agreement as of the last date written below.

Joseph Irvin 7/22/2021

JOSEPH IRVIN, City Manager — Date
City of South Lake Tahoe

Gwen Sanchez 7/26/21

GWEN SANCHEZ, Acting Forest Supervisor — Date
U.S. Forest Service
Lake Tahoe Basin Management Unit

The authority and format of this agreement have been reviewed and approved for signature.

DAVID WAGNER Digitally signed by DAVID WAGNER
Date: 2021.07.21 10:09:31 -07'00'

DAVID WAGNER — Date
U.S. Forest Service Grants Management Specialist

Burden Statement

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0596-0217. The time required to complete this information collection is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call toll free (866) 632-9992 (voice). TDD users can contact USDA through local relay or the Federal relay at (800) 877-8339 (TDD) or (866) 377-8642 (relay voice). USDA is an equal opportunity provider and employer.

Attachment: A

USFS Agreement No.: 21-PA-11051900-016

Cooperator Agreement No.:

Mod. No.:

Note: This Financial Plan may be used when:
(1) No program income is expected and
(2) The Cooperator is not giving cash to the FS and
(3) There is no other Federal funding

Agreements Financial Plan (Short Form)

Financial Plan Matrix: Note: All columns may not be used. Use depends on source and type of contribution(s).

	FOREST SERVICE CONTRIBUTIONS		COOPERATOR CONTRIBUTIONS		
	(a)	(b)	(c)	(d)	
COST ELEMENTS	Noncash	Cash to Cooperator	Noncash	In-Kind	(e) Total
Direct Costs					
Salaries/Labor	$0.00	$0.00	$0.00	$0.00	$0.00
Travel	$0.00	$0.00	$0.00	$0.00	$0.00
Equipment	$0.00	$0.00	$0.00	$0.00	$0.00
Supplies/Materials	$0.00	$0.00	$0.00	$0.00	$0.00
Printing	$0.00	$0.00	$0.00	$0.00	$0.00
Other	$0.00	$200,000.00	$50,000.00	$0.00	$250,000.00
Other					$0.00
Subtotal	$0.00	$200,000.00	$50,000.00	$0.00	$250,000.00
Coop Indirect Costs		$0.00	$7,500.00		$7,500.00
FS Overhead Costs	$0.00				$0.00
Total	$0.00	$200,000.00	$57,500.00	$0.00	
Total Project Value:					$257,500.00

Matching Costs Determination	
Total Forest Service Share = (a+b) ÷ (e) = (f)	(f) 77.67%
Total Cooperator Share (c+d) ÷ (e) = (g)	(g) 22.33%
Total (f+g) = (h)	(h) 100.00%

WORKSHEET FOR

FS Cash to the Cooperator Cost Analysis, Column (b)

Use this worksheet to perform the cost analysis that supports the lump sum figures provided in the matrix. NOTE: This worksheet auto populates the relevant and applicable matrix cells.

Cost element sections may be deleted or lines may be hidden, if not applicable. Line items may be added or deleted as needed. The Standard Calculation sections provide a standardized formula for determing a line item's cost, e.g. cost/day x # of days=total, where the total is calculated automatically. The Non-Standard Calculation sections provide a write-in area for line items that require a calculation formula that is other than the standardized formules, e.g. instead of salaries being calculated by cost/day x # of days, costs may be calculated simply by a contracted value that is not dependent on days worked, such as 1 employee x $1,200/contract= $1,200. Be sure to review your calculations when entering in a Non-Standard Calculation, and provide a brief explanation of units used to make calculation, e.g. '1 month contract,' on a line below the figures.

Salaries/Labor					
Standard Calculation					
Job Description		Cost/Day	# of Days		Total
					$0.00
					$0.00
Non-Standard Calculation					
Total Salaries/Labor					**$0.00**

Travel					
Standard Calculation					
Travel Expense	Employees	Cost/Trip	# of Trips		Total
					$0.00
					$0.00
Non-Standard Calculation					
Total Travel					**$0.00**

Equipment					
Standard Calculation					
Piece of Equipment	# of Units	Cost/Day	# of Days		Total
					$0.00
					$0.00
Non-Standard Calculation					
Total Equipment					**$0.00**

Supplies/Materials
Standard Calculation

Supplies/Materials		# of Items	Cost/Item	Total
				$0.00
				$0.00
				$0.00
Non-Standard Calculation				
Total Supplies/Materials				**$0.00**

Printing					
Standard Calculation					
Paper Material		# of Units	Cost/Unit		Total
					$0.00
Non-Standard Calculation					
					$0.00
Total Printing					**$0.00**

Other Expenses					
Standard Calculation					
Item		# of Units	Cost/Unit		Total
Timber Operations		18.45	$8,000.00		$147,600.00
Biological Assessment		1.00	$21,400.00		$21,400.00
Forestry Services		1.00	$20,000.00		$20,000.00
Project Mngt. Consultant		1.00	$11,000.00		$11,000.00
Non-Standard Calculation					
Total Other					**$200,000.00**

Subtotal Direct Costs	$200,000.00

Cooperator Indirect Costs				
Current Overhead Rate	Subtotal Direct Costs			Total
		Applied as match		$0.00
Total Coop. Indirect Costs				**$0.00**

TOTAL COST	**$200,000.00**

WORKSHEET FOR

Cooperator Non-Cash Contribution Cost Analysis, Column (c)

Use this worksheet to perform the cost analysis that supports the lump sum figures provided in the matrix.
NOTE: This worksheet auto populates the relevant and applicable matrix cells.

Cost element sections may be deleted or lines may be hidden, if not applicable. Line items may be added or deleted as needed. The Standard Calculation sections provide a standardized formula for determing a line item's cost, e.g. cost/day x # of days=total, where the total is calculated automatically. The Non-Standard Calculation sections provide a write-in area for line items that require a calculation formula that is other than the standardized formules, e.g. instead of salaries being calculated by cost/day x # of days, costs may be calculated simply by a contracted value that is not dependent on days worked, such as 1 employee x $1,200/contract= $1,200. Be sure to review your calculations when entering in a Non-Standard Calculation, and provide a brief explanation of units used to make calculation, e.g. '1 month contract,' on a line below the figures.

Salaries/Labor

Standard Calculation

Job Description		Cost/Day	# of Days		Total
					$0.00
					$0.00
					$0.00

Non-Standard Calculation

Total Salaries/Labor	**$0.00**

Travel

Standard Calculation

Travel Expense	Employees	Cost/Trip	# of Trips		Total
					$0.00
					$0.00
					$0.00

Non-Standard Calculation

Total Travel	**$0.00**

Equipment

Standard Calculation

Piece of Equipment	# of Units	Cost/Day	# of Days		Total
					$0.00
					$0.00
					$0.00

Non-Standard Calculation

Total Equipment	**$0.00**

Supplies/Materials				
Standard Calculation				
Supplies/Materials		# of Items	Cost/Item	Total
				$0.00
				$0.00
				$0.00
Non-Standard Calculation				
Total Supplies/Materials				**$0.00**

Printing					
Standard Calculation					
Paper Material		# of Units	Cost/Unit		Total
					$0.00
Non-Standard Calculation					
					$0.00
Total Printing					**$0.00**

Other Expenses					
Standard Calculation					
Item		# of Units	Cost/Unit		Total
Airport Timber Operations		6.25	$8,000.00		$50,000.00
					$0.00
					$0.00
					$0.00
Non-Standard Calculation					
Total Other					**$50,000.00**

Subtotal Direct Costs	$50,000.00

Cooperator Indirect Costs				
Current Overhead Rate	Subtotal Direct Costs			Total
10%	$25,000	Indirect not billed to FS		$2,500
10.00%	$50,000.00			$5,000.00
Total Coop. Indirect Costs				**$7,500.00**

TOTAL COST	**$57,500.00**

MOUNTAIN F. ENTERPRISES INC.

A: Cover Letter

Lake Tahoe Airport Hazardous Fuels Reduction #2023-08-04
Attention: John Dickinson-Airport Manager

And

CITY OF
SOUTH LAKE TAHOE

Proposer:
Mountain F Enterprises, Inc
950 Iron Point Road #210
Folsom CA 95630
Signed:
Print name: Jim Finney
Title: Chief Estimator

Proposal good for 120 calendar days from date of submittal

Prepared By
Jim Finney
jimf@mtfent.com
950 Iron Point Road #210
Folsom CA 95630

CELL (707)775-7577
PHONE (530) 626-4127
FAX 2 (530) 626-4120
WEBSITE http://www.mtfent.com

B: EXECUTIVE SUMMARY

Mountain F Enterprises, Inc (MFE) is submitting a bid as a proposer for the Lake Tahoe Hazardous Fuels Reduction Project #2023-08-04 in South Lake Tahoe. The project consists of 12.7 acres of fuels reduction where we will be thinning trees and masticating/chipping the brush within the project area not to exceed 3" depth. We, the undersigned, having familiarized ourselves with all project plans and local conditions affecting the cost of work to be done, along with the cost proposal and contract documents, hereby propose to provide and furnish all labor, materials, transportation, and equipment of all types and kinds and to complete the project as specified and described in the vegetation management plan (attachment #2).

Mountain F Enterprises, Inc has completed a prior project at the airport #2018-06-15 back in 2018 where we thinned and masticated approximately 46 acres or trees and brush, this project was successful and completed on time and budget as well.

C: COMPANY HISTORY BACKGROUND AND EXPERIENCE

OUR BACKGROUND

Knowledge and Skill at Work for You

Bring together our knowledge, skills, and experience to provide you with the utmost professional tree services in California.

In 1984, Mountain F. Enterprises, Inc. (MFE) was established in Lotus, California with the goal to provide customers with top-quality tree care. As a small residential tree service, it wasn't long before Mountain Firewood (original name) realized it was time to expand into the firewood business. Four years later, the business blossomed into a full spectrum vegetation management business that specialized in providing services to a variety of customers including federal, state, and local agencies, municipalities, utility companies, timber companies, small landowners, and fire-safe councils.

In 2000, our business grew out of the residential tree service and firewood business to provide utility tree trimming and hazard tree removal services to the utility and commercial tree management industries. MFE with its highly skilled and professional personnel, top-of-the-line equipment, and a work ethic unprecedented in the industry, understand that professionalism and competitiveness are non-negotiable.

We are not just about saws and trees. As MFE has grown through the years, so has our scope of work. In order to continuously meet the changing needs of our clients, we have had to branch out and provide other services such as site clearing, grubbing, road building, drilling holes for utility poles, and providing GIS services to mention a few. We have always stood up to the challenge which has led us to where we are today and what will lead us into the future.

Our wide range of equipment gives us the capability to handle almost any situation. Our size, broad experience, and technical resources give us the ability and flexibility to meet most requirements quickly, effectively, and safely. What separates us from other vegetation management companies is our reliability, cost, quality, and customer satisfaction.

MFE begins each project by acquiring a thorough understanding of our client's objectives for their proposed project. Based on these objectives, MFE will prepare an intelligent, cost-effective proposal to meet the client's goals and time schedule.

Mountain F Enterprises, Inc today employes 1400 people across the State of California, Nevada and Oregon and has one of the largest fleets of tree care equipment in the Western United States. MFE holds offices in Folsom (home office), Lotus (main shop and office), Santa Rosa, Auburn, Oroville, Chico, South Lake Tahoe (yard), and Grass Valley.

PROJECT PERSONNEL

The following Mountain F. Enterprises Inc. key personnel will be available for the implementation and administration of this contract:

JP Gomez (operations manager/Certified arborist)- JP became the operations manager in 2016. His main responsibilities include day to day management of crews and manpower across the state.

JP brings a wealth of field knowledge running equipment and crews on projects all around CA, from logging to hazard tree removal crews, JP has overseen them all. JP helps Mountain F Enterprises stay on top of the hill as being the largest tree company in California.

Jim Finney (Project Manager/Chief Estimator/Certified Arborist WC 9863A/CTSP) joined the company in December 2011 and brings with him 22 years' experience. (Resume attached)

Jim brings to the company over 22 years of tree care experience, working throughout California in the private industry and power line ROW work. Jim graduated from CSU Chico in 1994 with a BS in construction management. His main expertise is in project management and development, job estimating and quality control.

As the project manager for Mountain F. Enterprises, Inc., he oversees special projects such as preparing and implementing project plans. He is responsible for the scheduling of work, coordinating and assigning manpower, equipment, tools, and material(s) required for efficient and timely completion of a project. He also performs periodic field review of work in progress to ensure compliance with minimum clearance requirements, work standards, planned work procedures, and efficient utilization of manpower, equipment, tools, and materials.

Eric Larue (Onsite Foreman/Operator, CTSP) has over 35 years of logging and tree removal supervision. As the Foreman, he will be responsible for the safe, efficient, and economic utilization of manpower, equipment, tools, and material(s) required for the successful completion of this project. (Resume attached)

Eric will work with the Project Coordinator to resolve work problems and recommend measures to improve work methods. Instructs workers in safety, recognizes unsafe work conditions and modifies work procedures.

Eric will also be serving as MFE's contact with the general public and is empowered to suspend any operations which he deems to be in noncompliance with the contract, and/or order corrective measures to assure compliance. He will also maintain direct contact with the client's representatives.

D: SCOPE OF WORK/IMPLEMENTATION

Mountain F Enterprises (MFE) begins each workday by performing a mandatory Job Safety Analysis briefing with all project employees. During this meeting the foreman discusses the hazards and mitigation requirements of the project including site and weather conditions, Project Activity Levels (PALS), on-site personnel, equipment and all resources as well as the work flow for the day. As part of the safety process, MFE has a comprehensive Injury and Illness Prevention Program (IIPP) that complies with Federal and Cal-OSHA requirements. Employees are trained on the IIPP requirements and the importance of following safe work practices including the use of PPE issued to them by MFE.

MFE will use a lowboy to mobilize equipment to the project site which will consist of a tracked feller buncher, a rubber tracked excavator with masticator and a 20" tracked whole tree chipper and a CAT 308 excavator with grapple to process limbs and tops of trees being removed. Trees to removed will follow the Vegetation Management Plan (attachment 2) as well as all timber operations will be compliant with CA Forest practice rules 14 CCR 1038.3, MFE will be chipping and or masticating the trees and broadcasting them back onto the site within the jobsite boundaries with any merchantable logs being decked and then hauled off site in the locations shown on the plan page (attachment 3). MFE will set up all precautionary signage on site for the public to be aware of the project happening and to keep a safe distance from the work areas. MFE will also have a 500-gallon water wagon on site for fire suppression.

MFE would be ready to start after contracts and insurance are in place in September of 2023 as noted in the timetable given in the bid documents. MFE would start work 9/13/2023 and would be completed by 10/15/2023 per the bid documents.

E: PROJECT BUDGET-SEE ATTACHED FORM

F: References/Experience for your records with brief description of project

TITLE OF PROJECT OR CONTRACT NO.	NAME OF CONTACT, ADDRESS & PHONE	PROJECT DESCRIPTION
HWY 128 Tree Removal Kincade Fire	Matt Verke Team Ghilotti-707-763-8700	Removal of hazard trees along a traveled highway 128. Whole tree chipping / Traffic control. $944,000.00
Camp Fire	PG&E Jason Thompson-530-477-3274	Removal of 5000+ burned trees removed and processed by MFE crews. MFE processed over 91,000 total trees and 100,000 tons of material sent to Cogen. 11/2018-7/2019 $51,000,000.00
Wunderlich Park	PGE Chris Pachan-925-558-5131	Removal of 20 acres of eucalyptus trees in Wunderlich Park - $2,500,000.00
MMWD Mowing	Carl Sanders-415-945-1418	Mowing of brush and trees on fire roads thru out the MMWD watershed. $500,000.00
Cal Trans Glass Fire 2021	Team Ghilotti- Matt Verke 707-763-8700	Remove hazard trees along roadside whole tree chipping and off haul. $750,000.00
Wunderlich Park Mastication	David Cowman with SMRCD-415-246-8851	Mastication of trees and brush over 400 acres- $1,900,000.00

PROPOSAL CONTENT REQUIREMENTS

11. <u>Proposal Requirements</u> - All proposals must include the following information and shall be organized as described below.

✓ **A. Cover Letter (0-5 points)**

The cover letter shall be addressed to John Dickinson, Airport Manager, and at a minimum, must contain the following:

- Identification of Firm, including name, address, and telephone number
- Name, title, address, and telephone number of contact person during period of proposal evaluation
- A statement to the effect that the proposal shall remain valid for a period of not less than 120 calendar days from date of submittal
- Signed by person authorized to bind the Firm to the terms of the proposal.

✓ **B. Executive Summary (10 points)**

The intent of this narrative is to convince the City the Proposer understands the requirements of proposal, the nature of the work, and the level of effort necessary to successfully provide the defined services.

✓ **C. Company History, Background and Experience (0-20 points)**

Describe the Company's history and organizational structure, including the size of the company, location of office(s) and years in business. Provide resumes for project team members. Also include the Firm's background, experience, and capacity to undertake the project/services for the City of South Lake Tahoe in conformity with the requirements of the RFP.

✓ **D. Scope of Work/Implementation (0-35 points)**

Describe the Company's general approach to managing the services provided including an explanation of the methodology to be followed and specific plans to manage, control, and supervise the services to insure satisfactory provision of services. In developing the work plan, reference should be made to the specific requirements and specifications noted in the Scope of Services, the Vegetation Management Plan, the Treatment Map Area, and the USDA, Forest Service Lake Tahoe Basin Management Unit Agreement #21-PA-11051900-016. Provide a delivery schedule designed to meet the requirements of the City. An implementation time-line from the Company is required. Provide description implementation plan considerations, including time frames and deliverables for various stages.

PROPOSAL CONTENT REQUIREMENTS (CONTINUED)

✓ **E. Project Budget (0-25 points)**

Provide a description of the project cost and/or fees itemized according to the RFP proposal, as follows:

Project Unit	Treatment Type	Complexity	Quantity	Unit	Price per Unit	Total Cost ($)
Unit 1	Biomass Removal and mastication		12.7	Acres	10,785.00	136,969.50
*Not to Exceed price per unit			12.7	Acres	TOTAL	136,969.50

The total all-inclusive maximum price to be bid is to contain all direct and indirect costs, including all out-of-pocket expenses. The City of South Lake Tahoe will not be responsible for the expenses incurred in preparing and submitting the proposal. The Company shall present all costs, fees, taxes, and charges based on achievement of deliverables, which should be outlined in the Company's cost proposal.

✓ **F. Description of Recent Projects/References (0-5 points)**

Provide a description of accounts/ agreements of a similar nature including at least three (3) recent client references with names and telephone numbers, contact persons.

PICTURES OF EQUIPMENT USED:

Timberpro 725/735D

Morbark 20" track whole tree chipper

Link Belt 145 and CAT 299D with mastication heads

CAT 308 excavator with grapple/thumb

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: September 12, 2023

Agenda Item #: 11

Agenda Item: Ratification of California Department of Alcoholic Beverage Control Grant Application and Award

Executive Summary: City Council is asked to ratify the application for, and accept a grant award from California Department of Alcoholic Beverage Control in the amount of $98,136.00 for special enforcement of alcohol-related crimes, community education, and press releases. Grant funds will be used to carry out enforcement and education efforts related to a host of criminal violations in our community including, but not limited to, unlawful possession and distribution of alcoholic beverages, unlawful provision of alcohol to minors, contributing to the delinquency of minors, public intoxication, and disturbances of the peace due to alcohol related parties, special events, and gatherings within City limits.

Requested Action / Suggested Motions: Pass a Resolution ratifying the application, authorizing the Chief of Police to accept and execute agreement, budget, and reimbursement of grant award by California Department of Alcoholic Beverage Control in Amount up to $98,136.00 to facilitate extra enforcement and education efforts for alcohol-related offenses for State fiscal year 2023/2024, effective July 1, 2023

Responsible Staff Member: David Stevenson, Chief of Police

Reviewed and Approved By: Susan Blankenship, City Clerk Olga Tikhomirova, Director of Finance Heather Stroud, City Attorney

Attachments:

01-Staff Report - ABC Grant.docx
02-Resolution - ABC Grant 23-24.docx
03 GRANT AGREEMENT.pdf
04-Exhibits to ABC Grant Agreement

City of South Lake Tahoe
Report to **City Council**

Meeting Date: September 12, 2023

Title: Ratification of California Alcoholic Beverage Control (ABC) Alcohol Policing Partnership Grant Application

Location: Citywide

Responsible Staff Member: Chief David Stevenson, (530) 545-2765

Background: California Department of Alcoholic Beverage Control (ABC) provides grant assistance to law enforcement agencies through the Alcohol Policing Partnership Program. This is a competitive grant process through ABC. The South Lake Tahoe Police Department applied for these grant funds in March of 2023. The grant application was due by March 31, 2023. On August 4, 2023 we received confirmation of a grant award and the grant agreement. The grant requires approval via a resolution from City Council to accept, budget, spend and reimburse the funds from the grant.

Issue and Discussion: The ABC Alcohol Policing Partnership Grant is a tool for the City of South Lake Tahoe in enforcement of alcohol related criminal offenses committed by both juveniles and adults. The South Lake Tahoe Police Department will utilize these grant funds to carry out enforcement efforts related to a host of criminal violations in our community including, but not limited to, unlawful possession and distribution of alcoholic beverages, unlawful provision of alcohol to minors, contributing to the delinquency of minors, public intoxication, and disturbances of the peace due to alcohol related parties, events, and gatherings within City limits. Grant funds may also be used to conduct alcohol related community and local business trainings. In the past we have used these funds for overtime at events like the Lakeview Commons outdoor concert series, New Year's Eve, and the 4th of July fireworks celebration.

Financial Implications: There will be no impact to the general fund. This is a reimbursement grant from California ABC. Expenditures for the program will be reimbursed quarterly. If approved by City Council, effective July 1, 2023; budget in account 229 02112 should be amended as follows:

Revenue:	#33229	$98,136.00
Expenditures:	#41040 (Overtime)	$93,736.00
	#46120 (Equipment)	$1,400.00
	#44048 (Investigations)	$500.00
	#44060 (Training)	$650.00
	#44050 (Travel)	$1,850.00

Environmental Considerations: The proposed action is not a "project" subject to review under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15378(b)(4) (creation of government funding mechanisms or government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment).

Policy Implications: This grant supports strategic priority "5.1 Public Safety".

Resolution 2023-XXX

Adopted by the City of South Lake Tahoe
City Council

September 12, 2023

Ratifying the application, authorizing acceptance, budget, and reimbursement of grant award by California Department of Alcoholic Beverage Control in Amount up to $98,136.00 to facilitate extra enforcement and education efforts for alcohol related offences for State fiscal year 2023/2024 effective July 1, 2023

BACKGROUND

A. California Department of Alcoholic Beverage Control (ABC) provides grant assistance to law enforcement agencies through the Alcohol Policing Partnership Program.
B. The South Lake Tahoe Police Department applied for these grant funds in March of 2023 and was awarded grant funds in amount up to $98,136.00.
C. The South Lake Tahoe Police Department intends to utilize these grant funds to carry out enforcement and education efforts related to a host of criminal violations in our community including, but not limited to, unlawful possession and distribution of alcoholic beverages, unlawful provision of alcohol to minors, contributing to the delinquency of minors, public intoxication, and disturbances of the peace due to alcohol related parties, events, and gatherings within City limits.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of the City of South Lake Tahoe:

1. Ratifies the application for, authorizes acceptance, budget, and reimbursement of a grant award up to $98,136.00 to carry out enforcement efforts related to alcohol and drug related criminal violations within the City of South Lake Tahoe.

2. Authorizes and directs the Chief of Police to execute, on behalf of the City Council, a grant agreement, including any extensions or amendments thereof and any subsequent contract with the State in relation thereto.

3. Acknowledges that any liability arising out of the performance of this agreement, including civil court actions for damages, shall be the responsibility of the grant recipient and the authorizing agency. The State of California and ABC disclaim responsibility for any such liability.

4. Acknowledges that the funds received hereunder shall not be used to supplant expenditures controlled by this body.

5. Acknowledges that this award is not subject to local hiring freezes.

6. Authorizes increasing 2022/2023 City budget for the account 229-02112 as described in the staff report in amount up to $98,136.00

Adopted by the City of South Lake Tahoe City Council on September 12, 2023 by the following vote:
Yes:
No:
Absent:
Abstain:

_____ Date: _____

Cristi Creegan, Mayor

Attest:

_____

Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

STANDARD AGREEMENT

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER	PURCHASING AUTHORITY NUMBER (If Applicable)
23-APP47	ABC-2100

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME
Department of Alcoholic Beverage Control

CONTRACTOR NAME
City of South Lake Tahoe through the South Lake Tahoe Police Department

2. The term of this Agreement is:

START DATE
July 1, 2023

THROUGH END DATE
June 30, 2024

3. The maximum amount of this Agreement is:
$98,136.00 Ninety eight thousand one hundred thirty six dollars and no cents

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of the Agreement.

Exhibits	Title	Pages
Exhibit A	Scope of Work	2
Exhibit B	Budget Detail and Payment Provisions	3
Exhibit C *	General Terms and Conditions	4
Exhibit D	Special Terms and Conditions	1
Attachment RFP	RFP Scope of Work	9

Items shown with an asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto.
These documents can be viewed at https://www.dgs.ca.gov/OLS/Resources

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

CONTRACTOR

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)
City of South Lake Tahoe through the South Lake Tahoe Police Department

CONTRACTOR BUSINESS ADDRESS	CITY	STATE	ZIP
1352 Johnson Blvd	South Lake Tahoe	CA	96150

PRINTED NAME OF PERSON SIGNING	TITLE
David Stevenson	Chief
CONTRACTOR AUTHORIZED SIGNATURE	DATE SIGNED

STATE OF CALIFORNIA

CONTRACTING AGENCY NAME
Department of Alcoholic Beverage Control

CONTRACTING AGENCY ADDRESS	CITY	STATE	ZIP
3927 Lennane Drive	Sacramento	CA	95834

PRINTED NAME OF PERSON SIGNING	TITLE
Pattye Baker	Chief, Business Management Branch
CONTRACTING AGENCY AUTHORIZED SIGNATURE	DATE SIGNED
CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL	EXEMPTION (If Applicable)

EXHIBIT A
SCOPE OF WORK

I. SCOPE OF WORK

- Contractor agrees to implement the Department of Alcoholic Beverage Control (ABC), Alcohol Policing Partnership program. This program is intended to work with law enforcement agencies to develop an effective, comprehensive and strategic approach to eliminate the crime and public nuisance problems associated with problem alcoholic beverage outlets.

- Contractor agrees to implement ABC's Minor Decoy, Shoulder Tap Programs and conduct Informed Merchants Preventing Alcohol-Related Crime Tendencies (IMPACT) Inspections. These programs target both ABC licensed premises and individuals who furnish alcoholic beverages to the underage operators. The project is targeted to reduce underage drinking and the resultant DUI driving injuries and fatalities, and/or property damages, reduce youth access to alcoholic beverages through the education of licensee(s), enforcement intervention and the impressions of omnipresence of law enforcement. In addition, Contractor agrees to the following goals:

  1. The operation period of the grant is July 1, 2023 through June 30, 2024.

  2. Contractor agrees to raise public awareness that selling, serving and/or furnishing alcoholic beverages to individuals under twenty-one years old is a criminal violation that will be prosecuted by local city and district attorneys.

  3. Minor Decoy operations are designed to educate and deter licensed locations from selling/furnishing alcohol to minors. Contractor agrees to conduct Minor Decoy Operations at both "On-Sale" and "Off-Sale" licensed establishments within the operation period of the grant.

  4. Shoulder Tap operations are used to detect and deter adult furnishers outside of a licensed business. Contractor agrees to conduct Shoulder Tap Operations at "Off-Sale" licensed locations to apprehend adults that are unaffiliated with the licensed businesses and who are purchasing alcohol for minors outside of the stores within the operation period of the grant.

  5. Informed Merchants Preventing Alcohol-Related Crime Tendencies (IMPACT) primary goal is to educate licensee's on alcohol related laws to help reduce alcohol-related crime in and around licensed premises. Contractor agrees to conduct visits and inspections of licensed premises identifying areas of non-compliance at "On-Sale" and "Off-Sale" licensed locations within the operation period of the grant.

II. GOALS AND OBJECTIVES

1. Conduct at least four (4) Minor Decoy operations.

2. Conduct at least four (4) Shoulder Tap operations, including participating in the Statewide operation conducted by ABC.

3. Conduct at least four (4) IMPACT operations.

4. Conduct at least 20 high-visibility General Enforcement operations.

5. Conduct at least four (4) plain-clothes operations targeting licensed premises.

6. Conduct at least one (1) Task Force operation/training.

7. Conduct at least four (4) brief trainings on ABC laws/enforcement strategies.

8. Host at least two (2) TRACE trainings.

9. Provide press/social media releases on grant enforcement activities.

    A. To announce the start of the program;
    B. At the conclusion of each Minor Decoy Operation has been held (to announce the number of licensed premises who sold to the minor decoy)
    C. At the conclusion of each Shoulder Tap Operation has been held (to announce the number of adults arrested for purchasing alcoholic beverages for the decoy).

10. Contractor will fax (916) 419-2599 or email each press release to the Department's Public Information Officer (pio@abc.ca.gov) as soon as it is released.

11. Contractor agrees in all press releases, in addition to any credits the agency wishes to give, will include the following statement: "This project is part of the Department of Alcoholic Beverage Control's Alcohol Policing Partnership."

Contractor agrees to complete and submit monthly reports, on a format designed and provided by the Department of Alcoholic Beverage Control due no later than 15th of the following month.

III. PROJECT REPRESENTATIVES

The project representatives during the term of this agreement will be:

South Lake Tahoe Police Department
Doug Sentell, Sergeant
1352 Johnson Blvd.
South Lake Tahoe, CA 96150
(530) 542-6100
dsentell@cityofslt.us

Department of Alcoholic Beverage Control
Brandon Shotwell, Supervising Agent in Charge
3927 Lennane Drive, Suite 100
Sacramento, CA 95834
(916) 419-2329
Brandon.shotwell@abc.ca.gov

Direct all fiscal inquiries to:

South Lake Tahoe Police Department
Lori Marino, Associate Management Analyst
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150
(530) 542-7410
lmarino@cityofslt.us

Department of Alcoholic Beverage Control
Kristine Okino, Grant Coordinator
3927 Lennane Drive, Suite 100
Sacramento, CA 95834
Kristine.okino@abc.ca.gov

EXHIBIT B
BUDGET DETAIL AND PAYMENT PROVISIONS

I. INVOICING AND PAYMENT

- For services satisfactorily rendered and upon receipt and approval of the invoice, the Department of Alcoholic Beverage Control agrees to pay a monthly payment of approved reimbursable costs per the Budget Detail of personnel overtime and benefits (actual cost) and/or allowable costs.

- Invoices shall clearly reference this contract number (23-APP47) and must not exceed the contract total authorized amount of $98,136.00. Invoices are to be submitted by the 15th of every month, on the prescribed form designed by the Department of Alcoholic Beverage Control.

Submit to: Department of Alcoholic Beverage Control
Attn: Kristine Okino, Grant Coordinator
3927 Lennane Drive
Sacramento, California 95834

- Payment shall be made in arrears within 30 days from the receipt of an undisputed invoice. Nothing contained herein shall prohibit advance payments as authorized by Item 2100-101-3036, Budget Act, Statues of 2023.

- Contractor understands in order to be eligible for reimbursement; cost must be incurred on or after the effective date of the project, July 1, 2023 and on or before the project termination date, June 30, 2024.

- Revisions to the “Scope of Work” and the “Budget Detail” may be requested by a change request letter submitted by the Contractor. If approved, the revised Grant Scope of Work and/or Budget Detail supersedes and replaces the previous grant and will initiate an amendment. No revisions can exceed allotted amount as shown on the Budget Detail. The total amount of the grant must remain unchanged.

- Contractor agrees to refund to the State any amounts claimed for reimbursement and paid to Contractor which are later disallowed by the State after audit or inspection of records maintained by the Contractor.

- Only the costs displayed in the Budget Detail are authorized for reimbursement by the State to Contractor under this agreement. Any other costs incurred by Contractor in the performance of this agreement are the sole responsibility of Contractor.

- Title shall be reserved to the State for any State-furnished or State-financed property authorized by the State which is not fully consumed in the performance of this agreement. Contractor is responsible for the care, maintenance, repair, and protection of any such property. Inventory records shall be maintained by Contractor and submitted to the State upon request. All such property shall be returned to the State upon the expiration of this grant unless the State otherwise directs.

- Prior approval by the State in writing is required for the location, costs, dates, agenda, instructors, instructional materials, and attendees at any reimbursable training seminar, workshop or conference, and over any reimbursable publicity or educational materials to be made available for distribution. Contractor is required to acknowledge the support of the State whenever publicizing the work under this grant in any media.

II. BUDGET DETAIL

COST CATEGORY	TOTAL COST
A. Personnel Services	
Overtime	
Officer ($86.13/hour @ 900 hours)	$87,196.00
Benefits – (7.5%)	$6,540.00
TOTAL Personnel	**$93,736.00**
B. Operating Expenses (receipts required)	
Buy Money	$300.00
Decoy Meals	$200.00
TOTAL Operating	**$500.00**
C. Equipment (receipts required, must be purchased by 12/31)	
ID Scanner	$950.00
Intoximeter PAS Device	$450.0
TOTAL Equipment	**$1,400.00**
D. Travel Costs	
Hotel, per diem, registrations	$2,500.00
TOTAL Travel	**$2,500.00**
GRANT TOTAL	**$98,136.00**

III. BUDGET CONTINGENCY CLAUSE

- It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.

- If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an agreement amendment to Contractor to reflect the reduced amount.

IV. PROMPT PAYMENT CLAUSE

- Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927.

EXHIBIT C
GENERAL TERMS AND CONDITIONS

1. APPROVAL: This Agreement is of no force or effect until signed by both parties and approved by the Department of General Services, if required. Contractor may not commence performance until such approval has been obtained.

2. AMENDMENT: No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.

3. ASSIGNMENT: This Agreement is not assignable by the Contractor, either in whole or in part, without the consent of the State in the form of a formal written amendment.

4. AUDIT: Contractor agrees that the awarding department, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (Gov. Code §8546.7, Pub. Contract Code §10115 et seq., CCR Title 2, Section 1896).

5. INDEMNIFICATION: Contractor agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Contractor in the performance of this Agreement.

6. DISPUTES: Contractor shall continue with the responsibilities under this Agreement during any dispute.

7. TERMINATION FOR CAUSE: The State may terminate this Agreement and be relieved of any payments should the Contractor fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination the State may proceed with the work in any manner deemed proper by the State. All costs to the State shall be deducted from any sum due the Contractor under this Agreement and the balance, if any, shall be paid to the Contractor upon demand.

8. INDEPENDENT CONTRACTOR: Contractor, and the agents and employees of Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.

9. RECYCLING CERTIFICATION: The Contractor shall certify in writing under penalty of perjury, the minimum, if not exact, percentage of post-consumer material as defined in the Public Contract Code Section 12200, in products, materials, goods, or supplies offered or sold to the State regardless of whether the product meets the requirements of Public Contract Code Section 12209. With respect to printer or duplication cartridges that comply with the requirements of Section 12156(e), the certification required by this subdivision shall specify that the cartridges so comply (Pub. Contract Code §12205).

10. NON-DISCRIMINATION CLAUSE: During the performance of this Agreement, Contractor and its subcontractors shall not deny the contract's benefits to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. Contractor shall insure that the evaluation and treatment of employees and applicants for employment are free of such discrimination. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12900 et seq.), the regulations promulgated thereunder (Cal. Code Regs., tit. 2, §11000 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code §§11135-11139.5), and the regulations or standards adopted by the awarding state agency to implement such article. Contractor shall permit access by representatives of the Department of Fair Employment and Housing and the awarding state agency upon reasonable notice at any time during the normal business hours, but in no case less than 24 hours' notice, to such of its books, records, accounts, and all other sources of information and its facilities as said Department or Agency shall require to ascertain compliance with this clause. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. (See Cal. Code Regs., tit. 2,§11105.)

    Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

11. CERTIFICATION CLAUSES: The CONTRACTOR CERTIFICATION CLAUSES contained in the document CCC 04/2017 are hereby incorporated by reference and made a part of this Agreement by this reference as if attached hereto.

12. TIMELINESS: Time is of the essence in this Agreement.

13. COMPENSATION: The consideration to be paid Contractor, as provided herein, shall be in compensation for all of Contractor's expenses incurred in the performance hereof, including travel, per diem, and taxes, unless otherwise expressly so provided.

14. GOVERNING LAW: This contract is governed by and shall be interpreted in accordance with the laws of the State of California.

15. ANTITRUST CLAIMS: The Contractor by signing this agreement hereby certifies that if these services or goods are obtained by means of a competitive bid, the Contractor shall comply with the requirements of the Government Codes Sections set out below.

a. The Government Code Chapter on Antitrust claims contains the following definitions:

1) "Public purchase" means a purchase by means of competitive bids of goods, services, or materials by the State or any of its political subdivisions or public agencies on whose behalf the Attorney General may bring an action pursuant to subdivision (c) of Section 16750 of the Business and Professions Code.

2) "Public purchasing body" means the State or the subdivision or agency making a public purchase. Government Code Section 4550.

b. In submitting a bid to a public purchasing body, the bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the bidder for sale to the purchasing body pursuant to the bid. Such assignment shall be made and become effective at the time the purchasing body tenders final payment to the bidder. Government Code Section 4552.

c. If an awarding body or public purchasing body receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter, the assignor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the public body any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by the public body as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. Government Code Section 4553.

d. Upon demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under this part if the assignor has been or may have been injured by the violation of law for which the cause of action arose and (a) the assignee has not been injured thereby, or (b) the assignee declines to file a court action for the cause of action. See Government Code Section 4554.

16. <u>CHILD SUPPORT COMPLIANCE ACT</u>: For any Agreement in excess of $100,000, the contractor acknowledges in accordance with Public Contract Code 7110, that:

a. The contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and

b. The contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

17. UNENFORCEABLE PROVISION: In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

18. PRIORITY HIRING CONSIDERATIONS: If this Contract includes services in excess of $200,000, the Contractor shall give priority consideration in filling vacancies in positions funded by the Contract to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Pub. Contract Code §10353.

19. SMALL BUSINESS PARTICIPATION AND DVBE PARTICIPATION REPORTING REQUIREMENTS**:**

    a. If for this Contract Contractor made a commitment to achieve small business participation, then Contractor must within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract) report to the awarding department the actual percentage of small business participation that was achieved. (Govt. Code § 14841.)

    b. If for this Contract Contractor made a commitment to achieve disabled veteran business enterprise (DVBE) participation, then Contractor must within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract) certify in a report to the awarding department: (1) the total amount the prime Contractor received under the Contract; (2) the name and address of the DVBE(s) that participated in the performance of the Contract; (3) the amount each DVBE received from the prime Contractor; (4) that all payments under the Contract have been made to the DVBE; and (5) the actual percentage of DVBE participation that was achieved. A person or entity that knowingly provides false information shall be subject to a civil penalty for each violation. (Mil. & Vets. Code § 999.5(d); Govt. Code § 14841.)

20. LOSS LEADER: If this contract involves the furnishing of equipment, materials, or supplies then the following statement is incorporated: It is unlawful for any person engaged in business within this state to sell or use any article or product as a “loss leader” as defined in Section 17030 of the Business and Professions Code. (PCC 10344(e).)

EXHIBIT D
SPECIAL TERMS AND CONDITIONS

1. Disputes: Any disputes concerning a question of fact arising under this contract which is not disposed of by agreement shall be decided by the Director, Department of Alcoholic Beverage Control, or designee, who shall reduce his decision in writing and mail or otherwise furnish a copy thereof to the Contractor. The decision of the Department shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Contractor mails or otherwise furnishes to the State a written appeal addressed to the Director of the Department of Alcoholic Beverage Control. The decision of the Director of Alcoholic Beverage Control or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, capricious, arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence. In connection with any appeal proceeding under this clause, the contractor shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final decision of a dispute hereunder, Contractor shall proceed diligently with the performance of the contract and in accordance with the decision of the State.

2. Cancellation/Termination: This agreement may be cancelled or terminated without cause by either party by giving thirty (30) calendar days advance written notice to the other party. Such notification shall state the effective date of termination or cancellation and include any final performance and/or payment/invoicing instructions/requirements. No penalty shall accrue to either party because of contract termination.

3. Contract Validity: This contract is valid and enforceable only if adequate funds are appropriated in Item 2100-101-3036, Budget Act of 2023, for the purposes of this program.

4. Contractor Certifications: By signing this agreement, Contractor certifies compliance with the provisions of CCC 04/2017, Standard Contractor Certification Clauses. This document may be viewed at: https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/Standard-Contract-Language

5. If the State determines that the grant project is not achieving its goals and objectives on schedule, funding may be reduced by the State to reflect this lower level of project activity and/or cancel the agreement.

STATE OF CALIFORNIA
Department of Alcoholic Beverage Control
Alcohol Policing Partnership Program

PROPOSAL COVER SHEET
(TO BE COMPLETED BY APPLICANT AGENCY)

1. Name of Applicant Agency: South Lake Tahoe Police Department

2. Description of Applicant Agency: Provide your city or county jurisdiction, and include population data, and relevant demographic and socio-economic characteristics of the community.

The South Lake Tahoe Police Department currently has 41 full-time sworn employees. The department is comprised of two divisions. The Support Division includes Detectives, Dispatch and Records. The Operations Division includes Community Service Officers (CSOs), Boating Operations, and Patrol. The city has a population of 21,414 in 12 square miles. The population can expand to 150,000 – 300,000 during weekends and holidays. There are currently 220 active ABC licensed retail locations within South Lake Tahoe, up from 212 in 2020.

3. Number of licenses in Project Area: 220

4. Tax ID: 94-1610-868

5. Funds Requested: $ 98,136.00

6. Project Period: July 1, 2023–June 30, 2024

7. Acceptance of Conditions: By submitting this proposal, the applicant signifies acceptance of the responsibility to comply with all requirements stated in the Request for Proposals. The applicant understands that ABC is not obligated to fund the project until the applicant submits correctly completed documents required for the contract.

A. Project Director
Person with Day-To-Day Responsibility for the Project

Name: Doug Sentell
Address: 1352 Johnson Blvd
South Lake Tahoe, CA 96150
Phone: (530) 542-6100
Email Address: dsentell@cityofslt.us
Title: Sergeant
Signature: Doug Sentell Digitally signed by Doug Sentell Date: 2023.02.26 08:47:35 -08'00'

B. Sheriff or Chief of Police
Authorizing Official

Name: David Stevenson
Address: 1352 Johnson Blvd
South Lake Tahoe, CA 96150
Phone: (530) 542-6100
Email Address: dstevenson@cityofslt.us
Title: Chief
Signature:

C. Fiscal or Accounting Official

Name: LoriMarino Lori Marino
Address: 1901 Lisa Maloff Way
South Lake Tahoe, CA 96150
Phone: (530) 542-7410
Email Address: lmarino@cityofslt.us
Title: Associate Management Analyst
Signature:

D. ABC USE ONLY

SCOPE OF WORK

Summary

Goals and Objectives
1. Issue at least 3 press releases regarding the grant activities.
2. Conduct at least 4 briefing trainings on ABC laws and enforcement strategies.
3. Have 2 officers attend the ABC APP conference.
4. Conduct a minimum of 4 IMPACT operations at licensee locations.
5. Offer at least 1 Responsible Beverage Service training.
6. Attend at least 1 grant operation/training with another outside grant agency.
7. Participate and assist in at least 1 youth alcohol prevention program.
8. Conduct a minimum of 20 high visibility general ABC enforcement operations targeting problem locations. Some of the operations would be carried out during the busy 4th of July, New Year ’ s Holiday, and other special events.
9. Conduct at least 2 Minor Decoy operations.
10. Conduct at least 2 Shoulder Tap operations.
11. Schedule/coordinate 1 LEAD class or facilitate public awareness of the online LEAD training.
12. Conduct at least 4 plain clothes enforcement operations targeting licensed premises operating outside of their license conditions.

Project Personnel

The Operations Division will be responsible for the grant. Sgt. Doug Sentell will be the project director. Sgt. Sentell has been in law enforcement for 19 years, holds a bachelors degree in management, and possesses both an advanced and supervisory POST certificate. He has previously written and administered grants with CA OTS. He is familiar in working with regulatory agencies and collaborating with stakeholders.

Additional officers and sergeants, typically from the patrol division, will be used for operations. Officers will continue to maintain a close working relationship with ABC agents throughout the grant period.

Documentation from the City of South Lake Tahoe's 2022/2023 annual budget report documenting the number of allocated police officer positions is attached to the end of this report (labeled with "116" at the bottom of the page).

SCOPE OF WORK

Problem Statement

South Lake Tahoe is home to Heavenly Ski Resort which attract seasonal employees and vacationers. Patrol officers frequently respond to calls of large parties which often involve heavy alcohol consumption and facilitate underage drinking. Patrol manpower can quickly become depleted, and often we do not have the necessary personnel to address ABC related offenses. Officers are typically limited in their enforcement actions due to staffing levels, higher priority calls and a lack of training in ABC enforcement strategies.

The city population increases significantly during holidays, specifically 4th of July and New Year's Eve. Officers quickly become overwhelmed and, as a result, are forced to ignore seemingly minor alcohol-related offenses that can later escalate and cause a public nuisance. During the 4th of July, beaches and parks become packed with people whose activities are largely centered on alcohol consumption. Fights, public intoxication, and minors in possession of alcohol are some of the most common crimes patrol officers face during this holiday. On New Year's Eve, the State highway closes. At the California-Nevada state line, within the city, Highway 50 is frequently closed (2300 hours until around 0200 hours). People often stand out in the street preparing for a midnight countdown. In this setting, many people bring alcohol into the streets.

The summer brings an outdoor concert series at Lakeview Commons. This event is hosted within a city park along the lake. Alcohol is sold at the event and numerous citizen complaints have been reported involving overly-intoxicated subjects, smoking in prohibited areas, and open drug use. There is a bar and a liquor store just down the street that have reported similar problems affecting them spilling over from the event.

In addition to permitted events, South Lake Tahoe attracts unsanctioned events, often organized on social media. These unsanctioned events bring large crowds to the city and often lead to additional alcohol related problems. One example is the "#Lake2o" event which involved a group of 300-400 modified car enthusiasts. They congregated in the parking lot of licensed premises and generated a significant number of police calls for service. With grant funding SLTPD will be able to conduct targeted enforcement at licensed premises helping both the licensees and community.

The SLTPD began a Responsible Beverage Service training program for licensed establishments, typically on-sale. This program sends a grant officer to the retail licensee, often during a staff meeting or similar situation, and provides a brief training on checking IDs, alcohol laws, and current or perceived issues at that premises. This program was started after a low turnout at a LEAD training we hosted in our area during a previous grant. We found that by going to the business, at a time when they had most of their employees available, we were able to provide training to an increased number of people. Over 100 people from 3 licensees have received training under the program so far which has resulted in an enhanced relationship with businesses in the community and an increase in proactive implementation of ABC laws by those involved in the sales and service of alcoholic beverages. By utilizing both the LEAD and RBS training model, this department is able to provide multiple educational opportunities to licensees and their employees.

The El Dorado County District Attorney's Office has shown a willingness to prosecute ABC related cases by filing and prosecuting through resolution.

Project Description section 1 of 2

Education

a. Issue at least 3 press releases announcing the grant program and results of operations with the goal of educating the public on alcohol-related problems and deterring adults from supplying alcohol to minors.
b. Conduct at least 4 briefing trainings for patrol on ABC laws and enforcement strategies with the goal of educating officers and providing them with the knowledge to effectively address alcohol-related crimes. The project director would seek assistance from ABC Agents for training topics.
c. Have two officers attend the ABC Alcohol Police Partnership conference in order to learn effective ways to enforce ABC laws, effectively conduct ABC operations and reduce the number of alcohol-related offenses within the city.
d. Conduct at least 4 IMPACT operations in an effort to work with businesses, using a community policing approach, to prevent violations and general nuisances.
e. Offer at least 1 Responsible Beverage Service training on alcohol responsibility and the law to retail licensees and their employees with the goal of better educating the community.
f. Schedule and coordinate at least 1 LEAD training or facilitate public awareness of the online LEAD training to educate licensees, managers, and employees.
g. Attend a minimum of one grant operation/training with an outside grant agency in order to learn or teach, depending on the agencies experience, effective enforcement strategies and further advance our program while improving partnerships with ABC and other allied agencies.
h. Participate and assist in at least one youth alcohol prevention program with the goal of reducing juvenile substance abuse.
Enforcement
i. Conduct at least 20 high visibility general ABC enforcement operations targeting problem areas. Some of the operations would be carried out during the busy 4th of July and New Year ’ s Holidays, and at identified problem events such as the Lakeview Commons concert series. The goal of these operations would be to prevent and deter underage drinking, over consumption and other alcohol-related offenses and public nuisances.
j. Conduct at least 2 Minor Decoy enforcement operations using the Minor Decoy in order to deter sales to minor in an effort to reduce underage drinking.
k. Conduct at least 2 Shoulder Tap enforcement operation to discourage adults from furnishing alcohol to minors.
l. Conduct at least 4 plain clothes enforcement operations targeting licensed premises operating outside of their licensed area.

Project Description section 2 of 2

N/A

Additional Information

N/A

BUDGET DETAIL WORKSHEET

A. Personnel Services

Salaries

	Classification/Positions	Computation	Total Cost
1	N/A		
2			
3			
		SUBTOTAL	$ 0

Overtime

	Classification/Positions	Computation	Total Cost
1	Officer @ 900 hours	86.13	$ 87,196
2			
3			
4			
5			
6			
		SUBTOTAL	$ 87,196

Benefits

	Classification/Positions	Computation	Total Cost
1	Officer	7.5%	$ 6,540
2			
3			
4			
5			
		SUBTOTAL	$ 6,540

B. Operating Expenses and Equipment

Operating Expenses*

	Description	Computation	Total Cost
1	ID Scanner		$ 950
2	Intoximeter PAS Device		$ 450
		SUBTOTAL	$ 1,400

*maximum of $2,500.00

Operating Expenses*

	Description	Computation	Total Cost
1	Buy Money for Operations		$ 300
2	Decoy Meals		$ 200
3			
		SUBTOTAL	$ 500

*maximum of $2,500.00

C. Travel Expenses *

	Description	Computation	Total Cost
1	APP conference registration (2 officers		$ 650
2	Lodging/per diem/transportation		$ 1,850
3			
4			
		SUBTOTAL	$ 2,500

*APP Conference only. All travel cannot exceed current state rates.

GRANT TOTAL **$ 98,136**

OTHER FUNDING SOURCES

Complete the following to report the total funds available to support the activities related to accomplishing the goals and objectives of the contract. In the "Grant Funds" column, report the ABC funds requested by category. In the "Other Funds" column, report all other funds available to support the project by category (if none, leave blank). Then calculate the totals by category in the "Program Total" column. Total each column down to arrive at the total program funds available.

Note: Round all budget amounts to the nearest dollar—no cents.

Budget Category	Grant Funds	Other Funds	Program Total
A. Personnel Services	$ 93,736		$ 93,736
B. Operating Expense	$ 500		$ 500
C. Travel/Registration Fees	$ 2,500		$ 2,500
D. Equipment	$ 1,400		$ 1,400
TOTALS	**$ 98,136**	**$ 0**	**$ 98,136**

This form does not become part of the contract but is **required** in the Request for Proposal package.

*Disclaimer—Please complete only if your department will contribute funds.

Administration

100 02110

The Administrative Division is responsible for the overall leadership and managerial duties at the Police Department i.e. policy, budget, recruitment, payroll, training, travel, and human resource functions. The Administration Division is currently staffed with the Chief of Police, and an Administrative Assistant.

For FY 2022/23 we are requesting to add an Administrative Lieutenant funded through Measure S Sales Tax funds for public safety. Workload has greatly increased at the administrative level with new State and Federal mandates along with increased training, transparency, and accountability efforts. This new administrative lieutenant position would assist with new State Law mandates, Policy Manual updates, Internal Affairs investigations, Community Service Officers, Parking Garage Management, training compliance, and other duties.

Operations

100 02120

The Operations Division encompasses the basic patrol functions of the police department. During this fiscal year the division will consist of 27 patrol officers. This includes one (1) traffic (motor) officer, two (2) canine officers, one (1) School Resource Officer assigned to South Tahoe Highschool (paid in part by the Lake Tahoe Unified School District), one (1) School Resource Officer assigned to South Tahoe Middle School (temporary full-time tobacco grant funded), and one (1) officer assigned to the STACS program. In addition to the line level staff, this division has four (4) Reserve Officers (Part time Marine Unit Officers), Five (5) Patrol Sergeants, and one (1) Patrol Lieutenant.

Note: At the time of this report 7 of the 41 Sworn Officer positions (17%) are off work on long term injuries, and one Officer is off on long term military leave (frozen position).

In FY 2019/20 one (1) FTE police officer position was frozen but funded due to possible budget concerns around COVID. In FY 2021/22 that position remained frozen and was unfunded. The long-term military leave Officer was moved to that frozen/unfunded position. That officer is scheduled to complete his military service in August of 2023.

The main service provided in this division is uniformed patrol. In addition to patrol level functions, this division develops, manages, and executes special event planning, a canine program, field training program, officer-in-charge program, marine program, crisis negotiations, SWAT, STACS, traffic, and a reserve program.

Joint Dispatch

100 02160

The Joint Dispatch account handles all costs associated with the dispatch center located in the Police Department. We provide dispatch services to the City Police Department, the City Fire Department, Lake Valley Fire Department, Fallen Leaf Fire, and Cal Tahoe JPA Ambulance Service.

The Dispatch Center is currently allocated with (1) Full-time Dispatch Supervisor, (9) Full-time Public Safety Dispatchers.

Support

100 02180

The Police Support Division budget handles all the positions within the Police Department that are not covered in Administration, Operations, or the Joint Dispatch Center. The area of responsibility is primarily Detectives, Property and Evidence, Records, and Building Maintenance.

Detectives are staffed with one (1) lieutenant, one (1) Detective Administrative Sergeant, five (5) investigative detectives, one (1) Cannabis Investigator, and two (2) evidence technicians.

The Records Division is staffed with one (1) records supervisor and two (2) records technicians.

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: September 12, 2023

Agenda Item #: 12

Agenda Item: Appropriation for Airport Maintenance and Repairs of Pavement and Facilities

Executive Summary: During the 2022-2023 winter season the airport sustained significant damage to pavement and other facilities. Heavy use of snow plows and other winter equipment has damaged the pavement at the airport. Also, the airport facilities need maintenance due to wear and tear over time.

Requested Action / Suggested Motions: Pass a Resolution authorizing the Finance Director to appropriate $150,000 from airport available fund balance into the airport expenditures for winter repair and general facilities maintenance.

Responsible Staff Member: John Dickinson, Airport Manager

Reviewed and Approved By: Anush Nejad, Director of Public Works Susan Blankenship, City Clerk Olga Tikhomirova, Finance Director Heather Stroud, City Attorney

Attachments:

01-Staff Report - Airport Maintenance Pavement and Facilities.docx
02-Resolution-Budget Appropriation for Airport Maintenance

City of South Lake Tahoe
Report to **City Council**

Meeting Date: September 12, 2023

Title: Airport Maintenance of Pavement and Facilities

Application Location: City Airport

Responsible Staff Member: John Dickinson, Airport Manager (530) 542-6182

Background: During the 2022-2023 winter season the airport sustained significant damage to pavement and paint striping. The damages caused by snow plows and other winter equipment requires immediate attention due to foreign debris (FOD) and other FAA regulatory concerns. Also, numerous airport facilities are in need of repair.

Issue and Discussion: The airport is looking to appropriate $150,000.00 from its cash balance on hand to fix pavement and other issues. These projects are intended to be divided into two segments utilizing two different contractors.

- $110,000.00 Pavement
- $40,000.00 Facilities

Contractors will be utilized for these two projects due to the nature of the repair.
If these issues are not addressed, it will lead to further deterioration of the pavement and possible FAA compliance issues.

Financial Implications: Airport cash balance will be allocated to fund the repairs. No general funds will be utilized. These funds will be placed into account number 501-05130-43025 and 501-05120-43025.

Environmental Considerations: The project is exempt from review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15301(d) (Existing Facilities – restoration or rehabilitation of deteriorated or damaged facilities to meet current standards of public health and safety).

Policy Implications: The contracts will be procured based on requirements outlined in the City's purchasing policy and procedures.

Resolution 2023-XXX

Adopted by the City of South Lake Tahoe
City Council

September 12th, 2023

Appropriating $150,000.00 from Airport Available Fund Balance for Airport Maintenance needs

BACKGROUND

A. On October 4, 2022, and November 15, 2022, the City Council approved new rates for certain fees to help eliminate subsidies from the General Fund. This has allowed the Airport to increase revenues, maintain financial balance for the Airport, and allocate these funds for additional Airport projects and needs.

B. There is approximately $500,000 in Airport fund balance currently available that can be utilized for additional Airport maintenance needs and capital projects.

C. The 2022-23 Winter Season has caused damages to the hangars and the airfield. As a result, repairs are required to maintain the Airport in a satisfactory manner.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of the City of South Lake Tahoe:

1. Authorizes the Finance Director to Appropriate $150,000.00 into the expense line items 501-05130-43025 and 501-5120-43025

Adopted by the City of South Lake Tahoe City Council on September 12, 2023, by the following vote:
Yes:
No:
Absent:
Abstain:

_____ Date:_____

Cristi Creegan, Mayor

Attest:

_____

Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: September 12, 2023

Agenda Item #: 13

Agenda Item: Fire Station 3 Renovation or Replacement Options

Executive Summary: The Public Works and Fire Department will provide an update on options to upgrade, remodel or construct a new Fire Station 3. Staff recommends implementing Options A and D.

Requested Action / Suggested Motions: Pass a Motion to provide direction to the City Manager on whether to (A) Make minor renovations to 2nd floor only of Fire Station 3 for an estimated cost of $500,000; (B) Renovate Fire Station 3 to update living quarters including Building Code and ADA upgrades for an estimated cost of $3.5 million; (C) Begin planning to construct a new two-story fire station behind Fire Station 3 for an estimated cost of $19.25 million; or (D) Begin planning to construct a new one-story fire station on the adjacent Bank of Montreal site for an estimated cost of $19.75 million.

Responsible Staff Member: Anush Nejad, Director of Public Works and Jim Drennan, Fire Chief

Reviewed and Approved By: Susan Blankenship, City Clerk Olga Tikhomirova, Director of Finance Heather Stroud, City Attorney

Attachments:

- 01-Staff_Report_-_Fire_Station_3_Options.docx
- 02 - Fire Station 3 Condition Assessment.pdf
- 03 - Fire Station 3 2nd Story Renovation Estimate Nov 22.pdf
- 04 - Fire Station 3 Space Needs.pdf
- 05 - South Lake Tahoe Site Layout Options C and D Floor Plans.pdf
- 06 - Estimates of Probable Cost - Option D.pdf
- 07 - Bank of Montreal Property.pdf
- 08- Fire_Station_3_Update_Presentation.pptx

City of South Lake Tahoe
Report to **City Council**

Meeting Date: September 12, 2023

Title: Fire Station 3 Renovation or Replacement Options

Location: 2101 Lake Tahoe Boulevard

Responsible Staff Member: Anush Nejad, Director of Public Works (530) 542-6031 and Jim Drennan, Fire Chief (530) 542-6152

Background: The building housing Fire Station 3 was originally built in 1957 with a minor remodel in the 1970s. In 1982, there was an addition and remodel again. The building has not been remodeled or improved since the 1982 project. The original building was not designed as a fire station and has never been designed with essential service standards in mind.

The roughly 3,310 SF building consists of two levels: living and administration on the second level and apparatus, medical storage, restroom, generator, SCBA/compressed air, and general storage on the first level. The building does not have a fire sprinkler system. A HazMat report has been completed, and no asbestos or hazardous material concerns exist. The facility has a single-ply membrane flat roof with parapet walls. The Fire Station also has a single-level outbuilding in the North/East that houses a gym/exercise facility and some mixed storage.

On October 19, 2021, the City Council appropriated $171,000 for design services for the renovations of the fire station. JK Architecture of Santa Rosa, CA (now DBA COAR Group) was tasked with assessing the facility and working with staff to provide design and bid documents for a renovation via the typical design, bid, build project delivery method. On December 22, 2021, JK Architecture provided a Condition Assessment Report for the facility (Attachment 02). The report showed that the facility often does not meet the current code and has structural, mechanical, and electrical infrastructure issues. Additionally, and most importantly, the facility does not provide an adequate operational, administrative, and housing environment for the Fire Department staff and equipment.

Shortly after the assessment report, Public Works and Fire Department staff worked with the architect to develop floor plan options that would accommodate the issues presented in the report, including repairing structural, mechanical, and electrical items. Additionally, staff directed the architect to plan for a total conversion of HVAC and gas appliances to electric for a future (not part of this scope) net zero project in coordination with the City's greenhouse gas and Climate Action Plan goals and objectives.

In May 2022, staff received the estimated project costs resulting from the initial conceptual planning and design process, totaling approximately $4.9 million for the renovation, not including the soft costs of relocating the staff and equipment during the renovations. Staff estimated an additional $150,000 for temporary housing and staff relocation, bringing the preliminary project estimate to roughly $5,045,000.

Initially, the project started as the Fire Department personnel requested to remodel and upgrade the living quarters and administrative areas, primarily on the second floor. However, the condition assessment revealed numerous building and code deficiencies that required mitigation with the basic remodel, thus increasing the scope significantly. ADA Accessibility issues alone require significant work, including installing an elevator/lift, and the current fire apparatus's size requires the equipment bay's extension (significant structural work).

In June 2022, FD and PW staff met with Senior staff to discuss the estimated project costs and the potential to fund the project at the time. It was decided to work with the architect to reduce costs to roughly $2,000,000. After this discussion, staff and the architect revisited the project's conceptual floor plans and work and eliminated the scope consisting of exterior renovations, some site improvements, lower floor renovations, sustainability improvements, and some structural renovations with the intent of maintaining the second-floor renovations of living and administrative space the priority for the crew and staff. Unfortunately, regardless of the scope reduction, permitting the remodel will require the code upgrades mentioned in the report, including accessibility upgrades.

In November 2022, the architect provided a revised floor plan and estimated approximately $2,300,000 for the construction work only (Attachment 03). An additional $1,000,000 would be required for the soft costs such as furniture and fixtures, construction administration and management, third-party inspection and testing, and the relocation of Fire Department personnel and equipment during the renovations. It is important to recognize that this revised estimate does <u>not</u> include the full facility net zero or EV Infrastructure scope. Shortly after the revised estimate was received, Fire Department and Public Works staff again met with Senior staff to request the feasibility of a $3.5 million appropriation for the project.

On March 28, 2023, City staff updated the City Council on the renovation of Fire Station 3, with an estimated cost of $3.5 million. At this meeting, the Council directed City staff to consider four options and return for additional direction from the Council. Specifically, the Council directed staff to consider these options:

- Option A: Internal renovation of the fire station to improve the living conditions for the firefighters.
- Option B: Renovation of the existing fire station per the March 28th option to address living conditions and ADA requirements within the current structure at approximately $3.5 million.
- Option C: Addition of a new 2-story fire station behind the existing fire station on James Avenue. The existing structure is to be demolished upon completion of the new fire station.
- Option D: A new one-story fire station on the Bank of West (now Bank of Montreal) property. The existing structure is to be demolished upon completion of the new fire station or potentially sold for other uses.

Issue and Discussion: Based on Council direction, staff retained the services of RMM consultants, which specialize in fire station design and construction. Fire department and Public Works staff developed a list of requirements for the new fire station. These requirements were presented to RRM, and based on their experience, the consultant provided a detailed size of each component of the new fire station (See Attachment 04). RMM also evaluated options C and D, developed schematic drawings, and estimated probable costs for each option (See Attachments 05 and 06).

At the same time, City's Facilities Maintenance Manager discussed the costs and options for Option A, which entails minor renovations to the internal building envelope on the second story that do not trigger Building Code or ADA upgrades, including 1) new flooring on the second floor, 2) HVAC upgrade, 3) a kitchen upgrade, 4) interior painting on the second floor, and 5) roof leakage report and replacement of heat tape.

Finally, staff initiated a discussion with Bank of West (now Bank of Montreal) to evaluate land acquisition for Option D. Based on City staff discussion with Bank of Montreal staff and their real estate department, they are amenable to selling their property for the Fire Station 3 expansion. An initial appraisal was conducted for an approximate size of 0.52 acres. However, based on subsequent discussions with the bank staff, they have expressed a desire to sell approximately 1.53 acres of the current site. (See Attachment 07). City staff also evaluated the coverage areas related to TRPA requirements and found that it is feasible to expand into this area.

Staff recommends implementing Option A and Option D.

Financial Implications: The following are estimated probable costs for each option. These costs are in 2024 dollars and are at planning-level estimates:

- Option A: Renovation of existing building structure: $500,000
- Option B: Renovation of existing structure and ADA upgrades: $3.5 million
- Option C: New two-story structure behind existing fire station (excluding demolition cost): $19.25 million.
- Option D: New one-story structure on the Bank of Montreal site (excluding demolition cost: 19.75 million.

Options C and D have no significant cost difference, except for right-of-way acquisition costs. Between Option C and D, Option D is the preferred option, given additional spacing and land usage. Below is the estimate for Option D for each component of the project:

Contract Division Totals:	
A. Main Building:	$10,982,462
B. Equipment and Furnishings	$440,000
C. On-Site Improvements	$2,120,080
D. Off-site Improvements	$275,000
E. Fees	$1,617,224
F. Owner Systems, Administration, ROW and Contingency	$2,864,554
Contract Division Subtotal:	$18,299,319
G. Market Escalation (7% per year) to mid-point of Construction - 18 mo.	$1,450,842
Conceptual Construction Budget:	$19,750,161

Options C and D include all electric equipment, solar panels, propane backup generator, passive heating/cooling design, solar potential maximization, pitched roof, and compliance with a potential new Reach Code (to be brought to council in late fall).

LEED Gold certification and a new flashing beacon on US 50 will add an additional cost of $1.1 million to either options C or D. Option D also includes additional land to accommodate a future battery backup space for backup power once the technology is reliable for essential services standards or space for a state-of-the-art biomass heat/energy facility to complement the City's chipping program and help meet the SB1383 organic material procurement mandate while providing round-the-clock reliable renewable energy on-site (pending TRPA lifting the moratorium).

Options B, C, and D are good candidates for a Design-Build delivery method, which can help keep costs down. Option A can be handled internally through the Maintenance Division with several trade contractors.

Option D allows the city to sell the land and existing structure without additional demolition costs. Additionally, there could be a credit of approximately $37,000 for ground coverage from TRPA that can be applied to the project.

The current available cash on hand in Measure S Sales Tax fund that can be allocated towards the Fire Station 3 upgrades is approximately $2.5m-$3.0m. Selecting Option C or D will require bond financing of approximately $17m in project funding at the approximate cost shown in the table below. These cost estimates were obtained using a debt service calculator tool and will differ due to changing market conditions and based on the type of bond issuance (premium or discount).

Term (years)	Interest Rate	Approximate Annual Debt Service Payment	Approximate Total Interest Cost
10	5%	$2.20 million	$5.0 million
15	5%	$1.6 million	$7.6 million
20	5%	$1.3 million	$10.3 million

Prior to selecting Option C or D, the City Council should discuss and identify the potential and/or preferred funding sources for the annual debt service payments. This is also an opportunity to remind the Council that the Fire Station 2 upgrade project has been identified previously to be funded by Measure S Sales Tax, and $500,000 is being set aside annually for that project. The accumulated balance in the Fire Station 2 project account, including FY 2023-2024 appropriations, is $1.5 million. If Measure S is selected as a funding source for the Fire Station 3 upgrades, it will further delay the Fire Station 2 upgrade project which, for discussion purposes, will require approximately the same level of funding as Fire Station 3 upgrades if Option C or D are selected.

Sustainability Implications: The facility utilized for Fire Station 3 was not designed originally as a fire station, and the minor remodel in the 1970s and again in 1982 did not create a facility strictly designed for fire department operations. The facility is not an Essential Services facility and cannot become one without completely replacing the facility, and the current site is likely not sized appropriately for a new facility and required site improvements.

With Options A and B, sustainability is a major challenge in mitigating the effects of deferred maintenance, ADA accessibility, and operational program evolution while implementing regulatory compliance, energy sustainability, and carbon reduction. Although this project upgrades outdated

living and administration quarters and complies with building, mechanical, and electrical codes where dictated, these options do not contain scope for net zero implementation.

With Option B, any work contemplated in the design/build scope will, of course, meet current Title 24 requirements, and the current estimate includes a Variable Refrigerant Flow HVAC System (electric), but scope such as full building electric, solar power generation, battery storage systems, and electric vehicle charging infrastructure are not contemplated in this scope. Option B, conceptually scoped to date, represents a tenant improvement of an existing facility with an expected lifespan of 10-12 years for renovations before another improvement is due.

Options C and D include sustainability and net zero goals, as listed above. The facility will be designed as an Essential Services Building, with an average life of 40-50 years. EV charging stations are included in the design costs. Grants could be attained to help with that cost.

Environmental Considerations: For Options A and B, this project is categorically exempt from review under the California Environmental Quality Act (CEQA) under CEQA Guidelines 15301 (Existing Facilities) because it consists of the repair or minor alteration of an existing public structure involving negligible or no expansion of existing or former use. For Options C and D, a CEQA environmental clearance will be required. Direction to move forward with planning for Options C and D are statutorily exempt from CEQA under CEQA Guidelines section 15262 (feasibility and planning studies for possible future actions which the City has not yet approved, adopted, or funded).

Policy Implications: City Council Strategic Priority 5 – Continuous Improvement.

- Goal 5.1 Public Safety "Ensure substantial investment in public safety by investing in police, fire and snow removal operations and equipment needs…"

- Goal 5.3 Infrastructure and Maintenance "Ensure our City has sustainable funding sources to properly maintain infrastructure including roads, snow removal, facilities, recreation sites and trails."

City Council Strategic Priority 1 – Built Environment

- Goal 1.5 Carbon Neutrality and Grid Reliability "Implement a variety of projects to reach the City's 100% renewable energy and Climate Action Plan goals, eventually achieving carbon neutrality. Initiatives include, but are not limited to, power City facilities and fleet with renewable energy. Support community wide deployment of solar, and pursue opportunities for electrification, including transitioning fleet vehicles to electric and building robust EV charging infrastructure by 2025.

JKA jeff katz ARCHITECTURE

SITE AND FACILITY ASSESSMENT

SOUTH LAKE TAHOE FIRE STATION 3

2101 Lake Tahoe Blvd. South Lake Tahoe, CA 96150

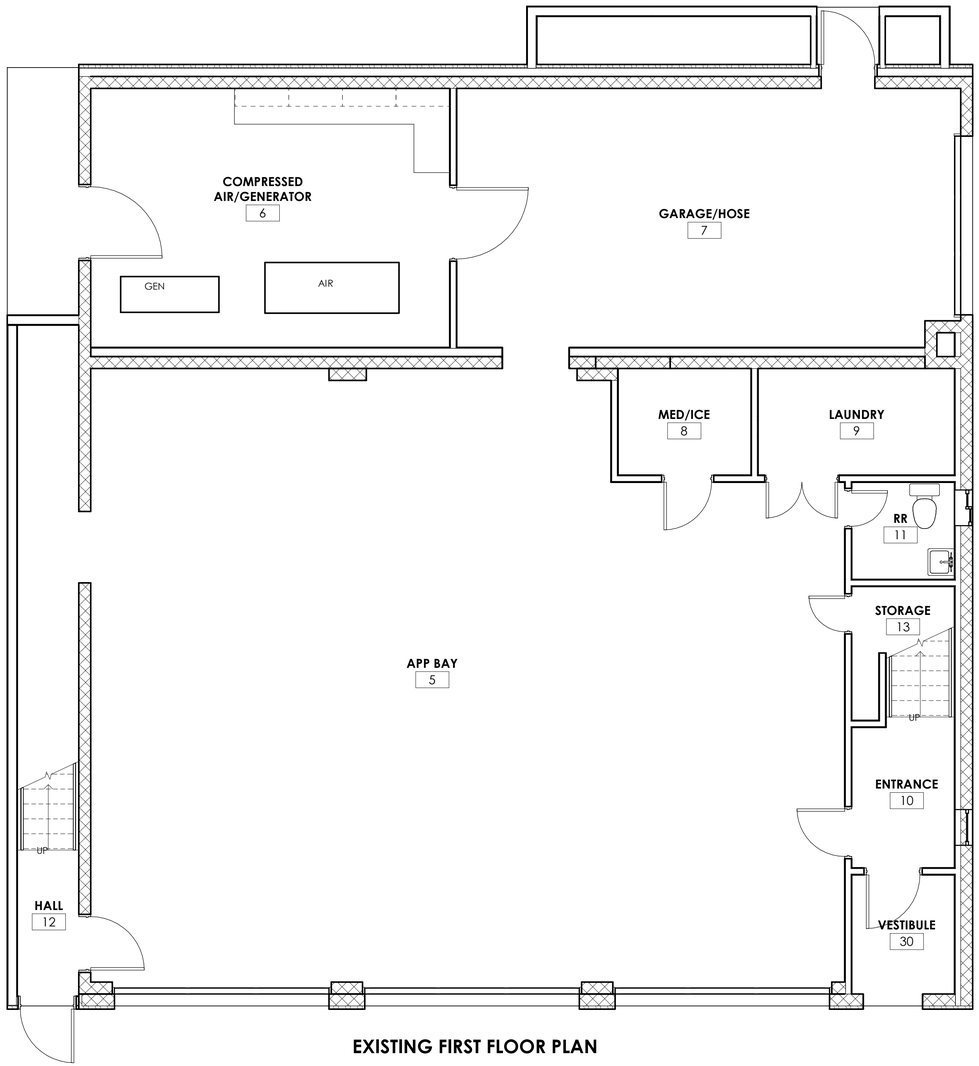
12/24/2021

Prepared by:

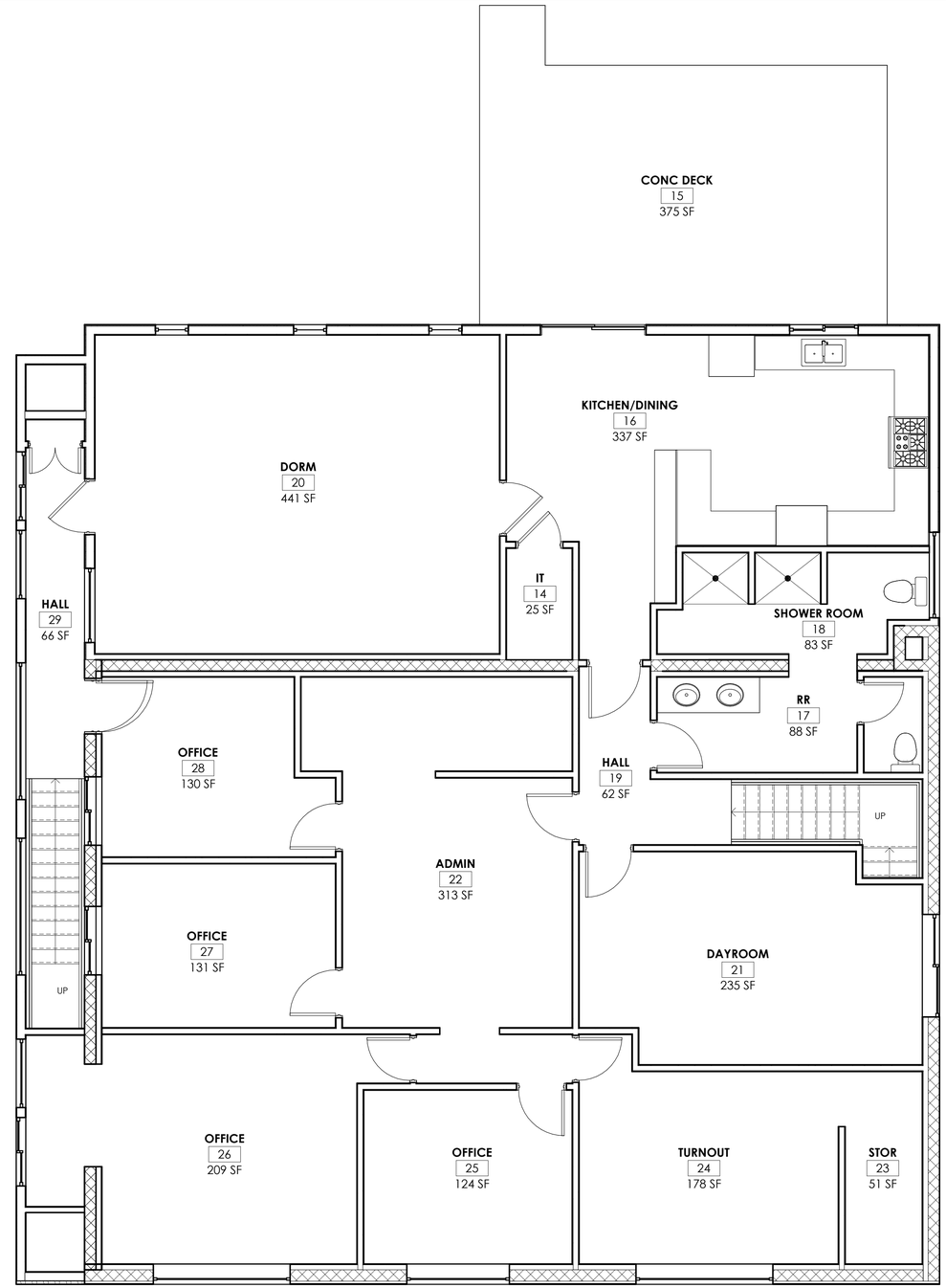
Jeff Katz Architecture
200 E Street Santa Rosa, CA 95404

TABLE OF CONTENTS:

1. Existing Floor Plans
2. Architectural Site Assessment/JKA
3. Structural Site Assessment/ZFA
4. Mechanical and Plumbing Site Assessment/McParlane
5. Electrical Site Assessment/ ELEN



EXISTING FIRST FLOOR PLAN



EXISTING SECOND FLOOR PLAN

SOUTH LAKE TAHOE FIRE RESCUE

South Lake Tahoe FS 3 Remodel

EXISTING FLOOR PLANS

SCALE: 1/4" = 1'-0"

JKA jeff katz ARCHITECTURE

Project Status 12/23/21

I. Building History and Background

The station was originally built in the 1950s with an addition and remodel in the 1970s. The original building was constructed primarily of CMU, and the remodel augmented this structure with timber framing in the expansion. The original building was not designed as a fire station and has never been designed with Essential Service standards in mind.

The building consists of two levels, with Living and Administration on the second level and Apparatus, Medical Storage, Restroom, Generator, SCBA/Compressed Air and Storage generally on the first level. The building is not sprinklered. A HazMat report has been done and there are no asbestos or hazardous material concerns. The Fire Station also has a single level outbuilding located to the North/East that currently houses a Gym facility and some mixed storage.

II. Scope and Program

To minimize required seismic and functional requirements, the current remodel will not be designed to Essential Service standards. The following are some basic outlines of recommended program, scope and functional upgrades:

1. Phasing of the project needs to be assessed to determine viability of keeping portions of the station operational. Due to the extensive systems upgrades recommended it is unlikely that partial operation of the building will be practical.

2. Circulation upgrades: to comply with accessibility requirements an elevator to the second floor will be required. Also, the stairways do not comply with code and will need to be revised. A fire pole from second floor Bunk Rooms to the App Bay is being proposed to increase response times in addition to the stairways.

3. Building exterior: minor modifications to siding and roofing to update the building and remove aging, deteriorating finish materials are being proposed. Due to the age of the last remodel it is likely that the building envelope will need to be updated. This would include roof and wall insulation and windows updated to meet current acoustic and energy standards.

4. Building interior: functional spaces to be updated and modified to make the building more functional and serve the needs of the crew more effectively, as well as respond to current best practices for operational fire stations. See following section for a space by space assessment and recommended upgrades.

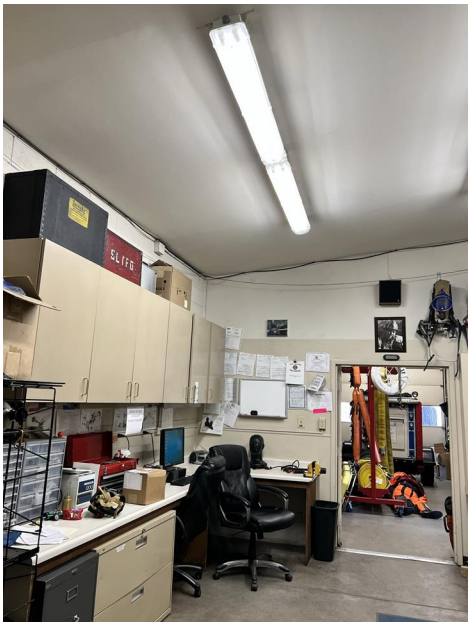
III. Space by Space Assessment

1. Exterior Outbuilding: While functional as a small gym and cardio equipment facility, some upgrades are advisable. Evidence of water damage and caulking failing are apparent in the image below. We recommend replacing damaged windows and doors. Also, below image shows crowded conditions in the cardio room. Moving this storage to the main building would make the exercise space more functional.

2. Apparatus Bay: Currently the station is barely adequate for equipment used given the length of the apparatus and bay. Space could be more flexible in redesign if one of the App Bays was expanded internally 4 to 6 feet to accommodate current and future equipment needs. Expansion outside of building footprint not recommended due

to cost and complexity. Structural limitations could provide challenges to this upgrade. Minor finish upgrades here will be incorporated to update the space.

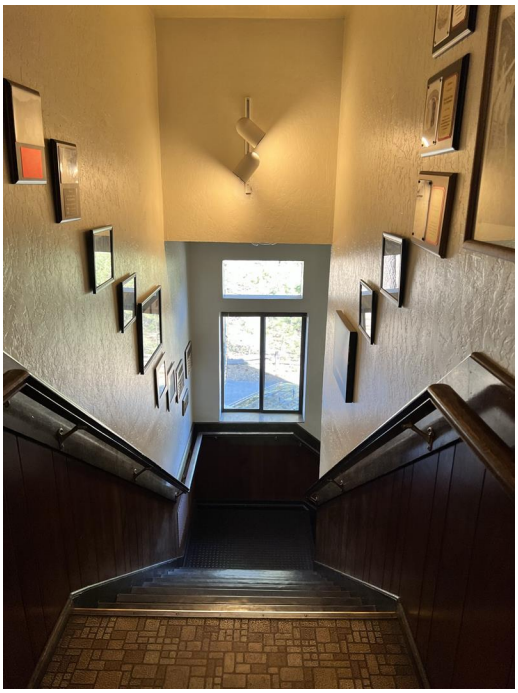
3. Compressed Air/Generator: this room currently houses the compressed air, generator and doubles as office space. Redesign will include removing any office function to avoid noise and smells from compressed air system. Generator is being relocated outside in a separate contract and will alleviate any interior noise and air contaimination concerns.



4. Hose and Trailer Garage: Adequate in function but will be reconsidered in redesign if space is needed for higher priority station programming and functions.

5. Level 1 Restroom/Med Storage/Laundry: Inadequate as currently designed and will be revised in redesign to meet accessibility and functional requirements.

6. Stairways: step rise is too steep to comply with current code. Code compliant stairways to be incorporated into redesign. An elevator will be included to meet accessibility requirements.



7. Kitchen/Dining/Dayroom: Current facilities are undersized. Recommended redesign and upgrade to provide functional, updated facilities for 4 to 8 staff. Dining to accommodate seating for 8. Current Dayroom location is remote from Kitchen/Dining which is not recommended.

8. Bunk Rooms: The current accommodations to not meet current best practices for separate sleeping accommodations for staff. Recommend redesign to include 4 individual bunk rooms to replace current partitioned Bunk Dorm. New Bunk rooms will be sized to accommodate one Twin XL bed, 3 lockers and desk space. Egress windows and a 1 hour rated corridor and egress path to be included. Proposed design will locate Bunk Rooms on North side of second level to avoid street noise and lights from Lake Tahoe Blvd.

9. Second Level Restrooms: current design does not meet accessibility compliant requirements and lacks privacy for toilet and showers. Recommend redesign to incorporate updated individual restroom facilities to include two restrooms to serve the 4 bunk rooms. One of the two restrooms to be ADA compliant. Both restrooms to contain sink, toilet and shower. Recommend also providing an additional restroom containing toilet and sink to serve the Administrative office area.

10. Administrative Offices: new design to incorporate spaces for 4 to 6 offices.

11. IT Room: upper level IT room adequate for current needs but to be enlarged for likely upgraded IT needs. Recoemnd that the IT Room be relocated to first level to create more design opportunities/space for Admin and Living quarters. New IT Room to have stand alone Cooling system for the room.

12. Turnout and Space Gear Storage Room: Existing storage room can be relocated to first level. A separate Turnout Room to be provided including turnout lockers for 12 firefighters will be included in redesign at this new location.

ZFA STRUCTURAL ENGINEERS

Conditions Assessment Report

South Lake Tahoe - FS III Crew Quarters

2101 Lake Tahoe Boulevard (US 50)
South Lake Tahoe, CA 96150
ZFA Project: 21689.00

December 22, 2021

Draft
12/22/2021 12:22:33 PM

Prepared For:

Jeff Katz

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Santa Rosa, CA 95404

Prepared By:

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INTRODUCTION

A general conditions assessment structural review of two buildings located at South Lake Tahoe FS III at 2101 Lake Tahoe Boulevard (US 50) in South Lake Tahoe, CA (see Appendix A: Location Map and Site Map) was performed as requested by Jeff Katz Architecture as part of due diligence. One site visit was completed on December 03, 2021 to visually review the general condition of the structures; however, no destructive testing or removal of finishes was performed or included in scope. Non-structural elements such as Mechanical, Electrical, Plumbing, Equipment Anchorage or Architectural elements were not included within the scope of this review.

The following documents were provided for review:

- South Lake Tahoe FS III - Remodel Drawings dated 09/02/81
- No other relevant documents were provided

The American Society of Civil Engineers (ASCE) 41-17 Standard for Evaluation and Retrofit of Existing Buildings provides a “Tier 1” checklist format which was used as a guide for this assessment which helps to identify points of review and potential deficiencies. This assessment does not constitute a seismic evaluation. In a complete seismic evaluation, Tier 1 individual checklists and analysis would be completed for the original structures and any renovations or additions in conjunction with detailed Tier 2 and/or 3 analyses as required.

The following is grouped into two buildings as designated on the site plan provided (Appendix A: Site Map) and site structures.

- Firehouse 3,310sf:
    - Apparatus Bay & Support (lower level)
    - Living Quarters (upper level)
- Storage Building/Gymnasium <2,000sf

STRUCTURE OVERVIEW

General Site Description

The buildings are located on a flat city lot on the North side of Highway US 50. The original firehouse structure was constructed in 1957 and was remodeled in 1982. Since this remodel, several code updates have occurred with increases made to seismic requirements. Additionally, the Essential Service Act of 1986 was established resulting in additional design parameters for Essential Service Structures. Overall, CMU construction requirements have significantly improved since construction. It is not likely that the structure meets ALL current code requirements, and some deficiencies are expected when compared to current code. For optimal Essential Service building performance, it is recommended that a full seismic evaluation be completed. Any seismic evaluation/code analysis renovations or additions shall be in conjunction with detailed Tier 2 and/or 3 analyses as required.

The storage building/gymnasium is a single-story wood building. The structure has been modified over many years with part of the building being enclosed later. It is not likely that the structure meets current code requirements with increases to seismic requirements, and several deficiencies are expected when compared to current code. Ideal or target code performance is not probable without improvements. This structure is less than 2,000sf and therefore is exempt from the 1986 Essential Service Act. A full evaluation of the structure and use occupancy is recommended.

Modifications to exterior wall openings of these structures will result in a code upgrade to each affected element and the respective foundations.

Structural System and Materials Description

General

The original structures are rectangular in plan. The firehouse building is two-stories while the storage building/ gymnasium is one-story. The two structures are separate making them structurally independent of one another.

Roof and Floor Framing

Both structure's roofs are generally wood framed with sawn lumber wood rafters and joists. Roofs have plywood sheathing for diaphragms. The floor of the firehouse is sawn lumber joists and plywood sheathing.

Walls

The firehouse building is primarily concrete masonry unit CMU walls and structural and non-structural wood walls. The storage building/gymnasium consists of wood walls.

Seismic Force-Resisting System

The primary lateral (seismic and wind) force resisting system is CMU shear and wood shear walls at the firehouse building. The system at the storage building/gymnasium is wood shear walls.

Ground Floor and Foundations

The ground floor and foundation of all buildings are concrete shallow footing and slab on grade.

Field Verification and Condition Assessment

Based on the site visit, the buildings have been constructed with at least one phase/remodel. However, the structures have been in the current condition for many years. Typically, these conditions do not exhibit immediate signs of danger or collapse. However, several conditions warrant repairs or attention.

FINDINGS AND RECOMMENDATIONS

The buildings were constructed under various older buildings codes or construction techniques. It is not expected that the structures would meet current code standards; however, all buildings should have been permitted and constructed to meet construction standards and codes at the time. The firehouse was constructed and remodeled prior to the 1986 Essential Service Act and therefore would not comply. The storage/gymnasium is exempted from the Essential Service by size.

The following structural items were observed during the site visit (see Appendix B: Images). Items are listed in order of exterior approximately from the top of structure down to the interior separated by level. Modifications to the structural systems or changes to the structural risk category or occupancy increases would trigger compliance with current code. Alternatively, voluntary structural improvements can be implemented to mitigate issues or improve performance. All new construction should meet current code requirements.

Firehouse Exterior:

Findings and Recommendations:

a. ROOF: Per occupants and maintenance staff, there is leakage through the existing roof. *See Images 5 & 6.*

RECOMMENDATION: Review roof framing members in detail. Repair any damaged conditions in members or connections. New roof framing may need to be considered for positive drainage at an appropriate slope. A 10% increase in roof weight will trigger full seismic current code compliance.

b. PILASTERS: The CMU pilasters/'frame' at the apparatus bay openings likely do not meet code requirements for lateral resistance to wind and seismic lateral forces. Also, the CMU veneer is damaged. *See Images 1, 7, & 8.*

RECOMMENDATION: Remove the stone veneer and potentially the CMU pilasters/'frame'. Extend the apparatus bay towards the street to gain apparatus depth. At new apparatus bay entry, install a new structural steel moment frame and foundations. Alternatively, perform extensive inspections and testing of existing construction and analysis of the existing CMU frame to strengthen or verify meets current code.

c. HEAVY VENEER: Per ASCE 41-17, Table 4-1 Patterns of Defects and Deterioration, veneer typically shows evidence of deterioration, damage, or corrosion in connections

RECOMMENDATION: Review all veneer components in detail. Remove veneer or strengthen and provide components to meet current code as required.

d. SECOND FLOOR GUARD RAIL: In some locations, guardrails do not meet code requirements. *See Images 9 & 10.*

RECOMMENDATION: Review/analyze all guardrail conditions. Provide guardrail to meet current construction standards.

e. DECK BRACING: The framing lacks an adequate system to resist wind and seismic lateral forces. *See Image 11.*

RECOMMENDATION: Provide a comprehensive wind/seismic analysis and code compliant wind/seismic force resisting system to foundations.

f. DAMAGED FRAMING/SHEATHING: In multiple exterior exposed locations wood framing/sheathing was noted with damage and staining and could be compromised in some locations – see framing, siding, trim, etc. *See Images 10, 11, & 12.*

RECOMMENDATION: Review all conditions in detail. Repair any damaged conditions in members or connections.

g. TYPICAL WOOD: Per ASCE 41-17, Table 4-1 Patterns of Defects and Deterioration, wood components typically show evidence of decay, shrinkage, splitting, fire damage or sagging. Their connections are typically deteriorated, broken, or loose.

RECOMMENDATION: Review all wood members and their connections in detail. Strengthen and provide members and connections to meet current code as required.

Firehouse Apparatus Bay & Support (lower level):

Findings and Recommendations:

h. CMU SHEAR WALLS: The exterior CMU shear walls likely do not meet code requirements. *See Image 13.*

   RECOMMENDATION: Review all CMU shear wall conditions. Provide strengthening and structure to reinforce the walls as required or replace to meet current code.

i. CMU WALL ANCHORAGE: The exterior CMU walls likely do not meet code requirements for connections to the floor framing. In an earthquake, heavy walls can pull away from floor framing members causing collapse. This is a common deficiency for old CMU buildings with light wood framed floors.

   RECOMMENDATION: Review all CMU to floor connections conditions. Provide strengthening and structure to reinforce the connection as required to meet current code.

j. NTERIOR BEARING/SHEAR WALLS: Interior CMU wall between apparatus bay and rear support rooms is a bearing and shear wall. *See Image 14.*

   RECOMMENDATION: Review contribution of this wall to support additional framing above. Any modifications to this wall will result in a code upgrade to this element and the respective foundations.

k. INTERIOR NON-BEARING WALLS: Interior wood walls do not likely contribute to bearing of the system or lateral resistance. *See Image 15.*

   RECOMMENDATION: Review contribution of this wall to support additional framing above. Modifications to this wall could potentially result in a code upgrade to this element and the respective foundations.

l. BEAMS: Where the large beams are supported at the CMU pilaster, it is unclear if the wall anchorage meets code requirements. The beam and CMU pilaster could separate in a seismic event and cause collapse. *See Images 16 & 17.*

   RECOMMENDATION: Review existing beam to CMU pilaster connection in detail and provide connections to meet current standards. Strengthen CMU for connection or remove CMU pilasters and provide new steel moment frame in its place per *recommendation b.*

m. CONCRETE SLAB: Significant slab cracks were noted at multiple locations. *See Images 18 & 19.*

   RECOMMENDATION: Rout and clean and fill small cracks with epoxy grout. At large crack locations, some removal and concrete patching may be required for more durable repairs.

Firehouse Living Quarters (upper level):

Findings and Recommendations:

n. INTERIOR WALLS/FRAMING: The framing on this level does not match previous plans: interior walls have been moved or completely removed and columns have been added in their place. *See Image 21.*

   RECOMMENDATION: Review contribution of this wall to support additional framing above. Existing conditions or modifications to this wall could potentially result in a code upgrade to this element and supporting elements (walls below and foundations).

o. CMU WALL ANCHORAGE: The exterior CMU walls likely do not meet code requirements for connections to the roof framing. In an earthquake, heavy walls can pull away from roof framing members causing collapse. This is a common deficiency for old CMU buildings with light wood framed roofs.

   RECOMMENDATION: Review all CMU to roof connections conditions. Provide strengthening to reinforce the connection as required to meet current code.

Storage Building/Gymnasium:

Findings and Recommendations:

p. DAMAGED FRAMING/SHEATHING: In multiple exterior exposed locations wood framing was noted with moisture damage and staining and could be compromised in some locations – see framing, siding, trim, etc. *See Images 22, 23, 24, 25 & 27.*

   RECOMMENDATION: Review all conditions in detail. Repair any damaged conditions in members or connections.

q. SETTLEMENT: Slight differential settlement was apparent where building was enclosed in different phases. *See Image 26.*

   RECOMMENDATION: Review framing members and foundations in detail. Provide compatibility between different framing and foundations which meet current code requirements.

r. WOOD POST: The wood post and post base do not meet code requirements. The post appears to be embedded in the ground. *See Image 27.*

   RECOMMENDATION: Review all post and post base conditions. Revise or strengthen posts and post base connections to meet current standards. Revise foundation supports for durability and strengthen for adequate load as required.

s. INTENDED USE: This building appears to be used for a gymnasium/activities and storage. *See Image 28.*

RECOMMENDATION: Review the structure occupancy requirements and performance goals. Modifications could potentially result in code upgrades to the structure. See i. and j. above.

Proposed Modifications Firehouse:

Proposed Modification and Recommendations:

t. ADD ELEVATOR: Add elevator (assumed exterior) for code compliance

RECOMMENDATION: The elevator should be added to exterior and be completely seismically separated from the structure and self-supporting to avoid seismic upgrades to the existing structure. These type of elevator structures are structural steel frames with infill wood framing.

u. RECONSTRUCT STAIRS: Demolish and reconstruct existing stairs for code compliance

RECOMMENDATION: Remove and re-frame second floor framing at openings and support walls and foundations below.

v. ADD FIRE POLE: Add a new fire pole between dorms and apparatus bay below

RECOMMENDATION: Consider firepole added to building exterior existing opening to avoid floor and wall framing modifications. Interior addition will require new opening and re-framing at floor and support walls and foundations below.

w. REVISE UPPER FLOOR PLAN: revise/relocate day room, bunk rooms, restrooms, and administration offices

RECOMMENDATION: Remove and re-frame second floor wall framing including exterior and interior bearing and shear walls. Modifications to interior structural walls and new/revised exterior openings will require current code compliance for gravity and seismic. See i. and m. above.

x. EXPAND APPARATUS BAY: Extend at least one apparatus bay 4-6ft.

RECOMMENDATION: Extend both bays and add structural moment frame per b. above. Modification to the interior CMU bearing and shear wall at the rear of the apparatus bay will require current code compliance for gravity and seismic including foundations.

y. REVISE LOWER FLOOR PLAN: Relocate IT room to lower floor and add turnout lockers.

RECOMMENDATION: Modification to the interior CMU/Wood bearing and shear wall at the rear of the apparatus bay will require current code compliance for gravity and seismic including foundations. See i. and j. above.

z. ADD GENERATOR: Add new exterior generator (separate contract).

RECOMMENDATION: Provide new structural concrete pad and code compliant anchorage for new generator

CLOSING

The structural review is based on that which was and available original structural drawings. No attempt was made to uncover hidden conditions or perform any destructive or non-destructive testing. The items discussed in this report are subject to revision should more information become available. No structural analysis for loads or capacities was performed under the scope of this review.

We understand you may have questions regarding this evaluation and are available for comment and explanations. Please call with any questions you may have. Thank you for choosing ZFA Structural Engineers to assist you with this building condition assessment.

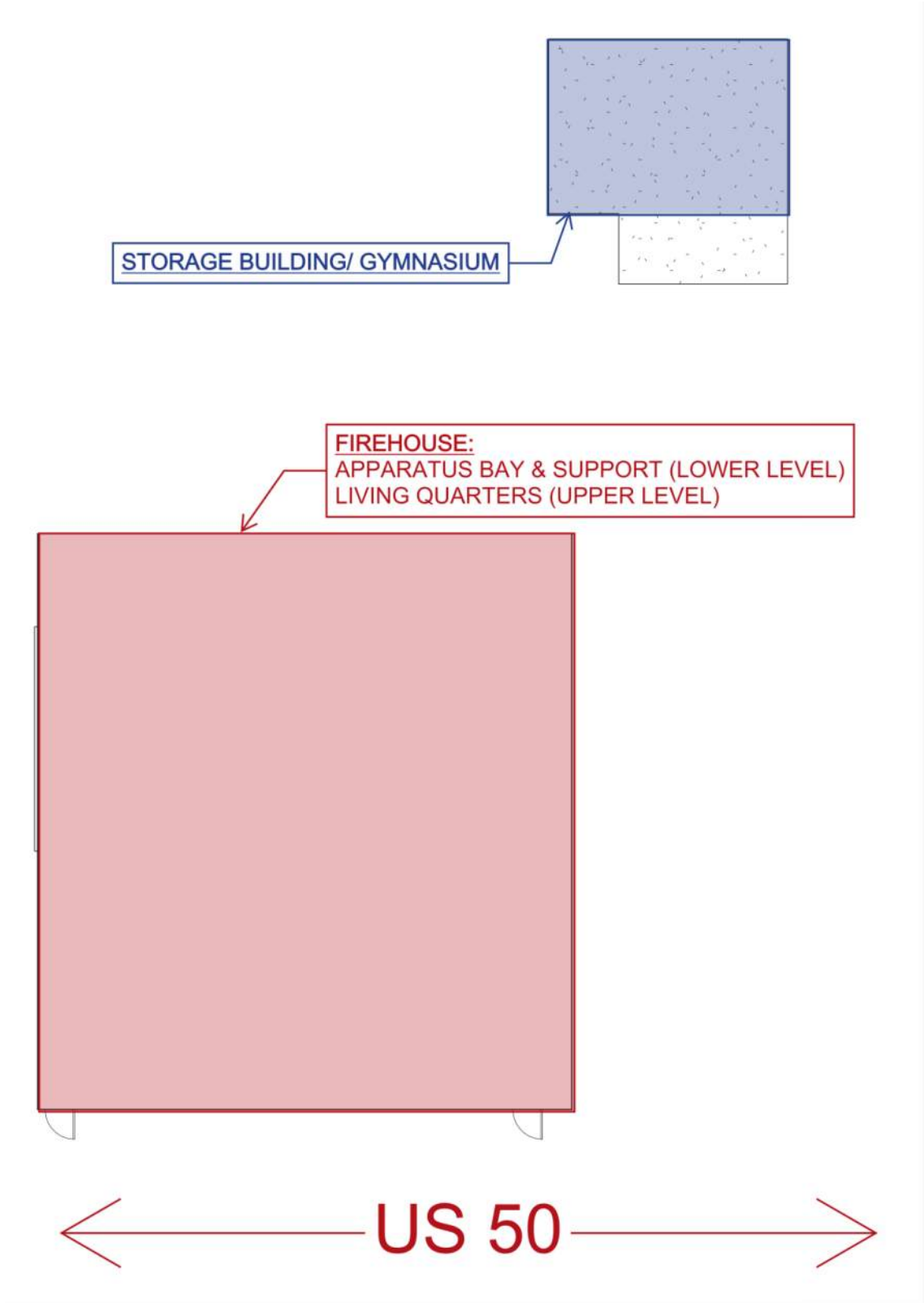
Kevin Zucco
Executive Principal
ZFA Structural Engineers

Draft
12/22/2021 12:23:04 PM

Dezire Perez
Designer
ZFA Structural Engineers

APPENDIX A – LOCATION MAP AND SITE MAP

2101 Lake Tahoe Boulevard (US 50), South Lake Tahoe, CA


STORAGE BUILDING/ GYMNASIUM
FIREHOUSE:
APPARATUS BAY & SUPPORT (LOWER LEVEL)
LIVING QUARTERS (UPPER LEVEL)
US 50

APPENDIX B – IMAGES
FIREHOUSE EXTERIOR

Image 1: South Elevation

Image 2: East Elevation

Image 3: North Elevation

Image 4: West Elevation

Image 5: Roof Overview

Image 6: Roof Slope

Image 7: Pilaster

Image 8: Spalling Veneer

Image 9: Deck Overview

Image 10: Guardrail Connection

Image 11: Deck Supports

Image 12: Damaged Framing

APPENDIX B – IMAGES
FIREHOUSE APPARATUS BAY & SUPPORT
(Lower Level)

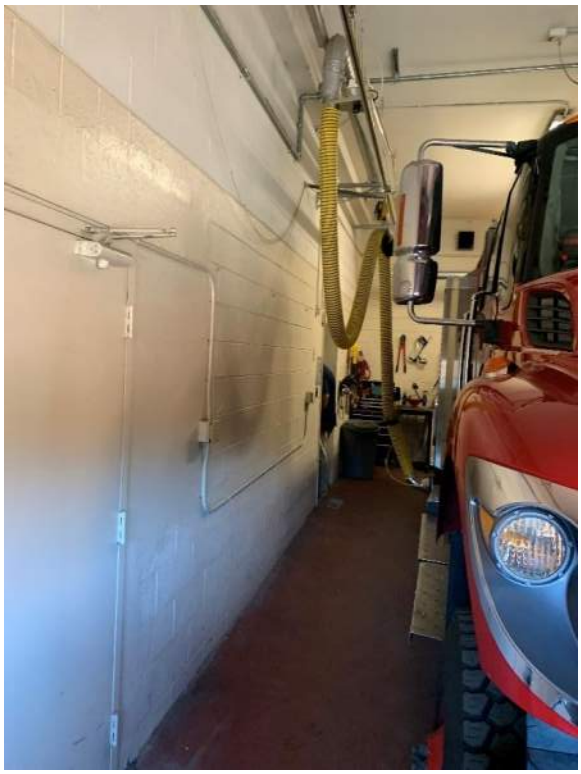


Image 13: Exterior CMU Wall

Image 14: Interior CMU Wall

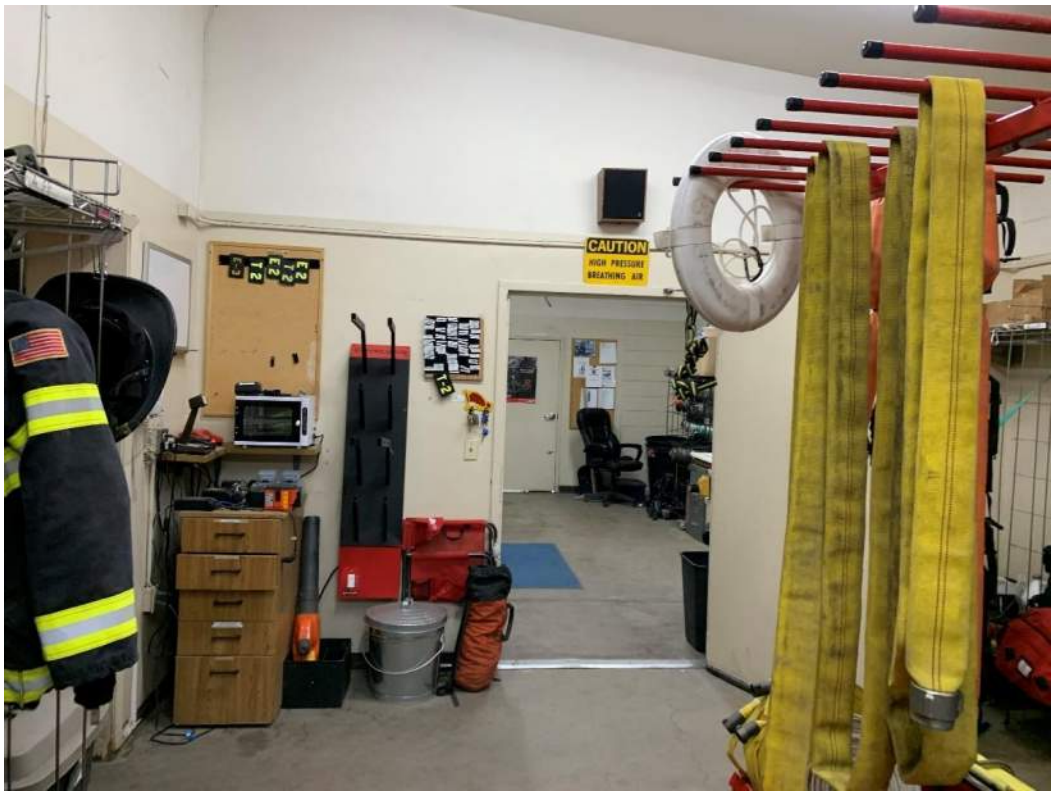


Image 15: Interior Wood Wall

Image 16: CMU Pilaster or 'Frame'

Image 17: Beam to CMU Pilaster Connection

Image 18: Interior CMU Wall Foundation

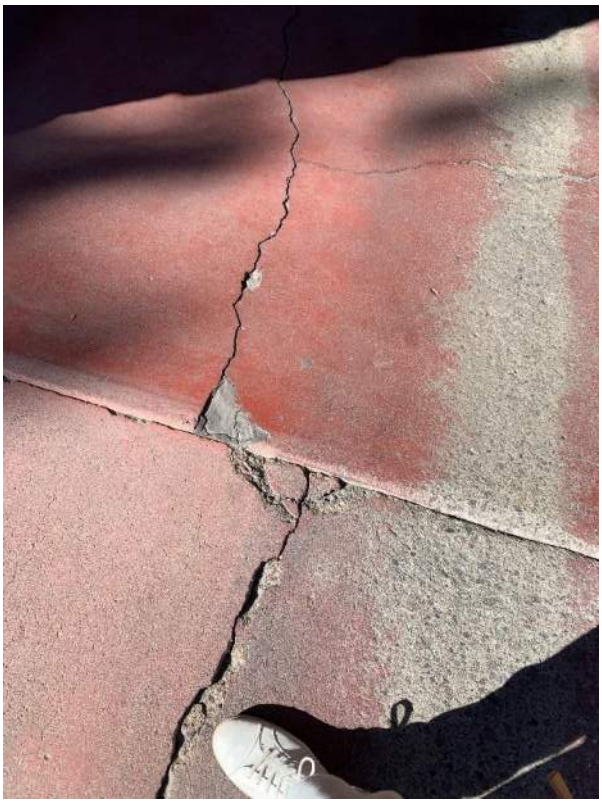


Image 19: Slab Cracks

APPENDIX B – IMAGES
FIREHOUSE LIVING QUARTERS
(Upper Level)

Image 20: Living Quarters Overview

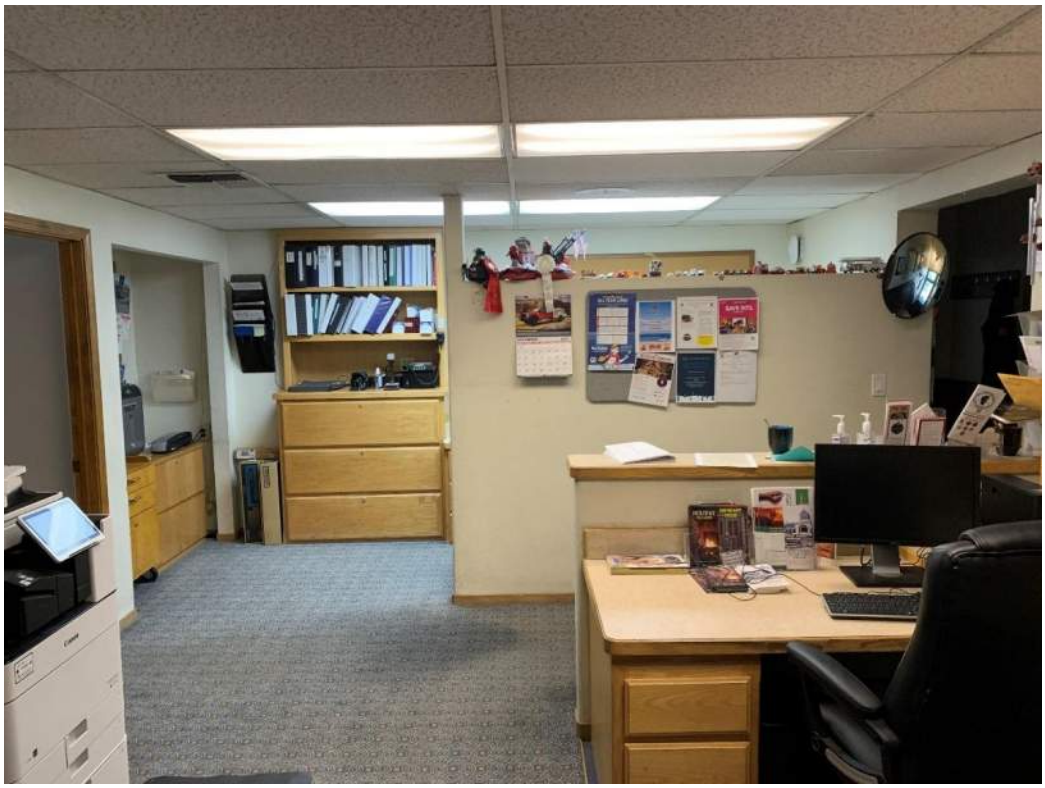


Image 21: Interior walls and steel column

APPENDIX B – IMAGES
STORAGE BUILDING/GYMNASIUM

Image 22: North Elevation

Image 23: East Elevation

Image 24: South Elevation

Image 25: West Elevation

Image 26: Differential Settlement

Image 27: Post Base

Image 28: Interior Storage Building/ Gymnasium

MPA McPARLANE & ASSOCIATES
CONSULTING MECHANICAL ENGINEERS

December 22, 2021 via email: jeffb@jeffkatzarchitecture.com

Mr. Jeff Bousfield
JEFF KATZ ARCHITECTURE
200 E Street
Santa Rosa CA 95404

Re: **South Lake Tahoe Fire Station No. 3 Site Assessment**
Our Proposal Number: P21131SD

Dear Jeff:

McParlane & Associates, Inc. visited the above-referenced project on Friday, December 3, 2021, to conduct a limited review of the existing mechanical and plumbing systems installations on the South Lake Tahoe Fire Station No. 3 project located in South Lake Tahoe, California. The limited review conducted did not include testing of systems or a detailed examination of system conditions but only a visual observation conducted in accordance with our professional standard of care. In addition, staff personnel provided a history of past challenges with the HVAC & Plumbing systems operating to help our team get a better read on the overall functionality and dependability of the installed systems. At the time of the visit, the HVAC and Plumbing systems were in operation and the station was occupied.

As a result of our observations, the following general items observed, and noted:

I. MECHANICAL

- Existing gas/electrical rooftop unit are functioning, however are reportedly problematic.
- Existing conditioning systems utilize a combination of above ceiling and below floor air distribution.
- Existing HVAC controls are conventional (non-programmable) type.
- Existing IDF room unit is nearing end of its useful life.
- Exhaust fans in restrooms/shower rooms are weak at best.
- Thermal controllability of systems is difficult to staff.
- Apparatus bay is served from below floor heating system.
- Plymovent exhaust to apparatus is functioning satisfactorily to staff, although discharge duct may require relocation

PRINCIPALS
PAUL F. McPARLANE, P.E. | DOUGLAS R. ISAAKS, P.E.
JAVIER R. ARES | CHRISTOPHER L. JACKSON

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Orange County
2 S Pointe Drive, Ste 180, Lake Forest, California 92630
P (949) 296-3136 | F (949) 296-3137 | email@mcparlane.com

- Due to extent of anticipated remodel, it was concluded that the HVAC scope would include a complete gut and integration of new systems.
- Due to mention of a desired future zero-net-energy goal, team is looking strongly at a VRF system to give improved efficiency and better individual thermal comfort.
- New exhaust for restrooms/shower rooms and kitchen area anticipated to meet and/or exceed code required exhaust rates.
- New duct systems are anticipated to accommodate area modifications and minimize future duct air leakage.
- New outside air provisions are recommended to maintain code required ventilation rates.
- New IDF cooling only unit.
- New heaters for apparatus bays and adjacent support areas.
- New turnout exhaust, dryer exhaust and area
- New DDC controls systems
- New turnout exhaust is recommended.
- Generator location may need to be reevaluated.
- As a follow up to our site visit, I have contacted our VRF suppliers and confirmed the VRF system type can operate satisfactorily in temperatures anticipated for this area – so we should be good with the VRF all electric option. I am also looking into electrical heaters for the apparatus bay with minimal clearance requirements and electrical water heating options.

II. PLUMBING

- Existing plumbing fixtures are mis-matched and in poor visual condition.
- Kitchen appliances (gas cooktop/over and coffee makers) are in need of replacement.
- No gas solenoid shutoff valves existing in our building.
- Sewer lines are reported in need of inspection, hydro jetting, repair and/or replacement. Station staff recommends connection to existing site sewer.
- Water line enters building through the apparatus bay and should be re-piped to maximize system longevity, isolation capabilities and future leaks due excessive velocity.
- Gas may be considered for reuse; however, elimination may be needed to meet net-zero goals, however meter and main appear in good condition.
- Water heater should be changed to an electric heat pump water to help support net-zero goals.
- No backflow preventor exists on building main water line. One should be added for public and occupant safety. Device should be protected from freezing
- New condensate pipe should be added.
- All new hot, cold and recirculation pipe should be provided. All water piping should be insulated.
- All new soil, wase and vent piping (conventional) should be provided.
- Roof drains and overflow currently sheet flow off from building.
- Evaluate and rework drain system in apparatus bay (including sand-oil interceptor if needed).

- New sewer extension to the building (from existing site main).
- We shall be excluding gas modifications to fitness building.
- We shall be excluding site drainage modifications)
- New compressed air systems (piping only from relocated air compressor).
- New turnout discharge pit is recommended.

Respectfully,
MCPARLANE & ASSOCIATES, INC.

Doug Isaaks, P.E
Principal

DRI/kr
z:\01 mpa\administration department\proposals\p21-sd\p21131sd south lake tahoe fs 3\(2021-12-22) south lake tahoe fs no.3 site assessment.docx

Electrical Assessment

December 22, 2021

South Lake Tahoe Fire District

Fire Station 3

Lake Tahoe, California

Prepared by:

ELEN Consulting, Inc.

9150 Chesapeake Drive, Suite 220

San Diego, CA 92123

Ph: 619-550-1085

Contents

1. General Overview 2
2. Electrical Systems 3
2.1. Existing Electrical and Telecom Services 3
2.2. Existing Electrical 3
2.3. Existing Exterior Lighting 3
2.4. Existing Interior Lighting 3
3. Recommendations: 4
3.1. Building Service 4
3.2. Electrical Load Summary 4
3.3. Panelboards and Switchboards 4
3.4. Exterior Lighting 5
3.5. Interior Lighting 5
3.6. Interior Telecom and Low Voltage 5
4. Exhibits 6

1. General Overview

The existing building area is approximately 5,000 total sq.ft. of indoor conditioned space. Facility has been in use and relatively well maintained.

Observations based on field walk Friday Dec 3, 2021.

Codes and Criteria

- CBC 2019, California Building Code
- CEC 2019, California Energy Code.
- 2019 Building Energy Efficiency Standards, including Title 24 part 6.
- ASTM, American Society of Testing and Materials
- ANSI, American National Standards Institute
- UL, Underwriters Laboratories

2. Electrical Systems

2.1. Existing Electrical and Telecom Services

2.1.1. The main building is supplied with a single utility transformer serving an existing 400A 240V/120V 1-Phase 3 Wire switchboard board "MSB".

2.1.2. MSB contains the main breaker/ service disconnect only.

2.1.3. A separate meter and overhead service have been provided to the work out building.

2.1.4.Existing transformer pole mounted, located in the rear of the station.

2.1.5.Multiple panels are located through the building on the first floor providing distribution to devices and equipment.

2.1.6.Existing AT&T point of connection is located adjacent to the utility transformer, pole mounted in the rear of the station.

2.1.7.Telecom service stubs up into building storage closet and terminates into 110 blocks and owner provided router/switch.

2.2.Existing Electrical

2.2.1. There is a combination of grounded and ungrounded (2 pin) electrical receptacles located throughout the station.

2.2.2. The existing receptacles in the kitchen area do not have GFCI protection.

2.2.3. Bunk room areas do not have AFCI receptacles, and there are no AFCI circuit breakers located within the panel boards.

2.2.4. The existing receptacles in the restrooms do not have GFCI protection.

2.3.Existing Exterior Lighting

2.3.1.Existing exterior lighting is a combination of LED, CFL and Metal Halide or HPS.

2.3.2.Exterior under canopy lights are recessed CFL downlights.

2.3.3.The building exterior has flood lights in several locations mounted to provide illumination for the playground and patio area.

2.4.Existing Interior Lighting

2.4.1. Existing interior lighting consists of predominantly surface mounted linear fluorescent wrap around fixtures, and recessed T8 fluorescent.

2.4.2.Illumination levels were not measured; however, it was observed that they are consistent with the type of construction, and level of maintenance typical for the building.

2.4.3.Existing controls are localized wall stations. There does not appear to be a central lighting control system for interior lighting.

3. Recommendations:

3.1. Building Service

3.1.1.Building Service is recommended to be upgraded to an 800A 208Y/120V 3PH 4W service.

3.1.2.Maximum allowable service in 208/120V 1PH 2W is 600A and would not be sufficient for a modern facility. (Refer to calculations below)

3.2.Electrical Load Summary

3.2.1. New preliminary load calculations are based on 5,000 sq. ft. CEC minimum requirements, and the desire to go 100% electric for appliance and heating loads.

Load description	VA/SF	Total kVA	Demand Factor	Total kVA
Lighting	1VA/SF	5	125%	6.25
Receptacles	4VA/SF	20	first 10kVA @ 100%	10.00
			Remainder @ 50%	5.00
HVAC Equipment	10VA/SF	50	100%	50.00
Equipment and Appliances		150	100%	150.00
			Grand Total:	221.25
			+20% Spare Capacity:	256.5kVA
			737.5 Amp @ 208Y/120V-3Ph- 4W	

3.3.Panelboards and Switchboards

3.3.1.Provide new 208V 3PH 4W panels for the following loads:

- 3.3.1.1. General Power
- 3.3.1.2. Interior and Exterior lighting
- 3.3.1.3. HVAC and Plumbing Equipment.
- 3.3.1.4. Telecom Room/Equipment
- 3.3.1.5. Station equipment

3.3.2. Power and Lighting panels should be located centrally within the building.

3.3.3. HVAC panel should be located near the rooftop mechanical equipment or new mechanical equipment of highest load.

3.3.4.Telecom panel should be located near or within the telecom room.

3.3.5.All panelboards to have main breakers and copper bussing.

3.3.6.All electrical gear shall be fully rated and coordinate to the fullest extent possible.

3.3.7.Building and exterior wire and cables shall copper and be rated at 600V or less. Refer to construction documents for electrical feeder schedule for conduit and wire sizes and quantity.

3.3.8. AFCI breakers shall be provided for all bunk room loads.

3.3.9. New propane generator shall be provided. Size pending programming requirements.

3.4.Exterior Lighting

3.4.1.New full cut off LED lighting shall be provided at all exterior landings, walkways and patio areas.

3.4.2.The exterior lighting systems shall be in accordance with the IES recommendations and shall exceed the requirements of California title 24 Energy Code and of Cal Green.

3.4.3.The lighting design will create a visual environment suited to the functions of each space. Energy efficient lighting utilizing LED lamps throughout will be used.

3.4.4.Illumination levels to be accordance with the IESNA and values and Local guidelines.

3.4.5.All products will have established reliability, maintenance and performance records.

3.5.Interior Lighting

3.5.1.The interior lighting systems shall be in accordance with the IES recommendations and shall exceed the requirements of California title 24 Energy Code and of Cal Green. The lighting design will create a visual environment suited to the functions of each space. Energy efficient lighting utilizing LED lamps throughout will be used. All products will have established reliability, maintenance and performance records.

3.5.2.All spaces shall be provided with ceiling and wall mounted dual technology occupancy sensors for control of lighting to shut “OFF” in not occupied spaces. Daylighting controls shall be provided wherever possible to take full advantage of natural lighting in spaces and will provide dimming control of lighting.

3.5.3.The lighting control system will be capable to monitor/meter and store power consumption for each circuit/relay, alert maintenance department as soon as circuit ampacity depreciate and compatible with the power provider demand response program.

3.5.4.LED source with a color temperature of 4000 K and a minimum CRI of 80 and extended life of 50,000hours with a minimum of 5 year industry standard warranty from the manufacturer.

3.5.5.Illumination levels to be accordance with the IESNA and values and Local guidelines.

3.6.Interior Telecom and Low Voltage

3.6.1.There Should be a new MDF room located within the building in accordance with BICSI and I3A standards. Runs of category cable run length shall be no greater than 100m.

3.6.2.A fully automatic addressable fire alarm system shall be installed with alarm and audio visual notification devices as required. An annunciator panel shall be provided at the main reception desk area. A Supplemental Notification Appliance Control panel will be provided to power all notification appliances. All cables will be label “Fire Alarm” and color–coded.

3.6.3.

4. Exhibits

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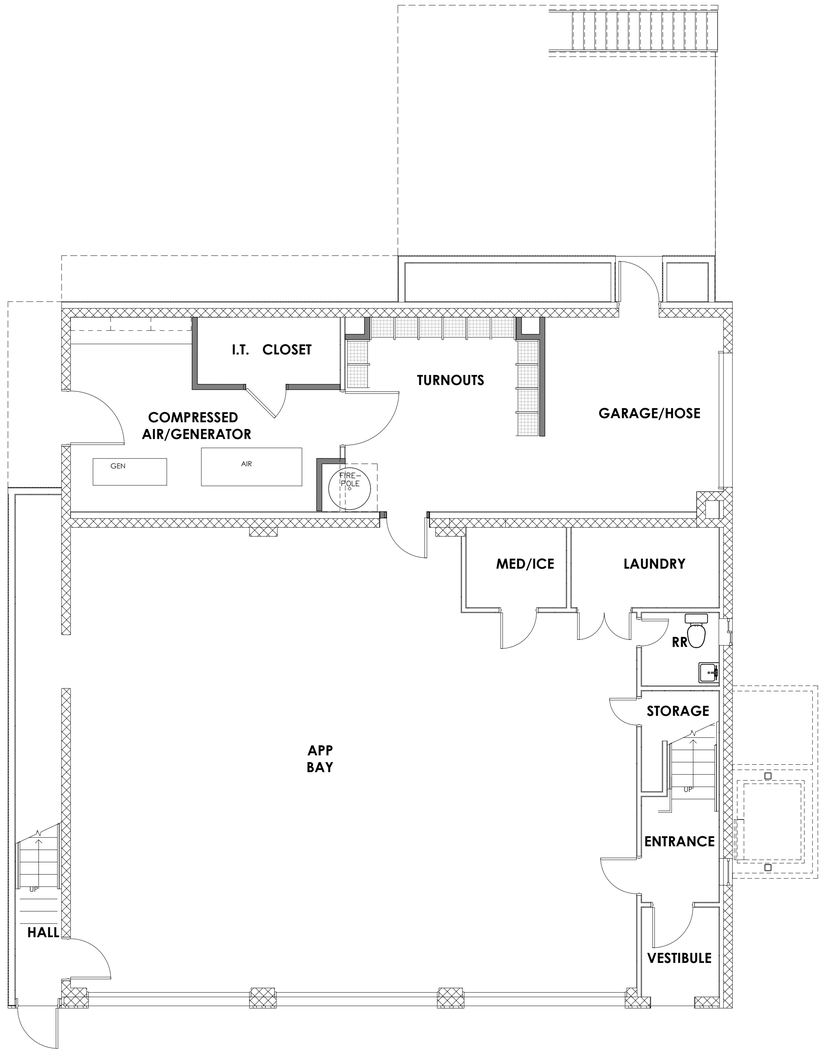

LOWER LEVEL FLOOR PLAN

UPPER LEVEL FLOOR PLAN

LOWER LEVEL

- REBUILD BOTH STAIRS TO ACHIEVE CODE MIN. RISE AND RUN FOR CODE COMPLIANT EXITING.
- TURNOUT GEAR LOCATED ON FIRST LEVEL ADJACENT TO FIRE POLE AND APPARATUS BAYS FOR IMPROVED RESPONSE TIME.
- I.T. CLOSET LOCATED TO THE LOWER LEVEL TO INCREASE SIZE AND FREE UP SPACE ON UPPER LEVEL.
- FUTURE ELEVATOR SHOWN DASHED.

UPPER LEVEL

- REBUILD BOTH STAIRS TO ACHIEVE CODE MIN. RISE AND RUN FOR CODE COMPLIANT EXITING.
- 4 NEW RECONFIGURED PRIVATE BUNK ROOMS.
- ADMINISTRATION AREA RECONFIGURED TO ACCOMMODATE 2 PRIVATE OFFICE, 1 MEETING ROOM, ADMIN. RECEPT., WORK AREA AND STORAGE.
- FUTURE ELEVATOR SHOWN DASHED.

SOUTH LAKE TAHOE FIRE STATION III OPTION D

SCALE: $\frac{3}{16}$" = 1'-0"

REF NORTH

10/31/22

coar DESIGN GROUP
200 E STREET, SANTA ROSA, CA 95404
619.698.9177 | www.coargroup.com

ESTIMATE SUMMARY

CITY OF SOUTH LAKE TAHOE, CALIFORNIA

PROJECT: **FIRE STATION 3 - 2ND LEVEL ONLY** BLDG: **SUMMARY**

PHASE: **2ND LEVEL ONLY** BLDG SF: 6,065

ESTIMATE DATE: **OCTOBER 10, 2022**

10/11/2022
2:52 PM
22-10-11 South Lake Tahoe Fire Station 3Assessment Estimate - R1

REVISED DATE:

PREPARED BY: J.R. CONKEY & ASSOCIATES

BASE	BLDG QTY	UNIT	COST PER BUILDING	TOTAL DIRECT COST
ARCHITECTURAL	**1**	**EA**	**$1,357,372**	**$1,357,372**
STRUCTURAL	**1**	**EA**	**$82,653**	**$82,653**
MECHANICAL	**1**	**EA**	**$416,422**	**$416,422**
ELECTRICAL	**1**	**EA**	**$444,108**	**$444,108**

EXCLUDES NON-CONSTRUCTION COSTS, FF&E, DESIGN FEES, FEES, ETC.

TOTAL ESTIMATE: **$2,300,554**

ESTIMATE WORKSHEET

CITY OF SOUTH LAKE TAHOE, CALIFORNIA

BUILDING: **FIRE STATION 3 - 2ND LEVEL ONI**

PROJECT: **FIRE STATION 3 - 2ND LEVEL ONLY**

BUILDING GSF: **6,065**

PHASE: **2ND LEVEL ONLY**

ESTIMATE DATE: **OCTOBER 10, 2022**

10/11/2022
2:52 PM

REVISED DATE:

22-10-11 South Lake Tahoe Fire Station 3Assessment Estimate - R1

PREPARED BY: J.R. CONKEY & ASSOCIATES

ITEM	DESCRIPTION	QTY	UNIT	UNIT PRICE	TOTAL COST
	ARCHITECTURAL				
1	EXTERIOR OUTBUILDING				
	NO WORK				
2	APPARATUS BAY				
	NO WORK				
3	COMPRESSED AIR / GENERATOR				
	NO WORK				
4	HOSE AND TRAILER GARAGE				
	NO WORK				
5	LEVEL 1				
	NO WORK				
	MEDICAL STORAGE REDESIGN / REMODEL				
6	STAIRWAYS				
	DEMOLISH (E) STAIR, HANDRAIL	1	FLT	$5,150.00	$5,150
	NEW STAIR	1	FLT	$1,030.00	$1,030
	NEW HANDRAIL	50	LF	$87.55	$4,378
	NEW ELEVATOR, WALL FRAMING, FINISHES 2 STOP	1	EA	$206,000	$206,000
	NEW WALL FRAMING, FINISHES FOR ELEVATOR	900	SF	$46.35	$41,715
	ROOF FOR NEW ELEVATOR	54	SF	$30.90	$1,669
7	KITCHEN / DINING / DAYROOM				
	KITCHEN / DINING				
	DEMOLITION	331	SF	$12.36	$4,091
	NEW FLOORING	331	SF	$25.75	$8,523
	NEW CABINETS				
	UPPER	38	LF	$360.50	$13,699
	LOWER	35	LF	$515.00	$18,025
	COUNTERTOPS	35	LF	$51.50	$1,803
	NEW APPLIANCES				
	REFRIGERATOR	1	EA	$2,060.00	$2,060
	OVEN / RANGE	1	EA	$1,545.00	$1,545
	DISHWASHER	1	EA	$927.00	$927
	NEW CEILING	331	SF	$12.36	$4,091
	FF&E				EXCLUDED
	DAYROOM (REDESIGN FOR ADJACENCY)				

ESTIMATE WORKSHEET

CITY OF SOUTH LAKE TAHOE, CALIFORNIA

BUILDING: **FIRE STATION 3 - 2ND LEVEL ONI**

PROJECT: **FIRE STATION 3 - 2ND LEVEL ONLY**

BUILDING GSF: **6,065**

PHASE: **2ND LEVEL ONLY**

ESTIMATE DATE: **OCTOBER 10, 2022**

10/11/2022
2:52 PM

REVISED DATE:

22-10-11 South Lake Tahoe Fire Station 3Assessment Estimate - R1

PREPARED BY: J.R. CONKEY & ASSOCIATES

ITEM	DESCRIPTION	QTY	UNIT	UNIT PRICE	TOTAL COST
	DEMOLITION	413	SF	$5.00	$2,065
	NEW FLOORING	413	SF	$15.45	$6,381
	NEW CEILING	413	SF	$12.36	$5,105
	FF& E				EXCLUDED
8	BUNK ROOMS				
	DEMOLISH (E) ITEMS	838	SF	$5.00	$4,190
	NEW WALLS	1,478	SF	$13.39	$19,790
	NEW FLOORING	838	SF	$15.45	$12,947
	NEW CEILING	838	SF	$12.36	$10,358
	NEW DOORS	8	EA	$2,575.00	$20,600
	NEW PAINT	2,956	SF	$2.06	$6,089
9	LEVEL 2 RESTROOMS	902	SF	$150.00	$135,300
10	ADMINISTRATIVE OFFICES				
	DEMOLISH (E) ITEMS	943	SF	$12.36	$11,655
	NEW WALLS	1,039	SF	$13.39	$13,912
	NEW FLOORING	943	SF	$15.45	$14,569
	NEW CEILING	943	SF	$12.36	$11,655
	NEW DOORS	5	EA	$2,575.00	$12,875
	NEW PAINT	2,078	SF	$2.06	$4,281
	LOWER CABINET	24	LF	$515.00	$12,360
	COUNTERTOP	24	LF	$51.50	$1,236
11	IT ROOM				
	RELOCATE TO LEVEL 1	143	SF	$103.00	$14,729
12	TURNOUT & SPACE GEAR STORAGE ROOM				
	RELOCATE TO LEVEL 1	365	SF	$128.75	$46,994
13	MISCELLANEOUS (2ND LEVEL ONLY)				
	REMOVE (E) GYP BOARD WALLS FOR ELECTRICAL	3,086	SF	$2.00	$6,172
	NEW GYP BOARD WALLS / PAINT	3,086	SF	$15.00	$46,290
	SUBTOTAL HARD COSTS				**$734,259**
	CONTINGENCY				
	ESTIMATING CONTINGENCY	20.00%			**$146,852**

ESTIMATE WORKSHEET

CITY OF SOUTH LAKE TAHOE, CALIFORNIA

BUILDING: **FIRE STATION 3 - 2ND LEVEL ONI**

PROJECT: **FIRE STATION 3 - 2ND LEVEL ONLY**

BUILDING GSF: **6,065**

PHASE: **2ND LEVEL ONLY**

ESTIMATE DATE: **OCTOBER 10, 2022**

10/11/2022
2:52 PM

REVISED DATE:

22-10-11 South Lake Tahoe Fire Station 3Assessment Estimate - R1

PREPARED BY: J.R. CONKEY & ASSOCIATES

ITEM	DESCRIPTION	QTY	UNIT	UNIT PRICE	TOTAL COST
	PHASING	0.00%			**$0**
	SUBTOTAL CONSTRUCTION COSTS				**$881,111**
	MARK-UPS				
	GENERAL CONDITIONS	18.00%			$158,600
	OVERHEAD & PROFIT	12.00%			$124,765
	INSURANCE & BONDS	2.25%			$26,201
	SUBTOTAL MARK-UPS				**$309,566**
	SUBTOTAL CONSTRUCTION COSTS & MARK-UPS				**$1,190,677**
	ESCALATION				
	ESCALATION (ASSUME 2 YEARS AT 7% ANNUAL)	14.00%			**$166,695**
	TOTAL ESTIMATE:				**$1,357,372**

ESTIMATE WORKSHEET

CITY OF SOUTH LAKE TAHOE, CALIFORNIA

BUILDING: **FIRE STATION 3 - 2ND LEVEL ONI**

PROJECT: **FIRE STATION 3 - 2ND LEVEL ONLY**

BUILDING GSF: **6,065**

PHASE: **2ND LEVEL ONLY**

ESTIMATE DATE: **OCTOBER 10, 2022**

REVISED DATE:

PREPARED BY: J.R. CONKEY & ASSOCIATES

ITEM	DESCRIPTION	QTY	UNIT	UNIT PRICE	TOTAL COST
	STRUCTURAL				
1	FIREHOUSE EXTERIOR				
	ROOF				
	NO WORK				
	PILASTERS				
	EXTEND APPARATUS BAY				
	NO WORK				
	VENEER				
	NO WORK				
	SECOND FLOOR GUARD RAIL				
	REMOVE (E) GUARD RAIL	52	LF	$10.30	$536
	NEW GUARD RAIL	52	LF	$25.75	$1,339
	DECK BRACING				
	PROVIDE ADDITIONAL DECK BRACING TO MEET CODE	447	SF	$6.70	$2,989
	TYPICAL LUMBER				
	REMOVE/REPLACE WOOD MEMBERS/CONNECTIONS	1	LS	$5,150.00	$5,150
	AS NECESSARY				
2	FIREHOUSE APPARATUS BAY & SUPPORT LEVEL 1				
	CMU SHEAR WALLS				
	NO WORK				
	CMU WALL ANCHORAGE				
	NO WORK				
	INTERIOR BEARING / SHEAR WALLS				
	NO WORK				
	BEAMS				
	NO WORK				
	CONCRETE SLAB				
	NO WORK				
3	FIREHOUSE LIVING QUARTERS LEVEL 2				
	INTERIOR WALLS / FRAMING				
	CODE UPGRADES AT WALLS NOT ON ORIGINAL PLANS	5,879	SF	$2.06	$12,111
	CMU WALL ANCHORAGE				
	STRENGTHENING TO REINFORCE CONNECTIONS TO	5,879	SF	$2.32	$13,625

ESTIMATE WORKSHEET

CITY OF SOUTH LAKE TAHOE, CALIFORNIA

BUILDING: **FIRE STATION 3 - 2ND LEVEL ONI**

PROJECT: **FIRE STATION 3 - 2ND LEVEL ONLY**

BUILDING GSF: **6,065**

PHASE: **2ND LEVEL ONLY**

ESTIMATE DATE: **OCTOBER 10, 2022**

10/11/2022
2:52 PM

REVISED DATE:

22-10-11 South Lake Tahoe Fire Station 3Assessment Estimate - R1

PREPARED BY: J.R. CONKEY & ASSOCIATES

ITEM	DESCRIPTION	QTY	UNIT	UNIT PRICE	TOTAL COST
	CURRENT CODE				
4	STORAGE BUILDING / GYMNASIUM				
	NO WORK				
5	FIREHOUSE: PROPOSED MODIFICATIONS				
	ADD ELEVATOR				ARCHITECTURAL
	ELEVATOR				ARCHITECTURAL
	STRUCTURAL STEEL				ARCHITECTURAL
	WOOD STUDS				ARCHITECTURAL
	FINISHES				ARCHITECTURAL
	STAIRS				
	DEMO / REPLACE FOR CODE COMPLIANCE				ARCHITECTURAL
	ADD FIRE POLE				
	DEMO UPPER FLOOR	1	LS	$772.50	$773
	DEMO LOWER FLOOR	1	LS	$772.50	$773
	FOUNDATION	1	LS	$721.00	$721
	STRUCTURE AT SECOND LEVEL CEILING	1	LS	$1,545.00	$1,545
	NEW POLE	1	EA	$5,150.00	$5,150
	EXPAND APPARATUS BAY (4'-6')				
	EXTEND BAYS				ARCHITECTURAL
	MOMENT FRAME				ARCHITECTURAL
	FOUNDATIONS				ARCHITECTURAL
	CMU WALL				ARCHITECTURAL
	FINISHES				ARCHITECTURAL
	REVISE LEVEL 1 FLOOR PLAN				
	FOUNDATIONS				ARCHITECTURAL
	SEE ARCHITECTURAL				ARCHITECTURAL
	ADD GENERATOR				
	EXCLUDED - SEPARATE CONTRACT				
	SUBTOTAL HARD COSTS				**$44,710**
	CONTINGENCY				
	ESTIMATING CONTINGENCY	20.00%			**$8,942**
	PHASING	0.00%			**$0**
	SUBTOTAL CONSTRUCTION COSTS				**$53,652**
	MARK-UPS				

ESTIMATE WORKSHEET

CITY OF SOUTH LAKE TAHOE, CALIFORNIA

BUILDING: **FIRE STATION 3 - 2ND LEVEL ONI**

PROJECT: **FIRE STATION 3 - 2ND LEVEL ONLY**

BUILDING GSF: **6,065**

PHASE: **2ND LEVEL ONLY**

ESTIMATE DATE: **OCTOBER 10, 2022**

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2:52 PM

REVISED DATE:

22-10-11 South Lake Tahoe Fire Station 3Assessment Estimate - R1

PREPARED BY: J.R. CONKEY & ASSOCIATES

ITEM	DESCRIPTION	QTY	UNIT	UNIT PRICE	TOTAL COST
	GENERAL CONDITIONS	18.00%			$9,657
	OVERHEAD & PROFIT	12.00%			$7,597
	INSURANCE & BONDS	2.25%			$1,595
	SUBTOTAL MARK-UPS				**$18,850**
	SUBTOTAL CONSTRUCTION COSTS & MARK-UPS				**$72,502**
	ESCALATION				
	ESCALATION (ASSUME 2 YEARS AT 7% ANNUAL)	14.00%			**$10,150**
	TOTAL ESTIMATE:				**$82,653**

ESTIMATE WORKSHEET

CITY OF SOUTH LAKE TAHOE, CALIFORNIA

BUILDING: **FIRE STATION 3 - 2ND LEVEL ONI**

PROJECT: **FIRE STATION 3 - 2ND LEVEL ONLY**

BUILDING GSF: **6,065**

PHASE: **2ND LEVEL ONLY**

ESTIMATE DATE: **OCTOBER 10, 2022**

10/11/2022
2:52 PM

REVISED DATE:

22-10-11 South Lake Tahoe Fire Station 3Assessment Estimate - R1

PREPARED BY: J.R. CONKEY & ASSOCIATES

ITEM	DESCRIPTION	QTY	UNIT	UNIT PRICE	TOTAL COST
	MECHANICAL				
1	HVAC (2ND LEVEL ONLY)				
	DEMO ENTIRE EXISTING HVAC SYSTEM	2,940	SF	$8.00	$23,516
	NEW HVAC SYSTEM - VRF SYSTEM	3,033	SF	$35.00	$106,138
	NEW EXHAUST SYSTEM				
	RESTROOMS /SHOWERS	2	EA	$875.50	$1,751
	KITCHEN	1	EA	$875.50	$876
	DDC CONTROLS	3,033	SF	$3.00	$9,098
	NOTE: GENERATOR LOCATION MAY HAVE TO CHANGE				
	(NOT CONSIDERED HERE)				
2	PLUMBING (2ND LEVEL ONLY)				
	REMOVE & REPLACE (E) PLUMBING FIXTURES	6	EA	$3,605.00	$21,630
	REMOVE & REPLACE (E) KITCHEN APPLIANCES				ARCHITECTURAL
	DEMO (E) UTILITIES (INTERIOR)				
	WATER	3,033	SF	$2.00	$6,065
	GAS	3,033	SF	$2.00	$6,065
	SEWER / VENT	3,033	SF	$2.00	$6,065
	NEW UTILITIES (INTERIOR)				
	WATER	3,033	SF	$5.00	$15,163
	GAS	3,033	SF	$3.00	$9,098
	SEWER / VENT	3,033	SF	$5.00	$15,163
	NEW COMPRESSED AIR SYSTEM				
	NEW WATER HEATER	1	EA	$4,635.00	$4,635
	ADD BACKFLOW PREVENTOR (FREEZE PROTECTION)				
	REWORK DRAINAGE SYSTEM IN APPARATUS BAY				
	ADD SAND-OIL INTERCEPTOR				
	NEW SITE SEWER EXTENSION				
	NEW TURNOUT DISCHARGE PIT				
	SUBTOTAL HARD COSTS				**$225,260**
	CONTINGENCY				
	ESTIMATING CONTINGENCY	20.00%			**$45,052**
	PHASING	0.00%			**$0**
	SUBTOTAL CONSTRUCTION COSTS				**$270,312**
	MARK-UPS				
	GENERAL CONDITIONS	18.00%			$48,656

ESTIMATE WORKSHEET

CITY OF SOUTH LAKE TAHOE, CALIFORNIA

BUILDING: **FIRE STATION 3 - 2ND LEVEL ONI**

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22-10-11 South Lake Tahoe Fire Station 3Assessment Estimate - R1

PREPARED BY: J.R. CONKEY & ASSOCIATES

ITEM	DESCRIPTION	QTY	UNIT	UNIT PRICE	TOTAL COST
	OVERHEAD & PROFIT	12.00%			$38,276
	INSURANCE & BONDS	2.25%			$8,038
	SUBTOTAL MARK-UPS				**$94,970**
	SUBTOTAL CONSTRUCTION COSTS & MARK-UPS				**$365,282**
	ESCALATION				
	ESCALATION (ASSUME 2 YEARS AT 7% ANNUAL)	14.00%			**$51,140**
	TOTAL ESTIMATE:				**$416,422**

ESTIMATE WORKSHEET

CITY OF SOUTH LAKE TAHOE, CALIFORNIA

BUILDING: **FIRE STATION 3 - 2ND LEVEL ONI**

PROJECT: **FIRE STATION 3 - 2ND LEVEL ONLY**

BUILDING GSF: **6,065**

PHASE: **2ND LEVEL ONLY**

ESTIMATE DATE: **OCTOBER 10, 2022**

REVISED DATE:

PREPARED BY: J.R. CONKEY & ASSOCIATES

ITEM	DESCRIPTION	QTY	UNIT	UNIT PRICE	TOTAL COST
	ELECTRICAL				
1	BUILDING SERVICE				
	DEMO (E) SERVICE	1	LS	$5,150.00	$5,150
	NEW 800A 208/120 SERVICE	1	EA	$15,450.00	$15,450
2	PANELBOARDS & SWITCHBOARDS				
	DEMOLISH (E) PANELS / CONDUIT & WIRING	2,940	SF	$4.00	$11,758
	NEW PANELS	5	EA	$4,635.00	$23,175
	FEEDERS FROM SERVICE TO PANELS	5,879	SF	$9.27	$54,498
3	EXTERIOR LIGHTING				
	DEMO (E) EXTERIOR LIGHTING				
	NEW EXTERIOR LIGHTING				
	NEW CONDUIT / WIRING				
4	INTERIOR LIGHTING (2ND LEVEL ONLY)				
	DEMO (E) INTERIOR LIGHTING	2,940	SF	$2.58	$7,569
	NEW INTERIOR LIGHTING	2,940	SF	$7.21	$21,194
	NEW CONDUIT / WIRING	2,940	SF	$7.47	$21,951
	LIGHTING CONTROLS	2,940	SF	$3.09	$9,083
5	INTERIOR TELECOM & LOW VOLTAGE				
	RELOCATE IT	1	LS	$36,050.00	$36,050
	NEW FIRE ALARM SYSTEM - COMPLETE	6,065	SF	$5.67	$34,358
	SUBTOTAL HARD COSTS				**$240,236**
	CONTINGENCY				
	ESTIMATING CONTINGENCY	20.00%			**$48,047**
	PHASING	0.00%			**$0**
	SUBTOTAL CONSTRUCTION COSTS				**$288,284**
	MARK-UPS				
	GENERAL CONDITIONS	18.00%			$51,891
	OVERHEAD & PROFIT	12.00%			$40,821
	INSURANCE & BONDS	2.25%			$8,572
	SUBTOTAL MARK-UPS				**$101,284**

ESTIMATE WORKSHEET

CITY OF SOUTH LAKE TAHOE, CALIFORNIA

BUILDING: **FIRE STATION 3 - 2ND LEVEL ONI**

PROJECT: **FIRE STATION 3 - 2ND LEVEL ONLY**

BUILDING GSF: **6,065**

PHASE: **2ND LEVEL ONLY**

ESTIMATE DATE: **OCTOBER 10, 2022**

10/11/2022
2:52 PM

REVISED DATE:

22-10-11 South Lake Tahoe Fire Station 3Assessment Estimate - R1

PREPARED BY: J.R. CONKEY & ASSOCIATES

ITEM	DESCRIPTION	QTY	UNIT	UNIT PRICE	TOTAL COST
	SUBTOTAL CONSTRUCTION COSTS & MARK-UPS				**$389,568**
	ESCALATION				
	ESCALATION (ASSUME 2 YEARS AT 7% ANNUAL)	14.00%			**$54,540**
	TOTAL ESTIMATE:				**$444,108**

SOUTH LAKE TAHOE FIRE STATION 3
SPACE NEEDS OUTLINE
August 14, 2023

COMPANY PERSONNEL:

Station to accommodate current personnel, one company, including:

Captain and minimum 5 Firefighters per Shift, three shifts.
City to consider both one and two story options on existing parcel or adjacent parcel.

SITE OPERATIONS		SPACE ATTRIBUTES
1.0	**Fire Dept Parking**	***12 Crew spaces is target minimum within secured fenced area*** EV parking to be provided within the secured lot. Gate Operator. Keypad and remote control. Provide Knox Box. Keypad with Intercom Concrete paving to match Rear Apron material and thickness Exterior lighting to be on a geosynchronous time clock Preference is for scissor style gate to ensure no issues with winter operation.
2.0	**Reserve App Bay**	Not Requested
3.0	**Wash Rack/Hose Rack**	Ground-mounted if provided. Gear Grid type on apron Possible Drying Tower/hanging rack in apparatus bay . Department uses synthetic hoses which can be loaded wet. Hoses will need to be dried inside during winter months.
4.0	**Ancillary Site Storage**	Not Requested if provided in station.
5.0	**Outdoor Storage**	Possible Conex type containers on base rock for PPE, hose, tools, paint, flammable cabinets and supplies. 8' x 20.' Power not required.
6.0	**Vehicle Wash**	At Rear apron, connect to clarifier, provide hose bib Pneumatic attached to hose bib is best to ensure it is used May be done inside during the colder months.
7.0	**Visitor and Public Parking**	2-3 Spaces at front of Station - 1 ADA Accessible
8.0	**Front + Rear Aprons + Yard**	Rear yard enclosed by secure fencing. Concrete paving. Scissor gate with operators, key pad Full length apron, front and rear. 45'. No fencing needed at front apron
9.0	**Fire Fighter Patio**	Adjacent to kitchen/dining room. Prefer full or partially covered to minimize snow removal needs. Exterior door chime from station front door. Hose Bib plus Gas for grill Area to be secured and screened
10.0	**Emergency Generator**	Generator sized to support whole station - Provide 72 hour run time Protected in secure enclosure, minimal visibility to public . Provide sound enclosure built around generator Prefer to explore option other than diesel fuel, i.e. Propane or Natural Gas
11.0	**Fire Department Fuel Refill**	In City Yard, no refueling onsite.
12.0	**Security Fence**	Secured yard with fencing
13.0	**Trash and Recycling**	Enclosure in secure area, place for front loading truck access **11' x 22'** footprint. Sized for 5-person crews. Sprinklers not required. Other specifications as required by city, waste provider, and Fire Marshal. Bear Proof Hose Bib
14.0	**Radio Tower/WIP**	Provide mounting point for WIP Antenna on building

		Cellular and Digital - City Upgrading
15.0	**Outdoor Training Areas**	On Front Apron with existing hydrant
16.0	**Fire Hydrants**	Fire Hydrant or FDC for truck fill. 50' from station FDC.
17.0	**Site Lighting**	Lots of lighting - Security lighting at exterior fencing, controlled lighting at rear apron
18.0	**Site Garden**	Desired, not required
19.0	**Landscaping**	Low landscaping to minimize hiding places in landscape, Native Plants, MWELO Compliance, design for defensible space around station. No Grass
20.0	**Signalization / Off Site Requirements**	Regrade driveway for smooth transition onto US HW 50, or pull station further back from street. Consider Signalization with Emergency Signal on US HW 50

GENERAL FACILITIES CHARACTERISTICS		
		Mountain Design with Pitched Roof to fit community and allow for snow shed - Prefer 6:12 slope Potential PV canopies over parking as a consideration

OTHER FACILITIES CONSIDERATIONS		
		Energy goals or accreditations - as required by CA LEED Gold as an Additive Alternative Battery Storage and Resiliency Goals - Will Need to meet city climate action goals for Net Zero Energy and Carbon - Look into alternative generator to diesel Fire Department Goals for facilities: 1) Sustainability Specs for equipment and elements 2) Attic Space for storage in pitched Roof areas - 6:12 slope

STATION BUILDING

FINISH LEGEND

A. Simple/Durable Finishes **B. Standard Office Type Finishes** **C. Intense Finish Systems**

			DIMS.	SF	Proposed		Finish Type
					QTY	TOTAL SF	
	APPARATUS BAYS / APPARATUS BAY SUPPORT AREAS						
21.0	**Apparatus Bay**	**3 Drive Thru Apparatus Bays - first out** **Two stacking app bays** CMU Wall construction Ceiling height should allow cabs to tilt for maintenance - 18' or higher. Slope floor to trench drains in each bay Control joints at drains and at 10' intervals Plymovent vehicle exhaust system Gang control door operators Red/Green light overhead door status indicator Bi-fold doors on front of app bay. Sectional/Coiling Overhead app doors at rear of station with as much light/vision panels as possible. Preference for doors to not be over the apparatus **Concern for snow accumulation -Bi-fold doors to open inwards** Person-door to App Bay with vision panel and panic hardware Radios are charged on rigs Air drops toward middle of App Bay **and** quick connects on perimeter walls (4) Electrical drops at each bay, to 4' A.F.F. Hose bibs - Garden Valve 3/4" Opening 2 on each wall (6 total) and at rear for washdown Two (2) high access drops for wireless access points over the engines Phone and data outlets Conduits across Apparatus Bay for data - overhead is preferred. Conduits to be concealed. Map and Monitor in adjacent vestibule Will need space in the apparatus bay to store rolling tables used for box checks Good drainage required Some Indoor washing in winter months ensure "wet area" provisions in apparatus bay	20' x 69'	1,380	3.00	4,140	A
	VEHICLES 31' engine 26' brush rig						
22.0	**Work- Shop**	Bench vise and hard wired grinder. Open Alcove preferred. Most truck maintenance currently at station 1. or double doors Built-in workbench with galvanized top with base cabinet (some open, some with doors). Freestanding 30" Shop Sink Tool chest area Rolling Work Table for flexibility, layout equipment bags, conduct morning check to go over equipment together Flammable Liquids Cabinet - with legs to raise above ground Mop sink and mop rack with shower head with hose. Upper cabinet storage with under cabinet light (3) duplex outlets min. above bench and (2) duplex outlets min. below at each wall. Tool charging Evidence Storage Cabinet - Flammable cabinet Eye Wash station	12' x 12'	144	1.00	144	A
23.0	**Wash Alcove**	Handwashing sink near entrance to living area from app bay Hose Bib	3' x 2'	6	2.00	12	A

24.0	**SCBA and Bottle Storage**	SCBA Air Fill Equipment - Bauer System Bottles on apparatus Racks to store 15 bottles	10'	x	13'	130	1.00	130	A
25.0	**Hose Rack Storage**	(3), 8' long racks, 3 reels high Near Shop/Apparatus Bay Need to store 400'-600' of hose Can be on apparatus floor	8'	x	3'	24	3.00	72	A
26.0	**Janitor/Mechanical**	Cleaning Supplies and Equipment ***Space for mechanical depending on design***	12'	x	10'	120	1.00	120	A
27.0	**App Bay Restrooms (1)**	Sink and Toilet Shower Plus 1 toilet, 1 unisex shower rooms	8'	x	12'	96	1.00	96	C
		Sauna/Detox	8'	x	12'	96	1.00	96	C
28.0	**Vestibule**	Transition zone Positive ventilation Shoe changing/shoe cubbies	5'	x	8'	40	2.00	80	A
29.0	**Medical Supply**	Storage shelving, some of which is lockable Vending Style Dispensing with lock box	12'	x	10'	120	1.00	120	B
30.0	**Response/Charging Alcove**	Located in the App Bay/vestibule Battery charging, radios and cell phones. **Three (3) fourplex outlets minimum above casework, Two (2) fourplex outlets within casework below** Laptop, Radio, Tick, Lights, Defib, Jaws Wall Monitor and Map Phone and data outlets Built-in casework on both sides of space **uppers and lowers** Shelf for spare radios (DC also has 10 spares) and radios are assigned/dedicated to individuals	2'	x	8'	16	2.00	32	A
31.0	**Clean Up / Wash Room**	Direct access from the App. Bays with connecting door into station Freestanding stainless steel sink with drain board and faucet Drying rack above sink drain board Gear Drying Cabinet Bio Hazard Bin/Closet Shelving for cleaning supplies Exterior Shower adjacent to this room for gross decon/clean up	10'	x	12'	120	1.00	120	A
32.0	**Communication Room**	Wall space for backboards for phone system - 3/4" plywood face out on all walls 8' high **provide separate AC system**	12'	x	10'	120	1.00	120	A
33.0	**Utility/Water Heater Room**	HVAC Equipment Water Heater with recirculation pump. investigate possibility of tankless units.	10'	x	10'	100	1.00	100	A
34.0	**Yard Storage**	Yard maintenance and tool storage Should be in new outside Storage Building but exterior door from Storage Building	0'	x	0'	0	0.00	0	A

35.0	**Locker Turnout Room**	**(24) firefighter turnout full height storage lockers (30" wide x 24" deep)** 24 total, each person gets one wide full height plus 1/2 locker for Type 3 Wildland gear, Lite "Go" bag Hanging pole for 8-10 hangers Lockers to have 45% minimum ventilation	12'	x	24'	288 TBD by room/locker layout	1.00	288	A
	Turnout Cleaning Room	Extractor possible Drying rack with floor drain for turnouts Floor drains throughout Gear Drying Fan System Gear grid type lockers, 30" wide Need storage for additional uniforms and gear Need Biohazard Pick Up Closet - service picks up	10'	x	13'	130	1.00	130	A
36.0	**Cache Storage**	Protect from app bay contamination Ice Machine if not in vestibule Need Gatorade and water storage as well + MRE, sleeping bags and coolers	12'	X	12'	144	1.00	144	A
37.0	**Compressor Room**	Air compressor and equipment storage Provide acoustical control to adjacent spaces	8'	X	12'	96	1.00	96	A
		Apparatus Bays / Apparatus Bay Support Area Subtotal:						**6,040 SF**	

			DIMS.	SF	Proposed		Finish Type
					QTY	TOTAL SF	
	FIREFIGHTER LIVING AREA						
38.0	**Kitchen**	(3) 36" wide refrigerators, one per shift Gas Range with 6 burners and griddle Pot filler at range Double wall oven One dishwasher -- commercial quality, stainless steel - with heating element One Microwave on counter, One on shelf Upper and Lower Cabinets, general shared storage (3) pantries - (1) per shift Island with a ADA counter section with prep sink Trash containers exposed in plain view Ice Machine in the kitchen	14' x 19' SF/dims. TBD by layout	266	1.00	266	C
39.0	**Dining Area** Prefer flexibility of open flow kitchen-dining	Table and seating to accommodate 10-15 people Space to allow a longer table for holiday family meals Typically crew all eats breakfast & dinner together Lunch is on their own Smart Board or Marker Board Monitor on Wall plus phone and data outlets Direct access to patio	13' x 19' Dims/size TBD by table size	247	1.00	247	B
40.0	**Day Room**	Sized to accommodate 5 lounge chairs Prefer closed off day room configuration Wired for surround sound speakers (by Association) Built-in Base Cabinet with shelf for AV equipment 3'x6' Bulletin Board and 4'x8' Dry Erase Board TV/Speakers, provide blocking and power/data wall mounted outlet unit for flat screen TV Phone and data outlets CAD status, pre/post ~40" monitor-HDMI drop	19' x 16' Dims./size TBD by lounge chairs type and layout	304	1.00	304	B
41.0	**Janitor/Utility/Laundry**	Storage for living quarter cleaning supplies Roof Access Ladder (as needed) Storage for brooms, vacuum, etc Deep Utility Sink with cabinets above Water Heater (Placeholder-alternate location preferred, separate metal) tankless preferred if recharge rate is high enough Full Height Storage Cabinet Mop sink and Mop Bucket space Mop hooks over floor drain Washer/Dryer for Household laundry	10' x 12'	120	1.00	120	C
42.0	**Exercise Room** **Equipment by FF Assoc relocated from current station**	3/4" plywood under gyp. Board, typ. Protective material up the wall 30" high Mirror wall near elliptical machines Provide sound insulation in walls If near sleeping areas, provide sound resistive gyp. Elliptical (1) Treadmill (1) Multi-Use Exercise Machine (1) Operable windows **double door to exterior** CAD Display - HDMI drop Phone and data outlets Ceiling Fans If two story, exercise room to be on first floor Provide bottle fill station in exercise room	18' x 24'	432	1.00	432	B

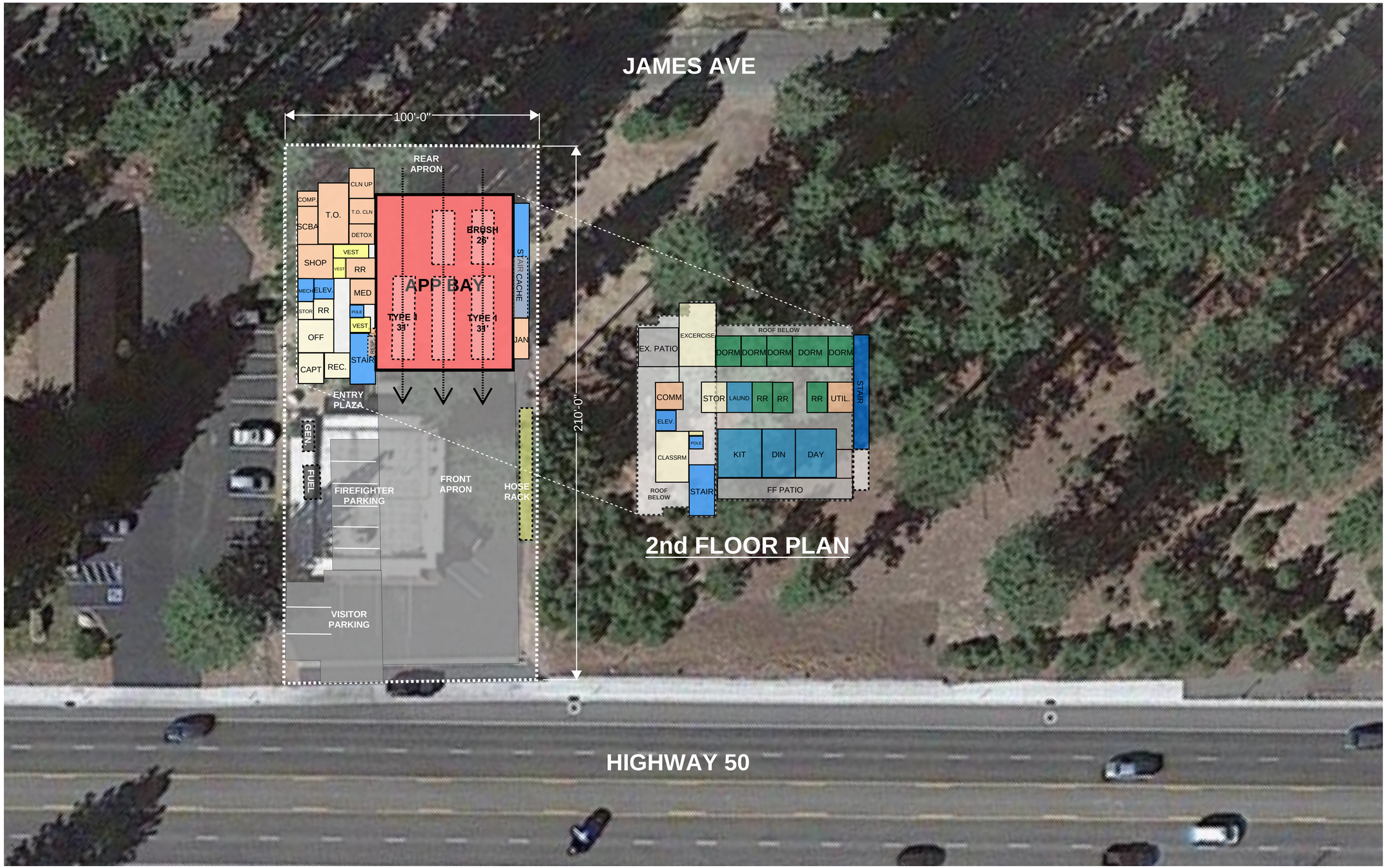
43.0	**Classroom Space**	Space for 4 FF - in house training and conference Modular furniture set up to allow for reconfiguration Provide AV equipment for projection needs White board/smart board and tackable wall space Should be able to also accommodate modular office spaces for 3-4 people at 8'x8' work stations	16' x 21'	336	1.00	336	B
		Firefighter Living Area Subtotal:				**1,705 SF**	

			DIMS.	SF	Proposed		Finish Type
					QTY	TOTAL SF	
	FIREFIGHTER QUARTERS AREA						
44.0	**Firefighter Dorm Rooms**	(1) Extra long twin bed, standard frame w/ drawers below Avoid adjacent beds with other dorm rooms Four (4) wardrobes lockers (24" x 24" double-door) in each room with enough space for Bed roll storage. Storage above lockers for linens	10 x 12'	120	4.00	480	B
		One dorm room to be accessible and be set up for a second bed for upstaffing One (1) built-in counter 30" min. wide desk area w/ pencil drawer with desk light above Sound separation from living areas Separate response light and speaker to home run to Communications Room Ceiling fan Wall mount CAD display monitor with video Night table. USB plug-ins Reading light 42" above bed with switch Operable egress window Sound Rated windows with Blackout Shades Volume controlled speaker.	14 x 12'	168	1.00	168	B
45.0	**Firefighter's Toilet/Shower Room**	Separate area with shower and bench and changing area. Shower curtain, no door One (1) accessible height toilet Corner bench at shower Access Panel for Shower Plumbing One (1) sink with base cabinet w/ no base + floor drain below for cleaning supply storage Response Strobe. Provide volume controlled speaker near shower Mirror over sink and counter Floor drains One (1) FF Toilet shower room shall be ADA compliant, with bench in shower and grab bars and lavatory in place of sink cabinet.	8' x 12'	96	3.00	288	C
		Firefighter Quarters Area Subtotal:				**936 SF**	

			DIMS.	SF	Proposed		Finish Type
					QTY	TOTAL SF	
46.0	**Crew Office**	Adjacent to entry with non-operable window with line of sight into entry vestibule (3) standard built-in 30" x 60" desks with counter space for (3) computer workstations Lateral files below work counter Area for copier / FAX / printer One (1) wireless access point in hallway outside of station office Tackable wall surface between the counter and upper cabinets or bulletin board (4) Phone/data outlets Release button for Lobby front doors - Verify location Center conference table. Mail alcove with cork boards in hall/central location Study Space/Library storage for training materials - should be adjacent to classroom space	14' x 13.0' Dims/size tbd by preferred layout for 3 Workstations 2.0' x 4' 2.0' x 4'	182 8 8	1.00 1.00 1.00	182 8 8	B
47.0	**Reception Area/Lobby**	911 Phone at Exterior near Front Doors Metal Doors with Glazing at Entry Exterior Door bell and intercom to Crew Office next to front door w/ video camera Buzzer system with locked door Display Area - Cabinets and Wall Space Medical Walk-ins so needs easy access to restroom	10' x 10'	100	1.00	100	B
48.0	**Captain's Office**	**CAD Display - HDMI drop** **Adjacent to Crew Office**	12' x 10.0'	120	1.00	120	B
49.0	**General Storage**	For files, supplies	8' x 12'	96	1.00	96	A
50.0	**Public Restroom**	Unisex accessible restroom Accessible grab bars and toilet accessories One lavatory and one toilet Adjacent to Front Entry Lobby	8' x 8'	64	1.00	64	C
		Fire Station Office and Reception Area Subtotal:				**578 SF**	

CONCEPTUAL SPACE NEEDS SUMMARY

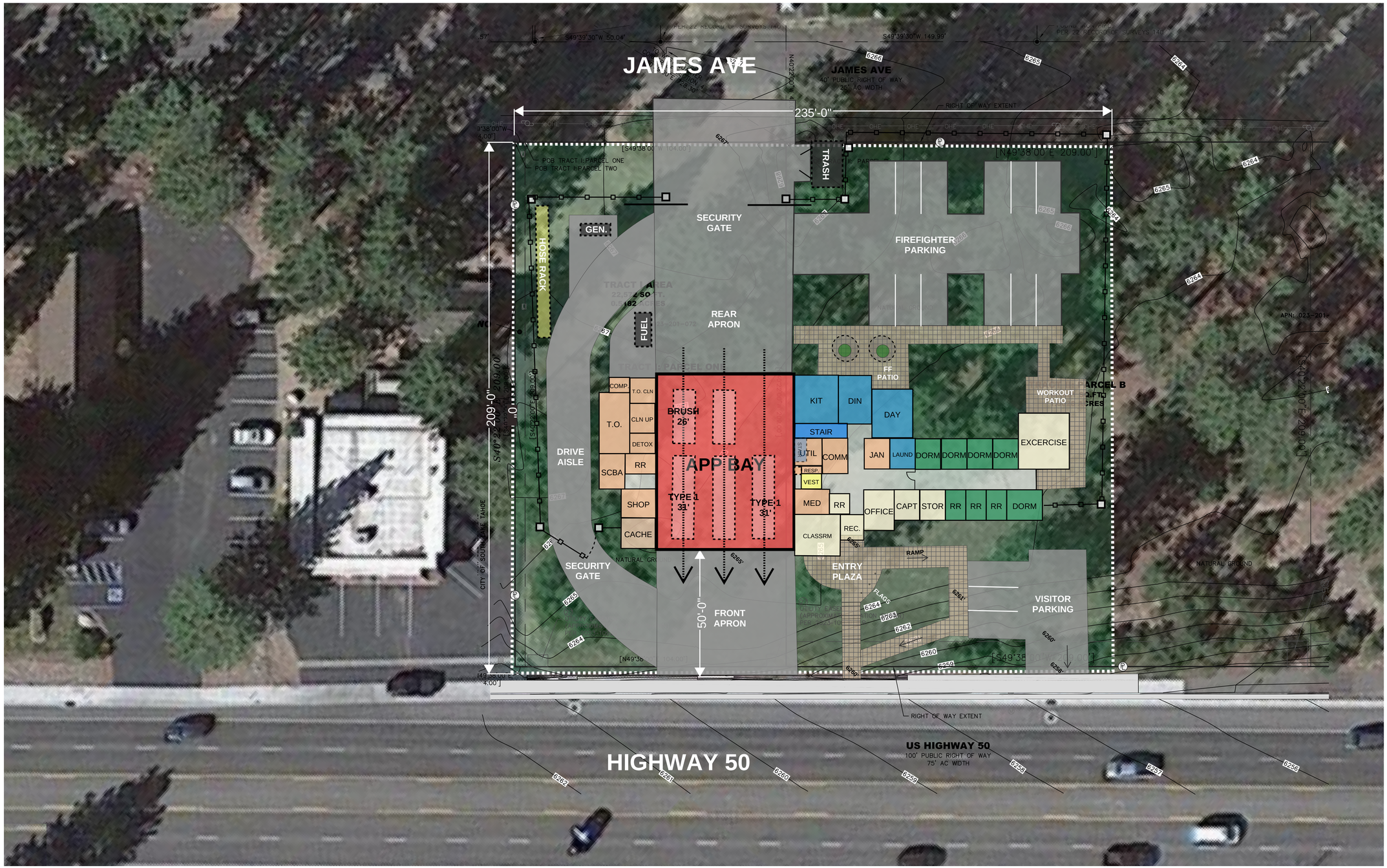
BUILDING TOTAL:			
APP. BAYS / APP. SUPPORT:	**Area Subtotal**	**6,040**	**SF**
FIREFIGHTER LIVING:	**Area Subtotal**	**1,705**	**SF**
FIREFIGHTER QUARTERS:	**Area Subtotal**	**936**	**SF**
FIRE STATION OFFICE & RECEPTION:	**Area Subtotal**	**578**	**SF**
	Building Subtotal	**9,259**	**SF**
	Structure and Circulation (23%) - Includes Stairs and Elevator	**2,130**	**SF**
	GRAND TOTAL	**11,389**	**SF**



South Lake Tahoe Fire Station No. 3

Aug 14, 2023

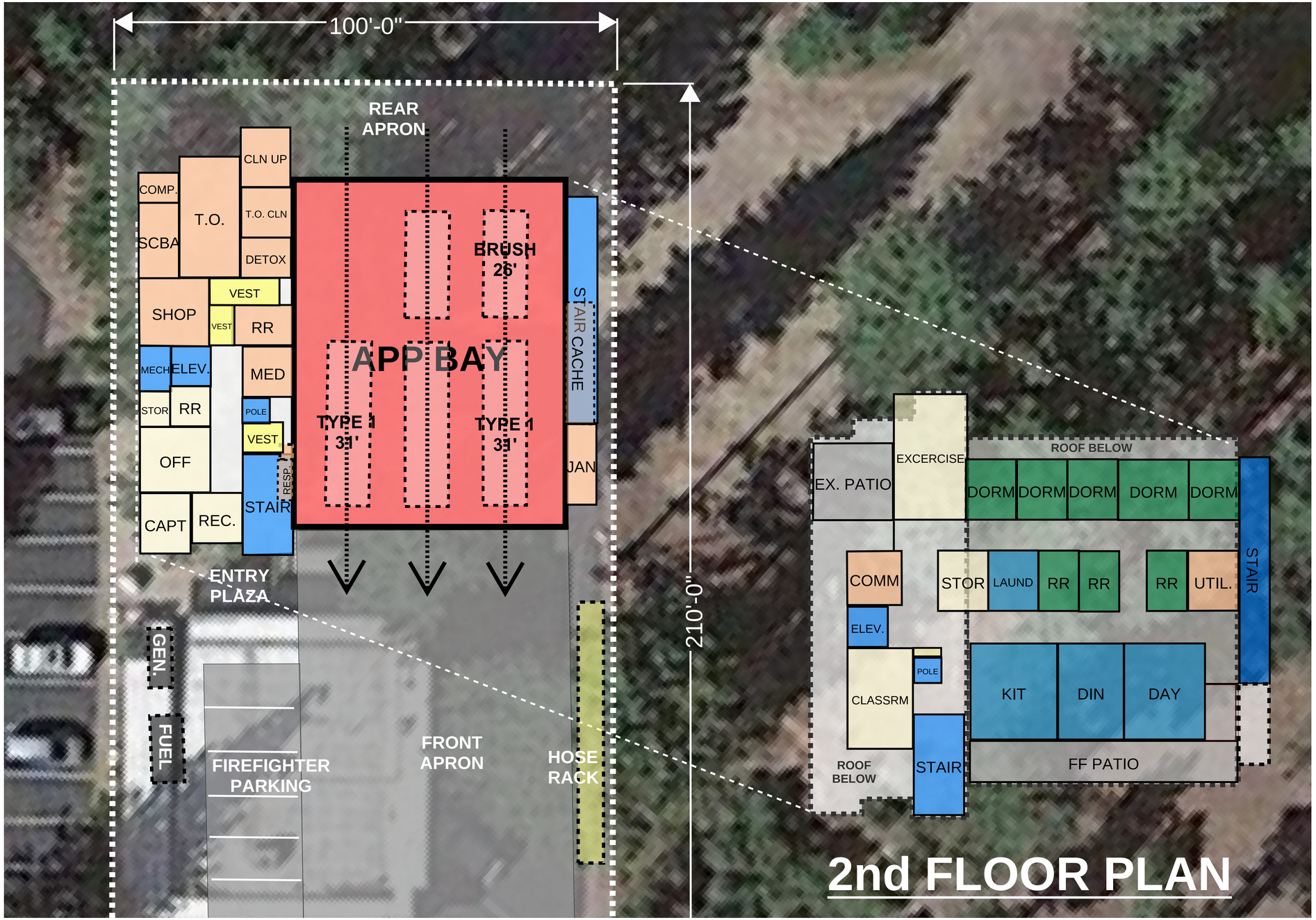
Option C



South Lake Tahoe Fire Station No. 3

Aug 14, 2023

Option D



South Lake Tahoe Fire Station No. 3

Aug 14, 2023

Option C

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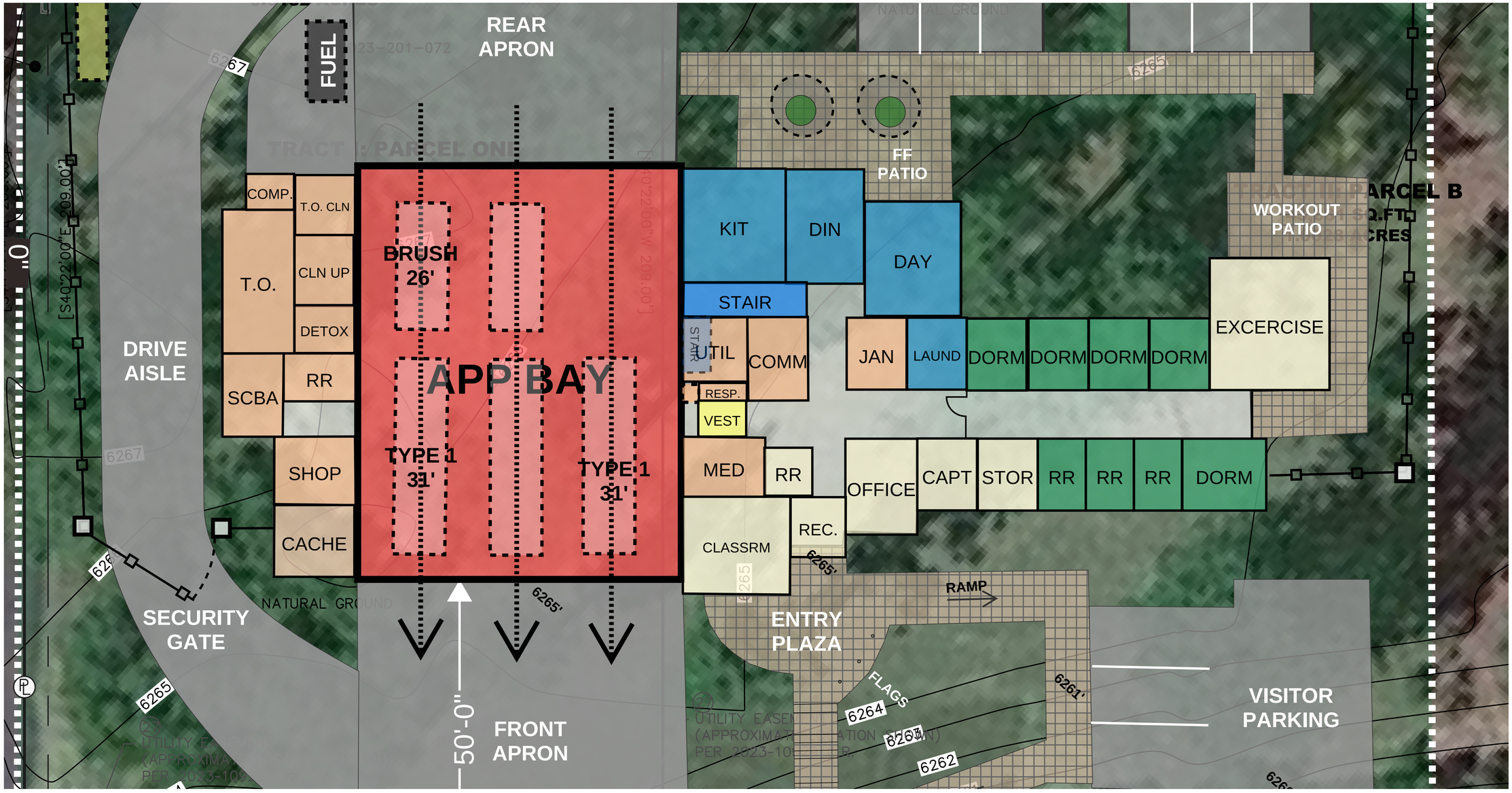


South Lake Tahoe Fire Station No. 3

Aug 14, 2023

Option D

South Lake Tahoe FS 3

Conceptual Construction Budget

8/24/2023

A. Building

Type A: Simple Finishes	QUANT	UNIT	BASE COST	TOTAL	SOURCE
Apparatus Bays - (3)bays	**4,140**	SF			
Shop	144	SF			
Wash Sink Alcove	12	SF			
Hose Rack Storage	72	SF			
Vestibule	80	SF			
Response Alcove/Radio Charging (2)	32	SF			
Clean Up	120	SF			
T.O. Cleaning	130	SF			
SCBA and Bottle Storage	130	SF			
Utility/Water Heater Room	100	SF			
Communications Room	120	SF			
Locker Room	288	SF			
Medical Supply	120	SF			
Janitor Mechanical	120	SF			
Cache Storage	144	SF			
Compressor Room	96	SF			
Type A Total Area:	**5,848**		**$940**	**$5,497,120**	Recent Bids
51%					

Type B: Standard Office Type Finishes	QUANT	UNIT	BASE COST	TOTAL	SOURCE
Dining	247	SF			
Dayroom	304	SF			
Firefighter Dorm Rooms (5)	648	SF			
Crew Office	182	SF			
Reception Area / Lobby	100	SF			
General Storage	96	SF			
Mail Alcove/Library	16	SF			
Captians Office	120	SF			
Classroom Space	336	SF			
Exercise Room	432	SF			
Type B Total Area:	**2,481**		**$950**	**$2,356,950**	Recent Bids
22%					

Type C: Intense Finish Systems	QUANT	UNIT	BASE COST	TOTAL	SOURCE
App Bay Restroom (1)	96	SF			
Sauna/Detox	96	SF			
Kitchen	266	SF			
Janitor/Utility/Laundry	120	SF			
Firefighter Restroom (3)	288	SF			
Public Restrooms	64	SF			
Type C Total Area:	**930**	SF	**$960**	**$892,800**	Recent Bids
8%					

Type D: Unfinished Attic - NOTE: Not in Total Area	QUANT	UNIT	BASE COST	TOTAL	SOURCE
Structural Upgrade Over House Side of Station	2,500	SF			
Type C Total Area:	**2,500**	SF	**$85**	**$212,500**	Recent Bids
22%					

Building Square Footage Subtotal	9,259	SF		**$8,959,370**
Circulation and Structure 23%	*2,130*	SF	**$950**	**$2,023,092**
Building Square Footage Total:	**11,389**	SF		**$10,982,462**

cost per square foot: **$964**

B. Equipment and Furnishings

	QUANT	UNIT	COST	TOTAL	SOURCE
Building and Site Equipment	1	LS	$160,000	$160,000	Budget
Building and Site Furnishings	1	LS	$240,000	$240,000	Budget
FF&E Design Contingency (10% of budget)	10%	%	$400,000	$40,000	%
			Equipment and Furnishings Subtotal:	**$440,000**	

C. On-Site Improvements

	QUANT	UNIT	COST	TOTAL	SOURCE
Site Paving - Drive Area	16,610	SF	$37	$614,570	Budget
Site Paving - Pedestrian	3,500	SF	$25	$87,500	Budget
Site Improvements Including:	16,011	SF	$25	$400,275	Budget
Site Final Grading and Pad Preparation					
Site Drainage					
Hose layout Area					
Fuel Refil area					
Utilities and Lighting					
Landscape and Irrigation					
Perimeter Site Walls - Masonry/Decorative Fencing					
Site/Swing Gate (two - automatic)					
Trash Enclosure	200	SF	$230	$46,000	RRM
Generator Enclosure	300	SF	$230	$69,000	RRM
Radio Tower Structure	0	LS	$150,000	$0	Budget
Flag Pole	1	LS	$10,000	$10,000	RRM
Above Ground Fuel Tank - 1,000 Gallons	1	LS	$100,000	$100,000	RRM
Emergency Generator	1	LS	$150,000	$150,000	RRM
Solar Panels - Per Code	1	LS	$450,000	$450,000	RRM
On-Site Design Contingency (10% of budget)	10%	%	$1,927,345	$192,735	%
$1,150			***On-Site Improvements Subtotal:***	**$2,120,080**	

South Lake Tahoe FS 3

Conceptual Construction Budget

D. Off-Site Improvements - Site Specific

	QUANT	UNIT	COST	TOTAL	SOURCE
Street Frontage Improvements -Curb and Gutter in front of Site Only	1	LS	$250,000	**$250,000**	**Budget**
Off-Site Contingency (10% of budget)	10%	%	$250,000	$25,000	%
			Off-site Improvements Subtotal:	**$275,000**	

E. Fees

	QUANT	UNIT	COST	TOTAL	SOURCE
Arch/Engineering	8%	%	$13,377,541	$1,070,203	Budget
Comissioning Agent	1	LS	$40,000	$40,000	Req. if over 10,000 SF
Utility Hook-up Fees	1	LS	$75,000	$75,000	**Utility Budget**
Impact Fees:					
Storm Draing Dev. Fee - Estimate	1	LS	$50,000	$50,000	**Estimated**
Sewer Dev. Fee - Estimate	1	LS	$60,000	$60,000	**Estimated**
Water Dev. Fee - Estimate	1	LS	$50,000	$50,000	**Estimated**
Traffic Impact Fee	1	LS	$25,000	$25,000	**Estimated**
Geotechnical Investigation	1	LS	$30,000	$30,000	Budget
Site Survey	1	LS	$25,000	$25,000	Budget
Materials Testing and Special Inspection	1	ls	$45,000	$45,000	Budget
Fee Contingency (5%)	10%	%	$1,470,203	$147,020	%
			Fees Subtotal:	**$1,617,224**	

F. Owner Systems, Administration, ROW and Contingency

	QUANT	UNIT	COST	TOTAL	SOURCE
City Admin Cost	1	LS	$180,000	$180,000	**Estimated**
City Finance Cost (Not Anticpated, 10% of const. cost)	0	LS	$1,310,254	$0	**Estimated**
Fire Administration Cost	1	LS	$90,000	$90,000	**By Fire**
Planning Dept.- CUP, Design Review, CEQA	1	LS	$40,000	$40,000	**Estimated**
CEQA - processing	0	LS	$0	$0	**NA**
CEQA - Support Reports Budget	0	LS	$0	$0	**NA**
Building Dept.-Permit Fees/Costs	1	LS	$80,000	$80,000	**Estimated**
School Impact Fees-(Commercial)	11,389	SF	$0.00	$0	Not Anticipated
Site Acquisition Costs	1	LS	$500,000	$500,000	**Procured Separately**
Traffic Report	1	LS	$15,000	$15,000	For Signalization
Moving Costs	1	LS	$5,000	$5,000	Budget
Neighborhood Meeting/Dedication Ceremony	1	LS	$3,000	$3,000	Budget
Communications					
Phone System	1	LS	$75,000	$75,000	**Budget**
Alerting	1	LS	$110,000	$110,000	**Budget**
Radio System	1	LS	$120,000	$120,000	**Budget**
Data Systems	1	LS	$120,000	$120,000	**Budget**
Security System/ Cameras	1	LS	$50,000	$50,000	**Budget**
Owner System Contingency (10% of budget)	10%	%	$1,388,000	$138,800	Budget
Construction Contingency (10% of A, C, D)	10%	%	$13,377,541	$1,337,754	%
			Owner Systems, Administration and Contingency Subtotal:	**$2,864,554**	

Contract Division Totals:

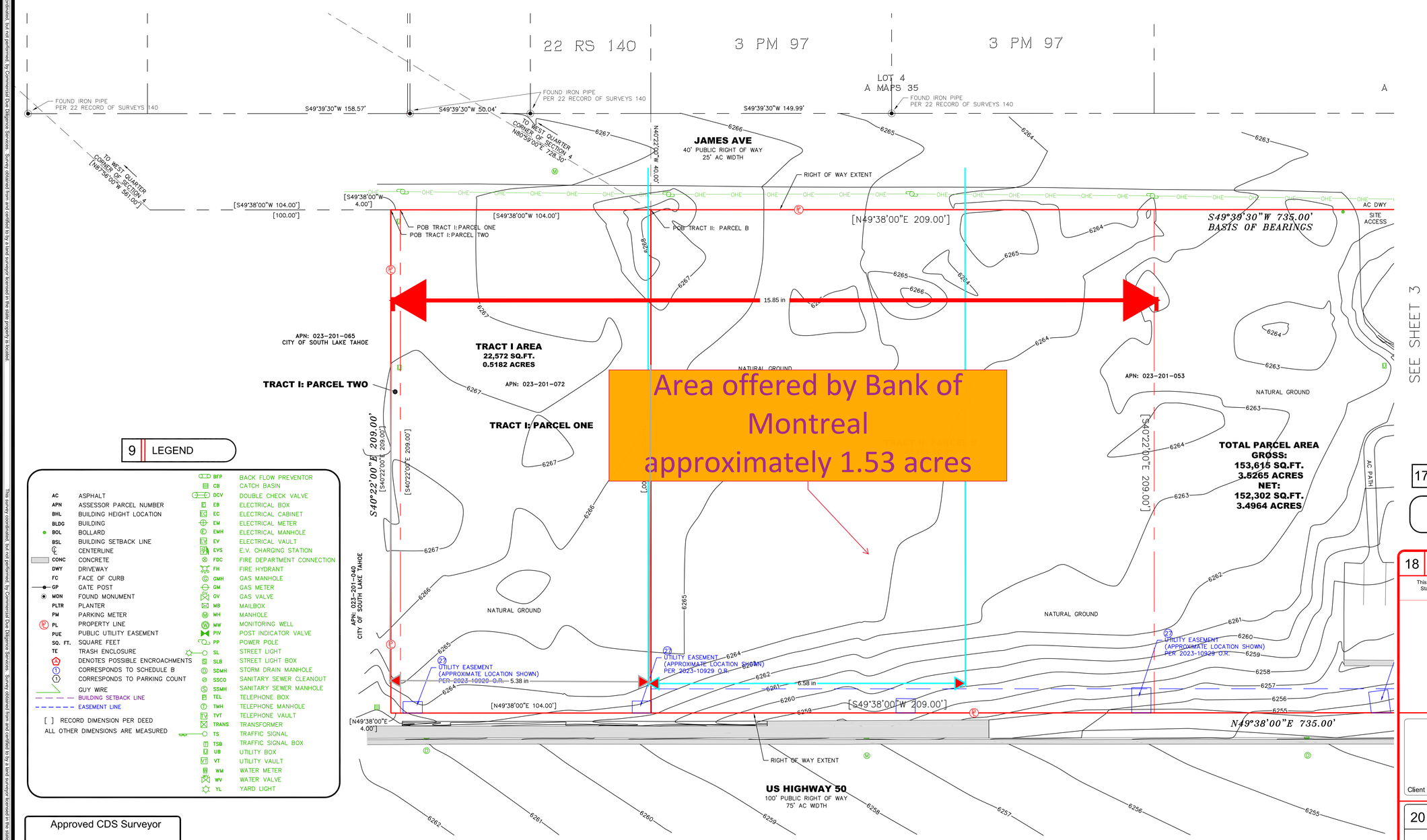
A. Main Building:	$10,982,462	
B. Equipment and Furnishings	$440,000	
C. On-Site Improvements	$2,120,080	
D. Off-site Improvements	$275,000	
E. Fees	$1,617,224	
F. Owner Systems, Administration, ROW and Contingency	$2,864,554	
Contract Division Subtotal:	**$18,299,319**	
G. Market Escalation (7% per year) to mid-point of Construction - 18 mo.	$1,450,842	*Timeframe to be confirmed*
Conceptual Construction Budget:	**$19,750,161**	

Optional Tasks

Signalization	1	LS	$200,000	$200,000	Budget
LEED™ Design, Certification - Gold Level	1	LS	$60,000	$60,000	Budget
LEED™ Commissioning- Gold Level	1	LS	$40,000	$40,000	Budget
Construction Management	6%	%	$13,377,541	$802,652	Budget, Anticipated
			Optional Tasks Subtotal:	**$1,102,652**	

This survey coordinated, but not performed, by Commercial Due Diligence Services. Survey obtained from and certified to by a land surveyor licensed in the state property is located.

CDS COMMERCIAL DUE DILIGENCE SERVICES



Area offered by Bank of Montreal approximately 1.53 acres

9 LEGEND

AC	ASPHALT
APN	ASSESSOR PARCEL NUMBER
BHL	BUILDING HEIGHT LOCATION
BLDG	BUILDING
BOL	BOLLARD
BSL	BUILDING SETBACK LINE
℄	CENTERLINE
CONC	CONCRETE
DWY	DRIVEWAY
FC	FACE OF CURB
GP	GATE POST
MON	FOUND MONUMENT
PLTR	PLANTER
PM	PARKING METER
PL	PROPERTY LINE
PUE	PUBLIC UTILITY EASEMENT
SQ. FT.	SQUARE FEET
TE	TRASH ENCLOSURE
(A)	DENOTES POSSIBLE ENCROACHMENTS
(1)	CORRESPONDS TO SCHEDULE B
(1)	CORRESPONDS TO PARKING COUNT
	GUY WIRE
	BUILDING SETBACK LINE
	EASEMENT LINE
[ ]	RECORD DIMENSION PER DEED
	ALL OTHER DIMENSIONS ARE MEASURED

BFP	BACK FLOW PREVENTOR
CB	CATCH BASIN
DCV	DOUBLE CHECK VALVE
EB	ELECTRICAL BOX
EC	ELECTRICAL CABINET
EM	ELECTRICAL METER
EMH	ELECTRICAL MANHOLE
EV	ELECTRICAL VAULT
EVS	E.V. CHARGING STATION
FDC	FIRE DEPARTMENT CONNECTION
FH	FIRE HYDRANT
GMH	GAS MANHOLE
GM	GAS METER
GV	GAS VALVE
MB	MAILBOX
MH	MANHOLE
MW	MONITORING WELL
PIV	POST INDICATOR VALVE
PP	POWER POLE
SL	STREET LIGHT
SLB	STREET LIGHT BOX
SDMH	STORM DRAIN MANHOLE
SSCO	SANITARY SEWER CLEANOUT
SSMH	SANITARY SEWER MANHOLE
TEL	TELEPHONE BOX
TMH	TELEPHONE MANHOLE
TVT	TELEPHONE VAULT
TRANS	TRANSFORMER
TS	TRAFFIC SIGNAL
TSB	TRAFFIC SIGNAL BOX
UB	UTILITY BOX
VT	UTILITY VAULT
WM	WATER METER
WV	WATER VALVE
YL	YARD LIGHT

Approved CDS Surveyor

SLOOTEN CONSULTING, INC.
LAND SURVEYING
4600 NORTHGATE BLVD., SUITE 105
SACRAMENTO, CA 95834
SLOOTEN.COM
(916)641-7570
(FAX)641-7572
OFFICE@SLOOTEN.COM

19 SURVEY DRAWING

SCALE : 1" = 20'

17 NORTH ARROW / SCALE

0 10 20 40

18 ALTA/NSPS Land Title Survey

This survey prepared in accordance with the "2021 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys" (Effective February 23, 2021)

This Work Coordinated By:
FA Commercial Due Diligence Services Co.

CDS COMMERCIAL DUE DILIGENCE SERVICES
3550 W. Robinson Street, Third Floor
Norman, Oklahoma 73072
Office: 405-253-2444
website: www.firstamcds.com
Toll Free: 888.322.7371

Prepared For:

Client Ref. No:

20 PROJECT ADDRESS

2111-2161 LAKE TAHOE BLVD,
SOUTH LAKE TAHOE, NEVADA

Project Name:
BMH HARRIS -
S LAKE TAHOE PROPERTIES

CDS Project Number:
23-05-0174

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This survey coordinated, but not performed, by Commercial Due Diligence Services. Survey obtained from and certified to by a land surveyor licensed in the state property is located.

Fire Station 3 Update

Council Presentation – September 12, 2023

Background

1957

Existing FS 3 was built in 1957

- The building was not originally designed as a Fire Station
- The structure is NOT designed as an essential service building

2021

In 2021, the City conducted a conditions assessment study.

- Report showed that the facility does not meet current codes and has structural, mechanical, and electrical infrastructure issues

2022

In 2022, staff initiate a planning and design process to upgrade the existing facility. The study identified a cost of $4.9 million for renovation plus $150,000 for staff relocation.

Nov. 2022

In November 2022, the City directed the architect to develop a plan for a not-to-exceed $3.5 million for the upgrade project.

28 Mar. 2023

On March 28, 2023, staff presented this option to City Council

- Council directed staff to develop four alternatives for further evaluation

Four Alternatives Analyzed

01

Option A: Internal renovation of the fire station to improve the living conditions for the firefighters.

02

Option B: Renovation of the existing fire station per the March 28th option to address living conditions and ADA requirements within the current structure at approximately $3.5 million.

03

Option C: Addition of a new 2-story fire station behind the existing fire station on James Avenue. The existing structure is to be demolished upon completion of the new fire station.

04

Option D: A new one-story fire station on the Bank of West (now Bank of Montreal) property. The existing structure is to be demolished upon completion of the new fire station or potentially sold for other uses.

Option A – Short Term Upgrades

MET WITH FACILITIES MAINTENANCE STAFF AND FIRE DEPARTMENT TO REVIEW UPGRADE NEEDS

NEW FLOORING ON THE SECOND FLOOR

2HVAC UPGRADE

KITCHEN UPGRADE

INTERIOR PAINTING ON THE SECOND FLOOR

ROOF LEAKAGE REPORT AND REPLACEMENT OF HEAT TAPE.

Estimated Costs: $500,000
Work can be done by specialty contractors managed by in-house staff

Option B – Renovation of Existing Facility to upgrade living quarters and Code/ADA Issues

- The estimated budget allocation capped at $3.5 million (Architect's estimate is $5.0 million)
- Would address living quarters
- Code and ADA issues
- Will not address apparatus Bay, energy savings concepts, or fundamentally change the character of the building
- Expected Project Life: 10

Options C and D – New Facility to meet Essential Services Standards and FD Requirements

MET WITH FIRE DEPARTMENT STAFF TO DOCUMENT PROJECT REQUIREMENTS

RETAINED THE SERVICES OF RRM DESIGN GROUP, WHICH SPECIALIZES IN FIRE STATIONS

CONFIRMED THE REQUIREMENTS BETWEEN FIRE DEPARTMENT STAFF AND THE CONSULTANT TEAM

DEVELOPED SIZE AND FUNCTIONALITY REQUIREMENTS

Summary of Requirements

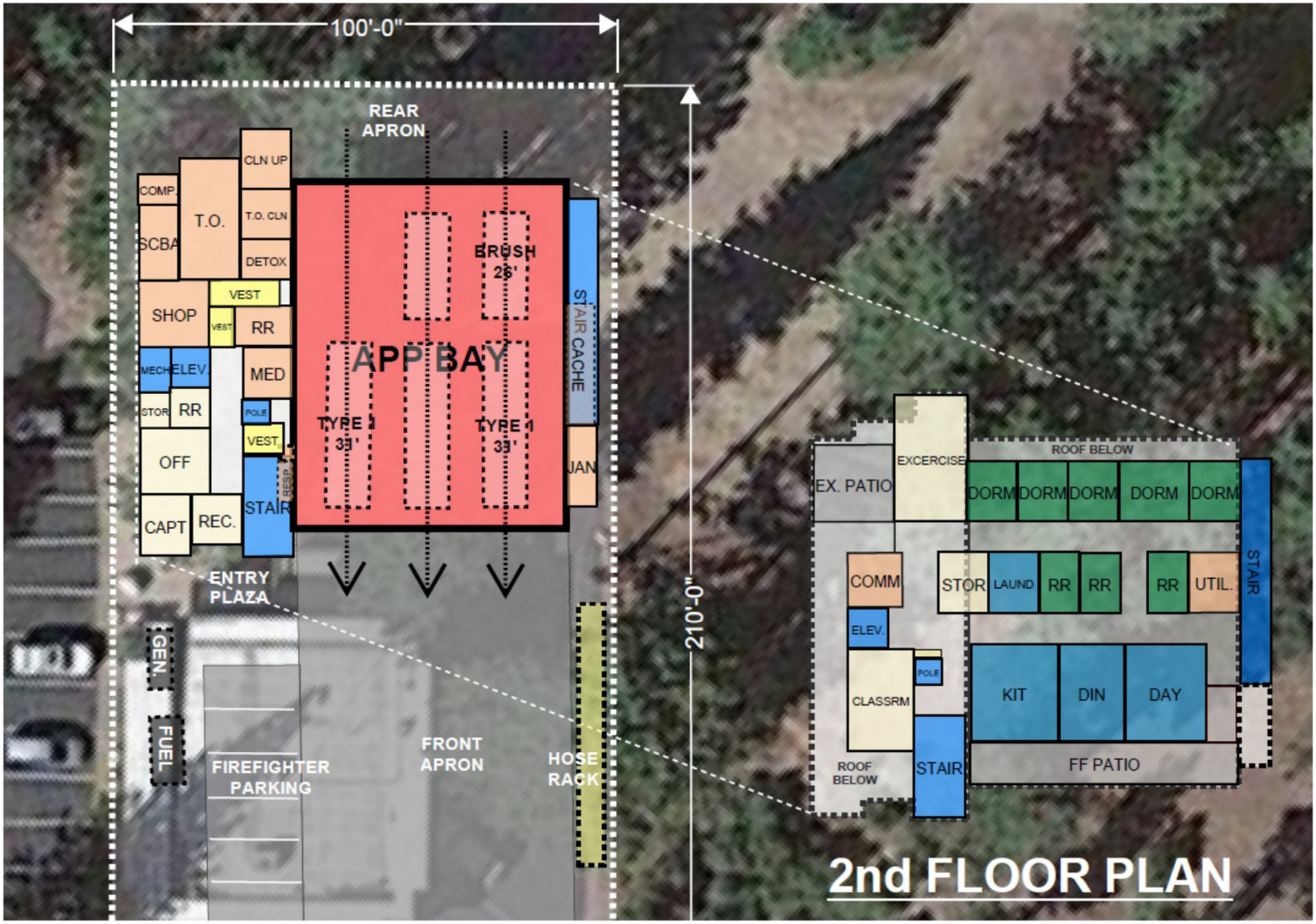
CONCEPTUAL SPACE NEEDS SUMMARY			
BUILDING TOTAL:			
APP. BAYS / APP. SUPPORT:	Area Subtotal	6,040	SF
FIREFIGHTER LIVING:	Area Subtotal	1,705	SF
FIREFIGHTER QUARTERS:	Area Subtotal	936	SF
FIRE STATION OFFICE & RECEPTION:	Area Subtotal	578	SF
	Building Subtotal	9,259	SF
	Structure and Circulation (23%) - Includes Stairs and Elevator	2,130	SF
	GRAND TOTAL	11,389	SF

Option C:

2 Story Structure

Option C:

2 Story Structure

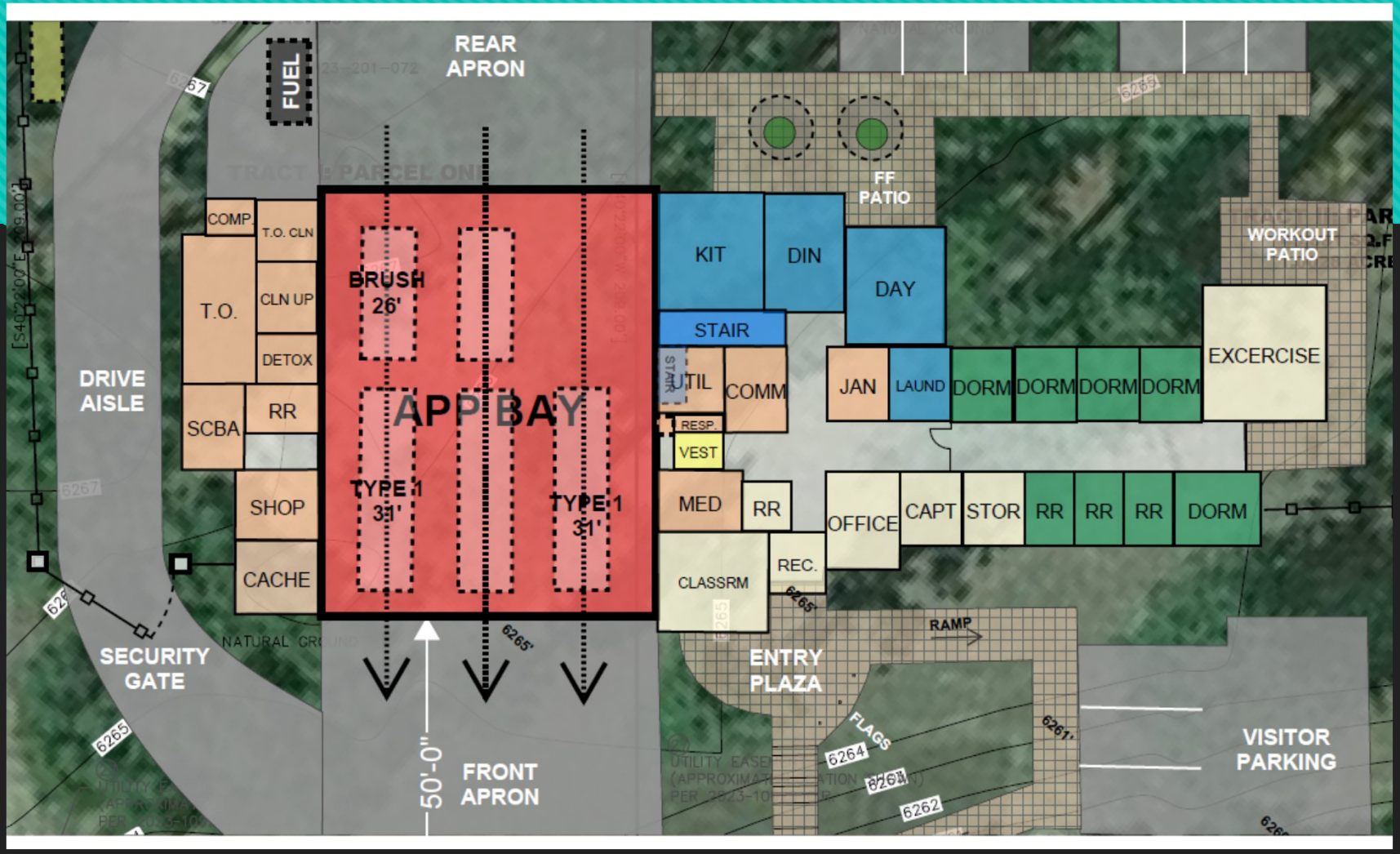


Option D:

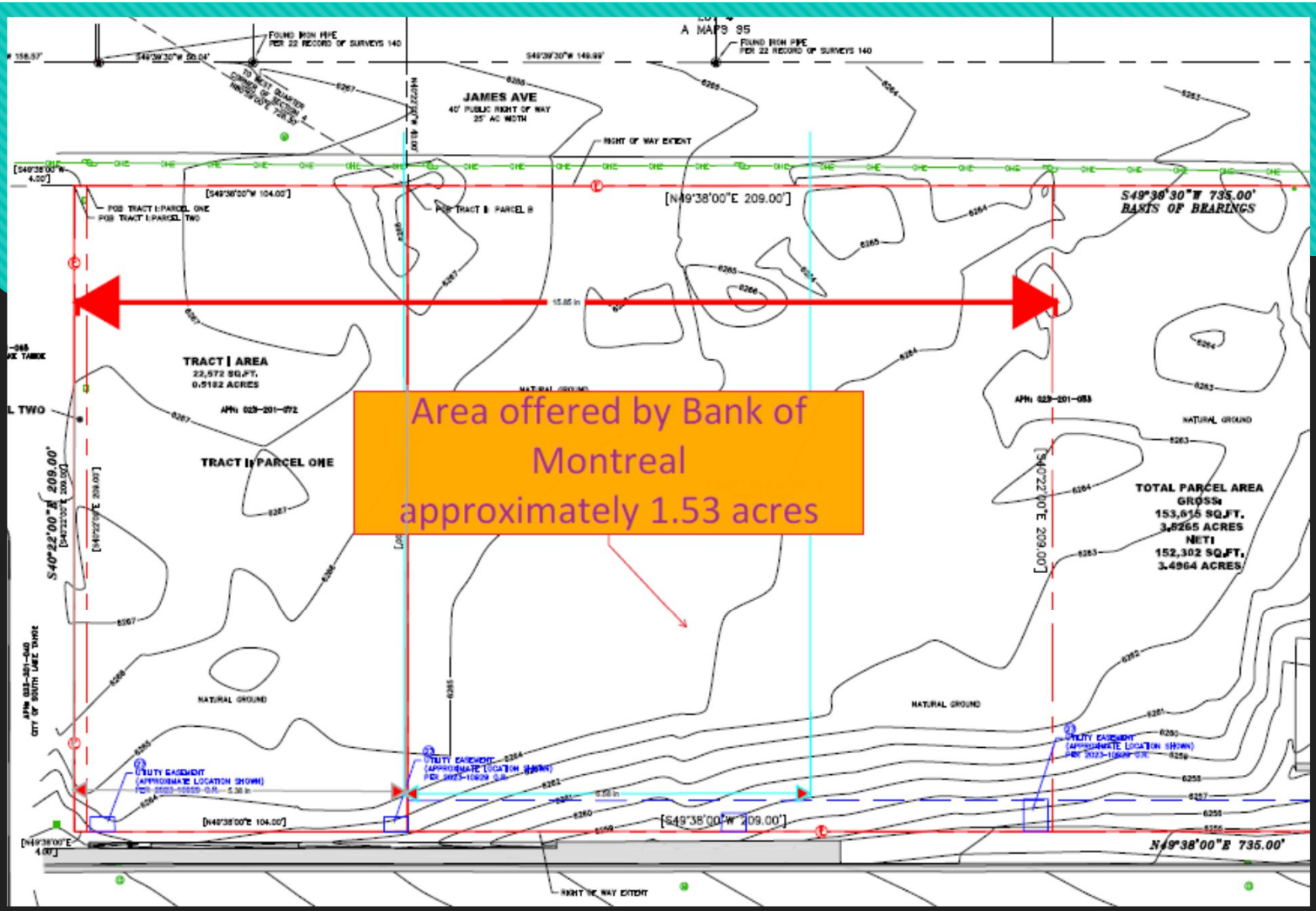
New Structure on the Bank of Montreal site

Option D:

New Structure on the Bank of Montreal site



Parcel for Options C and D



Estimate of Probable Costs

- Option C: New two-story structure behind existing fire station (excluding demolition cost): $19.25 million.
- Option D: New one-story structure on the Bank of Montreal site (excluding demolition cost: 19.75 million.
- LEED Gold, plus a traffic signal at US 50, will add $1.1 million

Breakdown of Costs

Contract Division Totals:	
A. Main Building:	$10,982,462
B. Equipment and Furnishings	$440,000
C. On-Site Improvements	$2,120,080
D. Off-site Improvements	$275,000
E. Fees	$1,617,224
F. Owner Systems, Administration, ROW and Contingency	$2,864,554
Contract Division Subtotal:	$18,299,319
G. Market Escalation (7% per year) to mid-point of Construction - 18 mo.	$1,450,842
Conceptual Construction Budget:	$19,750,161

Options for Next Steps

Staff Recommends:

- Options A + D
- Option D is a better choice from a functionality perspective
  - It meets all of the Essential Services Requirements
  - It meets the Climate Action Goals of the City
- A Design-Build will be a good delivery method
- Staff can bring the Option A funding request and implement the upgrades within the next 6-months
- Staff can initiate negotiations with Bank of Montreal for property acquisition
- Staff can request funding for the D-B process

Project Financing

- Current Measure S Sales Tax Funds: $2.5 to 3.0 M
- Project will require a bond financing in the amount of $17 M
- Options for bond financing:

Term (years)	Interest Rate	Approximate Annual Debt Service Payment	Approximate Total Interest Cost
10	5%	$2.20 million	$5.0 million
15	5%	$1.6 million	$7.6 million
20	5%	$1.3 million	$10.3 million

Questions

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: September 12, 2023

Agenda Item #: 14

Agenda Item: Chateau at the Village and Zalanta Project Update

Executive Summary: City Council Strategic Plan Action Item 4.2.2 prioritizes the development of the â€œHole in the Groundâ€ site as a way of supporting and attracting visitors to the Stateline core. The site was originally planned as â€œRedevelopment Project 3â€ and has been partially developed as the â€œChateau at the Villageâ€ and â€œZalantaâ€ projects. The City Council will hear a report on project background and discuss potential options to prioritize full development of the site.

Requested Action / Suggested Motions: Receive presentation and pass a motion to provide direction to the City Manager regarding potential public financing options (direct financial contributions, commitment to fee reductions, creation of a Mello-Roos Community Facilities District and special tax assessment to support bond sales, tax increment financing (TIF) district, enhanced Infrastructure Financing District (EIFD), and Infrastructure and Revitalization Financing District (IRFD).

Responsible Staff Member: Hilary Roverud, Director of Development Services

Reviewed and Approved By: Susan Blankenship, City Clerk Olga Tikhomirove, Director of Finance Heather Storud, City Attorney

Attachments:

01-Staff Report - Chateau.docx
02 - Presentation.pdf
03-Market conditions and project challenges summary

City of South Lake Tahoe
Report to **City Council**

Meeting Date: September 12, 2023

Title: Chateau at the Village and Zalanta project update

Location: 4101-4139 Lake Tahoe Blvd

Responsible Staff Member: Hilary Roverud, Director of Development Services

Background:

City Council Strategic Plan Action Item 4.2.2 prioritizes the development of the "Hole in the Ground" site as a way of supporting and attracting visitors to the Stateline core. The site was originally planned as "Redevelopment Project 3" and has been partially developed as the "Chateau at the Village" and "Zalanta" projects. This report will provide background information on the project area and potential discussion topics to prioritize full development of the site.

Project History

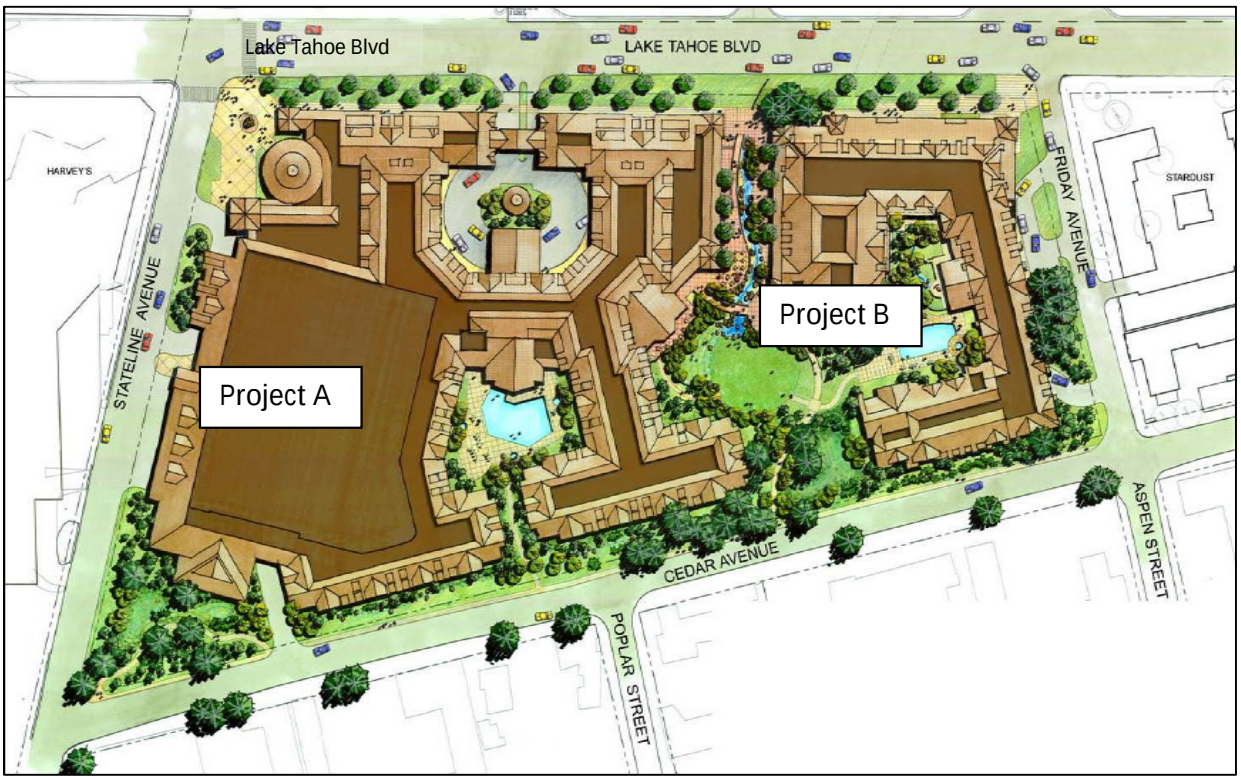
South Lake Tahoe Redevelopment Project 3 was originally approved by the City Council and the Tahoe Regional Planning Agency (TRPA) in 1998 as a mixed-use development consisting of two condominium-hotel structures, a publicly owned assembly and entertainment venue, general retail stores, a below grade parking structure, a 1.5 acre public park, a pedestrian tunnel under US Highway 50 to connect to Heavenly Village, and stormwater facilities. An Environmental Impact Report (EIR) and TRPA Environmental Impact Statement (EIS) was prepared to analyze potential impacts of the project. The EIR/EIS found that the additional daily vehicle miles traveled could not be mitigated to a level that was less than significant. Therefore, a Statement of Overriding Considerations was required. After making the required statement, the City certified the EIR in October 1998, and the EIS was approved by the TRPA the same month. The EIR/EIS also analyzed potential impacts of "no action," "reduced project," and "rehabilitation" alternatives.

1998 South Lake Tahoe Redevelopment Project 3

In 2006, the South Tahoe Redevelopment Agency entered into an Owner Participation Agreement (OPA) with Lake Tahoe Development Company, LLC (LTDC) to develop Project 3. The methods of financing attached to the OPA included the use of tax allocation bonds supported by property tax increment revenues, Mello-Roos bonds supported by tax increment, project generated transient occupancy taxes and a community facilities district secured by Mello-Roos special taxes. The approved OPA did not include a requirement for a construction performance bond. The City Council also adopted resolutions to establish the Community Facilities District and authorization to incur bonded indebtedness to finance the project's public facilities.

At that time the project developer modified the project design and an EIR/EIS Addendum was prepared to analyze the environmental effects of the proposed changes. The revisions scaled down the project to include only the Project A and B sites, eliminating redevelopment of the properties at the corner of Lake Tahoe Blvd and Park Avenue (Project C) and reducing the project area from 19.42 acres to 11.53 acres. The modification also reduced the number of hotel/condominium units and commercial areas in Projects A and B. The EIR/EIS Addendum analysis found that the proposed scaled down project would not have significant traffic impacts, however parking impacts during peak times when large local concerts are offered would require implementation of a parking management plan that utilizes off-site parking.

2006 South Lake Tahoe Redevelopment Project 3



In 2007, the project developer proposed further revisions that required the preparation of a second EIR/EIS addendum. Revisions included changing the Hwy 50 underpass to an overpass, an increase in hotel/condominium units and adjustments in the floor area programing for the hotel accessory uses, convention center, and commercial spaces. However, the project area and building footprint were not revised. The addendum analysis concluded that the proposed 488 hotel/condominium Tourist Accommodation Units was inconsistent with allowable mixed-use density of the TRPA Code of Ordinances and the ultimately approved project revision included a total of 477 TAUs. In 2007 the City Council also approved the project subdivision map and directed City staff to issue a “foundation only” permit with conditions related to Caltrans approval of an encroachment permit and developer accepting risk associated with issuing the foundation permit without a Caltrans approved encroachment permit.

Lake Tahoe Blvd
Project B
Project A

Project Component	1998 Project[1]	2006 Project	2007 Project
Project A			
Hotel units (Units/TAUs)	532	130/287	268/365[2]
Hotel area (square feet)	303,713	334,404	345,879
Parking spaces	786	495	535
Multi-purpose meeting facility (sq. ft.)	100,020	93,448	95,302
Conference capacity (people)	1500	1600	1600
Concert capacity (people)	2,700	4,400	4,400
Hotel accessory uses (sq. ft.)	65,225	85,677	75,480
Recreation and spa (sq. ft.)		16,293	16,193
Commercial/food services (sq. ft.)	23,910	19,582	20,415
Night Club	10,000	10,732	9,035
Project B			
Hotel units (Units/TAUs)	177	46/99	85/123[2]
Hotel area (square feet)	136,922	136,922	132,014
Parking spaces	193	135	182
Hotel accessory uses (sq. ft.)	9,011	9,011	6,298
Commercial/food services (sq. ft.)	21,301	26,944	27,057

1. This scope reflects the "reduced project alternative" analyzed in the 1998 EIR. The project included Project C which was dropped from the 2006 and 2007 projects. Project C is not included in this table.
2. Total number of TAUs required to be reduced to 477.

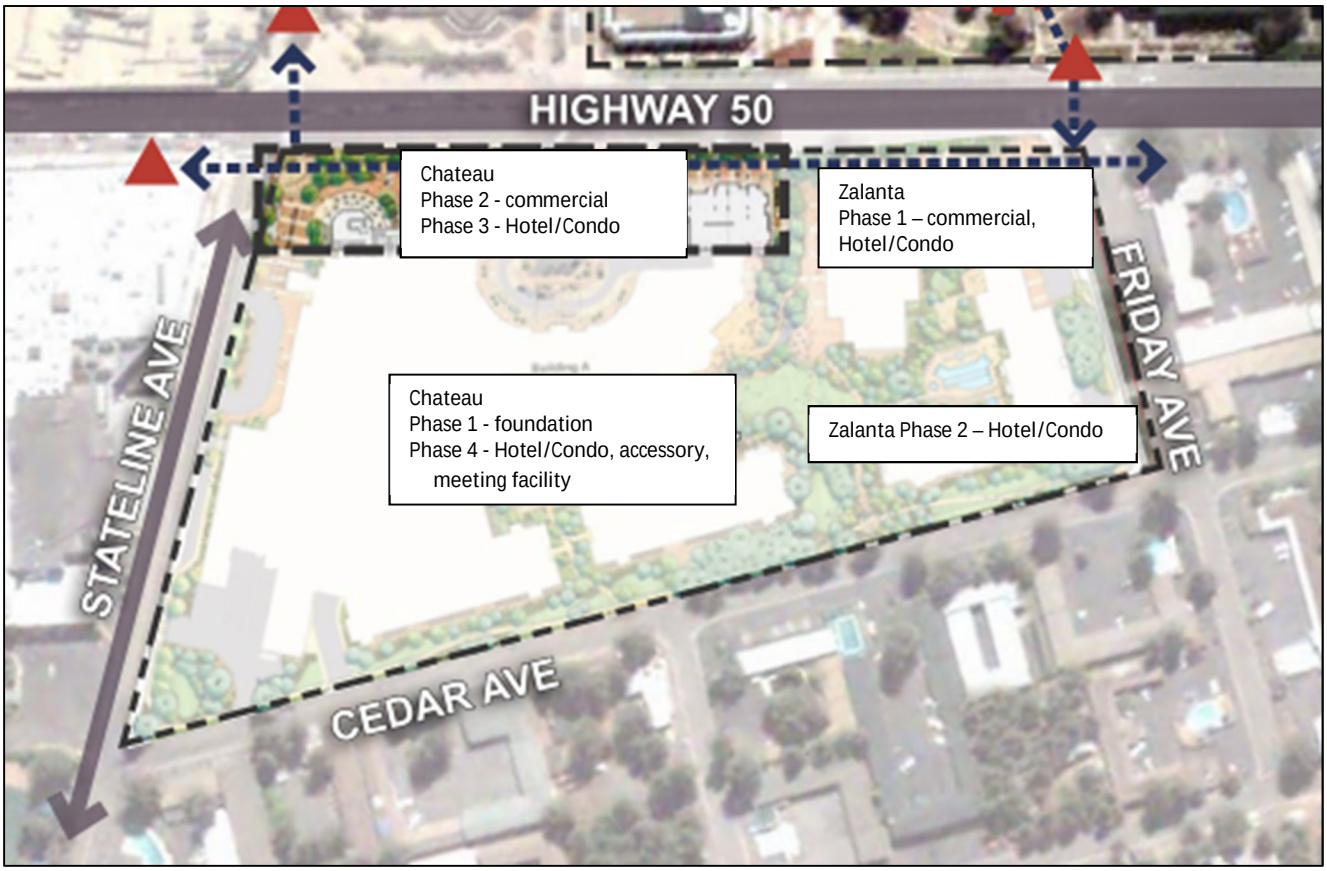
Construction began in 2007 with the demolition of most of the existing buildings within the overall project area and excavation of the Project A underground parking garage. Construction was halted in late 2007 due to the loss of construction funding. These initial Project A improvements are now known as Chateau Phase 1.

In 2009 the City Council directed staff to abandon consideration of issuing Mello Roos bonds for the purpose of restructuring existing debt that the developer had incurred. At that time the developer was unable to secure construction financing to continue construction and repay lien holders on parcels that had been assembled for the project. Subsequently, due to foreclosures by multiple lenders, ownership of Project A and Project B became divided.

On June 11, 2013, the City Council approved a Design Review Permit allowing construction of the Project A (Chateau) ground floor retail space fronting Lake Tahoe Boulevard (Phase 2). The permit also identified Phase 3 of Project A as the second and third-floor condo-hotel units and Phase 4 as the completion of the hotel/condominium, accessory spaces, and multi-purpose meeting facility (full build-out). At that time the City Council found the phased project to be consistent with the original EIR/EIS and both subsequent addendums, pursuant to the California Environmental Quality Act, and therefore no additional environmental review was required. The

City Council also approved allocation of 8,847 square feet of Commercial Floor Area (CFA) for Phase 2, accepted relinquished right of way from Caltrans for the frontage improvements, and approved abandonment of the portions of Laurel and Poplar.

2013 Approved Phasing



In April 2015 the City Planning Commission approved a Major Design Review permit for Project B (Zalanta), Phase 1 for the construction of 30 hotel/condominium units and the ground floor retail space along Lake Tahoe Boulevard. That approval also included removal of the pedestrian overpass from the project. In June 2015 the City Council approved an allocation of 6,307 square feet of CFA for this phase of the project.

In 2016 the Planning Commission approved a Major Design Review permit for Phase 2 of Zalanta, which consists of 60 hotel/condominium units, streetscape improvements along Friday Ave and Cedar Ave., 109 underground parking spaces and 4 surface parking spaces and associated hotel amenities.

After the dissolution of the South Tahoe Redevelopment Agency associated extinguishment of the OPA in 2012, in May 2016, the Redevelopment Successor Agency approved the release of certain covenant, conditions and restrictions associated with development of the Convention Center component.

In 2017 the City Council approved the final map for the Chateau property dividing the 2.6 acre parcel into five parcels. This subdivision created parcels that includes the underground parking garage under the retail space, the exposed underground parking garage, retail level parcels, and airspace parcels above the retail.

In 2018, a Major Design Review Permit was approved for Phase 3 of Project A (Chateau), which included construction of 16 hotel/condominium units in the second and third story above the existing retail space. A Building Permit for Chateau Phase 3 was issued in 2019 and the permit has remained active due to COVID impact related permit extensions and construction activities pursuant to CA Building Code section 105.5.1. The most recent extension request indicated an anticipated completion date of July 2024.

Issue and Discussion:

Current Parcel Status

The subdivision map approved by the City Council in 2007 was never recorded however, consolidation of parcels and creation of airspace parcels has occurred with each phase of the Chateau and Zalanta projects. There are currently 74 parcels within the Project 3 area (See Attachment 02).

The Zalanta project area contains 30 individually owned condominium parcels, eleven parcels that include the retail spaces and common areas, and five parcels where Phase 2 is expected to be developed. Development of Zalanta Phase 2 will require consolidation of those parcels.

In the Chateau project area there are five parcels that contain the existing retail space and are owned by Imperium Blue Tahoe Holdings DE, LLC. The rest of the project area contains 23 parcels owned by Tahoe Chateau Land Holdings CA, LLC.

Current Permit Status

City Planning entitlements and a Building Permit have been issued for Phase 3 of the Chateau (16 hotel/condominium units above existing retail) and construction of this project is underway.

City Planning entitlements have been issued for Zalanta Phase 2 (60 hotel/condominium units) and in December 2022, a building permit application was submitted for construction, however, the building permit application is pending submittal of a revised plan set and responses to corrections.

The TRPA permit issued for Redevelopment Project 3 in 2007 remains active as a phased construction project.

Development Challenges

The current state of the original Redevelopment Project 3 area no longer under common ownership and being constructed in phases presents a multitude of challenges. The original EIR/EIS was adopted in 1998 with addendums prepared in 2006 and 2007. Any subsequent changes to the scope of the project analyzed within the existing environmental record would require discretionary approval potentially be subject to additional and current environmental analysis. As set forth in California Environmental Quality Act (CEQA) Guidelines a subsequent or supplemental EIR must be prepared when the following conditions occur after an EIR is certified by a lead agency:

(1) Substantial changes are proposed in the project which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant

environmental effects or a substantial increase in the severity of previously identified significant effects;

(2) Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR or Negative Declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or

(3) New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the Negative Declaration was adopted, shows any of the following:

(A) The project will have one or more significant effects not discussed in the previous EIR or negative declaration;

(B) Significant effects previously examined will be substantially more severe than shown in the previous EIR;

(C) Mitigation measures or alternatives previously found not to be feasible would in fact be feasible, and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or

(D) Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

Additional environmental analysis may also be required by TRPA regulations. Preparation of an EIR/EIS is costly, takes time, and requires an uncertain public review process.

There are also physical and logistical challenges to developing the project. The Project 3 area either shares or has a mutual reliance on a significant amount of infrastructure and improvements. Development of each phase of the project has required coordination and mitigation of potential impacts to adjacent properties.

The long-term viability of the foundation and underground parking garage infrastructure, having been exposed for fifteen years has been questioned due to visible rust on unprotected rebar. Although a structural engineer's analysis would be required to verify the current conditions, it would be common for that analysis to be conducted as construction plans for future development are prepared. Sandblasting existing rebar and the addition of structural support measures may be needed but would not likely be an impediment to future development.

Potential Project Development Incentives

The Chateau project area is within the boundaries of a designated qualified opportunity zone. Opportunity Zones are census tracts that are economically-distressed communities where new investments may, under certain conditions, be eligible for preferential federal tax treatment or preferential consideration for federal grants and programs. They were added to the Internal Revenue Service tax code in 2017. Opportunity Zones incentivize investment and economic development in distressed communities by providing a temporary deferral on federal capital gains tax and, where the investment is held for at least ten years, the potential to eliminate federal capital gains taxes on any realized gains from the investment. Investment in an opportunity zone is made through a Qualified Opportunity Fund (QOF), an investment vehicle that files either a corporate or partnership federal income tax return which must be established

specifically for the purpose of investing in Opportunity Zone assets. For a real estate project to qualify for Opportunity Fund financing, the investment must result in the property being "substantially improved." Opportunity Zones can be utilized to finance commercial and industrial real estate, housing, infrastructure, and existing or start-up businesses. While city governments have no direct role in the opportunity zone program, cities do have the power to influence development via other tools to increase the likelihood of investment. These tools may include establishment of financing districts, as discussed below, zoning to accommodate desired projects and streamlined approval processes. Some local governments are using social media, presentations, and prospectus sheets to help market their regions and share what types of investments their communities are seeking.

If the City Council wishes to explore opportunities to incentivize the completion of the original project or a revised project on the Chateau site options may include:

- Direct financial contributions,
- Commitment to fee reductions,
- Creation of a Mello-Roos Community Facilities District and special tax assessment to support bond sales,
- Tax increment financing (TIF) district
    - Enhanced Infrastructure Financing District (EIFD)
    - Infrastructure and Revitalization Financing District (IRFD)

While direct contributions and fee reductions would be straightforward options, they are not likely to provide a significant enough contribution to spur development.

TIF districts work by freezing the property tax revenues that flow from a designated project area to the city, county, and other taxing entities at the "base level" in the current year. Additional tax revenue in future years (the "increment") is diverted into a separate pool of money, which can be used either to pay for improvements directly or to pay back bonds issued against the anticipated TIF revenue. In California, TIF has historically been used by redevelopment agencies to raise funding for infrastructure improvements, land assembly, housing, and other projects in redevelopment areas. However, redevelopment agencies in California were required by state law to dissolve as of February 1, 2012. Beginning in 2014 the California legislature began passing bills to create new TIF opportunities for cities and counties. TIFs can provide a commitment of future revenues (versus existing revenues) to catalyze economic development that would not occur as quickly without the TIF commitment.

EIFDs are a type of TIF district cities and counties could form to help fund economic development projects. EIFDs are currently able to fund infrastructure maintenance and housing development, economic development, transportation infrastructure, sewage treatment, and climate adaptation projects, among other uses. EIFDs do not increase property taxes and they cannot pull property taxes from school districts. EIFDs are governed by a Public Financing Authority (PFA) made up of 5 members of at least 3 elected officials and 2 local community members who live or work in the district area. The PFA oversees the creation of the District's Infrastructure Financing Plan (IFP), which outlines the specific projects the District will fund. Additionally, while EIFDs are not required to set aside a specific percentage of affordable housing, all housing that is developed must be affordable. Although public hearings and opportunities to protest are required, EIFDs do not require voter approval to form, however, a 55% voter approval is required for the EIFDs issuance of bonds. Thus, they have the greatest potential for success in projects where multiple layers of taxing authorities (Cities and Counties) are highly motivated to move such projects forward and have strong community support.

IRFDs are districts that finance housing development and other development projects of communitywide significance in current and former redevelopment project areas. IRFDs fund many of the same types of projects as EIFDs, including affordable housing, highways and transit facilities, industrial structures, sewage treatment, etc. IRFDs do not have an affordable housing set-aside requirement, however any district that does develop housing must have at least 20% low- and moderate-income housing. Differing from EIFDs, IRFDs required 2/3 voter approval for formation and to issue bonds. IRFDs are governed by the same governing body as the city or county creating the district.

City pursuit of any of the incentives and programs discussed above would require a partnership with a motivated property owner and developer to develop a project that meets goals of the City and provides community benefits.

Financial Implications: This agenda item is for discussion only.

Environmental Considerations: This is not a project under CEQA, because it does not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment, as contemplated by Title 14, California Code of Regulations, Sections 15378(b)(2) and 15378(b)(4) and is, therefore, not subject to CEQA pursuant to CEQA Guidelines Section 15060(c)(3).

Policy Implications:

The following adopted policies support this discussion topic:

General Plan Economic Development Element

Policy ED-1.17: Convention Center. The City shall prioritize assistance with completion of Redevelopment Project 3 and the public amenities and environmental improvements associated with it.

General Plan Land Use Element

Policy LU-2.12: Stateline Node Purpose. The City shall ensure that the Stateline Node will be an area in the city for tourist- serving commercial uses, Tourist Accommodation Units, workforce housing (e.g., housing affordable to local workers in all industries), and affordable housing. The City should work with property owners to transform the Node into a pedestrian center served by transit that connects community resources, visitor facilities, recreation, and Lake Tahoe.

Tourist Core Area Plan

Goal LU-1 Land Use. Continue to shape the Tourist Core into a pedestrian-oriented destination center for tourist and permanent residents that provide high quality services, accommodations, and recreational experiences.

City Council
September 12, 2023

Chateau at the Village and Zalanta Project Update

CITY OF
SOUTH LAKE TAHOE

Chateau at the Village and Zalanta Project Update

- South Tahoe Redevelopment Demonstration Plan for the Ski Run and Stateline Areas (1989)
- Stateline/Ski Run Community Plan (1994)
- Embassy/Ski Run Marina Project
- Park Avenue Project
- Project 3

Chateau at the Village and Zalanta Project Update

1998 EIR/EIS

CITY OF SOUTH LAKE TA

Chateau at the Village and Zalanta Project Update

2006

- RDA and Lake Tahoe Development Company Owner Participation Agreement (OPA)
- Tax Increment Financing, Mello-Roos special taxes, Community Facilities Districts
- Project revisions
- EIR/EIS Addendum

CITY OF SOUTH LAKE TAHOE

Chateau at the Village and Zalanta Project Update

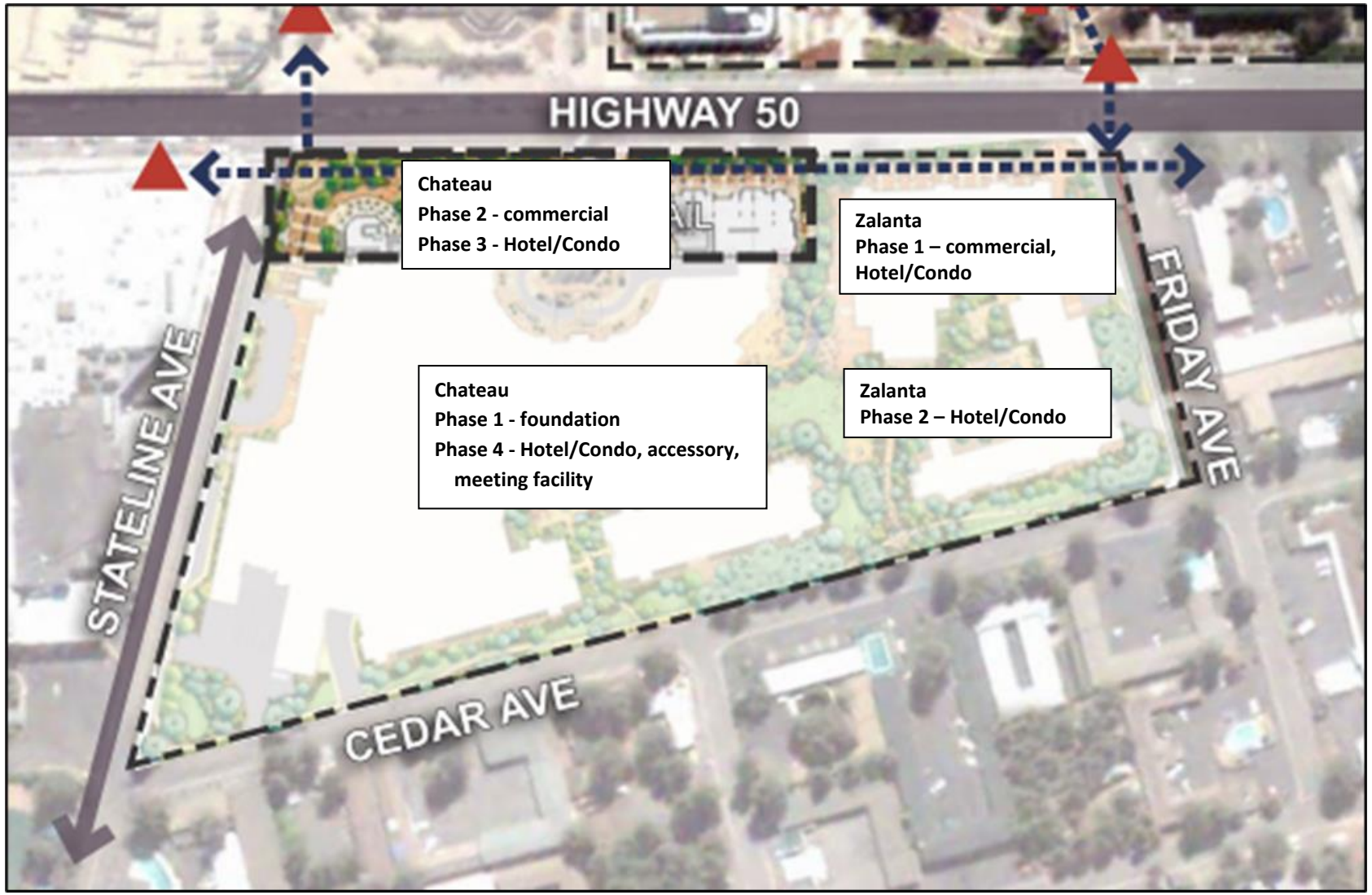
2007

- Project revisions
- EIR/EIS Addendum
- Demolition, utility relocation and foundation construction

- 488 Hotel/Condominium Units
- 95,000 sf Multi-purpose Conference Facility
- 56,500 sf Commercial
- 98,000 sf hotel accessory/recreation/spa

CITY OF SOUTH LAKE TAHOE

Chateau at the Village and Zalanta Project Update

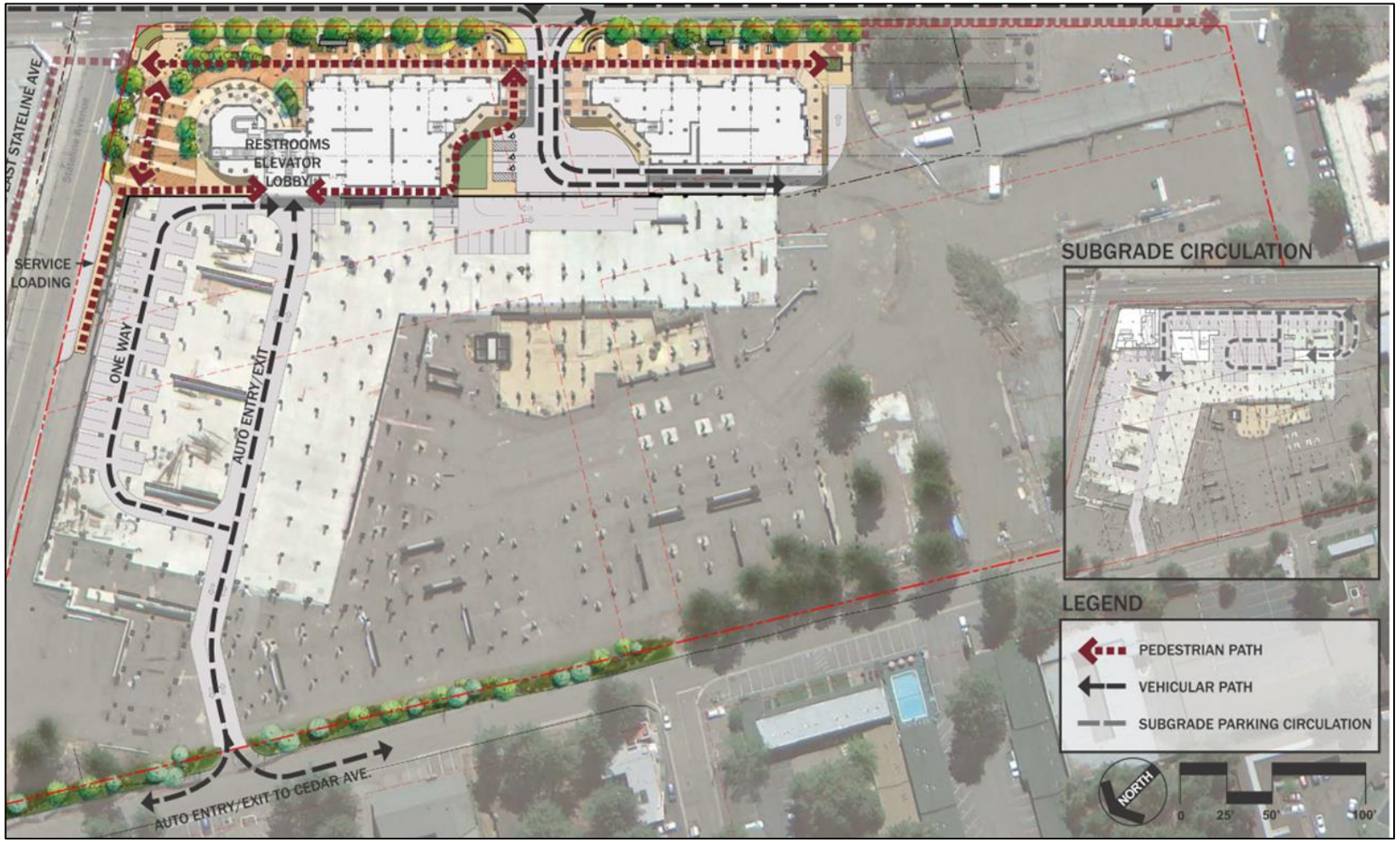


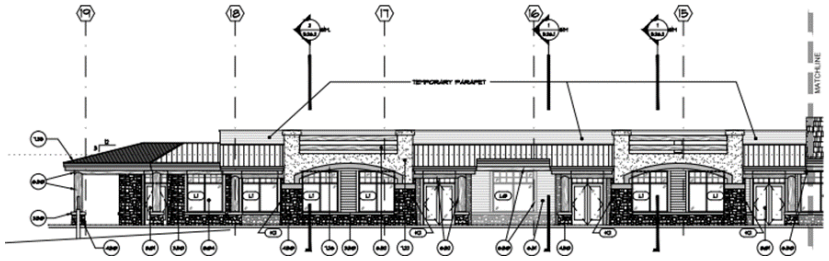
2013

- Phased Project
- Allocation of 8,847 sf CFA
- Abandonment of Laurel and Poplar

CITY OF SOUTH LAKE TAHOE

Chateau at the Village and Zalanta Project Update

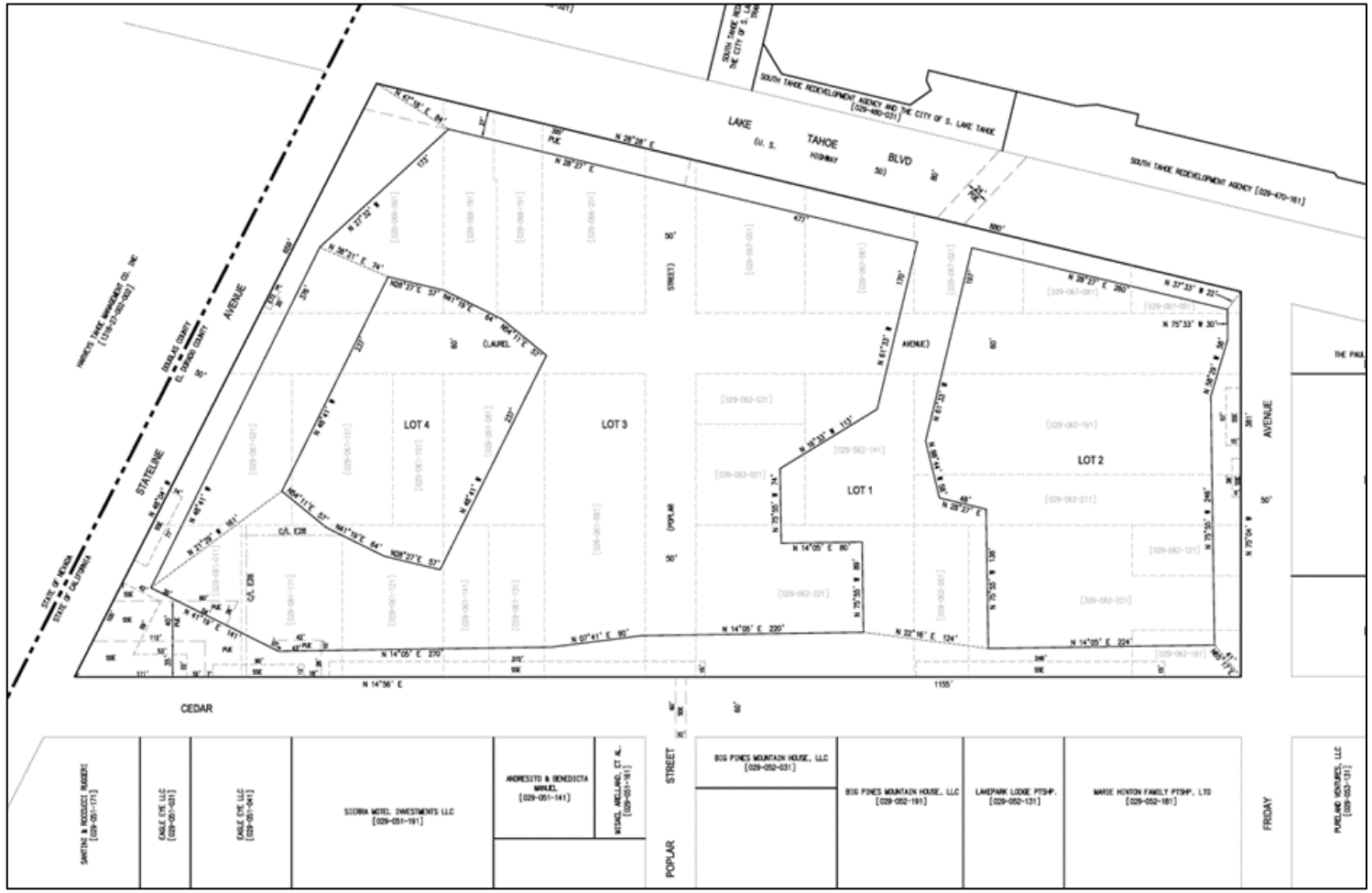




CITY OF SOUTH LAKE TAHOE

Chateau at the Village and Zalanta Project Update

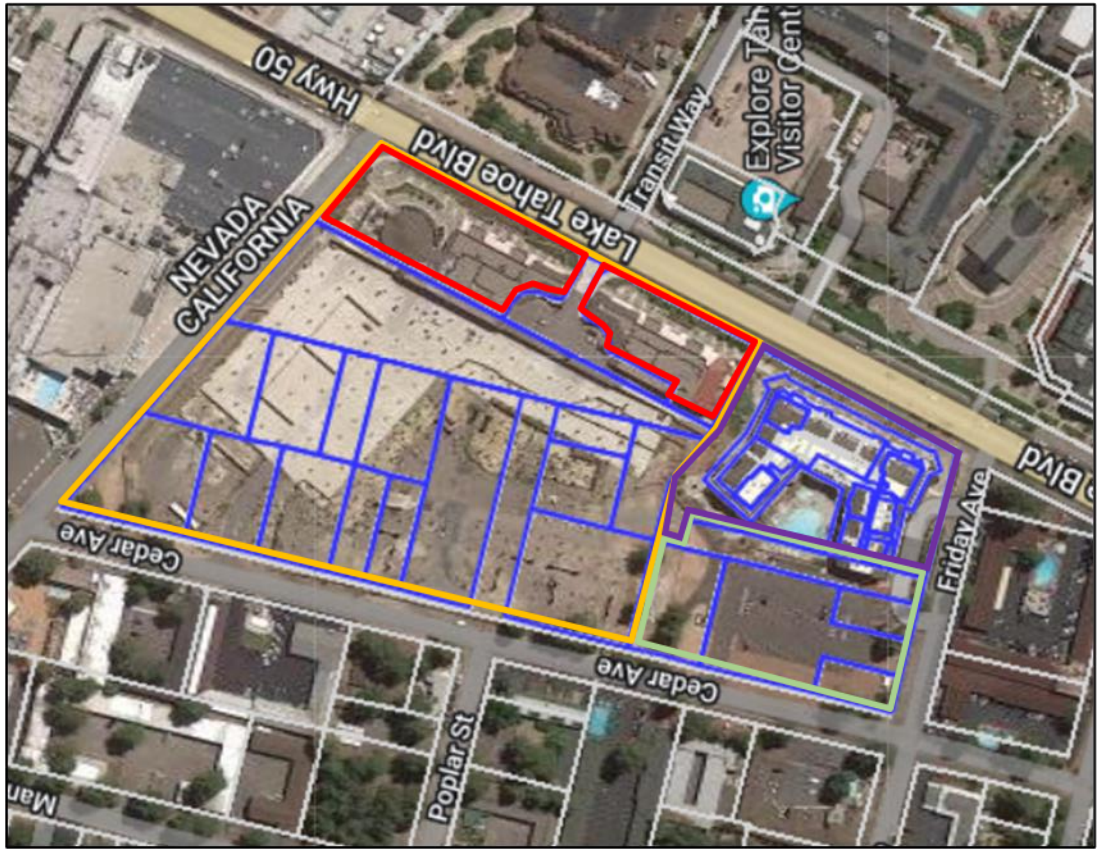
2007 Subdivision – final map not recorded



CITY OF SOUTH LAKE TAHOE

Chateau at the Village and Zalanta Project Update

General Site Ownership



- Tahoe Chateau Land Holdings, LLC
- Garage level – Tahoe Chateau Land Holdings, LLC
- Retail level – Imperium Blue Tahoe Holdings, LLC
- Upper levels – Tahoe Chateau Land Holdings, LLC
- Johl Harinder & Baljit
- Retail level – Johl Harinder & Baljit
- Residential condominiums – 30 individual ownership parcels

CITY OF SOUTH LAKE TAHOE

Development Challenges

- Separate ownership
- Entitlements and Environmental Review
- Physical and Logistical
- Market

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Incentive Opportunities

- Opportunity Zone
- Community Facilities District
- Tax Increment Financing District
- Entitlement streamlining

CITY OF SOUTH LAKE TAHOE

QUESTIONS?

CITY OF
SOUTH LAKE TAHOE

Johnson Valuation Group, Ltd. California / Nevada
Post Office Box 11430 ■ 124 McFaul Way, Ste. 201 ■ Lake Tahoe, Nevada 89448 ■ (775) 588-4787

September 6, 2023

Via Electronic Mail: hroverud@cityofslt.us

Ms. Hilary Roverud, AICP
Director of Development Services
City of South Lake Tahoe
1052 Tata Lane
South Lake Tahoe, CA 96150

Re: ***Undeveloped portions of the Chateau Site, South Lake Tahoe, El Dorado County, California***

Dear Ms. Roverud:

This is in response to your request for a preliminary letter addressing the opportunities and challenges associated with the vacant portion of the Chateau Site in South Lake Tahoe, El Dorado County, California.

Background of Site

The subject is a portion of the larger Chateau Site, which involves the assemblage of four city block and was formerly composed of twenty-nine separate parcels and two interior streets (all of which have now been abandoned). The larger site is located on the southwest corner of the Nevada/California Stateline and Lake Tahoe Boulevard (U.S. Highway 50). Harvey's Hotel/Casino is located immediately north across Stateline Avenue from the larger Chateau Site. Harrah's Hotel/Casino is located catty corner from the Chateau property, and the Lake Tahoe Resort Hotel (Under renovation to become Margaretville Resort Lake Tahoe) is located immediately across Lake Tahoe Boulevard from the Chateau property to the east.

The assembled project area was previously improved with a number of older motels, a number of older retail commercial buildings, several restaurants, a service station and several

single family residences. The prior developers (Lake Tahoe Development Company) of the proposed project demolished the former above ground improvements.

It is my understanding the utility infrastructure that is necessary to develop the project as planned has been installed to the perimeter of the site with appropriate utility stubs installed to service the proposed development. Additionally, a concrete foundation and a concrete slab for most of the basement level of Phase A were partially installed in the summer/fall of 2007. Also, in the summer/fall of 2007, a vast majority of the on-site drainage improvements required for the proposed project have been installed.

In 2014, a 23,644± square foot (rentable) retail center was constructed at the southwest corner of Lake Tahoe Boulevard and Stateline Avenue, extending to the south along the frontage of Lake Tahoe Boulevard. The retail center is divided into nine suites. The center has been well received in the market area. The air rights associated with this improved retail center are under separate ownership, but the subterranean parking level and the air rights to construct up to 16 residential condominiums above the existing retail center are part of the subject property.

In late 2015, on the Phase B site (not part of the subject property), construction commenced on 30 residential condominiums at the southwest corner of Lake Tahoe Boulevard and Friday Avenue. The building was completed in 2017. The site on which the 30 residential condominiums are located is not included as part of the subject property. The balance of the larger development site is vacant with the exception of the horizontal infrastructure installed for future development.

The undeveloped portion of the Chateau site ("subject property") is composed of 8.0± acres of land area (348,301± square feet) and is conditionally approved for development with up to 387 residential condominiums.

Market Demand For Site

The subject features a walkable location in the heart of the tourist core of South Lake Tahoe. The market demand for the subject site will be driven by residential condominium sales and tourist occupancy units. A high level overview of the market for each of these two components will be discussed in the following section

Residential Component

Development of the subject site will be largely driven by the economics of resort residential condominiums similar to what was constructed in Phase 1 of the Zalanta Site (30 residential condominiums). In order to gauge the demand for new residential development on the site, the trailing three year (September 1, 2020 to August 31, 2023) sales history of the Phase 1 Zalanta residential condominiums have been considered as follows:

Zalanta Phase 1 Residential Condominiums
Trailing 3 Year Sales History

Unit	Bed	Bath	Sq. Ft.	Sale Date	Sale Price	Price/SF
225	3	3	1803	10/21/2020	$1,600,000	$887.41
317	4	4	2291	12/11/2020	$2,700,000	$1,178.52
213	3	3	1616	1/8/2021	$1,400,000	$866.34
323	2	2	1154	6/24/2021	$1,450,000	$1,256.50
312	2	2	1235	11/1/2021	$1,325,000	$1,072.87
212	2	2	1228	11/17/2021	$1,325,000	$1,078.99
228	3	3	1674	12/24/2021	$1,700,000	$1,015.53
213	3	3	1616	4/3/2023	$1,720,000	$1,064.36
311	2	2	1273	4/28/2023	$1,500,000	$1,178.32
219	2	2	1147	6/29/2023	$1,550,000	$1,351.35

As indicated, sale price per square foot of living area have ranged from $866.34 to $1,351.35 per square foot over the last three years with most sales being within the $1,000 to $1,200 per square foot range. There were a total of ten sales over the most recent 36 month (3 year) period, which indicates a sales pace of 3.34 units per year.

The market for newer residential units in South Lake Tahoe has also been considered, this is defined as single-family residences and residential condominiums with a year of construction of 2005 to newer. The sales history for the City of South Lake Tahoe for these parameters are presented as follows:

City of South Lake Tahoe
Residential Units Constructed 2005 to Present

Time Period	09/01/2020 to 8/31/2021	09/01/2021 to 8/31/2022	09/01/2022 to 8/31/2023
Sales	154	88	78
Sales Volume	$183,376,710	$131,796,270	$92,305,300
Average Sale Price/SF	$437	$516	$474
Median sale price/SF	$412	$494	$453
Max sale price sf	$1,257	$1,452	$1,351
Average Sale Price	$1,190,758	$1,497,685	$1,183,401
Median sale price	$1,099,500	$1,300,000	$1,200,000
Average Square Feet	2,712	2,798	2,528

As indicated, total sales volume for newer residential properties in South Lake Tahoe has declined over the most recent three years. The sales volume for the trailing 12 months is $92,305,300, which is a 99% decline from the same time period two years before and a 43% decline from the same time period one year before. The median sale price is down 8% to $1,200,000 from the same time period one year before, but remains 8% above the median sale price from the same time period two years before.

An important element for driving development of the subject property will be sale price and sales volume of finished residential product. The most recent trailing three year data indicates that total sales volume is roughly half for the most recent trailing 12 months versus what it was for the same time period two years prior and has decreased 43% from the same time period one year prior.

On the other hand, median sales price of newer inventory is down a modest 8% over the last year and remains 8% above the median sales price for the same time period two years ago.

Sales velocity will be greatly impacted by general economic conditions and interest rates during the absorption period, to the extent that economic uncertainty persists and interest rates remain elevated, the absorption period for finished residential condominiums will be extended.

Lodging Component

The second component of the subject property that will drive demand and developer interest is the potential to construct a lodging component. This would likely be in the form of a condominium hotel as was completed for the 30 units in the Zalanta Phase 1.

Demand for lodging units in the tourist Ccore of South Lake Tahoe has been positively impacted by the implementation of Measure T throughout 2022. As vacation rental permits have been non-renewed, visitors have been increasing demand for transient occupancy units in the tourist core area.

The Tahoe Blue Event Center (formerly Tahoe South Event Center) is a new 6,000± person capacity special event and meeting venue that is scheduled to open later this month. The approvals for the property limit special events during the peak periods of the year and focus on attracting visitors during non-peak periods. This property is expected to assist lodging operators in increasing occupancy and average daily rate during traditional non peak periods.

The combination of Measure T's implementation and the new Events Center have spurred investments in lodging properties in the immediate vicinity and are expected to drive additional investment going forward. The Chateau Site is ripe to capitalize on the future demand for lodging in the Tourist Core of South Lake Tahoe.

Headwinds for Development

Construction Costs

One of the most significant barriers to development of the Chateau site is the high cost of commercial construction in the subject market area. The rate of increase of construction costs is reported by contractors to have slowed in 2023, but remains significantly elevated versus the time period prior to the COVID pandemic. The high costs of commercial construction has challenged the economic feasibility of most larger scale projects at Tahoe over the past few years and would be a significant challenge for development of the subject property.

Construction Financing

The increase in interest rates and the decrease in appetite for risk by potential construction lenders will create headwinds for development of the subject property in the near term. The more onerous terms of debt will constrain the economic feasibility of development of the site.

Fragmented Ownership of Chateau/Zalanta Site

The fragmented ownership of the Chateau/Zalanta site will increase the complexity of development. The subject's undeveloped 8± acres is owned separate from the operating retail component, the 30 finished residential condominiums and the 60 potential residential units at the Zalanta Phase 2 site. Due to the creation of the various components and their separate ownership, decision making is more complex. This is evidenced by the current construction of 16 residential units above the retail component. The fragmented ownership precludes unilateral control of the site during development and would act to make construction more complex and challenging.

TRPA Approvals

It is my understanding the TRPA approvals of the subject site remain valid as long as diligent pursuit of construction on the site is ongoing. The foundational environmental documents underlying the subject's TRPA approvals may be stale and if the approvals were to lapse an unknown cost and risk would be incurred to achieve new TRPA approvals.

A developer of the subject site would likely seek to work within the framework of the existing TRPA approvals, which may limit design flexibility and the ability to substantially modify the development plan for the site to match a developer's preferences.

Summary

The 8.0± acres subject site is one of the best locations in the Tahoe Basin for tourist related development. Significant capital has been spent in the Tourist Core to update older structures and complete new buildings over the last decade. The opening of the Tahoe Blue Event Center will further increase the overall desirability of the area. On the other hand, the headwinds for development of the site are substantial and will act to limit the potential for near term development of the site.

I hope this preliminary letter is of assistance to you.

Respectfully Submitted,

Benjamin Johnson

Digitally signed by Benjamin Johnson
DN: cn=Benjamin Johnson, o=Johnson Valuation Group, Ltd., ou, email=ben@johnsonvg.com, c=US
Date: 2023.09.06 13:52:23 -07'00'

Benjamin Q. Johnson, MAI
California Certified General Appraiser
License Number AG043925

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: September 12, 2023

Agenda Item #: 15

Agenda Item: Supplemental Commercial Linkage Fee Analysis

Executive Summary: The City Council requested completion of additional analysis of a commercial linkage fee to supplement information contained in the previously completed Analysis of Local Funding Sources for Housing Initiatives (Report). The additional analysis, along with the previously completed Report, is being presented to City Council to inform decisions about the potential creation of a commercial linkage fee ordinance. Staff does not recommend implementing a commercial linkage fee at this time because it is only feasible for a small number of commercial projects and is not likely to provide a reliable funding source for affordable housing.

Requested Action / Suggested Motions: Pass a Motion providing direction to the City Manager to not prepare a commercial linkage fee ordinance at this time.

Responsible Staff Member: Zach Thomas, Housing Manger

Reviewed and Approved By: Susan Blankenship, City Clerk Olga Tikhomirova, Director of Finance Heather Stroud, City Attorney

Attachments:

02-Supplemental_Linkage_Analysis.pdf
03-Local Housing Funding Feasibility Study.pdf
01-Staff_Report_-_Commercial_Linkage.docx

City of South Lake Tahoe
Report to **City Council**

Meeting Date: September 12, 2023

Title: Supplemental Commercial Linkage Fee Analysis

Location: City-wide

Responsible Staff Member: Zach Thomas, Housing Manager

Background: At its January 24, 2023 meeting, the City Council was presented the *Analysis of Local Funding Sources for Housing Initiatives* report (Report) that analyzed eight different local discretionary funding sources that could provide revenue to fund the City's housing initiatives. Upon receiving the presentation, the Council provided direction to staff to conduct further stakeholder outreach on the potential implementation of a Transient Occupancy Tax (TOT) and a Real Estate Vacancy Tax. The Council also requested that additional nexus and feasibility analysis be completed to further inform discussion about a potential inclusionary housing percentage and in-lieu fee.

The supplemental nexus and feasibility analysis was presented to the City Council on May 2. After receiving the presentation, holding public comment and engaging in Council discussion, direction was provided for staff to conduct enhanced analysis of inclusionary housing and commercial linkage fee policies.

At its June 6, 2023 meeting the City Council approved a consultant scope of work and budget to include the following:

- Enhanced Residential Nexus and Feasibility Analysis
- Coordination with HCD for Regulatory Compliance
- Enhanced Commercial Linkage Fee Nexus and Feasibility Analysis
- Additional Meeting Attendance

The tiered inclusionary analysis was presented to the City Council on August 8. At which time the City Council was informed that the enhanced commercial linkage fee analysis would be presented at the September 12 meeting.

Issue and Discussion: A commercial linkage fee is an impact fee to offset the induced workforce demand created by new commercial development. The initial analysis presented in January considered the induced workforce housing demand created by a stand-alone retail pad as well as for a tourist mixed-use project that included condotel units and ancillary ground floor retail.

The additional analysis presented here further analyzes the nexus between new retail development and induced workforce housing demand by considering the housing demand created by development of a larger lifestyle shopping center similar to the Bijou Marketplace at the intersection of Lake Tahoe Boulevard and Ski Run Boulevard. Consistent with the initial Report

presented to Council, a feasibility study was also conducted to determine the extent to which such a project would be financially able to absorb the maximum justifiable linkage fee within the current market. The additional analysis also updated the financial feasibility analysis prepared for the tourist mixed-use condotel with retail development presented in the original Report.

Analysis Summary and Recommendation: In additional to the nexus analysis, the additional analysis reviews the feasibility of a commercial linkage fee applied to commercial prototypes under current economic conditions. For several factors, commercial real estate, is in general, showing a diminished ability to absorb a commercial linkage fee that would be reasonably aligned with the cost necessary to mitigate the impacts of the induced workforce generation. Determining prototype feasibility is largely based on an analysis of the market capitalization, or CAP, rate. The additional analysis has been attached to this report to provide further detailed information.

Current analysis indicates that commercial development consisting of either a smaller individual retail pad or a larger retail shopping center would be unlikely to absorb additional commercial linkage fee of any size within the current market condition. However, the analysis does indicate that a larger tourist mixed-use condotel with retail would have a lower maximum justifiable linkage fee (based on a lower induced employment generation) and would likely be able to absorb it.

It is important to note that the retail component associated with a mixed-use condotel is likely subsidized by the condotel component of the development. As such, a linkage fee applied to the retail component would likely impact the overall feasibility of the development and could potentially influence the holistic design of the project. This could potentially lead to less retail incorporated into the project in order to avoid the associated linkage fees. Such a design alteration could have the unintended consequence of discouraging the walkable mixed-use development concept that is otherwise encouraged within Town Centers. While it is impossible to know the feasibility considerations associated with every potential future project, this potential consequence is worth noting in this instance. It is also important to note that condotels are regulated under section 6.55.270 of the City Code and are considered a commercial tourist accommodation use and would not be subject to any future inclusionary housing ordinance that would apply to residential uses.

Another reality to consider is that large tourist mixed-use retail developments occur seldomly. So, while there is a potential to generate revenue, it would be highly inconsistent and would not constitute a reliable funding source.

While the additional analysis focused on commercial linkage fees associated with retail uses, the initial Report (attached here) analyzed the feasibility of a commercial linkage fee associated with stand-alone hotel developments. The analysis considered two prototypes modeled after a smaller boutique hotel based roughly on the Desolation hotel property and a larger hotel based roughly on the Hampton Inn redevelopment. The analysis indicated that neither prototype would be likely to absorb much in the way of a linkage fee. Furthermore, any available capacity to absorb any fees would be further reduced by additional costs associated with the acquisition of commodities or the applicability of additional mitigation fees. Given that the market conditions have grown more challenging since that time, it is now even more unlikely that such development prototypes could absorb a linkage fee.

The additional commercial linkage fee nexus analysis clearly demonstrates an induced workforce impact generated by commercial development. However, the feasibility study suggests that current market conditions make the ability for commercial development to absorb a new linkage fee unlikely. As such, staff does not recommend the imposition of a commercial linkage fee

currently. This recommendation is based on the challenging market conditions currently facing commercial development as well as the low potential that a commercial linkage fee would be a consistent and reliable funding source for the City's housing programs.

Market conditions, however, are dynamic and will no doubt change in the future. Conditions such as lower interest rates or lower construction costs may significantly influence future linkage fee feasibility analysis. Much like any other economic or housing policy, it is may be reasonable to explore additional analysis at a future date.

Financial Implications: The current staff recommendation would not have any financial implications. Should direction be given to implement a commercial linkage fee, additional analysis would be necessary to determine financial implications.

Environmental Considerations: The recommendation in this report is not a project under CEQA, because it does not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment, as contemplated by Title 14, California Code of Regulations, Sections 15378(b)(2) and 15378(b)(4) and is, therefore, not subject to CEQA pursuant to CEQA Guidelines Section 15060(c)(3).

Policy Implications: This analysis and discussion is consistent with City Strategic Plan Action Item 1.3.4: *Establish a local discretionary funding source to leverage access to and increase competitiveness for outside funds, and implement Council direction to conduct outreach to analyze vacancy tax and transient occupancy tax funding sources*

The following adopted policies and programs are applicable to this discussion:

<u>City General Plan Housing Element</u>

Policy 1-1. The City shall adopt programs, ordinances, incentives, land use plans and other regulatory mechanisms that provide opportunities for the private sector to address the housing needs of citizens of all economic levels.

Policy 2-5. The City shall recognize that it will become difficult to attract employees if they cannot afford to purchase or rent housing in South Lake Tahoe. The City shall encourage and support programs and activities that create a robust local economy that provides residents with good paying employment and the means to purchase and/or rent housing in the City.

Memorandum

To: Hilary Roverud, Development Services Director, City of South Lake Tahoe
Zachary Thomas, Housing Manager, City of South Lake Tahoe
Jessica Wackenhut, Associate Housing Planner, City of South Lake Tahoe

From: Aaron Nousaine, MCRP, Principal, BAE Urban Economics

Date: August 30, 2023

Re: Supplemental Analysis for a Commercial Linkage Fee

Following completion of the revised *Analysis of Local Funding Source(s) for Housing Initiatives* report on January 20, 2023, and the *Supplemental Residential Nexus* analysis memorandum on March 2, 2023, the City of South Lake Tahoe commissioned additional analysis regarding options for establishing commercial linkage fee to help support housing programs.

The prior analysis prepared for the City of South Lake Tahoe considered the nexus between new retail development and new workforce housing demand for a stand-alone retail pad, as well as for a tourist mixed-use project that included condotel units and ancillary ground floor retail. That analysis found that small-scale high-end retail development could potentially support a linkage fee of up to $90 per square foot, while less well positioned retail projects were unlikely to support any additional linkage fee burden. BAE estimated that the tourist mixed-use prototype could potentially absorb a condotel linkage fee of up to $44 per square foot, or a retail linkage fee of up to $239 per square foot, but generally not both.

This supplemental analysis considers the nexus between new retail development and workforce housing demand associated with development of a larger lifestyle shopping center similar to the Bijou Marketplace located on Lake Tahoe Boulevard near Ski Run Boulevard. The shopping center is assumed to include approximately 43,000 square feet of built space, including a 25,000 square foot grocery anchor and 18,000 square feet of ancillary retail. BAE then tested the maximum justifiable linkage fee using a pro forma financial feasibility model to identify the extent to which such a project would be financially feasible within the current market and the extent to which the prototype could absorb imposition of the new linkage fee.

This analysis also includes an abbreviated update of the financial feasibility analysis prepared for the tourist mixed-use prototype presented in the original January 2023 report. This includes testing the extent to which that prototype could absorb imposition of a new linkage

fee, recognizing that the City has elected not to impose an inclusionary housing requirement on condominium units in the central tourist core.

Lifestyle Shopping Center

The following section summarizes the results of the nexus and financial feasibility analysis for a hypothetical lifestyle shopping center modelled loosely on the Bijou Marketplace project.

Commercial Nexus Analysis

Table 1 shows the assumed distribution of the newly built retail space by use type, including 25,000 square foot grocery store anchor space, as well as 6,000 square feet of fast casual restaurant space, 4,250 square feet of appliance and electronics store space, etc. The table also reports the assumed employment density associated with each use type and the total estimated direct employment associated with the newly built shopping center.

Table 1: Lifestyle Shopping Center Development Prototype

Tenant Type	Square Feet	Square Feet per Employee	Employees
Grocery	25,000	200	125
Restaurant	6,000	125	48
Personal Services	1,750	500	4
Appliances/Electronics	4,250	500	9
Bank	3,000	500	6
Specialty Retail	3,000	500	6
Total	**43,000**		**198**

Note:
(a) Based on the Bijous Market Place, assuming the center is 100 percent leased.

Sources: City of South Lake Tahoe; BAE, 2023.

Table 2 reports the distribution of direct employment by North American Industry Classification System (NAICS) industry sector and assumed income level. The distribution of jobs by industry sector and income level is based on analysis of data from the 2016-2020 Public Use Microdata Sample (PUMS) published by the U.S. Census Bureau (Census) and reflects household incomes associated with persons employed in each industry sector within eastern El Dorado County. BAE also used the PUMS data to estimate the average number of workers per household by income level, which is used to convert from jobs to workforce households. The table then divides the total number of new workforce households associated with direct employment at the newly developed shopping center by 1,000 to identify an impact coefficient reflecting the number of new workforce households per 1,000 square feet of new retail space.

Table 3 calculates the commercial linkage fee that would reflect an economic value equivalent to providing workforce housing equal to the direct employment associated with the project. This is done by multiplying the impact coefficients identified in Table 2 by the net and total financing gap associated with providing workforce housing at each income level, excluding

high-income households who are presumed to be able to afford market rate housing. Based on this approach, BAE estimates that the commercial linkage fee that would provide revenue adequate to provide housing to meet direct workforce housing needs would equal $434 per square foot if based on the net financing gap or $1,245 per square foot if based on the total cost of providing housing. These figures reflect the high cost of housing in South Lake Tahoe.

Table 2: Direct Jobs and Workforce Households by Industry and Income-Level

			Estimated Jobs by Percent of AMI (a)						
NAICS Code	Industry	Total Jobs (b)	Extremely Low (30% AMI)	Very Low (50% AMI)	Low (80% AMI)	Moderate (120% AMI)	MF Achievable (125% AMI)	SF Achievable (180% AMI)	Higher Income (>180% AMI)
Private Sector									
44-45	Retail Trade Except Supermarkets	15	0.6	0.9	2.4	3.8	0.0	2.4	4.9
44511	Supermarkets and Other Grocery (except Convenience) Stores	125	5.9	8.3	12.8	31.7	-	22.0	44.3
52-53	Finance, Insurance, & Real Estate	6	0.2	0.2	0.3	1.2	0.1	1.2	2.8
722Z	Restaurants and Other Food Services	48	1.5	6.7	6.1	10.8	1.0	4.8	17.0
81	Other Services Except Public Admin	4	0.3	0.2	1.0	0.9	0.1	0.5	0.9
	Total Jobs	**198**	**8.6**	**16.3**	**22.5**	**48.5**	**1.2**	**30.9**	**70.0**
	Workers per Households (c)	1.7	1.1	1.3	1.5	1.7	1.8	1.8	1.9
	Number of Households	**118**	**8.0**	**12.8**	**15.1**	**27.9**	**0.7**	**17.2**	**36.4**
	Per 1,000 Sq. Ft.	*2.7*	*0.2*	*0.3*	*0.4*	*0.6*	*0.0*	*0.4*	*0.8*

Notes:
(a) Based on 2020 Income Limits in order to match PUMS data vintage.
(b) Direct job estimates are based on the assumed mix of tenants in the hypothetical center.
(c) Average number of workers per worker household by income category calculated based on the PUMS data.

Sources: American Community Survey, 2016-2020 Public User Microdata Sample; HCD; HUD; BAE, 2023.

Table 3: Equivalent Commercial Linkage Fee

	New Workforce *Housing Demand Per 1,000 Sq. Ft.* (a)	Estimated Cost Per Workforce Unit (b)		Equiv. Linkage Fee Per Market Rate Unit (c)	
Household Income Level		Net Gap	Total Cost	Net Gap	Total Cost
Extremely Low (30% AMI)	0.19	$551,912	$825,227	$102,303	$152,964
Very Low (50% AMI)	0.30	$489,556	$825,227	$145,474	$245,221
Low (80% AMI)	0.35	$395,346	$825,227	$139,173	$290,503
Moderate (120% AMI)	0.65	$58,805	$450,000	$38,213	$292,424
MF Achievable (125% AMI)	0.02	$41,693	$450,000	$658	$7,101
SF Achievable (180% AMI)	0.40	$20,200	$642,500	$8,061	$256,386
Total	**1.90**			**$433,881**	**$1,244,600**
			Per Sq. Ft. (d)	*$434*	*$1,245*

Source: BAE, 2023.

Financial Feasibility Analysis

The following section summarizes key assumptions and findings from financial feasibility testing to assess the ability of higher-end commercial development to absorb imposition of commercial linkage fee requirement. Prior analysis found that a smaller retail pad positioned towards the top of the market could likely support a linkage fee up to $90 per square foot.

However, market conditions have changed somewhat since that analysis was originally conducted, with interest rates increasing significantly and economic uncertainty putting upward pressure on market capitalization rates, resulting in reduced development feasibility.

Development Cost and Revenue Assumptions

The cost and revenue assumptions used for the following financial feasibility analysis are based on those developed for use in the *Analysis of Local Funding Source(s) for Housing Initiatives* report. Adjustments were made to account for changes to the development prototype, market rents, vacancy rate, and investor return expectations.

Development Prototype

The original retail prototype used for the prior analysis included one 12,000 square foot building on 1.6 acres, with 100 surface parking spaces. The revised retail prototype includes 43,000 square feet of retail space, including a 25,000 square foot grocery store, 6,000 square feet of fast casual dining, and 12,000 square feet of ancillary retail space, on 6.3 acres, with 300 parking spaces.

Market Rate Rents

The prior analysis assumed market rate rents of $4.15 per square foot. Due to the more diverse tenant mix associated with the revised prototype, the current analysis assumes market rate rents of $3.75 per square foot for the grocery store anchor, $4.15 per square foot for ancillary retail uses, and $5.00 per square foot for the upscale fast casual restaurant uses.

Vacancy Rate

The prior analysis assumed a 10 percent vacancy rate, recognizing that at that time the nearest comparable project in South Lake Tahoe was struggling to fill its last vacancies. Evaluation of the current state of the Bijou Marketplace indicates that the project is fully leased. Therefore, this analysis uses an assumed five percent vacancy rate in order to reflect the impact of normal turnover on financial feasibility.

Investor Return Expectations

When the Bijou Marketplace was built in 2019, the project achieved a market capitalization, or CAP, rate of 4.3 percent.[1] Evaluation of current listings for strip commercial properties in South Lake Tahoe indicate that CAP rates can vary widely, from as low as two percent, to as high as seven percent. Conversations with local commercial real estate brokers indicate that the likely CAP rate that investors may reasonably expect when pricing a project similar to the Bijou Marketplace within the current market may equal closer to 5.5 or 6.0 percent.

[1] A market capitalization, or CAP, rate is equal to net operating income (NOI) divided by project cost or value. The lower the CAP rate, the higher the estimated project value, and vis-a-versa. However, a lower CAP rate also reflects higher risk to the developer in times of economic uncertainty.

Hurdle Price of Land

The land cost associated with construction of the Bijou Marketplace in 2019 was approximately $2.8 million per acre. Evaluation of current listings for commercially zoned land indicate prices closer to $2.0 million per acre, though there are only a few listings which are not located in as prime of locations compared to Bijou Marketplace.

Estimated Financial Feasibility

Table 4 reports that a project similar to the Bijous Marketplace would be only borderline feasible within the current market. At a 6.0 percent CAP rate, the estimated residual land value associated with the project would equal approximately $335,000 million per acre, which is well below the estimated current price of commercially zoned land. At a 4.5 percent CAP rate, the residual land value would increase to just over $2.0 million per acre, which is in line with current asking prices for sub-prime commercial land in South Lake Tahoe. However, the market rate rents used in the pro forma financial model assume a premium location. Therefore, while the prototype may be borderline feasible, it is unlikely that the project could absorb an additional commercial linkage fee burden within the current market.

Tourist-Mixed Use Condotel with Retail

The following section summarizes the results of the financial feasibility analysis for a hypothetical tourist mixed-use project modelled loosely on the Zalanta project.

Financial Feasibility Analysis

Prior analysis found that the project may likely be feasible before the addition of fees, yielding a positive residual land value of approximately $8.01 million per acre compared to prevailing land costs of $3.5 to $5.3 million for this property type. With such a high residual land value, BAE estimated that the project could support a linkage fee of up to $239 per square foot, which was equal to the maximum justifiable linkage fee under the prior analysis.

BAE recommends that the City of South Lake Tahoe continue to consider the maximum linkage fee identified in the prior analysis of $239 as the maximum justifiable fee amount for a tourist mixed-use prototype, compared to the much higher linkage fee of $434 per square foot evaluated above, due to differences in employment impacts between the two prototypes. BAE estimates that the update tourist mixed-use proforma provided in Table 5 could likely absorb a commercial linkage fee of $239 per square foot while still allowing for an adequate residual land value, which would generate an estimated $4.4 million in one-time linkage fee revenue.

Note that the retail component is likely subsidized by the condotel component, meaning that a linkage fee on the retail component will impact feasibility of the condotel. Also, the City should consider that imposition of a commercial linkage fee may provide an incentive to limit the amount of ground floor retail that some developers incorporate into new proposed projects.

Table 4: Pro Forma Financial Feasibility Analysis, Lifestyle Shopping Center, South Lake Tahoe

Development Program Assumptions

Lot Size (acres/sf)	6.3	274,428
Total Building Area (sf)		43,000
Building		
Grocery Store (sf)		25,000
Food and Beverage		6,000
Other Retail		12,000
Circulation Factor (1)		0%
Comm'l Gross Area (sf)		43,000
Parking		
	#	Total
Parking Configuration	Stalls	Parking sf
Surface Parking (Residential)	0	0
Surface Parking (Commercial)	300	112,500
Total Required Parking	300	112,500
Average sf per space	375	

Cost and Income Assumptions

Construction	
Site Preparation Costs (per site sf)	$25
Retail Hard Costs	$150
Restaurant Hard Costs	$175
Soft Cost, (% of Hard Costs)	20%
Operations	
Average Rental Rate Grocery (per sf NNI	$3.75
Average Rental Rate F+B (per sf NNN)	$5.00
Average Rental Rate Retail (per sf NNN)	$4.15
Operating Costs (% of Gross)	30.0%
Vacancy Rate	5%
Financing	
Loan to Cost Ratio	65%
Initial Construction Loan Fee (points)	1.5%
Interest Rate	7.00%
Period of Initial Loan (Months)	24
Draw dow n Factor	60%
Total Hard + Soft Costs + Land	$16,856,320
Total Loan Amount	$10,956,608
Cap Rate	6.0%

Development Cost Analysis

Fees and Exactions	
Linkage Fees	$3,870,000
Land Use Commodities Cost	$4,573,570
Construction Costs	
Site Prep Costs	$6,860,700
Retail Hard Costs	$5,550,000
Restaurant Hard Costs	$1,050,000
Planning and Building Permits	$703,480
Soft Costs	$2,692,140
Subtotal Construction Cos	**$16,856,320**
Financing Costs	
Interest on Construction Loan	$920,355
Points on Construction Loan	$164,349
Subtotal Financing Costs	**$1,084,704**
Developer Profit (15%)	**$3,957,689**
Total Project Costs	**$30,342,283**

Residual Land Value Analysis

Commercial	
Gross Scheduled Comm'l Rents	$2,082,600
Less Vacancy	($104,130)
Less Operating Expenses	($624,780)
Plus CAM Reimbursables	$593,541
Net Operating Income (NOI)	**$1,947,231**
Total Project Value	**$32,453,850**
Residual Land Value	**$2,111,567**
Residual Land Value/Acre	**$335,169**

Source: BAE, 2023.

Table 5: Pro Forma Financial Feasibility Analysis, High End Condominium/Tourist Mixed Use

Development Program Assumptions

Lot Size (acres/sf)		1.5	65,340
Total Building Area (sf)			136,750
	# of	Avg.	Total
Hotel	Keys	sf	sf.
Hotel Room Characteristics	72	350	25,200
		%	sf
Circulation		25%	6,300
Walls and Shafts		15%	3,780
Hotel Gross Area			35,280
Hotel Operations			
Days Open per Year			365
Available Room Nights			26,280
Average Annual Occupancy			70.0%
Occupied Room Nights			18,396
Condo	# of	Avg.	
Condo Unit Types	Units	sf	Res. sf
1-Bed	23	800	18,400
2-Bed	33	1,000	33,000
3-Bed	10	1,250	12,500
Total	66		63,900
		%	sf
Circulation		20%	12,780
Walls and Shafts		10%	6,390
Condo Gross Area			83,070
Condo Operations			
Average Annual Occupancy			65.0%
Days Available per Year (Owner)			90
Available Room Nights Per Year (Owners)			5,940
Occupied Room Nights Per Year (Owner)			3,861
Days Available Per Year (Guest) (b)			275
% of Condo Units in Hotel Pool			80%
Available Room Nights Per Year (Guests)			14,520
Occupied Room Night Per Year (Guests)			9,438
Hotel Amenities			
Conference/Event Space (sf)			0
Restaurant (sf)			0
Commercial Space			
Gross Retail			18,400
Parking	#	Avg	Total
Parking Configuration	Stalls	sf	Parking sf
Surface Parking	0	375	0
Podium Parking	120	375	45,000
Total	120		45,000

Cost and Income Assumptions

Construction	
Site Preparation Costs (per site sf) (d)	$20
Hotel Hard Costs (per key)	$330
Condo Hard Costs (per sf)	$375
Restaurant Hard Costs (per sf)	$175
Conference Space Hard Costs (per sf)	$150
Parking Podium Hard Costs (per space)	$50,000
Soft Cost, (% of Hard Costs)	20%
Revenues	
Hotel Revenues	
Average Daily Room Rate (per night)	$240
Room Revenues (% Total Hotel Rev.)	64.0%
Food and Beverage Revenues (% of Total Hotel Rev.)	29.5%
Other Operating Department Revenue (% of Total Hotel Rev.)	3.6%
Miscellaneous Income (% of Total Hotel Rev.)	2.9%
Condo Revenues (e)	
Sale Price (per sf)	$625
Average Daily Room Rate (per night)	$350
Room Revenues (% of Total Condo Rev.)	60.5%
Food Revenues (% of Total Condo Rev.)	30.8%
Other Operating Department Revenue (% of Total Condo Rev.)	4.8%
Miscellaneous Income (% of Total Condo Rev.)	3.8%
Expenses	
Hotel Expenses	
Room Expenses (% of Room Revenues)	25.8%
Food Costs (% of Food Revenues)	68.9%
Other Operating Department Expenses (% or OODR)	64.8%
Undistributed Operating Expenses (% of Total Rev.)(g)	24.4%
Management Fee (% of Total Rev.)	2.9%
Replacement Reserves (FF&E) (% of Total Hotel Rev.)	1.9%
Insurance (% Total Hotel Rev.)	1.0%
Real Estate Taxes (% of Project Costs Net Sales Rev.)	1.1%
Retail Expenses	35.0%
Condo Expenses	
Sales Marketing (% of Room Revenues)	3.0%
Room Expenses (% of Room Revenues)	15.0%
Food Costs (% of Food Revenues)	68.9%
Owner's Revenue Share (% of Total Revenues)	50.0%
Financing	
Loan to Cost Ratio	65%
Initial Construction Loan Fee (points)	2.00%
Interest Rate	7.00%
Period of Initial Loan (Months)	24
Drawdown Factor	60%
Total Hard + Soft Costs + Land	$65,006,782
Total Loan Amount	$42,254,408

Development Cost Analysis

Fees and Exactions	Total
Residential Linkage Fee	$0
Land Use Commodities Cost	$4,033,350
Total Fees and Exactions	$4,033,350
Construction Costs	
Site Prep Costs	$1,306,800
Hotel Hard Costs	$11,642,400
Condo Hard Costs	$31,151,250
Restaurant Hard Costs	$0
Conference Space Hard Costs	$0
Retail Hard Costs	$2,400,000
Parking Podium Hard Costs	$6,000,000
Permit and Impact Fees	$2,006,242
Soft Costs	$10,500,090
Subtotal Construction Costs	**$65,006,782**
Construction Financing Costs	
Interest on Construction Loan	$3,549,370
Points on Construction Loan	$845,088
Subtotal Const. Financing Costs	**$4,394,458**
Developer Profit (15% Costs)	**$11,015,188**
Total Project Costs	**$84,449,778**
Less Condo Sales	($39,937,500)
Plus Marketing Costs	$1,198,125
Project Costs Net of Sales Revenue	**$45,710,403**

Feasibility Analysis

Revenues	
Hotel Revenues	
Room Revenues	$4,415,040
Food and Beverage Revenues	$2,034,403
Other Operating Department Revenues	$250,334
Miscellaneous Income	$263,199
Subtotal Hotel Revenues	**$6,897,285**
Condo Revenues	
Room Revenues	$3,303,300
Food Revenues	$1,681,256
Other Operating Department Revenues	$263,920
Miscellaneous Income	$208,227
Subtotal Condo Revenues	$5,456,703
Retail Revenues	$66,400
Total Revenues	**$12,420,389**
Expenses	
Hotel Expenses	
Room Expenses	($1,138,968)
Food Expenses	($1,400,821)
Other Operated Department Expenses	($162,264)
Undistributed Operating Expenses	($1,682,806)
Management Fee	($200,835)
Replacement Reserves	($132,478)
Insurance	($69,079)
Real Estate Taxes	($502,814)
Condo Expenses	
Room Expenses	($495,495)
Food Expenses	($1,157,656)
Owners' Revenues	($1,403,903)
Retail Expenses	($23,240)
Total Expenses	**($8,370,359)**
Net Operating Income (NOI)	**$4,050,030**
Project Value	**$57,857,565**
Residual Land Value	$12,147,161
Land Value/Acre	$8,098,107

Analysis of Local Funding Source(s) for Housing Initiatives

Prepared for the City of South Lake Tahoe

January 13, 2023

January 13, 2023

Hilary Roverud, Development Services Director
Zachary Thomas, Housing Manager
Jessica Wackenhut, Associate Housing Planner
City of South Lake Tahoe
1052 Tata Lane
South Lake Tahoe, CA 96150

Dear Director Roverud:

We are pleased to provide the attached *Analysis of Local Funding Source(s) for Housing Initiatives*, prepared on behalf of the City of South Lake Tahoe. It has been a pleasure working with you and your staff on this important initiative.

We look forward continue working with the City of South Lake Tahoe to further understand the extent to which the funding sources analyzed here may assist the community in meeting its urgent community and housing needs.

If you have any questions or concerns, please do not hesitate to contact me by email at aaronnousaine@bae1.com or by phone at (530) 574-9285.

Sincerely,

Aaron Nousaine

Aaron Nousaine
Principal

BAE Urban Economics
13170 Stockholm Way
Truckee, CA 96161

Table of Contents

EXECUTIVE SUMMARY i

INTRODUCTION 1

Projected Revenue Requirements 1

SPECIAL TAX REVENUE SOURCES 3

Transient Occupancy Tax (TOT) 3

Real Estate Transfer Tax 6

Sales and Use Tax 12

Real Estate Vacancy Tax 14

Alternative Business Taxes 22

DEVELOPMENT DEPENDENT REVENUE SOURCES 28

Inclusionary Housing In-Lieu Fee 28

Commercial Linkage Fee 34

APPENDIX A: RESIDENTIAL NEXUS ANALYSIS 39

APPENDIX B: PROFORMA FINANCIAL FEASIBILITY TESTING 45

List of Tables

Table 1: Projected Annual Programmatic Funding Needs 2
Table 2: Residential Sales Activity, 2017 to 2022 YTD 8
Table 3: Non-Residential Sales Activity, 2017 to 2022 YTD..... 9
Table 4: Estimated Revenue Generation from Increased Real Estate Transfer Tax, Flat Rate Per $1,000 of Value 10
Table 5: Estimated Revenue Generation from Increased Real Estate Transfer Tax, Percent of Sale Value 11
Table 6: Housing Units by Vacancy Status and Tenure, 2020..... 18
Table 7: Commercial Vacancies, City of South Lake Tahoe, December 2022 19
Table 8: Estimated Revenue Generation, Commercial Vacancy Tax..... 21
Table 9: Establishments, Jobs, and Annual Wages by Industry Sector, South Lake Tahoe, 2021..... 24
Table 10: Estimated Revenue from Payroll Expense Tax, 0.1-1.0 Percent Rates..... 25
Table 11: Estimated Revenue from Employee Headcount Tax, $25-$75 Rates..... 26
Table 12: Financing Gap Analysis, Tax Credit Affordable Multifamily 32
Table 13: Financing Gap Analysis, Non-Tax Credit Workforce Multifamily..... 32
Table 14: Induced Demand for Workforce housing and Equivalent Linkage Fee 35

List of Figures

Figure 1: Transient Occupancy Tax (TOT) Collections, FY 15-15 to FY 20-21..... 4
Figure 2: Total Taxable Sales, City of South Lake Tahoe 2015-2021..... 13
Figure 3: Housing Vacancy by Type, 2020 5-Year ACS 17

EXECUTIVE SUMMARY

The City of South Lake Tahoe is considering possibilities for establishing locally controlled, dedicated, and permanent funding sources that can be used to advance new programs and projects with the intent of making a meaningful impact on the state of the housing crisis. The local housing funding study report provides an overview of seven different potential local funding sources, including revenue generation potential, procedures for establishing each funding source, and a high-level assessment of potential impacts to stakeholders.

The funding sources considered for this research include five special taxes, including increases to existing rates for transient occupancy tax (TOT), real estate transfer tax, and sales and use tax. The analysis also considers the creation of new vacant real estate taxes, including for both residential and non-residential uses, as well as alternative business tax and license fee structures, including a business payroll expense tax and an employee headcount tax. In addition, the analysis also evaluates the potential for an inclusionary housing in-lieu fee and commercial linkage fee that may be imposed on new development projects, including consideration of the impact of such fees on the financial feasibility of new development.

The 2022-2027 Housing Element of the General Plan functions as the community's main strategic planning document for housing and outlines a variety of policies and programs that the City is committed to implementing. The cost associated with implementing the programs and actions may be covered in a variety of ways, including the use of General Fund revenues, special tax revenues, and one-time grand funding, among other approaches. According to City staff, there are seven categories of housing programs and actions that would benefit from creation of dedicated local funding sources with a total annual funding need of $3.35 million.

Exhibit A on the following pages provides a summary of key information pertaining to each of the potential funding sources evaluated as part of this research.

Exhibit 1: Summary of Potential Funding Sources (Page 1 of 2)

Funding Source Type	Voter Approval?	Existing Taxes in Nearby Jurisdictions	Evaluated Change	Revenue Generation	Stakeholder Impacts
Transient Occupancy Tax (TOT)	General - Simple Majority; Special - 2/3rds Majority	Placer County - 10% South Lake Tahoe 12%-14% El Dorado County - 14% Douglas County - 14%	2% Rate Increase	$2.8-$3.3 million per year	Overnight Visitors; Accommodations Providers
Real Estate Transfer Tax	Charter Cities Only; General - Simple Majority; Special - Not Authorized Under Prop. 13	$1.10 per $1,000 of assessed value, split between South Lake Tahoe and El Dorado County	Variable Rates Up To $15 per $1,000 of Assessed Value	Residential Uses - $164,340 (at existing $0.55 rate) to $4.5 million (at $15 per $1,000) Non-Residential Uses - $5,572 (at existing $0.55 rate) to $151,959 (at $15 per $1,000)	Buyers and sellers of real property; lower-income buyers (if not assumed by seller, as this is negotiable)
Sales and Use Tax	General - Simple Majority; Special - 2/3rds Majority	South Lake Tahoe - 8.75% Town of Truckee - 8.75% El Dorado County - 7.25% Placer County - 7.25% Carson City - 7.6% Douglas County - 7.1% Washoe County - 8.27%	0.5% Rate Increase	$2.5 Million Per Year	Lower-income resident households purchasing goods in South Lake Tahoe
Real Estate Vacancy Tax	Special - 2/3rds Majority; General Tax Authority Unsetttled Under Prop 218	Residential Vancouver - 3% of Ass. Value Oakland - $3,000 Flat Berkeley - $3,000 Flat on SFR $6,000 Flat on MFR San Francisco - $2,500 to $5,000 Flat; Escallates	Residential $3,000 Per Unit Held Vacant for Seasonal or Occasional Use	Residential $11.4 Million Per Year	Residential Second Home Owners; Short-Term Rental Owners/ Managers; Other Owners of Seasonal Use Property
		Commercial Oakland - $6,000 Flat San Francisco - $250 Per Linear Foot of Frontage; Escalates	Commercial $1,000 to $10,000 per 1,000 Square Feet of Gross Leasable Area	Commercial $335,000 to $3.4 Million Per Year	Commercial Owners and Lessee's of Commercial Property

- Continued on Next Page -

Source: BAE, 2022

Exhibit 1: Summary of Potential Funding Sources (Page 2 of 2)

Funding Source Type	Voter Approval?	Existing Taxes in Nearby Jurisdictions	Evaluated Change	Revenue Generation	Stakeholder Impacts
Alternative Business Taxes	General - Simple Majority; Special - 2/3rds Majority	San Francisco - 0.38 Percent on Pay Santa Clara - $45 per employee and $15 per rental unit	Payroll Expense Tax 0.1 to 1.0 percent Employee Headcount Tax $25 to $75 Per Employee	Payroll Expense Tax $474,808 to $4.8 million Per year Employee Headcount Tax $238,125 to $714,375 Per Year	Business Owners and Operators; Employees
Inclusionary Housing In-Lieu Fee	Council Legislative Action; Voter Approval Not Required	Placer County - $2.45 Per Habitable Square Foot of Market Rate Town of Truckee - $134,413 Per Affordable Unit Required	Up to $59,000 Per Market Rate Unit Proposed; Does Not Limit Feasibility	Up to Between $1.2 and $1.5 Million Per Year (Applied to All New SFR Units); or $177,000 per Year (Applied to 5k SF Units)	Residential Real Estate Developers, Buyers, and Occupants
Commercial Linkage Fee	Council Legislative Action; Voter Approval Not Required	Placer County - $2.45 Per Habitable Square Foot of Market Rate Town of Truckee - $134,413 Per Affordable Unit Required	Retail/Restaurant Up to $239 Per Square Foot; Only Marginally Feasible at up to $9.38 Hotel/Motel Up to $99 Per Square Foot; Only Feasible at $5.00 per square foot with full retail linkage fee	Retail/Restaurant $1.8 Million at $90 per Leasable Square Foot for High-End Retail Projects; Up to $5.2 million for High-End Tourist Mixed-Use When Combined with Hotel Fee Hotel/Motel Up to $5.2 Million at $44 for Tourist Mixed-Use	Non-Residential Real Estate Developers, Buyers, and Occupants

Source: BAE, 2022

INTRODUCTION

The availability and affordability of housing for full-time residents and workers within the greater Lake Tahoe region has been an issue of increasing urgency for many years. The recent impacts of the Coronavirus pandemic have stretched many to a breaking point, with businesses struggling to remain in business/provide adequate services under the combined weight of housing induced worker shortages, supply chain disruptions, and increasing inflation. Recognizing these drivers, along with concern for the wellbeing of the community, the City of South Lake Tahoe is considering possibilities for establishing locally controlled, dedicated, and permanent funding sources that can be used to advance new programs and projects with the intent of making a meaningful impact on the state of the housing crisis.

The following report provides an overview of seven different potential local funding sources, including five special taxes, including increases to existing rates for transient occupancy tax (TOT), real estate transfer tax, and sales and use tax. The analysis also considers the creation of new vacant real estate taxes, including for both residential and non-residential uses, as well as alternative business tax and license fee structures, including a business payroll expense tax and an employee headcount tax. In addition to these seven special tax categories, the analysis also evaluates the potential for establishing an inclusionary housing in-lieu fee and commercial linkage fee that may be imposed on new development projects, including consideration of the impact of such fees on the financial feasibility of new development.

Please note that the revenue generation estimates provided in this report are point-in-time estimates, representing estimated revenue generation in a single given year versus over time. They are based on specific assumptions regarding tax rates and economic conditions. As a result, the figures presented in this report should be interpreted with caution. In addition to providing estimates of potential revenue generation, this memo also outlines key considerations for establishing or increasing each funding source, such as voter approval requirements. The evaluation also identifies stakeholder groups likely to be impacted by implementation of each funding source, such as property owners or businesses.

Projected Revenue Requirements

The City of South Lake Tahoe published the draft 2022-2027 Housing Element in December 2021, which was found in compliance with applicable state law by the California Department of Housing and Community Development (HCD) in August of 2022. The Housing Element of the General Plan functions as the community's main strategic planning document for housing and outlines a variety of policies and programs that the City is committed to implementing through 2027. The cost associated with implementing the programs and actions outlined in the Housing Element may be covered in a variety of ways, including the use of General Fund revenues, special tax revenues, and one-time grand funding, among other approaches.

According to City staff, there are seven categories of housing programs and actions that would benefit from identification of dedicated local funding sources, summarized in Table 1, below.

Table 1: Projected Annual Programmatic Funding Needs

Priority Housing Programs	Annual Funding Requirements
New Construction Program	$1,000,000
Locals Rental Incentive Program (Lease-to-Locals)	$300,000
Rental/Deposit Assistance Program	$200,000
Multifamily Acquisition and Rehab Program	$1,000,000
Rehabilitation Loan Program	$200,000
Housing Issues Hotline and Fair Housing Programs	$150,000
Special Needs Housing Programs	$500,000
Total, Priority Housing Programs	**$3,350,000**

Sources: City of South Lake Tahoe; BAE, 2022.

SPECIAL TAX REVENUE SOURCES

Under existing state law, local jurisdictions and special districts may levy a variety of special taxes, either for general or special purposes. The following section reviews the basic structure and procedures for establishing and changing local special tax rates and provides examples of how much revenue may be generated as a result of implementation in South Lake Tahoe.

Voter Approval of Tax Measures (Prop 13 and Prop 218)

Proposition (Prop) 218 was passed by voters in 1996, resulting in an amendment to the California Constitution that requires that new local property-related tax measures be approved by public vote.[1] A general tax, which generates revenues which are available for all general governmental purposes at the discretion of the governing body, must be approved by a simple majority vote of the electorate. Under Proposition 13, a special tax, which generates revenues that are reserved for a specified purpose, must be approved by a two-thirds vote. State law also requires that votes regarding new or increased general taxes must be "…consolidated with a regularly scheduled general election for members of the governing body of the local government, except in cases of emergency declared by a unanimous vote of the governing body."[2] These requirements apply to all of the local taxes discussed below. Additional requirements may also apply and are identified, as appropriate, in the relevant subsections.

Transient Occupancy Tax (TOT)

California Revenue and Taxation Code, section 7280, authorizes cities and counties to levy a tax on the "privilege" of occupying a room, or rooms, in a hotel, inn, tourist home or house, motel, or other lodging establishment for less than 30 days, excluding the right of an owner of a time-share or membership camping contract to occupy their respective unit or space.[3]

Establishing or Changing a TOT

Transient Occupancy Taxes (TOTs) are typically structured as a percentage of the gross nightly room rent collected by the lodging provider. The California Revenue and Taxation Code authorizes all general law cities to institute a TOT.[4] The authority of a charter city to adopt a TOT is not preempted. While the Revenue and Taxation Code broadly defines the basic levy and exemption framework for a TOT, the specifics of the levy, any additional exemptions, and local administrative procedures are left to local government to define as part of the ordinance

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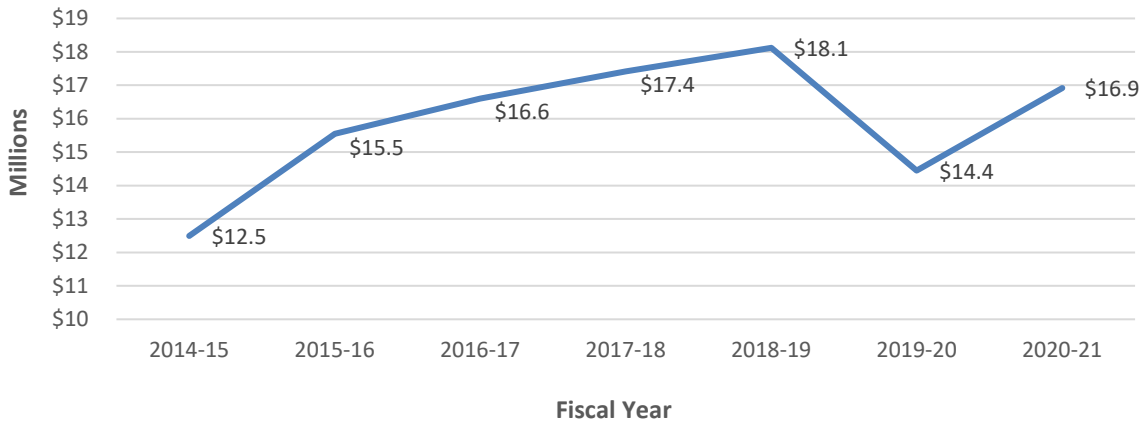
[1] California Legislative Analyst's Office. (December 1996). Understanding Proposition 218. Available at: https://lao.ca.gov/1996/120196_prop_218/understanding_prop218_1296.html
[2] California Constitution, Article XIIIC, Section 2. Available at: https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=CONS&division=&title=&part=&chapter=&article=XIII%20C.
[3] State of California. (August 2022). California Revenue and Taxation Code, Chapter 1, Section 7280. Available at: http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=RTC&sectionNum=7280.
[4] *Ibid.*

adoption process. The establishment, or increase, of a TOT is required to receive necessary voter approval.

Existing TOT in South Lake Tahoe

Data produced by the California State Controller and published by CaliforniaCityFinance.com indicate that TOT revenue accounts for around nine percent of total General Fund revenue among cities that impose a TOT levy within their jurisdiction.[5] Within the City of South Lake Tahoe, TOT revenues represent the single largest revenue source for the City, accounting for more than 35 percent of the total General Fund budget, followed by property tax and sales and use tax at 19 and 13 percent, respectively.[6]

Figure 1: Transient Occupancy Tax (TOT) Collections, FY 15-15 to FY 20-21 (a)



Note:
(a) Excludes audited collections and supplemental two percent Measure P collections.

Sources: City of South Lake Tahoe, Transient Occupancy Tax Report, Revenue Collected in January 2022 for the Month of December 2021; BAE, 2022.

As of the 2021-2022 fiscal year, the City budget assumed $16.97 million in total TOT revenue.[7] The City budget narrative also acknowledges that TOT revenue in a visitor-oriented economy like that of South Lake Tahoe can be quite volatile. For example, the City received $18.1 million in TOT revenue in the 2018-2019 fiscal year, which dropped to $14.4 million during the 2019-2020 fiscal year due to onset of the COVID-19 pandemic, as well as the ongoing impacts of Measure T,[8] which phased out vacation home rental (VHR) permits in residential areas and multifamily properties over three-years ending in December 2021. As of

[5] California State Controller. (2022). Transient Occupancy Tax Revenues as a Percentage of General Revenues – California Cities. Sacramento, CA: CaliforniaCityFinance.com Available at: http://californiacityfinance.com/TOT19p.xlsx
[6] Finance Department. (August 17, 2021). 2022 Annual Budget: Fiscal Year 2021-2022. South Lake Tahoe, CA: City of South Lake Tahoe. Available at: https://cityofslt.us/595/City-Budget
[7] *Ibid.*
[8] For more information on Measure T, please visit the City's website at: cityofslt.us/1157/Measure-T

fiscal year 2022, TOT revenue has not yet recovered to pre-pandemic levels.[9] Absent the impacts of the pandemic and restrictions on VHRs, however, TOT revenues accruing to the City of South Lake Tahoe have increased steadily since at least the 2014-2015 fiscal year, as illustrated in Figure 1.

The City of South Lake Tahoe has two different TOT rates. There is a base rate of 10 percent that applies throughout the city, with a rate of 12 percent applying to specific properties in the tourist core associated with past redevelopment activity.[10] Measure P, passed in November 2016, added an additional two percent, with revenue set aside for a new recreation complex.[11] This brings the combined TOT rate to 12 citywide and 14 percent in redevelopment areas.

Comparison with Nearby Jurisdictions

According to the California State Controller, TOT rates among jurisdictions in California in 2020 ranged from a minimum of only four percent to a maximum of 15.5 percent and an average of 10.2 percent.[12] The City of South Lake Tahoe falls towards the upper end of this range with 12 percent (citywide) to 14 percent (redevelopment only). TOT rates in surrounding Lake Tahoe Basin jurisdictions, including those in both California and Nevada, range from a low of 10 percent in Placer County to 14 percent in parts of South Lake Tahoe and in Douglas County. As of November 2022, voters in El Dorado County approved an increase in the TOT rate from 10 percent to 14 percent. Therefore a two percent increase of the general TOT rate in the City of South Lake Tahoe would bring the jurisdiction in line with the maximum for adjoining jurisdictions.

Estimated Revenue Potential

Evaluation of historical TOT collections data indicate that the City's base 10 percent TOT rate (excluding the Measure P enhancement) generated an average of $16.7 million in revenue per year over the last five fiscal years (i.e., 2016-2017 to 2020-2021).[13] [14] This translates to a

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[9] Finance Department. (2022). Transient Occupancy Tax Report: Revenue Collected in June 2022 for the Month of May 2022. South Lake Tahoe, CA: City of South Lake Tahoe. Available at: https://www.cityofslt.us/452/Transient-Occupancy-Tax#:~:text=The%20Transient%20Occupancy%20Tax%20(TOT,12%25%20at%20specific%20redevelopment%20properties.

[10] City of South Lake Tahoe. (2022). Transient Occupancy Tax and SLT Tourism Improvement District. Available at: https://www.cityofslt.us/452/Transient-Occupancy-Tax#:~:text=The%20Transient%20Occupancy%20Tax%20(TOT,12%25%20at%20specific%20redevelopment%20properties.

[11] City of South Lake Tahoe. (2022). Measure P Report. Available at: https://cityofslt.us/972/Measure-P-Report

[12] California City Finance. (November 2020). Transient Occupancy Tax by City. Available at: http://californiacityfinance.com/TOT19p.xlsx

[13] City of South Lake Tahoe. (April 2022). *Transient Occupancy Tax Report*. Available at: https://cityofslt.us/DocumentCenter/View/17109/TOT-Web-Pub-Apr-2022-PDF?bidId=.

[14] This includes the most recent market peak in the 2018-2019 fiscal year, when the City collected $18.2 million in base 10 percent TOT revenue, as well as the most recent trough in the market during the 2019-2020 fiscal year, when the City collected $14.4 million in base 10 percent TOT revenue.

five-year average of roughly $167 million in gross revenue to lodging providers. Assuming that the City were to adopt an additional two percent TOT add-on to the general TOT rate, in addition to Measure P, the City could expect to collect approximately $2.8 to $3.3 million in annual TOT revenues that could be dedicated to affordable and workforce housing programs. If the increase were limited to areas outside of the tourist core only (i.e., increasing the Tot rate to 14 percent citywide), the City could expect to receive approximately $1.8 to $2.2 million in additional TOT revenue per year.

Assessment of Stakeholder Impact

The burden associated with an increase in the effective TOT rate lays primarily with persons visiting from outside the area who are in need of short-term overnight accommodations. Local residents and employees will not be directly impacted, unless they need temporary short-term overnight accommodations in a local hotel, motel, or VHR. Local lodging businesses may be impacted to the extent that an increase in the local TOT rate increases the combined cost of lodging in South Lake Tahoe. To the extent that consumers set the price for lodging based on their willingness to pay (i.e., the intersection of pricing and vacancy), lodging providers may, in some cases, need to reduce their nightly rates to compensate; however, in instances where vacancy is low, the cost imposed by the increased TOT rate would be borne by the consumer. Also, to the extent that the cost of overnight accommodations impacts visitors' willingness to select South Lake Tahoe as a tourism destination, the increased TOT rate may also impact other businesses and employees that are reliant upon overnight visitor spending.

Real Estate Transfer Tax

The California Documentary Transfer Tax Act of 1967 authorized jurisdictions to impose an excise tax on the privilege of transferring ownership or leasehold rights to real property,[15] which is also commonly known as a real estate or property transfer tax or a documentary transfer tax. The maximum real estate transfer tax that may be levied under General Law is $1.10 per $1,000 of assessed value.[16] This is typically levied at the county level, though general law cities are entitled to share evenly in the proceeds resulting from transfers of real property located within their jurisdiction. Charter cities in California have the ability to impose additional real estate transfer or conveyance taxes without special authorizing legislation.

Changing the Real Estate Transfer Tax

To impose a supplemental real estate transfer tax, an incorporated jurisdiction must be, or become, a charter city. To become a charter city, the governing board of a jurisdiction, or an elected charter commission, must draft and adopt a charter, which must then be ratified by a

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[15] State of California. (August 2022). California Revenue and Taxation Code, Chapter 2, Section11911-11930. Available at: https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=RTC&division=2.&title=&part=6.7.&chapter=2.&article=.

[16] The California Revenue and Taxation Code identifies the maximum real estate transfer tax as being equal to $0.55 per $500 of assessed value, which is equal to $1.10 per $1,000 of assessed value. The higher denominator is commonly used, presumably, to simplify calculation of tax liabilities.

majority vote of the electorate.[17] A charter may be wide ranging in its scope, availing upon all of the rights afforded to cities to manage 'municipal affairs,'[18] or may be more limited.[19] While charter cities may enjoy broader taxation powers compared to general law cities, they are still subject to Proposition 218, Article XIIIC of the California Constitution, and any limitations imposed by their charter. This means that a new or increased tax must receive voter approval.

Charter City Real Estate Transfer Taxes

According to data published by CaliforniaCityFinance.com, 22 of the 125 charter cities in California imposed supplemental real estate transfer taxes as of March 2022.[20] The method for calculating the tax varies by jurisdiction. A flat tax per $1,000 of assessed value is most common, with tax rates ranging from $1.10 to $15.00 per $1,000 of value. Some jurisdictions alternatively structure the transfer tax on an ad valorem basis (i.e., as a percent of assessed or market value), with tax rates ranging from 0.45 to 4.45 percent. Some jurisdictions also apply different tax rates based on the assessed value of the property. For example, Oakland charges a one percent property transfer tax on properties valued at less than $300,000, which increases progressively up to 2.5 percent for properties valued at more than five million dollars.

Existing Transfer Tax in South Lake Tahoe

Based on data presented in Table 2, there were a total of 394 residential sales in South Lake Tahoe between January and December 15th of 2022, with an average sale price of just under $792,000. This overall sales volume is consistent with average annual sales documented in 2017, 2018, and 2019, but is notably below the annual sales volumes during the pandemic period, which included 625 sales in 2020 and 513 sales in 2021 (i.e., well above the historical average). The average sales price in 2022, however, remained well above the market average for the pre-pandemic period, and is more in line with the 2021 average.

Home sales in South Lake Tahoe in 2022 grossed approximately $312 million in sales revenue. At a rate of $0.55 per $1,000 of value, the existing real estate transfer tax

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[17] State of California. (2022). California Constitution, Article XI, Section 1-15. Available at: https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=CONS&sectionNum=SEC.%203.&article=XI

[18] The home rule provision of the California Constitution authorizes a charter city to exercise plenary authority over municipal affairs over which a city has sovereignty, free from any constraint imposed by general law and subject only to constitutional limitations. Whether a given activity is a municipal affair or a statewide concern is not clearly defined in the law and is therefore a legal determination that is settled by the courts on a case-by-case basis.

[19] For example, the City of San Bruno is pursing placement of a new city charter on the November 2022 ballot. The charter is specifically intended to allow the City the right to impose a real estate transfer tax on residential properties with five units or more, and on all non-residential property (e.g., commercial, industrial, etc.), at a rate of one percent of assessed value. The current draft charter was narrowly written using the following language:

> *"…Limitation on Powers. (a) The City shall exercise only the rights, powers and authority granted to a city under the general laws of the State of California, unless otherwise provided in this Charter…"*

[20] CaliforniaCityFinance.com. (July 2020). Property Transfer Tax / Documentary Transfer Tax Rates. Available at: http://californiacityfinance.com/PropTransfTaxRates.pdf

applicable in the City of South Lake Tahoe likely generated approximately $171,600 in gross tax revenue to the City.

Table 2: Residential Sales Activity, 2017 to 2022 YTD

All Residential Units	2017	2018	2019	2020	2021	2022 YTD (a)	All Sales
Number of Sales	348	341	389	625	513	394	2,610
Median Sale Price	$385,000	$420,000	$435,000	$500,000	$602,000	$642,500	$500,000
Ave. Sale price	$462,097	$514,954	$557,259	$624,223	$765,300	$791,868	$631,386
Ave. Size (sq. ft.)	1,494	1,495	1,552	1,626	1,561	1,548	1,556
Ave. Sale Price per sq.ft.	$311	$345	$365	$384	$493	$521	$408
Maximum Sale Price	$2,337,500	$2,450,000	$5,300,000	$5,200,000	$5,550,000	$5,300,000	$5,550,000
Minimum Sale Price	$71,000	$100,500	$46,000	$3,500	$50,000	$75,000	$3,500
Single Family Homes	**2017**	**2018**	**2019**	**2020**	**2021**	**2022 YTD (a)**	**All Sales**
Number of Sales	333	322	368	585	483	367	2,458
Median Sale Price	$389,000	$425,000	$440,000	$505,000	$613,000	$650,000	$505,000
Ave. Sale price	$462,217	$525,288	$563,064	$632,835	$783,050	$809,834	$641,131
Ave. Size (sq. ft.)	1,505	1,512	1,577	1,659	1,585	1,579	1,580
Ave. Sale Price per sq.ft.	$310	$349	$362	$381	$496	$522	$408
Maximum Sale Price	$2,200,000	$2,450,000	$5,300,000	$5,200,000	$5,550,000	$5,300,000	$5,550,000
Minimum Sale Price	$71,000	$100,500	$46,000	$3,500	$75,000	$75,000	$3,500
Condominiums	**2017**	**2018**	**2019**	**2020**	**2021**	**2022 YTD (a)**	**All Sales**
Number of Sales	15	19	21	40	30	27	152
Median Sale Price	$295,000	$265,000	$346,500	$354,250	$417,500	$480,000	$363,750
Ave. Sale price	$459,433	$339,816	$455,524	$498,275	$479,533	$547,667	$473,803
Ave. Size (sq. ft.)	1,236	1,203	1,106	1,144	1,171	1,118	1,156
Ave. Sale Price per sq.ft.	$328	$289	$421	$417	$445	$505	$414
Maximum Sale Price	$2,337,500	$799,000	$1,250,000	$2,700,000	$1,180,000	$1,349,000	$2,700,000
Minimum Sale Price	$180,000	$168,000	$97,500	$165,000	$50,000	$232,500	$50,000

Note:
(a) As of December 15, 2022.

Sources: ListSource; BAE, 2022.

Non-residential sales volumes in the South Lake Tahoe have been historically slow, with relatively low valuations, though there was a considerable uptick in sales volumes and pricing following onset of the pandemic and the VHR moratorium. As shown in Table 3, the period from 2017 to 2019 averaged 13 sales per year, which increased to 33 in 2020 and 43 in 2021. There were a total of 25 transactions between January 2st and December 15th of 2022. The average value per transaction also increased significantly over the past few years from only $226,233 in 2019 to $1.05 million as of December 2022. BAE estimates that as of 2019, non-residential sales generated approximately $1,866 in transfer taxes to the City. As of 2021, that value increased to an estimated $9,758. BAE estimates that non-residential sales in 2022 may gross the City upwards of $14,400 in calendar year 2022.

Table 3: Non-Residential Sales Activity, 2017 to 2022 YTD

All Non-Residential	2017	2018	2019	2020	2021	2022 YTD (a)	All Sales
Number of Sales	6	18	15	33	43	25	140
Median Sale Price	$6,250	$115,000	$85,000	$160,000	$209,000	$1,025,000	$204,500
Ave. Sale price	$305,000	$268,289	$226,233	$470,335	$412,581	$1,050,140	$496,916
Ave. Land Size (sq. ft.)	35,864	16,988	34,064	10,336	11,143	12,424	15,448
Ave. Sale Price per sq. ft.	$12	$19	$27	$113	$77	$355	$119
Ave. Land Size (acres)	0.82	0.39	0.78	0.24	0.26	0.29	0.35
Ave. Sale Price per acre	$501,156	$830,597	$1,159,517	$4,925,097	$3,334,407	$15,463,529	$5,198,903
Maximum Sale Price	$1,750,000	$1,200,000	$890,000	$3,550,000	$2,275,000	$2,200,000	$3,550,000
Minimum Sale Price	$3,500	$500	$3,000	$3,500	$13,000	$130,000	$500

Note:
(a) As of December 15, 2022.

Sources: ListSource; BAE, 2022.

Estimated Revenue Potential

Revenue generation associated with imposition of a local real estate transfer tax above and beyond that authorized under State law for general law cities is highly dependent on three key factors. These include the applicable tax rate(s), as well as the number and pricing of sales or transfers that occur within the jurisdiction, which can vary significantly from year to year. Table 4 and Table 5 report the estimated revenue that may be generated through imposition of an increased local real estate transfer tax, under specific sales volume and pricing assumptions, which is structured either as a flat rate per $1,000 of value or as a percent of the sale value.

For residential uses, the analysis assumes an average of 390 sales per year, which is consistent with the average sales volume in 2019 and 2022, both pre- and post-pandemic. This value is used to reflect a more 'typical' sales volume after accounting for the significant increase in activity experienced since the onset of the pandemic in 2020. The assumed average sales price is based on the average sale price for sales that occurred between January 1st to December 15th of 2022 to reflect the recent state of the market.[21] Based on these assumptions, the City may expect to gross around $171,600 in a typical year as a result of imposing the existing $0.55 transfer tax on residential sales. Table 4 then illustrates the potential revenue that could be generated through an increase to the real estate transfer tax in increments up to $15 per $1,000 of value, which is equal to the highest local real estate transfer tax currently in place in California. The table also identifies the estimated cost to the buyer of residential real estate on a per sale basis. Table 5 shows similar data, however the tax rate is expressed as a percent of the sale value.

[21] BAE anticipates that while sales volumes have already begun to slow due to the impacts of return to work and increasing interest rates, sales prices appear more resistant to rapid adjustment; though that does not preclude the possibility of a downward adjustment in the future due to changing macroeconomic conditions.

For non-residential uses, the analysis is based on the average number of sales per year from 2017 to December 2022, as well as the weighted average sale price per transaction. Note that this approach places greater weight on recent transactions compared to the assumptions used for the residential transfer tax revenue estimates. This is due to increased activity in the non-residential market resulting from imposition of the VHR moratorium and renewed investment activity in commercial real estate in the tourist core area.

Table 4: Estimated Revenue Generation from Increased Real Estate Transfer Tax, Flat Rate Per $1,000 of Value

	RESIDENTIAL		NON-RESIDENTIAL	
Ave. Number of Sales	360 (a)		23 (c)	
Ave. Sale Price	$830,000 (b)		$440,460 (d)	
Gross Sales Value	$298,800,000		$10,130,584	
Transfer Tax Rate	**Revenue**		**Revenue**	
(Per $1,000 of Value)	Gross	Add-On (e)	Gross	Add-On (e)
$0.55 (Existing)	$164,340	$0	$5,572	$0
$1.00	$298,800	$134,460	$10,131	$4,559
$2.00	$597,600	$433,260	$20,261	$14,689
$3.00	$896,400	$732,060	$30,392	$24,820
$4.00	$1,195,200	$1,030,860	$40,522	$34,951
$5.00	$1,494,000	$1,329,660	$50,653	$45,081
$10.00	$2,988,000	$2,823,660	$101,306	$95,734
$15.00	$4,482,000	$4,317,660	$151,959	$146,387
Transfer Tax	**Revenue**		**Revenue**	
(Ave. Per Sale)	Gross	Add-On (e)	Gross	Add-On (e)
$0.55 (Existing)	$457	$0	$242	$0
$1.00	$830	$374	$440	$198
$2.00	$1,660	$1,204	$881	$639
$3.00	$2,490	$2,034	$1,321	$1,079
$4.00	$3,320	$2,864	$1,762	$1,520
$5.00	$4,150	$3,694	$2,202	$1,960
$10.00	$8,300	$7,844	$4,405	$4,162
$15.00	$12,450	$11,994	$6,607	$6,365

Notes:
(a) Based on the average number of sales per year in 2019 and 2022, both pre- and post-pandemic. This equals a value that is higher than the historical average between 2017 and 2019, but below the pandemic induced highs in 2020 and 2021.
(b) Based on the average price per transaction from January to December of 2022.
(c) Based on the average sales per year from 2017 to December 2022.
(d) Based on the weighted average price per transaction 2017 to December 2022.
(e) Based on the difference between estimated gross receipts and gross receipts under the existing transfer tax.

Sources: ListSource; BAE, 2022.

Table 5: Estimated Revenue Generation from Increased Real Estate Transfer Tax, Percent of Sale Value

	RESIDENTIAL		NON-RESIDENTIAL	
Ave. Number of Sales	390 (a)		23 (c)	
Ave. Sale Price	$800,000 (b)		$500,000 (d)	
Gross Sales Value	$312,000,000		$11,500,000	
Transfer Tax Rate	**Revenue**		**Revenue**	
(Percent of Value)	Gross	Add-On (e)	Gross	Add-On (e)
0.055% (Existing)	$171,600	$0	$6,325	$0
0.10%	$312,000	$140,400	$11,500	$5,175
0.50%	$1,560,000	$1,388,400	$57,500	$51,175
1.00%	$3,120,000	$2,948,400	$115,000	$108,675
2.00%	$6,240,000	$6,068,400	$230,000	$223,675
3.00%	$9,360,000	$9,188,400	$345,000	$338,675
4.00%	$12,480,000	$12,308,400	$460,000	$453,675
5.00%	$15,600,000	$15,428,400	$575,000	$568,675
Transfer Tax Rate	**Revenue**		**Revenue**	
(Percent of Value)	Gross	Add-On (b)	Gross	Add-On (b)
$0.55 (Existing)	$440	$0	$275	$0
0.10%	$800	$360	$500	$225
0.50%	$4,000	$3,560	$2,500	$2,225
1.00%	$8,000	$7,560	$5,000	$4,725
2.00%	$16,000	$15,560	$10,000	$9,725
3.00%	$24,000	$23,560	$15,000	$14,725
4.00%	$32,000	$31,560	$20,000	$19,725
5.00%	$40,000	$39,560	$25,000	$24,725

Notes:
(a) Based on the average number of sales per year from 2017 to 2021.
(b) Based on the average price per transaction from January 1st to December 15th of 2022.
(c) Based on the average sales per year from 2017 to December 2022.
(d) Based on the weighted average price per transaction 2017 to December 2022.
(e) Based on the difference between estimated gross receipts and gross receipts under the existing transfer tax.

Sources: ListSource; BAE, 2022.

Assessment of Stakeholder Impact

The burden associated with an increase in the local real estate transfer tax rate would fall to the buyers and sellers of real property. It is customary in most markets, though not all, for the seller to pay the county portion of the real estate transfer tax and the buyer and seller to split the city portion. However, this division is negotiable, and in tight housing markets that favor sellers, such as the recent market in South Lake Tahoe, it is not uncommon for the buyer to pay most of the required taxes and fees. To the extent that the buyer must pay a portion, if not all, of the tax, a significant increase in the local real estate transfer tax rate may function to make home ownership less affordable (i.e., higher up-front cost) for existing and new residents. However, this risk may be mitigated to some extent through the use of a tiered rate structure, like that in use in communities like Oakland, Richmond, and San Francisco.

Sales and Use Tax

The Bradley-Burns Uniform Local Sales and Use Tax Law of 1955 formally authorized local jurisdictions to impose local sales and use taxes on the privilege of selling tangible property at retail, as well as on the storage, use, or other consumption of tangible personal property purchased from a retailer.[22] This authority was subsequently augmented by Senate Bill (SB) 566 in 2003.[23] While sales tax is imposed on retailers, and then often passed through to consumers, the use tax is imposed directly on the purchaser. The State of California imposes a sales and use tax rate of six percent and a supplemental uniform local tax of 1.25 percent that is split between the city and county, for a combined rate of 7.25 percent. SB 566 legally authorized all cities in California to levy additional local sales taxes, also known as district taxes, but established a cap on the combined value at two percent over the statutory 7.25 percent. While passage of SB 566 theoretically caps the combined sales and use tax rate at 9.25 percent, the California legislature has routinely allowed local governments to petition for special legislation authorizing local sales taxes above that authorized by SB 566.[24] [25]

Changing the Sales and Use Tax

Passage of a new local sales and use tax measure is subject to the same voter approval requirements as other local tax measures. Increasing the local sales tax rate beyond the statutory two percent requires the passage of special state legislation.

Existing Sales Tax in South Lake Tahoe

In November 2020, a new general sales tax measure was approved by voters in the City of South Lake Tahoe called Measure S. The measure increased the local sales and use tax by one percent from 7.75 to 8.75 percent. The measure went into effect on April 1, 2021 and is projected to generated between $5.9 and $6.2 million annually. The City Council began allocating these funds in the second half of the 2021 fiscal year for several critical projects, including Fire Station II Rehabilitation, Public Safety Radio Communication System Replacement, Road Rehabilitation and Computer Aided Dispatch System upgrades. Recognizing passage of Measure S, the City of South Lake Tahoe could increase the local sales tax by up to 0.5 percent before reaching the statutory limit of 9.25 percent.

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[22] State of California. (August 2022). California Revenue and Taxation Code, Chapter 1, Section 7200-7212. Available at: https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=RTC&division=2.&title=&part=1.5.&chapter=1.&article=.

[23] State of California. (2022). Revenue and Taxation Code, Chapter 1, Sections 7251.1-7251.4. Available at: https://www.cdtfa.ca.gov/lawguides/vol1/tutl/transactions-and-use-tax-law-ch1-all.html

[24] According to the California Department of Tax and Fee Administration (CDTFA), there are 328 jurisdictions, out of 1,786 reported, or around 18 percent, that have combined sales tax rates of more than 9.25 percent with a maximum of 10.75 percent. Most of these jurisdictions are located in large metropolitan areas, including jurisdictions located in the counties of Alameda, Contra Costa, Los Angeles, Monterey, San Mateo, Santa Clara, Santa Cruz, and Sonoma.

[25] California Department of Tax and Fee Administration. (April 1, 2022). California City and County Sales & Use Tax Rates. Available at: https://www.cdtfa.ca.gov/taxes-and-fees/rates.aspx

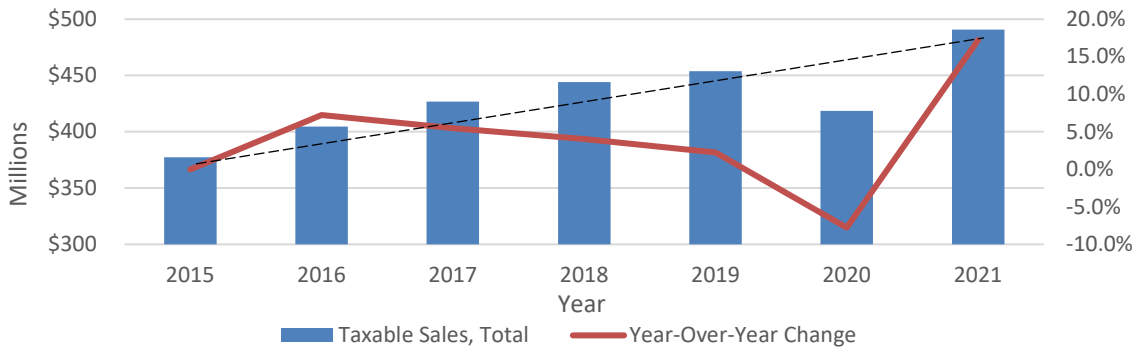
Comparison with Nearby Jurisdictions

According to data published by the California Department of Tax and Fee Administration (CDTFA), the City of South Lake Tahoe and the Town of Truckee are the only jurisdictions in the Lake Tahoe region to levy supplemental sales taxes.[26] All other jurisdictions in the counties of Alpine, Placer, and El Dorado charge the statewide base rate of 7.25 percent. Communities located in the unincorporated area of Nevada County charge 7.5 percent, while the incorporated cities of Nevada City and Grass Valley charge 8.38 and 8.5 percent, respectively. The applicable rates in nearby parts of Nevada range from 7.1 percent in Douglas County to 7.6 percent in Carson City, and 8.27 percent in Washoe County, including Incline Village.

Estimated Revenue Potential

According to the CDTFA, taxable sales originating with outlets located in the City of South Lake Tahoe totaled $489 million in 2021. Figure 2 illustrates the overall trend in taxable sales in South Lake Tahoe from 2015 to 2021. The figure clearly shows the decrease in taxable sales experienced in 2020 as a result of decreased tourist visitation; however, the data indicate that as of 2021, taxable sales had nearly returned to the growth trend indicated during the 2015 to 2019 period. More specifically, the average growth rate in taxable sales from 2015 to 2019 was 3.1 percent, while the average growth rate between 2019 and 2021 was 4.0 percent. This suggests that taxable sales have largely recovered from pandemic induced impacts. At current taxable sales levels (i.e., $490.7 million per year), the imposition of an additional 0.5 percent sales tax would generate approximately $2.5 million per year in revenue to the City.

Figure 2: Total Taxable Sales, City of South Lake Tahoe 2015-2021



Sources: California Department of Taxation and Fee Administration (CDTFA), Taxable Sales – Cities by Type of Business (Taxable Table 4); BAE, 2021.

Assessment of Stakeholder Impact

Sales tax measures are generally considered regressive in that they proportionately impact lower-income households to a greater extent than higher income households. This is because lower-income households spend a greater proportion of their total income each year and

[26] The current sales tax rate in the Town of Truckee is 8.25 percent. The data indicate that Nevada City and Grass Valley also impose supplemental sales taxes with effective rates of 8.38 and 8.5 percent, respectively.

subsequently pay more of their income to taxes. In the case of an increased sales and use tax in a visitor-oriented market like South Lake Tahoe, a majority of the burden would fall to out of town visitors (both overnight and day-trippers) who account for a greater proportion of the local taxable sales. However, to the extent that full-time residents and workforce households purchase retail goods and services within the community (e.g., persons with more limited access to transportation), versus in other nearby consumer markets like Minden or Carson City, these households would be impacted by increased taxation.

Real Estate Vacancy Tax

As the severity of California's housing crisis continues to escalate, cities like Berkeley and San Francisco have recently joined the likes of Oakland and Vancouver, B.C., with imposition of real estate vacancy taxes. Vacancy taxes may target residential or non-residential uses, or both. The ordinances establishing vacancy taxes clearly specify procedures for identifying properties that were unoccupied during the fiscal year for a specified length of time (often 60 to 90 days) and impose a financial penalty on the property owner. The intent of a vacancy tax is to encourage the active use of vacant property and, as a secondary objective, to generate revenue that can be used for specific purposes. Vancouver, British Columbia, and Oakland, California, are two examples of jurisdictions that have successfully implemented residential vacancy tax policies. New residential vacancy taxes were also recently approved by voters in San Francisco and Berkeley. Non-residential vacancy taxes are much less prevalent, with San Francisco currently being the only jurisdiction known to implement such a policy.

Establishing a Vacancy Tax

Vacancy tax policies are most often structured as excise or flat taxes but are in some cases levied on an ad valorem basis. For example, the residential vacancy tax model being used in Oakland, as well as those recently approved by voters in Berkeley and San Francisco, applies a flat fee per housing unit per year, while the Vancouver residential vacancy tax is based on assessed value. San Francisco's commercial vacancy tax is also structured as an excise tax that is set at a flat rate per linear foot of frontage. Under California law, the ordinance implementing a vacancy tax must identify relevant exemptions. Passage of a vacancy tax measure would be subject to the same voter approval requirements as other local taxes.

Vacancy Taxes in Other Jurisdictions

Vancouver B.C. (Residential) - In 2018, the City of Vancouver in British Columbia instituted the first real estate vacancy tax in North America. In Vancouver, the vacancy tax is ad valorem (i.e., assessed value in the previous tax year). The rate was initially set at 1.0 percent between 2017 and 2019, then stepped up to 1.25 percent in 2020 and 3.0 percent in 2021.[27] Under

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[27] City of Vancouver. (2022). Empty Homes Tax FAQ. Available at: https://vancouver.ca/home-property-development/empty-homes-tax-frequently-asked-questions.aspx#:~:text=The%20Empty%20Homes%20Tax%20is,Homes%20Tax%20rate%20is%203%25.&text=For%20more%20information%2C%20review%20the,)%20PDF%20file%20(127%20KB)

the ordinance, properties are vacant if they are unoccupied for more than six months during the tax year. Property owners must file a property status declaration each year or be deemed vacant and subject to the tax. According to the City of Vancouver, the tax generated approximately $106 million in revenue to the municipal government between 2017 and 2021 (i.e., between $21 and 34 million per year).[28] The program reportedly cost $7.5 million in one-time startup costs, as well as $2.5 million per year in ongoing operating costs. The remaining proceeds are used for multi-year housing capital grants and other housing initiatives. The City of Vancouver reports an overall five percent increase in the number of residential units in the city between 2017 and 2020, with a 20 percent increase in the number of tenanted properties, a 26 percent decrease in the number of vacant properties, and a 23 percent decrease in the number of exempt properties.

Oakland, CA (Residential and Commercial) - In November 2018, voters in the City of Oakland approved Measure W, which instituted a special use vacant property tax of $3,000 for residential units and vacant ground floor commercial spaces, and $6,000 for non-residential and undeveloped parcels. According to Measure W, the City of Oakland estimated in 2018 that, once implemented, the tax would generate roughly $10 million per year in revenue. The measure authorized the tax for a 20-year term. Revenue from the tax is deposited into a vacant property tax fund. Key authorized uses of funds include code enforcement and remediation of illegal dumping, homeless service provision, preservation and production of affordable housing, and administrative costs from implementation of the vacancy tax.

A property is "vacant" if it is "in use less than fifty days in a calendar year." The exact method that the City uses to determine use status is unclear. For parcels with multiple units, the parcel is not vacant if at least one unit is occupied; however, condominium, duplex, and townhome units under separate ownership are treated as separate parcels for the purposes of the vacancy tax. There are ten categories of exemption under the ordinance, including:

- Very low-income owner
- Low-income senior owner
- Disabled owner
- Non-profit organization owner
- Property otherwise exempt from ad valorem tax
- Substantially complete planning application
- Active construction
- Demonstrated financial hardship
- Demonstrated other hardship (unrelated to finances)
- Exceptional specific circumstances

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[28] City of Vancouver. (November 1, 2021). *Empty Homes Tax Annual Report: 2020 Vacancy Reference Year (January 1, 2020 to December 31, 2020).* Available at: https://vancouver.ca/files/cov/vancouver-2021-empty-homes-tax-annual-report.pdf

The City of Oakland began distributing notices of vacancy to property owners in February of 2022. Property owners are then offered the opportunity to submit a Petition of Vacancy if they believe the property was incorrectly identified as vacant, or if they believe that the property is eligible for one of the ten allowable exemptions.

Berkeley, CA (Residential) - The ballot initiative approved by Berkeley voters in November 2022 imposes a $3,000 to $6,000 tax on single-family and apartment units, respectively, which sit vacant for at least six months. The tax doubles in the second tax year. Owners of apartments with fewer than five units who live on the property (and don't own other homes), will be exempt. The city expects roughly 700 homes to be returned to the rental market in the first year, with the tax generating between $3.9 and $5.9 million per year in general tax revenue.

San Francisco, CA (Residential) - The San Francisco ballot measure approved by voters in November 2022 is based on those adopted in Vancouver and Oakland, but controversially excludes single-family homes. The new vacancy tax will apply a tiered structure that imposes a $2,500 flat tax on smaller units and $5,000 flat tax for larger units, which escalates to $10,000 and $20,000, respectively, over three years if the unit(s) remains vacant.[29] The City projects that the tax could bring 4,500 units back onto the rental market and generate as much as $38 million per year in revenue to the City.[30]

San Francisco, CA (Commercial) – Voters in the City and County of San Francisco approved a commercial vacancy tax in March 2020, which went into effect as of January 1, 2022. For most entities, filing ad payment of the commercial vacancy tax will begin in 2023. The tax applies to ground floor commercial (i.e., non-residential) space that is vacant for 182 days or more in the calendar year. Spaces must be located in one of the Named Neighborhood Commercial Districts (NCDs) or Named Neighborhood Commercial Transit Districts (NCTs) that are adjacent or tangent to a public right of way. The cost associated with the tax is to be paid by the property owner, or may be passed through to the lessee or sublessee. The tax is unsecured with rates starting at $250 per linear foot of frontage on the public right of way, which escalates to $500 in year two and $1,000 per year thereafter.

Other Jurisdictions – Recognizing the escalation of the housing crisis that has occurred in recent years, a variety of communities throughout California placed vacancy tax measures on November 2022 ballots, including Berkeley, San Francisco, and Santa Cruz. Vacancy tax measures were approved by voters in both Berkeley and San Francisco, but failed to garner necessary voter approval in Santa Cruz. Additional communities elected not to place vacancy

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[29] Schneider, B. (February 28, 2022). S.F.'s plan to tax 40,000 empty homes under scrutiny. *San Francisco Examiner*. Available at: https://www.sfexaminer.com/the_fs/fixes/s-f-s-plan-to-tax-40-000-empty-homes-under-scrutiny/article_386da20e-0215-59a9-96a4-7c4396c17cc6.html

[30] City of San Francisco, Budget and Legislative Analyst's Office. (January 31, 2022). *Policy Analysis Report: Residential Vacancies in San Francisco.* Available at: https://sfbos.org/sites/default/files/BLA.Residential%20Vacancies.013122_final.pdf

tax measures on the ballot in 2022, including Napa County and the City of Los Angeles. New York State also considered statewide legislation during the 2021-2022 legislative session that would allow jurisdictions with more than one million residents to institute commercial vacancy taxes, though the legislation remains under committee review.

Estimated Revenue Potential

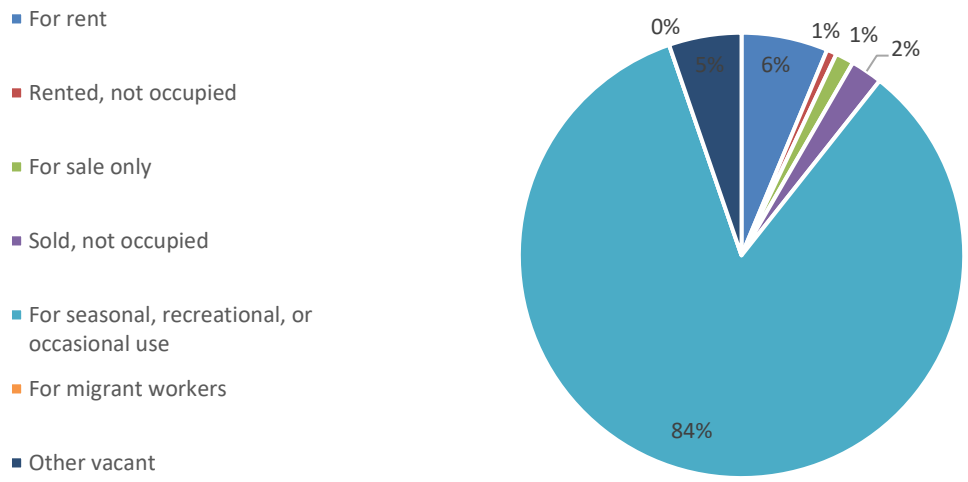
The revenue generation potential of a possible vacancy tax within the City of South Lake Tahoe is contingent on the way that the tax is structured and the properties to which it applies.

Residential Vacancy Tax

BAE assumes that a residential tax would exempt properties that are vacant as a result of being actively sold or rented, or held vacant for later occupancy by seasonal workers, and would be targeted towards properties held vacant for seasonal or occasional use.

To estimate the number of vacant units in the City of South Lake Tahoe, BAE applied the distribution of housing units by vacancy status reported in the 2020 five-year American Community Survey (ACS), illustrated in Figure 3, with the total number of vacant housing units reported in the 2020 Census.[31] Additional data on vacancy by unit type indicates that 67 percent of all vacant housing units in the city (inclusive of those vacant but for lease or sale, or vacant and intended for seasonal workforce occupancy) were detached single-family homes.

Figure 3: Housing Vacancy by Type, 2020 5-Year ACS



Source: U.S. Census Bureau, 2020 American Community Survey 5-Year, Table B25004; BAE, 2022.

[31] While these estimates fail to capture the impacts of the coronavirus pandemic, they represent the most recent available data on residential vacancy. Using this approach, BAE estimates that as of 2020 there were approximately 5,629 housing units held vacant for seasonal or occasional use.

To estimate the possible order of magnitude of the revenue that may be generated under a likely residential vacancy tax scenario, BAE assumed a tax of $3,000 per vacant unit, which is generally consistent with the tax being charged in Oakland. Assuming that all housing units held vacant for seasonal or occasional use would be subject to the tax, BAE estimates that a vacancy tax could theoretically generate up to around $16.8 million per year.

Table 6: Housing Units by Vacancy Status and Tenure, 2020

		Occupied		
Units in Structure	**Vacant**	Renter	Owner	**Total**
1, detached	4,507	1,751	3,314	9,609
1, attached	175	396	73	636
2	292	526	162	971
3 or 4	566	729	17	1,315
5 to 9	397	750	3	1,144
10 to 19	161	575	13	738
20 to 49	197	319	21	536
50 or more	296	89	34	428
Mobile home	103	254	240	585
Boat, RV, van, etc.	0	0	0	0
Total, All Units	**6,695**	**5,390**	**3,876**	**15,961**
Percent	*42%*	*34%*	*24%*	*100%*

Source: U.S. Census Bureau, 2020 Decennial Census, Table H1; U.S. Census Bureau, 2020 American Community Survey 5-Year, Tables B25024 and B25032; BAE, 2022.

This report also considered applying the residential vacancy tax only to single-family properties held for seasonal or occasional use. While the Census Bureau does not specifically report the required statistic, the available data does indicate that there were around 4,500 single-family homes that were vacant for any reason as of the 2020 Decennial Census (i.e., roughly 47 percent of the single-family housing stock).[32] Assuming that the vacancy tax applies to single-family properties only, that are vacant for any reason, the tax could yield roughly $13.5 million per year in revenue.

Applying the citywide seasonal vacancy rate of 84 percent (i.e., the percent of vacant units held for seasonal or occasional use) to the 2020 vacant single-family inventory produces a conservative estimate of around 3,800 single-family units held for seasonal or occasional use. If the vacancy tax is applied only to single-family units held vacant for seasonal or occasional use, the tax may generate approximately nearly $11.4 million per year in revenue.

[32] Preliminary estimates published as part of the 2021 5-year American Community Survey (ACS) suggest a nine percent increase in overall residential vacancy between 2020 and 2021, which was likely induced by the COVID-19 pandemic. It is not clear how this development will translate into future residential vacancy rates in South Lake Tahoe; however a significant increase in residential vacancy would theoretically translate into increase revenue from a residential vacancy tax.

Commercial Vacancy Tax

The only known contemporary example of a commercial vacancy tax is in San Francisco, which applies the tax on vacant commercial frontage on a per square foot basis. This makes sense in San Francisco, which features a dense urban streetscape. The goal of the tax is to encourage property owners to maintain active streetscapes to avoid the appearance of urban blight. This model does not translate easily to the South Lake Tahoe context, which features an urban fabric that is much less dense. Therefore, BAE recommends that the City consider applying a potential vacancy tax not on commercial street frontage, but rather based on the gross square footage of the vacant commercial property.

Table 7: Commercial Vacancies, City of South Lake Tahoe, December 2022 (a)

Former Occupant	APN	Address	Estimated Vacant Sq. Ft. (b)	Source
Winters Electric	23251008	2280 Lake Tahoe Blvd.	3,073	City of South Lake Tahoe
Unknown	27040007	Unknown	25,089	City of South Lake Tahoe
Carrows	31290039	2375 Lake Tahoe Blvd.	24,050	City of South Lake Tahoe
Teps	27090022	3450 Lake Tahoe Blvd.	11,520	City of South Lake Tahoe
Runnels	23523013	986 Emerald Bay Rd.	1,568	City of South Lake Tahoe
Ahern Rentals	31091005	2724 Lake Tahoe Blvd.	5,275	City of South Lake Tahoe
Verizon	23251017	2230 Lake Tahoe Blvd.	5,841	City of South Lake Tahoe
Lily's Tire	31258019	2635 Lake Tahoe Blvd.	6,472	City of South Lake Tahoe
Sunray	31257007	2659 Lake Tahoe Blvd.	20,996	City of South Lake Tahoe
Hair Salon	31241011	2634 Lake Tahoe Blvd.	850	City of South Lake Tahoe
Bagan Toyota	31041009	2296 Lake Tahoe Blvd.	288	City of South Lake Tahoe
Chevy's	27071030	3678 Lake Tahoe Blvd.	10,114	City of South Lake Tahoe
Avalon Lodge	29041061	4075 Manzanita Ave.	8,084	City of South Lake Tahoe
Don Cheepo	27010002	3349 Lake Tahoe Blvd.	240	City of South Lake Tahoe
Ambassador	29051020	4130 Manzanita Ave.	22,794	City of South Lake Tahoe
Chateau	29690002	4139 Lake Tahoe Blvd.	15,247	City of South Lake Tahoe
Kmart Garden Center	32299102	1030 Tata Ln.	12,852	City of South Lake Tahoe
Kmart	23430032	1020 Lake Tahoe Blvd.	144,117	City of South Lake Tahoe
Sato Japanese Rest.	27090006	3430 Lake Tahoe Blvd.	8,215	City of South Lake Tahoe
Humane Society	23182005	884 Emerald Bay Rd.	1,139	City of South Lake Tahoe
Unknown	27361005	3331 Sandy Way	3,000	CoStar
Unknown	32291023	1030 Tata Ln.	1,200	CoStar
Unknown	27361005	3331 Sandy Way	3,000	CoStar
		Total Est. Vacant Sq. Ft.	**335,024**	

Notes:
(a) Based on anecdotal observations made by City staff, as well as a review of current listings on CoStar. Data may exclude vacant properties not current listed for-sale or for-lease.
(b) Based on reported gross building square footage, as reported by the El Dorado County Assessor and CoStar.

Sources: City of South Lake Tahoe; El Dorado County Assessor; CoStar; BAE, 2022.

Only limited information currently exists regarding the prevalence of vacant commercial property in South Lake Tahoe (See Table 7). City staff provide BAE with a list of assessor's parcel numbers (APNs) associated with vacant commercial properties that were identified by City staff on an anecdotal basis. To supplement this data, BAE also reviewed data from CoStar regarding commercial properties that are currently listed for-lease or for-sale to identify

properties with no existing tenant (i.e., did not add properties to the vacant commercial inventory if they were listed for-lease or for-sale but had identifiable tenants already occupying the space). Please note that the inventory reported in Table 7 may exclude some properties that are vacant but which are not actively being listed for-lease or for-sale. Based on this approach, BAE estimates that there is roughly 335,000 square feet of vacant commercial real estate in South Lake Tahoe.

As there are no known commercial vacancy taxes applied on the basis of gross leasable area, there are no comparable tax rates to use as the basis for estimating potential revenue generation. Table 8 illustrates the hypothetical revenue that could be generated through imposition of a commercial vacancy tax at various tax rates ranging from $1,000 to $10,000 per 1,000 square feet of vacant gross leasable area. At these rates and estimated current vacancy levels, a commercial vacancy tax could potentially generate anywhere from $335,000 to upwards of $3.35 million per year in revenue to the City of South Lake Tahoe.

Table 8 also highlights the estimated tax burden that would accrue to each identified vacant property. Even at the lowest estimated tax rate, some properties may be subject to a very high relative tax burden. For example, the 144,117 square foot former Kmart space on Lake Tahoe Boulevard could be subject to an annual commercial vacancy tax burden of upwards of $144,000, which could increase to more than $1.4 million per year under the higher tax rate scenarios. For this reason, BAE would recommend placing a cap on the gross tax amount that may apply to any given property, though such a cap may limit revenue generation.

Table 8: Estimated Revenue Generation, Commercial Vacancy Tax

Former Occupant	APN	Address	Estimated Vacant Sq. Ft. (b)	Revenue Generation by Tax Rate (Per 1,000 Sq. Ft.)(c)				
				$1,000	$2,500	$5,000	$7,500	$10,000
Winters Electric	23251008	2280 Lake Tahoe Blvd.	3,073	$3,073	$7,683	$15,365	$23,048	$30,730
Unknow n	27040007	Unknow n	25,089	$25,089	$62,723	$125,445	$188,168	$250,890
Carrow s	31290039	2375 Lake Tahoe Blvd.	24,050	$24,050	$60,125	$120,250	$180,375	$240,500
Teps	27090022	3450 Lake Tahoe Blvd.	11,520	$11,520	$28,800	$57,600	$86,400	$115,200
Runnels	23523013	986 Emerald Bay Rd.	1,568	$1,568	$3,920	$7,840	$11,760	$15,680
Ahern Rentals	31091005	2724 Lake Tahoe Blvd.	5,275	$5,275	$13,188	$26,375	$39,563	$52,750
Verizon	23251017	2230 Lake Tahoe Blvd.	5,841	$5,841	$14,603	$29,205	$43,808	$58,410
Lily's Tire	31258019	2635 Lake Tahoe Blvd.	6,472	$6,472	$16,180	$32,360	$48,540	$64,720
Sunray	31257007	2659 Lake Tahoe Blvd.	20,996	$20,996	$52,490	$104,980	$157,470	$209,960
Hair Salon	31241011	2634 Lake Tahoe Blvd.	850	$850	$2,125	$4,250	$6,375	$8,500
Bagan Toyota	31041009	2296 Lake Tahoe Blvd.	288	$288	$720	$1,440	$2,160	$2,880
Chevy's	27071030	3678 Lake Tahoe Blvd.	10,114	$10,114	$25,285	$50,570	$75,855	$101,140
Avalon Lodge	29041061	4075 Manzanita Ave.	8,084	$8,084	$20,210	$40,420	$60,630	$80,840
Don Cheepo	27010002	3349 Lake Tahoe Blvd.	240	$240	$600	$1,200	$1,800	$2,400
Ambassador	29051020	4130 Manzanita Ave.	22,794	$22,794	$56,985	$113,970	$170,955	$227,940
Chateau	29690002	4139 Lake Tahoe Blvd.	15,247	$15,247	$38,118	$76,235	$114,353	$152,470
Kmart Garden Center	32299102	1030 Tata Ln.	12,852	$12,852	$32,130	$64,260	$96,390	$128,520
Kmart	23430032	1020 Lake Tahoe Blvd.	144,117	$144,117	$360,293	$720,585	$1,080,878	$1,441,170
Sato Japanese Rest.	27090006	3430 Lake Tahoe Blvd.	8,215	$8,215	$20,538	$41,075	$61,613	$82,150
Humane Society	23182005	884 Emerald Bay Rd.	1,139	$1,139	$2,848	$5,695	$8,543	$11,390
Unknow n	27361005	3331 Sandy Way	3,000	$3,000	$7,500	$15,000	$22,500	$30,000
Unknow n	32291023	1030 Tata Ln.	1,200	$1,200	$3,000	$6,000	$9,000	$12,000
Unknow n	27361005	3331 Sandy Way	3,000	$3,000	$7,500	$15,000	$22,500	$30,000
		Total Est. Vacant Sq. Ft.	**335,024**	**$335,024**	**$837,560**	**$1,675,120**	**$2,512,680**	**$3,350,240**

Notes:
(a) Based on anecdotal observations made by City staff, as well as a review of current listings on CoStar. Data may exclude vacant properties not current listed for-sale or for-lease.
(b) Based on reported gross building square footage, as reported by the El Dorado County Assessor and CoStar.
(c) The reported tax rates are intended to be representative only. Additional analysis and community outreach may be necessary prior to establishing the applicable tax rate.

Sources: City of South Lake Tahoe; El Dorado County Assessor; CoStar; BAE, 2022.

Assessment of Stakeholder Impact

The burden associated with imposition of a vacancy tax would fall on owners and lessees of real property.

Residential property owners that occupy the subject property as their primary residence or rent out the unit for more than the minimum statutory time period would be exempt from a residential vacancy tax. The City may identify other categories of exemption, like in Oakland (lower-income property owners) and San Francisco (single-family homes). The property owners most likely to be impacted include owners of second homes that do not rent out their property for at least the minimum term. The extent to which short-term rental and multifamily property owners would be impacted is contingent on how the tax is structured.

Owners and lessees of commercial property would be subject to an applicable commercial vacancy tax in cases where the vacancy exceeded the allowable timeframe. The tax may be particularly onerous for owners of properties that are significantly dilapidated, and which would require significant renovation to make them attractive to new prospective occupants. The financial penalty may induce some property owners to make the sites available for redevelopment, or other forms of reinvestment; though the ability to pass the tax penalty through to lessee's who aren't currently occupying the space may mute this effect.

In either taxation scenario, residential or commercial, allowances should also be considered for properties that are actively being leased, sold, renovated, or redeveloped, with limitations imposed on those exemptions to discourage bad actors (e.g., applying for a building permit only to never complete the described renovations as a way to defer payment of the tax).

Alternative Business Taxes

Local jurisdictions in California apply various approaches to generating revenue through taxation of local business activity. Some local governments shy away from taxes that expressly penalize revenue generation and/or jobs creation, others more open recognize the relationship between business activity, employment generation, and local efforts to address workforce housing and related infrastructure needs. As a result, some local governments levy minimal business license fees intended to offset administrative costs associated with license issuance and compliance monitoring, while others levy other supplemental business taxes.

El Dorado and Placer counties currently only administer nominal flat rate business license fees. Douglas Counties in Nevada does not issue business licenses, while Carson City charges a nominal flat fee based on the type of business. The City of South Lake Tahoe currently levies

business license fees based on gross receipts using a graduated rate scale ranging from $1.07 to $2.69 per 1,000 of gross receipts.[33] Washoe County uses a similar model.

Other jurisdictions utilize still other taxation models. The City of Santa Clara, for example, levies a tax of $45 per employee, and $15 per rental unit for landlords. Until recently, San Francisco levied both a gross receipts tax and what is known as a payroll expense tax.

The City of South Lake Tahoe, therefore, has the option of updating the business license fee ordinance to include alternative revenue models. The following subsection reviews revenue generation potential associated with a potential payroll expense or employee headcount tax.

Establishing a Payroll or Headcount Tax

Business license fees levied by local jurisdictions with the express goal of offsetting the cost of providing services to businesses in the form of license issuance and compliance monitoring are considered administrative fees, rather than taxes, and may be instituted by ordinance without a public vote. Supplemental business taxes intended to generate general or special purpose revenue to a jurisdiction, such as a business payroll or employee headcount tax, are subject to the same voter approval requirements as other local taxes.

Existing Payroll and Headcount Taxes

San Francisco, CA - As noted above, prior to 2020 the City and County of San Francisco levied both a gross receipts and a payroll expense tax. Under the Business and Tax Regulations Code, 'payroll expense' was defined to include all salaries, wages, bonuses, commissions, stock options, and other compensation for services to owners of pass-through entities.[34] There were a variety of business categories that were exempt based on applicable state and federal law, including for non-profits, skilled nursing facilities, and certain banks, insurance companies, and financial corporations, among other categories. There were also local exclusions and incentives aimed at facilitating economic development and job creation, including for businesses active in clean technology and film production, as well as for businesses located in the Central Market Street and Tenderloin area. The applicable payroll expense rate as of 2018 was 0.38 percent. With passage of Proposition F in November 2020, voters repealed the payroll expense tax and increased the gross receipts tax rate across most industries, while providing more relief to small businesses.

Santa Clara, CA – The City of Santa Clara hosts offices for a variety of large tech companies, including Applied Materials, Intel, Advanced Micro Devices, and Nvidia, among others. Prior to

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[33] City of South Lake Tahoe. (FY 2022-2023). *City of South Lake Tahoe Business and Professions Tax: New Application Form*. Available at: https://www.cityofslt.us/DocumentCenter/View/16968/BLN-Packet-22-23-PDF?bidId=

[34] For more information on the San Francisco payroll expense tax prior to it's repeal in 2020, please visit: https://sftreasurer.org/media/513/download?attachment and https://sftreasurer.org/files/ 2019-08/BT_Payroll%20Expense%20Tax%20Rate%20Memeo_07.01.19.pdf

voter approval of new business tax reforms in late 2022, the City's business license structures had not been updated since 1992. The existing tax structure charged between $15 and $500 based on a business's industry sector and number of employees. With the maximum payment for businesses with 500 or more employees capped at $500, local tax reform advocates argued that the existing tax structure did not require the city's largest companies to pay their fair share for City services and infrastructure. With voter approval of Measure H in November 2022, the business license tax was increased to $45 per employee and $15 per rental unit for landlords. The revised tax structure is projected to generate around six million dollars per year until ended by voters, with periodic independent financial audits.

Estimated Revenue Potential

Table 9 reports the estimated number of business establishments, as well as average annual employment and annual average wages by industry sector for the City of South Lake Tahoe, as reported in the Quarterly Census of Employment and Wages (QCEW) published by the California Employment Development Department (EDD).

Table 9: Establishments, Jobs, and Annual Wages by Industry Sector, South Lake Tahoe, 2021

Industry Sector	Establishments	Jobs	Annual Wage
11 Agriculture, Forestry, Fishing and Hunting	2	(a)	(a)
22 Utilities	8	151	$138,057
23 Construction	80	262	$52,060
31 Manufacturing	12	60	$45,994
42 Wholesale Trade	18	108	$51,193
44 Retail Trade	122	1,433	$36,405
48 Transportation and Warehousing	11	174	$44,628
51 Information	11	56	$56,066
52 Finance and Insurance	28	137	$50,592
53 Real Estate and Rental and Leasing	59	306	$47,913
54 Professional, Scientific, and Technical Services	58	152	$51,812
55 Management of Companies and Enterprises	2	(a)	(a)
56 Administrative and Support and Waste Management	55	488	$64,248
61 Educational Services	4	(a)	(a)
62 Health Care and Social Assistance	154	1,198	$76,657
71 Arts, Entertainment, and Recreation	22	(a)	(a)
72 Accommodation and Food Services	164	2,706	$30,583
81 Other Services (except Public Administration)	72	366	$42,422
92 Public Administration	15	1,343	$73,274
Total, All Industries	**895**	**9,525**	**$49,849**

Note:
(a) Data for this sector was suppress by the California Employment Development Department (EDD) to protect against disclosure of potentially confidential employment and wage information.

Source: California Employment Development Department (EDD), Quarterly Census of Employment and Wages (QCEW); BAE, 2022.

According to this data, there were 895 business establishments in 2021 which employed an annual average of 9,525 persons. Average annual wages vary by industry, ranging from $30,583 per year in the Accommodation and Food Services industry to $138,057 in the Utilities industry, with an average of $49,849 per year across all industry sectors.

The four reported industry sectors with the most employees on average include Accommodation and Food Services (2,706 jobs; average annual wage of $30,583), Retail Trade (1,433 jobs; average annual wage of $36,405), Public Administration (1,343 jobs; average annual wages of $73,274); and Healthcare and Social Assistance (1,198 jobs; average annual wages of $76,657). Please note that data for some sectors is suppressed.

Payroll Expense Tax Revenue

Table 10 reports the estimated revenue that could potentially be generated through institution of a payroll expense tax at rates ranging from 0.1 to 1.0 percent of total annual wages.

Table 10: Estimated Revenue from Payroll Expense Tax, 0.1-1.0 Percent Rates

Industry Sector	Total Annual' Wages	Payroll Expense Tax Revenue (a) 0.1%	0.5%	1.0%
11 Agriculture, Forestry, Fishing and Hunting	(b)	(b)	(b)	(b)
22 Utilities	20,846,556	20,847	104,233	208,466
23 Construction	13,639,665	13,640	68,198	136,397
31 Manufacturing	2,759,633	2,760	13,798	27,596
42 Wholesale Trade	5,528,821	5,529	27,644	55,288
44 Retail Trade	52,168,360	52,168	260,842	521,684
48 Transportation and Warehousing	7,765,243	7,765	38,826	77,652
51 Information	3,139,723	3,140	15,699	31,397
52 Finance and Insurance	6,931,057	6,931	34,655	69,311
53 Real Estate and Rental and Leasing	14,661,337	14,661	73,307	146,613
54 Professional, Scientific, and Technical Services	7,875,412	7,875	39,377	78,754
55 Management of Companies and Enterprises	(b)	(b)	(b)	(b)
56 Administrative and Support and Waste Management	31,353,066	31,353	156,765	313,531
61 Educational Services	(b)	(b)	(b)	(b)
62 Health Care and Social Assistance	91,834,540	91,835	459,173	918,345
71 Arts, Entertainment, and Recreation	(b)	(b)	(b)	(b)
72 Accommodation and Food Services	82,757,252	82,757	413,786	827,573
81 Other Services (except Public Administration)	15,526,345	15,526	77,632	155,263
92 Public Administration	98,406,808	98,407	492,034	984,068
Total, All Industries	474,808,424	**474,808**	**2,374,042**	**4,748,084**

Notes:
(a) These figures illustrate the potential revenue that may be generated through institution of a payroll expense tax at rates ranging from 0.1 to 1.0 percent of total annual wages.
(b) Data for this sector was suppress by the California Employment Development Department (EDD) to protect against disclosure of potentially confidential employment and wage information.

Source: California Employment Development Department (EDD), Quarterly Census of Employment and Wages (QCEW); BAE, 2022.

At a rate of 0.1 percent, the tax would generate nearly 475,000 in annual revenue. If increased to 0.5 percent, the tax would generate almost $2.4 million per year. If set at 1.0 percent, the tax would generate $4.7 million per year. For comparison, the 2018 payroll expense rate for the now repealed payroll expense tax in San Francisco was 0.38 percent, which would yield around 1.8 million per year if instituted in South Lake Tahoe.

These estimates are based on total annual wages paid to persons employed in the City of South Lake Tahoe in 2021. The data notably exclude self-employed persons. To the extent that a payroll expense tax excludes certain types of businesses or industry sectors, the revenue generation potential would decrease accordingly. Table 10 provide additional estimates by industry to facilitate additional analysis. Resulting revenues may also be less in the event that the total tax payment assigned to any given business is capped.

Employee Headcount Tax Revenue

Table 11 reports the estimated amount of revenue that could potentially be generated through creation of an employee headcount tax, similar to that recently instituted in Santa Clara.

Table 11: Estimated Revenue from Employee Headcount Tax, $25-$75 Rates

Industry Sector	Average Employment	Employee Headcount Tax Revenue (a)		
		$25	$50	$75
11 Agriculture, Forestry, Fishing and Hunting	(b)	(b)	(b)	(b)
22 Utilities	151	$3,775	$7,550	$11,325
23 Construction	262	$6,550	$13,100	$19,650
31 Manufacturing	60	$1,500	$3,000	$4,500
42 Wholesale Trade	108	$2,700	$5,400	$8,100
44 Retail Trade	1,433	$35,825	$71,650	$107,475
48 Transportation and Warehousing	174	$4,350	$8,700	$13,050
51 Information	56	$1,400	$2,800	$4,200
52 Finance and Insurance	137	$3,425	$6,850	$10,275
53 Real Estate and Rental and Leasing	306	$7,650	$15,300	$22,950
54 Professional, Scientific, and Technical Services	152	$3,800	$7,600	$11,400
55 Management of Companies and Enterprises	(b)	(b)	(b)	(b)
56 Administrative and Support and Waste Management	488	$12,200	$24,400	$36,600
61 Educational Services	(b)	(b)	(b)	(b)
62 Health Care and Social Assistance	1,198	$29,950	$59,900	$89,850
71 Arts, Entertainment, and Recreation	(b)	(b)	(b)	(b)
72 Accommodation and Food Services	2,706	$67,650	$135,300	$202,950
81 Other Services (except Public Administration)	366	$9,150	$18,300	$27,450
92 Public Administration	1,343	$33,575	$67,150	$100,725
Total, All Industries	**9,525**	**$238,125**	**$476,250**	**$714,375**

Notes:
(a) These figures illustrate the potential revenue that may be generated through institution of a employee headcount tax at rates ranging from $25 to $75 per employee per year.
(b) Data for this sector was suppress by the California Employment Development Department (EDD) to protect against disclosure of potentially confidential employment and wage information.

Source: California Employment Development Department (EDD), Quarterly Census of Employment and Wages (QCEW); BAE, 2022.

At a rate of $25 per employee, the employee headcount tax could generate approximately $238,000 per year in revenue. If the rate were increased to $75 per employee, the revenue would similarly increase to approximately $714,400 per year. For comparison, the City of Santa Clara employee headcount tax rate is $45 per employee, which would yield around $476,250 per year in revenue if instituted in South Lake Tahoe.

These estimates are based on average annual employed in the City of South Lake Tahoe in 2021. The data notably exclude self-employed persons. To the extent that an employee headcount tax excludes certain types of businesses or industry sectors, the revenue would decrease accordingly. Table 11 provides additional estimates by industry to facilitate analysis. Resulting revenues may also be less in the event that the total tax payment assigned to any given business is capped, as is the case in some jurisdictions.

Assessment of Stakeholder Impact

The burden associated with imposition of a payroll expense or employee headcount tax would fall to business owners and operators. A payroll tax would impact businesses with large number of employees, as well as smaller businesses with higher paying jobs. An employee headcount tax would be more targeted, having a larger impact on businesses with more employees. As a tourism-based economy, many of the businesses in South Lake Tahoe with the largest employee counts are associated with lower margin and lower wage industries like Accommodations and Food Service and Retail Trade. Institution of payroll expense and employee headcount taxes function to increase the relative cost of labor. This may limit businesses' ability to increase wages in response to changes in the cost of living (e.g., housing costs, consumer inflation, etc.) and may induce some businesses to reduce staffing levels.

DEVELOPMENT DEPENDENT REVENUE SOURCES

Under California law, local governments may establish requirements that new housing developments set aside a specified share of the total housing inventory for occupancy by households with incomes at or below specified thresholds. These requirements are exercised under a jurisdiction's general police power to regulate land use and development to promote the public welfare. Jurisdictions are required to provide alternative means of compliance, which often includes the option to pay a fee in-lieu of building the required housing units. These requirements are legally differentiated from housing impact fees intended to mitigate the specific impacts of a project. Inclusionary housing requirements, as they are known, are alternatively designed to serve a constitutionally permissible public purpose other than mitigating the impact of the proposed development project. As such, California law no longer requires inclusionary housing policies to be based on an essential nexus or to reflect rough proportionality between the requirement and the estimated impact on the community.

Alternately, many jurisdictions also impose housing impact fees on non-residential development. These requirements are legally differentiated from inclusionary housing requirements in that they are functionally designed to mitigate a projects' estimated impacts on the community at large. Commercial linkage fee requirements, as they are often termed, must be based on an established essential nexus between the proposed project and the impacts being mitigated. The law also requires that the actions being taken to mitigate the impacts of the project must be roughly proportional to the impact being mitigated. Therefore, a commercial linkage fee for housing must be based on the workforce housing demand generated by the project as well as the relative cost of providing that housing.

The following section reviews the basic structure and procedures for establishing inclusionary housing policies (including in-lieu fees) and commercial linkage fees and provides examples of how much revenue may be generated as a result of implementation in South Lake Tahoe.

Inclusionary Housing In-Lieu Fee

California law authorizes jurisdictions to impose requirements that new residential developments set aside a specified share of the total new housing inventory for occupancy by households with incomes at or below specified thresholds. The ordinance specifies the expected term of affordability and outlines alternative options for complying with the ordinance, such as paying an in-lieu fee.

Applicable Legal Framework (AB 1505 and Related Legal Precedent)

The 2009 California Court of Appeals decision in *Palmer/Sixth Street Properties, L.P., et al. v. City of Los Angeles* affirmed a Superior Court decision that struck down elements of the City of Los Angeles inclusionary housing policy that required residential and mixed-use projects with

10 or more dwelling units per lot to set aside a portion of the units for occupancy by low-income households. The Court of Appeals found that requiring a newly constructed rental housing project to provide affordable housing units at restricted rents conflicted with the rights afforded to developers under the Costa-Hawkins act, which sets limits on municipal rent control ordinances and enshrined a developers' right to establish the initial rental rate for a new housing unit.

Assembly Bill (AB) 1505 was drafted and approved by the legislature in 2017 in response to the Palmer decision. The legislation authorizes local governments to adopt ordinances that require, as a condition of development of residential rental units, that the development set aside a specified share of the total housing inventory for occupancy by households with incomes at or below specified thresholds. AB 1505 requires jurisdictions to provide alternative compliance options, potentially including in-lieu fees, land dedication, off-site construction, or acquisition and rehabilitation of existing units. In cases where the applicable jurisdiction has not submitted their annual housing element report(s), or has not met at least 75 percent of their regional housing needs allocation (RHNA), AB 1505 authorizes the California Department of Housing and Community Development (HCD) to review ordinances that require more than 15 percent of the total housing inventory in a project to be affordable. Jurisdictions may adopt requirements in excess of 15 percent, but must provide an economic feasibility study that demonstrates that the ordinance does not "unduly constrain" housing production.

Prior to the passage of the 'Palmer Fix' in 2017, the 2015 ruling in the *California Building Industry Association (CBIA) v. City of San Jose* by the Supreme Court of California determined that the adopted inclusionary housing requirement on for-sale housing was designed "to serve a constitutionally permissible public purpose other than mitigating the impact of the proposed development project." As a result, the Court concluded that the ordinance was neither an exaction, nor a taking, under the Nolan/Dolan line of decision and, therefore, need not demonstrate that an essential nexus or rough proportionality exists between the requirement and the projected impact of the proposed land use.

Establishing an Inclusionary Housing Ordinance

The authority of local governments to establish inclusionary housing policies, as codified by AB 1505, is grounded in a jurisdictions constitutional police power which permits local governments to regulate the use of land in such a way as to advance the public welfare. Establishment of an inclusionary housing policy may, therefore, be accomplished through legislative action of the applicable governing body and does not require a voter approval.

Comparison with Nearby Jurisdictions

Neither the City of South Lake Tahoe, nor El Dorado County, currently have inclusionary housing ordinances.

Placer County adopted an updated *Affordable Housing and Employee Accommodation Ordinance* and fee as of April 19, 2022.[35] [36] The ordinance requires projects with more than 100 units to set aside at least 10 percent of the units for sale or rent at affordable prices. Projects with between eight and 200 units have the option to pay an in-lieu fee of $2.45 per habitable square foot of each market rate housing unit. The ordinance also establishes a commercial linkage fee, which is discussed in more detail in a later section.

The Town of Truckee applies a 15 percent inclusionary housing requirement.[37] For inclusionary units offered as rental housing, either 100 percent of the units must be affordable to low-income households, or one-third may be very low-income, one-third may be low-income, and one-third may be moderate-income. For inclusionary housing units offered for-sale, all units maybe affordable to moderate-income households, or one-third may be low-income, one-third may be moderate-income, and one third may be above moderate-income. Projects with fewer than eight units, the developer may elect to pay the in-lieu fee of $134,413 per required affordable housing unit at their discretion without additional review or approval from either staff or the Town Council. There are also a variety of exemptions, including for individual single-family dwelling units on single-family lots.

Establishing an Inclusionary Housing Percentage

As discussed above, AB 1505 and applicable case law eliminated the requirement for local governments to establish a nexus between the impacts created by a project and any mitigating requirements, such as the creation of affordable and workforce housing units. While AB 1505 authorizes HCD to review inclusionary housing policies with percentages greater than 15 percent, it does not prohibit jurisdictions from establishing higher rates, but rather imposes a requirement that the jurisdiction potentially demonstrate that such a rate does not unduly hinder the financial feasibility of new development. Therefore, the City of South Lake Tahoe may establish an inclusionary housing percentage at the discretion of the City Council.

Appendix A provides the results of an abbreviated affordable and workforce housing nexus analysis for residential development. The analysis found that development of a typical newly constructed single-family home priced at $815,000 would generate demand for 0.9 workforce housing units, including 0.03 units at low- to extremely low-incomes, 0.02 at moderate incomes, and 0.02 at achievable incomes. Excluding the highest income category (i.e., greater than single-family achievable at 180 percent of AMI), the effective multiplier is 0.06. The

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[35] County of Placer. (July 1, 2020). *Affordable Housing and Employee Accommodation Ordinance and Fee*. Available at: https://www.placer.ca.gov/DocumentCenter/View/62116/AH-and-EH-Accommodation-Ordinance-and-Fee-Fact-Sheet-Updated-070122

[36] County of Placer. (October 6, 2020). *An Ordinance to repeal and replace Placer County Code, Chapter 15, Article 15.65 (Affordable Housing)*. Available at: https://www.placer.ca.gov/DocumentCenter/View/48557/Ord-6050-B_BOS-approved-10-27-20?bidId=

[37] Town of Truckee. (May 3, 2007). *Ordinance 2007-05*. Available at: https://portal.laserfiche.com/Portal/DocView.aspx?id=36704&repo=r-6a91ddbc

analysis also found that for high-end luxury single-family homes, the impacts are higher at 0.17 across all income levels, or 0.12 covering extremely low-income through single-family achievable (i.e., up to 180 percent of AMI)

Equivalent Fee In-Lieu of Development

There are different philosophies regarding identification of a justifiable fee to be applied in-lieu of developing required inclusionary housing units. Some jurisdictions, seeking to limit the potential impact on development feasibility, limit the in-lieu fee to be equivalent to the anticipated contribution from local government in support of affordable housing development. Other jurisdictions set the in-lieu fee amount based on the full cost, more or less, of providing the required housing unit, recognizing that the in-lieu fee is intended to be equivalent to construction of the unit on-site as part of the planned market rate development.

According to an October 4, 2022, staff report to City Council, the City of South Lake Tahoe contributed $2.44 million towards construction of the Sugar Pine affordable housing development, which began site preparations in fall 2022. With a total of 248 units planned, this equals a subsidy amount of $9,845 per unit in direct city subsidy.

Alternatively, Table 12 identifies the approximate financing gap associated with low-income housing units built with the use of low-income housing tax credit (LIHTC) equity, excluding the remaining funding sources used in projects like Sugar Pine. The intent of these calculations is to illustrate the financing gap that the City may need to help close in the event that other special funding programs, such as Multifamily Housing Program (MHP), Affordable Housing and Sustainable Communities (AHSC), Infill Infrastructure Grant (IIG), and other similar programs, are no longer available. The calculations illustrate that affordable multifamily housing projects using tax credits without supplemental subsidy sources may have funding gaps ranging from more than $395,000 per low-income unit (i.e., 80 percent of AMI) to nearly $552,000 per extremely low-income unit (i.e., 30 percent of AMI).

Table 13 highlights the potential funding gap that may exist for non-tax credit rental housing restricted to occupancy by households in the moderate-income (i.e., 120 percent of AMI) and multifamily achievable (125 percent of AMI) categories. The cost basis for these units is much less compared to tax credit projects due to reduced regulation, but nonetheless range from nearly $42,000 per multifamily achievable unit to almost $59,000 per moderate-income unit.

The analysis summarized in Appendix A indicates that the minimum in-lieu fee that would align with estimated workforce housing demand induced by new single-family development, as documented in the nexus analysis would range from just under $15,000 to nearly $29,000 per unit. That assumes an inclusionary percentage of between nine and 12 percent and that each project proportionately accounts for its impacts across all income levels. However, under state law, the City may establish a percentage up to 15 percent, which if requiring delivery of all low-income housing could justify an in-lieu fee of up to $59,300 per market rate unit.

Table 12: Financing Gap Analysis, Tax Credit Affordable Multifamily

	Income Level		
	Extremely Low Income (30% AMI)	Very Low Income (50% AMI)	Low Income (80% AMI)
Household Income Limit (a)	$27,400	$45,600	$72,950
Maximum Affordable Monthly Rent Per Unit (b)	$554	$1,009	$1,693
Monthly Operating Expenses (c)	$529	$529	$529
Vacancy (d)	5%	5%	5%
Net Operating Income Per Unit (e)	($2)	$430	$1,079
Net Operating Subsidy from Other Sources (f)	$2	$0	$0
Permanent Financing			
Monthly Supportable Debt Service Per Unit (g)	$0	$374	$939
Loan Amount (h)	$0	$62,356	$156,566
LIHTC Equity (i)	$273,315	$273,315	$273,315
Affordable New Unit Development Cost (j)	$825,227	$825,227	$825,227
Financing Gap Per New Unit (k)	($551,912)	($489,556)	($395,346)

Notes:
(a) Based on a 3-person Household
(b) Affordable rents equal to 30 percent of gross monthly income, minus a utility allowance.
(c) Data from 2018 tax credit funding applications for affordable housing projects in Placer and Sacramento Counties.
(d) Based on the standard required assumption for affordable housing financing and tax credit applications.
(e) Affordable monthly rent minus operating expenses and vacancy.
(f) Operating subsidy is necessary for units with a negative net operating income based on the restricted rent level.
(g) Net operating income plus operating subsidy, divided by the debt coverage ratio: 1.15
(h) Assumes an interest rate of 6.0 percent and a 30-year loan term.
(i) Assumes 90% of total cost are eligible for LIHTC. Assumes the 4-percent LIHTC program. Assumes $0.92 per tax credit.
(j) Based on the Sugar Pine Affordable Housing average construction cost.
(k) Total development cost per unit minus the per unit supportable loan amount.

Sources: CTCAC, 2022; City of South Lake Tahoe, 2022; BAE, 2022.

Table 13: Financing Gap Analysis, Non-Tax Credit Workforce Multifamily

	Income Level	
	Moderate Income (120% AMI)	MF Achievable (125% AMI)
Household Income Limit (a)	$110,400	$115,000
Maximum Affordable Monthly Rent Per Unit (b)	$2,629	$2,744
Monthly Operating Expenses (c)	$868	$906
Vacancy (d)	5%	5%
Net Operating Income Per Unit (e)	$1,630	$1,701
Capitalization Rate	5.00%	5.00%
Market Value (f)	$391,195	$408,307
Affordable New Unit Development Cost (g)	$450,000	$450,000
Financing Gap Per New Unit (h)	($58,805)	($41,693)

Notes:
(a) Based on a 3-person Household
(b) Rents are equal to 30 percent of gross monthly income, minus a utility allowance.
(c) Assumes operating costs are equal to 33 percent of gross income.
(d) Based on the standard assumption by market-rate developers.
(e) Monthly rent minus operating expenses and vacancy.
(f) Estimates the market value by dividing the Net Operating Income by the market capitalization rate.
(g) Based on the estimated development cost for market-rate multifamily developments in the Tahoe area.
(h) Total development cost per unit minus the per unit supportable loan amount.

Sources: City of South Lake Tahoe, 2022; BAE, 2022.

Financial Feasibility Testing

Appendix B provides detailed static proforma financial worksheets outlining the costs and revenues associated with construction of a luxury single-family residential property valued at approximately $3.125 million. Based on this analysis, such a project would have no difficulty absorbing the highest identified potential in-lieu fee amount of $59,000 per market rate unit, without overly impacting the developers anticipated return requirements.

Estimated Revenue Potential

Based on the nexus analysis calculations provided in Appendix A, the City should consider setting an in-lieu fee amount(s) of not less than $15,000 per median priced single-family unit or $29,000 per luxury unit.[38] These values represent the minimum that the City should consider to ensure that new developments are required to offset their estimated impacts on the community at large. If adopted at these levels, the residential in-lieu fee could generate somewhere between $300,000 and $720,000 per year in revenue to the City of South Lake Tahoe, assuming between 20 and 25 new single-family homes per year. If the City elects to pursue a more rigorous inclusionary housing policy (i.e., at least a 15 percent inclusionary requirement) and an in-lieu fee of no less than $59,000 per market rate unit, the residential in-lieu fee could generate between $1.2 and $1.5 million per year, assuming 20 to 25 new single-family homes built per year on average (i.e., equal to the average number of newly completed single-family homes per year over the past five years). If the City elects to apply a policy that only applies to large luxury single-family homes over 5,000 square feet in size, the City may reasonably expect to receive around $177,000 per year in revenue, assuming an average of three new luxury single-family homes over 5,000 square feet per year.

Assessment of Stakeholder Impact

The burden associated with imposition of a new inclusionary housing requirement is primarily borne by the development community and by buyers of newly built residential properties. Inclusionary housing requirements and associated in-lieu fees effectively increase the cost of new development by either requiring a developer to build units that require subsidy (i.e., for rental or sale at below market rates) or to pay a fee in-lieu. The increased cost increases the price point at which the unit must be sold or rented in order for the developer to achieve the same return. Therefore, either the developer must accept a lesser return, or the price is increased to the extent that the market will bear. However, as is noted in the financially feasibility analysis later on in this report, it appears likely that higher-end luxury single-family development may readily absorb the added cost imposed by a new inclusionary requirement.

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[38] Figures are rounded to the nearest $1,000.

Commercial Linkage Fee

Many jurisdictions also impose housing impact fees on non-residential development. These requirements are legally differentiated from inclusionary housing requirements in that they are functionally designed to mitigate a projects' estimated impacts on the community at large. Commercial linkage fee requirements, as they are often termed, must be based on an established essential nexus between the proposed project and the impacts being mitigated. The law also requires that the actions being taken to mitigate the impacts of the project must be roughly proportional to the impact being mitigated.

Establishing a Commercial Linkage Fee Ordinance

Unlike inclusionary housing policies, which are permitted under local police powers, business linkage fees are intended to offset the estimated impact(s) imposed on the community by a newly proposed non-residential development project. Such policies are, therefore, subject to the provisions of the California Mitigation Fee Act (Government Code Section 66000 et seq.), which requires local governments to prepare a nexus study that demonstrates a reasonable relationship between the impacts of new development, the facilities needed to address those impacts, and the fees that the jurisdiction intends to charge. Assembly Bill (AB) 602 further requires that nexus studies "identify the existing level of service for each public facility, identify the proposed new level of service, and include an explanation of why the new level of service is appropriate."[39] Therefore, prior to adopting a business linkage fee, the City would need to go through the exercise of documenting the level of service, which in this case would be equal to the current inventory of publicly-assisted affordable and workforce housing in South Lake Tahoe and must demonstrate that construction of new non-residential space creates additional demand for affordable and workforce housing that cannot be met with existing resources (e.g., very low vacancy rates). Once the nexus study is completed, the commercial linkage fee may be adopted by the governing body by ordinance and does not require a vote.

Comparison with Nearby Jurisdictions

Neither the City of South Lake Tahoe, nor El Dorado County, currently have commercial linkage fee ordinances. Placer County imposes an "Employee Accommodation" fee of $2.45 per net building square foot which applies to all new non-residential (i.e., commercial) development in the Sierra Nevada and Lake Tahoe Basin. The Town of Truckee requires that non-residential developments construct housing equivalent to accommodate between 3.5 and 14 percent of the estimated employment generated directly by the project itself, with units being rented directly by persons employed at the development or to low-income households in the community. In Truckee, developers may also pay a fee in-lieu of building required units of $134,413 per housing unit required.

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[39] See Government Code Section 66016.5(a)(2).

Table 14: Induced Demand for Workforce housing and Equivalent Linkage Fee

Land Use Type	Estimated Household Income as a Percent of AMI (a)							
	Extremely Low (30% AMI)	Very Low (50% AMI)	Low (80% AMI)	Moderate (120% AMI)	MF Achievable (125% AMI)	SF Achievable (180% AMI)	Higher Income (>180% AMI)	**Total, All**
Retail/Restaurant								
Proportion of Total Jobs (b)	6.3%	7.9%	17.7%	24.5%	0.1%	14.9%	28.5%	**100%**
Estimated Jobs Per 1,000 Sq. Ft. (c)	0.13	0.16	0.35	0.49	0.00	0.30	0.57	**2.00**
Worker Households Per 1,000 Sq. Ft. (d)	0.12	0.12	0.24	0.28	0.00	0.17	0.30	**1.22**
Net Cost Per Unit Provided (e)	$551,912	$489,556	$395,346	$58,805	$41,693	20,200.00	n.a.	**n.a.**
Equivalent Fee Amount	$64,092	$60,443	$94,366	$16,602	$65	$3,352	n.a.	**$238,920**
Per Square Foot	$64	$60	$94	$17	$0.06	$3.35	n.a.	**$239**
Hotel/Motel								
Proportion of Total Jobs (b)	6.1%	16.4%	17.1%	21.7%	1.6%	10.6%	26.5%	**100%**
Estimated Jobs Per 1,000 Sq. Ft. (c)	0.04	0.11	0.11	0.14	0.01	0.07	0.18	**0.67**
Worker Households Per 1,000 Sq. Ft. (d)	0.04	0.09	0.08	0.08	0.01	0.04	0.09	**0.42**
Net Cost Per Unit Provided (e)	$551,912	$489,556	$395,346	$58,805	$41,693	$20,200	n.a.	**n.a.**
Equivalent Fee Amount	$20,859	$42,199	$30,333	$4,906	$246	$790	n.a.	**$99,333**
Per Square Foot	$21	$42	$30	$4.91	$0.25	$0.79	n.a.	**$99**

Notes:
(a) Based on the 2022 Tahoe Regional Planning Agency (TRPA) Residential Bonus Unit Program income limits.
(b) As calculated based on data reported in the U.S. Census Bureau's Public Use Microdata Sample (PUMS) dataset.
(c) Based on an assumed 500 square feet per employee for retail uses and 1,500 square feet per employee for tourist accommodation use, distributed based on the proportion of total jobs at each income level reported in the line above.
(d) Based on the estimated jobs per 1,000 sq. ft. reported for each land use divided by the estimated average number of workers per workforce household by income level.
(e) Based on the net cost to provide housing at each income level as reported in Tables 12 and 13.

Sources: Census, American Community Survey Public-Use Microdata Sample (PUMS) 2016-2020; California Department of Housing and Community Development (HCD), Section 8 Income Limits; Tahoe Regional Planning Agency (TRPA), Residential Bonus Unit Program income limits; BAE, 2022.

Essential Nexus and Maximum Justifiable Fee

Table 14, above, identifies induced employment associated with retail/restaurant and hotel/motel type uses in South Lake Tahoe. The analysis assumes an average of 500 square feet per employee for retail/restaurant uses and 1,500 square feet per employee for hotel/motel uses. The induced employment per 1,000 square feet of development is distributed by income level and household size based on analysis of information contained in the U.S. Census Bureau's Public Use Microdata Sample (PUMS) dataset. The analysis then applies the net cost to provide housing at each income level to identify the equivalent fee amount per 1,000 square feet of new development and subsequently per square foot of new development. Based on this approach, BAE estimates that the maximum legally justifiable commercial linkage fee that may be applied to retail/restaurant uses is $239 per square foot, and $99 per square foot for hotel/motel uses.

As discussed in the following section, it is unlikely that new developments can absorb the full legally justifiable fees. Recognizing that linkage fees are "ride along" fees (i.e., are only generated as a result of new development), most jurisdictions adjust the applicable fee downwards as to not unduly constrain desirable new development. There are two approaches that the City may consider to identify an acceptable fee level. First, the City may consider whether they want to craft the ordinance to only require mitigation for workforce housing demand that falls into specific income categories, such as extremely low- through low-income, or whether the ordinance should account for all induced demand. Second, the City may simply consider the fee that may be reasonably absorbed by new development, regardless of whether it covers the full impacts within a given income category.

Financial Feasibility Testing

Appendix B provides detailed static proforma financial worksheets outlining the costs and revenues associated with construction of stand-alone retail, hotel, and tourist mixed-use developments in South Lake Tahoe.

Overall, the financial feasibility testing exercise found that neither of the pure hotel prototypes are likely to be able to absorb much in the way of an additional linkage fee burden.

The retail prototype may likely be able to absorb imposition of a linkage fee, though only because it's positioned at the top of the local retail real estate market. Retail projects that are less well positioned are unlikely to be able to absorb imposition of a commercial linkage fee.

The tourist mixed-use prototype is likely to be able to absorb imposition of a potentially significant commercial linkage fee, with options available for how the fee is applied across the various retail versus condotel project components.

Tourist Mixed-Use

The development type with the greatest potential for feasibility is the high-density tourist mixed-use prototype, which includes 72 hotel units and 66 for-sale condominium units, with 18,400 square feet of ground floor retail and structured parking on 1.5 acres of land. Based on current listings for land available for purchase in the tourist core, the project may face land costs between $3.5 and $5.0 million per acre. With a residual land value of nearly $8.1 million per acre, BAE estimates that a project of this type could potentially support imposition of a hotel linkage fee of up to $44 per square foot, or the retail linkage fee of $239 plus a hotel linkage fee of $7 per square foot. In either scenario, the City would be imposing a fee burden equal to approximately $5.2 million. Note however, that the retail component of the project is likely being subsidized by the condotel component; therefore, an impact fee imposed on the condotel component would be more efficient and less likely to be impacted by adjustments in the ancillary aspects of the project design. In terms of revenue generation potential, the potential value capture is significant, though projects such as this are relatively infrequent.

Traditional Hotel Uses

This analysis includes evaluation of two different hotel prototypes. The first is a smaller boutique hotel, similar to the Desolation property, while the second is based roughly on the Hampton Inn redevelopment. The analysis indicates that the smaller boutique hotel prototype is marginally feasible without imposition of linkage fees, while the larger hotel prototype is more challenged (i.e., only feasible with minimal land use commodity costs and relatively aggressive assumptions regarding occupancy and average daily rates). At current land prices, neither project is likely able to absorb much in the way of additional linkage fee burden. While economic theory suggests that imposition of fees would put downward pressure on land values, land values tend to be resistant to such forces in practice and it can often take numerous economic cycles to realize the anticipated effects.

Lifestyle Retail Center

The financial feasibility analysis included one retail prototype, which was modelled off the Building A retail pad located on part of the Whole Foods shopping center property at 3640 Lake Tahoe Boulevard. This represents a premium new build retail property. The proforma model assumes a 12,000 square foot standalone building on 1.6 acres. Based on an evaluation of the subject property, the analysis assumes relatively high rents and an aggressive capitalization rate, which nets a residual land value of approximately $3.6 million per acre, which notably above the $2.8 million that was paid for the land in 2019. As such, the retail prototype is expected to be feasible under current market conditions, with the potential to absorb a small commercial linkage fee of up to $90 per square foot, equal to approximately $1.08 million in total additional project cost. However, please note that this represents a very high-end retail project and that less well positioned projects may not be able to absorb the same additional impact fee burden. Also, the city may be challenged to apply

linkage fees to existing buildings undergoing tenant improvements (TI), as an argument can be made that the impacts of the development have already accrued within the community.

Estimated Revenue Potential

Based on the financial feasibility analysis, as described above on pages 36 and 37 and in Appendix B, BAE does not expect that the City could feasibly impose a hotel linkage fee on smaller to medium sized hotel projects without impacting development feasibility, though the tourist mixed-use could likely absorb an impact fee up to $44 per square foot for the hotel component only, or $239 per square foot for the retail component plus up to $7 per square foot for the hotel component.

It is also likely feasibly impose a linkage fee on new retail uses, except for projects positioned at the very highest-end of the market. For example, the retail prototype used for this analysis could potentially absorb a linkage fee of up to $90 per square foot, or approximately $1.08 million for a 12,000 square foot building. Also, the city may be challenged to apply linkage fees to existing buildings undergoing tenant improvements (TI), as an argument can be made that the impacts of the development have already accrued within the community.

It is likely that the City may impose either a retail linkage fee or a hotel linkage fee on high-end tourist mixed use development in the tourist core. Assuming a land cost of $3.5 million per acre, the modeled development could potentially absorb roughly $5.2 million in total linkage fees, applied to the hotel component only or divided between the retail and hotel project components respectively, as discussed on page 36.

Assessment of Stakeholder Impact

The burden associated with imposition of a new commercial linkage requirement is primarily borne by the development community and potentially by tenants of the new project. Commercial linkage fees effectively increase the cost of new development, which must either be absorbed by the developer in terms of a reduced return or passed on to tenants in the form of higher rental rates (to the extent that the market will absorb such an increase without a commensurate increase in vacancy).

APPENDIX A: RESIDENTIAL NEXUS ANALYSIS

The following represents an abbreviated nexus analysis that identifies the minimum inclusionary housing percentage that would offset the impacts imposed by new single-family housing development. This information is provided to help inform potential deliberations regarding an appropriate inclusionary housing percentage and should not be interpreted as legal direction recognizing that state law does not require establishment of an essential nexus. Rather, BAE recommends that the City use this information to inform the minimum inclusionary percentage that can be expected to offset the direct impacts of a project and that a higher percentage may be considered to provide a supplemental benefit to the community.

Establishing an Informational Nexus

To provide a representative analysis illustrating the impact of new single-family development on demand for local workforce housing in South Lake Tahoe, BAE evaluated two alternative scenarios. The first scenario considers the workforce housing demand that is induced based on household spending associated with full-time occupancy of a typical newly constructed single-family home. The second scenario considers the impacts of a high-end luxury property.

Under both scenarios, BAE reviewed the available information on assessed value for properties with building permits issued within the last five years with construction having been completed in 2022. BAE's assessment indicates that an average new build single-family home is valued at approximately $815,000, while a typical luxury housing unit is valued at roughly $3.125 million. Exhibits A1 and A2 roughly illustrate the income needed to purchase properties at these price points, indicating that the purchase of a median priced newly built unit would require an income of roughly $205,000 per year, while a luxury property would require an income of roughly $786,000 per year, assuming the properties were financed.[40]

Based on the estimated household incomes needed to afford newly constructed single-family housing in South Lake Tahoe, either at the median price or a luxury unit, BAE then estimated the number of jobs that would be supported based on household spending associated with the occupant household. This analysis assumes that the units are occupied full time. This is a simplifying assumption recognizing the observed variation in how second homes are used; however, it reflects the likely high-end potential impacts associated with a property that may be used as a primary residence or as a second home with varying occupancy levels.

[40] Incomes associated with buyers of second homes in South Lake Tahoe likely exceed these estimates, recognizing that these households would also own a primary residence. However, it is not possible to estimate the actual household income of second home buyers without having access to private income tax data, which is not available. Therefore, this analysis uses the minimum income needed to purchase the properties, which is likely conservative.

Exhibit A1: Household Income Required to Purchase a Typical New Single-Family Home in South Lake Tahoe, 2022

Estimated Sale Price, New Units (a)	$815,000
Monthly Housing Cost, New units (b)	$5,122
Annual Housing Cots	$61,460
Household Income Required (c)	$204,867

Notes:
(a) Represents the estimated value of a typical newly constructed single-family home in South Lake Tahoe in 2022.
(b) Monthly ownership costs are based on the following assumptions:

Annual Interest Rate	6.6%
Loan Term (Years)	30 years
Down Payment (% of Sale Price)	20%
Property Tax (Annual)	1.0%
Homeowners Insurance (% of Sale Price)	0.4%

(c) Assumes that housing costs do not exceed 30 percent of household income.

Sources: ListSource; Local Mortgage Brokers; California Department of Insurance, Homeowners Premium Survey; BAE, 2022.

Exhibit A2: Household Income Required to Purchase a New Luxury Single-Family Home in South Lake Tahoe, 2022

Estimated Sale Price, New Units (a)	$3,125,000
Monthly Housing Cost, New units (b)	$19,638
Annual Housing Cots	$235,660
Household Income Required (c)	$785,534

Notes:
(a) Represents the estimated value of a newly constructed luxury single-family homes in South Lake Tahoe as of 2022.

(b) Monthly ownership costs are based on the following assumptions:

Annual Interest Rate	6.6%
Loan Term (Years)	30 years
Down Payment (% of Sale Price)	20%
Property Tax (Annual)	1.0%
Homeowners Insurance (% of Sale Price)	0.4%

(c) Assumes that housing costs do not exceed 30 percent of household income.
(d) This assumes that the hypothetical development project contains a total of 10 units. This assumption provides for ease of analysis and does not impact the results of the analysis.

Sources: ListSource; Local Mortgage Brokers; California Department of Insurance, Homeowners Premium Survey; BAE, 2022.

Exhibit A3 reports the estimated induced employment generated by occupancy of new single-family homes in South Lake Tahoe within both the median and luxury markets. The estimates were generated using the Impacts for Planning (IMPLAN) economic impact model. Due to the limited impacts per household, the analysis calculates impacts assuming a total of 100 households at each income level, then coverts the estimates to reflect the total impact per

household. Based on this approach, BAE estimates that occupancy of a typical newly built single-family home in South Lake Tahoe may generate demand for 15 new jobs for every 100 households, which represents a jobs multiplier of 0.15 per household. Occupancy of 100 luxury single-family homes would generate demand for 28 new jobs, or .28 jobs per household. To the extent that these units are occupied less than full-time, the impacts would be reduced.

Exhibit A3: Estimated Economic Impacts Per 10 New Households

Typical New Single-Family Homes (a)

Impact Type	Employment	Labor Income	Value Added	Output
Direct	0.0	$0	$0	$0
Indirect	0.0	$0	$0	$0
Induced	15	$729,648	$1,261,719	$2,114,969
Total	**15**	**$729,648**	**$1,261,719**	**$2,114,969**
Per Job	*1*	*$49,081*	*$84,871*	*$142,267*
Per Unit	*0.15*	*$7,296*	*$12,617*	*$21,150*

New Luxury Single-Family Homes (b)

Impact Type	Employment	Labor Income	Value Added	Output
Direct	0	$0	$0	$0
Indirect	0	$0	$0	$0
Induced	28	$1,271,001	$2,345,086	$3,807,455
Total	**28**	**$1,271,001**	**$2,345,086**	**$3,807,455**
Per Job	*1*	*$44,925*	*$82,889*	*$134,578*
Per Unit	*0.28*	*$12,710*	*$23,451*	*$38,075*

Notes:
(a) Based on estimated household spending associated with 100 households earning approximately $204,867 per year.
(a) Based on estimated household spending associated with 100 households earning approximately $785,534 per year.

Sources: Impacts for Planning (IMPLAN) Economic Impact Model; BAE, 2022.

Exhibit A4, on the following page, further breaks down the induced jobs estimates from Exhibit A3 by income level and convers jobs to workforce households based on the average number of workers per household within each income category. Based on this data, occupancy of newly constructed single-family homes in South Lake Tahoe likely generates demand for approximately one new workforce housing unit for every ten median priced units constructed. Excluding higher income workforce housing demand (i.e., greater than 180 percent of AMI), this ratio decreases to one workforce unit for every 15 median priced market rate units. Meanwhile, occupancy of newly constructed luxury single-family homes likely generates demand for one new workforce housing unit for every six new luxury properties, or for every eight luxury properties if excluding higher income (i.e., greater than 180 percent of AMI) workforce housing demand. Note that if the City of South Lake Tahoe were to establish an inclusionary policy at these levels, it would be well below the allowable 15 percent.

Based on the distribution of workforce housing demand by income level illustrated in Exhibit A4, BAE then calculated the estimated cost associated with bringing those units to market. Exhibit A5 reports the estimated total cost associated with building housing units at each income level as well as the net funding gap that would need to be closed to bring these units to market.[41]

Exhibit A4: Induced Employment and Workforce Housing Demand by Income Level

Typical New Single-Family Homes (a)

Household Income Level	Jobs (b)	Ave. Workers Per Household (c)	Est. Worker Households	*Per New unit*
Extremely Low (30% AMI)	0.7	1.1	0.6	*0.01*
Very Low (50% AMI)	1.0	1.3	0.8	*0.01*
Low (80% AMI)	2.3	1.5	1.6	*0.02*
Moderate (120% AMI)	3.4	1.7	2.0	*0.02*
MF Achievable (125% AMI)	0.3	1.8	0.1	*0.00*
SF Achievable (180% AMI)	2.6	1.8	1.4	*0.01*
Higher Income (>180% AMI)	4.6	1.9	2.4	*0.02*
Total, All Income Levels	**14.9**	**1.7**	**8.9**	*0.09*
Per New Unit	*0.15*	*0.02*	*0.09*	

New Luxury Single-Family Homes (d)

Household Income Level	Jobs (a)	Ave. Workers Per Household (b)	Est. Worker Households	*Per New unit*
Extremely Low (30% AMI)	1.3	1.1	1.2	*0.01*
Very Low (50% AMI)	1.9	1.3	1.5	*0.02*
Low (80% AMI)	4.6	1.5	3.1	*0.03*
Moderate (120% AMI)	6.5	1.7	3.8	*0.04*
MF Achievable (125% AMI)	0.5	1.8	0.3	*0.00*
SF Achievable (180% AMI)	4.8	1.8	2.7	*0.03*
Higher Income (>180% AMI)	8.7	1.9	4.5	*0.05*
Total, All Income Levels	**28.3**	**1.7**	**17.0**	*0.17*
Per New Unit	0.28	0.02	0.17	

Notes:
(a) Based on estimated household spending associated with 10 households earning approximately $204,867 per year.
(b) Based on the distribution of induced jobs industry sector, as reported by IMPLAN, combined with the distribution of workers by industry and household income, as reported in the Public Use Microdata Sample (PUMS) for the greater South Lake Tahoe area.
(c) Based on the distribution of workers by industry sector and household income level, as reported in the PUMS.
(d) Based on estimated household spending associated with 10 households earning approximately $785,534 per year.

Sources: IMPLAN; U.S. Census Bureau, Public Use Microdata Sample (PUMS); BAE, 2022.

[41] The analysis assumes that housing targeted towards households earning less than 80 percent of the area median income (AMI) would be funded in part by state and federal tax credits. As such, the cost to deliver those units is quite elevated at more than $825,000 per unit. Housing targeted towards moderate income households (i.e., 81-120 percent of AMI) and multifamily achievable (i.e., 120-125 percent of AMI) are assumed to be market rate multifamily rental units, with an estimated total development cost of $450,000 per unit. Housing targeted towards households in the single-family achievable income (i.e., 125-180 percent of AMI) category are assumed to be detached single-family homes. Where the analysis assumes new construction for units serving the multifamily achievable income category and below, BAE assumes that households in the single-family achievable income category would be purchasing existing housing units at market rates.

Exhibit A5: Estimated Funding Gap and Equivalent In-Lieu Fee Amount

Typical New Single-Family Homes (a)

Household Income Level	New Workforce *Housing Demand Per New Market Rate Unit* (b)	Estimated Cost Per Workforce Unit (c) Total Cost	Estimated Cost Per Workforce Unit (c) Net Gap	Equiv. In-Lieu Fee Per Market Rate Unit (d)
Extremely Low (30% AMI)	*0.01*	$825,227	$551,912	$3,333
Very Low (50% AMI)	*0.01*	$825,227	$489,556	$3,718
Low (80% AMI)	*0.02*	$825,227	$395,346	$6,228
Moderate (120% AMI)	*0.02*	$450,000	$58,805	$1,167
MF Achievable (125% AMI)	*0.00*	$450,000	$41,693	$62
SF Achievable (180% AMI)	*0.01*	$642,500 (e)	$20,200	$286
Higher Income (>180% AMI)	*0.02*	n.a.	n.a.	n.a.
Total, All Income Levels	*0.09*			**$14,794**
Excluding Higher Income (>180% AMI)	*0.06*			

New Luxury Single-Family Homes (e)

Household Income Level	New Workforce *Housing Demand Per New Market Rate Unit* (b)	Estimated Cost Per Workforce Unit (c) Total Cost	Estimated Cost Per Workforce Unit (c) Net Gap	Equiv. In-Lieu Fee Per Market Rate Unit (d)
Extremely Low (30% AMI)	*0.01*	$825,227	$551,912	$6,380
Very Low (50% AMI)	*0.02*	$825,227	$489,556	$7,355
Low (80% AMI)	*0.03*	$825,227	$395,346	$12,181
Moderate (120% AMI)	*0.04*	$450,000	$58,805	$2,207
MF Achievable (125% AMI)	*0.00*	$450,000	$41,693	$123
SF Achievable (180% AMI)	*0.03*	$642,500	$20,200	$536
Higher Income (>180% AMI)	*0.05*	n.a.	n.a.	n.a.
Total, All Income Levels	*0.17*			**$28,782**
Excluding Higher Income (>180% AMI)	*0.12*			

Notes:
(a) Based on estimated household spending associated with 10 households earning approximately $204,867 per year.
(b) Represents the estimated new workforce housing demand by income level generated by household spending associated with a newly constructed single-family housing unit.
(c) Reflects the estimated total cost and net financing gap associated with providing housing at each income level. Housing targeted for occupancy at 80 percent of AMI or below is assumed to be new construction funded using state and federal tax credits. Housing occupied by households in the moderate-income (81-120 percent of AMI) and multifamily achievable (121-125 percent of AMI) income categories is assumed to be newly constructed market rate multifamily rental housing. Housing occupied by households in the single-family achievable (126-180 percent of AMI) income category is assumed to be existing single-family resale inventory.
(e) Based on estimated household spending associated with 10 households earning approximately $785,534 per year.

Sources: IMPLAN; U.S. Census Bureau, Public Use Microdata Sample (PUMS); BAE, 2022.

Estimated Revenue Potential

Based on the nexus analysis discussed above, BAE recommends that the minimum inclusionary housing percentage that the City might consider as part of a potential inclusionary housing policy would range from six percent for typical newly built single-family homes to 12 percent for newly built luxury single-family homes. Note that state law permits establishment of an inclusionary housing percentage up to 15 percent without HCD review and that jurisdictions may set requirements even higher if it can be demonstrated that it would not overly inhibit the financial feasibility of new development. Based on the nexus analysis calculations provided in Exhibits A1 through A5, the City should consider setting in-lieu fee amounts of not less than $15,000 per median priced single-family unit and $29,000 per luxury unit.[42] These values represent the minimum that the City should consider to ensure that new developments are required to offset their estimated impacts on the community at large. If the City were to set an inclusionary requirement at 15 percent, a fee up to approximately $59,000 may also be justifiable (i.e., 15 percent of $395,000, which is equal to the net financing gap for multifamily rental units affordable to low-income households).

[42] Figures are rounded to the nearest $1,000.

APPENDIX B: PROFORMA FINANCIAL FEASIBILITY TESTING

Building on previous sections of this report, this Appendix presents an analysis of the potential financial feasibility of five real estate development prototypes for the purposes of identifying linkage fee amounts that would not negatively affect the feasibility of new development projects in South Lake Tahoe.

Prototype Formulation

For the purposes of this research, City staff requested analysis of five unique development prototypes which are generally representative of the types of development the city has experienced in the recent past and/or expects to see in the near future. Summarized in Exhibit B1 below, the development prototypes include:

Hotel Prototype #1 – Luxury/Boutique

The first of the two hotel prototypes is a small-scale luxury boutique hotel development, similar in scale and finish to the Desolation hotel property. While the Desolation Hotel is a unique condo style hotel, the prototype project would be of similar scale and finish but differs in room design and count. It would be located on a 0.69-acre site, with a 16,640 square foot three story building, with 40 rooms with an average of 300 square feet. This represents a land coverage ratio of 76 percent. The project includes a 1,040 square foot restaurant space that is considered incidental to the primary hotel use on the site. The project is assumed to be surface parked.

Hotel Prototype #2 – Upper Mid-Scale

The second hotel prototype is an upper mid-scale offering with 120 rooms, compared to the 40 in hotel prototype number one. The project includes an approximately 60,000 square foot three story building, located on a 2.3-acre site, which equals a coverage ratio of 73 percent. The project includes a 2,000 square foot retail/restaurant space that is again considered incidental to the primary hotel use. The project is assumed to be surface parked. This prototype is roughly modelled on the Hampton Inn project, which represented redevelopment of a previously existing hotel property. Therefore, as part of the analysis, BAE tested the extent to which reusing existing land use commodities improved feasibility.

Retail Prototype – Stand-Alone Retail Pad

City staff requested analysis of a stand-alone retail pad development similar to Building A at the Bijou Marketplace at 3640 Lake Tahoe Boulevard. The project includes a 12,000 square foot building located on a 1.6-acre site. Including significant surface parking and hard landscaping, the project has an estimated coverage ratio of 81 percent. The project is assumed to be located in a premium location and subsequently includes premium rental rates and is expected to absorb what is effectively a premium land cost.

Tourist Mixed-Use Prototype – Condotel and Retail

The fourth commercial prototype is loosely based on the Zalanta project, located in the tourist core. The prototype assumes a 136,750 square foot building on a 1.5-acre site. The project mostly relies on structured parking, though some surface parking is also provided. Including hard landscaping, the approximate coverage ratio is 79 percent. The project includes 72 dedicated hotel rooms, as well as 66 condominium properties. The condominium units are assumed to be used by owners for an average of 90 days per year, with the units being available for rent as tourist accommodations for the remaining 275 days per year. The project assumes 18,400 square feet of retail space on the ground floor fronting the main roadway.

Residential Prototype – Luxury Single-Family

The fifth and final prototype represents a luxury single-family residential project consisting of a single 6,250 square foot home on 0.65 of an acre. Based on a review of recently completed properties in South Lake Tahoe, this project is valued at approximately $3.125 million. As such, the proformas assume relatively high-end finishes. Land costs appear to vary significantly for this type of product and can range from $300,000-$500,000 per acre to upwards of two or three million dollars per acre, depending on the location of the property.

Exhibit B1: Development Prototype Specifications

	Parcel Size		Building Size				Hotel	Parking Spaces	
Project Type	Acres	Sq. Ft.	**Gross Sq. Ft.**	**Hotel**	**Retail**	**Condos**	**Rooms**	Structured	Surface
Hotel Prototype #1: Luxury/High End Hotel	0.69	30,056	16,640	15,600	1,040	0	40	0	42
Hotel Prototype #2: Upper Mid-Scale Hotel	2.3	100,188	60,800	58,800	2,000	0	120	0	124
Retail Prototype	1.61	70,132	12,000	0	12,000	0	n.a.	0	100
Tourist Mixed-Use/Condotel	1.5	65,340	136,750	35,280	18,400	66	72	120	0
Luxury Residential	0.65	28,314	6,250	0	0	6,250	1	0	0

Sources: City of South Lake Tahoe; BAE, 2022.

Development Cost Assumptions

BAE estimated development costs for each prototype based upon information collected from a variety of sources including research conducted by BAE for other similar projects and key stakeholder interviews, as well as published secondary sources like RS Means. The development costs reported in Exhibit B3, which form the basis for the proformas, represent the middle- to high-end range of comparable costs, meaning that the cost estimates are likely to be conservative and, if anything, overstate the likely costs of development. Key components of the total estimated development cost include:

Site Preparation Costs

Site preparation costs include costs associated with grading, utility connections, paving and surface parking, and landscaping, among other items. Based on feedback from local developers and real estate professionals active in the greater Lake Tahoe region, this analysis assumes a site preparation cost of $15-$20 per site square foot depending on the prototype. It should be noted that this analysis assumes the sites to be vacant and relatively flat. This analysis also assumes that all necessary infrastructure is in place to service the prototypes.

Land Use Commodity Acquisition

Projects proposed for development within the Lake Tahoe Basin must acquire necessary land use commodities issued and managed by the Tahoe Regional Planning Agency (TRPA). These include development rights (i.e., tourist accommodation units, commercial floor area, residential units of use, etc.), residential allocations, site coverage, etc. The proformas generally assume that new development will have to acquire necessary development rights and coverage at full market value, without use of multipliers, or reuse of existing rights. However, in the case of the mid-scale hotel prototype, the analysis does include some sensitivity testing recognizing that recent development of this type reused existing development rights that were previously associated with the site. Pricing for development rights is based on an appraisal conducted by the City of South Lake Tahoe in April 2020.

Planning, Building and other Permit Fees.

Exhibit B2 reports building permit and building permit fee estimates for each of the five prototypes provided by City staff, as well as information on water and sewer connection fees provided by the South Tahoe Public Utility District (STPUD). Fees charged by TRPA were excluded from the analysis at the request of City staff due to the extreme variability that exists in the fees charged based on unique project characteristics. For example, two projects with similar specifications may be proposed on two different sites with fee estimates ranging from the tens of thousands to many millions of dollars.

Soft Development Costs

Soft costs include architecture, engineering, some permit and plan check fees, pre-entitlement costs such as preparation of necessary studies and Environmental Impact Reports, legal costs, permanent financing costs, and miscellaneous developer overhead costs, among others. For all five prototypes, soft costs are estimated at 20 percent of hard costs.

Hard Construction Costs

Hard costs include primarily labor and materials costs and are based both on RS Means and on BAE's experience with comparable recent projects constructed within the Tahoe region.

Podium Parking Hard Construction Costs

Based on BAE's professional experience, this analysis assumes podium parking costs of $50,000 per space for a single-level podium structure.

Exhibit B2: Estimated Planning, Building, and Connection Fees by Prototype

			Prototype #1 Boutique Hotel	Prototype #2 Upper Mid Hotel	Prototype #3 Retail Center	Prototype #4 Mixed Use Condotel	Prototype #5 Luxury SFR
Planning Permits							
Design Review			$2,921	$2,921	$2,921	$2,921	$2,921
CEQA			$74	$74	$74	$74	$74
Subtotal Planning Permits			**$2,995**	**$2,995**	**$2,995**	**$2,995**	**$2,995**
Building Permit							
Administrative Fee	$	Hour	$0	$0	n.a.	$0	$0
Fire Plan Review			$3,332	$3,332	$3,332	$3,332	$3,332
Planning Plan Review			$232	$232	$232	$232	$232
Technology Fee			$11	$11	$11	$11	$11
General Plan Maintenance Fee	$1.00	Per $1,000 Value	$7,510	$24,293	$3,422	$63,001	$1,660
State Building Standards Fee	$1.00	Per $25,000Value	$300	$972	$137	$2,520	$66
SMIP Fee	$28.00	Per $100,000 Value	$6,802	$6,802	$958	$17,640	$465
Building Permit Fee	2.0%	of Value	$150,209	$485,850	$68,447	$1,260,011	$33,195
Lake Tahoe Unified School District Fee			$12,500	$62,000	$9,360	$89,700	$20,625
Subtotal Building Permit Fees			**$180,897**	**$583,491**	**$76,540**	**$1,436,447**	**$59,586**
PUD Water and Sewer Connection Fees							
Water & Sewer Fees			$117,979	$556,800	$116,831	$566,800	$34,008
Subtotal Water and Sewer Connection Fees			**$117,979**	**$556,800**	**$116,831**	**$566,800**	**$34,008**
Total Fees, All Types			**$301,871**	**$1,143,286**	**$196,366**	**$2,006,242**	**$96,589**

Sources: City of South Lake Tahoe; South Tahoe Public Utility District (STPUD); BAE, 2022.

Exhibit B3: Estimated Development Costs by Prototype

Project Type	Hard Costs	Site Costs	Soft Costs	Financing	Profit	Land Use Commodities/ Entitlements	Planning & Building Fees	Linkage Fees	Total Costs	Costs/ Sq. Ft.
Hotel Prototype #1: Luxury/High End Hotel	$5,657,600	$601,128	$1,251,746	$502,724	$1,362,748	$1,272,641	$301,871	$0	$10,950,458	$658
Hotel Prototype #2: Upper Mid-Scale Hotel	$18,240,000	$2,003,760	$4,048,752	$1,636,794	$3,099,806	$3,925,470	$1,143,286	$0	$34,097,868	$561
Retail Prototype	$1,800,000	$1,051,974	$570,395	$232,866	$956,348	$1,414,704	$196,366	$1,109,348	$7,332,000	$611
Tourist Mixed-Use/Condotel	$51,193,650	$1,306,800	$10,500,090	$4,394,458	$11,015,188	$4,033,350	$2,006,242	$0	$84,449,778	$618
Luxury Residential	$1,100,000	$283,140	$276,628	$61,077	$625,000	$22,500	$96,589	$59,000	$2,523,935	$404

Sources: City of South Lake Tahoe; BAE, 2022.

Developer Profit
Measured as a percentage of total development costs, developers typically seek a gross profit of between ten and 15 percent for commercial real estate projects. For single family residential projects, many developers aim for returns equal to 20 percent of gross sales.

Financing Costs
In terms of construction financing costs for commercial real estate projects, this analysis assumes a 65 percent loan-to-cost ratio, and a 7.0 percent annual interest rate over a 24-month period, an upfront 1.5 percent loan fee, and a 60 percent drawdown factor.

Land Acquisition and land residuals
The five proformas presented in this analysis do not include a land cost. Instead, the tables are structured with an assumed developer return and solve for the "land residual" as the bottom-line measure of feasibility after accounting for all other costs and developer profit.

Development Revenue Assumptions

BAE estimated revenue assumptions for each prototype based upon information from a variety of sources including research completed by BAE for other similar projects, stakeholder interviews, other proprietary developer development budgets, and CoStar.

Commercial Rental Revenues
Feedback from local business owners and real estate professionals indicates that premium retail NNN lease rates range from $3.00 to more than $4.00 per square foot depending on location and amenities for more newly developed and well-maintained properties.

Commercial Vacancy Rate
Due to potential turn over and perceived challenges in retrofitting built-out space, this analysis assumes a commercial vacancy rate of ten percent at stabilization.

Condominium Sales Price
Based on feedback from local developers and real estate professionals, this analysis assumes both the townhome-style and condotel condominiums could garner an average of $625 per square foot in sales revenue. Local real estate professionals indicate that the average per square foot sale prices could increase significantly depending on location and views of the lake or other scenic and lifestyle amenities.

Upper Mid-Scale Hotel Room Revenues
This analysis assumes that hotel rooms in the upper mid-scale hotel prototype will capture an average daily room rate (ADR) of $180. Recognizing that newer hotel product will likely capture higher room revenues than the area's relatively aged existing stock, this assumed rate is on the higher end of ADRs that CoStar reports for this class of properties in the market area.

Small Luxury/Boutique Hotel Room Revenues
This analysis assumes that hotel rooms in the small luxury/boutique prototype will capture an ADR of $240 per night. Once again, recognizing that newer hotel product will likely capture higher room revenues than the area's relatively aged existing stock, this assumed rate is generally higher than ADRs reported by CoStar for luxury/boutique hotels in the market area.

Full-Service Hotel Condo Rental Revenues
This analysis assumes that condominium units returned to the hotel pool managed by the hotel operator will capture an ADR of $350. This recognizes that these larger units that have more amenities than a traditional hotel room (i.e., kitchens, living rooms, multiple bedrooms, etc.). Once again, while local hotel developers generally confirmed this analysis' assumption, it should be noted that ADRs can range widely depending on depending on location and scenic/lifestyle amenities. The ADR used for this analysis does not assume a view premium.

Feasibility Results

Overall, the financial feasibility testing exercise found that neither of the pure hotel prototypes are likely to be able to absorb much in the way of an additional linkage fee burden.

The retail prototype may likely be able to absorb imposition of a linkage fee, though only because it's positioned at the top of the local retail real estate market. Retail projects that are less well positioned are unlikely to be able to absorb imposition of a commercial linkage fee.

The tourist mixed-use prototype is likely to be able to absorb imposition of a potentially significant commercial linkage fee, with options available for how the fee is applied across the various retail versus condotel project components.

The remainder of this section provides a more detailed discussion of the results of the financial feasibility analysis, with summary tables and detailed proforma worksheets provided as Exhibits B4 through B9.

Hotel Prototype #1: Luxury/Boutique
The feasibility analysis indicates that this prototype would likely be feasible before the addition of new linkage fees. Total residual land value for this property is estimated to be $1.86 million per acre compared to prevailing land cost of roughly $1.7 million for this type of property in the South Lake Tahoe tourist core. Sensitivity testing reveals that adjusting cost and revenue assumptions such as ADRs, the assumed capitalization rate, and other key inputs could significantly improve project performance and yield higher residual land value.

Hotel Prototype #2: Upper Mid-Scale
Of the five prototypes, this project yields the lowest overall residual land values assuming that the development would incur full land use commodity entitlement costs. Without the land use commodity entitlement costs, the prototype may be marginally feasible, yielding a positive land

value per acre of approximately $850,000 which may be sufficient to cover the cost of land in less prime locations on the edge of the tourist core or along outlaying commercial corridors.

Retail Prototype – Stand-Alone Retail Pad

Assuming premium rents, an aggressive cap rate and relatively modest overall development costs, this prototype would be feasible yielding approximately $3.6 million per acre in residual land value per acre compared to the prevailing market value of $2.8 million per acre for this property type use. At this level of profitability, the project could potentially absorb up to around $90 per square foot in additional commercial linkage fee burden, equal to approximately $1.08 million in total additional project cost. However, please note that this represents a very high-end retail project and that less well positioned projects may not be able to absorb the same additional impact fee burden.

Tourist Mixed-Use Prototype – Condotel and Retail

The preliminary feasibility analysis for the condotel prototype indicates that the project would likely be feasible before the addition of the retail and hotel linkage fees, yielding a positive residual land value of approximately of $8.1 million per acre compared to prevailing land costs of $3.5 to $5.3 million for this property type. It is important to note, however, that a large percentage of the value attributed to this prototype would be generated by very high assumed ADRs for the condotel portion of the project, and is thus highly dependent on the continued strength of this product type in the local lodging market.

With such a high residual land value, BAE estimates that a project of this type could potentially support imposition of a hotel linkage fee of up to $44 per square foot, or the retail linkage fee of $239 plus a hotel linkage fee of $7 per square foot. In either scenario, the City would be imposing a fee burden equal to approximately $5.2 million. Note however, that the retail component of the project is likely being subsidized by the condotel component; therefore an impact fee imposed on the condotel component would be more efficient and less likely to be impacted by adjustments in the ancillary aspects of the project design.

Residential Prototype – Luxury Single-Family

Of all of the prototypes considered in this analysis, the luxury single-family prototype would perform the strongest in terms of its ability to generate a substantial residual land value in excess of prevailing land costs for comparable properties. As shown below, this project would yield nearly in $900,000 per acre in land value per acre compared to an assumed land cost of approximately $500,000 per acre for a comparable parcel of single-family zoned land. This includes imposition of the recommended inclusionary housing in-lieu fee amount of $59,000.

Exhibit B4: Estimated Residual Value and Value Capture Potential

Project Type	Adjustments	Residual Land Value/Acre w/o Linkage Fee	Market Land Value/ Acre	Value Capture Potential	Value Capture Potential Per Sq. Ft./Unit	
Hotel Prototype #1: Luxury/High End Hotel	n.a.	$1,863,877	$1,700,000	$163,877	$10	(a)
Hotel Prototype #2: Upper Mid-Scale Hotel	w/ land use comm.	($1,321,704)	$1,700,000	($3,021,704)	($30)	
	w/o land use comm.	$850,714	$1,700,000	($849,286)	($14)	(b)
Retail Prototype	n.a.	$2,800,000	$2,800,000	$0	$0	(a)
Tourist Mixed-Use/Condotel	n.a.	$8,098,107	$3,500,000	$4,598,107	$34	
Luxury Residential	n.a.	$905,870	$500,000	$405,870	$405,870	

Notes:
(a) A residual value of this magnitude is likely within the margin of error of most proforma financial models.
(b) The assumed land cost is based on sites located within the tourist core. Sites on the periphery and some commercial corridors may be available at a lower cost which could prove feasible under some circumstances.

Source: BAE, 2023.

Exhibit B5: Prototype #1 Pro Forma - Small Luxury/Boutique Hotel

Development Program Assumptions

Lot Size (acres/sf)		0.7	30,056
Building			
	# of Keys	Avg. sf	Total sf
Hotel Room Characteristics	40	300	12,000
		%	sf
Circulation		20%	2,400
Walls and Shafts		10%	1,200
Hotel Gross Area			15,600
Retail			1,040
Gross Building Area			16,640
	# Stalls	Avg sf	Total Parking sf
Parking Configuration (a)			
Surface Parking	42	350	14,700
Operations			
Days Open per Year			365
Available Room Nights			14,600
Average Annual Occupancy			60.0%
Occupied Room Nights			8,760

Cost and Income Assumptions

Construction	
Site Preparation Costs (per site sf) (b)	$20
Hotel Hard Costs (per sq. ft.)	$340
Soft Cost, (% of Hard Costs)	20%
Revenues	
Average Daily Room Rate (per night)	$240
Room Revenues (% Total Rev.)	87.2%
Food and Beverage Revenues (% of Total Rev.)	8.4%
Other Operated Department Revenue (% of Total Rev.)	6.4%
Miscellaneous Income (% of Total Rev.)	2.8%
Retail NNN $/Sq/ Ft.	$3.00
Expenses	
Room Expenses (% of Room Revenues)	23.3%
Food Costs (% of Food Revenues)	77.0%
Other Operated Department Expenses	60.9%
Undistributed Operating Expenses (% of Total Rev.)(c)	27.3%
Management Fee (% of Total Rev.)	3.4%
Replacement Reserves (FF&E) (% of Total Hotel Rev.)	2.5%
Insurance (% Total Hotel Rev.)	0.9%
Real Estate Taxes (% of Project Costs Net Sales Rev.)	1.1%
Retail Operating Costs (Percent of Gross Rev)	35.0%
Financing	
Loan to Cost Ratio	65%
Initial Construction Loan Fee (points)	1.5%
Interest Rate	7.00%
Period of Initial Loan (Months)	24
Drawdown Factor	60%
Total Hard + Soft Costs + Land	$7,812,345
Total Loan Amount	$5,078,024

Development Cost Analysis

Fees and Exactions	
Linkage Fees	$0
Land Use Commodities Cost	$1,272,641
Construction Costs	
Site Prep Costs	$601,128
Hotel Hard Costs	$5,657,600
Permit and Impact Fees	$301,871
Soft Costs	$1,251,746
Subtotal Construction Costs	**$7,812,345**
Financing Costs	
Interest on Construction Loan	$426,554
Points on Construction Loan	$76,170
Subtotal Financing Costs	**$502,724**
Developer Profit (15%)	**$1,362,748**
Total Project Costs	**$10,950,458**

Residual Land Value Analysis

Revenues	
Room Revenues	$2,102,400
Food and Beverage Revenues	$176,097
Other Operated Department Revenues	$134,634
Miscellaneous Income	$57,858
Retail	$37,440
Total Revenues	**$2,508,430**
Expenses	
Room Expenses	($489,917)
Food Costs	($135,604)
Other Operated Department Expenses	($36,818)
Undistributed Operating Expenses (d)	($685,970)
Management Fee	($84,436)
Replacement Reserves	($63,556)
Insurance Costs	($22,012)
Real Estate Taxes	($120,455)
Retail Operating Costs	($13,104)
Total Expenses	**($1,651,872)**
Net Operating Income (NOI)	**$856,557**
Capitalized Total Project Value	**$12,236,533**
Residual Land Value	$1,286,075
Value per Acre	$1,863,877

Source: BAE, 2023.

Exhibit B6: Prototype #2 Pro Forma - Upper Mid-Scale Hotel

Development Program Assumptions

Lot Size (acres/sf)		2.3	100,188
Building			
	# of Keys	Avg. sf	Total sf
Hotel Room Characteristics	120	350	42,000
		%	sf
Circulation		25%	10,500
Walls and Shafts		15%	6,300
Hotel Gross Area			58,800
Retail			2,000
Gross Building Area			60,800
	#	Avg	Total
Parking Configuration (a)	Stalls	sf	Parking sf
Surface Parking	124	350	43,400
Operations			
Days Open per Year			365
Available Room Nights			43,800
Average Annual Occupancy			70.0%
Occupied Room Nights			30,660

Cost and Income Assumptions

Construction	
Site Preparation Costs (per site sf) (b)	$20
Hotel Hard Costs (per sq. ft.)	$300
Soft Cost, (% of Hard Costs)	20%
Revenues	
Average Daily Room Rate (per night)	$180
Room Revenues (% Total Rev.)	87.2%
Food and Beverage Revenues (% of Total Rev.)	8.4%
Other Operated Department Revenue (% of Total Rev.)	6.4%
Miscellaneous Income (% of Total Rev.)	2.8%
Retail NNN $/Sq/ Ft.	$2.00
Expenses	
Room Expenses (% of Room Revenues)	23.3%
Food Costs (% of Food Revenues)	77.0%
Other Operated Department Expenses	60.9%
Undistributed Operating Expenses (% of Total Rev.)(c)	27.3%
Management Fee (% of Total Rev.)	3.4%
Replacement Reserves (FF&E) (% of Total Hotel Rev.)	2.5%
Insurance (% Total Hotel Rev.)	0.9%
Real Estate Taxes (% of Project Costs Net Sales Rev.)	1.1%
Retail Operating Costs (Percent of Gross Rev)	35.0%
Financing	
Loan to Cost Ratio	65%
Initial Construction Loan Fee (points)	1.5%
Interest Rate	7.00%
Period of Initial Loan (Months)	24
Drawdown Factor	60%
Total Hard + Soft Costs + Land	$25,435,798
Total Loan Amount	$16,533,269

Development Cost Analysis

Fees and Exactions	
Linkage Fees	$0
Entitlement Commodities Cost	$0
Construction Costs	
Site Prep Costs	$2,003,760
Hotel Hard Costs	$18,240,000
Permit and Impact Fees	$1,143,286
Soft Costs	$4,048,752
Subtotal Construction Costs	**$25,435,798**
Financing Costs	
Interest on Construction Loan	$1,388,795
Points on Construction Loan	$247,999
Subtotal Financing Costs	**$1,636,794**
Developer Profit (15%)	**$2,707,259**
Total Project Costs	**$29,779,851**

Residual Land Value Analysis

Revenues	
Room Revenues	$5,518,800
Food and Beverage Revenues	$462,255
Other Operated Department Revenues	$353,415
Miscellaneous Income	$151,878
Retail	$48,000
Total Revenues	**$6,534,348**
Expenses	
Room Expenses	($1,286,031)
Food Costs	($355,962)
Other Operated Department Expenses	($96,647)
Undistributed Operating Expenses (d)	($1,786,920)
Management Fee	($219,953)
Replacement Reserves	($165,561)
Insurance Costs	($57,341)
Real Estate Taxes	($327,578)
Retail Operating Costs	($16,800)
Total Expenses	($4,312,793)
Net Operating Income (NOI)	**$2,221,555**
Capitalized Total Project Value	**$31,736,494**
Residual Land Value	$1,956,642
Value per Acre	$850,714
Value per SF	$32.18

Source: BAE, 2023.

Exhibit B7: Prototype #3 Pro Forma - Retail Center

Development Program Assumptions

Lot Size (acres/sf)	1.6	70,132
Total Building Area (sf)		12,075
Building		
Retail (sf)		12,000
Restaurant		0
Circulation Factor		0%
Comm'l Gross Area (sf)		12,000
Parking		
	#	Total
Parking Configuration (b)	Stalls	Parking sf
Surface Parking (Residential)	0	0
Surface Parking (Commercial)	100	37,500
Total Required Parking	100	37,500
Average sf per space	375	

Cost and Income Assumptions

Construction	
Site Preparation Costs (per site sf) (c)	$15
Retail Hard Costs (d)	$150
Restaurant Hard Costs (d)	$175
Soft Cost, (% of Hard Costs)	20%
Operations	
Average Rental Rate (per sf NNN)	$4.15
Operating Costs (35% of Gross)	35.0%
Vacancy Rate	10%
Financing	
Loan to Cost Ratio	65%
Initial Construction Loan Fee (points)	1.5%
Interest Rate	7.00%
Period of Initial Loan (Months)	24
Drawdown Factor	60%
Total Hard + Soft Costs + Land	$3,618,735
Total Loan Amount	$2,352,178

Development Cost Analysis

Fees and Exactions	
Linkage Fees	$0
Land Use Commodities Cost	$1,414,704
Construction Costs	
Site Prep Costs	$1,051,974
Retail Hard Costs	$1,800,000
Restaurant Hard Costs	$0
Planning and Building Permits	$196,366
Soft Costs	$570,395
Subtotal Construction Costs	**$3,618,735**
Financing Costs	
Interest on Construction Loan	$197,583
Points on Construction Loan	$35,283
Subtotal Financing Costs	**$232,866**
Developer Profit (15%)	**$789,946**
Total Project Costs	**$6,056,250**

Residual Land Value Analysis

Commercial	
Gross Scheduled Comm'l Rents	$597,600
Less Vacancy	($59,760)
Less Operating Expenses	($50,400)
Plus CAM Reimbursables	$45,360
Net Operating Income (NOI)	**$532,800**
Total Project Value	**$11,840,000**
Residual Land Value	**$5,783,750**
Residual Land Value/Acre	**$3,592,391**

Sources: BAE, 2023.

Exhibit B8: Prototype #4 Pro Forma - Mixed-Use Condotel

Development Program Assumptions

Lot Size (acres/sf)		1.5	65,340
Total Building Area (sf)			136,750
Hotel			
	# of Keys	Avg. sf	Total sf.
Hotel Room Characteristics	72	350	25,200
		%	sf
Circulation		25%	6,300
Walls and Shafts		15%	3,780
Hotel Gross Area			35,280
Hotel Operations			
Days Open per Year			365
Available Room Nights			26,280
Average Annual Occupancy			70.0%
Occupied Room Nights			18,396
Condo			
Condo Unit Types	# of Units	Avg. sf	Res. sf
1-Bed	23	800	18,400
2-Bed	33	1,000	33,000
3-Bed	10	1,250	12,500
Total	66		63,900
		%	sf
Circulation		20%	12,780
Walls and Shafts		10%	6,390
Condo Gross Area			83,070
Condo Operations			
Average Annual Occupancy			65.0%
Days Available per Year (Owner)			90
Available Room Nights Per Year (Owners)			5,940
Occupied Room Nights Per Year (Owner)			3,861
Days Available Per Year (Guest) (b)			275
% of Condo Units in Hotel Pool			80%
Available Room Nights Per Year (Guests)			14,520
Occupied Room Night Per Year (Guests)			9,438
Hotel Amenities			
Conference/Event Space (sf)			0
Restaurant (sf)			0
Commercial Space			
Gross Retail			18,400
Parking	#	Avg	Total
Parking Configuration	Stalls	sf	Parking sf
Surface Parking	0	375	0
Podium Parking	120	375	45,000
Total	120		45,000

Cost and Income Assumptions

Construction	
Site Preparation Costs (per site sf) (d)	$20
Hotel Hard Costs (per key)	$330
Condo Hard Costs (per sf)	$375
Restaurant Hard Costs (per sf)	$175
Conference Space Hard Costs (per sf)	$150
Parking Podium Hard Costs (per space)	$50,000
Soft Cost, (% of Hard Costs)	20%
Revenues	
Hotel Revenues	
Average Daily Room Rate (per night)	$240
Room Revenues (% Total Hotel Rev.)	64.0%
Food and Beverage Revenues (% of Total Hotel Rev.)	29.5%
Other Operated Department Revenue (% of Total Hotel Rev.)	3.6%
Miscellaneous Income (% of Total Hotel Rev.)	2.9%
Condo Revenues (e)	
Sale Price (per sf)	$625
Average Daily Room Rate (per night)	$350
Room Revenues (% of Total Condo Rev.)	60.5%
Food Revenues (% of Total Condo Rev.)	30.8%
Other Operated Department Revenue (% of Total Condo Rev.)	4.8%
Miscellaneous Income (% of Total Condo Rev.)	3.8%
Expenses	
Hotel Expenses	
Room Expenses (% of Room Revenues)	25.8%
Food Costs (% of Food Revenues)	68.9%
Other Operated Department Expenses (% or OODR)	64.8%
Undistributed Operating Expenses (% of Total Rev.)(g)	24.4%
Management Fee (% of Total Rev.)	2.9%
Replacement Reserves (FF&E) (% of Total Hotel Rev.)	1.9%
Insurance (% Total Hotel Rev.)	1.0%
Real Estate Taxes (% of Project Costs Net Sales Rev.)	1.1%
Retail Expenses	35.0%
Condo Expenses	
Sales Marketing (% of Room Revenues)	3.0%
Room Expenses (% of Room Revenues)	15.0%
Food Costs (% of Food Revenues)	68.9%
Owner's Revenue Share (% of Total Revenues)	50.0%
Financing	
Loan to Cost Ratio	65%
Initial Construction Loan Fee (points)	2.00%
Interest Rate	7.00%
Period of Initial Loan (Months)	24
Drawdown Factor	60%
Total Hard + Soft Costs + Land	$65,006,782
Total Loan Amount	$42,254,408

Development Cost Analysis

Fees and Exactions	
Linkage Fees	$0
Land Use Commodities Cost	$4,033,350
Construction Costs	
Site Prep Costs	$1,306,800
Hotel Hard Costs	$11,642,400
Condo Hard Costs	$31,151,250
Restaurant Hard Costs	$0
Conference Space Hard Costs	$0
Retail Hard Costs	$2,400,000
Parking Podium Hard Costs	$6,000,000
Permit and Impact Fees	$2,006,242
Soft Costs	$10,500,090
Subtotal Construction Costs	**$65,006,782**
Construction Financing Costs	
Interest on Construction Loan	$3,549,370
Points on Construction Loan	$845,088
Subtotal Const. Financing Costs	**$4,394,458**
Developer Profit (15%)	**$11,015,188**
Total Project Costs	**$84,449,778**
Less Condo Sales	($39,937,500)
Plus Marketing Costs	$1,198,125
Project Costs Net of Sales Revenue	**$45,710,403**

Feasibility Analysis

Revenues	
Hotel Revenues	
Room Revenues	$4,415,040
Food and Beverage Revenues	$2,034,403
Other Operated Department Revenues	$250,334
Miscellaneous Income	$263,199
Subtotal Hotel Revenues	**$6,897,285**
Condo Revenues	
Room Revenues	$3,303,300
Food Revenues	$1,681,256
Other Operated Department Revenues	$263,920
Miscellaneous Income	$208,227
Subtotal Condo Revenues	$5,456,703
Retail Revenues	$66,400
Total Revenues	**$12,420,389**
Expenses	
Hotel Expenses	
Room Expenses	($1,138,968)
Food Expenses	($1,400,821)
Other Operated Department Expenses	($162,264)
Undistributed Operating Expenses	($1,682,806)
Management Fee	($200,835)
Replacement Reserves	($132,478)
Insurance	($69,079)
Real Estate Taxes	($502,814)
Condo Expenses	
Room Expenses	($495,495)
Food Expenses	($1,157,656)
Owners' Revenues	($1,403,903)
Retail Expenses	($23,240)
Total Expenses	**($8,370,359)**
Net Operating Income (NOI)	**$4,050,030**
Project Value	**$57,857,565**
Residual Land Value	$12,147,161
Land Value/Acre	$8,098,107

Source: BAE, 2023.

Exhibit B9: Prototype #5 Pro Forma - Luxury Single Family Home

Development Program Assumptions

Lot Size (acres/sf)	0.650	28,314
Residential Unit Type	Res. sf	
Luxury SFR	6,250	
Residential Gross Area (sf)	6,250	
Marketing Costs as a % of Sale Price	3%	
Financing		
Loan to Cost Ratio	65%	
Initial Construction Loan Fee (points)	1.5%	
Interest Rate	7.00%	

Cost and Income Assumptions

Construction	
Site Preparation Costs (per site sf) (c)	$10
Residential Hard Costs (per sf)	$176
Soft Costs (% of Hard Costs)	20%
Operations	
Sale Price (per sf)	$500
Financing Costs	
Interest on Construction Loan	$43,953
Points on Construction Loan	$17,124
Subtotal Financing Costs	**$61,077**
Period of Initial Loan (Months)	12
Drawdown Factor	55%
Total Hard + Soft Costs	$1,756,357
Total Loan Amount	$1,141,632
Developer Profit (% of Sales Revenue)	20%

Development Cost Analysis

Fees and Exactions	
Land Use Commodities Cost	$22,500
Linkage Fees	$0
Construction Costs	
Site Prep Costs	$283,140
Residential Hard Costs	$1,100,000
Permit and Impact Fees	$96,589
Soft Costs	$276,628
Subtotal Construction Costs	**$1,756,357**
Financing	**$61,077**
Total Project Costs	**$1,839,935**

Residual Land Value Analysis

Revenues	
Residential Sales Revenue	$3,125,000
Less Marketing Costs	($93,750)
Total Project Value	**$3,031,250**
Less Total Project Costs	$1,839,935
Less Developer Profit	$625,000
Residual Land Value	$566,315
Residual Land Value/Acre	$871,254

Source: BAE, 2023.

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: September 12, 2023

Agenda Item #: 16

Agenda Item: California Department of Housing and Community Development's Prohousing Designation Program

Executive Summary: The California Department of Housing and Community Development's (HCDâ€™s) Prohousing Designation program is a formal way to recognize the Cityâ€™s commitment to advance housing affordability, choice, and opportunity throughout the City of South Lake Tahoe. Becoming a designated Prohousing jurisdiction opens up opportunities for incentive points for competitive grants and the Prohousing Incentive Program grant funding.

Requested Action / Suggested Motions: Pass a Resolution authorizing the City Manager to submit an application for participation in the California Department of Housing and Community Development's Prohousing Designation Program.

Responsible Staff Member: Jessica Wackenhut Lomeli, Associate Housing Planner

Reviewed and Approved By: Susan Blankenship, City Clerk Olga Tikhomirova, Director of Finance Heather Stroud, City Attorney

Attachments:

01-Staff Report - Prohousing Designation.docx
02-Prohousing Designation Program Application.pdf
03-Resolution - Prohousing.docx

City of South Lake Tahoe
Report to **City Council**

Meeting Date: September 12, 2023

Title: Prohousing Designation Program

Location: City-wide

Responsible Staff Member: Jessica Wackenhut Lomeli, Associate Housing Planner

Background: In an effort to further push city and county jurisdictions to address the statewide housing crisis, the Newsom Administration and California Legislature created the Prohousing Designation Program as part of a package of technical assistance, accountability measures, and incentives to address housing and homelessness. The program seeks to encourage jurisdictions to adopt policies and programs that are favorable to the creation of multifamily and affordable housing.

Local Governments with Prohousing Designation are eligible for an additional Prohousing Incentive Program grant. This grant consists of a $26 million state investment from the Building Homes and Jobs Trust Fund. To provide an incentive for local governments to become certified as Prohousing additional competitive scoring is being incorporated into funding programs across public state agencies and departments. Specifically, the additional points are given in competitive program funding applications that support housing, transportation, infrastructure, land use, and related objectives pursuant to Government Code section 65589.9(b). The following grant programs include Prohousing Designation in scoring criteria:

- Affordable Housing & Sustainable Communities (AHSC);
- Infill Infrastructure Grant (IIG);
- Transformative Climate Communities (TCC);
- Solutions for Congested Corridors;
- Local Partnership Program; and
- Transit and Intercity Rail Capital Program.

Issue and Discussion: Consistent with the City Council's adopted Strategic Plan and General Plan Housing Element, a robust set of housing programs are underway to address the spectrum of housing needs within the City of South Lake Tahoe (City). Additionally, by adopting the Housing Element, the City Council has adopted numerous policies that seek to advance the development of affordable housing. Furthermore, the City Council has taken additional actions that streamline zoning and land use planning, accelerate production, reduce costs, and provide financial subsidies for housing projects.

The state department of Housing and Community Development's Prohousing Designation program is a formal way to recognize the City's commitment to advance housing affordability, choice, and opportunity throughout the City of South Lake Tahoe.

The Prohousing application has been attached to this report and documents the competitive scoring associated with the various policies and programs recognized by the Prohousing program (Attachment 2).

Staff recommends the City Council approve the Resolution authorizing staff to submit an application for the Prohousing Designation. This should be done for the purpose of becoming a designated Prohousing jurisdiction with opportunities for incentive points for competitive grants and the Prohousing Incentive Program grant funding.

Financial Implications: The Prohousing program requires minor annual compliance monitoring and reporting to maintain the designation. Besides staff time, there are not related costs. There is, however, significant financial benefit since it allows the City to be more competitive for a variety of grant programs.

Environmental Considerations: The recommendation in this report is not a project under CEQA, because it does not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment, as contemplated by Title 14, California Code of Regulations, Sections 15378(b)(2) and 15378(b)(4) and is, therefore, not subject to CEQA pursuant to CEQA Guidelines Section 15060(c)(3).

Policy Implications: The recommended action is consistent with the following adopted policies and programs:

<u>City General Plan Housing Element</u>

Policy 1-1 The City shall adopt programs, ordinances, incentives, land use plans and other regulatory mechanisms that provide opportunities for the private sector to address the housing needs of citizens of all economic levels.

Program 1-3 The City shall work with the California Department of Housing and Community Development, the California Legislature, and through other appropriate legal means to remove unreasonable barriers to the implementation of the goals, policies, and programs of the City's Housing Element and to maintain consistency with state law.

Policy 1-10 The City shall actively seek opportunities to obtain federal, state, and local funding for affordable housing and community development and implementation of General Plan policies and programs to support housing affordability, community development, and safety.

Prohousing Designation Program Application

State of California
Governor Gavin Newsom

Lourdes Castro Ramírez, Secretary
Business, Consumer Services and Housing Agency

Gustavo Velasquez, Director
Department of Housing and Community Development

Megan Kirkeby, Deputy Director
Division of Housing Policy Development

2020 West El Camino, Suite 500
Sacramento, CA 95833

Website: https://www.hcd.ca.gov/community-development/prohousing
Email: ProhousingPolicies@hcd.ca.gov

July 2021

Prohousing Designation Program Application Package Instructions

The applicant is applying for a Prohousing Designation under the Prohousing Designation Program ("**Prohousing**" or "**Program**"), which is administered by the Department of Housing and Community Development ("**Department**") pursuant to Government Code section 65589.9.

The Program creates incentives for Jurisdictions that are compliant with Housing Element requirements and that have enacted Prohousing Policies. These incentives will take the form of additional points or other preference in the scoring of applications for competitive housing and infrastructure programs. The administrators of each such program will determine the value and form of the preference.

In order to be considered for a Prohousing Designation, the applicant must accurately complete all sections of this application, including any relevant appendices. The Department reserves the right to request additional clarifying information from the applicant.

This application is subject to Government Code section 65589.9, and to the regulations (Cal. Code Regs., tit. 25, § 6600 et seq.) adopted by the Department in promulgation thereof ("**Regulations**"). All capitalized terms in this application shall have the meanings set forth in Section 6601 of the Regulations.

All applicants must submit a complete, signed application package to the Department, in electronic format, in order to be considered for a Prohousing Designation. Please direct electronic copies of the completed application package to the following email address: ProhousingPolicies@hcd.ca.gov.

A complete application will include all items identified in the Application Checklist.

In relation to **Appendix 1**, the Formal Resolution for the Prohousing Designation Program, please use ~~strikethrough~~ and <u>underline</u> if proposing any modifications to the text of the Resolution.

Appendix 2, the Proposed Policy Completion Schedule, applies only if an application includes proposed policies.

Appendix 3, Project Proposal Scoring Sheet and Sample Project Proposal Scoring Sheet, includes a blank template to be completed by the applicant as part of the application, as well as a Sample Project Proposal Scoring Sheet with an example of how this template may be completed.

Appendix 4 lists examples of Prohousing Policies with enhancement factors to aid applicants in understanding how enhancement factors may be applied.

Appendix 5 is where the applicant will include any additional information and supporting documentation for the application.

If you have questions regarding this application or the Program, or if you require technical assistance in preparing this application, please email ProhousingPolicies@hcd.ca.gov.

Application Checklist

	Yes	No
Application Information	☒	☐
Certification and Acknowledgement	☒	☐
The Legislative Information form is completed.	☒	☐
The Threshold Requirements Checklist is completed.	☒	☐
A duly adopted and certified Formal Resolution for the Prohousing Designation Program is included in the application package. (See **Appendix 1** for the Formal Resolution for the Prohousing Designation Program (New 04/21) form.)	☒	☐
If applicable, the Proposed Policy Completion Schedule is completed. (See **Appendix 2**.)	☒	☐
The Project Proposal Scoring Sheet is completed. (See **Appendix 3** for the Project Proposal Scoring Sheet and the Sample Project Proposal Scoring Sheet)	☒	☐
Additional information and supporting documentation (Applicant to provide as **Appendix 5**)	☒	☐

Application Information

Applicant (Jurisdiction):	City of South Lake Tahoe
Applicant Mailing Address:	1052 Tata Lane
City:	South Lake Tahoe
ZIP Code:	96150
Website:	https://cityofslt.us
Authorized Representative Name	Hilary Roverud
Authorized Representative Title:	Director of Development Services
Phone:	530-542-6024
Email:	Hroverud@cityofslt.us
Contact Person Name:	Jessica Wackenhut Lomeli
Contact Person Title:	Associate Housing Planner
Phone:	530-542-6158
Email:	jwackenhut@cityofslt.us
Proposed Total Score (Based on Appendix 3):	48

CERTIFICATION AND ACKNOWLEDGMENT

As authorized by the Formal Resolution for the Prohousing Designation Program (Resolution No. 2023 - XXX), which is attached hereto and incorporated by reference as if set forth in full, I hereby submit this full and complete application on behalf of the applicant.

I certify that all information and representations set forth in this application are true and correct.

I further certify that any proposed Prohousing Policy identified herein will be enacted within two (2) years of the date of this application submittal.

I acknowledge that this application constitutes a public record under the California Public Records Act (Gov. Code, § 6250 et seq.) and is therefore subject to public disclosure by the Department.

Signature: _____

Name and Title: _Hilary Roverud, Director of Development Services__

Date: _____

Legislative Information

District	Number	Legislator's Name
Federal Congressional District	3	Kevin Kiley (District 3)
State Assembly District	1	Megan Dahle (District 1)
State Senate District	1 and 4	Brian Dahle (District 1); Marie Alvarado-Gil (District 4)

Applicants can find their respective State Senate representatives at https://www.senate.ca.gov/, and their respective State Assembly representatives at https://www.assembly.ca.gov/

Threshold Requirements Checklist

The applicant meets the following threshold requirements in accordance with Section 6604 of the Regulations:

	Yes	No
The applicant is a Jurisdiction.	☒	☐
The applicant has adopted a Compliant Housing Element.	☒	☐
The applicant has submitted or will submit a legally sufficient Annual Progress Report prior to designation.	☒	☐
The applicant has completed, on or before the relevant statutory deadlines, any rezone program or zoning that is necessary to remain in compliance with Government Code section 65583, subdivision (c)(1).	☒	☐
The applicant is in compliance, at the time of the application, with applicable state housing law, including, but not limited to, Housing Element Law; “No Net Loss” Law (Gov. Code, § 65863); the Housing Accountability Act (Gov. Code, § 65589.5); State Density Bonus Law (Gov. Code, § 65915 et seq.); laws relating to the imposition of school facilities fees or other requirements (Gov. Code, § 65995 et seq.); Least Cost Zoning Law (Gov. Code, § 65913.1); the Housing Crisis Act of 2019 (Stats. 2019, ch. 654); and antidiscrimination law (Gov. Code, § 65008).	☒	☐
The applicant has duly adopted and certified a Formal Resolution for the Prohousing Designation Program, which is hereby incorporated by reference. (A true and correct copy of the resolution is included in this application package.)	☒	☐

Project Proposal
Category 1: Favorable Zoning and Land Use

Category	Prohousing Policy Description	Points
1A	Sufficient sites, including rezoning, to accommodate 150 percent or greater of the current or draft RHNA, whichever is greater, by total or income category.	3
1B	Permitting missing middle housing uses (e.g., duplexes, triplexes, and fourplexes) by right in existing low-density, single-family residential zones.	3
1C	Sufficient sites, including rezoning, to accommodate 125 to 149 percent of the current or draft RHNA, whichever is greater, by total or income category. These points shall not be awarded if the applicant earns three points pursuant to Category (1)(A) above.	2
1D	Density bonus programs which exceed statutory requirements by 10 percent or more.	2
1E	Increasing allowable density in low-density, single-family residential areas beyond the requirements of state Accessory Dwelling Unit law (e.g., permitting more than one ADU or JADU per single-family lot). These policies shall be separate from any qualifying policies under Category (1)(B) above.	2
1F	Reducing or eliminating parking requirements for residential development as authorized by Government Code sections 65852.2; adopting vehicular parking ratios that are less than the relevant ratio thresholds at subparagraphs (A), (B), and (C) of Government Code section 65915, subdivision (p)(1); or adopting maximum parking requirements at or less than ratios pursuant to Government Code section 65915, subdivision (p).	2
1G	Zoning to allow for residential or mixed uses in one or more non-residential zones (e.g., commercial, light industrial). Qualifying non-residential zones do not include open space or substantially similar zones.	1
1H	Modification of development standards and other applicable zoning provisions to promote greater development intensity. Potential areas of focus include floor area ratio; height limits; minimum lot or unit sizes; setbacks; and allowable dwelling units per acre. These policies must be separate from any qualifying policies under Category (1)(B) above.	1
1I	Establishment of a Workforce Housing Opportunity Zone, as defined in Government Code section 65620, or a housing sustainability district, as defined in Government Code section 66200.	1
1J	Demonstrating other zoning and land use actions that measurably support the Acceleration of Housing Production.	1

Project Proposal
Category 2: Acceleration of Housing Production Timeframes

Category	Prohousing Policy Description	Points
2A	Establishment of ministerial approval processes for a variety of housing types, including single-family and multifamily housing.	3
2B	Establishment of streamlined, program-level CEQA analysis and certification of general plans, community plans, specific plans with accompanying Environmental Impact Reports (EIR), and related documents.	2
2C	Documented practice of streamlining housing development at the project level, such as by enabling a by-right approval process or by utilizing statutory and categorical exemptions as authorized by applicable law (Pub. Resources Code, §§ 21155.1, 21155.4, 21159.24, 21159.25; Gov. Code, § 65457; Cal Code Regs., tit. 14, §§ 15303, 15332; Pub. Resources Code, §§ 21094.5, 21099, 21155.2, 21159.28).	2
2D	Establishment of permit processes that take less than four months. Policies under this Category (2)(D) must address all approvals necessary to issue building permits.	2
2E	Absence or elimination of public hearings for projects consistent with zoning and the general plan.	2
2F	Establishment of consolidated or streamlined permit processes that minimize the levels of review and approval required for projects, and that are consistent with zoning regulations and the general plan.	1
2G	Absence, elimination or replacement of subjective development and design standards with objective development and design standards that simplify zoning clearance and improve approval certainty and timing.	1
2H	Establishment of one-stop-shop permitting processes or a single point of contact where entitlements are coordinated across city approval functions (e.g., planning, public works, building) from entitlement application to certificate of occupancy.	1
2I	Priority permit processing or reduced plan check times for ADUs/JADUs, multifamily housing, or homes affordable to lower- or moderate-income households.	1
2J	Establishment of a standardized application form for all entitlement applications.	1
2K	Practice of publicly posting status updates on project permit approvals on the Internet.	1
2L	Limitation on the total number of hearings for any project to three or fewer. Applicants that accrue points pursuant to Category (2)(E) are not eligible for points under this Category (2)(L).	1
2M	Demonstration of other actions, not listed above, that quantifiably decrease production timeframes or promote the streamlining of approval processes.	1

Project Proposal
Category 3: Reduction of Construction and Development Costs

Category	Prohousing Policy Description	Points
3A	Waiver or significant reduction of development impact fees for residential development.	3
3B	Adoption of ordinances or implementation of other mechanisms that result in less restrictive requirements than Government Code sections 65852.2 and 65852.22 to reduce barriers for property owners to create ADUs/JADUs. Examples of qualifying policies include, but are not limited to, development standards improvements, permit processing improvements, dedicated ADU/JADU staff, technical assistance programs, and pre-approved ADU/JADU design packages.	2
3C	Adoption of other fee reduction strategies separate from Category (3)(A) above, including fee deferrals and reduced fees for housing for persons with special needs.	1
3D	Promoting innovative housing types (e.g., manufactured homes, recreational vehicles, park models) that reduce development costs.	1
3E	Measures that reduce costs for transportation-related infrastructure or programs that encourage active modes of transportation or other alternatives to automobiles. Qualifying policies include, but are not limited to, publicly funded programs to expand sidewalks or protect bike/micro-mobility lanes; creation of on-street parking for bikes; transit-related improvements; or establishment of carshare programs.	1
3F	Adoption of universal design ordinances pursuant to Health and Safety Code section 17959.	1
3G	Establishment of pre-approved or prototype plans for missing middle housing types (e.g., duplexes, triplexes, and fourplexes) in low-density, single-family residential areas.	1
3H	Demonstration of other actions, not listed above, that quantifiably reduce construction or development costs.	1

Project Proposal
Category 4: Providing Financial Subsidies

Category	Prohousing Policy Description	Points
4A	Establishment of local housing trust funds or collaboration on a regional housing trust fund.	2
4B	Provide grants or low-interest loans for ADU/JADU construction affordable to lower- and moderate-income households.	2
4C	A comprehensive program that complies with the Surplus Land Act (Gov. Code, § 54220 et seq.) and that makes publicly owned land available for affordable housing, or for multifamily housing projects with the highest feasible percentage of units affordable to lower income households. A qualifying program may utilize mechanisms such as land donations, land sales with significant write-downs, or below-market land leases.	2
4D	Establishment of an Enhanced Infrastructure Financing District or similar local financing tool that, to the extent feasible, directly supports housing developments in an area where at least 20 percent of the residences will be affordable to lower income households.	2
4E	Directed residual redevelopment funds to affordable housing.	1
4F	Development and regular (at least biennial) use of a housing subsidy pool, local or regional trust fund, or other similar funding source.	1
4G	Prioritization of local general funds for affordable housing.	1
4H	Demonstration of other actions, not listed above, that quantifiably promote, develop, or leverage financial resources for housing.	1

Project Proposal
Enhancement Factors

The Department shall utilize enhancement factors to increase the point scores of Prohousing Policies. Each Prohousing Policy will receive extra points for enhancement factors in accordance with the chart below.

Category	Prohousing Policy Description	Points
1	Policy that represents one element of a unified, multi-faceted strategy to promote multiple planning objectives, such as efficient land use, access to public transportation, affordable housing, climate change solutions, and/or hazard mitigation.	2
2	Policies that promote development consistent with the state planning priorities pursuant to Government Code section 65041.1.	1
3	Policies that diversify planning and target community and economic development investments (housing and non-housing) to improve lower opportunity areas. Such areas include, but are not limited to, Low Resource and High Segregation & Poverty areas designated in the most recently updated TCAC/HCD Opportunity Maps, and disadvantaged communities pursuant to California Senate Bill 535 (2012).	1
4	Policies that go beyond state law requirements in reducing displacement of lower income households and conserving existing housing stock that is affordable to lower income households.	1
5	Rezoning and other policies that support high-density development in Location Efficient Communities.	1
6	Rezoning and other policies that result in a net gain of housing capacity while concurrently mitigating development impacts on or from Environmentally Sensitive or Hazardous Areas.	1
7	Zoning policies that increase housing choices and affordability in High Resource and Highest Resource areas, as designated in the most recently updated TCAC/HCD Opportunity Maps.	1
8	Other policies that involve meaningful actions towards affirmatively furthering fair housing pursuant to Government Code section 8899.50, including, but not limited to, outreach campaigns, updated zoning codes, and expanded access to financing support.	1

Project Proposal Scoring Sheet Instructions

The Department shall validate applicants' scores based on the extent to which each identified Prohousing Policy contributes to the Acceleration of Housing Production. The Department shall assess applicants' Prohousing Policies in accordance with Government Code section 65589.9, subdivision (f)(2), and Sections 6605 and 6606 of the Regulations.

The Department shall further assess applicants' Prohousing Policies using the following four scoring categories: Favorable Zoning and Land Use; Acceleration of Housing Production Timeframes; Reduction of Construction and Development Costs; and Providing Financial Subsidies. Applicants shall demonstrate that they have enacted or proposed at least one policy that significantly contributes to the Acceleration of Housing Production in each of the four categories. A Prohousing Designation requires a total score of 30 points or more across all four categories.

Instructions

Please utilize one row of the Scoring Sheet for each Prohousing Policy.

- **Category Number**: Select the relevant category number from the relevant Project Proposal list in this application. Where appropriate, applicants may utilize a category number more than once.
- **Concise Written Description of Prohousing Policy**: Set forth a brief description of the enacted or proposed Prohousing Policy.
- **Enacted or Proposed**: Identify the Prohousing Policy as enacted or proposed. For proposed Prohousing Policies, please complete **Appendix 2: Proposed Policy Completion Schedule**.
- **Documentation Type**: For enacted Prohousing Policies, identify the relevant documentary evidence (e.g., resolution, zoning code provisions). For proposed Prohousing Policies, identify the documentation which shows that implementation of the policy is pending.
- **Web Links/Electronic Copies**: Insert the Web link(s) to the relevant documentation or indicate that electronic copies of the documentation have been attached to this application as **Appendix 5**.
- **Points**: Enter the appropriate number of points using the relevant Project Proposal list in this application.
- **Enhancement Category Number (optional)**: If utilizing an enhancement factor for a particular Prohousing Policy, enter the appropriate category number using the relevant Project Proposal list in this application.
- **Enhancement Points (optional)**: If utilizing an enhancement factor for a particular Prohousing Policy, enter the point(s) for that Prohousing Policy.
- **Total Points**: Add the enhancement point(s) to the Prohousing Policy's general point score.

Appendix 2: Proposed Policy Completion Schedule

Category Number	Concise Written Description of Proposed Policy	Key Milestones and Milestone Dates	Anticipated Completion Date	Notes
1A	Proposed amendments to two Area Plans: The City is proposing an increase in maximum density from 25 – 65 units per acre for multifamily development and a minimum density of 8 units per acre in Town Centers.	Planning Commission, September 21, 2023; and City Council adoption December 7; TRPA adoption in January 2024	TRPA: January 2024	
1H	Proposed amendments to two Area Plans. The City is proposing an increase in maximum density, modifying development standards to allow more types of uses, and will adjust height based on the changes TRPA is proposing.	Planning Commission, September 21, 2023; and City Council adoption December 7; TRPA adoption in January 2024	TRPA: January 2024	
3E	Proposed amendments to two Area Plans: The City is exploring options to allow development projects to have a reduced onsite parking requirement in exchange for contributions to the implementation of connectivity and transit initiatives.	Planning Commission, September 21, 2023; and City Council adoption December 7; TRPA adoption in January 2024	December 2023 with City and January; 2024 at TRPA	
4A	Single-family and condominium projects have an increased ability to absorb inclusionary requirement as unit size gets larger associated with	The residential nexus and feasibility analysis, coordination with HCD for regulatory	City Council: September 26, 2023	

	the “net gap” equivalent. Units les than 2000 square feet and multi-family rental units are exempt from the proposed inclusionary fees, in addition to deed-restricted units for tenants with income at or below moderate income.	compliance were completed for a tier based (on unit size) inclusionary housing policy.		

Appendix 3: Project Proposal Scoring Sheet and Sample Project Proposal Scoring Sheet

Project Proposal Scoring Sheet

Category Number	Concise Written Description of Prohousing Policy	Enacted or Proposed	Documentation Type (e.g., resolution, zoning code)	Insert Web Links to Documents **or** Indicate that Electronic Copies are Attached as **Appendix 5**	Points	Enhancement Category Number	Enhancement Points	Total Points
1A	The City currently has a RHNA goal of 289 and the sites unit capacity is 717. This is slightly below the 150% threshold by 5 units. However, with the proposed density increases in the area plan amendments, focusing on density increases in Town Centers (Location Efficient Communities), the City will exceed the 150%.	Enacted and Proposed	Resolution 2022-086 passed on June 21, 2022 Proposed Area Plan Amendments for density	https://www.cityofslt.us/DocumentCenter/View/17094/Complete_HousingElement_CLEAN_reducedsize?bidId= https://legistarweb-production.s3.amazonaws.com/uploads/attachment/pdf/1932928/01_CCStaffReport_AreaPlanAmendments_20230516.pdf https://legistarweb-production.s3.amazonaws.com/uploads/attachment/pdf/1965936/01_CCStaffReport_TCAPAmendments_20230606.pdf	3	1	2	5

1D	There is a 25% density bonus program from TRPA for affordable housing which exceeds statutory requirements by 10 percent. The City adopted all TRPA Density code (31.4.1).	Enacted	TRPA Code of Ordinances Section 31.4.1	https://www.trpa.gov/wp-content/uploads/TRPA-Code-of-Ordinances.pdf	2			2
1F	There is a 20% parking reduction if a deed restriction is placed on the property making the owner responsible for parking management. Parking reductions are also in proposed area plan amendments.	Enacted	City Code 6.85.030 B(c) xiii	https://www.codepublishing.com/CA/SouthLakeTahoe/#!/SouthLakeTahoe06/SouthLakeTahoe0685.html#6.85.030	2			2
1G	Residential and mixed-uses are allowed in all commercial zones per Area Plans.	Enacted	Resolution 2015-27 passed on June 2, 2015 Page 43-45, 51	https://www.cityofslt.us/DocumentCenter/View/5664/Tahoe-Valley-Area-Plan?bidId=	1			1

1H	Increased height limits and increased density in the proposed area plan amendments and TRPA is proposing the increases in height, density, and coverage to align with the City's amendments.	Proposed	Resolution	https://legistarweb-production.s3.amazonaws.com/uploads/attachment/pdf/1778904/02_TVAPUpdates_Project_Description.pdf https://www.trpa.gov/wp-content/uploads/Agenda-Item-XI_Development-Standards-staff-report.pdf	1			1
2A	Development and Design Standards in City Code 6.85.040 (multifamily) 6.85 (all development & design standards)	Enacted	City Code 6.85.040	https://www.codepublishing.com/CA/SouthLakeTahoe/#!/SouthLakeTahoe06/SouthLakeTahoe0685.html#6.85.040	3			3

2B	The City of South Lake Tahoe has their General Plan and Area Plans with accompanying EIRs and related documents.	Enacted	Resolution 2011-36 adopted on May 3, 2011 Resolution 2015-26 adopted June 2, 2015	https://www.cityofslt.us/DocumentCenter/View/15121/General-Plan-Environmental-Impact-Report?bidId= https://www.csltbusiness.com/WebLink/DocView.aspx?id=27705&dbid=0&repo=cityclerk	2			2
2C	Use of SB 35 for Sugar Pine Village; Development and objective design standards are in City Code Chapter 6.85.040	Enacted	City Code 6.85.040 Design Standards Project approved ministerially with SB 35	https://www.cityofslt.us/DocumentCenter/View/15644/Residential-Development-Design-Standards?bidId= https://www.cityofslt.us/DocumentCenter/View/14984/Sugar-Pine-Village-PDF	2			2

2E	There is an absence of public hearings for projects consistent with zoning and the general plan unless they require major design review. Projects are ministerial review per City Code Chapter 6.85.040 for Objective Design Standards.	Enacted	City Code 6.10.090 E Approval Process	https://www.codepublishing.com/CA/SouthLakeTahoe/#!/SouthLakeTahoe06/SouthLakeTahoe0610.html#6.10.090	2			2
2G	Elimination of subjective development and design standards with objective Development and Design Standards in City Code 6.85.040 (multifamily) 6.85 (all development and design standards)	Enacted	City Code 6.85.040	https://www.codepublishing.com/CA/SouthLakeTahoe/#!/SouthLakeTahoe06/SouthLakeTahoe0685.html#6.85.040	1			1
2H	Memorandum of Understanding between Tahoe Regional Planning Agency and City of SLT to review and provide permitting on behalf of TRPA	Enacted	MOU	https://www.trpa.gov/wp-content/uploads/documents/archive/CSLT-MOU-2015.pdf	1			1

2I	Housing Element Policy 4-4 "The City shall provide priority permit processing of projects that are targeted toward special-needs groups, such as, seniors, the disabled, and the homeless, including priority for building plan check, subdivision map review, improvement plans for roadways and utilities, and environmental impact analysis."	Enacted	Resolution 2022-086 passed on June 21, 2022	https://www.cityofslt.us/DocumentCenter/View/17094/Complete_HousingElement_CLEAN_reducedsize?bidId=	1	8	1	2
2J	There is a standardized General Development Application that include level of design review, variances, special use permit, amendments	Enacted	Department Standard	https://www.cityofslt.us/DocumentCenter/View/12762/General-Development-Application?bidId=	1			1
2K	The City publicly posts status updates on project permit approvals on their website.	Enacted	Department Standard	https://www.cityofslt.us/1108/Current-Projects	1			1
2M	There is streamlining of the approval permitting process for green building which also include Commercial Floor Area incentives	Enacted	Resolution 2015-27 passed on June 2, 2015 Tahoe Valley Area Plan LU 9.2 Commercial Floor Area Incentives	https://www.cityofslt.us/DocumentCenter/View/5664/Tahoe-Valley-Area-Plan?bidId= PP. 50	1	1	2	3

3A	The City currently does not have impact fees. The City master fee schedule for 2022-2023 shows the current Development Services Fees on Page 4-5	Enacted	Resolution 2023-032 passed on April 4, 2023	https://www.cityofslt.us/DocumentCenter/View/17690/Master-Fee-Schedule-2023-FINAL?bidId= PP. 4-5 https://www.cityofslt.us/DocumentCenter/View/17691/Res-2023-032-Master-Fee-Schedule?bidId=	3			3
3B	City provides free TAU development commodities to build an ADU/JADU. Technical Assistance Informational packet was also developed by City staff to support the public with a how-to guide and resources for ADU/JADU development.	Enacted	Department Standard	https://www.cityofslt.us/DocumentCenter/View/17363/Accessory-Dwelling-Unit-Guide?bidId=	2			2

3C	Resolution 2022-052 Authorizing the Single Room Occupancy (SRO) program fee exemption for Tahoe Coalition for the Homeless (TCH) on their three Project Homekey properties.	Enacted	Resolution passed May 3, 2022	https://www.cityclerk.com/WebLink/DocView.aspx?id=48752&dbid=0&repo=cityclerk	1	8	1	2
3D	Amended Chapter 6.85.060 (residential Development and Design Standards) of the South Lake Tahoe City Code to Establish Requirements for Moveable Tiny Homes	Enacted	City Code Section 6.85.060	https://www.codepublishing.com/CA/SouthLakeTahoe/#!/SouthLakeTahoe06/SouthLakeTahoe0685.html#6.85.060	1			1
3E	Area plan amendments - Allow housing developers to pay an in-lieu fee to support public transportation access to the project site in place of some of the parking requirements & Decrease in parking requirements for qualifying projects located within a distance of a transportation hub. Changes are directed by Program 1-3 of the City's General Plan Housing Element.	Proposed	City Code	https://legistarweb-production.s3.amazonaws.com/uploads/attachment/pdf/1932928/01_CCStaffReport_AreaPlanAmendments_20230516.pdf PP. 4 under Transportation & Circulation Opportunities	1	1	2	3

3H	Resolution 2023-051 Adopting Policy Regarding Disposition of Tahoe Regional Planning Agency Development Commodities Owned by the City of South Lake Tahoe (Replaces Resolution 2022-051)	Enacted	Resolution passed June 6, 2023	https://www.cityofslt.com/WebLink/DocView.aspx?id=51021&dbid=0&repo=cityclerk	1	2	1	2
4A	The City hired a consultant to study eight different potential sources for a Dedicated Local Housing Funding Study & Implementation. This was presented at January 24,2022 Council. A draft Inclusionary Zoning Ordinance is being presented to City Council on October 17th. The Inclusionary Ordinance creates a tiered impact approach to exempt fees from homes under 2,000 SF and increase based on increase size of the home.	Proposed	City Code	https://www.cityofslt.us/DocumentCenter/View/17632/SouthLakeTahoe_LocalHousingFundingFeasibilityStudy_01-13-2023?bidId= https://legistarweb-production.s3.amazonaws.com/uploads/attachment/pdf/2093064/01-Staff_Report_-_Tiered_Inclusionary_Analysis.pdf	2	8	1	3

4C	The City has stated criteria for Surplus land from RDA. The most recent land made available had selection criteria for no less 25% of the total units are affordable housing and Greatest possible number of affordable units at the lowest average level of affordability. All of this is done due to Housing Element Program 2-6 to Assist Nonprofit Housing Developers.	Enacted	Resolution 2022-086 passed on June 21, 2022	https://www.cityofslt.us/DocumentCenter/View/17035/3900LTB_NOA?bidId= https://www.cityofslt.us/DocumentCenter/View/17094/Complete_HousingElement_CLEAN_reducedsize?bidId= PP. HE-11	2			2
4E	Resolution 2020-109 committed a loan of $566,629 of available previous low- and moderate Income Housing Fund restricted Program Income in support of the Sugar Pine Village Project.	Enacted	Resolution passed on November 17, 2020	https://www.csltbusiness.com/WebLink/DocView.aspx?id=46751&dbid=0&repo=cityclerk	1			1
TOTAL					**38**		**10**	**48**

Appendix 5: Additional Information and Supporting Documentation

CITY OF
SOUTH LAKE TAHOE

Date: September 12th, 2023
To: Housing and Community Development Department – Prohousing Designation Staff
From: City of South Lake Tahoe - Development Services Department
Subject: Prohousing Designation & Regulatory Environment in the City of South Lake Tahoe

Dear HCD Prohousing Designation Staff,

The City of South Lake Tahoe (City) is writing this memo as an attachment to our application to explain the unique jurisdictional circumstance in the Lake Tahoe region and how the City is actively looking to advance housing choice, opportunity, and affordability within a complex regulatory environment.

Development is subject to two levels of regulations: Tahoe Regional Planning Agency (TRPA) regulations and the City's regulations. The Tahoe Regional Planning Compact (California Government Code Section 66801 or Public Law 96-551, 93 Stat. 3233, revised December 1980), or "Bi-State Compact," authorized TRPA to have both planning functions (Article V) and enforcement functions (Article VI). Of these functions, the planning powers are broader than the enforcement powers. Regulations that do not further the realization of the Regional Plan can neither be adopted nor enforced by the agency. However, regulations furthering the realization of the Regional Plan can preempt state law.

The Regional Plan utilizes a growth management system with development caps matched with conservation and restoration programs to achieve environmental standards for any new property developed after 1987. Development Rights are land use units one must acquire before a property is developed. They include Residential Units of Use (RUU), Tourist Accommodation Units (TAUs) and Commercial Floor Area (CFA). Development rights may also be converted from one land use type to another. The number of market rate allocations that TRPA makes available to the local jurisdictions is restricted and the different jurisdictions have different methods for their distribution to property owners. The City receives up to 33 residential allocations annually.

In addition, there are two systems that regulate land coverage in the Lake Tahoe Basin. Land coverage is required for all projects. Development rights and coverage have a monetary value and require a transfer application from TRPA adding additional costs and delays in securing project entitlements.

The City actively coordinates with TRPA through various formats to advocate to streamline housing projects throughout the City and the Tahoe Basin. The City has an appointed position on the TRPA Governing Board which is usually held by one of our City Councilmembers. In addition, city staff have an appointed position on the Advisory Planning Commission. City staff also attends TRPA working groups such as the TRPA Housing and Community Revitalization Working Group to promote equitable housing policies and incentives.

This is an overview of some of the complexities of the Tahoe Basin regulatory environment. The primers in this memo for development rights and coverage will provide more insight into the City of South Lake Tahoe's Prohousing application and how the City is providing innovative solutions within the regional context to advance housing affordability, choice, and opportunity.

CITY OF
SOUTH LAKE TAHOE

Sincerely,

Hilary Roverud
Director of Development Services
hroverud@cityofslt.us
City of South Lake Tahoe

Attachments: Prohousing Resolution, Prohousing Application

Appendix 1: Formal Resolution for the Prohousing Designation Program

RESOLUTION NO. **2023 - XXX**

A RESOLUTION OF THE GOVERNING BODY OF
City of South Lake Tahoe
AUTHORIZING APPLICATION TO AND PARTICIPATION IN THE PROHOUSING DESIGNATION PROGRAM

WHEREAS, Government Code section 65589.9 established the Prohousing Designation Program ("**PDP**" or "**Program**"), which creates incentives for jurisdictions that are compliant with state housing element requirements and that have enacted Prohousing local policies; and

WHEREAS, such jurisdictions will be designated Prohousing, and, as such, will receive additional points or other preference during the scoring of their competitive applications for specified housing and infrastructure funding; and

WHEREAS, the Department of Housing and Community Development ("**Department**") has adopted emergency regulations (Cal. Code Regs., tit. 25, § 6600 et seq.) to implement the Program ("**Program Regulations**"), as authorized by Government Code section 65589.9, subdivision (d); and

WHEREAS, the **City of South Lake Tahoe** ("**Applicant**") desires to submit an application for a Prohousing Designation ("**Application**").

THEREFORE, IT IS RESOLVED THAT:

1. Applicant is hereby authorized and directed to submit an Application to the Department.

2. Applicant acknowledges and confirms that it is currently in compliance with applicable state housing law.

3. Applicant acknowledges and confirms that it will continue to comply with applicable housing laws and to refrain from enacting laws, developing policies, or taking other local governmental actions that may or do inhibit or constrain housing production. Examples of such local laws, policies, and action include moratoriums on development; local voter approval requirements related to housing production; downzoning; and unduly restrictive or onerous zoning regulations, development standards, or permit procedures. Applicant further acknowledges and confirms that it commits itself to affirmatively furthering fair housing pursuant to Government Code section 8899.50.

4. If the Application is approved, Applicant is hereby authorized and directed to enter into, execute, and deliver all documents required or deemed necessary or appropriate to participate in the Program, and all amendments thereto (the "**Program Documents**").

5. Applicant acknowledges and agrees that it shall be subject to the Application; the terms and conditions specified in the Program Documents; the Program Regulations; and any and all other applicable law.

6. **City Manager** is authorized to execute and deliver the Application and the Program Documents on behalf of the Applicant for participation in the Program.

PASSED AND ADOPTED this 12th day of September, 2023, by the following vote:

AYES: _____ NOES: _____ ABSENT: ____ ABSTAIN: _____

The undersigned, **Clerk of Public Entity** of Applicant, does hereby attest and certify that the foregoing is a true and full copy of a resolution of the Applicant's governing body adopted at a duly convened meeting on the date above-mentioned, and that the resolution has not been altered, amended, or repealed.

SIGNATURE: _____ DATE: _____

NAME: _____ TITLE: _____

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: September 12, 2023

Agenda Item #: 17

Agenda Item: Affordable Housing Waitlist and Rental Registry Discussion

Executive Summary: On March 28, 2023, Mayor Pro Tem Bass (seconded by Councilmember Wallace) requested a summary of all waitlists associated with the affordable housing properties in the City. On August 8, 2023, Councilmember Robbins (seconded by Mayor Pro Tem Bass), requested that an item be brought to City Council at a future meeting to discuss establishing a registration requirement for rental properties. This item includes both of those requests.

Requested Action / Suggested Motions: Pass a Motion to provide direction to the City Manager on: (1) whether to conduct affordable housing waitlist monitoring and reporting; and (2) whether to bring back an ordinance to require registration of rental properties.

Responsible Staff Member: Zach Thomas, Housing Manager

Reviewed and Approved By: Hilary Roverud, Development Services Director Susan Blankenship, City Clerk Olga Tikhomirove, Director of Finance Heather Staoud, City Attorney

Attachments:

01-Staff Report - Affordable Housing Waitlist and Rental Registry.docx
02-Affordable Properties Waitlist.pdf

City of South Lake Tahoe
Report to **City Council**

Meeting Date: September 12, 2023

Title: Affordable Housing Waitlist and Rental Registry Discussion

Location: City-wide

Responsible Staff Member: Zach Thomas, Housing Manager

Background: The City's adopted Housing Element provides the policy and program direction for the City's housing activities which are further prioritized by the City's Strategic Plan. The Housing Element is comprised of two primary sections. The first part, a Background Report contains the analysis that is used to inform the Policy Document. The Policy Document is the second part which outlines the policies and programs to be implemented by the City. While the Background Report contains in depth demographic and housing data and includes a general housing needs assessment, it of course cannot provide a real-time assessment of those actively waiting for affordable housing.

Effectively addressing the housing crisis involves hitting the right balance between numerous policies and programs and allocating resources to effectively implement them. As such, it is reasonable to consistently seek out information to ensure all investment is geared towards the greatest needs. To this end, on March 28, 2023, Mayor Pro Tem Bass (seconded by Councilmember Wallace) has requested that an item be brought to City Council to discuss the number of people actively waiting for affordable housing. On August 8, 2023, Councilmember Robbins (seconded by Mayor Pro Tem Bass) requested that an item be brought to City Council to consider establishing a registration requirement for rental properties. This informational discussion item is being presented in response to these requests.

Issue and Discussion: To inform a discussion surrounding the general need for affordable housing within the City, staff has compiled the waitlists from the 8 income-qualified properties within the City (totaling 344 units). These are properties that the City is obligated to conduct monitoring for compliance with funding source requirements. For context, the Sugar Pine Village Affordable Housing Project under construction is 248 units. The compiled list consists of 1163 total people and is attached to this report. Based on a review of the individual lists, there are about 100+ names that appear on multiple lists. As such, there are approximately 1,000 individuals on the compiled lists. The approximate wait times range from 1-7 years depending on the size of unit. It is worth noting the properties serving senior or special needs populations are in especially high demand.

The waitlist serves to document the number of people actively seeking out affordable units vs. the number that are immediately available. Those on the waitlist are choosing to wait for a unit while others may choose to not put their name on the list and seek alternative arrangements. As such, waitlists may be influenced by a variety of factors. Regardless, the need for affordable housing is well established.

The active review of waitlists may serve as another metric in trying to understand the real-time housing need and therefore has value. However, it does not tell the entire story. The resulting impacts of dealing with a lack of affordable housing is different for everyone. For some, it simply means being housing “cost burdened” as they are spending a disproportionate amount of their income on housing. For others it may result in seeking housing in overcrowded or substandard housing conditions, which is a condition actively addressed by other housing programs. In more extreme cases it may mean a slide into homelessness, which again, has a ripple effect into other programs. Either way a lack of affordable housing has a real impact on people’s lives and is a drag on the entire local economy on multiple fronts. This story may not be captured entirely by the numbers identified on the waitlists, however monitoring the waitlists annually may provide an indicator of the effectiveness of City and community efforts to address low-income housing needs.

The Council may choose to simply receive this report as informational or to direct staff to (1) monitor the affordable housing waitlist and provide periodic updates to Council regarding the status of the waitlists; and/or (2) bring back an ordinance to require registration of rental properties. If Council desires to consider an ordinance requiring registration of rental properties, staff requests direction on the scope of such an ordinance. For example, there are approximately 2,400 rental units in the City’s Multifamily Dwelling (6 or more units) and Single Room Occupancy programs combined. A registry requirement could be limited to these Multifamily Dwelling and Single Room Occupancy properties that are already regulated by the City, could include other multifamily properties including those with less than 6 units, or could include all rental properties within the City including single-family dwellings.

Financial Implications: There are no costs associated with this item except the staff time that would be needed if City Council directs the City Manager to conduct affordable housing waitlist monitoring and reporting and/or bringing back an ordinance to require registration of rental properties. It is likely that establishing a rental registry program would require additional staff to implement.

Environmental Considerations: This is not a project under CEQA, because it does not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment, as contemplated by Title 14, California Code of Regulations, Sections 15378(b)(2) and 15378(b)(4) and is, therefore, not subject to CEQA pursuant to CEQA Guidelines Section 15060(c)(3).

Policy Implications:

This item is consistent with the following adopted policies and programs:

<u>City General Plan Housing Element</u>

Policy 1-1. The City shall adopt programs, ordinances, incentives, land use plans and other regulatory mechanisms that provide opportunities for the private sector to address the housing needs of citizens of all economic levels.

Policy 2-5. The City shall recognize that it will become difficult to attract employees if they cannot afford to purchase or rent housing in South Lake Tahoe. The City shall encourage and support programs and activities that create a robust local economy that provides residents with good paying employment and the means to purchase and/or rent housing in the City.

Program 2-9. The City shall continue to provide information that describes the myths and realities of multifamily and affordable housing development.

2023 Affordable Properties Waitlist

Property Name	Total Units	Income	Total number of people on the list	1 Bd	2 Bds	3 Bds	How often is the list updated	1 Bd	2 Bds	3 Bds
Sierra Garden Apartments 1801 Lake Tahoe Blvd.	76	Low and Very Low-Income	120	51	69	N/A	Annually	3-5 yrs.	1-2 yrs.	N/A
Evergreen Tahoe Apartments 1432 Melba Drive	26	Low and Very Low-Income	52	N/A	25	27	Annually	N/A	1 yr.	7 yrs.
Tahoe Valley Townhomes 1055 Tata Lane	70	Low and Very Low-Income	40	13	14	13	Annually	1-2 yrs.	1-2 yrs.	1-3 yrs.
Tahoe Senior Plaza - Seniors 1101 Third St.	45	Extremely and Very Low-Income	174	174	N/A	N/A	Annually	2-3 yrs.	N/A	N/A
Kelly Ridge - Seniors 1447 Herbert Avenue	33	Extremely and Very Low-Income	24	20	4	N/A	Annually	1-2 yrs.	1-2 yrs.	N/A
Tahoe Pines Apartments 3431 Spruce Avenue	28	Low-Income	32	N/A	10	22	Semi-Annual	N/A	1 yr.	3-5 yrs.
Aspens at Lake Tahoe 3521 Pioneer Trail	48	Low and Very Low-Income	362	88	106	168	Monthly	1-4 yrs.	1-4 yrs.	1-4 yrs.
Sky Forest Acres -Special Needs 750 Emerald Bay Rd.	18	Extremely and Very Low-Income	359	295	64	N/A	Annually	3-4 yrs.	5 yrs.	N/A
Total	**344**		1163	641	292	230				

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: September 12, 2023

Agenda Item #: 18

Agenda Item: Financial Policy Amendments Regarding Cell Phones, Local Training and Meetings, Procurement, Grant Funding and Compliance, Travel, and Preserving Capital Investments, and New Financial Policy - Leases and Subscription Based Information Technology Arrangements (SBITAs)

Executive Summary: Financial policies that are up to date with current laws, governmental accounting standards and compliance are essential to the prudent financial management of the Cityâ€™s assets and resources. Staff recommends amendments to the Cell Phone Policy, Local Travel and Meeting Policy, Procurement Policies and Procedures, Grant Funding and Compliance Policy, Travel Policy, and Preserving Capital Investments Policy to streamline efficiencies and update policies to reflect the requirements of current laws and regulations. The purpose of the Leases and Subscription Based Information Technology Arrangements (SBITAs) policy is to establish procedures and ensure compliance with Governmental Accounting Standards Board (GASB) Statement No. 87, Leases, and GASB Statement No. 96, SBITAs.

Requested Action / Suggested Motions: Pass a Resolution amending financial policies regarding Cell Phones, Local Training and Meeting, Procurement, Grant Funding and Compliance, Travel, and Preserving Capital Investments, and adopting New Financial Policy - Leases and Subscription Based Information Technology Arrangements (SBITAs)

Responsible Staff Member: Andrew Black, Financial Services Supervisor, Lori Marino, Principal Management Analyst and Olga Tikhomirova, Finance Director

Reviewed and Approved By: Olga Tikhomirova, Finance Director Susan Blankenship, City Clerk Heather Stroud, City Attorney

Attachments:

01-Staff Report - Financial Policy Amendments and New Policy.docx
02-Resolution - Financial Policy Amendments and New Policy.docx
03-CSLT Cell Phones Policy Redline.pdf
04-CSLT Cell Phones Policy (Exh. A to Reso).pdf
05-CSLT Local Training and Meeting Policy Redline.pdf
06-CSLT Local Training and Meeting Policy (Exh. B to Reso).pdf
07-CSLT Procurement Policy Redline.pdf
08-CSLT Procurement Policy (Exh. C to Reso).pdf
09-CSLT Grant Funding Compliance Policy Redline.pdf
10- CSLT Grant Funding Compliance Policy (Exh. D to Reso).pdf
11-CSLT Travel Policy Redline.pdf
12-CSLT Travel Policy (Exh. E to Reso).pdf
13-CSLT Preserving Capital Investments Redline.pdf
14-CSLT Preserving Capital Investments (Exh. F to Reso).pdf
15-CSLT Leases and SBITAs Policy (Exh. G to Reso).pdf

City of South Lake Tahoe
Report to **City Council**

Meeting Date: September 12th, 2023

Title: Financial Policy Amendments Regarding Cell Phones, Local Training & Meeting, Procurement, Grant Funding and Compliance, Travel, and Preserving Capital Investments, and New Financial Policy - Leases and Subscription Based Information Technology Arrangements (SBITAs)

Location: Citywide

Responsible Staff Member: Andrew Black, Financial Services Supervisor
Lori Marino, Principal Management Analyst
Olga Tikhomirova, Director of Finance

Background: The City Council adopted the City of South Lake Tahoe Comprehensive Financial Policies in July 2005. Each year the policies are reviewed, and necessary amendments, or new policies are presented to the City Council for adoption.

Issue and Discussion: The following policy amendments and additions are recommended:

- **Cell Phone Policy**: The proposed policy amendments ensures compliance with the Public Records Act including prohibiting employees from transacting Official City Business from personal cell phones unless the communication is captured and retained in a City account. Updates also removed outdated information.

- **Local Training and Meeting Policy:** The proposed policy update clarifies and highlights restrictions on using Cal-Cards or Petty Cash for meal costs. It also creates the Emergency Service Meal Approval Form and associated procedures and adds language emphasizing restrictions on payment for meals of representatives of outside agencies, consultants, contractors, or any other attendee. Additionally, it establishes requirements and approval procedures for missing or lost receipts.

- **Procurement Policies and Procedures:** Amendments to this policy include language added to City Code Chapter 3.45, Article II. Public Contracts and the Uniform Public Construction Cost Accounting Act as approved by City Council on January 24, 2023. The following paragraphs were added to policy subsections 'Public Projects (CUPCCA)' and 'Bid and RFP/RFQ Evaluations':

    - Prequalification
    - Lowest Responsible Bidder
    - Design-Build Contracts
    - Waiver of Irregularities and Rejection of Bids

- **Grant Funding and Compliance Policy**: The proposed policy update clarifies Council approval requirements as a two-step process for both application submittal and award acceptance. It also emphasizes documentation requirements for payment requests of invoices submitted for payment 45 days or more beyond the date of the invoice.

- **Travel Policy:** Proposed amendments to this policy include clarifications regarding Out-of-State travel approval, restrictions on the use of Petty Cash for meals while traveling and establishes requirements for authorization of travel using the Travel Authorization/Advance Form prior to registration or reservations. The policy also establishes requirements and approval procedures for missing or lost receipts.

- **Preserving Capital Investments Policy:** Amendments to this policy remove outdated language regarding interest capitalization requirements and include other minor clean up changes.

- **New Financial Policy - Leases and Subscription Based Information Technology Arrangements (SBITAs):** The proposed policy establishes guidelines for the recognition, measurement, presentation, and disclosure of leases and Subscription-Based IT Arrangements (SBITAs) in accordance with the requirements of Governmental Accounting Standards Board (GASB) Statement No. 87, Leases, and GASB Statement No. 96, SBITAs.

Financial Implications: Financial Policies that are up to date with current laws, governmental accounting standards and compliance are essential to the prudent financial management of the City's assets and resources. As a result of the new Leases and SBITAs policy, assets and liabilities may be recognized on the City's Government-wide Statement of Net Position as determined by the policy's established thresholds.

Environmental Considerations: This action is not a project subject to review under the California Environmental Quality Act (CEQA) under CEQA Guidelines 15378(b)(2) (general policy and procedure making).

Policy Implications: The overall impact of financial policies is to strengthen and preserve the City's financial position and fiscal health as well as maintain the highest level of ethics in the stewardship of public funds.

Resolution 2023-XXX

Adopted by the City of South Lake Tahoe
City Council

September 12, 2023

Approving Financial Policy Amendments Regarding Cell Phones, Local Training & Meeting, Procurement, Grant Funding and Compliance, Travel, Preserving Capital Investments, and Adopting New Financial Policy - Leases and Subscription Based Information Technology Arrangements (SBITAs)

BACKGROUND

A. The City of South Lake Tahoe City Council approves and adopts Financial Policies to support the City's financial operations and ensure its fiscal health; and

B. Financial Policies require amendments from time to time to ensure compliance with the requirements set forth in Federal and State law; Generally Accepted Accounting Principles (GAAP) and City Code; and

C. Amendments to the Cell Phone Policy, Local Travel and Meeting Policy, Procurement Policies and Procedures, Grant Funding and Compliance Policy, Travel Policy, and Preserving Capital Investments Policy have been presented to the City Council for review and described in the staff report; and

D. New policy, Leases and Subscription Based Information Technology Arrangements (SBITAs), establishes guidelines for the recognition, measurement, presentation, and disclosure of leases and Subscription-Based IT Arrangements (SBITAs) in accordance with the requirements of Governmental Accounting Standards Board (GASB) Statement No. 87, Leases, and GASB Statement No. 96, SBITAs; and

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED that the City Council of the City of South Lake Tahoe:

1. Approves the amendments and updates as described in the Financial Policies- Cell Phones (attached hereto as Exhibit A), Local Training and Meeting (attached hereto as Exhibit B), Procurement Policies and Procedures (attached hereto as Exhibit C), Grant Funding and Compliance (attached hereto as Exhibit D), Travel (attached hereto as Exhibit E), and Preserving Capital Investments (attached hereto as Exhibit F); and

2. Adopts the New Financial Policy - Leases and Subscription Based Information Technology Arrangements (SBITAs) dated September 2023 (attached hereto as Exhibit G).

Adopted by the City of South Lake Tahoe City Council on September 12, 2023 by the following vote:

Yes:
No:
Abstain:
Absent:

_____ Date: _____
Cristi Creegan, Mayor

Attest:

_____
Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

CELLULAR PHONE POLICY

INTRODUCTION

There are millions of cell phones and wireless communication devices in operation today. This technology is now an integral part of our daily personal and business activity. In this wireless era, cell phones~~, Personal Digital Assistants (PDA's), smart phones, etc.~~ provide instant communication and information where one may transact business almost anywhere in the world. These devices are tools to enhance employee productivity, provide safety/security while traveling, and provide a higher level of service to the citizens of South Lake Tahoe.

The benefits of wireless communication devices certainly outweigh the disadvantages. ~~However, with more cell phones in the work environment, the constant ringing, beeping and personal conversations can be distracting.~~ In an effort to maximize efficiency, enhance safety and ensure the equipment is properly used, the City of South Lake Tahoe shall enforce the following policy.

PURPOSE~~:~~
The purpose of the Cellular Phone Policy is to:

1. Provide standards and clarification for city-issued and personal cellular phone use;
2. Enhance the efficiency and effectiveness of communication;
3. Ensure safe work practices when using cell phones while driving or performing work-related activities;
4. Ensure compliance with SB 1613, which will prohibit drivers from using a cell phone unless they are also using a hands-free device; and to
5. Ensure compliance with Federal (IRS), State (AB1234, Public Records Act) and Local (Ethics and Wrongdoing in the Workplace Policies) rules and regulations.

~~Definitions~~DEFINITIONS

Vehicle – a land motor vehicle, motorcycle, trailer or semi-trailer designed for travel on public roads and or any off road vehicle.
Business call or text – any phone call or text message made by an employee for the purpose of conducting official City business in accordance with that employee's assigned duties and responsibilities.
Cell phone – any wireless communication device, including ~~personal digital assistants (PDA's) and~~ smart phones.
City Issued Cell Phone – any wireless communication device, including ~~personal digital assistant (PDA's) and~~ smart phones provided by the City to the employee for business use.
Personal Cell Phone - an employee owned wireless communication device, including personal digital assistant (PDA's) and smart phones.
Employee – any person who is hired to provide services to the City on a regular basis in exchange for compensation, or any person who is an elected or appointed official or volunteer, whether or not they are compensated, while acting for or on behalf of the City.
Personal call or text – any phone call or text message made by an employee that is NOT for the purpose of conducting official City business in accordance with that employee's assigned duties and responsibilities.

I. Use of Cellular Phone for Official Business

A. City-issued Cellular Phone

The ~~Purchasing Manager~~Finance Director, or a designee, will determine the suitable carrier(s) for City-issued cell phones~~ and personal digital assistants (PDA's)~~. ~~Purchasing Manager~~Finance Director, or a

designee. shall manage the administration and be the main point of contact for City cell phones and cellular contract(s), including types and models of equipment to be used, number of users, amount of usage, initial set-up, plan changes, service and billing issues and service purchased under the contract. ~~The Purchasing Manager, or his/her designee, shall provide each~~

~~Department Head/Division Manager with a copy of telephone calls made by each of their employees for review and approval on a monthly basis.~~

1. Department Head/Division Manager, whichever is applicable, shall be responsible for determining the employee's need for a City provided cell phone. In doing so, the Department Head ~~and~~ or Division Manager will analyze the business necessity for such use before authorization. Department Head/Division Manager shall inform employees of the purpose for cell phone communication while performing City business; ensure the employee understands the Cell Phone Policy; enforce compliance with this policy; and ensure that cell phone use is appropriate and that public funds are prudently spent. Approval shall be given to the ~~Purchasing Manager~~Finance Director, or a designee, in writing by using the "Cell Phone Policy Acknowledgment Form" (See Attachment "A") and the "Wireless Equipment Request Form" (see Attachment "B").

~~2. Approving managers shall audit each monthly bill for City issued phones to account for proper business use prior to sending statement(s) to Purchasing for payment. An approval form will be created and distributed to all Department Heads/Division Managers upon Council's approval of this Cell Phone Policy.~~

~~3.~~2. Employee shall review and adhere to the Cell Phone Policy.

~~4.~~3. Employee should use their cell phone to report emergencies to the appropriate authorities.

~~5.~~4. Use of a City provided cell phone for commercial profit or secondary employment is prohibited.

~~6.~~5. City provided cell phones shall only be used for appropriate business calls and texts. ~~The employee should use their cell phone only if other methods of communication are not available.~~ As a general rule, personal phone calls are not allowed on City-issued cell phones. If employee has an urgent personal issue arise, phone must only be used on a de minimus (less than 10 minutes) basis.

~~7. The City does not offer employees personal use of free night, weekend, cell-to-cell, text, picture or any other enhanced plan.~~

~~8.~~6. City issued cell phones are to be used by the assigned employee(s) only. Allowing family members, friends, etc. to use City equipment is prohibited.

B. Personal Owned Cellular Phone for Official City Business

~~A City employee is offered the option to use his or her personal cellular phone for business purposes if his or her employment activities warrant such a device. Prior approval from the Division Manager or Department Head, whichever is applicable, shall be given in writing by using the "Cell Phone Policy Acknowledgment Form" (see Attachment "A"). While on duty or in the work environment, employees must use their personal cell phones in a professional manner.~~Employees are prohibited from transacting Official City Business from personal cell phones unless the communication is captured and retained in a City account.

II. General Business Usage

~~A. All cellular calls using a City issued cell phone should be limited to the shortest possible time.~~

~~B. Service charges are incurred by the City for the use of optional services such as directory assistance, direct connection by directory assistance, busy signal confirmations, and emergency~~

~~interrupts. As such, the use of these services on City-issued cellular phones is restricted for business purposes only and should be used only when absolutely necessary. Monthly usage plans for City-issued cellular phones shall be indicated when filling out the "Wireless Equipment Request Form" (see Attachment "B").~~

~~1) If usage history is deemed to be too low or high a more appropriate plan shall be considered based on the Purchasing Manager's recommendation.~~
~~2) Contact the Purchasing Manager for changes.~~

~~C. Each employee assigned a City cellular telephone shall review, on an ongoing basis, their billing statement that itemizes the incoming and outgoing calls to ensure that calls placed on the cellular phone are valid and in conformance with this policy. Calls that appear to be billed to the City in error shall be reported to the Purchasing Division.~~

~~D. Unless authorized, text messages are not to be sent or received. If a text message is received that is not authorized you will need to inform the sender to cease sending such text messages. If text messages are part of the employees business needs and authorized, a text message plan should be coordinated with the Purchasing Manager, for business use only, to determine the best, most economic plan that will meet monthly needs.~~

~~A. Unless authorized, any enhanced service such as text, data, picture, ringer tones, downloading of songs or internet not included in the basic plan shall not be permitted on a City-issued cellular phone.~~

~~B. Those employees who are issued cellular phones with a camera feature shall not use the camera feature except in a work related emergency, or as authorized by the employee's department or division head. The camera feature is not to be used for personal purposes.~~

~~C.~~A. Employees are not allowed to use the City-issued cellular phones in an illegal, illicit or offensive manner.

~~D.~~B. It is important to remember that all payments processed through Accounts Payable, including complete cell phone bills detailing all monthly activity, and all texts are public record. Using your City issued cell phone appropriately, and for business use only, will avoid problems and questions that might occur by public or outside audit.

~~E.~~C. While on duty or in the work environment, employees must use all cell phones and electronic devices in a professional manner.

~~F.~~D. It is important to note that all cell phone monthly billings submitted to Accounts Payable for payment become public record and information under the California Public Records Act.

Disciplinary action may be taken for any violation of the City's Cellular Phone Policy.

III. Replacing a Cellular Phone

A. It is at the discretion of the Department Head/Division Manager and the ~~Purchasing Manager~~Finance Director to authorize the replacement/upgrade of a City-issued cellular phone. Use the "Wireless Equipment Request Form" (see Attachment "B") to initiate such a request.

B. Employees assigned a City cell phone must be diligent in the care and protection of the City asset entrusted to them. Employee may be responsible for replacement if loss or damage to cellular phone is the fault of the employee.

C. In the event of a lost or stolen cellular phone:

1. Report the situation to ~~your cell phone carrier~~ Information Systems Division immediately.
2. Report the situation to your manager.
3. Manager shall contact the ~~Purchasing Manager~~Finance Director, or designee.

4. Send ~~or fax~~ the "Wireless Equipment Request Form" (see Attachment "B") to ~~Purchasing~~Information Systems Supervisor.

IV. Use of a Personal Cellular Phone During Work Hours

~~1.~~A. To avoid situations that are disruptive to the public or fellow employees cellular phone ringers should be turned off or placed into the silent or vibrate mode while at work.

~~2.~~B. Personal cellular phones should only be used for personal calls during breaks or at lunch.

~~3.~~C. Discussions on a personal cellular phone during a break or lunch should not disrupt other staff members.

~~4.~~D. Personal cell phones are the sole responsibility of the employee and the City will not be responsible for repair or replacement if damaged or lost.

V. Safe Use of Cell Phone/Electronic Devices While Operating a Vehicle

Effective July 1, 2008, state law prohibits the use of cell phones while operating a vehicle unless the driver is using a hands-free device. There are three exceptions to the law:

- ✓ Emergency services personnel are exempt from the law when operating an authorized emergency vehicle;
- ✓ Drivers of commercial vehicles may continue to utilize two-way communication equipment (i.e. Nextel Push to Talk, CB, etc.) while driving a truck or trailer until July 1, 2011;
- ✓ The law does not apply to persons using their cell phone to contact law enforcement or public safety agencies for emergency purposes.

With the exception of the above, employees must refrain from; operating cellular phones or other devices or any activity that may distract from safely operating a motor vehicle. Using cell phones or other devices while driving leads to increased risk of accident and liability to the City and the employee.

To limit the risk, all employees shall adhere to the following:

1. Use a hands-free device if you must make or receive a call. SB 1613, effective 07/01/2008 prohibits drivers from using a cell phone unless they are also using a hands-free device. Please note certain exceptions mentioned above.
2. Make calls before starting the vehicle and proceeding to your destination.
3. If possible, pull over or park in an appropriate manner before initiating or answering a call.
4. Allow voice mail to handle your incoming calls and return them at your safe convenience.
5. Refrain from making personal calls, except for emergencies; while operating a City owned vehicle, rental vehicle or your own vehicle for City related business.
6. Suspend conversations during hazardous driving conditions or situations.
7. Always drive vehicles in a safe manner. It is recommended that the employee avoid activities that can cause a distraction and/or take your eyes and attention off of the road, including, but not limited to; taking notes, looking up phone numbers, text messaging, eating, drinking, smoking, loading or unloading CD's, or changing radio stations.
8. When possible, employees using two-way communication equipment (i.e. Nextel "push to talk" device) should safely pull over before communicating. If pulling over is not an option, maintain a safe driving distance between the vehicle in front of you and be conscious of your surroundings.
9. While driving vehicles equipped with laptops, GPS/Navigation tools or other computerized equipment employees shall use such equipment in a safe manner and, when safe to do so, pull over and park to use such equipment.

All City Employees, while operating a vehicle for City related business, will adhere to California Law SB1613 regarding the use of a hands free device for cell phones. Any fines received while operating a vehicle for City related business are the sole responsibility of the driver.

~~VI. Exceptions~~

~~A. Exceptions to this policy may be authorized by the City Manager following a written request for consideration from a Department Head, along with appropriate justification.~~

Attachments:

- **Acknowledgment Signature Form – "A"**
- **Wireless Equipment Request Form – "B"**

ATTACHMENT "A"

ACKNOWLEGEMENT OF CELL PHONE POLICY FOR THE CITY OF SOUTH LAKE TAHOE

By signing below, I agree that I have read, understand and will adhere to the City of South Lake Tahoe's Cell Phone Policy.

~~Employee is authorized by their Dept. Head/Div. Mgr. to use the text message feature on their City issued cellular device:~~

~~Yes_____ Purpose?_____ No_____~~

~~Employee is authorized by their Dept. Head/Division Mgr. to use the camera feature on their City issued cellular device:~~

~~Yes_____ Purpose?_____ No_____~~

~~Other enhanced features Dept. Head/Division Manager authorizes employee to use on their City issued cellular device:~~

~~_____ Purpose?_____~~

~~Employee is authorized by their Dept. Head/Division Manager to use their personal cellular device for business use. Non-Exempt employees may do so during regularly scheduled business hours only, due to FSLA rules:~~

~~Yes_____ No_____~~

Employee's Signature:_____

Employee's Printed Name:_____

Department Head Signature/Title:_____

Division Manager Signature/Title:_____

Date:_____

CELLULAR PHONE POLICY

ATTACHMENT "B"

WIRELESS EQUIPMENT REQUEST FORM

Use this form to authorize and order wireless equipment. Send or fax to ~~Purchasing (542-7950)~~Information Systems Supervisor.

Today's date:_____ Need by date:_____

Employee Name:_____

Reason for Request (*Check the appropriate box*)

☐ New User

☐ Replacement, Damaged or Upgrade

☐ Replacement, Lost or Stolen

} **Phone Number: ( )_____**

Type of device requested (*Check the appropriate box)*

☐ Cellular Phone ~~Monthly Minutes Required:_____~~

~~☐ Blackberry Device ☐ Data & Phone Monthly Minutes Required:_____~~
~~*(Check one)*>>>>~~
~~☐ Data Only~~

☐ ~~PC Wireless Card~~iPad

~~☐ Pager~~

~~☐ Shared Plan? Shared with what other number(s):_____~~
~~*(Check if shared minute plan)*~~
~~_____~~

☐ Additional Features? List features required:_____

Authorized By: *(Please Print and Sign)* _____
(Department Head) *(Title)*

Authorized By: (*Please Print and Sign)* _____
(Division Manager, if Applicable) *(Title)*

Date:_____

CELLULAR PHONE POLICY

INTRODUCTION

There are millions of cell phones and wireless communication devices in operation today. This technology is now an integral part of our daily personal and business activity. In this wireless era, cell phones provide instant communication and information where one may transact business almost anywhere in the world. These devices are tools to enhance employee productivity, provide safety/security while traveling, and provide a higher level of service to the citizens of South Lake Tahoe.

The benefits of wireless communication devices certainly outweigh the disadvantages. In an effort to maximize efficiency, enhance safety and ensure the equipment is properly used, the City of South Lake Tahoe shall enforce the following policy.

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3. Ensure safe work practices when using cell phones while driving or performing work-related activities;
4. Ensure compliance with SB 1613, which will prohibit drivers from using a cell phone unless they are also using a hands-free device; and to
5. Ensure compliance with Federal (IRS), State (AB1234, Public Records Act) and Local (Ethics and Wrongdoing in the Workplace Policies) rules and regulations.

DEFINITIONS

Vehicle – a land motor vehicle, motorcycle, trailer or semi-trailer designed for travel on public roads and or any off road vehicle.

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Cell phone – any wireless communication device, including smart phones.

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Personal Cell Phone - an employee owned wireless communication device, including personal digital assistant (PDA's) and smart phones.

Employee – any person who is hired to provide services to the City on a regular basis in exchange for compensation, or any person who is an elected or appointed official or volunteer, whether or not they are compensated, while acting for or on behalf of the City.

Personal call or text – any phone call or text message made by an employee that is NOT for the purpose of conducting official City business in accordance with that employee's assigned duties and responsibilities.

I. Use of Cellular Phone for Official Business

A. City-issued Cellular Phone

The Finance Director, or a designee, will determine the suitable carrier(s) for City-issued cell phones. Finance Director, or a designee. shall manage the administration and be the main point of contact for City cell phones and cellular contract(s), including types and models of equipment to be used, number of users, amount of usage, initial set-up, plan changes, service and billing issues and service purchased under the contract.

1. Department Head/Division Manager, whichever is applicable, shall be responsible for determining the employee's need for a City provided cell phone. In doing so, the Department Head or Division Manager will analyze the business necessity for such use before authorization. Department Head/Division Manager shall inform employees of the purpose for cell phone communication while performing City business; ensure the employee understands the Cell Phone Policy; enforce compliance with this policy; and ensure that cell phone use is appropriate and that public funds are prudently spent. Approval shall be given to the Finance Director, or a designee, in writing by using the "Cell Phone Policy Acknowledgment Form" (See Attachment "A") and the "Wireless Equipment Request Form" (see Attachment "B").
2. Employee shall review and adhere to the Cell Phone Policy.
3. Employee should use their cell phone to report emergencies to the appropriate authorities.
4. Use of a City provided cell phone for commercial profit or secondary employment is prohibited.
5. City provided cell phones shall only be used for appropriate business calls and texts. As a general rule, personal phone calls are not allowed on City-issued cell phones. If employee has an urgent personal issue arise, phone must only be used on a de minimus (less than 10 minutes) basis.
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B. Personal Owned Cellular Phone for Official City Business

Employees are prohibited from transacting Official City Business from personal cell phones unless the communication is captured and retained in a City account.

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A. Employees are not allowed to use the City-issued cellular phones in an illegal, illicit or offensive manner.

B. It is important to remember that all payments processed through Accounts Payable, including complete cell phone bills detailing all monthly activity, and all texts are public record. Using your City issued cell phone appropriately, and for business use only, will avoid problems and questions that might occur by public or outside audit.

C. While on duty or in the work environment, employees must use all cell phones and electronic devices in a professional manner.

D. It is important to note that all cell phone monthly billings submitted to Accounts Payable for payment become public record and information under the California Public Records Act.

Disciplinary action may be taken for any violation of the City's Cellular Phone Policy.

III. Replacing a Cellular Phone

A. It is at the discretion of the Department Head/Division Manager and the Finance Director to authorize the replacement/upgrade of a City-issued cellular phone. Use the "Wireless Equipment Request Form" (see Attachment "B") to initiate such a request.

B. Employees assigned a City cell phone must be diligent in the care and protection of the City asset entrusted to them. Employee may be responsible for replacement if loss or damage to cellular phone is the fault of the employee.

C. In the event of a lost or stolen cellular phone:

1. Report the situation to Information Systems Division immediately.
2. Report the situation to your manager.
3. Manager shall contact the Finance Director, or designee.
4. Send the "Wireless Equipment Request Form" (see Attachment "B") to Information Systems Supervisor.

IV. Use of a Personal Cellular Phone During Work Hours

A. To avoid situations that are disruptive to the public or fellow employees cellular phone ringers should be turned off or placed into the silent or vibrate mode while at work.

B. Personal cellular phones should only be used for personal calls during breaks or at lunch.

C. Discussions on a personal cellular phone during a break or lunch should not disrupt other staff members.

D. Personal cell phones are the sole responsibility of the employee and the City will not be responsible for repair or replacement if damaged or lost.

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Effective July 1, 2008, state law prohibits the use of cell phones while operating a vehicle unless the driver is using a hands-free device. There are three exceptions to the law:

- ✓ Emergency services personnel are exempt from the law when operating an authorized emergency vehicle;
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To limit the risk, all employees shall adhere to the following:

1. Use a hands-free device if you must make or receive a call. SB 1613, effective 07/01/2008 prohibits drivers from using a cell phone unless they are also using a hands-free device. Please note certain exceptions mentioned above.
2. Make calls before starting the vehicle and proceeding to your destination.
3. If possible, pull over or park in an appropriate manner before initiating or answering a call.
4. Allow voice mail to handle your incoming calls and return them at your safe convenience.
5. Refrain from making personal calls, except for emergencies; while operating a City owned vehicle, rental vehicle or your own vehicle for City related business.
6. Suspend conversations during hazardous driving conditions or situations.
7. Always drive vehicles in a safe manner. It is recommended that the employee avoid activities that can cause a distraction and/or take your eyes and attention off of the road, including, but not limited to; taking notes, looking up phone numbers, text messaging, eating, drinking, smoking, loading or unloading CD's, or changing radio stations.
8. When possible, employees using two-way communication equipment (i.e. Nextel "push to talk" device) should safely pull over before communicating. If pulling over is not an option, maintain a safe driving distance between the vehicle in front of you and be conscious of your surroundings.
9. While driving vehicles equipped with laptops, GPS/Navigation tools or other computerized equipment employees shall use such equipment in a safe manner and, when safe to do so, pull over and park to use such equipment.

All City Employees, while operating a vehicle for City related business, will adhere to California Law SB1613 regarding the use of a hands free device for cell phones. Any fines received while operating a vehicle for City related business are the sole responsibility of the driver.

Attachments:

- **Acknowledgment Signature Form – "A"**
- **Wireless Equipment Request Form – "B"**

ATTACHMENT "A"

ACKNOWLEGEMENT OF CELL PHONE POLICY FOR THE CITY OF SOUTH LAKE TAHOE

By signing below, I agree that I have read, understand and will adhere to the City of South Lake Tahoe's Cell Phone Policy.

Employee's Signature:_____

Employee's Printed Name:_____

Department Head Signature/Title:_____

Division Manager Signature/Title:_____

Date:_____

ATTACHMENT "B"

WIRELESS EQUIPMENT REQUEST FORM

Use this form to authorize and order wireless equipment. Send or fax to Information Systems Supervisor.

Today's date:_____ Need by date:_____

Employee Name:_____

Reason for Request (*Check the appropriate box*)

☐ New User

☐ Replacement, Damaged or Upgrade

☐ Replacement, Lost or Stolen

} **Phone Number: ( )_____**

Type of device requested (*Check the appropriate box)*

☐ Cellular Phone

☐ iPad

☐ Additional Features? List features required:_____

Authorized By: *(Please Print and Sign)* _____
(Department Head) *(Title)*

Authorized By: (*Please Print and Sign)* _____
(Division Manager, if Applicable) *(Title)*

Date:_____

FINANCIAL MANAGEMENT
LOCAL TRAINING AND MEETING POLICY

These guidelines establish the basic policies and procedures for local travel, training, and meeting expenses required for City business; ***NOT*** requiring an overnight stay. All City employees and City officials utilizing public resources for City business purposes are responsible for knowing and following this policy.

TABLE OF CONTENTS

This policy is organized into the following seven sections: Page

1. General Standards 2

2. Delegation of Authority 2

3. One Day Travel 3
- **3.1.** Local Meeting and Training 3
- **3.2.** Transportation Costs 3
- **3.3.** Local Travel Meals 4

4. Local Business and Meeting 4
- **4.1.** Special Events 5
- **4.2.** Staff Meetings 5
- **4.3.** Interagency Business Meetings and Training 6
- **4.4.** Unallowable Business Expenses 7
- **4.5.** Current Per Diem Rates 7

5. Accounting for Expenses 7-8
- Missing or Lost Reciepts 8
- **5.1.** Falsification of Expenses 8

6. Forms and Publications 9
- **6.1.** IRS Publications and CA Gov't Code 9
- Payment Request Form 10
- Monthly CalCard Purchase Report 11
- Emergency Service Meal Approval Form 14

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1. GENERAL STANDARDS:

The purpose of this policy is to provide guidance on the reimbursement of Local Travel, Training, Meeting, and/or Business Expenses incurred on official business within the local area of an employee's official worksite, or for travel ***not*** requiring an overnight stay. These include necessary and reasonable expenses as defined under Section 162 of the Internal Revenue Code for purposes of Federal and State Income Tax Laws.

This policy covers local business expenses and transportation. It does not cover business trips where there is an overnight stay involved. This is addressed in the Travel Policy.

"Local travel" means travel necessary to conduct official business and is performed by the most direct route within and adjacent to an employee's official worksite which does ***not*** require an overnight stay. This is considered ***"one-day"*** travel.

Adoption and Implementation: The City Council is responsible for adopting the City's Local Travel, Training, and Meeting Policy and for approving any significant policy revisions. The City Manager, or his/her designee, is responsible for developing administrative procedures to implement this policy. In this role, the City Manager is authorized to make minor administrative changes in the guidelines without significant policy impacts.

Public Records Requirement: All documents related to reimbursable City expenditures are public records and may be subject to disclosure under the California Public Records Act (Government Code §6250-6270).

General Policy: Public funds should be used only for activities related to the City's primary mission of providing quality public service. Public funds should not be used for purposes that are personal in nature or that do not have a clear business purpose.

2. DELEGATION OF AUTHORITY:

The Authorized Signor is accountable for determining the use of public funds to be reasonable and justified by the purpose of the one-day travel, meeting, training or conference and responsible to review and approve Reimbursement Request Forms, Cal-Card Statements, as well as understanding the requirements of this policy.

Finance Director approves for:	City Manager
City Manager approves for:	Direct Report Employees, Department Heads, & City Clerk/Elected Officials
Department Heads approve for:	Division Managers, City Employees
Division Managers approve for:	Direct Report Employees

3. ONE-DAY TRAVEL:

All employees must receive permission for local travel and/ or training from their Department/Division Head prior to scheduling time away from their normal worksite.

3.1. LOCAL MEETING AND TRAINING COSTS

The City will direct pay or reimburse expenses incurred when attending meetings, trainings or conferences held locally, subject to the following:

- Registration fees, or other cost of attendance- employees can request direct payment to vendor, use a Cal Card, or be reimbursed upon completion.
- Department/Division Head should ensure there is enough budget in the appropriate expense line item to cover the costs.
- A Payment Request Form with all substantiated receipts must be submitted.
- If a Cal Card is used as payment, a Monthly Cal Card Purchase Report must be used with description/explanation of expenses and itemized receipts attached.

3.2. TRANSPORTATION COSTS

The most cost-effective means of transportation should be used while on City business. Staff is encouraged to use a City Vehicle for local travel.

- **City Vehicle -** If a City vehicle is used, employees are encouraged to obtain fuel at the Corporation Yard. If this option is unavailable, gas will be reimbursed **with receipt** upon return.

- **Personal Vehicle:** The employee will be reimbursed for mileage in accordance with current federal mileage rates. When an employee travels from home directly to a business-related event, the reimbursement shall include only those miles from the employees' normal place of work on that day. **To drive a privately-owned vehicle on City business, employees are required to:**

    1. Possess a valid license to drive in California.
    2. Carry liability insurance limits required by Human Resources with the City named as additional insured.
    3. Realize that any damage to the car or needed service/repair occurring on the trip will be the employees responsibility as these costs are included in the City's per mile cost reimbursement.

- **Vehicle Allowance:** Employees receiving a Vehicle Allowance are not eligible for mileage reimbursement or use of a City car for travel to locations that are less than 60 miles from their destination.

Parking will be reimbursed at the lowest rate available. Receipts for parking,

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should accompany all reimbursement claims.

3.3. LOCAL TRAVEL MEALS

Per IRC §162(a)(2) IRS Publication 15:

Meals Away From Tax Home But Not Overnight are taxable as wages to the employee because travel must be away from the home work-site overnight to be excludable.

Example: An employee is required to work off-site for the day but not overnight; these meals would be considered taxable as wages.

- City employees shall be expected to provide their own meals and refreshments while working offsite or attending meetings, trainings, and conferences for which no overnight travel is required. ***One day travel meals will not be reimbursed. CAL-Cards or Petty Cash cannot be used for meal costs.***

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4. LOCAL TRAINING , BUSINESS AND MEETING EXPENSES:

This section defines the circumstances under which a staff member or elected official can be reimbursed for business or meeting expenses not related to local or overnight travel, incurred on behalf of official business for the City of South Lake Tahoe.

Please note: **Procurement cards (CAL-Card) or Petty Cash, cannot be used as payment for meals.** Please see Section 8 (Restricted and prohibited purchases) of the Cal-Card User Handbook or refer to Financial Policies – Cash, for disbursement of Petty Cash .

The ONLY CAL-Card exceptions are the following:

1) Meals provided on **City premises** to City Council and required staff during official City Council or other legislative meetings requiring officials to remain **on-site** throughout a meal period.

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2) De Minimis **(**Light) snacks and refreshments for on-site trainings, meetings, or interview panels held on **City premises**. For example (coffee, juice, snacks)

3) Meals for employees required to perform their job duties in **excess of 12 hours providing direct benefit to the City,** in Emergency operations or protection of human life or property. The Finance Director and the City Manager may authorize Cal-Card payment, reimbursement or Per Diem expenses for employees in this circumstance (Federal OAS 5770.1). The City Manager, and Finance Director -must approve~~uthorize~~ the "Emergency Service Meal Approval Form" ~~in writing the need t~~to~~o~~ incur this type of expense, along with

documentation and receipts as required per~~in~~ this policy.

4.1 SPECIAL EVENTS

The City will reimburse expenses incurred for such meetings and hospitality as determined by the City Council to be appropriate. Costs for such special occasions will be determined by specific Council action authorizing such events (ex: July 4th Parade, Business Expo., etc.)

Employee Appreciation – Occasional parties, picnics, events, or meals to promote goodwill is allowable via direct payment or reimbursement, subject to available budget, Finance Director authorization, and the following criteria:

- The offer is extended to all employees/guests in the Department/ Division requesting the event.
- Authorized Payment Request form and **all substantiated receipts** must be submitted for reimbursement detailing date, time, location, reason for celebration, number of employees and meals provided.
- Cost must not exceed current Per Diem Rates for meal provided, per attendee.
- Alcohol is not an allowable city expense and will not be reimbursed or paid for with City funds.

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4.2 STAFF MEETINGS

On-Site Staff Meetings- De Minimis (light) meals and refreshments may be reimbursed for staff meetings held on City premises. For example (coffee, soft drinks, doughnuts, snacks)

Off-Site Staff Meetings – On Occasion (not more than 3 times/year), Department Heads may find it beneficial to schedule off-site working meals to facilitate project planning or staff meetings. In such cases, it shall be at the discretion of the Finance Director and/or City Manager to use City funds to conduct business in this manner with available department budget per the following conditions:

- Meals must not exceed current Federal Per Diem rates per person.
- Meals must be provided to more than half (50%) of the Department and attended by the staff member conducting the meeting.
- Meals will ***NOT*** be reimbursed for a meeting solely between employees (must be 50% or more of departmental staff in attendance).
- Substantiated receipts and all other expenses associated with this meeting must be attached to a detailed Payment Request form signed by the Finance Director and include the following information:
    1) date, time and location of the meeting
    2) describe the need/purpose for the off-site meeting
    3) reason the meal had to be served during the meeting
    4) names of staff members present

4.3 INTERAGENCY BUSINESS MEETINGS AND TRAINING

On-Site Business Meetings/ Training: The city will pay for certain costs associated with an employee or City Official to attend or host a business meeting, training, or conference held on **City premises**, subject to the following:

- Printed materials, general office supplies, required training materials and supplies.
- De Minimis (light) snacks and refreshments (coffee, soft drinks, doughnuts, snacks).

Off-Site Business/ Interagency Meeting: Public funds should only be used for business activities related to the City's primary mission of providing quality public service. Public funds should not be used for purposes that are personal in nature or that do not have a clear business purpose. In general, the use of public funds for business meeting meals should be kept to a minimum.

"Off-Site" includes any facility, restaurant, food and beverage establishment, conference room, or location in lieu of a City owned facility.

"Interagency Meetings" are beneficial meetings used to discuss items of mutual interest between agencies, to promote cooperative efforts that not only benefit the agencies involved but the City as a whole.

- Cost of renting conference or meeting space while hosting a local meeting or training is allowable with Department Head approval and reasonable explanation as to why off-site accommodations are necessary.

- Employees may be **reimbursed** for "off-site" interagency business meeting meals when **all** the following criteria is met (Cal Card is prohibited):

  1. The main purpose of the combined business and meal is directly related to the active conduct of business regarding the City of South Lake Tahoe and business is conducted throughout the meal period.

  ~~1.~~2. Reimbursement is only for the meal costs of city employees at the meeting. The City cannot pay for meals of representatives from outside agencies~~y employees~~ or consultants, contractors or any other attendee .

  ~~2.~~3. It is justified that it was not practical or reasonable to schedule the meeting at a time other than a meal-time.

  ~~3.~~4. Meals will only be reimbursed at the current Federal Per Diem Rate for the meal time the expense was incurred. Employee will be responsible for costs above the Per Diem Rate.

  ~~4.~~5. Itemized receipts and documentation (agenda, minutes, event brochures etc.) must be submitted with a Reimbursement Request Form signed by the Finance Director along with the following information:
     a) date, time, location, names of those present at the meeting

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b) describe the need/purpose for the off-site meeting
c) reason the meal had to be served during the meeting

- **Elected City Officials** attending "off-site" business meetings, or events at the expense of the City, are subject to the requirements in ***California Government Code Article 2.3 Section 53232.3*** and must adhere to the following:

    1. Members of a legislative body shall provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.

    2. Members of a legislative body requesting reimbursement for actual and necessary expenses incurred in the performance of official duties, must submit a detailed Reimbursement Request form subject to the requirements and documentation noted above.

4.4 UNALLOWABLE BUSINESS EXPENSES

- Expenses personal in nature, not related to conducting business for the City of South Lake Tahoe.
- Purchasing meals or entertainment for Vendors, Consultants, Suppliers, or Service Providers.
- Alcoholic Beverages
- Entertainment Expenses
- Meals purchased with a Cal Card is prohibited (see above for exceptions).
- Unauthorized expenses or those not documented on an approved Payment Request Form.

4.5 CURRENT PER DIEM RATES

Current Per Diem rates in 2023~~2~~ are as follows:
Breakfast: $17.00
Lunch: $18.00
Dinner: $34.00
Mileage: 65~~2~~.5 cents per mile
** rates subject to change per Federal Government General Services Administration (GSA) www.gsa.gov/perdiem

5. ACCOUNTING FOR EXPENSES:

Upon return from official function, a final accounting of all expenses must be approved by your approving official and submitted to Accounts Payable within ten working days.
A detailed Reimbursement Request Form with substantiated receipts and/or mileage documentation is required in all cases. Expenses paid with a Cal Card must be detailed on the Monthly Bank Card Purchase Report with itemized receipts attached.

Per IRS Section 15; to be excluded from taxable wages, your Payment Request Form or Cal Card Purchase Report must include the following:

- The business purpose of the meeting, training or conference (where applicable; attach meeting agenda, training registration, conference invitation etc.).
- The date, time, and location.
- Receipts for registration, parking and applicable meal expenses.
- Mileage documentation or gas receipts.
- All other required documentation outlined in this policy.
- Submit detailed Payment Request Form to Accounts Payable signed by authorized signor within 10 days of Meeting or Event when requesting reimbursement and/or;
- Submit detailed Monthly Bank Card Purchase Report with Cal Card Statement for allowable expenses paid with a Cal Card.

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Authorized Signor approving expense reports are responsible to ensure:

- All expenses are reasonable, necessary and consistent with this policy.
- All required itemized receipts are attached.
- The final reconciliation is correct (balance due employee; balance due City).
- Amounts due to the City are reimbursed within 10 days.
- Final accounting on appropriate form is submitted to Finance.

* **Missing or Lost Receipts:** Reimbursement of expenses without receipts becomes taxable income. Therefore, the city will not reimburse employees without receipts. In the event receipts are not available, provide a written explanation to your Department Head, include a full description of the cost of expenses and reason the receipts are missing. IRS requires all of the information as noted above as well as the name of the establishment, the date of service, description of items/meals/service purchased, amount paid, include tax if applicable. If a personal credit card or debit card was used, provide a copy of the bank transaction. This written explanation must be approved by the Department Head and submitted to the Finance Director for approval. Once approved, submit this documentation with the Reimbursement Request form to Accounts Payable. The City reserves the right to require additional approval of the City Manager, where necessary or deny the reimbursement.

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Failure to provide the required documentation on the appropriate authorized forms, necessitates the payments be taxable to the employee; therefore, the city will NOT reimburse any expenses without submittal of documentation in accordance with this policy.

5.1 FALSIFICATION OF EXPENSES

California Government Code

53232.4 Penalties for misuse of public resources or falsifying expense reports in violation of expense reporting polices may include, but are not limited to, the following:

(a) The loss of reimbursement privileges.
(b) Restitution to the local agency.

(c) Civil penalties for misuse of public resources pursuant to Section 8314.
(d) Prosecution for misuse of public resources, pursuant to Section 424 of the Penal Code.

The City of South Lake Tahoe reserves the right to deny reimbursement of expenses that are considered lavish, extravagant, or are unsupported by required documentation. Unusual expenses incurred due to special circumstances may be approved by the City Manager, if those expenses do not violate Federal or State requirements and when in the City Manager's judgment, such expenses are justified. These expenses must be submitted on a detailed Reimbursement Request Form supported by documentation and written explanation of circumstances, signed by Department Head, Finance Director and City Manager.

6. FORMS AND PUBLICATIONS:

The following forms are required when requesting reimbursement of expenses or when using a Cal Card.

- Payment Request Form
- Monthly Bank Card Purchasing Report (Cal Card)

6.1 INTERNAL REVENUE SERVICE (IRS)/ CA Gov't Code

For additional information or clarification, refer to the following IRS publications.

- IRS Publication 15-B, Employers Tax Guide to Fringe Benefits for tax reporting requirement
- IRS Publication 463, Travel, Entertainment, Gift and Car Expenses
- IRS Publication 5318, Tax Cuts and Jobs Act, tax reform 2017
- California Code, Government Code AB1234– Gov §53232.3, §53232.4

PAYMENT REQUEST

Vendor#_____

Date Prepared: _____

Comments/Notes: _____

_____

Pay To: _____
_____
_____
_____

Due Date: _____

ACCOUNT NUMBER	DESCRIPTION	PO NUMBER	INVOICE DATE	INVOICE NUMBER	TOTAL PER ACCOUNT INVOICE

TOTAL PAYMENT: $_____

APPROVED: _____

APPROVED: _____ **Budget Available:** _____

APPROVED: _____ **Reimbursable:** _____

Project/ Funding Source: _____

Project/ Funding Source: _____

CITY OF SOUTH LAKE TAHOE

EMERGENCY SERVICE MEAL APPROVAL FORM

Per Local Training and Meeting Policy, one-day travel meals will not be reimbursed EXCEPT for employees required to perform their job duties in excess of 12 hours providing direct benefit to the City, in emergency operations or **protection of human life or property.**

Complete and submit this approved form to Accounts Payable with **itemized** receipts for reimbursement or with itemized receipts attached to Cal Card Statement.

The City Manager may authorize Cal-Card payment for employees in this circumstance (Federal OAS 5770.1).

NAME:	DEPARTMENT:

INCIDENT DATE: TIME START: END:	LOCATION:
NAME OF ALL STAFF MEMBERS RECEIVING MEAL:	
DESCRIBE THE NEED/PURPOSE/ REASON/ AND/OR EMERGENCY REQUIRING THE MEAL:	

- **Employees will be responsible for costs above the Per Diem Rate**

AMOUNT (ATTACH RECEIPT)	CITY ACCOUNT NUMBER
BREAKFAST (MAX $17): $	
LUNCH (MAX $18): $	
DINNER (MAX $34): $	
TOTAL: $	

Dept. Head Signature:	Date:
Finance Director:	Date:
City Manager:	Date:

Ver. August 2023

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CITY OF SOUTH LAKE TAHOE

Name: _____ Card #: *####

Dept / Div: _____ Statement Date: _____

MONTHLY CALCARD PURCHASE REPORT

ATTACH-MENT #	DATE	RECEIPT / INVOICE #	VENDOR'S NAME	DESCRIPTION OF PURCHASE	ACCOUNT # TO BE CHARGED	$ AMOUNT OF PURCHASE (from statement)	USE TAX 7.75% (if tax was not included by vendor)	$ AMOUNT OF PURCHASE (including Use Tax)	√ DIS-PUTED ITEM
1								$ -	
2								$ -	
3								$ -	
4								$ -	
5								$ -	
6								$ -	
7								$ -	
8								$ -	
9								$ -	
10								$ -	
11								$ -	
12								$ -	
						$ -	$ -	$ -	

I certify that all purchases listed on this statement, unless noted in the "√ Disputed Item" column, are true and correct and were made for official City of South Lake Tahoe use. All goods or services have been received & payment is authorized. I.M.P.A.C. has been notified of all disputed items and a copy of the Cardholder Statement of Questioned Items is attached.

Cardholder signature: _____ Date: _____

Approving official signature: _____ Date: _____

CITY OF SOUTH LAKE TAHOE

EMERGENCY SERVICE MEAL APPROVAL FORM

Per Local Training and Meeting Policy, one-day travel meals will not be reimbursed EXCEPT for employees required to perform their job duties in excess of 12 hours providing direct benefit to the City, in emergency operations or **protection of human life or property.**

Complete and submit this approved form to Accounts Payable with **itemized** receipts for reimbursement or with itemized receipts attached to Cal Card Statement.

The City Manager may authorize Cal-Card payment for employees in this circumstance (Federal OAS 5770.1).

NAME:	DEPARTMENT:

INCIDENT DATE: TIME START: END:	LOCATION:
NAME OF ALL STAFF MEMBERS RECEIVING MEAL:	
DESCRIBE THE NEED/PURPOSE/ REASON/ AND/OR EMERGENCY REQUIRING THE MEAL:	

- **Employees will be responsible for costs above the Per Diem Rate**

AMOUNT (ATTACH RECEIPT)	CITY ACCOUNT NUMBER
BREAKFAST (MAX $17): $	
LUNCH (MAX $18): $	
DINNER (MAX $34): $	
TOTAL: $	

Dept. Head Signature:	Date:
Finance Director:	Date:
City Manager:	Date:

Ver. August 2023

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FINANCIAL MANAGEMENT
LOCAL TRAINING AND MEETING POLICY

These guidelines establish the basic policies and procedures for local travel, training, and meeting expenses required for City business; ***NOT*** requiring an overnight stay. All City employees and City officials utilizing public resources for City business purposes are responsible for knowing and following this policy.

Table of Contents

This Policy is organized into the following seven sections:

1. General Standards 2

2. Delegation of Authority 2

3. One Day Travel 3

3.1 Local Meeting and Training 3
3.2 Transportation Costs 3
3.3 Local Travel Meals 4

4. Local Business and Meeting 4
*** Meal Exceptions** 4
4.1 Special Events 5
4.2 Staff Meetings 5
4.3 Interagency Business Meetings and Training 6
4.4 Unallowable Business Expenses 7
4.5 Current Per Diem Rates 7

5. Accounting for Expenses 7-8
*** Missing or Lost Receipts** 8
5.1 Falsification of Expenses 8-9

6. Forms and Publications 9
6.1 IRS Publications and CA Gov't Code 9
Payment Request Form 10
Emergency Meal Approval Form 11
Monthly Cal Card Purchase Report 12

1. GENERAL STANDARDS:

The purpose of this policy is to provide guidance on the reimbursement of Local Travel, Training, Meeting, and/or Business Expenses incurred on official business within the local area of an employee's official worksite, or for travel ***not*** requiring an overnight stay. These include necessary and reasonable expenses as defined under Section 162 of the Internal Revenue Code for purposes of Federal and State Income Tax Laws.

This policy covers local business expenses and transportation. It does not cover business trips where there is an overnight stay involved. This is addressed in the Travel Policy.

"Local travel" means travel necessary to conduct official business and is performed by the most direct route within and adjacent to an employee's official worksite which does ***not*** require an overnight stay. This is considered ***"one-day"*** travel.

Adoption and Implementation: The City Council is responsible for adopting the City's Local Travel, Training, and Meeting Policy and for approving any significant policy revisions. The City Manager, or his/her designee, is responsible for developing administrative procedures to implement this policy. In this role, the City Manager is authorized to make minor administrative changes in the guidelines without significant policy impacts.

Public Records Requirement: All documents related to reimbursable City expenditures are public records and may be subject to disclosure under the California Public Records Act (Government Code §6250-6270).

General Policy: Public funds should be used only for activities related to the City's primary mission of providing quality public service. Public funds should not be used for purposes that are personal in nature or that do not have a clear business purpose.

2. DELEGATION OF AUTHORITY:

The Authorized Signor is accountable for determining the use of public funds to be reasonable and justified by the purpose of the one-day travel, meeting, training or conference and responsible to review and approve Reimbursement Request Forms, Cal-Card Statements, as well as understanding the requirements of this policy.

Finance Director approves for:	City Manager
City Manager approves for:	Direct Report Employees, Department Heads, & City Clerk/Elected Officials
Department Heads approve for:	Division Managers, City Employees
Division Managers approve for:	Direct Report Employees

3. ONE-DAY TRAVEL:

All employees must receive permission for local travel and/ or training from their Department/Division Head prior to scheduling time away from their normal worksite.

3.1. LOCAL MEETING AND TRAINING COSTS

The City will direct pay or reimburse expenses incurred when attending meetings, trainings or conferences held locally, subject to the following:

- Registration fees, or other cost of attendance- employees can request direct payment to vendor, use a Cal Card, or be reimbursed upon completion.
- Department/Division Head should ensure there is enough budget in the appropriate expense line item to cover the costs.
- A Payment Request Form with all substantiated receipts must be submitted.
- If a Cal Card is used as payment, a Monthly Cal Card Purchase Report must be used with description/explanation of expenses and itemized receipts attached.

3.2. TRANSPORTATION COSTS

The most cost-effective means of transportation should be used while on City business. Staff is encouraged to use a City Vehicle for local travel.

- **City Vehicle -** If a City vehicle is used, employees are encouraged to obtain fuel at the Corporation Yard. If this option is unavailable, gas will be reimbursed **with receipt** upon return.

- **Personal Vehicle:** The employee will be reimbursed for mileage in accordance with current federal mileage rates. When an employee travels from home directly to a business-related event, the reimbursement shall include only those miles from the employees' normal place of work on that day. **To drive a privately-owned vehicle on City business, employees are required to:**

    1. Possess a valid license to drive in California.
    2. Carry liability insurance limits required by Human Resources with the City named as additional insured.
    3. Realize that any damage to the car or needed service/repair occurring on the trip will be the employees responsibility as these costs are included in the City's per mile cost reimbursement.

- **Vehicle Allowance:** Employees receiving a Vehicle Allowance are not eligible for mileage reimbursement or use of a City car for travel to locations that are less than 60 miles from their destination.

- **Parking** will be reimbursed at the lowest rate available. Receipts for parking, should accompany all reimbursement claims.

3.3. LOCAL TRAVEL MEALS

Per IRC §162(a)(2) IRS Publication 15:

Meals Away From Tax Home But Not Overnight are taxable as wages to the employee because travel must be away from the home work-site overnight to be excludable.

Example: An employee is required to work off-site for the day but not overnight; these meals would be considered taxable as wages.

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This section defines the circumstances under which a staff member or elected official can be reimbursed for business or meeting expenses not related to local or overnight travel, incurred on behalf of official business for the City of South Lake Tahoe.

Please note: **Procurement cards (CAL-Card), or Petty Cash, cannot be used as payment for meals.** Please see Section 8 (Restricted and prohibited purchases) of the Cal-Card User Handbook or refer to Financial Policies-Cash, for disbursement of Petty Cash requirements.

The ONLY CAL-Card exceptions are the following:

1) Meals provided on **City premises** to City Council and required staff during official City Council or other legislative meetings requiring officials to remain **on-site** throughout a meal period.

2) De Minimis **(**Light) snacks and refreshments for on-site trainings, meetings, or interview panels held on **City premises**. For example (coffee, juice, snacks)

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- Cost must not exceed current Per Diem Rates for meal provided, per attendee.
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On-Site Staff Meetings- De Minimis (light) meals and refreshments may be reimbursed for staff meetings held on City premises. For example (coffee, soft drinks, doughnuts, snacks)

Off-Site Staff Meetings – On Occasion (not more than 3 times/year), Department Heads may find it beneficial to schedule off-site working meals to facilitate project planning or staff meetings. In such cases, it shall be at the discretion of the Finance Director and/or City Manager to use City funds to conduct business in this manner with available department budget per the following conditions:

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- Meals will ***NOT*** be reimbursed for a meeting solely between employees (must be 50% or more of departmental staff in attendance).
- Substantiated receipts and all other expenses associated with this meeting must be attached to a detailed Payment Request form signed by the Finance Director and include the following information:
    1) date, time and location of the meeting
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On-Site Business Meetings/ Training: The city will pay for certain costs associated with an employee or City Official to attend or host a business meeting, training, or conference held on **City premises**, subject to the following:

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    3. It is justified that it was not practical or reasonable to schedule the meeting at a time other than a mealtime.

    4. Meals will only be reimbursed at the current Federal Per Diem Rate for the meal time the expense was incurred. Employee will be responsible for costs above the Per Diem Rate.

    5. Itemized receipts and documentation (agenda, minutes, event brochures etc.) must be submitted with a Reimbursement Request Form signed by the Finance Director along with the following information:

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Upon return from official function, a final accounting of all expenses must be approved by your approving official and submitted to Accounts Payable within ten working days.
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Per IRS Section 15; to be excluded from taxable wages, your Payment Request Form or Cal Card Purchase Report must include the following:

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- The date, time, and location.
- Receipts for registration, parking, and applicable meal expenses.
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- All other required documentation outlined in this policy.
- Submit detailed Payment Request Form to Accounts Payable signed by authorized signor within 10 days of Meeting or Event when requesting reimbursement and/or;
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Authorized Signor approving expense reports are responsible to ensure:

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- All required itemized receipts are attached.
- The final reconciliation is correct (balance due employee; balance due City).
- Amounts due to the City are reimbursed within 10 days.
- Final accounting on appropriate form is submitted to Finance.

- **Missing or Lost Receipts:** Reimbursement of expenses without receipts becomes taxable income. Therefore, the city will not reimburse employees without receipts. In the event receipts are not available, provide a written explanation to your Department Head, include a full description of the cost of expenses and reason the receipts are missing. IRS requires all the information as noted above as well as the name of the establishment, the date of service, description of items/meals/service purchased, amount paid, include tax if applicable. If a personal credit card or debit card was used, provide a copy of the bank transaction. This written explanation must be approved by the Department Head and submitted to the Finance Director for approval. Once approved, submit this documentation with the Reimbursement Request form to Accounts Payable. The City reserves the right to require additional approval of the City Manager, where necessary or deny the reimbursement.

Failure to provide the required documentation on the appropriate authorized forms, necessitates the payments be taxable to the employee; therefore, the city will NOT reimburse any expenses without submittal of documentation in accordance with this policy.

5.1 FALSIFICATION OF EXPENSES

California Government Code

53232.4 Penalties for misuse of public resources or falsifying expense reports in violation of expense reporting polices may include, but are not limited to, the following:

(a) The loss of reimbursement privileges.
(b) Restitution to the local agency.

(c) Civil penalties for misuse of public resources pursuant to Section 8314.
(d) Prosecution for misuse of public resources, pursuant to Section 424 of the Penal Code.

The City of South Lake Tahoe reserves the right to deny reimbursement of expenses that are considered lavish, extravagant, or are unsupported by required documentation. Unusual expenses incurred due to special circumstances may be approved by the City Manager, if those expenses do not violate Federal or State requirements and when in the City Manager's judgment, such expenses are justified. These expenses must be submitted on a detailed Reimbursement Request Form supported by documentation and written explanation of circumstances, signed by Department Head, Finance Director and City Manager.

6. FORMS AND PUBLICATIONS:

The following forms are required when requesting reimbursement of expenses or when using a Cal Card.

- Payment Request Form
- Monthly Bank Card Purchasing Report (Cal Card)

6.1 INTERNAL REVENUE SERVICE (IRS)/ CA Gov't Code

For additional information or clarification, refer to the following IRS publications.

- IRS Publication 15-B, Employers Tax Guide to Fringe Benefits for tax reporting requirement
- IRS Publication 463, Travel, Entertainment, Gift and Car Expenses
- IRS Publication 5318, Tax Cuts and Jobs Act, tax reform 2017
- California Code, Government Code AB1234– Gov §53232.3, §53232.4

PAYMENT REQUEST

Vendor#_____

Date Prepared: _____

Comments/Notes: _____

_____

Pay To: _____
_____
_____
_____

Due Date: _____

ACCOUNT NUMBER	DESCRIPTION	PO NUMBER	INVOICE DATE	INVOICE NUMBER	TOTAL PER ACCOUNT INVOICE

TOTAL PAYMENT: $_____

APPROVED: _____

APPROVED: _____ **Budget Available:** _____

APPROVED: _____ **Reimbursable:** _____

Project/ Funding Source: _____

Project/ Funding Source: _____

CITY OF SOUTH LAKE TAHOE

EMERGENCY SERVICE MEAL APPROVAL FORM

Per Local Training and Meeting Policy, one-day travel meals will not be reimbursed EXCEPT for employees required to perform their job duties in excess of 12 hours providing direct benefit to the City, in emergency operations or **protection of human life or property.**

Complete and submit this approved form to Accounts Payable with **itemized** receipts for reimbursement or with itemized receipts attached to Cal Card Statement.

The City Manager may authorize Cal-Card payment for employees in this circumstance (Federal OAS 5770.1).

NAME:	DEPARTMENT:

INCIDENT DATE: TIME START: END:	LOCATION:
NAME OF ALL STAFF MEMBERS RECEIVING MEAL:	
DESCRIBE THE NEED/PURPOSE/ REASON/ AND/OR EMERGENCY REQUIRING THE MEAL:	

- **Employees will be responsible for costs above the Per Diem Rate**

AMOUNT (ATTACH RECEIPT)	CITY ACCOUNT NUMBER
BREAKFAST (MAX $17): $	
LUNCH (MAX $18): $	
DINNER (MAX $34): $	
TOTAL: $	

Dept. Head Signature:	Date:
Finance Director:	Date:
City Manager:	Date:

Ver. August 2023

CITY OF SOUTH LAKE TAHOE

Name:

Card #: *#####

Dept / Div:

Statement Date:

MONTHLY CALCARD PURCHASE REPORT

ATTACH-MENT #	DATE	RECEIPT / INVOICE #	VENDOR'S NAME	DESCRIPTION OF PURCHASE	ACCOUNT # TO BE CHARGED	$ AMOUNT OF PURCHASE (from statement)	USE TAX 7.75% (if tax was not included by vendor)	$ AMOUNT OF PURCHASE (including Use Tax)	√ DIS-PUTED ITEM
1								$ -	
2								$ -	
3								$ -	
4								$ -	
5								$ -	
6								$ -	
7								$ -	
8								$ -	
9								$ -	
10								$ -	
11								$ -	
12								$ -	
						$ -	$ -	$ -	

I certify that all purchases listed on this statement, unless noted in the "√ Disputed Item" column, are true and correct and were made for official City of South Lake Tahoe use. All goods or services have been received & payment is authorized. I.M.P.A.C. has been notified of all disputed items and a copy of the Cardholder Statement of Questioned Items is attached.

Cardholder signature: _____ Date: _____

Approving official signature: _____ Date: _____

FINANCIAL MANAGEMENT PROCUREMENT POLICY

These guidelines establish the basic policies and procedures for the procurement of goods and services in accordance with City Ordinance Adopted and Approved by the City Council September 12~~August 9~~, 2023~~2~~. Procedures are drafted by the Finance Dept. in coordination with the City Attorney and City Manager's office. All City employees responsible for the procurement of goods and services while conducting City business are responsible for knowing and following this policy.

Quick Guide to Purchasing

Dollar limit	For Materials, Supplies, Equipment & Services	Forms Required	Approval Authority
$0 $9,999	Discretionary purchases: no competitive bid required. Purchase using Cal Card, or vendor invoice- signed, with account number. **ALL services performed by an outside vendor at a City-owned property require a Purchase Order or PSA.**	Signed invoice or e-mail approval with acct. number PO for service	Supervisor/ Designated Purchaser
$10,000 – $29,999	Requires 3 informal quotes, cooperative contract, or Sole Source Justification form. Purchase using approved vendor invoice, or PO with budgeted account number. ***ALL services performed by an outside vendor require a Purchase Order or Professional Services Agreement.**	3-Quotes or Sole Source form, Co-op contract#, PO, or invoice w/ acct#	Department Head
$30,000 – $59,999	Requires 3 informal quotes, co-op contract, or Sole Source Justification form. Provide budgeted account number and proper signing authority. ***ALL services and purchases of goods at this threshold require a PO and/or written contract approved by Dept. Head & City Manager.**	All above + PO, PSA/ or Purchase Agreement	Department Head and City Manager
$60,000 +	Requires Formal Bid process with City Council approval. **All services and purchases of goods require a written contract approved by the City Attorney's office as well as City Council approval.**	All above + - RFP or BID -Staff report	City Council Award- invoices signed by DH, CM

NOTE: ALL construction, reconstruction, alteration, renovation, improvement, demolition, painting, re-painting and repair work involving **ANY publicly owned, leased, or operated facility** is considered a **Public Project** and is subject to the City's Public Works Code and the Uniform Public Construction Cost Accounting Act." (City Code SLTCC § 3.45, Article II). **Contact the Public Works Department (ext. 6034) for further direction prior to engaging in any of these activities.**

TABLE OF CONTENTS

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This policy is organized into the following Five sections: Page

1. General Standards……..……. 4

1.1. Code of Ethics…….…….…… 4
1.2. Conflict of Interest ……. 5
1.3. Public Projects (CUPCCAA) …….. 5-6
1.4. On-Site Services…….…...~~6~~7
1.5. Splitting Purchases …….. ~~6~~7
1.6. Sole Source Purchasing ……..…. ~~6~~ 7
1.7. Environmentally Preferable Products……~~8~~7
1.8. SB 1383 Recovered Organic Waste Products ……..~~8~~7
1.9. Cooperative Purchasing…… 8-9
1.10. Business License Requirement……~~9~~8
1.11. Budget Appropriation……. ~~8~~ 9
1.12. Disposition of Surplus…… 10~~9~~

2. Discretionary Purchases (less than $10,000)……..…..… 10-14~~9~~

Formatted: Justified

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2.1. Signature Authority……..~~9~~ 10
2.2. Purchases utilizing Federal Funds/Other Revenue …….. 1~~0~~1
2.3. Discretionary Process……..……..1~~0~~1

3. Informal Solicitations ($10,000 - $59,999)……..……..…… . 11-12~~0~~

3.1. Signature Authority…….. 1~~0~~1
3.2. Equipment and Capital Expenditures ……..……..……11-12
3.3. Informal Bid and Proposal Process ……..……12-13
3.4. Purchase Orders……..……..,……..…1~~3~~4
3.5. Purchase Agreement……..……..……..……1~~3~~4
3.6. Professional Service Agreement……1~~3~~4

4. Formal Solicitations ($60,000 and above) ……..…..…14-15~~3~~

4.1. Signature Authority……..…..…1~~4~~5
4.2. Formal Bidding Process……..……1~~4~~5

Public Projects…….……..154
Request for Proposals (services or consultants)……154
Requests for Qualifications (pre-qualification for consultants) ……..…….154
Invitation to Bid (goods, materials, equipment) ……...14-15
4.3. Local Business Preference……165
4.4. Bidders Security……165
4.5. Bid and RFP/RFQ Evaluations ……..……15-16-17
Rejections/ Tie Bids ……..……...17
Less than three Bids/ No Bids Received……..……..187
Waiver of Irregularities and Rejection of Bids……18
4.6. City Council Staff Recommendations……...18-197
Staff Report/ Resolution …….. 197-18
4.7. Bid Protests……...…..198
4.8. Maintaining Documentation……..2019

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5. Forms and Boiler Plates

Exhibit A- Payment Request Form…..…… 220

Exhibit B - Sole Source Justification ..…….242

Exhibit C – Request for Quotes ……264

Exhibit D – Contract/Agreement Routing Form……...286

Exhibit E – Bid Evaluation Forms and Scoresheet…….. 302338-31

Exhibit F – Standard RFP/RFQ required template ……....343-420

Exhibit G – Standard PSA (Professional Services Agreement) …….. 443-6058

Exhibit H – Standard Invitation to Bid……..….. 610-7067

Exhibit I – Standard Purchasing Agreement (Contract for Goods)……..… 7169-8078

Exhibit J – Bid Rejection Letter……8280

Exhibit K – Bid Acceptance Letter ……..842

Exhibit L – Instructions to create a PO ……..854-943

1. GENERAL STANDARDS:

The City's Purchasing Ordinance (SLTCC § 3.45) and Procurement Policy are in place as guideline to ensure materials and services are purchased in a legal and cost-effective manner. The purchasing functions are decentralized, with each Department/Division responsible for procuring their own goods, services, and contracts, and maintaining compliance with City policies and procedures. Employees and City Officials are responsible for exercising good judgment in requesting, approving, and procuring goods, services, and contracts on behalf of the City of South Lake Tahoe to provide prudent stewardship of public funds and City resources.

Adoption and Implementation: The City Council is responsible for adopting the City's Purchasing Ordinance and Procurement Policy and approving significant policy revisions. The City Manager, or his/her designee, is responsible for developing administrative procedures to implement this policy. In this role, the City Manager is authorized to make minor administrative changes in the guidelines without significant policy impacts.

Public Records Requirement: All documents related to City procurement are public records and may be subject to disclosure under the California Public Records Act (Government Code §6250-6270).

1.1 CODE OF ETHICS

Public employees and officials shall act in good faith to perform their duties ensuring fair and equitable treatment of all persons dealing with government procurement; to foster public confidence in the integrity of the procurement process; and to ensure the appropriate application of purchasing ethics. When engaging in procurement, any person employed by the City of South Lake Tahoe, or vendors and third parties doing business with the City of South Lake Tahoe, shall be bound by this code of ethics, including but not limited to the following:

1. Avoid the intent and appearance of unethical behavior or fraudulent practices;
2. Diligently follow the procurement laws, rules, and procedures;
3. Refrain from any activity that would create a conflict between personal interests and the interests of the City;
4. Identify and eliminate any conflicts of interest;

5. Avoid soliciting or accepting money, loans, credits, discounts, favors, gifts, or services from present or potential suppliers which may influence or appear to influence purchasing decisions;
6. Ensure that all persons are afforded equal opportunity to compete in a fair and open environment, and;
7. Encourage any person, including any actual or prospective bidder, offeror, contractor, or business to act in good faith to practice purchasing ethics, and display business integrity as a responsible offeror.

1.2 Conflict of Interest

Any officer or employee of the City acting or appearing to act on behalf of someone other than the City; or in carrying out duties has or appears to have a self-interest from which a personal profit or gain is realized or that is actually or potentially adverse to the best interests of the City is displaying a "conflict of interest".

No officer or employee of the City shall have any interest, financial or otherwise, direct, or indirect, or have any arrangement that may reasonably be expected to bias the procurement process or influence the bidding and purchasing of goods, services, or public projects. Officials and employees of the City shall avoid any action that might result in, or create the appearance of:

- Using his or her official position for private gain
- Giving preferential treatment to any person or organization
- Losing complete independence or impartiality
- Making an official decision outside official channels
- Adversely affecting public confidence in the City and the procurement process
- Or any other Conflict of Interest, real or perceived

The City of South Lake Tahoe reserves the right to deny approval, purchase, payment, or reimbursement of expenses that are considered fraudulent, lavish, extravagant, or are unsupported by* required *documentation.

1.3 PUBLIC PROJECTS

ALL construction, reconstruction, alteration, renovation, improvement, demolition, painting, re-painting, and repair work involving **ANY** publicly owned, leased, or operated facility is considered a **Public Project** and is subject to the City's Public Works Code and the Uniform Public Construction Cost Accounting Act." **(CUPCCAA)** (City Code SLTCC § 3.45, Article II)

Prequalification: The City may require each prospective bidder for a contract to submit a standardized questionnaire and financial statement in the form specified by the director of public works. The City may establish a process for prequalifying prospective bidders on a quarterly basis, and a prequalification pursuant to this process shall be valid for one calendar year following the date of initial prequalification. The director of public works is authorized to establish such a quarterly prequalification process. Refer to City Code for bidder appeal process. (City Code SLTCC § 3.45.105)

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Director of public works authority for Public Projects: Public project contracts of **$60,000** or less may be executed by the director of public works or his or her designee by force account, negotiated contract, or purchase order. This limit shall be automatically adjusted from time to time to reflect changes in the limits established by the state of California. This includes contract change orders up to this amount. Vendors chosen in this manner, must be on the prequalification list.

Informal bidding for Public Projects: Monetary Limit. Public contracts of **$200,000** or less may be executed by the director of public works or his or her designee as well as let to contract by informal procedures as set forth in this section. Contract change orders up to this amount may be approved by the director of public works, so long as the combined amounts are within the approved project budget. This limit shall be automatically adjusted from time to time to reflect changes in the limits established by the state of California.

1. Contractors List: The city shall maintain a contractors list and contractors shall be selected to perform public projects in accordance with the provisions of Public Contract Code Section 22034.
2. Notice Inviting Informal Bids: Not less than 10 calendar days before bids are due, the city will mail notices inviting informal bids to all contractors on the contractors list and/or all trade journals specified in Public Contract Code Section 22034(b).

Formal Competitive Bidding: Public projects of **greater than $200,000** shall be bid in accordance with the procedures set forth in Public Contract Code Section 22037 et seq. (Ord. 1069 § 1 (Exh. A); Ord. 1109 § 1 (Exh. A). Code 1997 § 22-22)

Lowest Responsible Bidder: Contracts for public projects shall be awarded to the lowest responsible bidder. If two or more bids are the same and the lowest, the city may accept the one it chooses. In determining the lowest responsible bidder, the following factors may be considered in addition to price:

~~1.~~ The ability, capacity and skill of the bidder to perform the contract or provide the service required;

1. The character, integrity, reputation, judgment, experience, efficiency and performance demonstrated in previous contracts or services for the city;
2. The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the services;
3. The ability of the bidder to provide future maintenance for service for the public project. (Ord. 1171 § 1; Ord. 1165 § 1; Ord. 1069 § 1 (Exh. A); Ord. 1109 § 1 (Exh. A). Code 1997 § 22-25)

Design-Build Contracts: The purpose of this section is to authorize and provide guidelines for the award and use of "design-build contracts," which means a public project procurement method in which both the design and construction of the project are procured from a single entity, in accordance with Public Contract Code Section 22160 et seq. This section shall be effective until January 1, 2025, unless the authorizing statute is extended, in which case this section shall be effective so long as Public Contract Code Section 22160 et seq. is in effect.

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1. Design-build procurement may be used for public projects in excess of $1,000,000 consisting of the construction of a building or buildings and improvements directly related thereto and park and recreational facilities, and may not be used for construction of other infrastructure including, but not limited to, streets and highways;
2. Any architectural firm, engineering firm, specialty consultant, or individual retained by the city to assist in the development of plans, designs, performance standards, or the request for proposals shall not be eligible to submit a proposal as a design-build entity or join a design-build team.
3. Refer to City Code SLTCC § 3.45.165 Design-build contracts for additional guidelines when utilizing this method for procurement.

Contact the Public Works Department (ext. 6034) for further direction prior to engaging in any activity considered to be a Public Project per definition above.

1.4 ON-SITE SERVICES

On-Site Service: any repair service, maintenance, professional service, or service of any kind conducted on the property of any city-owned facility or property is subject to the following:

1. Regardless of dollar amount, a Purchase Order (PO), Professional Service Agreement (PSA), or Written Contract must be used for ALL On-Site Services.
2. Cal-Cards are prohibited as a payment for On-Site Services.

1.5 SPLITTING PURCHASES

***Splitting Purchases Prohibited*:** Pursuant to SLTCC § 3.45.050, it is unlawful to split or separate any public project into smaller work orders or projects for the purpose of circumventing or evading these requirements.

Bifurcation of Purchases: No acquisition of materials, supplies, equipment or services from a single vendor, provider, or contractor shall be accomplished by the issuance of several purchase orders or contracts for portions thereof.

1.6 SOLE SOURCE PURCHASING

Pursuant to SLTCC § 3.45.060; where an acquisition would otherwise be subject to competitive bidding, the procurement of materials, supplies, equipment, or services from a Sole Source may be permitted only when submitting an approved Sole Source Justification Form (Exhibit B) and one of the following conditions exists:

1. **Proprietary**: The item is available only from a single source; the item is held under exclusive title, trademark, or copyright by a private person or company; a proprietary distributorship would also apply.
2. **Emergency Purchase**: Non-public projects ~~requiring public~~requiring public exigency or emergency for the requirement will not permit a delay resulting from competitive

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solicitation, per SLTCC § 3.45.070. Whereas the procedures set forth in this policy would result in hazardous delays, loss to the City, or damage to life, health, safety of citizens, the City Manager may approve the non-competitive purchase of materials, supplies, equipment, or services. For Public Projects, refer City Code § 3.45.180, and Public Contract Code Section 22050.

3. **Sole Source**: After solicitation of several sources, competition is determined inadequate or no other items are known to exist which perform the same function.
4. **Federal Awards**: when purchasing goods or services with Federal Funds where the Federal awarding agency expressly authorizes noncompetitive proposals in response to a written request from the City. (attach authorization to this form)
5. **Standardization**: The City requires the item(s) to standardize parts, design, quality, etc. *(When using Federal Funds, you must have written authorization from the Federal Awarding agency if claiming sole source for Standardization purposes).*

1.7 ENVIRONMENTALLY PREFERABLE PRODUCTS

Pursuant to SLTCC § 3.45.080; the city desires to purchase environmentally preferable products that minimize environmental impacts, reduce waste by increasing product efficiency, contain recycled content, and contain U.S. Environmental Protection Agency Energy Star-certified materials whenever economically feasible.

1.8 **SB 1383 RECOVERED ORGANIC WASTE PRODUCTS**

Beginning January 1, 2022, SB 1383 requires cities and counties to procure annually a quantity of recovered organic waste products. These procurement requirements will strengthen California's green, self-sustaining economy. Recovered organic waste products can benefit local communities and spaces, improve soil and air quality, and support local environmental initiatives, such as the City's Climate Action Plan.

CalRecycle will assign an annual procurement target to each jurisdiction based on its population. Jurisdictions can fulfill their target by procuring any combination of the following recovered organic waste products where applicable:

- Compost
- Mulch
- Renewable Energy (Transportation Fuel, Heat, and Electricity)

The City's Sustainability Coordinator will be responsible for collecting and maintaining the documents needed to support and demonstrate compliance with the SB 1383 regulatory target for recovered organic waste product procurement and the SB 1383 recycled-content paper regulatory requirements.

Pursuant to SB1383 and SLTCC §3.45.080, Departments should use best efforts in procuring and using "recycled organic products" to help the city meet its procurement target by:

1. Coordinating with the Sustainability Coordinator to identify applicable products.
2. Recognize areas in your department that could utilize these products.
3. Provide invoice copies to Sustainability Coordinator for tracking and reporting.

1.9 COOPERATIVE PURCHASING

Where another governmental agency performs a solicitation and/or bid process for the City and/or multiple agencies or jurisdictions, and where the purchase of materials, supplies and equipment is based upon an agreement or cooperative purchasing program pursuant to authority granted by statue or ordinance, pursuant to contractual arrangement between the city and said governmental agency, or pursuant to a determination by the City Manager that the governmental agency conducted a competitive bidding process, the City may purchase materials, supplies, and complying with the bidding requirements of this policy (ex: CMAS, NASPO, GMAS, SOURCEWELL) (SLTCC § 3.45.090). Cooperative Purchasing is not applicable to Public Projects.

1.8 BUSINESS LICENSE REQUIREMENT

The City shall not render payment to any vendor, contractor, or professional service provider where such vendor or provider does not possess a valid South Lake Tahoe business and professions tax certificate (SLTCC § 3.45.095). Contact the Revenue Dept. to inquire about a valid business license (ext. 6012 or ext. 6013).

1. It is the Departments responsibility to ensure the vendor, contractor, service provider, consultant, has a required Business License and appropriate requisite insurance (where applicable).
2. The license and insurance requisites must be obtained prior to purchase or work commencing.

1.9 BUDGET APPROPRIATION

Federal, State, and Local Governments are legally required to operate within an approved Municipal Budget. ***Article 1, Section 9, of the U.S. Constitution states, "No money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law".***

1. Government Fund Accounting is required by California Law meaning each stream of revenue and associated expenses must be accounted for and tracked within a specific governmental fund.
2. Appropriated budget **MUST** be available and verified prior to **ANY** purchase, contract, or professional service agreement rendered.

3. If budget is not identified, or funding has not been approved and appropriated into the current fiscal year budget, **STOP**. Do not proceed with the purchase or contract until City Council or the City Manager has appropriated budget in accordance with the following delegation of authority:

Transferring/ Adding Budget	Authorization
Transfers between budgeted line items within the same account number:	**Department Head-** via email to the Administrative Services Director
Transfers between account numbers within the same fund:	**City Manager-** via email from Dept. Head. CM will authorize adjustment via email to Admin. Services Director.
Transfers between funds: (including transfers from undesignated reserves)	**City Council-** via staff report and resolution with explanation for transfer
Adding new Budget (grants, new revenue, unforeseen expenses etc..)	**City Council** – via staff report and resolution with explanation and request to appropriate funding.

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1.10 DISPOSITION OF SURPLUS

Surplus property: Goods, materials, vehicles, equipment etc. retained by a government, but not currently being utilized. These items may be out of date, useless, or no longer working.

Surplus property shall be identified by the department; officially declared to the City Council for approval; eliminated from the fixed asset accountability list and; sold at auction or to any organization or non-employee willing to pay fair market price. Alternatively, the City Council may elect to donate or destroy the same in accordance with whatever provision and/or terms and conditions at City Council discretion.

In the event any single item of property's original value is less than $10,000, the Finance Director shall have the authority to sell, or dispose of such surplus supplies or equipment by donation to local schools or nonprofit organizations, or if surplus has no value, by disposal at a refuse company.

Proceeds from sale of surplus property will be allocated to the City's General fund or Vehicle Replacement fund unless the property was originally purchased under contractual obligations with monies from a specific fund, in which case, the proceeds will be returned to that fund.

2. DISCRETIONARY PURCHASES: $0 - $9,999.00

Items and services less than $10,000 can be purchased directly by a City department without a competitive bid process, this threshold must include tax, shipping, and handling. Purchasers should use best efforts and judgment to provide greatest value to the city.

2.1 SIGNING AUTHORITY

Discretionary Purchases require the approval signature of the Department Supervisor or the designated "Purchaser" for the department. Accounts Payable requires a valid invoice, appropriate~~d~~ account number, printed name, department, and authorized signature to complete a payment. An e-mail approval to pay invoice with account number is acceptable.

2.2 FEDERAL/OTHER REVENUE FUNDS

Purchases utilizing Federal Funds, Grant Funds or other Revenue Sources as the funding source require procurement compliance with this policy as well as the procurement standards set forth in the contract funding the purchase. Specifically, for Federal grant funding, Federal pass-through funding, or any other Federal revenue source, follow General Procurement Standards in the *Code of Federal Regulations (CFR); Title 2: Grants and Agreements section §200.318 through §200.326 (Micro purchase threshold §200.67)*. In determining purchasing bid thresholds while maintaining compliance with multiple policies; utilize the most stringent requirements to ensure meeting all standards and regulations.

2.3 DISCRETIONARY PROCESS

Following are preferred purchasing methods for purchases less than $10,000:

1. ***Cal-Card procurement card:*** purchase of non-service goods at this level. (refer to Cal Card Policy for further guidelines)
2. ***Direct vendor invoice***: include account number, "ok to pay", printed name, department and authorized signature on the invoice or attach Payment Request Form (Exhibit A) to the invoice.
3. ***Purchase Orders:*** when required by the Vendor, or for on-site service, refer to instructions in Exhibit L.

3. INFORMAL SOLICITATIONS: $10,000 - $59,999

Purchases and services between $10,000 and $59,999 are subject to **informal** bidding and proposal processes. In calculating the total amount; include tax, shipping, and handling as well as total lease or contract cost over the life of the contract or lease.

3.1 SIGNING AUTHORITY

$10,000 - $29,999: The Department Head may approve contracts and expenditures up to $29,999.99 and must sign all corresponding invoices, POs, and/or Requests for Payment, or provide authorized e-mail approval to Accounts Payable.

$30,000 - $59,999: Upon approval by Dept. Head, the City Manager must also approve and sign all Contracts, Purchasing Agreements, and/or POs between $30,000 and $59,999, as well as approve all invoices in this threshold. Authorized e-mail by DH and CM for approval is accepted for invoices.

3.2 EQUIPMENT AND CAPITAL EXPENDITURES

Capital Expenditure: funds used to acquire or upgrade the City's fixed assets, such as property, plant, equipment, facilities, and infrastructure.

Capital (fixed) Asset: any asset used in operations with an estimated useful life in excess of three years and generally has value over a longer period (ex. computer equipment, machinery, vehicles etc.).

1. When capital assets are acquired or deeded to the City, copies of related documents shall be routed to the Finance Department in a timely manner to ensure these assets are recorded in the City's financial records.
2. Fixed assets will be subject to inventory control if they meet at least one (1) of the following criteria:
    - The original cost of the fixed asset is equal to or greater than **$10,000** if classified as equipment, $50,000 if classified as buildings or land, or $200,000 if classified as infrastructure.
    - Any asset less than the capitalization threshold as recommended by the Finance Director or requested by a department to be controlled to satisfy an internal or external requirement.
    - Any asset required to be controlled and separately reported pursuant to grant conditions or other externally imposed reporting requirement.

Capital Expenditures utilizing <u>Federal Funds</u>: must follow Code of Federal Regulations CFR §200.313 and §200.439. These guidelines can be found at the link below: https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl.

1. Federal capital expenditures are allowable as direct costs, provided items with a unit cost of **$5,000** or more have the prior written approval of the Federal awarding agency or pass-through entity.
2. Notify A/P through e-mail or notation on invoice when purchasing equipment with Federal Funds costing $5,000 or more. A/P will provide an inventory tag to track the item as noted below.
3. Property records must be maintained that include a description of the property, a serial number or other identification number, **the source of funding for the property** (including the Federal Award Identification Number), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the

property, and any ultimate disposition data including the date of disposal and sale price of the property.

4. A physical inventory of the property must be taken, and the results reconciled with the property records at least once every two years.

3.3 INFORMAL BID AND PROPOSAL PROCESS

The following processes are to be followed by the ***Department Head or his/her Designee.***

1. Obtain ~~Contact~~ at least three quotes from vendors, individuals, companies and/or business entities, documenting **in writing** each quote received (optional to use Request for Quotes Form (Exhibit C)), or provide copies of written proposals/quotes received.
2. *Optional* - to reach a broad spectrum of qualified vendors, Planet Bids may be used to circulate a Request For Proposal (RFP), Request For Qualification (RFQ), or Invitation to Bid (BID).
3. If after due diligence, ~~Where~~ three quotes **cannot** be obtained, complete a Sole Source Request Form approved by the Department Head , City Manager, City Attorney and Finance Director (Exhibit B). One of the requirements in this form must be met to utilize a Sole Source procurement option.
4. Department selects lowest responsible quote (i.e., Department selects quote which is responsive to the needs of the department and is the lowest in price).
5. For Professional Services, the department selects the vendor whose qualifications meet the highest evaluation ranking as the most responsible bidder.
6. **$10,000 - $29,999**: Professional Service Agreement (PSA), Purchase Order (PO), or direct invoice may be used, signed by Dept. Head.
7. **$30,000 - $59,999**: Purchase Agreement (PA), PSA, or PO must be used; reviewed by Finance and City Attorney, signed by City Manager
   ~~8.~~ Department Head or designee (DH) prepares the contract **using the appropriate template** (see Exhibits F through I); negotiates and agrees upon terms, scope, and cost with chosen vendor/supplier and electronically ~~:~~
   - submits document along with Contract Routing Form (Exhibit D) to the City Clerk's Department with the email address of the authorized Vendor/Supplier signatory. The City Clerk's Department will then route the contract in Adobe sign in the following manner:
   - Department Head for approval, Finance Director for budget review, ~~who then forwards document to the~~ City Attorney's Office for review and/or approval
   - ~~City Attorney sends document to~~ City Manager for approval.

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- ~~City Manager sends document to~~ City Clerk to attest (where applicable) and for records retention, then onto the Vendor/Supplier for their signature (do not obtain any signatures in advance of Contract being routed). City Clerk sends executed copy back to the Department and mails/emails copy to the vendo~~r (where applicable)~~.

~~9.~~8. Department sends the following documents to Accounts Payable for payment:

- Signed invoice and/or PO, Request for Payment with Contract/Agreement
- Business License #
- Original Quotes
- Approved Sole source Request Form (if used)
- Proof of Insurance (when required)
- Gov't. cooperative contract information (if used)

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3.4 PURCHASE ORDERS

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Purchase Orders **must** be used when requesting an **on-site service** of any kind on City property. This protects the City while outside vendors are doing business on/in City-owned property. Purchase Orders can be used when:

1. A vendor does not accept Cal-Cards for discretionary purchases
2. A vendor will not invoice the City without a PO
3. For any type of purchase up to $59,999
4. Clearly note the PO# on the approved invoice and send to Accounts Payable
5. Refer to Exhibit L for instructions in creating a PO

3.5 PURCHASE AGREEMENT

Purchase Agreements (PA) can be used as written contracts when purchasing goods, materials, equipment, and/or products. This type of agreement can NOT be used when procuring consultants for professional services or on-site service on City property. Purchase Agreements can be used when:

1. Purchases over $30,000 or when a written contract is necessary for such goods, materials, products, etc.
2. A vendor requires a written contract other than a PO
3. Submit copy of agreement with approved invoice to Accounts Payable for payment
4. Refer to Exhibit I for template (this template is mandatory when issuing a PA)

3.6 PROFESSIONAL SERVICES AGREEMENT

A Professional Service Agreement (PSA) is a legal contract which is drafted to provide service on a professional level to the City. These services are typically unique in nature, highly technical or require specific qualifications. PSA's can be used when:

1. A professional consultant is necessary to perform a specific set of tasks
2. Should generally be in effect for a specific period, noted in the agreement
3. Should include a "not to exceed" dollar limit
4. Submit a copy of PSA with first approved invoice to Accounts Payable for payment
5. Refer to Exhibit G for template (this template is mandatory when issuing a PSA)

4. FORMAL SOLICITATIONS: $60,000.00 and ABOVE

Purchases and services over $60,000 are subject to formal competitive bidding. Total cost should include tax, shipping, and handling; as well as total lease or contract cost over the life of the contract or lease. The process for obtaining goods and services over this dollar limit is set forth below.

4.1 SIGNING AUTHORITY

All purchases of goods and services **over $60,000** must have **City Council approval** and must be signed by the Mayor or have Mayor's authorization for City Manager as designee for signature.

4.2 FORMAL BIDDING PROCESS

The following processes are to be followed by the Department Head (DH) or his/her Designee. This may include any employee who is the designated purchaser of a good or service or is the project manager for a project.

1. **Public Projects** (i.e., CIP, Public Works) follow Public Contracts and Uniform Public Construction Cost Account Act (CUPCCA) per City Code SLTCC § 3.45, Article II.
2. Verify funding availability. Identify available funding in your current department budget. If there is no funding identified, prepare to request budget transfer or appropriate new funding source through City Council action. (see section 1.9)
3. Depending on the type of service and/or good sought, DH prepares and circulates a Request for Proposals (RFP), or Invitation to Bid (BID) utilizing **Planetbid.com** or circulated via similar means.
4. **Request for Proposals (RFP):** used for soliciting professional services, consultants, lease contracts, complex non-public projects.
    - RFPs are subject to three proposals but are **not** subject to competitive sealed bidding procedures
    - Must use mandatory RFP template (Exhibit F)

- DH selects Proposal Evaluation Committee and drafts Evaluation Scorecard. Committee reviews Proposals and scores per criteria detailed in RFP.

5. **Request for Qualification (RFQ):** used as the pre-qualification stage of the procurement process. Only those proponents who successfully respond to the RFQ and meet the qualification criteria will be included in the subsequent RFP solicitation process.
    - Used when there is potential for significant interest in a contract opportunity. This can make the process more efficient as the field can be narrowed down prior to the RFP process.
    - Can be used to create a pre-qualified list for a future opportunity
    - Can be used as the sole selection process for straightforward projects/services that require a specialized skill set or where the task is very specific and contract negotiations can proceed with the most qualified vendor.
6. **Invitations to Bid (BID):** used when the City is seeking a specific good, material, equipment, tangible object.
    - BIDs are subject to competitive sealed bidding procedures
    - Must use mandatory BID template (Exhibit H)
    - DH selects BID Evaluation Committee and drafts BID Evaluation Scorecard per details outlined in the BID.
    - DH opens bids at the date, time, and location specified in the invitation. The public may attend. Bids shall be open for public inspection at the office of the DH during regular business hours for a period of 30 days after the bid opening.
    - Clarifications or changes to a BID must be transmitted to all participating bidders by an "Addendum". A solicitation may be modified prior to BID response due date.

4.3 LOCAL BUSINESS PREFERENCE

The City shall apply a five percent (5%) discount to all Local Businesses which submit bids for materials, supplies, equipment, and services for non-public projects. The City shall evaluate the Local Businesses' bids as though the bid had been submitted at a cost of 5% lower than the cost submitted (SLTCC § 3.45.020(F)). Local Business shall mean a business which maintains its principal place of business in a fixed office within the City of South Lake Tahoe and possesses a current South Lake Tahoe business license. (SLTCC § 3.45.095)

4.4 BIDDER'S SECURITY

When deemed necessary, bidder's security may be prescribed in invitations to bid, RFPs, and RFQs. Bidders shall be entitled to return of bid security; provided however, that a successful bidder shall forfeit his or her bid security upon his or her refusal or failure to execute that contract within ten days after receipt of contract (SLTCC § 3.45.020).

4.5 BID AND RFP/RFQ EVALUATIONS

BID or RFP Evaluation committee means the body appointed by the DH to review and evaluate proposals submitted in response to the Request for Proposal or Invitation to Bid. The functions of the Committee are as follows:

1. Determine and apply evaluation criteria per Evaluation Forms and Scoresheet
2. Evaluate proposals individually and/or discuss as a committee
3. Rank based on highest score to lowest and/or develop a shortlist
4. Interview/ obtain clarifications
5. Recommend Award

Evaluation Committee shall be comprised of at least three (3) individuals, including:

- At least one employee from the same department as the Department Head
- An employee with knowledge of the subject matter of the service or good, or end user of the service or good
- An employee of the Finance Department
- May also include outside individuals who bring expertise to the process

- ***Evaluation Committee*** **should meet prior to evaluation to review RFP or BID criteria to ensure knowledge of the proposal and to vet questions, concerns, or issues. All members of the committee should have clear understanding of the requirements and the Evaluation Forms prior to review of RFP/BID.**

Evaluation Form- Bids and Proposals shall be evaluated based on an Evaluation Form which sets forth the total possible points for each category reviewed (see mandatory template Exhibit E)

- Evaluators shall each complete their evaluation forms in confidence, however evaluators can discuss requirements of the RFP or BID in relation to the Evaluation Forms.
- Evaluators shall give a point score and Comments for each evaluation category.
- Evaluators may ask questions or request clarification from the Department but should not disclose scores until all reviews are complete and total points tallied.
- The Committee may meet to discuss criteria and results.
- The Committee may request vendor interviews, depending on the outcome or type of solicitation.
- The Evaluation Committee provides the Evaluation Forms and Scoresheet to the Department Head for final determination.

Rejection, Tie Bids, and Rejection of All Bids: A bid or proposal may be rejected by the Evaluation Committee where it is found that the bid or proposal is "non-responsive." Where

Evaluation Committee chooses to reject one or all bids, Committee shall confer with the City Attorney on the rejection.

1. Any of the following conditions may render a Bid "**non-responsive**"
    - The bid or proposal does not strictly conform to the required specifications as set forth in the RFP or Invitation to Bid (the City may waive immaterial, minor irregularities in bids).
    - The bidder or proposer has demonstrated that they are unable to satisfactorily meet the responsibilities required of the contract.
    - The bidder's or proposer's products or services have been demonstrated, through documented past performance in the industry or through prior use by the City, to be incapable of satisfactorily meeting the accepted demands required of the product or service.

2. **Tie Bid**- If two or more bids are for the same total amount or unit price and if the responsibility and final score (from the Evaluation Scorecards) are equal, the Department Head or City Council may award to whichever bidder or proposer it so chooses.

Less Than Three BID Responses: Solicitations advertised on the city's Planet Bids portal is considered "competitive solicitation", therefore:

1. If at least **two responsible bidders** respond, the evaluation may proceed as noted in Evaluation section above.
2. If the result is only **one bid response**, and the sole bid is responsive (meets all specifications and requirements), the contract may be awarded subject to the award threshold and Signing Authority of this policy. Documentation of the effort and result of the BID should be noted with the procurement documents.

No Responsive BIDS Received from Responsible Bidders: When competition results in no responsive bids from responsible bidders, the DH has two options:

1. The Solicitation may be cancelled and re-bid, modifying any possible restrictive requirements. Shorter response time can be used if a timeline is a concern.
2. If, in the opinion of the DH, a second solicitation would not result in a different outcome, the DH may cancel the solicitation and proceed with Sole Source documentation, subject to approval by City Council. DH may reach out to bidders using the same specifications as original solicitation. The chosen bidder must be deemed responsible and compliant/responsive to the original specifications.

~~2.~~ ***Waiver of irregularities and rejection of bids:*** At its discretion, the city may waive any irregularity in any bid received and award the contract, may reject all bids presented and may

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readvertise the project, or the city may abandon the project. (Ord. 1171 § 1; Ord. 1165 § 1; Ord. 1069 § 1 (Exh. A); Ord. 1109 § 1 (Exh. A). Code 1997 § 22-24)

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4.6 CITY COUNCIL STAFF RECOMMENDATIONS

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Staff Recommendations for Formal bids and proposals shall be drafted and presented by the Department Head or his/her designee to City Council. Prior to writing the staff report the DH should:

1. Contact losing bidders and informs them that City has selected another bidder (see template Exhibit F)
2. Contacts winning bidder and negotiates terms of contract along with assistance of City Attorney. (see template Exhibit G)
3. Ensures the winning bidder has obtained a City Business License and has the requisite insurance. The License must be obtained *before* any work commences.
4. Places staff recommendation for award of contract on next available City Council Agenda.

Staff Report and/or Resolution must include the following elements:

1. A description and background of the project/product for which the RFP or Invitation to Bid was circulated.
2. A brief summary of how the bids were circulated and brief description of the bids or proposals received.
3. If using a Cooperative Agreement- provide the name of the Gov't. Contract, contract number, **and attach a copy of the contract.**
4. A description of the reasons the winning bidder/proposer was selected.
5. The Financial Implication section should include the complete account number and appropriate budget to fund the product, service, or project.
6. The recommended bidder or proposer's original submission shall be attached.
7. The Professional Service Agreement or Purchase Agreement with negotiated terms approved by the City Attorney should be attached.

4.7 BID PROTESTS

A non-selected bidder may protest the award of an Invitation to Bid. A non-selected proposer **may not** protest the award of a Request For Proposal or Request for Qualifications.

Bid Protest Procedures: Per SLTCC § 3.45.020(E), a written Bid Protest must be received by the City Clerk no later than seven (7) calendar days after the City's selection of the winning bidder or no later than ten calendar days from the date that the City issues notice of designation of a bidder as non-responsible.

Contents of Bid Protest: The Bid Protest shall state all grounds claimed for the protest and include supporting documentation. Failure to clearly state the grounds for the protest and provide supporting documentation shall be deemed a waiver of all protest rights.

Bid Protests Presented to Council: Where award of the contract is to be made by the City Council, the City Clerk shall place a discussion of the Bid Protest on the next regularly scheduled Council Meeting Agenda and the City Council shall determine whether, based on the Protest, to award the contract to the selected bidder, to reject all bids, or to award the contract to the next responsible bidder. Staff Recommendations addressing a Bid Protest shall contain the following elements:

1. A description of the project for which the Invitation to Bid was circulated.
2. A brief summary of the bids received.
3. A description of the reasons the winning bidder was selected.
4. A description of the reasons the bid is being protested.
5. The winning bidder's original bid shall be attached.
6. The protesting bidder's original bid shall be attached.
7. All Bid Evaluation Scorecards shall be attached.
8. The Bid Protest shall be attached.

4.8 MAINTAINING DOCUMENTATION

Procurement must be clearly documented throughout each step of the process and documents maintained and filed for audit purposes. The City's annual audit process includes conducting procurement reviews to determine procedures are correctly implemented.

The following documentation should be maintained by the **Department** for a period of **3** years from the date of submission of the final expenditure per Resolution No. 2018-102 City Records Management and Retention Policy and Code of Federal Regulations CFR Chapter II 200 §200.33:

1. All communication documentation with vendors, purveyors, suppliers, etc.
2. Documents related to preparation of the procurement documents; dialogue, or negotiation
3. Original RFP or Invitation to Bid
4. All Bids/Proposals received
5. All Evaluation Scorecards, notes, documentation
6. Copies of Staff Recommendation, staff report, resolution
7. Copies of Contract/Agreement
8. Proof of Insurance (if applicable)
9. Labor Compliance Documentation (if applicable)
10. Sole Source forms (if applicable)

11. Cooperative Govt. Contract documents (if applicable)

The following documentation should be sent to the **Finance Department** (Accounts Payable) **along with the first payable invoice**:

1. Signed invoice and/or Request for Payment, or PO
2. Quotation Forms noting bid process and outcome or;
~~2.~~3.Copies of 3 bids, proposals, or quotes
~~3.~~4.Budgeted/approved account number
~~4.~~5.Copy of Executed Contract/ Agreement
~~5.~~6.Copy of approved Council Resolution (if applicable)
~~6.~~7.Sole Source Justification Form (if applicable)
~~7.~~8.Cooperative Gov't Contract (if applicable)

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EXHIBIT A

PAYMENT REQUEST FORM

PAYMENT REQUEST

Vendor#_____

Date Prepared: _____

Comments/Notes: _____

_____

Pay To: _____
_____
_____
_____

Due Date: _____

ACCOUNT NUMBER	DESCRIPTION	PO NUMBER	INVOICE DATE	INVOICE NUMBER	TOTAL PER ACCOUNT INVOICE

TOTAL PAYMENT: $_____

APPROVED: _____

APPROVED: _____ **Budget Available:** _____

APPROVED: _____ **Reimbursable:** _____

Project/ Funding Source: _____

Project/ Funding Source: _____

EXHIBIT B

SOLE SOURCE JUSTIFICATION REQUEST FORM

SOLE SOURCE JUSTIFICATION REQUEST

SOLE SOURCE VENDOR: _____

ADDRESS: _____PHONE NO._____

ITEM TO BE PURCHASED: _____ COST: $_____

1. Check reasons for sole source request:
_____ **Proprietary**: The item is available only from a single source; the item is held under exclusive title, trademark, or copyright by a private person or company; a proprietary distributorship would also apply.
_____ **Emergency Purchase**: The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation, per City Code SLTCC § 3.45.070

_____ **Sole Source**: After solicitation of several sources, competition is determined inadequate or no other items are known to exist which perform the same function.

_____ **Federal Awards**: when purchasing goods or services with Federal Funds where the Federal awarding agency expressly authorizes noncompetitive proposals in response to a written request from the City. (attach authorization to this form)

_____ **Standardization**: The City requires the item(s) to standardize parts, design, quality, etc.
Explain: _____
Note: when using Federal Funds, you must have written authorization from the Federal Awarding agency if claiming sole source for Standardization purposes.

2. Describe the product or service and how it is unique or one-of-a-kind: _____
_____

3. Explain why the product/service is available from only one source and what avenues you pursued to confirm that this is factual. _____

5. Can your requirements be modified to allow competitive products or services be used?
Explain:_____

REQUESTOR NAME/ DEPARTMENT: _____

DEPARTMENT HEAD SIGNATURE: _____ DATE: _____

FINANACE DEPT. _____ DATE: _____

CITY ATTORNEY SIGNATURE: _____ DATE:_____

CITY MANAGER SIGNATURE: _____ DATE: _____
* Requests over $60,000 requires City Council's approval

EXHIBIT C

REQUEST FOR QUOTES FORM

REQUEST FOR QUOTES

QUOTATION INFORMATION

(To be completed by Designated Purchaser for each quote received)

☐ Description of Request for Quotes (describe goods or services sought, including quantity, model number, color, size, delivery date requirements, freight charges, or any other charges: _____

_____

☐ Date Quote Received: _____

☐ Project Manager Name (name of person receiving quote): _____

☐ Company Name (name of company/vendor providing quote): _____

☐ Quoted By (name of company/vendor representative providing quote): _____

☐ Quote Amount: $_____

☐ Promised Delivery Date: _____

☐ Eligible for Local Bidder Preference? (Y/N). If Yes, indicate quote amount, taking into consideration the 5% local bidder's discount): _____

☐ Warranty (describe warranty quoted by vendor): _____

☐ Additional Information (provide additional information including differentiation between good/service requested by City; good/service quoted by company/vendor; and provide any additional pertinent information relevant to the bid: _____

_____

_____

EXHIBIT D

Contract/Agreement Routing Form Template

CONTRACT /AGREEMENTAUTHORIZATION ROUTING FORM

STAFF CONTACT INFORMATION

- NAME:
- DEPARTMENT:
- PHONE:
- DATE OF SUBMITTAL:

CONTRACT/ AGREEMENT INFO.

- NAME:
- CONTRACTOR/CONSULTANT:
- START: END: OPTION TO RENEW:
- AMOUNT OF CONTRACT: $

BUDGET INFORMATION

ACCOUNT NO.:
BUDGET AVAILABLE:
FUNDING VERIFIED:
GRANT FUNDING? Source_____ Federal? Yes___ No___

Type of Contract

Professional Services Agreement _____ License_____ MOU ____Lease _____
Purchase Order _____ Purchase Agreement_____ Construction_____
Revenue Contract _____ Operation/Concession Agreement _____ Deed_____
Maintenance Agreement _____ Public Works Contract _____ Vehicle _____
Motorized Equipment _____ IT/Electronic Equipment_____

Brief Description:

Does this contract involve the following: construction, reconstruction, alteration, renovation, improvement, demolition, painting, re-painting, and/or repair work involving any publicly owned, leased, or operated facility? Yes_____ No_____ If **yes**, forward to Public Works for review
(Public Works Director authorization required)

Does this contract require special permitting, environmental review, CEQA/NEPA, Planning Dept. review, Commission approval? Yes_____ No_____ If yes, forward to Development Services Department for review ***(Director of Developmental Services authorization required)***

Reviewing Authority	Signature	Date Signed
Department Head	_____	_____
Public Works Director *(where applicable)*		
Dev. Services Director *(where applicable)*	_____	_____
Finance Director	_____	_____
City Attorney		
City Manager	_____	_____
City Clerk		

City Council Meeting Date ***(over $60K or where applicable)***: _____

EXHIBIT E

BID EVALUATION FORMS/ SCORESHEET TEMPLATE

EVALUATION FORMS

CITY OF SOUTH LAKE TAHOE REQUEST FOR PROPOSALS/ INVITATION TO BID

INSERT RFP/BID TITLE AND NUMBER HERE

Evaluators must give a numeric score for each of the five categories described below. The numeric score may be as low as zero and may not be greater than the maximum score set forth in the point range for each category. Evaluators should explain the reasoning for their allocation of points in the "Comments" section of each category. Attach additional sheets if necessary. Use one form for each Vendor/Proposer and each Evaluator.

Vendor / Proposer: _____

Evaluator Name: _____

I. RESPONSIVENESS OF PROPOSAL/ BID (P/F)

The Pass or Fail shall be based upon the vendor's compliance with the requirements for proposals/bids as set forth in the RFP/ Invitation to Bid, including quality, clarity, and conformance with instructions therein, and shall take into consideration the quality of the Cover Letter and Introduction.

Pass/Fail_____

Comments_____

_____

_____

II. COVER LETTER (0-5 points)

The cover letter shall be addressed to the Director of the Department, and at a minimum, must contain the following:

- **Identification of Firm, including name, address, and telephone number**
- **Name, title, address, and telephone number of contact person during period of proposal evaluation**
- **A statement to the effect that the proposal shall remain valid for a period of not less than 120 calendar days from date of submittal**
- **Signed by person authorized to bind the Firm to the terms of the proposal.**

Total Points_____
Comments_____

_____

_____

III. EXECUTIVE SUMMARY (0 – 10 points)

Scoring shall be based upon the vendor's ability to describe the overall approach and plans to meet the requirements of the RFP. The intent of this narrative is to convince the City that the Proposer understands the requirements of proposal, the nature of the work, and the level of effort necessary to successfully provide the defined services.

Total Points_____

Comments_____

_____

IV. COMPANY HISTORY, BACKGROUND AND EXPERIENCE (0-20 points)

Describe the Company's history and organizational structure, including the size of the company, location of office(s) and years in business. Provide resumes for project team members. Also include the Firm's background, experience, and capacity to undertake debt collection for the City of South Lake Tahoe in conformity with the requirements of the RFP.

Total Points_____

Comments_____

_____

V. SCOPE OF WORK/IMPLEMENTATION (0 – 35 points)

Describe the Company's general approach to managing the services provided including an explanation of the collection methodology to be followed and specific plans to manage, control, and supervise the services in order to insure satisfactory provision of services. In developing the work plan, reference should be made to the specific requirements and specifications noted in the Scope of Services (pages x – xx). Provide a delivery schedule designed to meet the requirements of the City. An implementation timeline from the Company is required. Provide description of

implementation plan considerations, including timeframes and deliverables for various stages of the agreement.

Total Points_____

Comments_____

_____

VI. PROJECT BUDGET (0 – 25 points)
Provide a description of the project cost and/or fees itemized according to the RFP proposal. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs, including all out-of-pocket expenses. The City of South Lake Tahoe will not be responsible for the expenses incurred in preparing and submitting the proposal. The Company shall present all costs, fees, taxes, and charges based on achievement of deliverables, which should be outlined in the Company's Cost Proposal.

Total Points _____

Comments_____

VII. RECENT PROJECTS/REFERENCES (0 – 5 points)
Provide a description of accounts/ agreements of a similar nature including at least three (3) recent client references with names and telephone numbers, contact persons.

Total Points _____

Comments_____

TOTAL COMBINED POINTS: _____
(Add total points from Sections I, II, III, IV, and V)

RANKING (from scoresheet): _____

EVALUATION SCORE SHEET

EVALUATION SCORE SHEET

Vendor/Proposer Name	Evaluator #1 Total Score	Evaluator #2 Total Score	Evaluator #3 Total Score	Evaluator #4 Total Score	TOTAL SCORE	RANKING	COMMENTS
Example- ABC Company	58	61	49		168	1	
Example- XYZ Industries	60	58	45		163	3	
Example- 123 Incorporated	57	59	48		164	2	
					0		
					0		
					0		
					0		
					0		
					0		
					0		

INSTRUCTIONS:

1. Vendor/Proposer Name: Fill in company name from each RFP/BID received
2. Evaluator #1: insert "Total Combined Points" located at the bottom of each Vendor/Proposal Evaluation Form
3. Evaluator #2: insert "Total Combined Points" located at the bottom of each Vendor/Proposal Evaluation Form
4. Evaluator #3: insert "Total Combined Points" located at the bottom of each Vendor/Proposal Evaluation Form
5. Evaluator #4 (if necessary): insert "Total Combined Points" located at the bottom of each Vendor/Proposal Evaluation Form
6. Total Score: This is the total combined score from all evaluators for each Vendor/Proposer
7. Ranking: Rank each Vendor/Proposer based on total number of points, highest to lowest. Rank numerically, 1 as the highest
8. Comments: note any comments relevant to the scores, or comments the DH should consider for final determination
9. #1 Ranking typically is the Highest number of points and would be the recommended vendor to the Department Head
10. Department Head makes the recommenation for Award based on ranking, comments, and recommedation

.

EXHIBIT F

STANDARD RFP/RFQ TEMPLATE

REQUEST FOR PROPOSALS/QUALIFICATIONS

TITLE

PICTURE

RFP/RFQ # date of award yyyy-mm-dd

SUMMARY

The City of South Lake Tahoe is requesting proposals(or statement of qualifications (SOQ) for an RFQ) from…brief summary of who/what we are looking for

Proposals are due on or before **MM/DD/YYYY no later than 12:00 p.m.** (Pacific Standard Time) at City offices (City address xxx, South Lake Tahoe, CA 96150). Proposals received after the deadline will not be accepted. Proposals and required copies must be submitted by U.S. mail or personal delivery to the address below, Electronic-mailed (e-mail), and/or on-line portal planet bids. xxxxxx submission will not be accepted. (Choose preferred method)

City of South Lake Tahoe
Attn:
RFP Title
City address
South Lake Tahoe, CA 96150

Read this RFP document carefully as the award will be given to the most "responsible and responsive" Proposer responding to this RFP. The City of South Lake Tahoe reserves the right to accept or reject any or all proposals or to make no award at all, to extend the period for accepting proposals, to advertise the RFP at any time and to waive any minor irregularities in any proposals.

In the opinion of the City of South Lake Tahoe, this RFP is complete and without need of explanation. However, if you have questions, or should you need any clarifying information, please use the Q&A feature that is found within Planet Bids, where the RFP is posted.

Please note that no information given will be binding upon the City unless such information is issued in writing as an official addendum to this RFP.

TIMELINE OF CRITICAL DATES

Release of RFP	
Mandatory Pre-Proposal Meeting	**Write N/A or Delete Row**
Deadline for Question Submittal via Planet Bids	
RFP submittals DUE	
Selection Committee Review Period/Interviews	
Award Date	

SUBMITTAL PROCEDURES

1. Register with the City

All Proposers **must** complete a "Vendor Information Sheet" to be entered in the City of South Lake Tahoe Vendor Database, which is **required to submit a proposal**. Proposers will be notified by the City of any addenda that may be issued to this Request for Proposal (RFP). Proposers must register in the City's Vendor Database to be notified of such addenda
To register, go to: https://pbsystem.planetbids.com/portal/14997/portal-home and follow the instructions applicable to Proposer. Following submission, Proposer will receive a confirmation message within 24 hours from the City. Proposers are *solely responsible* for maintaining up to date and accurate information in the Vendor Database.

2. Number of Copies

The Proposer must submit in a sealed package(s) one (1)" Original", and five (5) complete copy sets of the "Original" response. Proposals shall not be e-mailed or faxed to the City. **Proposals not received by the date and time specified in this RFP, will be rejected.** Documents submitted in response to this RFP will become the property of the City of South Lake Tahoe and will be regarded as public record under California Public Records Act under Government Code 6250 et seq., and subject to review or release to the public, **excluding** financial records marked "confidential" which shall be available for the Proposer to pick up following a review and selection of the firm(s).

3. Format

Font, Type and Style: All proposals shall be single sided and professionally prepared (no hand-written proposals will be accepted). There are no requirements on font size, type, or style requirements.

Not Bound: Proposals shall not be bound with anything other than a clip or staple to allow the City to make additional copies as needed. No comb binding or permanent binding is permitted.

4. Submittal Deadline

Response to this RFP is due on or before **MM/DD/YYY** **no later than 12:00 p.m.** (Pacific Standard Time) at City offices (address below). Reponses received after the deadline will not be accepted; there are no exceptions. xxxxxx submission will not be accepted. Submit Proposals to:

City of South Lake Tahoe
Attn:
RFP Title
City Address
South Lake Tahoe, CA 96150

5. Selection Process

A Selection Committee consisting of City Staff will evaluate the submitted proposals. Proposer(s) will be objectively evaluated based on their responses to the project scope outlined in this RFP. The written proposal should clearly demonstrate how the Proposer could best satisfy the requirements of the City. The Selection Committee will utilize the Evaluation Method and Criteria described on page XX of this RFP to rate and rank each proposal.

If more information is needed following a review of the Proposals, the Selection Committee *may* invite one or more of the Proposers to a Selection Interview. Upon completion of interviews, (if needed) a recommendation by the Selection Committee to the City Manager/City Council will be made at that time and awarded in accordance with the City of South Lake Tahoe Procurement Policies & Procedures.

The City of South Lake Tahoe reserves the right to accept or reject any or all proposals or to make no award at all, to extend the period for accepting proposals, to advertise the RFP at any time and to waive any minor irregularities in any proposal.

6. Professional Services Agreement

The Professional Services Agreement with the selected Proposer will begin within 30 days of award of contract. The selected Proposer will be required to sign the City's Standard Professional Services Agreement. A sample of this Agreement is attached hereto, and the City reserves the right to amend or edit this Agreement however it sees fit.

7. Reservations

a) The City reserves the right to reject any and all proposals, whether or not minimum qualifications are met, and to modify, postpone, or cancel this Request for Proposal, in whole or in part, or decide to award a contract to perform only some of the services outlined in this Request For Proposal, without liability, obligation, or commitment to any party, firm, or organization.

b) In addition, the City reserves the right to request and obtain additional information from any Proposer and to negotiate the final scope of services with the selected Proposer. The City is not liable for any costs incurred by Proposers prior to issuance of an agreement, contract, or purchase order. Costs of developing the proposals, oral presentations or any other such expenses incurred by the Proposer in responding to the RFP are entirely the responsibility of the Proposer and shall not be reimbursed in any manner by the City of South Lake Tahoe.

c) Only the City Council of South Lake Tahoe, or the City Manager after being duly authorized by the City Council, may execute the Agreement with the successful Proposer. Further, it is understood that respondents must independently evaluate the information in this RFP and that the City makes no guarantee of data accuracy.

d) The City reserves the right to waive or permit cure of minor informalities and/or insignificant mistakes such as matters of form rather than substance and to conduct discussions and negotiations with any *qualified respondent* in any manner deemed necessary by the City to serve its best interests. The City also reserves the right, based on its sole judgment and discretion, to award a contract based upon the written proposals it receives without conducting discussions, interviews, or negotiations.

e) If, in the opinion of the City, a proposal contains false or misleading statements or references, it may be rejected without notice to Proposer.

f) The City reserves the right to obtain written clarification of any point in a Proposer's proposal or to obtain additional information necessary to properly evaluate a particular proposal. Failure of a Proposer to respond to such a request for additional information or clarification may result in rejection of the proposal.

g) The City reserves the right, without qualification, to select a Proposer for further discussions based solely on the content of the RFPs and relevant information obtained from others concerning the respondent's respective records of past performance.

h) Proposer agrees that any response submitted to this RFP will remain current and valid for a period of not less than 120 calendar days from the proposal due date.

8. Local Business Preference (applies to RFP's over $50,000 only)

a) The City shall apply a five percent discount to all local businesses which submit proposals for services for The City of South Lake Tahoe. The City shall evaluate the local businesses' proposals as though the proposal had been submitted at a cost of five percent lower than the cost submitted.
b) Local Business shall mean a business which maintains its principle place of business in a fixed office within the City of South Lake Tahoe and possesses a current South Lake Tahoe business license. To establish a principle place of business in South Lake Tahoe, a business must demonstrate the majority of its principals are based in the South Lake Tahoe office, and that it pays South Lake Tahoe payroll taxes on at least 51 percent of its total payroll.

9. Bidder's Security

a) When deemed necessary, bidder's security may be prescribed in invitations to bid, RFP's and RFQ's. Bidders shall be entitled to return of bid security; provided however, that a successful bidder shall forfeit his or her bid security upon his or her refusal or failure to execute that contract within 10 days after receipt of contract.

INTRODUCTION

8. Background

Background information that would be relevant to what service is being requested

9. Objective

What is the City's primary objective? What are we trying to accomplish through this RFP?

SCOPE OF SERVICE

10. Scope of Work to be Performed

- List all technical and general specifications of service, etc.….
- Be specific with all details and descriptions.
- Request proposal to be all inclusive of all fees, incl taxes, delivery charges etc...
- Request implementation schedule, timeline, delivery date etc.…

PROPOSAL CONTENT REQUIREMENTS

11. Proposal Requirements - All proposals must include the following information and shall be organized as described below. **Criteria titles and points should be edited or deleted as needed for each RFP –**

A. Cover Letter (0-5 points)

The cover letter shall be addressed to the Director of the Department, and at a minimum, must contain the following:

- Identification of Firm, including name, address, and telephone number
- Name, title, address, and telephone number of contact person during period of proposal evaluation
- A statement to the effect that the proposal shall remain valid for a period of not less than 120 calendar days from date of submittal
- Signed by person authorized to bind the Firm to the terms of the proposal.

B. Executive Summary (10 points)

The intent of this narrative is to convince the City the Proposer understands the requirements of proposal, the nature of the work, and the level of effort necessary to successfully provide the defined services.

C. Company History, Background and Experience (0-20 points)

Describe the Company's history and organizational structure, including the size of the company, location of office(s) and years in business. Provide resumes for project team members. Also include the Firm's background, experience, and capacity to undertake the project/services for the City of South Lake Tahoe in conformity with the requirements of the RFP.

D. Scope of Work/Implementation (0-35 points)

Describe the Company's general approach to managing the services provided including an explanation of the methodology to be followed and specific plans to manage, control, and supervise the services in order to insure satisfactory provision of services. In developing the work plan, reference should be made to the specific requirements and specifications noted in the Scope of Services (pages x – xx). Provide a delivery schedule designed to meet the requirements of the City. An implementation timeline from the Company is required. Provide description implementation plan considerations, including timeframes and deliverables for various stages of the agreement.

E. Project Budget (0-25 points)

Provide a description of the project cost and/or fees itemized according to the RFP proposal. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs, including

all out-of-pocket expenses. The City of South Lake Tahoe will not be responsible for the expenses incurred in preparing and submitting the proposal. The Company shall present all costs, fees, taxes, and charges based on achievement of deliverables, which should be outlined in the Company's Cost Proposal.

F. Description of Recent Projects/References (0-5 points)

Provide a description of accounts/ agreements of a similar nature including at least three (3) recent client references with names and telephone numbers, contact persons.

EVALUATION METHOD & CRITERIA

Proposals will first be reviewed for responsiveness to the requirements. If any information is missing from the required content, the proposal may be deemed non-responsive and returned to proposer and any further review is subject to the City's discretion (see Reservations, page 4).

The Selection Committee will make a recommendation based on the criteria in this Proposal to award the contract/agreement to a selected Proposer. The City may conduct interviews as described on page 4 under Selection Process.

12. Evaluation Criteria

Recommendations for selection will be based on the following weighted criteria of 100 possible points and passing status on all Pass or Fail categories, if any. **This information should match the proposal content requirements on page XX**

Criteria	Points
A. Cover Letter	5
B. Executive Summary	10
C. Company History, Background & Experience	20
D. Scope of Work/Implementation	35
E. Project Budget	25
F. Description of Recent Projects/References	5

ATTACHMENT 1

SAMPLE

PROFESSIONAL SERVICE AGREEMENT

EXHIBIT G

STANDARD PROFESSIONAL SERVICES AGREEMENT TEMPLATE

CITY OF SOUTH LAKE TAHOE

PROFESSIONAL SERVICES AGREEMENT

This Agreement is made and entered into as of the_____day of _____ 202**X** by and between the **City of South Lake Tahoe**, a municipal corporation ("City") and _____ ("Consultant").

RECITALS

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

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

C. City desires to retain Consultant to render professional services as set forth in this Agreement.

AGREEMENT

1. Scope of Services. Consultant shall perform the services set forth in this agreement and shall provide said services at the time, place, and in the manner specified in this agreement. Consultant shall have no power or authority by this Agreement to bind City in any respect.

   The Consultant agrees that it has satisfied itself by its own investigation and research regarding the conditions affecting the work to be done and labor and materials needed, and that its decision to execute this Contract is based on such independent investigation and research.

   All services provided by Consultant pursuant to this Agreement will be provided in accordance with the terms set forth in the **Exhibit A, "Scope of Services,"** attached hereto and incorporated herein by reference. **Exhibit B, "Compensation Schedule,"** attached hereto and incorporated herein by reference, outlines the fees and compensation which shall be paid pursuant to this Agreement.

2. Term/Time of Performance. The services by Consultant are to commence upon the execution of the Agreement and continue for _____ years.

3. Compensation. Compensation to be paid to Consultant shall be in accordance with the Schedule set forth in **Exhibit B** which is attached hereto and incorporated herein by reference. In no event shall Consultant's compensation, including travel and out-of-pocket expenses, exceed _____ without additional written authorization from City. Payment by City under this Agreement shall not be deemed a waiver of defects, even if such defects were known to City at the time of payment. Payment is contingent upon compliance with all terms and conditions of this Agreement, as set forth herein. Consultant shall obtain prior written authorization from the City Project Manager for any costs in excess of budgeted amounts for each line item, task, or obligation under the Scope of Services.

4. Method of Payment. Consultant shall submit monthly billings to City describing the work performed during the preceding month. Consultant's bills shall include a brief description of the services performed, the date the services were performed, the number of hours spent and by whom, the applicable hourly rate, and a description of any reimbursable expenditures. City shall pay Consultant no later than 30 days after approval of the monthly invoice by City staff.

5. Extra Work. At any time during the term of this Agreement, City may request that Consultant perform extra work. As used herein, "Extra Work" means any work which is determined by City to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, extra work without prior written authorization from City.

6. Termination. This Agreement may be terminated by City or Consultant immediately for cause or without cause upon thirty days (30) days written notice of termination. Upon termination, Consultant shall be entitled to compensation for services performed up to the effective date of termination, and City shall be entitled to all work performed to that date.

   Termination, revocation, or expiration of this Agreement shall not release either party from liability resulting from an event which occurred prior to such termination, revocation, or expiration.

7. Ownership of Documents.
   All plans, studies, documents, and other writings, including working notes and internal documents, prepared by and for Consultant, its officers, employees

and agents and subcontractors in the course of implementing this Agreement, shall become the property of City upon payment to Consultant for such work, and City shall have the sole right to use such materials in its discretion without further compensation to Consultant or to any other party. Consultant shall, at Consultant's expense, provide such reports, plans, studies, documents, and other writings to City upon written request. All documents prepared by Consultant are confidential and shall be maintained to preserve their confidential nature. Release of any such documents to third parties shall only be made upon written consent of City.

8. Consultant's Books and Records.

a. Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services, or expenditures and disbursements charged to City for a minimum period of three (3) years, or for any longer period required by law, from the date of final payment to Consultant for services provided pursuant to this Agreement.

b. Consultant shall maintain all documents and records which demonstrate performance under this Agreement for a minimum period of three (3) years, or for any longer period required by law, from records shall be available at Consultant's address indicated for the date of termination or completion of this Agreement.

c. Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit, at any time during regular business hours, upon written request by the City Manager, City Attorney, City Auditor, or a designated representative of these officers. Copies of such documents shall be provided to City for inspection at City offices when it is practical to do so. Otherwise, unless an alternative is mutually agreed upon, the receipt of notices in this Agreement.

d. Where City has reason to believe that such records or documents may be lost or discarded due to dissolution, disbandment or termination of Consultant's business, City may, by written request by any of the above-named officers, require that custody of the records be given to City and that the records and documents be

maintained at City offices. Access to such records and documents shall be granted to any party authorized by Consultant, Consultant's representatives, or Consultant's successor-in-interest.

9. Independent Contractor. It is understood that Consultant, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and shall not act as an agent or employee of City. Consultant shall obtain no rights to retirement benefits or other benefits which accrue to City's employees, and Consultant hereby expressly waives any claim it may have to any such rights. All employees, agents, contractors, or subcontractors hired or retained by Consultant are employees, agents, contractors, or subcontractors of Consultant and not of the City.

   City is not required to make any deductions or withholdings form the compensation payable to Consultant under the provisions of this Contract and is not required to issue W-2 Forms for income and employment tax purposes for any of Consultant's assigned personnel. Any third-party persons employed by Consultant shall be entirely and exclusively under the direction, supervision, and control of Consultant. Consultant hereby indemnifies and holds City harmless from any and all claims that may be made against City based upon any contention by any third party that an employer-employee relationship exists by reason of this Contract.

10. Interest of Consultant. Consultant, (and principals, associates, and professional employees of consultant) covenants and represents that it does not now have any investment or interest in real property and shall not acquire any interest, direct or indirect, in the area covered by this Agreement or any other source of income, interest in real property or investment which would be affected in any manner or degree by the performance of Consultant's services hereunder. Consultant further covenants and represents that in the performance of its duties hereunder no person having any such interest shall perform any services under this Agreement.

    Consultant is not a designated employee within the meaning of the Political Reform Act because Consultant:

    a. Will conduct research and arrive at conclusions with respect to his/her rendition of information, advice, recommendation, or counsel independent of the control and direction of City or of any City official, other than normal agreement monitoring; and,

b. Possesses no authority with respect to any city decision beyond rendition of information, advice, recommendation, or counsel. [FPPC Reg. 18700(a) (2)].

11. Professional Ability of Consultant. City has relied upon the professional training and ability of Consultant to perform the services hereunder as a material inducement to enter into this Agreement. Consultant shall therefore provide properly skilled professional and technical personnel to perform all services under this Agreement. All work performed by Consultant under this Agreement shall be in accordance with applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent professionals in Consultant's field of expertise.

12. Compliance with Laws. Consultant shall comply with all applicable federal, state, regional and local laws, codes, ordinances, and regulations in carrying out his/her duties under this Agreement. Consultant shall observe and comply with all applicable laws, ordinances, regulations, and codes of federal, state, and local governments, and shall commit no trespass on any public or private property in performing any of the work authorized by this Agreement. The City, its officials, officers, elected officials, appointed officials, and employees shall not be liable at law or in equity as a result of any failure of Consultant to comply with this section.

    In the event it is determined that the Consultant is required to pay prevailing wages for the work performed under this Agreement, the Consultant shall pay all penalties and wages as required by law.

13. Licenses. Consultant represents and warrants to City that it has all licenses, permits, qualifications, insurance, and approvals of whatsoever nature which are legally required of Consultant to practice its profession. Consultant represents and warrants to City that Consultant shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, insurance and approvals which are legally required of Consultant to practice its profession. Consultant shall maintain a City of South Lake Tahoe business license at all times services is performed under this Agreement. Consultant acknowledges that payments made pursuant to this Agreement may be withheld until this provision has been satisfied.

14. Indemnity. Consultant hereby agrees to and shall indemnify and hold harmless City, its elected and appointed boards, officers, agents, employees and volunteers from and against any liability for any and all claims, demands,

actions, losses, damages and injuries, direct or indirect (including any and all costs and expenses in connection therein), arising out of this Agreement or caused in any way by Consultant's negligent performance of this Agreement or its breach of its obligations contained in this Agreement, except for any such claims arising out of the negligence or willful misconduct of the City. Consultant agrees to defend City from and against any and all losses, damages, claims costs and fees arising out Consultant's negligent acts, errors, omissions, regarding this Agreement, the Consultant's work under this Agreement, or the consultant's Scope of Work.

City does not, and shall not, waive any rights against Consultant which it may have by reason of the aforesaid hold harmless agreement, because of the acceptance by City, or the deposit with City by Consultant, of any of the insurance policies hereinafter set forth.

This hold harmless agreement by Consultant shall apply to all damages and claims for damages, or alleged to have been suffered, by reason of any of the aforesaid operation of Consultant or any subcontractor, regardless of whether such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

Consultant further waives any and all rights to any type of express or implied indemnity or right of contribution from the City for any liability, claims, demands, costs, charges, and expenses and causes of action of whatsoever arising out of or in any way connected with this Agreement, and consultant's work under this Agreement.

15. Insurance Requirements.

a. Consultant, at Consultant's own cost and expense, shall procure and maintain, for the duration of the contract, the following insurance policies.

i. Workers' Compensation Coverage. Consultant shall maintain Workers' Compensation Insurance and Employer's Liability Insurance for his/her employees in accordance with the laws of the State of California. In addition, Consultant shall require each subcontractor to similarly maintain Workers' Compensation Insurance and Employer's Liability Insurance in accordance with the laws of the State of California for all the subcontractor's employees. Any notice of cancellation of all

Workers' Compensation policies must be received by City at least thirty (30) days prior to such change. Consultant shall provide thirty (30) days written notice of nonrenewal of any Workers' Compensation policies. The insurer shall agree to waive all rights of subrogation against City, its officers, agents, employees, and volunteers for losses arising from work performed by Consultant for City.

ii. Commercial General Liability Coverage. Consultant shall maintain commercial general liability insurance no less broad than ISO form CG 00 01 in an amount not less than one million dollars ($1,000,000) per occurrence for bodily injury, personal injury, and property damage. Coverage must be made on the standard Occurrence form. Claims-Made forms are not acceptable without prior written consent of City. City of South Lake Tahoe must be endorsed as an additional insured for liability arising out of ongoing operation by on behalf of Consultant. If a commercial general liability insurance form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit.

iii. Automobile Liability Coverage. Consultant shall maintain automobile liability insurance covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with the work to be performed under this Agreement, including coverage for owned, hired and non-owned vehicles, in an amount of not less than one million dollars ($1,000,000) combined single limit for each occurrence.

iv. Professional Liability Coverage. Consultant shall maintain professional errors and omissions liability insurance for protection against claims alleging negligent acts, errors or omissions which may arise from Consultant or by its employees, or subcontractors. The amount of this insurance shall not be less than one million dollars ($1,000,000) on a claims-made annual aggregate basis, or a combined single-limit per occurrence basis.

b. Endorsements. Each general liability and automobile liability insurance policy shall be with insurers possessing an AM Best's rating of no less than A:VII and shall be endorsed with the following specific language:

i. City, its elected or appointed officers, officials, employees, agents, and volunteers are to be covered as additional insureds under Consultant's General Liability and Automobile Liability policies with respect to liability arising out of this Agreement and/or work performed by or on behalf of the Consultant, including materials, parts or equipment furnished in connection with such work or operations.

ii. This policy shall be considered primary insurance as respects City, its elected or appointed officers, officials, employees, agents, and volunteers. Any insurance maintained by City, including any self-insured retention City may have, shall be considered excess insurance only and shall not contribute with it.

iii. This insurance shall act for each insured and additional insured as though a separate policy had been written for each, except with respect to the limits of liability of the insuring Consultant.

iv. The insurer waives all rights of subrogation against City except for Consultant's Professional Liability and Employers' Liability policies, its elected or appointed officers, officials, employees, or agents.

v. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to City, its elected or appointed officers, officials, employees, agents, or volunteers.

vi. No policies of insurance carried by Consultant shall be suspended, voided, canceled, or changed in coverage or in limits except after thirty (30) days written notice to the City Attorney by Certified Mail.

c. Deductibles and Self-Insured Retentions. The Consultant shall be responsible for all deductibles in all of Consultant's insurance policies. The amount of deductibles for insurance coverage required herein shall be reasonable and approved by the City Attorney.

d. Certificates of Insurance. Consultant shall provide certificates of insurance with original endorsements to City as evidence of the insurance coverage required herein. Consultant shall not commence work under this contract until all insurance required under this section has been approved by City as to form, amount, and carrier, nor shall Consultant allow any subcontractor to commence work on any subcontract until all similar insurance required and reasonably consistent limits of the subcontractor has been so obtained and approved. Certificates of insurance shall contain no exclusions unless negotiated with the City Attorney and approved, in writing, by the City Attorney.

16. Notices. Any notice required to be given under this Agreement shall be in writing and either served personally or sent prepaid, first-class mail. Any such notice shall be addressed to the other party at the address set forth below. Notice shall be deemed communicated within 48 hours from the time of mailing if mailed as provided in this section.

If to City: City of South Lake Tahoe
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150

Provide a copy to: City Attorney's Office
City of South Lake Tahoe
1901 Lisa Maloff Way, Suite 300
South Lake Tahoe, CA 96150

If to Consultant:

Provide a copy to:

17. Assignment and Subcontracting. The parties recognize that a substantial inducement to City for entering into this Agreement is the professional reputation, experience, and competence of Consultant. Assignments of any or all rights, duties or obligations of the Consultant under this Agreement will be permitted only with the express consent of City. Consultant shall not subcontract any portion of the work to be performed under this Agreement without the written authorization of City. If City consents to such subcontract, Consultant shall be fully responsible to City for all acts or omissions of the

subcontractor. Nothing in the Agreement shall create any contractual relationship between City and subcontractor nor shall it create any obligation on the part of City to pay or to see to the payment of any monies due to any such subcontractor other than as otherwise required by law.

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

19. Dispute Resolution. Any dispute concerning this Agreement will be first submitted to the City Manager or his designee for resolution. If no resolution is reached, such dispute shall be submitted to the City Council. The decision of the City Council shall be final and shall be appealable only to the El Dorado Superior Court pursuant to California Code of Civil Procedure §1094.5, and as provided by law.

20. Controlling Law Venue. This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in the Superior Courts in the County of El Dorado, South Lake Tahoe Division.

21. Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any Consultant or person, other than the independent contractors hired in accordance with Consultant's standard business practice, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid, nor has it agreed to pay any Consultant or person, other than a bona fide employee working solely for Consultant or an independent contractor hired as discussed above, any fee, commission, percentage, brokerage fee, gift, or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer, or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

22. Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer, and it shall not discriminate against any subcontractor, employee, or applicant for employment because of race, religion, color, national origin, disability, ancestry, sex, or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff, or termination. Consultant shall also comply with all relevant provisions of City's

Minority Business Enterprise program, Affirmative Action Plan, or other related programs or guidelines currently in effect or hereinafter enacted.

23. Drug-Free Workplace Certification. By signing this Agreement, Consultant hereby certifies under penalty of perjury under the laws of the State of California that the Consultant will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code Section 8350, et seq.) and will provide a drug-free workplace by taking the following actions:

    a. Publish a statement notifying employees that unlawful manufacture, distribution dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8355 (a).

    b. Establish a Drug-Free Awareness Program as required by Government Code Section 8355(b) to inform employees about all of the following:

        i. The dangers of drug abuse in the workplace;
        ii. The person's or organization's policy of maintaining a drug-free workplace;
        iii. Any available counseling, rehabilitation, and employee assistance program; and
        iv. Penalties that may be imposed upon employees for drug abuse violations.

    c. Provide, as required by Government Code Section 8355(c), that every employee who performs grant activities under this Agreement:

        i. Will receive a copy of the Consultant's drug-free policy statement; and
        ii. Will agree to abide by the terms of the Consultant's statement as a condition of employment on this Agreement.

    Failure to comply with these requirements may result in suspension of payments under this Agreement or termination of the Agreement, or both, and Consultant may be ineligible for award of any future City agreements if City determines that any of the following has occurred: the Consultant (1) has made false certification, or (2) violates the certification by failing to carry out the requirements as noted above.

24. Anti-Lobbying Certification. Consultant shall submit to City the Anti-Lobbying Certification contained in **Exhibit C**. Further, Consultant shall require that the language of the certification in **Exhibit C** be included in all contracts or

subcontracts entered into in connection with this Agreement and that all Consultants and contractors shall certify and disclose accordingly.

25. Debarment, Suspension, Ineligibility and Voluntary Exclusion. By signing this Agreement, Consultant assures that neither it nor its principals, is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency.

26. Americans with Disabilities Act. By signing this Agreement, Consultant assures the City that it complies with the American with Disabilities Act (ADA) of 1990, (42 U.S.C. 12101, et.seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to ADA.

27. Amendments. This Agreement may be modified or amended only by a written document executed by both Consultant and City and approved as to form by the City Attorney.

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

29. Entire Agreement. This Agreement constitutes the complete and exclusive statement of Agreement between City and Consultant. All prior written and oral communications, including correspondence, drafts, memoranda, and representations, are superseded in total by this Agreement.

30. Execution. This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument and shall become binding upon the parties when at least one copy hereof shall have been signed by both parties hereto. In approving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

31. Time is of the Essence. Time is of the essence for this Agreement.

32. Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and to bind each respective party.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first written above.

CITY OF SOUTH LAKE TAHOE:

By_____

City Manager

Date_____

CONSULTANT:

By _____

Name, Title

Date_____

Business License # _____

APPROVED AS TO FORM:

By_____

City Attorney

Date_____

ATTEST:

By_____

City Clerk

Date_____

Attachments:

Exhibit A – Scope of Services
Exhibit B – Compensation Schedule
Exhibit C - Anti-Lobbying Certification

EXHIBIT A

SCOPE OF SERVICES

EXHIBIT B

SCHEDULE OF CHARGES AND TIMELINE

BUDGET

Estimated fees (not to exceed)	**$_____**
Hourly Rate:	**$_____/hour**
Travel and out-of-pocket expenses	**$_____**
(travel is included in the TOTAL (not to exceed amount)	
TOTAL (not to exceed)	**$_____**

TIMELINE

EXHIBIT C

ANTI-LOBBYING CERTIFICATION

Consultant shall submit to City this certification prior to or at the time of the execution of this Agreement.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U. S. Code. Any person who fails to file the required certification shall be subject to a civil penalty not less than $10,000 and no more than $100,000 for such failure.

The undersigned certifies, to the best of his or her knowledge or belief, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement; and

2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instruction.

Consultant:
Name, Title

By:_____ Date_____

EXHIBIT H

STANDARD INVITATION TO BID TEMPLATE

INVITATION TO BID

TITLE

Picture

BID# date of award yyyy-mm-dd Title

**note: Formal Bids must be posted for minimum of 30 days*

SUMMARY

The City of South Lake Tahoe is requesting formal competitive bids from qualified professional vendors/firms for (short sentence describing what you are looking for).
Sealed or Electronic Bids are due on or before **MM/DD/YYYY** **no later than 12:00 p.m.** (Pacific Standard Time) at City offices (Department Address, South Lake Tahoe, CA 96150). Bids received after the deadline will not be accepted. Electronic Bids must be uploaded by said time and date. Sealed Bids and required copies must be submitted by U.S. mail or personal delivery to the address below, and/or on-line Planet Bids Portal. Fax and Electronic-mailed (e-mail) submission will not be accepted. Sealed paper bids must be marked **"BID yyyy-mm-dd Title"** and mailed to:

City of South Lake Tahoe
Attn: Department Head
Title of Bid
City Address
South Lake Tahoe, CA 96150

Bidders will be notified by the City of any addenda that may be issued to this Formal Invitation to Bid (BID). Bidders must register in the City's Vendor Database to be notified of such addenda (see page 3 for instructions on how to register).

Read this BID document carefully as the award will be given to the "lowest qualified responsible bidder" responding to this BID. The City reserves the right to reject any or all bids. Bids will be publicly opened and read aloud at the "department address" office immediately after the closing of the bid.

In the opinion of the City of South Lake Tahoe, this BID is complete and without need of explanation. However, if you have questions, or should you need any clarifying information, please use the Q&A feature that is found within Planet Bids, where the BID is posted.

Please note that no information given will be binding upon the City unless such information is issued in writing as an official addendum to this BID.

TIMELINE OF CRITICAL DATES

Release of Formal Competitive Bid	**xx-xx-xxxx**
Mandatory Pre-Bid Meeting	***optional**
Deadline for questions Submitted via Planted Bids	**xx-xx-xxxx**
Questions & Answers Uploaded	**xx-xx-xxxx**
Formal Bid Due/ Bid opening	**xx-xx-xxxx**
City Council Award	**xx-xx-xxxx**

SUBMITTAL PROCEDURES

1. Register with the City

All Bidders **must** complete a "Vendor Information Sheet" to be entered in the City of South Lake Tahoe Vendor Database, which is required to submit a bid. Go to this website address: https://pbsystem.planetbids.com/portal/14997/portal-home and follow the instructions applicable to Bidder. Following submission, Bidders will receive a confirmation message within 24 hours from the City. Bidders are *solely responsible* for maintaining up to date and accurate information in the Vendor Database.

2. Number of Copies

The Bidder must submit in a sealed package(s) one (1) "Original", and five (5) complete copy sets of the "Original" response. Bids shall not be e-mailed or faxed to the City. **Bids not received by the date and time specified in this BID, will be rejected.** Documents submitted in response to this BID will become the property of the City of South Lake Tahoe and will be regarded as public record under California Public Records Act under Government Code 6250 et seq., and subject to review or release to the public, **excluding** financial records marked "confidential" which shall be available for the bidder to pick up following a review and selection of the bid.

3. Format

Font, Type and Style: All proposals shall be single sided and professionally prepared (no handwritten proposals will be accepted). There are no requirements on font size, type, or style requirements.

Not Bound: Proposals shall not be bound with anything other than a clip or staple to allow the City to make additional copies as needed. No comb binding or permanent binding is permitted.

4. Submittal Deadline

Response to this BID is due on or before **MM/DD/YYYY no later than 12:00 p.m.** (Pacific Standard Time) at City offices (address below). Reponses received after the deadline will not be accepted; there are no exceptions. Fax and Electronic-mailed (e-mail) submission will not be accepted. Submit Sealed Bids to:

City of South Lake Tahoe
Attn: Department Head
"BID yyyy-mm-dd Title"
Department Address
South Lake Tahoe, CA 96150

5. Selection Process

A Selection Committee consisting of City Staff will evaluate the submitted bids. Bids will be objectively evaluated based on their responses to the Scope of Work outlined in this BID. The written bid should clearly demonstrate how the bidder could best satisfy the requirements of the

City. The Selection Committee will utilize the Evaluation Method and Criteria described on page 9 of this BID to rate and rank each proposal.

Following a review of the Bids, the Selection Committee may invite one or more of the bidders to a Selection Interview. Upon completion of interviews, the Selection Committee will submit a recommendation to the City Manager. The City of South Lake Tahoe reserves the right to accept or reject any or all proposals or to make no award at all, to extend the period for accepting bids, to advertise the BID at any time and to waive any minor irregularities in any bid.

The City of South Lake Tahoe reserves the right to accept or reject any or all bids or to make no award at all, to extend the period for accepting proposals, to advertise the Invitation to Bid at any time and to waive any minor irregularities in any proposal.

6. Purchase Agreement/ Contract

Upon approval of the Award by City Council; a written Purchase Agreement or Contract will be issued by the City Attorney's Office. The Agreement is in force through the time period specified in the Scope of Work in the bid. The selected Bidder will be required to sign the City's Purchase Agreement or Contract. A sample of this Agreement is attached hereto, and the City reserves the right to amend or edit this agreement however it sees fit. No changes may be made in the agreement without written authorization by the City of South Lake Tahoe. Quantities specified in the purchase agreement are not to be exceeded without written authorization from the City of South Lake Tahoe.

7. Reservations

a) The City reserves the right to reject any and all bids, whether or not minimum qualifications are met, and to modify, postpone, or cancel this Invitation to Bid, in whole or in part, or decide to award a contract on the basis of individual items, or groups of items, or on the entire list of items; to reject any or all bids or any part thereof; and to waive any informalities and/or negotiate minor deviations to the bid, with the successful bidder. The City's decision shall be final, without liability, obligation, or commitment to any party, firm, or organization.

b) In addition, the City reserves the right to request and obtain additional information from any Bidder and to negotiate the final scope of services with the selected vendor. The City is not liable for any costs incurred by Bidders prior to issuance of an agreement, contract, or purchase order. Costs of developing the bid, oral presentations or any other such expenses incurred by the vendor in responding to the BID are entirely the responsibility of the vendor and shall not be reimbursed in any manner by the City of South Lake Tahoe.

c) Only the City Council of South Lake Tahoe, or the City Manager after being duly authorized by the City Council, may execute the Agreement with the successful bidder. Further, it is understood that respondents must independently evaluate the information in this BID and that the City makes no guarantee of data accuracy.

d) The City reserves the right to waive or permit cure of minor informalities and/or insignificant mistakes such as matters of form rather than substance and to conduct discussions and negotiations with any *qualified respondent* in any manner deemed necessary by the City to serve its best interests. The City also reserves the right, based on its sole judgment and discretion, to award a contract based upon the written bids it receives without conducting discussions, interviews, or negotiations.

e) If, in the opinion of the City, a bid contains false or misleading statements or references, it may be rejected without notice to Bidder.

f) The City reserves the right to obtain written clarification of any point in a vendor bid or to obtain additional information necessary to properly evaluate a particular bid. Failure of a Bidder to respond to such a request for additional information or clarification may result in rejection of the bid.

g) The City reserves the right, without qualification, to select a Bidder for further discussions based solely on the content of the BID and relevant information obtained from others concerning the respondent's respective records of past performance.

h) Proposer agrees that any response submitted to this BID will remain current and valid for a period of not less than 120 calendar days from the proposal due date.

8. Bid Protests

a) A non-selected bidder may protest award of contract by submitting a written bid protest which shall be received by the city clerk no later than seven calendar days after the city's selection of the winning bidder or no later than 10 calendar days from the date that the city issues notice of designation of a bidder as non-responsible.

b) The bid protest shall state all grounds claimed for the protest and include supporting documentation. Failure to clearly state the grounds for the protest and provide supporting documentation shall be deemed a waiver of all protest rights.

c) Where award of the contract is to be made by the city council, the city clerk shall place a discussion of the bid protest on the next regularly scheduled council meeting agenda and the city council shall determine whether, based on the protest, to award the contract to the selected bidder, to reject all bids, or to award the contract to the next lowest responsible bidder.

9. Local Business Preference

a) The city shall apply a five percent discount to all local businesses which submit bids for materials, supplies, equipment, and services for nonpublic projects. The city shall evaluate the local businesses' bids as though the bid had been submitted at a cost of five percent lower than the cost submitted.

b) Local Business shall mean a business which maintains its principle place of business in a fixed office within the city of South Lake Tahoe and possesses a current South Lake Tahoe business license. To establish a principle place of business in South Lake Tahoe, a business must demonstrate the majority of its principals are based in the South Lake Tahoe office, and that it pays South Lake Tahoe payroll taxes on at least 51 percent of its total payroll.

9. Bidder's Security

a) When deemed necessary, bidders' security may be prescribed in invitations to bid, RFP's and RFQ's. Bidders shall be entitled to return of bid security; provided however, that a successful bidder shall forfeit his or her bid security upon his or her refusal or failure to execute that contract within 10 days after receipt of contract.

INTRODUCTION

8. Background

Background information that would be relevant to what product is being requested

9. Objective

What is the City's primary objective? What are we trying to accomplish through this BID?

SCOPE OF WORK

11. Scope of Work to be Performed:

- List all technical and general specifications of item(s), product, service, etc….
- Be specific with all details and descriptions.
- Request bid to include all fees, tax (8%), delivery charges

- Request implementation schedule, timeline, delivery date

BID CONTENT REQUIREMENTS

12. Bid Requirements - All bids must include the following information and shall be organized as described below.

F. Cover Letter (0-5 points)

The cover letter shall be addressed to the Department, Department Head, Title, and at a minimum, must contain the following:

- Identification of Vendor, including name, address, and telephone number
- Name, title, address, and telephone number of contact person during period of bid evaluation
- A statement to the effect that the bid shall remain valid for a period of not less than 120 calendar days from date of submittal
- Signed by person authorized to bind the bidder the terms of the proposal.

G. Executive Summary (10 points)

In a brief narrative, describe the overall approach and plans to meet the requirements of the Invitation to Bid. The intent of this narrative is to convince the City that the Bidder understands the objective that the bid is intended to meet, the nature of the work and/or product, and the level of effort necessary to successfully provide the defined product or scope of work.

H. Company History, Background and Experience (0-20 points)

Describe the Vendor's history and organizational structure, including the size of the company, location of office(s) and years in business. Provide resumes project team members (if applicable). Also include the Vendor's background and public sector experience in conducting description of work/item.

I. Scope of Work/Implementation (0-35 points)

Describe the Vendor's general approach to managing the project or providing the goods, including specific plans to manage, control, and/or deliver the project in order to insure satisfactory provision of services. Provide a schedule designed to meet the requirements of the City. The City's target date for completion/delivery is xxxx weeks/days from the date the contract is signed; however, a timeline from the Vendor is required. Provide description of all costs, implementation, including

estimated timeframes and deliverables.

J. Project Budget (0-25 points)

Provide a detailed description of the project budget/ product itemized according to Scope of Work. The Vendor shall present a specific "not to exceed" fixed fee /cost including associated taxes, fees, and charges and be based on achievement of deliverables. Provide itemized budget.

F. Description of Recent Projects/References (0-5 points)

Provide a description of projects/products of a similar nature including at least three (3) client references with names and telephone numbers, contact persons. Preference shall be given to vendors who have provided satisfactory service to public entity clients.

EVALUATION METHOD & CRITERIA

Bids will first be reviewed for responsiveness to the requirements. If any information is missing from the required content, the bid may be deemed non-responsive and returned to bidder. Further review is subject to the City's discretion (see Reservations, page 4).

The Selection Committee will make a recommendation to the City Manager based on the criteria in this bid to award the contract to the lowest qualified responsible bidder. The City Council will make the final determination whether or not to award a contract/agreement. The City may conduct interviews of the top scoring Bidders.

13. <u>Evaluation Criteria</u>

Recommendations for selection of the Concessionaire will be based on the following weighted criteria of 100 possible points and passing status on all Pass or Fail categories. **This information should match the BID content requirements on page 7**

riteria	Points
A. Cover Letter	5
B. Executive Summary	10
C. Company History, Background & Experience	10
D. Scope of Work/Implementation	35
E. Project Budget	35
F. Description of Recent Projects/References	5

ATTACHMENT 1

SAMPLE

STANDARD PURCHASE AGREEMENT

EXHIBIT I

STANDARD PURCHASE AGREEMENT TEMPLATE

CITY OF SOUTH LAKE TAHOE
PURCHASE AGREEMENT

This Agreement is made and entered into as of the_____day of _____ 202x by and between the **City of South Lake Tahoe**, a municipal corporation ("City") and _____ ("Vendor").

RECITALS

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

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

AGREEMENT

1. Scope of Agreement. Vendor shall provide the goods/materials/products set forth in this agreement and described more fully in the **Exhibit A, "Description of Goods/Materials/Products,"** attached hereto and incorporated herein by reference (hereinafter the "product(s)"). **Exhibit A** further sets forth the requirements for delivery of the product(s), including requirements for installation, maintenance, servicing, etc.

2. Term/Time of Performance. The goods/materials/services described in **Exhibit A** shall be delivered to the City on or before _____.

3. Compensation. Compensation to be paid to Vendor shall be in accordance with **Exhibit B** which is attached hereto and incorporated herein by reference. In no event shall Vendor's compensation exceed _____ without additional written authorization from City. Payment by City under this Agreement shall not be deemed a waiver of defects, even if such defects were known to City at the time of payment. Payment is contingent upon compliance with all terms and conditions of this Agreement, as set forth herein. Vendor shall obtain prior written authorization from the City Project Manager for any costs in excess of budgeted amounts for each line item set forth in **Exhibit A**.

4. Expiration and Termination of Agreement. This Agreement shall expire upon written confirmation from the City that Vendor has delivered product(s) in compliance with the scope set forth in **Exhibit A.** Such confirmation shall not be unreasonably withheld.

The City may terminate this agreement if Vendor fails to deliver product(s) and comply with the terms of **Exhibit A** within ten (10) days of the date of delivery set forth in paragraph two (2) herein.

5. Independent Contractor. It is understood that Vendor, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and shall not act as an agent or employee of City. Vendor shall obtain no rights to retirement benefits or other benefits which accrue to City's employees, and Vendor hereby expressly waives any claim it may have to any such rights. All employees, agents, contractors, or subcontractors hired or retained by Vendor are employees, agents, contractors, or subcontractors of Vendor and not of the City.

   City is not required to make any deductions or withholdings form the compensation payable to Vendor under the provisions of this Contract and is not required to issue W-2 Forms for income and employment tax purposes for any of Vendor's assigned personnel. Any third-party persons employed by Vendor shall be entirely and exclusively under the direction, supervision, and control of Vendor. Vendor hereby indemnifies and holds City harmless from any and all claims that may be made against City based upon any contention by any third party that an employer-employee relationship exists by reason of this Contract.

6. Interest of Vendor. Vendor, (and principals, associates, and professional employees of Vendor) covenants and represents that it does not now have any investment or interest in real property and shall not acquire any interest, direct or indirect, in the area covered by this Agreement or any other source of income, interest in real property or investment which would be affected in any manner or degree by the performance of Vendor's services hereunder. Vendor further covenants and represents that in the performance of its duties hereunder no person having any such interest shall perform any services under this Agreement.

7. Professional Ability of Vendor. City has relied upon the professional training and ability of Vendor to provide the product(s) hereunder as a material inducement to enter into this Agreement. Vendor shall therefore provide properly skilled professional and technical personnel to perform all tasks related to delivery of the product(s), etc. as set forth in **Exhibit A**.

8. Compliance with Laws. Vendor shall comply with all applicable federal, state, regional and local laws, codes, ordinances, and regulations in carrying out his/her duties under this Agreement. Vendor shall observe and comply with all

applicable laws, ordinances, regulations, and codes of federal, state, and local governments.

9. Licenses. Vendor represents and warrants to City that it has all licenses, permits, qualifications, insurance, and approvals of whatsoever nature which are legally required of Vendor to engage in this Agreement. Vendor represents and warrants to City that Vendor shall, at its sole cost and expense, always keep in effect or obtain during the term of this Agreement, any licenses, permits, insurance and approvals which are legally required of Vendor. Vendor shall always maintain a City of South Lake Tahoe business license during this Agreement. Vendor acknowledges that payments made pursuant to this Agreement may be withheld until this provision has been satisfied.

10. Debarment, Suspension, Ineligibility and Voluntary Exclusion. By signing this Agreement, Consultant assures that neither it nor its principals, is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency.

11. Indemnity. Vendor hereby agrees to and shall indemnify and hold harmless City, its elected and appointed boards, officers, agents, employees and volunteers from and against any liability for any and all claims, demands, actions, losses, damages and injuries, direct or indirect (including any and all costs and expenses in connection therein), arising out of this Agreement or caused in any way by Vendor's negligent performance of this Agreement or its breach of its obligations contained in this Agreement, except for any such claims arising out of the negligence or willful misconduct of the City. Vendor agrees to defend City from and against any and all losses, damages, claims costs and fees arising out Vendor's negligent acts, errors, omissions, regarding this Agreement, the Vendor's work under this Agreement, or the Vendor's Scope of Work.

    City does not, and shall not, waive any rights against Vendor which it may have by reason of the aforesaid hold harmless agreement, because of the acceptance by City, or the deposit with City by Vendor, of any of the insurance policies hereinafter set forth.

12. Warranty. Vendor will provide warranty language.

13. Notices. Any notice required to be given under this Agreement shall be in writing and either served personally or sent prepaid, first-class mail. Any such

notice shall be addressed to the other party at the address set forth below. Notice shall be deemed communicated within 48 hours from the time of mailing if mailed as provided in this section.

If to City: City of South Lake Tahoe
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150

Provide a copy to: City Attorney's Office
City of South Lake Tahoe
1901 Lisa Maloff Way, Suite 300
South Lake Tahoe, CA 96150

If to Vendor:

Provide a copy to:

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

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

16. Dispute Resolution. Any dispute concerning this Agreement will be first submitted to the City Manager or his designee for resolution. If no resolution is reached, such dispute shall be submitted to the City Council. The decision of the City Council shall be final and shall be appealable only to the El Dorado

Superior Court pursuant to California Code of Civil Procedure §1094.5, and as provided by law.

17. Controlling Law Venue. This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in the Superior Courts in the County of El Dorado, South Lake Tahoe Division.

18. Prohibited Interests. Vendor maintains and warrants that it has not employed nor retained any Vendor or person, other than the independent contractors hired in accordance with Vendor's standard business practice, to solicit or secure this Agreement. Further, Vendor warrants that it has not paid, nor has it agreed to pay any Vendor or person, other than a bona fide employee working solely for Vendor or an independent contractor hired as discussed above, any fee, commission, percentage, brokerage fee, gift, or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer, or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

19. Amendments. This Agreement may be modified or amended only by a written document executed by both Vendor and City and approved as to form by the City Attorney.

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

21. Entire Agreement. This Agreement constitutes the complete and exclusive statement of Agreement between City and Vendor. All prior written and oral communications, including correspondence, drafts, memoranda, and representations, are superseded in total by this Agreement.

22. Time is of the Essence. Time is of the essence for this Agreement.

23. Authority to Enter Agreement. Vendor has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and to bind each respective party.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first written above.

CITY OF SOUTH LAKE TAHOE: VENDOR:

By_____ By _____

City Manager Name, Title

Date_____ Date_____

Business License # _____

APPROVED AS TO FORM:

By_____ Date_____

City Attorney

ATTEST:

By_____ Date_____

City Clerk

Attachments:

Exhibit A – Description of Goods/Materials/Products

Exhibit B – Compensation
Exhibit C - Anti-Lobbying Certification

EXHIBIT A

Description of Goods/Materials/Products

EXHIBIT B

COMPENSATION

- **Provide total itemized costs**
- **Include all taxes, shipping, handling, fees, and discounts**

EXHIBIT C

ANTI-LOBBYING CERTIFICATION

Vendor shall submit to City this certification prior to or at the time of the execution of this Agreement.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U. S. Code. Any person who fails to file the required certification shall be subject to a civil penalty not less than $10,000 and no more than $100,000 for such failure.

The undersigned certifies, to the best of his or her knowledge or belief, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement; and

2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instruction.

Vendor:
Name, Title

By: _____ Date_____

EXHIBIT J

BID REJECTION LETTER – TEMPLATE/EXAMPLE

USE DEPARTMENT- CITY LETTERHEAD

Date

Address

Re: Award Decision, Department of _____, RFP # _____ for [service requested]

Dear

Thank you for submitting a proposal in response to the subject Request for Proposals (RFP). An evaluation panel, using the weighted criteria outlined in the RFP, has completed its review, and scoring of all the proposals we received. The proposal submitted by _____ received the panel's highest score. We will be developing a contract for the requested services with that organization. Thank you again for your participation, and for your interest in doing business with the City of South Lake Tahoe.

This award is a final decision subject to the successful negotiation of a mutually acceptable contract. A nonselected bidder may protest the award of a contract by submitting a written bid protest which shall be received by the city clerk no later than seven calendar days after the city's selection of the winning bidder or no later than 10 calendar days from the date that the city issues notice of designation of a bidder as nonresponsible. Please see City of South Lake Tahoe Code section 3.45.020 for the full bid protest procedure.

Very truly yours,

EXHIBIT K

BID ACCEPTANCE LETTER TEMPLATE/EXAMPLE

*Use Department City Letterhead

Date

Address

Re: Award Decision, Department of _____, RFP # _____ for [service requested]

Dear

Congratulations. The evaluation panel, using the weighted criteria outlined in the subject Request for Proposals (RFP), has completed its review of the proposals received. We are pleased to announce that your proposal received the panel's highest score.

Enclosed with this letter is an electronic copy of the City's approved Professional Services Agreement. We respectfully ask you to review the terms and conditions. Any changes should be made with MS Word Track Changes so that our Attorney may review them. We also kindly ask that you provide us a scope of services attachment that includes all services requested in our RFP. When both parties arrive at mutually acceptable terms, we will place the master agreement on the City Council agenda for adoption.

Thank you for your interest in working with the City of South Lake Tahoe. If you have any questions or concerns, please do not hesitate to reach out to me at _____.

Very truly yours,

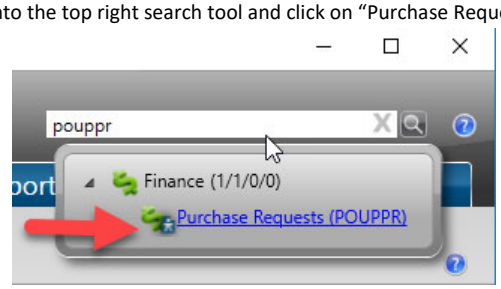
Attachment: Professional Services Agreement/ or Purchase Agreement

EXHIBIT L

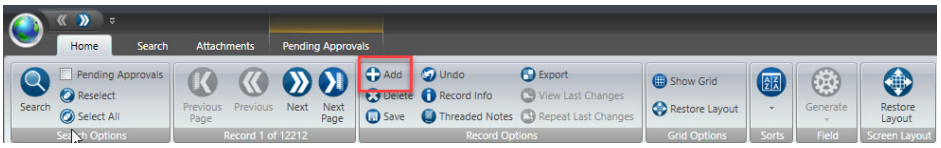
INSTRUCTIONS TO CREATE A STANDARD PURCHASE ORDER (PO)

Creating a Purchase Order

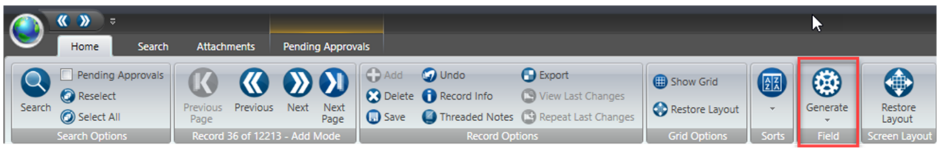
1. Login to OneSolution
2. Type POUPPR into the top right search tool and click on “Purchase Requests (POUPPR)



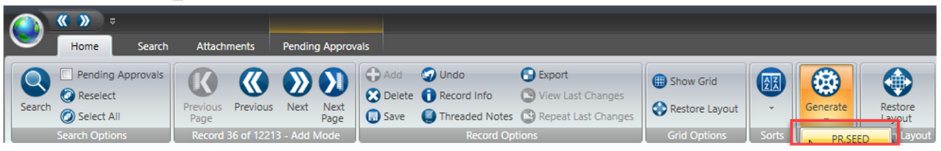
3. Click on “Add”



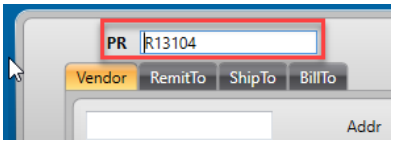
4. Click on Generate



5. Click on PR_SEED



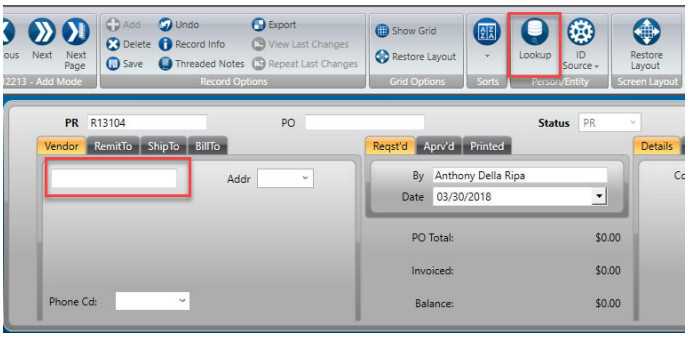
6. Write down the PR Number

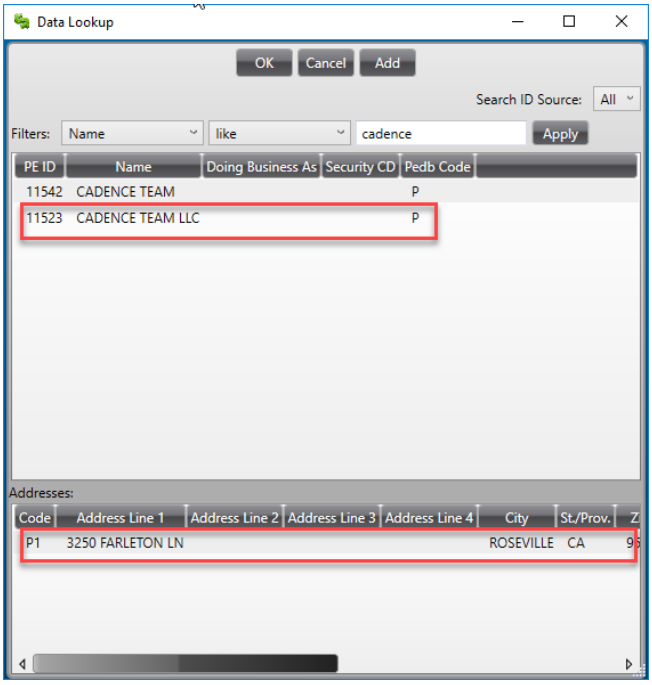


7. If you know the vendor ID then type it in the text box that is located in the Vendor tab. If you don’t know the ID then you can search for it by name. If the vendor is not in our system then you will have to request a W9 from the vendor and send it over to Ben so he setup the new

vendor in our system. If this new vendor is doing any work on one of our properties then a business license is needed. Have Finance contact this new vendor to setup a business license.

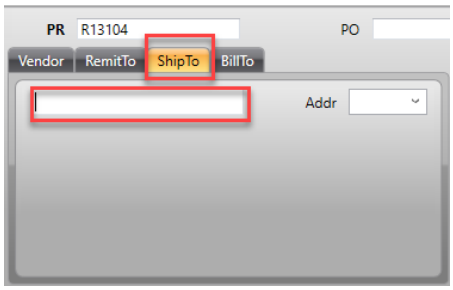
8. Type in the Vendor ID in the text box or look it up. Select the vendor and the correct address then click on OK at the top.

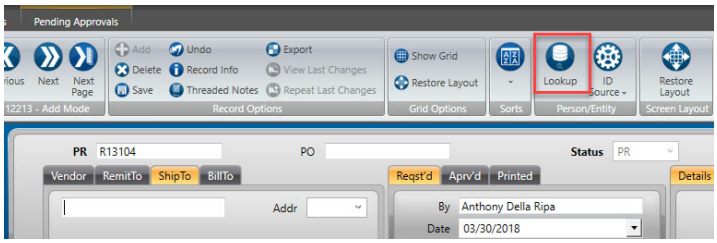


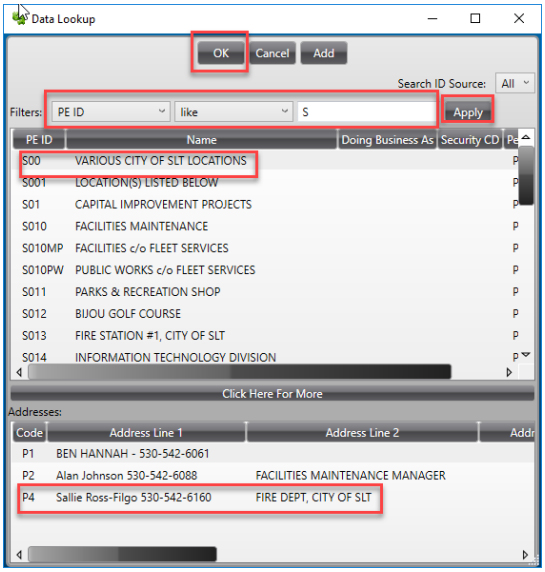


9. Click on the Ship to Tab. If you know the ship to ID then type it in the box or you can search for it. To search click on the Lookup button. All city building starts with a S. Filter by PE ID and type

in an “S” and click on “Apply”. Look for the city building that it needs to be shipped to and select the correct person at that address.

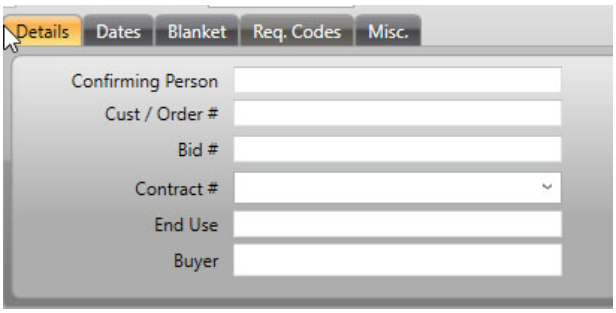




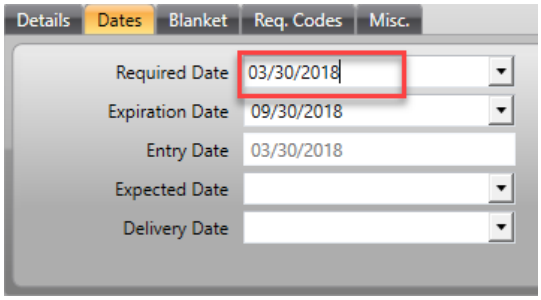


10. Under the “Details” tab type in the following
    a. Confirming Person – The person requesting this item/service

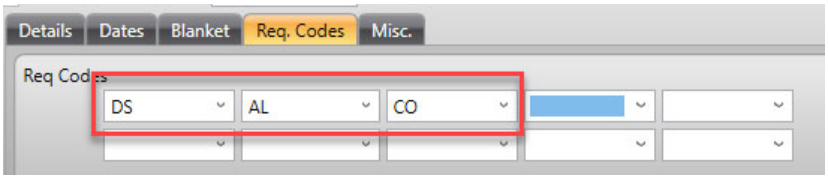
b. Cust / Order # - Quote or order number if available
c. Bid # - If available
d. Contract # - If available
e. End Use – The department or division requesting this PR
f. Buyer – Leave Blank



11. Go to the "Details" tab and type in the current date



12. Skip "Blanket" Tab
13. Click on "Req. Codes" Tab. Make sure the following codes are selected.



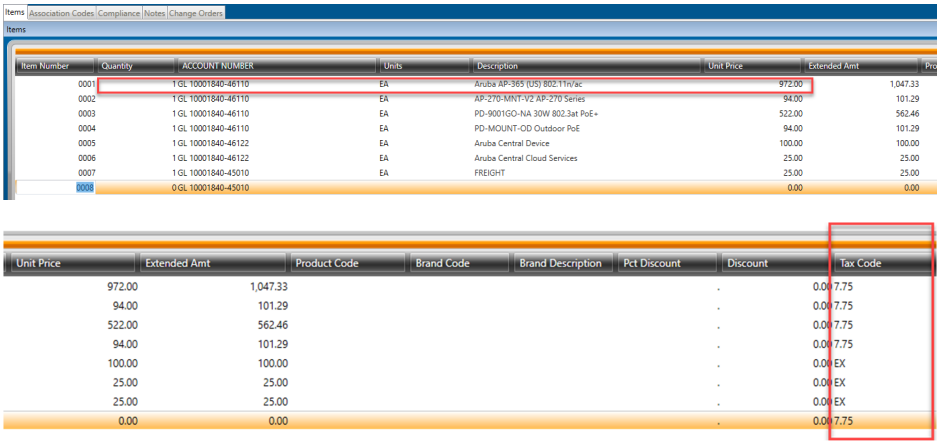
14. Skip "Misc." Tab

15. Click on the "Notes" Tab. In the dropdown there are three choices
    a. PR Notes – This is for internal notes only
    b. Print Before – This will place the note directly on the PO above the first line item.

i. Quote number
ii. Delivery instructions
iii. Etc…

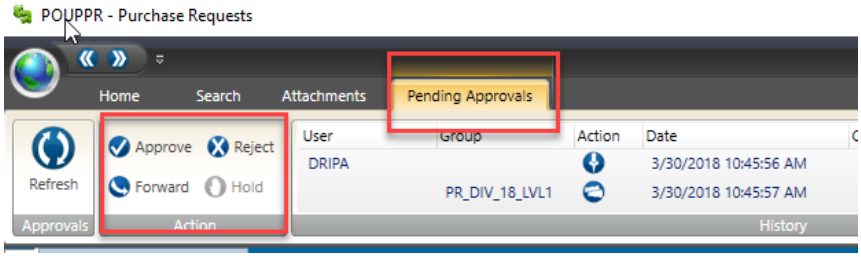
c. Print After – This will place the note directly after the last line item.
   i. Quote number
   ii. Delivery instructions
   iii. Etc…

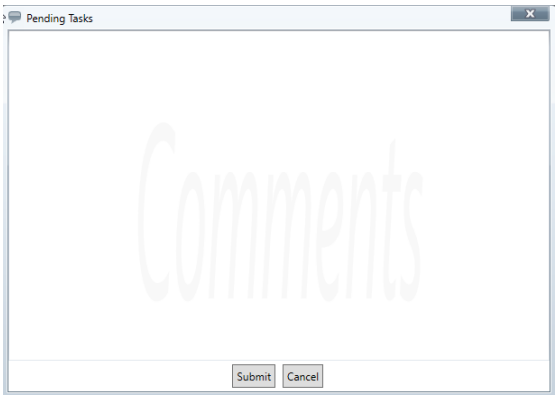
16. In the "Items" tab. Enter in the Quantity, Account Number, Units, Description, Unit Price. If Tax is NOT required, then scroll to the right and select EX under the "Tax Code" column. After entering the data in each filed press the "Enter" to save the item and two add a second item.



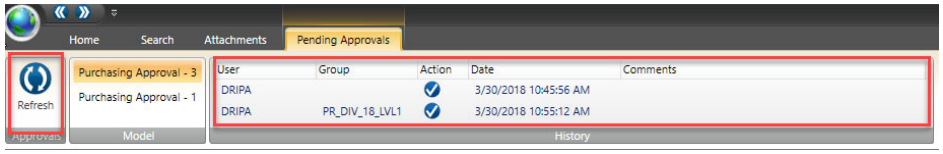
Item Number	Quantity	ACCOUNT NUMBER	Units	Description	Unit Price	Extended Amt	Unit Price	Extended Amt	Product Code	Brand Code	Brand Description	Pct Discount	Discount	Tax Code
0001	1	GL 10001840-46110	EA	Aruba AP-365 (US) 802.11n/ac	972.00	1,047.33	972.00	1,047.33				.	0.00	7.75
0002	1	GL 10001840-46110	EA	AP-270-MNT-V2 AP-270 Series	94.00	101.29	94.00	101.29				.	0.00	7.75
0003	1	GL 10001840-46110	EA	PD-9001GO-NA 30W 802.3at PoE+	522.00	562.46	522.00	562.46				.	0.00	7.75
0004	1	GL 10001840-46110	EA	PD-MOUNT-OD Outdoor PoE	94.00	101.29	94.00	101.29				.	0.00	7.75
0005	1	GL 10001840-46122	EA	Aruba Central Device	100.00	100.00	100.00	100.00				.	0.00	EX
0006	1	GL 10001840-46122	EA	Aruba Central Cloud Services	25.00	25.00	25.00	25.00				.	0.00	EX
0007	1	GL 10001840-45010	EA	FREIGHT	25.00	25.00	25.00	25.00				.	0.00	EX
0008	0	GL 10001840-45010			0.00	0.00	0.00	0.00				.	0.00	7.75

17. Once you are finished adding items. You will have to approve the PR out of your queue. At the top you should have "Pending Approvals" tab; If you don't, please see below to activate it. Click on that tab and select one of the four choices. When you select one a second window will popup so you can type additional notes for yourself or for the next approver in the queue.



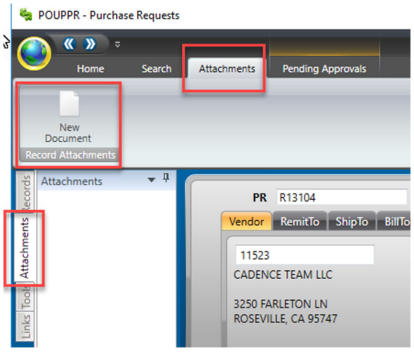


18. If there are multiple approvers you can click on refresh to see who next in line to approve the PR.

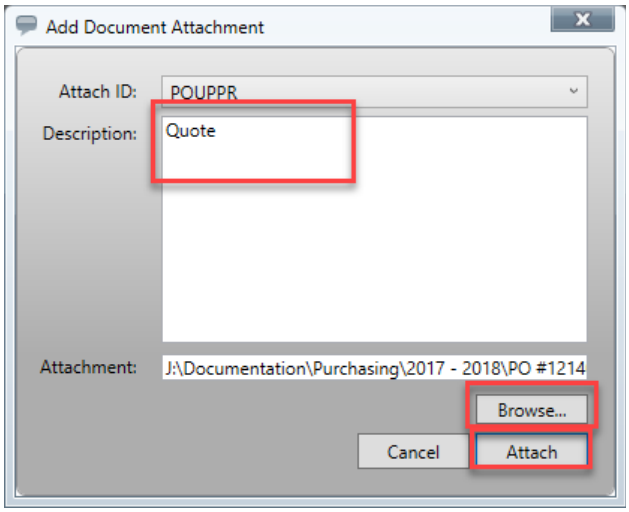


Adding Attachments to the PR

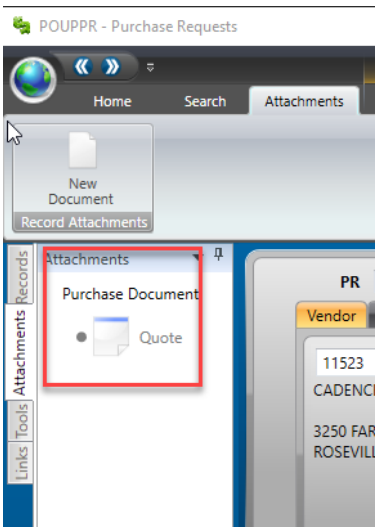
1. Click on the "Attachments" tab on the top will allow you add new documents. The "Attachment" tab on the left will show you the current documents attached to the PR.



2. Click on "New Document". A second window will popup. You will need to add a description and then browse to the location where your attachment is saved. Then click on "Attach."

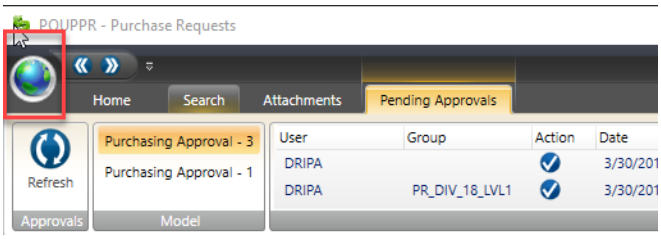


3. You will see the document listed on the left side. If the wrong document was attached; just hover you mouse of the attached document and send IT the document ID and request that document to be removed.

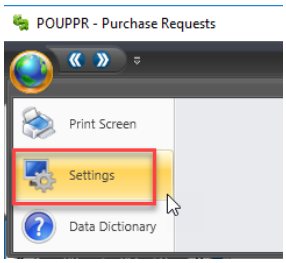


Activating the "Pending Approval" tab and "Attachments" Tab

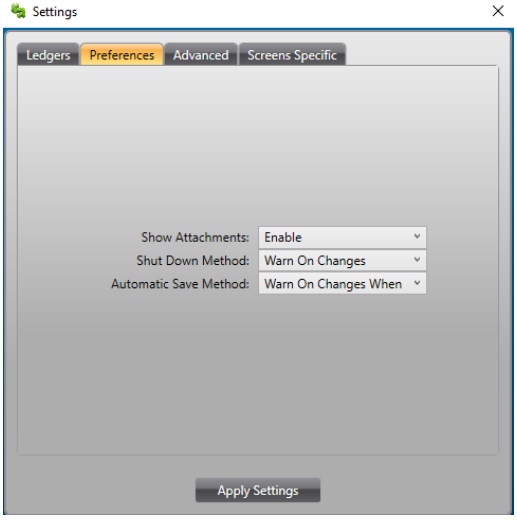
1. Click on the Globe



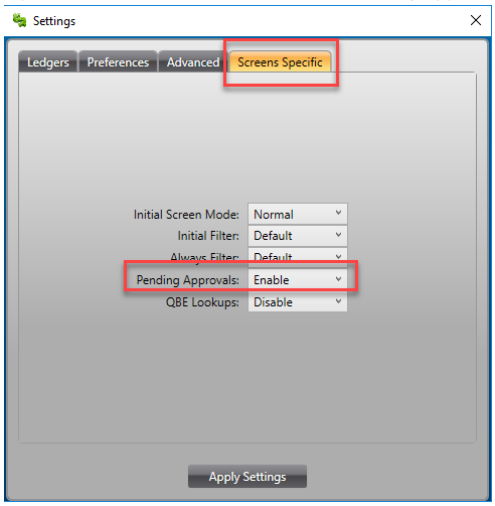
2. Click on “Settings”



3. Click on “Preferences” tab and select “Enable for “Show Attachments”. Then click on “Apply Settings”



4. Click on “Screens Specific” tab and select “Enable” for “Pending Approvals”



Purchase Order Rules

1. All quotes, sole source form, state contracts, etc.... and the approved PO must be attached to the PR.

FINANCIAL MANAGEMENT PROCUREMENT POLICY

These guidelines establish the basic policies and procedures for the procurement of goods and services in accordance with City Ordinance Adopted and Approved by the City Council September 12, 2023. Procedures are drafted by the Finance Dept. in coordination with the City Attorney and City Manager's office. All City employees responsible for the procurement of goods and services while conducting City business are responsible for knowing and following this policy.

Quick Guide to Purchasing

Dollar limit	For Materials, Supplies, Equipment & Services	Forms Required	Approval Authority
$0 $9,999	Discretionary purchases: no competitive bid required. Purchase using Cal Card, or vendor invoice- signed, with account number. **ALL services performed by an outside vendor at a city-owned property require a Purchase Order or PSA.**	Signed invoice or e-mail approval with acct. number PO for service	Supervisor/ Designated Purchaser
$10,000 – $29,999	Requires 3 informal quotes, cooperative contract, or Sole Source Justification form. Purchase using approved vendor invoice, or PO with budgeted account number. ***ALL services performed by an outside vendor require a Purchase Order or Professional Services Agreement.**	3-Quotes or Sole Source form, Co-op contract#, PO, or invoice w/ acct#	Department Head
$30,000 – $59,999	Requires 3 informal quotes, co-op contract, or Sole Source Justification form. Provide budgeted account number and proper signing authority. ***ALL services and purchases of goods at this threshold require a PO and/or written contract approved by Dept. Head & City Manager.**	All above + PO, PSA/ or Purchase Agreement	Department Head and City Manager
$60,000 +	Requires Formal Bid process with City Council approval. **All services and purchases of goods require a written contract approved by the City Attorney's office as well as City Council approval.**	All above + - RFP or BID -Staff report	City Council Award- invoices signed by DH, CM

NOTE: ALL construction, reconstruction, alteration, renovation, improvement, demolition, painting, re-painting and repair work involving **ANY publicly owned, leased, or operated facility** is considered a **Public Project** and is subject to the City's Public Works Code and the Uniform Public Construction Cost Accounting Act." (City Code SLTCC § 3.45, Article II). **Contact the Public Works Department (ext. 6034) for further direction prior to engaging in any of these activities.**

Table of Contents

This Policy is organized into the following five sections:

1. General Standards 4

1.1 Code of Ethics 4

1.2 Conflict of Interest 5

1.3 Public Projects (CUPCCA) 5-6

1.4 On-Site Services 7

1.5 Splitting Purchases 7

1.6 Sole Source Purchasing 7

1.7 Environmentally Preferable Products 8

1.8 SB 1383 Recovered Organic Waste Products 8

1.9 Cooperative Purchasing 9

1.10 Business License Requirement 9

1.11 Budget Appropriation 9

1.12 Disposition of Surplus 10

2. Discretionary Purchases (less than $10,000) **10-11**

2.1 Signature Authority 10

2.2 Purchase utilizing Federal Funds/Other Revenue 11

2.3 Discretionary Process 11

3. Informal Solicitations ($10,000 - $59,999) **11-12**

3.1 Signature Authority 11

3.2 Equipment and Capital Expenditures 12

3.3 Informal Bid and Proposal Process 13

3.4 Purchase Orders 14

3.5 Purchase Agreement 14

3.6 Professional Service Agreement 14

4. Formal Solicitations ($60,000 and above) **14-15**

4.1 Signature Authority 15
4.2 Formal Bidding Process 15
Public Projects 15
Requests for Proposals (services or consultants) 15
Requests for Qualifications (pre-qualification for consultants) 15
Invitation to Bid (goods, materials equipment) 15
4.3 Local Business Preference 16
4.4 Bidders Security 16
4.5 Bid and RFP/RFQ Evaluations 16-17
Rejections / Tie Bids 17
Less than three Bids/ No Bids Received 18
Waiver of Irregularities and Rejection of Bids 18
4.6 City Council Staff Recommendations 18-19
Staff Report / Resolution 19
4.7 Bid Protests 19
4.8 Maintaining Documentation 20
5. Forms and Templates 21-94
Exhibit A- Payment Request Form 22
Exhibit B – Sole Source Justification 24
Exhibit C – Request for Quotes 26
Exhibit D – Contract/Agreement Routing Form 28
Exhibit E – Bid Evaluation Forms and Scoresheet 30-33
Exhibit F – Standard RFP/RFQ Required Template 34-42
Exhibit G – Standard PSA (Professional Services Agreement) 44-60
Exhibit H – Standard Invitation to Bid 61-70
Exhibit I – Standard Purchasing Agreement (contract for goods) 71-80
Exhibit J – Bid Rejection Letter 82
Exhibit K – Bid Acceptance Letter 84
Exhibit L – Instructions to Create a PO 85-94

1. GENERAL STANDARDS:

The City's Purchasing Ordinance (SLTCC § 3.45) and Procurement Policy are in place as guideline to ensure materials and services are purchased in a legal and cost-effective manner. The purchasing functions are decentralized, with each Department/Division responsible for procuring their own goods, services, and contracts, and maintaining compliance with City policies and procedures. Employees and City Officials are responsible for exercising good judgment in requesting, approving, and procuring goods, services, and contracts on behalf of the City of South Lake Tahoe to provide prudent stewardship of public funds and City resources.

Adoption and Implementation: The City Council is responsible for adopting the City's Purchasing Ordinance and Procurement Policy and approving significant policy revisions. The City Manager, or his/her designee, is responsible for developing administrative procedures to implement this policy. In this role, the City Manager is authorized to make minor administrative changes in the guidelines without significant policy impacts.

Public Records Requirement: All documents related to City procurement are public records and may be subject to disclosure under the California Public Records Act (Government Code §6250-6270).

1.1 CODE OF ETHICS

Public employees and officials shall act in good faith to perform their duties ensuring fair and equitable treatment of all persons dealing with government procurement; to foster public confidence in the integrity of the procurement process; and to ensure the appropriate application of purchasing ethics. When engaging in procurement, any person employed by the City of South Lake Tahoe, or vendors and third parties doing business with the City of South Lake Tahoe, shall be bound by this code of ethics, including but not limited to the following:

1. Avoid the intent and appearance of unethical behavior or fraudulent practices;
2. Diligently follow the procurement laws, rules, and procedures;
3. Refrain from any activity that would create a conflict between personal interests and the interests of the City;
4. Identify and eliminate any conflicts of interest;
5. Avoid soliciting or accepting money, loans, credits, discounts, favors, gifts, or services from present or potential suppliers which may influence or appear to influence purchasing decisions;
6. Ensure that all persons are afforded equal opportunity to compete in a fair and open environment, and;
7. Encourage any person, including any actual or prospective bidder, offeror, contractor, or business to act in good faith to practice purchasing ethics, and display business integrity as a responsible offeror.

1.2 Conflict of Interest

Any officer or employee of the City acting or appearing to act on behalf of someone other than the City; or in carrying out duties has or appears to have a self-interest from which a personal profit or gain is realized or that is actually or potentially adverse to the best interests of the City is displaying a "conflict of interest".

No officer or employee of the City shall have any interest, financial or otherwise, direct, or indirect, or have any arrangement that may reasonably be expected to bias the procurement process or influence the bidding and purchasing of goods, services, or public projects. Officials and employees of the City shall avoid any action that might result in, or create the appearance of:

- Using his or her official position for private gain
- Giving preferential treatment to any person or organization
- Losing complete independence or impartiality
- Making an official decision outside official channels
- Adversely affecting public confidence in the City and the procurement process
- Or any other Conflict of Interest, real or perceived

The City of South Lake Tahoe reserves the right to deny approval, purchase, payment, or reimbursement of expenses that are considered fraudulent, lavish, extravagant, or are unsupported by* required *documentation.

1.3 PUBLIC PROJECTS

ALL construction, reconstruction, alteration, renovation, improvement, demolition, painting, re-painting, and repair work involving **ANY** publicly owned, leased, or operated facility is considered a **Public Project** and is subject to the City's Public Works Code and the Uniform Public Construction Cost Accounting Act." **(CUPCCAA)** (City Code SLTCC § 3.45, Article II)

Prequalification: The City may require each prospective bidder for a contract to submit a standardized questionnaire and financial statement in the form specified by the director of public works. The City may establish a process for prequalifying prospective bidders on a quarterly basis, and a prequalification pursuant to this process shall be valid for one calendar year following the date of initial prequalification. The director of public works is authorized to establish such a quarterly prequalification process. Refer to City Code for bidder appeal process. (City Code SLTCC § 3.45.105)

Director of public works authority for Public Projects: Public project contracts of **$60,000** or less may be executed by the director of public works or his or her designee by force account, negotiated contract, or purchase order. This limit shall be automatically adjusted from time to time to reflect changes in the limits established by the state of California. This includes contract change orders combined up to this amount. Vendors chosen in this manner must be on the prequalification list.

Informal bidding for Public Projects: Monetary Limit. Public contracts of **$200,000** or less may be executed by the director of public works or his or her designee as well as let to contract by informal procedures as set forth in this section. Contract change orders up to this amount may be approved by the director of public works, so long as the combined amounts are within the approved project budget. This limit shall be automatically adjusted from time to time to reflect changes in the limits established by the state of California.

1. Contractors List: The city shall maintain a contractors list and contractors shall be selected to perform public projects in accordance with the provisions of Public Contract Code Section 22034.
2. Notice Inviting Informal Bids: Not less than 10 calendar days before bids are due, the city will mail notices inviting informal bids to all contractors on the contractors list and/or all trade journals specified in Public Contract Code Section 22034(b).

Formal Competitive Bidding: Public projects of **greater than $200,000** shall be bid in accordance with the procedures set forth in Public Contract Code Section 22037 et seq. (Ord. 1069 § 1 (Exh. A); Ord. 1109 § 1 (Exh. A). Code 1997 § 22-22)

Lowest Responsible Bidder: Contracts for public projects shall be awarded to the lowest responsible bidder. If two or more bids are the same and the lowest, the city may accept the one it chooses. In determining the lowest responsible bidder, the following factors may be considered in addition to price:

1. The ability, capacity and skill of the bidder to perform the contract or provide the service required;
2. The character, integrity, reputation, judgment, experience, efficiency and performance demonstrated in previous contracts or services for the city;
3. The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the services;
4. The ability of the bidder to provide future maintenance for service for the public project. (Ord. 1171 § 1; Ord. 1165 § 1; Ord. 1069 § 1 (Exh. A); Ord. 1109 § 1 (Exh. A). Code 1997 § 22-25)

Design-Build Contracts: The purpose of this section is to authorize and provide guidelines for the award and use of "design-build contracts," which means a public project procurement method in which both the design and construction of the project are procured from a single entity, in accordance with Public Contract Code Section 22160 et seq. This section shall be effective until January 1, 2025, unless the authorizing statute is extended, in which case this section shall be effective so long as Public Contract Code Section 22160 et seq. is in effect.

1. Design-build procurement may be used for public projects in excess of $1,000,000 consisting of the construction of a building or buildings and improvements directly related thereto and park and recreational facilities, and may not be used for construction of other infrastructure including, but not limited to, streets and highways;
2. Any architectural firm, engineering firm, specialty consultant, or individual retained by the city to assist in the development of plans, designs, performance standards, or the request

for proposals shall not be eligible to submit a proposal as a design-build entity or join a design-build team.

3. Refer to City Code SLTCC § 3.45.165 Design-build contracts for additional guidelines when utilizing this method for procurement.

Contact the Public Works Department (ext. 6034) for further direction prior to engaging in any activity considered to be a Public Project per definition above.

1.4 ON-SITE SERVICES

On-Site Service: any repair service, maintenance, professional service, or service of any kind conducted on the property of any city-owned facility or property is subject to the following:

1. Regardless of dollar amount, a Purchase Order (PO), Professional Service Agreement (PSA), or Written Contract must be used for ALL On-Site Services.
2. Cal-Cards are prohibited as a payment for On-Site Services.

1.5 SPLITTING PURCHASES

***Splitting Purchases Prohibited*:** Pursuant to SLTCC § 3.45.050, it is unlawful to split or separate any public project into smaller work orders or projects for the purpose of circumventing or evading these requirements.

Bifurcation of Purchases: No acquisition of materials, supplies, equipment or services from a single vendor, provider, or contractor shall be accomplished by the issuance of several purchase orders or contracts for portions thereof.

1.6 SOLE SOURCE PURCHASING

Pursuant to SLTCC § 3.45.060; where an acquisition would otherwise be subject to competitive bidding, the procurement of materials, supplies, equipment, or services from a Sole Source may be permitted only when submitting an approved Sole Source Justification Form (Exhibit B) and one of the following conditions exists:

1. **Proprietary**: The item is available only from a single source; the item is held under exclusive title, trademark, or copyright by a private person or company; a proprietary distributorship would also apply.
2. **Emergency Purchase**: Non-public projects requiring public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation, per SLTCC § 3.45.070. Whereas the procedures set forth in this policy would result in hazardous delays, loss to the City, or damage to life, health, safety of citizens, the City Manager may approve the non-competitive purchase of materials, supplies, equipment, or services. For Public Projects, refer City Code § 3.45.180, and Public Contract Code Section 22050.

3. **Sole Source**: After solicitation of several sources, competition is determined inadequate or no other items are known to exist which perform the same function.
4. **Federal Awards**: when purchasing goods or services with Federal Funds where the Federal awarding agency expressly authorizes noncompetitive proposals in response to a written request from the City. (Attach authorization to this form)
5. **Standardization**: The City requires the item(s) to standardize parts, design, quality, etc. *(When using Federal Funds, you must have written authorization from the Federal Awarding agency if claiming sole source for Standardization purposes).*

1.7 ENVIRONMENTALLY PREFERABLE PRODUCTS

Pursuant to SLTCC § 3.45.080; the city desires to purchase environmentally preferable products that minimize environmental impacts, reduce waste by increasing product efficiency, contain recycled content, and contain U.S. Environmental Protection Agency Energy Star-certified materials whenever economically feasible.

1.8 **SB 1383 RECOVERED ORGANIC WASTE PRODUCTS**

Beginning January 1, 2022, SB 1383 requires cities and counties to procure annually a quantity of recovered organic waste products. These procurement requirements will strengthen California's green, self-sustaining economy. Recovered organic waste products can benefit local communities and spaces, improve soil and air quality, and support local environmental initiatives, such as the City's Climate Action Plan.

CalRecycle will assign an annual procurement target to each jurisdiction based on its population. Jurisdictions can fulfill their target by procuring any combination of the following recovered organic waste products where applicable:

- Compost
- Mulch
- Renewable Energy (Transportation Fuel, Heat, and Electricity)

The City's Sustainability Coordinator will be responsible for collecting and maintaining the documents needed to support and demonstrate compliance with the SB 1383 regulatory target for recovered organic waste product procurement and the SB 1383 recycled-content paper regulatory requirements.

Pursuant to SB1383 and SLTCC §3.45.080, Departments should use best efforts in procuring and using "recycled organic products" to help the city meet its procurement target by:

1. Coordinating with the Sustainability Coordinator to identify applicable products.
2. Recognize areas in your department that could utilize these products.
3. Provide invoice copies to Sustainability Coordinator for tracking and reporting.

1.9 COOPERATIVE PURCHASING

Where another governmental agency performs a solicitation and/or bid process for the City and/or multiple agencies or jurisdictions, and where the purchase of materials, supplies and equipment is based upon an agreement or cooperative purchasing program pursuant to authority granted by statue or ordinance, pursuant to contractual arrangement between the city and said governmental agency, or pursuant to a determination by the City Manager that the governmental agency conducted a competitive bidding process, the City may purchase materials, supplies, and complying with the bidding requirements of this policy (ex: CMAS, NASPO, GMAS, SOURCEWELL) (SLTCC § 3.45.090). Cooperative Purchasing is not applicable to Public Projects.

1.8 BUSINESS LICENSE REQUIREMENT

The City shall not render payment to any vendor, contractor, or professional service provider where such vendor or provider does not possess a valid South Lake Tahoe business and professions tax certificate (SLTCC § 3.45.095). Contact the Revenue Dept. to inquire about a valid business license (ext. 6012 or ext. 6013).

1. It is the Departments responsibility to ensure the vendor, contractor, service provider, consultant, has a required Business License and appropriate requisite insurance (where applicable).
2. The license and insurance requisites must be obtained prior to purchase or work commencing.

1.9 BUDGET APPROPRIATION

Federal, State, and Local Governments are legally required to operate within an approved Municipal Budget. ***Article 1, Section 9, of the U.S. Constitution states, "No money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law".***

1. Government Fund Accounting is required by California Law meaning each stream of revenue and associated expenses must be accounted for and tracked within a specific governmental fund.
2. Appropriated budget **MUST** be available and verified prior to **ANY** purchase, contract, or professional service agreement rendered.
3. If budget is not identified, or funding has not been approved and appropriated into the current fiscal year budget, **STOP**. Do not proceed with the purchase or contract until City Council or the City Manager has appropriated budget in accordance with the following delegation of authority:

Transferring/ Adding Budget	Authorization
Transfers between budgeted line items within the same account number:	**Department Head-** via email to the Administrative Services Director
Transfers between account numbers within the same fund:	**City Manager-** via email from Dept. Head. CM will authorize adjustment via email to Admin. Services Director.
Transfers between funds: (including transfers from undesignated reserves)	**City Council-** via staff report and resolution with explanation for transfer
Adding new Budget (grants, new revenue, unforeseen expenses etc..)	**City Council** – via staff report and resolution with explanation and request to appropriate funding.

1.10 DISPOSITION OF SURPLUS

Surplus property: Goods, materials, vehicles, equipment etc. retained by a government, but not currently being utilized. These items may be out of date, useless, or no longer working.

Surplus property shall be identified by the department; officially declared to the City Council for approval; eliminated from the fixed asset accountability list and; sold at auction or to any organization or non-employee willing to pay fair market price. Alternatively, the City Council may elect to donate or destroy the same in accordance with whatever provision and/or terms and conditions at City Council discretion.

In the event any single item of property's original value is less than $10,000, the Finance Director shall have the authority to sell, or dispose of such surplus supplies or equipment by donation to local schools or nonprofit organizations, or if surplus has no value, by disposal at a refuse company.

Proceeds from sale of surplus property will be allocated to the City's General fund or Vehicle Replacement fund unless the property was originally purchased under contractual obligations with monies from a specific fund, in which case, the proceeds will be returned to that fund.

2. DISCRETIONARY PURCHASES: $0 - $9,999.00

Items and services less than $10,000 can be purchased directly by a City department without a competitive bid process, this threshold must include tax, shipping, and handling. Purchasers should use best efforts and judgment to provide greatest value to the city.

2.1 SIGNING AUTHORITY

Discretionary Purchases require the approval signature of the Department Supervisor or the designated "Purchaser" for the department. Accounts Payable requires a valid invoice, appropriate account number, printed name, department, and authorized signature to complete a payment. An e-mail approval to pay invoice with account number is acceptable.

2.2 FEDERAL/OTHER REVENUE FUNDS

Purchases utilizing Federal Funds, Grant Funds or other Revenue Sources as the funding source require procurement compliance with this policy as well as the procurement standards set forth in the contract funding the purchase. Specifically, for Federal grant funding, Federal pass-through funding, or any other Federal revenue source, follow General Procurement Standards in the *Code of Federal Regulations (CFR); Title 2: Grants and Agreements section §200.318 through §200.326 (Micro purchase threshold §200.67)*. In determining purchasing bid thresholds while maintaining compliance with multiple policies; utilize the most stringent requirements to ensure meeting all standards and regulations.

2.3 DISCRETIONARY PROCESS

Following are preferred purchasing methods for purchases less than $10,000:

1. ***Cal-Card procurement card:*** purchase of non-service goods at this level. (refer to Cal Card Policy for further guidelines)
2. ***Direct vendor invoice***: include account number, "ok to pay", printed name, department and authorized signature on the invoice or attach Payment Request Form (Exhibit A) to the invoice.
3. ***Purchase Orders:*** when required by the Vendor, or for on-site service, refer to instructions in Exhibit L.

3. INFORMAL SOLICITATIONS: $10,000 - $59,999

Purchases and services between $10,000 and $59,999 are subject to **informal** bidding and proposal processes. In calculating the total amount, include tax, shipping, and handling as well as total lease or contract cost over the life of the contract or lease.

3.1 SIGNING AUTHORITY

$10,000 - $29,999: The Department Head may approve contracts and expenditures up to $29,999.99 and must sign all corresponding invoices, POs, and/or Requests for Payment, or provide authorized e-mail approval to Accounts Payable.

$30,000 - $59,999: Upon approval by Dept. Head, the City Manager must also approve and sign all Contracts, Purchasing Agreements, and/or POs between $30,000 and $59,999, as well as approve all invoices in this threshold. Authorized e-mail by DH and CM for approval is accepted for invoices.

3.2 EQUIPMENT AND CAPITAL EXPENDITURES

Capital Expenditure: funds used to acquire or upgrade the City's fixed assets, such as property, plant, equipment, facilities, and infrastructure.

Capital (fixed) Asset: any asset used in operations with an estimated useful life in excess of three years and generally has value over a longer period (ex. computer equipment, machinery, vehicles etc.).

1. When capital assets are acquired or deeded to the City, copies of related documents shall be routed to the Finance Department in a timely manner to ensure these assets are recorded in the City's financial records.
2. Fixed assets will be subject to inventory control if they meet at least one (1) of the following criteria:
    - The original cost of the fixed asset is equal to or greater than **$10,000** if classified as equipment, $50,000 if classified as buildings or land, or $200,000 if classified as infrastructure.
    - Any asset less than the capitalization threshold as recommended by the Finance Director or requested by a department to be controlled to satisfy an internal or external requirement.
    - Any asset required to be controlled and separately reported pursuant to grant conditions or other externally imposed reporting requirement.

Capital Expenditures utilizing <u>Federal Funds</u>: must follow Code of Federal Regulations CFR §200.313 and §200.439. These guidelines can be found at the link below: https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl.

1. Federal capital expenditures are allowable as direct costs, provided items with a unit cost of **$5,000** or more have the prior written approval of the Federal awarding agency or pass-through entity.
2. Notify A/P through e-mail or notation on invoice when purchasing equipment with Federal Funds costing $5,000 or more. A/P will provide an inventory tag to track the item as noted below.
3. Property records must be maintained that include a description of the property, a serial number or other identification number, **the source of funding for the property** (including the Federal Award Identification Number), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
4. A physical inventory of the property must be taken, and the results reconciled with the property records at least once every two years.

3.3 INFORMAL BID AND PROPOSAL PROCESS

The following processes are to be followed by the ***Department Head or his/her Designee.***

1. Obtain at least three quotes from vendors, individuals, companies and/or business entities, documenting **in writing** each quote received (optional to use Request for Quotes Form (Exhibit C)), or provide copies of written proposals/quotes received.
2. *Optional* - to reach a broad spectrum of qualified vendors, Planet Bids may be used to circulate a Request For Proposal (RFP), Request For Qualification (RFQ), or Invitation to Bid (BID).
3. If after due diligence, three quotes **cannot** be obtained, complete a Sole Source Request Form approved by the Department Head, City Manager, City Attorney and Finance Director (Exhibit B). One of the requirements in this form must be met to utilize a Sole Source procurement option.
4. Department selects lowest responsible quote (i.e., Department selects quote which is responsive to the needs of the department and is the lowest in price).
5. For Professional Services, the department selects the vendor whose qualifications meet the highest evaluation ranking as the most responsible bidder.
6. **$10,000 - $29,999**: Professional Service Agreement (PSA), Purchase Order (PO), or direct invoice may be used, signed by Dept. Head.
7. **$30,000 - $59,999**: Purchase Agreement (PA), PSA, or PO must be used; reviewed by Finance and City Attorney, signed by City Manager
    - Department Head or designee (DH) prepares the contract **using the appropriate template** (see Exhibits F through I); negotiates and agrees upon terms, scope, and cost with chosen vendor/supplier and;
    - Electronically submits document along with Contract Routing Form (Exhibit D) to the City Clerk's Department with the email address of the authorized Vendor/Supplier signatory. The City Clerk's Department will then route the contract in **Adobe sign** in the following manner:
    - Department Head for approval, Finance Director for budget review, City Attorney's Office for review and/or approval, City Manager for approval and back to City Clerk to attest (where applicable) for records retention, and onto the Vendor/Supplier for their signature (do not obtain any signatures in advance of the Contract being routed). City Clerk sends executed copy back to the Department and mails/emails copy to the vendor.
8. Department sends the following documents to Accounts Payable for payment:
    - Signed invoice and/or PO, Request for Payment with Contract/Agreement
    - Business License #
    - Three Original Quotes

- Approved Sole source Request Form (if used)
- Proof of Insurance (when required)
- Gov't. cooperative contract information (if used)

3.4 PURCHASE ORDERS

Purchase Orders **must** be used when requesting an **on-site service** of any kind on City property. This protects the City while outside vendors are doing business on/in City-owned property. Purchase Orders can be used when:

1. A vendor does not accept Cal-Cards for discretionary purchases
2. A vendor will not invoice the city without a PO
3. For any type of purchase up to $59,999
4. Clearly note the PO# on the approved invoice and send to Accounts Payable
5. Refer to Exhibit L for instructions in creating a PO

3.5 PURCHASE AGREEMENT

Purchase Agreements (PA) can be used as written contracts when purchasing goods, materials, equipment, and/or products. This type of agreement can NOT be used when procuring consultants for professional services or on-site service on City property. Purchase Agreements can be used when:

1. Purchases over $30,000 or when a written contract is necessary for such goods, materials, products, etc.
2. A vendor requires a written contract other than a PO
3. Submit copy of agreement with approved invoice to Accounts Payable for payment
4. Refer to Exhibit I for template (this template is mandatory when issuing a PA)

3.6 PROFESSIONAL SERVICES AGREEMENT

A Professional Service Agreement (PSA) is a legal contract which is drafted to provide service on a professional level to the City. These services are typically unique in nature, highly technical or require specific qualifications. PSA's can be used when:

1. A professional consultant is necessary to perform a specific set of tasks
2. Should generally be in effect for a specific period, noted in the agreement
3. Should include a "not to exceed" dollar limit
4. Submit a copy of PSA with first approved invoice to Accounts Payable for payment
5. Refer to Exhibit G for template (this template is mandatory when issuing a PSA)

4. FORMAL SOLICITATIONS: $60,000.00 and ABOVE

Purchases and services over $60,000 are subject to formal competitive bidding. Total cost should include tax, shipping, and handling; as well as total lease or contract cost over the life of the

contract or lease. The process for obtaining goods and services over this dollar limit is set forth below.

4.1 SIGNING AUTHORITY

All purchases of goods and services **over $60,000** must have **City Council approval** and must be signed by the Mayor or have Mayor's authorization for City Manager as designee for signature.

4.2 FORMAL BIDDING PROCESS

The following processes are to be followed by the Department Head (DH) or his/her Designee. This may include any employee who is the designated purchaser of a good or service or is the project manager for a project.

1. **Public Projects** (i.e., CIP, Public Works) follow Public Contracts and Uniform Public Construction Cost Account Act (CUPCCA) per City Code SLTCC § 3.45, Article II.
2. Verify funding availability. Identify available funding in your current department budget. If there is no funding identified, prepare to request budget transfer or appropriate new funding source through City Council action. (see section 1.9)
3. Depending on the type of service and/or good sought, DH prepares and circulates a Request for Proposals (RFP), or Invitation to Bid (BID) utilizing **Planetbid.com** or circulated via similar means.
4. **Request for Proposals (RFP):** used for soliciting professional services, consultants, lease contracts, complex non-public projects.
    - RFPs are subject to three proposals but are **not** subject to competitive sealed bidding procedures
    - Must use mandatory RFP template (Exhibit F)
    - DH selects Proposal Evaluation Committee and drafts Evaluation Scorecard. Committee reviews Proposals and scores per criteria detailed in RFP.
5. **Request for Qualification (RFQ):** used as the pre-qualification stage of the procurement process. Only those proponents who successfully respond to the RFQ and meet the qualification criteria will be included in the subsequent RFP solicitation process.
    - Used when there is potential for significant interest in a contract opportunity. This can make the process more efficient as the field can be narrowed down prior to the RFP process.
    - Can be used to create a pre-qualified list for a future opportunity
    - Can be used as the sole selection process for straightforward projects/services that require a specialized skill set or where the task is very specific and contract negotiations can proceed with the most qualified vendor.
6. **Invitations to Bid (BID):** used when the City is seeking a specific good, material, equipment, tangible object.

- BIDs are subject to competitive sealed bidding procedures
- Must use mandatory BID template (Exhibit H)
- DH selects BID Evaluation Committee and drafts BID Evaluation Scorecard per details outlined in the BID.
- DH opens bids at the date, time, and location specified in the invitation. The public may attend. Bids shall be open for public inspection at the office of the DH during regular business hours for a period of 30 days after the bid opening.
- Clarifications or changes to a BID must be transmitted to all participating bidders by an "Addendum". A solicitation may be modified prior to BID response due date.

4.3 LOCAL BUSINESS PREFERENCE

The City shall apply a five percent (5%) discount to all Local Businesses which submit bids for materials, supplies, equipment, and services for non-public projects. The City shall evaluate the Local Businesses' bids as though the bid had been submitted at a cost of 5% lower than the cost submitted (SLTCC § 3.45.020(F)). Local Business shall mean a business which maintains its principal place of business in a fixed office within the City of South Lake Tahoe and possesses a current South Lake Tahoe business license. (SLTCC § 3.45.095)

4.4 BIDDER'S SECURITY

When deemed necessary, bidder's security may be prescribed in invitations to bid, RFPs, and RFQs. Bidders shall be entitled to return of bid security; provided however, that a successful bidder shall forfeit his or her bid security upon his or her refusal or failure to execute that contract within ten days after receipt of contract (SLTCC § 3.45.020).

4.5 BID AND RFP/RFQ EVALUATIONS

BID or RFP Evaluation committee means the body appointed by the DH to review and evaluate proposals submitted in response to the Request for Proposal or Invitation to Bid. The functions of the Committee are as follows:

1. Determine and apply evaluation criteria per Evaluation Forms and Scoresheet
2. Evaluate proposals individually and/or discuss as a committee
3. Rank based on highest score to lowest and/or develop a shortlist
4. Interview/ obtain clarifications
5. Recommend Award

Evaluation Committee shall be comprised of at least three (3) individuals, including:

- At least one employee from the same department as the Department Head

- An employee with knowledge of the subject matter of the service or good, or end user of the service or good
- An employee of the Finance Department
- May also include outside individuals who bring expertise to the process

- ***Evaluation Committee*** **should meet prior to evaluation to review RFP or BID criteria to ensure knowledge of the proposal and to vet questions, concerns, or issues. All members of the committee should have clear understanding of the requirements and the Evaluation Forms prior to review of RFP/BID.**

Evaluation Form- Bids and Proposals shall be evaluated based on an Evaluation Form which sets forth the total possible points for each category reviewed (see mandatory template Exhibit E)

- Evaluators shall each complete their evaluation forms in confidence, however evaluators can discuss requirements of the RFP or BID in relation to the Evaluation Forms.
- Evaluators shall give a point score and Comments for each evaluation category.
- Evaluators may ask questions or request clarification from the Department but should not disclose scores until all reviews are complete and total points tallied.
- The Committee may meet to discuss criteria and results.
- The Committee may request vendor interviews, depending on the outcome or type of solicitation.
- The Evaluation Committee provides the Evaluation Forms and Scoresheet to the Department Head for final determination.

Rejection, Tie Bids, and Rejection of All Bids: A bid or proposal may be rejected by the Evaluation Committee where it is found that the bid or proposal is "non-responsive." Where Evaluation Committee chooses to reject one or all bids, Committee shall confer with the City Attorney on the rejection.

1. Any of the following conditions may render a Bid "**non-responsive**"
    - The bid or proposal does not strictly conform to the required specifications as set forth in the RFP or Invitation to Bid (the City may waive immaterial, minor irregularities in bids).
    - The bidder or proposer has demonstrated that they are unable to satisfactorily meet the responsibilities required of the contract.
    - The bidder's or proposer's products or services have been demonstrated, through documented past performance in the industry or through prior use by the City, to be incapable of satisfactorily meeting the accepted demands required of the product or service.

2. **Tie Bid-** If two or more bids are for the same total amount or unit price and if the responsibility and final score (from the Evaluation Scorecards) are equal, the Department Head or City Council may award to whichever bidder or proposer it so chooses.

Less Than Three BID Responses: Solicitations advertised on the city's Planet Bids portal is considered "competitive solicitation", therefore:

1. If at least **two responsible bidders** respond, the evaluation may proceed as noted in Evaluation section above.
2. If the result is only **one bid response**, and the sole bid is responsive (meets all specifications and requirements), the contract may be awarded subject to the award threshold and Signing Authority of this policy. Documentation of the effort and result of the BID should be noted with the procurement documents.

No Responsive BIDS Received from Responsible Bidders: When competition results in no responsive bids from responsible bidders, the DH has two options:

1. The Solicitation may be cancelled and re-bid, modifying any possible restrictive requirements. Shorter response time can be used if a timeline is a concern.
2. If, in the opinion of the DH, a second solicitation would not result in a different outcome, the DH may cancel the solicitation and proceed with Sole Source documentation, subject to approval by City Council. DH may reach out to bidders using the same specifications as original solicitation. The chosen bidder must be deemed responsible and compliant/responsive to the original specifications.

Waiver of irregularities and rejection of bids: At its discretion, the city may waive any irregularity in any bid received and award the contract, may reject all bids presented and may readvertise the project, or the city may abandon the project. (Ord. 1171 § 1; Ord. 1165 § 1; Ord. 1069 § 1 (Exh. A); Ord. 1109 § 1 (Exh. A). Code 1997 § 22-24)

4.6 CITY COUNCIL STAFF RECOMMENDATIONS

Staff Recommendations for Formal bids and proposals shall be drafted and presented by the Department Head or his/her designee to City Council. Prior to writing the staff report the DH should:

1. Contact losing bidders and informs them that City has selected another bidder (see template Exhibit F)
2. Contacts winning bidder and negotiates terms of contract along with assistance of City Attorney. (see template Exhibit G)
3. Ensures the winning bidder has obtained a City Business License and has the requisite insurance. The License must be obtained *before* any work commences.

4. Places staff recommendation for award of contract on next available City Council Agenda.

Staff Report and/or Resolution must include the following elements:

1. A description and background of the project/product for which the RFP or Invitation to Bid was circulated.
2. A brief summary of how the bids were circulated and brief description of the bids or proposals received.
3. If using a Cooperative Agreement- provide the name of the Gov't. Contract, contract number, **and attach a copy of the contract.**
4. A description of the reasons the winning bidder/proposer was selected.
5. The Financial Implication section should include the complete account number and appropriate budget to fund the product, service, or project.
6. The recommended bidder or proposer's original submission shall be attached.
7. The Professional Service Agreement or Purchase Agreement with negotiated terms approved by the City Attorney should be attached.

4.7 BID PROTESTS

A non-selected bidder may protest the award of an Invitation to Bid. A non-selected proposer **may not** protest the award of a Request For Proposal or Request for Qualifications.

Bid Protest Procedures: Per SLTCC § 3.45.020(E), a written Bid Protest must be received by the City Clerk no later than seven (7) calendar days after the City's selection of the winning bidder or no later than ten calendar days from the date that the City issues notice of designation of a bidder as non-responsible.

Contents of Bid Protest: The Bid Protest shall state all grounds claimed for the protest and include supporting documentation. Failure to clearly state the grounds for the protest and provide supporting documentation shall be deemed a waiver of all protest rights.

Bid Protests Presented to Council: Where award of the contract is to be made by the City Council, the City Clerk shall place a discussion of the Bid Protest on the next regularly scheduled Council Meeting Agenda and the City Council shall determine whether, based on the Protest, to award the contract to the selected bidder, to reject all bids, or to award the contract to the next responsible bidder. Staff Recommendations addressing a Bid Protest shall contain the following elements:

1. A description of the project for which the Invitation to Bid was circulated.
2. A brief summary of the bids received.
3. A description of the reasons the winning bidder was selected.

4. A description of the reasons the bid is being protested.
5. The winning bidder's original bid shall be attached.
6. The protesting bidder's original bid shall be attached.
7. All Bid Evaluation Scorecards shall be attached.
8. The Bid Protest shall be attached.

4.8 MAINTAINING DOCUMENTATION

Procurement must be clearly documented throughout each step of the process and documents maintained and filed for audit purposes. The City's annual audit process includes conducting procurement reviews to determine procedures are correctly implemented.

The following documentation should be maintained by the **Department** for a period of **3** years from the date of submission of the final expenditure per Resolution No. 2018-102 City Records Management and Retention Policy and Code of Federal Regulations CFR Chapter II 200 §200.33:

1. All communication documentation with vendors, purveyors, suppliers, etc.
2. Documents related to preparation of the procurement documents; dialogue, or negotiation
3. Original RFP or Invitation to Bid
4. All Bids/Proposals received
5. All Evaluation Scorecards, notes, documentation
6. Copies of Staff Recommendation, staff report, resolution
7. Copies of Contract/Agreement
8. Proof of Insurance (if applicable)
9. Labor Compliance Documentation (if applicable)
10. Sole Source forms (if applicable)
11. Cooperative Govt. Contract documents (if applicable)

The following documentation should be sent to the **Finance Department** (Accounts Payable) **along with the first payable invoice**:

1. Signed invoice and/or Request for Payment, or PO
2. Quotation Form noting bid process and outcome or;
3. Copies of 3 bids, proposals, or quotes
4. Budgeted/approved account number
5. Copy of Executed Contract/ Agreement
6. Copy of approved Council Resolution (if applicable)
7. Sole Source Justification Form (if applicable)
8. Cooperative Gov't Contract (if applicable)

EXHIBIT A

PAYMENT REQUEST FORM

PAYMENT REQUEST

Vendor#_____

Date Prepared: _____

Comments/Notes: _____

_____

Pay To: _____
_____
_____
_____

Due Date: _____

ACCOUNT NUMBER	DESCRIPTION	PO NUMBER	INVOICE DATE	INVOICE NUMBER	TOTAL PER ACCOUNT INVOICE

TOTAL PAYMENT: $_____

APPROVED: _____

APPROVED: _____ **Budget Available:** _____

APPROVED: _____ **Reimbursable:** _____

Project/ Funding Source: _____

Project/ Funding Source: _____

EXHIBIT B

SOLE SOURCE JUSTIFICATION REQUEST FORM

SOLE SOURCE JUSTIFICATION REQUEST

SOLE SOURCE VENDOR: _____

ADDRESS: _____PHONE NO._____

ITEM TO BE PURCHASED: _____ COST: $_____

1. Check reasons for sole source request:
_____ **Proprietary**: The item is available only from a single source; the item is held under exclusive title, trademark, or copyright by a private person or company; a proprietary distributorship would also apply.
_____ **Emergency Purchase**: The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation, per City Code SLTCC § 3.45.070

_____ **Sole Source**: After solicitation of several sources, competition is determined inadequate or no other items are known to exist which perform the same function.

_____ **Federal Awards**: when purchasing goods or services with Federal Funds where the Federal awarding agency expressly authorizes noncompetitive proposals in response to a written request from the City. (attach authorization to this form)

_____ **Standardization**: The City requires the item(s) to standardize parts, design, quality, etc.
Explain: _____
Note: when using Federal Funds, you must have written authorization from the Federal Awarding agency if claiming sole source for Standardization purposes.

2. Describe the product or service and how it is unique or one-of-a-kind: _____
_____

3. Explain why the product/service is available from only one source and what avenues you pursued to confirm that this is factual. _____

5. Can your requirements be modified to allow competitive products or services be used?
Explain:_____

REQUESTOR NAME/ DEPARTMENT: _____

DEPARTMENT HEAD SIGNATURE: _____ DATE: _____

FINANACE DEPT. _____ DATE: _____

CITY ATTORNEY SIGNATURE: _____ DATE:_____

CITY MANAGER SIGNATURE: _____ DATE: _____
* Requests over $60,000 requires City Council's approval

.

EXHIBIT C

REQUEST FOR QUOTES FORM

REQUEST FOR QUOTES

QUOTATION INFORMATION

(To be completed by Designated Purchaser for each quote received)

☐ Description of Request for Quotes (describe goods or services sought, including quantity, model number, color, size, delivery date requirements, freight charges, or any other charges: _____

_____

☐ Date Quote Received: _____

☐ Project Manager Name (name of person receiving quote): _____

☐ Company Name (name of company/vendor providing quote): _____

☐ Quoted By (name of company/vendor representative providing quote): _____

☐ Quote Amount: $_____

☐ Promised Delivery Date: _____

☐ Eligible for Local Bidder Preference? (Y/N). If Yes, indicate quote amount, taking into consideration the 5% local bidder's discount): _____

☐ Warranty (describe warranty quoted by vendor): _____

☐ Additional Information (provide additional information including differentiation between good/service requested by City; good/service quoted by company/vendor; and provide any additional pertinent information relevant to the bid: _____

_____

_____

EXHIBIT D

Contract/Agreement Routing Form Template

CONTRACT /AGREEMENTAUTHORIZATION ROUTING FORM

STAFF CONTACT INFORMATION	• NAME: • DEPARTMENT: • PHONE: • DATE OF SUBMITTAL:
CONTRACT/ AGREEMENT INFO.	• NAME: • CONTRACTOR/CONSULTANT: • START: END: OPTION TO RENEW: ☐ • AMOUNT OF CONTRACT: $
BUDGET INFORMATION	ACCOUNT NO.: BUDGET AVAILABLE: FUNDING VERIFIED: GRANT FUNDING? Source_____ Federal? Yes ☐ No ☐
Type of Contract	Professional Services Agreement ☐ License ☐ MOU ☐ Lease ☐ Purchase Order ☐ Purchase Agreement ☐ Construction ☐ Revenue Contract ☐ Operation/Concession Agreement ☐ Deed ☐ Maintenance Agreement ☐ Public Works Contract ☐ Vehicle ☐ Motorized Equipment ☐ IT/Electronic Equipment ☐ Three Bids/Quotes: Yes_____ No_____ If no, explain.

Brief Description:

Does this contract involve the following: construction, reconstruction, alteration, renovation, improvement, demolition, painting, re-painting, and/or repair work involving any publicly owned, leased, or operated facility?
Yes ☐ No ☐ If yes, forward to Public Works for review
(Public Works Director authorization required)

Does this contract require special permitting, environmental review, CEQA/NEPA, Planning Dept. review, Commission approval? Yes ☐ No ☐ If yes, forward to Development Services Department for review ***(Director of Developmental Services authorization required)***

Reviewing Authority	Signature	Date Signed
Department Head	_____	_____
Public Works Director *(where applicable)*	_____	_____
Dev. Services Director *(where applicable)*	_____	_____
Finance Director	_____	_____
City Attorney	_____	_____
City Manager	_____	_____
City Clerk	_____	_____

City Council Meeting Date ***(over $60K or where applicable)***: _____

EXHIBIT E

BID EVALUATION FORMS/ SCORESHEET TEMPLATE

EVALUATION FORMS

CITY OF SOUTH LAKE TAHOE REQUEST FOR PROPOSALS/ INVITATION TO BID

INSERT RFP/BID TITLE AND NUMBER HERE

Evaluators must give a numeric score for each of the five categories described below. The numeric score may be as low as zero and may not be greater than the maximum score set forth in the point range for each category. Evaluators should explain the reasoning for their allocation of points in the "Comments" section of each category. Attach additional sheets if necessary. Use one form for each Vendor/Proposer and each Evaluator.

Vendor / Proposer: _____

Evaluator Name: _____

I. RESPONSIVENESS OF PROPOSAL/ BID (P/F)

The Pass or Fail shall be based upon the vendor's compliance with the requirements for proposals/bids as set forth in the RFP/ Invitation to Bid, including quality, clarity, and conformance with instructions therein, and shall take into consideration the quality of the Cover Letter and Introduction.

Pass/Fail_____

Comments_____

_____

_____

II. COVER LETTER (0-5 points)

The cover letter shall be addressed to the Director of the Department, and at a minimum, must contain the following:

- **Identification of Firm, including name, address, and telephone number**
- **Name, title, address, and telephone number of contact person during period of proposal evaluation**
- **A statement to the effect that the proposal shall remain valid for a period of not less than 120 calendar days from date of submittal**
- **Signed by person authorized to bind the Firm to the terms of the proposal.**

Total Points_____
Comments_____

_____

_____

III. EXECUTIVE SUMMARY (0 – 10 points)

Scoring shall be based upon the vendor's ability to describe the overall approach and plans to meet the requirements of the RFP. The intent of this narrative is to convince the City that the Proposer understands the requirements of proposal, the nature of the work, and the level of effort necessary to successfully provide the defined services.

Total Points_____

Comments_____

_____

IV. COMPANY HISTORY, BACKGROUND AND EXPERIENCE (0-20 points)

Describe the Company's history and organizational structure, including the size of the company, location of office(s) and years in business. Provide resumes for project team members. Also include the Firm's background, experience, and capacity to undertake debt collection for the City of South Lake Tahoe in conformity with the requirements of the RFP.

Total Points_____

Comments_____

_____

V. SCOPE OF WORK/IMPLEMENTATION (0 – 35 points)

Describe the Company's general approach to managing the services provided including an explanation of the collection methodology to be followed and specific plans to manage, control, and supervise the services in order to insure satisfactory provision of services. In developing the work plan, reference should be made to the specific requirements and specifications noted in the Scope of Services (pages x – xx). Provide a delivery schedule designed to meet the requirements of the City. An implementation timeline from the Company is required. Provide description of

implementation plan considerations, including timeframes and deliverables for various stages of the agreement.

Total Points_____

Comments_____

_____

VI. PROJECT BUDGET (0 – 25 points)
Provide a description of the project cost and/or fees itemized according to the RFP proposal. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs, including all out-of-pocket expenses. The City of South Lake Tahoe will not be responsible for the expenses incurred in preparing and submitting the proposal. The Company shall present all costs, fees, taxes, and charges based on achievement of deliverables, which should be outlined in the Company's Cost Proposal.

Total Points _____

Comments_____

_____

VII. RECENT PROJECTS/REFERENCES (0 – 5 points)
Provide a description of accounts/ agreements of a similar nature including at least three (3) recent client references with names and telephone numbers, contact persons.

Total Points _____

Comments_____

_____

TOTAL COMBINED POINTS: _____
(Add total points from Sections I, II, III, IV, and V)

RANKING (from scoresheet): _____

EVALUATION SCORE SHEET

EVALUATION SCORE SHEET

Vendor/Proposer Name	Evaluator #1 Total Score	Evaluator #2 Total Score	Evaluator #3 Total Score	Evaluator #4 Total Score	TOTAL SCORE	RANKING	COMMENTS
Example- ABC Company	58	61	49		168	1	
Example- XYZ Industries	60	58	45		163	3	
Example- 123 Incorporated	57	59	48		164	2	
					0		
					0		
					0		
					0		
					0		
					0		
					0		

INSTRUCTIONS:

1. Vendor/Proposer Name: Fill in company name from each RFP/BID received
2. Evaluator #1: insert "Total Combined Points" located at the bottom of each Vendor/Proposal Evaluation Form
3. Evaluator #2: insert "Total Combined Points" located at the bottom of each Vendor/Proposal Evaluation Form
4. Evaluator #3: insert "Total Combined Points" located at the bottom of each Vendor/Proposal Evaluation Form
5. Evaluator #4 (if necessary): insert "Total Combined Points" located at the bottom of each Vendor/Proposal Evaluation Form
6. Total Score: This is the total combined score from all evaluators for each Vendor/Proposer
7. Ranking: Rank each Vendor/Proposer based on total number of points, highest to lowest. Rank numerically, 1 as the highest
8. Comments: note any comments relevant to the scores, or comments the DH should consider for final determination
9. #1 Ranking typically is the Highest number of points and would be the recommended vendor to the Department Head
10. Department Head makes the recommenation for Award based on ranking, comments, and recommedation

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EXHIBIT F

STANDARD RFP/RFQ TEMPLATE

REQUEST FOR PROPOSALS/QUALIFICATIONS

TITLE

PICTURE

RFP/RFQ # date of award yyyy-mm-dd

SUMMARY

The City of South Lake Tahoe is requesting proposals(or statement of qualifications (SOQ) for an RFQ) from…brief summary of who/what we are looking for

Proposals are due on or before **MM/DD/YYYY no later than 12:00 p.m.** (Pacific Standard Time) at City offices (City address xxx, South Lake Tahoe, CA 96150). Proposals received after the deadline will not be accepted. Proposals and required copies must be submitted by U.S. mail or personal delivery to the address below, Electronic-mailed (e-mail), and/or on-line portal planet bids. xxxxxx submission will not be accepted. (Choose preferred method)

City of South Lake Tahoe
Attn:
RFP Title
City address
South Lake Tahoe, CA 96150

Read this RFP document carefully as the award will be given to the most "responsible and responsive" Proposer responding to this RFP. The City of South Lake Tahoe reserves the right to accept or reject any or all proposals or to make no award at all, to extend the period for accepting proposals, to advertise the RFP at any time and to waive any minor irregularities in any proposals.

In the opinion of the City of South Lake Tahoe, this RFP is complete and without need of explanation. However, if you have questions, or should you need any clarifying information, please use the Q&A feature that is found within Planet Bids, where the RFP is posted.

Please note that no information given will be binding upon the City unless such information is issued in writing as an official addendum to this RFP.

TIMELINE OF CRITICAL DATES

Release of RFP	
Mandatory Pre-Proposal Meeting	**Write N/A or Delete Row**
Deadline for Question Submittal via Planet Bids	
RFP submittals DUE	
Selection Committee Review Period/Interviews	
Award Date	

SUBMITTAL PROCEDURES

1. Register with the City

All Proposers **must** complete a "Vendor Information Sheet" to be entered in the City of South Lake Tahoe Vendor Database, which is **required to submit a proposal**. Proposers will be notified by the City of any addenda that may be issued to this Request for Proposal (RFP). Proposers must register in the City's Vendor Database to be notified of such addenda
To register, go to: https://pbsystem.planetbids.com/portal/14997/portal-home and follow the instructions applicable to Proposer. Following submission, Proposer will receive a confirmation message within 24 hours from the City. Proposers are *solely responsible* for maintaining up to date and accurate information in the Vendor Database.

2. Number of Copies

The Proposer must submit in a sealed package(s) one (1)" Original", and five (5) complete copy sets of the "Original" response. Proposals shall not be e-mailed or faxed to the City. **Proposals not received by the date and time specified in this RFP, will be rejected.** Documents submitted in response to this RFP will become the property of the City of South Lake Tahoe and will be regarded as public record under California Public Records Act under Government Code 6250 et seq., and subject to review or release to the public, **excluding** financial records marked "confidential" which shall be available for the Proposer to pick up following a review and selection of the firm(s).

3. Format

Font, Type and Style: All proposals shall be single sided and professionally prepared (no hand-written proposals will be accepted). There are no requirements on font size, type, or style requirements.

Not Bound: Proposals shall not be bound with anything other than a clip or staple to allow the City to make additional copies as needed. No comb binding or permanent binding is permitted.

4. Submittal Deadline

Response to this RFP is due on or before **MM/DD/YYY** **no later than 12:00 p.m.** (Pacific Standard Time) at City offices (address below). Reponses received after the deadline will not be accepted; there are no exceptions. xxxxxx submission will not be accepted. Submit Proposals to:

City of South Lake Tahoe
Attn:
RFP Title
City Address
South Lake Tahoe, CA 96150

5. Selection Process

A Selection Committee consisting of City Staff will evaluate the submitted proposals. Proposer(s) will be objectively evaluated based on their responses to the project scope outlined in this RFP. The written proposal should clearly demonstrate how the Proposer could best satisfy the requirements of the City. The Selection Committee will utilize the Evaluation Method and Criteria described on page XX of this RFP to rate and rank each proposal.

If more information is needed following a review of the Proposals, the Selection Committee *may* invite one or more of the Proposers to a Selection Interview. Upon completion of interviews, (if needed) a recommendation by the Selection Committee to the City Manager/City Council will be made at that time and awarded in accordance with the City of South Lake Tahoe Procurement Policies & Procedures.

The City of South Lake Tahoe reserves the right to accept or reject any or all proposals or to make no award at all, to extend the period for accepting proposals, to advertise the RFP at any time and to waive any minor irregularities in any proposal.

6. Professional Services Agreement

The Professional Services Agreement with the selected Proposer will begin within 30 days of award of contract. The selected Proposer will be required to sign the City's Standard Professional Services Agreement. A sample of this Agreement is attached hereto, and the City reserves the right to amend or edit this Agreement however it sees fit.

7. Reservations

a) The City reserves the right to reject any and all proposals, whether or not minimum qualifications are met, and to modify, postpone, or cancel this Request for Proposal, in whole or in part, or decide to award a contract to perform only some of the services outlined in this Request For Proposal, without liability, obligation, or commitment to any party, firm, or organization.

b) In addition, the City reserves the right to request and obtain additional information from any Proposer and to negotiate the final scope of services with the selected Proposer. The City is not liable for any costs incurred by Proposers prior to issuance of an agreement, contract, or purchase order. Costs of developing the proposals, oral presentations or any other such expenses incurred by the Proposer in responding to the RFP are entirely the responsibility of the Proposer and shall not be reimbursed in any manner by the City of South Lake Tahoe.

c) Only the City Council of South Lake Tahoe, or the City Manager after being duly authorized by the City Council, may execute the Agreement with the successful Proposer. Further, it is understood that respondents must independently evaluate the information in this RFP and that the City makes no guarantee of data accuracy.

d) The City reserves the right to waive or permit cure of minor informalities and/or insignificant mistakes such as matters of form rather than substance and to conduct discussions and negotiations with any *qualified respondent* in any manner deemed necessary by the City to serve its best interests. The City also reserves the right, based on its sole judgment and discretion, to award a contract based upon the written proposals it receives without conducting discussions, interviews, or negotiations.

e) If, in the opinion of the City, a proposal contains false or misleading statements or references, it may be rejected without notice to Proposer.

f) The City reserves the right to obtain written clarification of any point in a Proposer's proposal or to obtain additional information necessary to properly evaluate a particular proposal. Failure of a Proposer to respond to such a request for additional information or clarification may result in rejection of the proposal.

g) The City reserves the right, without qualification, to select a Proposer for further discussions based solely on the content of the RFPs and relevant information obtained from others concerning the respondent's respective records of past performance.

h) Proposer agrees that any response submitted to this RFP will remain current and valid for a period of not less than 120 calendar days from the proposal due date.

8. Local Business Preference (applies to RFP's over $50,000 only)

a) The City shall apply a five percent discount to all local businesses which submit proposals for services for The City of South Lake Tahoe. The City shall evaluate the local businesses' proposals as though the proposal had been submitted at a cost of five percent lower than the cost submitted.
b) Local Business shall mean a business which maintains its principle place of business in a fixed office within the City of South Lake Tahoe and possesses a current South Lake Tahoe business license. To establish a principle place of business in South Lake Tahoe, a business must demonstrate the majority of its principals are based in the South Lake Tahoe office, and that it pays South Lake Tahoe payroll taxes on at least 51 percent of its total payroll.

9. Bidder's Security

a) When deemed necessary, bidder's security may be prescribed in invitations to bid, RFP's and RFQ's. Bidders shall be entitled to return of bid security; provided however, that a successful bidder shall forfeit his or her bid security upon his or her refusal or failure to execute that contract within 10 days after receipt of contract.

INTRODUCTION

8. Background

Background information that would be relevant to what service is being requested

9. Objective

What is the City's primary objective? What are we trying to accomplish through this RFP?

SCOPE OF SERVICE

10. Scope of Work to be Performed

- List all technical and general specifications of service, etc.….
- Be specific with all details and descriptions.
- Request proposal to be all inclusive of all fees, incl taxes, delivery charges etc...
- Request implementation schedule, timeline, delivery date etc.…

PROPOSAL CONTENT REQUIREMENTS

11. Proposal Requirements - All proposals must include the following information and shall be organized as described below. **Criteria titles and points should be edited or deleted as needed for each RFP –**

A. Cover Letter (0-5 points)

The cover letter shall be addressed to the Director of the Department, and at a minimum, must contain the following:

- Identification of Firm, including name, address, and telephone number
- Name, title, address, and telephone number of contact person during period of proposal evaluation
- A statement to the effect that the proposal shall remain valid for a period of not less than 120 calendar days from date of submittal
- Signed by person authorized to bind the Firm to the terms of the proposal.

B. Executive Summary (10 points)

The intent of this narrative is to convince the City the Proposer understands the requirements of proposal, the nature of the work, and the level of effort necessary to successfully provide the defined services.

C. Company History, Background and Experience (0-20 points)

Describe the Company's history and organizational structure, including the size of the company, location of office(s) and years in business. Provide resumes for project team members. Also include the Firm's background, experience, and capacity to undertake the project/services for the City of South Lake Tahoe in conformity with the requirements of the RFP.

D. Scope of Work/Implementation (0-35 points)

Describe the Company's general approach to managing the services provided including an explanation of the methodology to be followed and specific plans to manage, control, and supervise the services in order to insure satisfactory provision of services. In developing the work plan, reference should be made to the specific requirements and specifications noted in the Scope of Services (pages x – xx). Provide a delivery schedule designed to meet the requirements of the City. An implementation timeline from the Company is required. Provide description implementation plan considerations, including timeframes and deliverables for various stages of the agreement.

E. Project Budget (0-25 points)

Provide a description of the project cost and/or fees itemized according to the RFP proposal. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs, including

all out-of-pocket expenses. The City of South Lake Tahoe will not be responsible for the expenses incurred in preparing and submitting the proposal. The Company shall present all costs, fees, taxes, and charges based on achievement of deliverables, which should be outlined in the Company's Cost Proposal.

F. Description of Recent Projects/References (0-5 points)

Provide a description of accounts/ agreements of a similar nature including at least three (3) recent client references with names and telephone numbers, contact persons.

EVALUATION METHOD & CRITERIA

Proposals will first be reviewed for responsiveness to the requirements. If any information is missing from the required content, the proposal may be deemed non-responsive and returned to proposer and any further review is subject to the City's discretion (see Reservations, page 4).

The Selection Committee will make a recommendation based on the criteria in this Proposal to award the contract/agreement to a selected Proposer. The City may conduct interviews as described on page 4 under Selection Process.

12. Evaluation Criteria

Recommendations for selection will be based on the following weighted criteria of 100 possible points and passing status on all Pass or Fail categories, if any. **This information should match the proposal content requirements on page XX**

Criteria	Points
A. Cover Letter	5
B. Executive Summary	10
C. Company History, Background & Experience	20
D. Scope of Work/Implementation	35
E. Project Budget	25
F. Description of Recent Projects/References	5

ATTACHMENT 1

SAMPLE

PROFESSIONAL SERVICE AGREEMENT

EXHIBIT G

STANDARD PROFESSIONAL SERVICES AGREEMENT TEMPLATE

CITY OF SOUTH LAKE TAHOE

PROFESSIONAL SERVICES AGREEMENT

This Agreement is made and entered into as of the_____day of _____ 202**X** by and between the **City of South Lake Tahoe**, a municipal corporation ("City") and _____ ("Consultant").

RECITALS

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

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

C. City desires to retain Consultant to render professional services as set forth in this Agreement.

AGREEMENT

1. Scope of Services. Consultant shall perform the services set forth in this agreement and shall provide said services at the time, place, and in the manner specified in this agreement. Consultant shall have no power or authority by this Agreement to bind City in any respect.

   The Consultant agrees that it has satisfied itself by its own investigation and research regarding the conditions affecting the work to be done and labor and materials needed, and that its decision to execute this Contract is based on such independent investigation and research.

   All services provided by Consultant pursuant to this Agreement will be provided in accordance with the terms set forth in the **Exhibit A, "Scope of Services,"** attached hereto and incorporated herein by reference. **Exhibit B, "Compensation Schedule,"** attached hereto and incorporated herein by reference, outlines the fees and compensation which shall be paid pursuant to this Agreement.

2. Term/Time of Performance. The services by Consultant are to commence upon the execution of the Agreement and continue for _____ years.

3. Compensation. Compensation to be paid to Consultant shall be in accordance with the Schedule set forth in **Exhibit B** which is attached hereto and incorporated herein by reference. In no event shall Consultant's compensation, including travel and out-of-pocket expenses, exceed _____ without additional written authorization from City. Payment by City under this Agreement shall not be deemed a waiver of defects, even if such defects were known to City at the time of payment. Payment is contingent upon compliance with all terms and conditions of this Agreement, as set forth herein. Consultant shall obtain prior written authorization from the City Project Manager for any costs in excess of budgeted amounts for each line item, task, or obligation under the Scope of Services.

4. Method of Payment. Consultant shall submit monthly billings to City describing the work performed during the preceding month. Consultant's bills shall include a brief description of the services performed, the date the services were performed, the number of hours spent and by whom, the applicable hourly rate, and a description of any reimbursable expenditures. City shall pay Consultant no later than 30 days after approval of the monthly invoice by City staff.

5. Extra Work. At any time during the term of this Agreement, City may request that Consultant perform extra work. As used herein, "Extra Work" means any work which is determined by City to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, extra work without prior written authorization from City.

6. Termination. This Agreement may be terminated by City or Consultant immediately for cause or without cause upon thirty days (30) days written notice of termination. Upon termination, Consultant shall be entitled to compensation for services performed up to the effective date of termination, and City shall be entitled to all work performed to that date.

   Termination, revocation, or expiration of this Agreement shall not release either party from liability resulting from an event which occurred prior to such termination, revocation, or expiration.

7. Ownership of Documents.
   All plans, studies, documents, and other writings, including working notes and internal documents, prepared by and for Consultant, its officers, employees

and agents and subcontractors in the course of implementing this Agreement, shall become the property of City upon payment to Consultant for such work, and City shall have the sole right to use such materials in its discretion without further compensation to Consultant or to any other party. Consultant shall, at Consultant's expense, provide such reports, plans, studies, documents, and other writings to City upon written request. All documents prepared by Consultant are confidential and shall be maintained to preserve their confidential nature. Release of any such documents to third parties shall only be made upon written consent of City.

8. Consultant's Books and Records.

a. Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services, or expenditures and disbursements charged to City for a minimum period of three (3) years, or for any longer period required by law, from the date of final payment to Consultant for services provided pursuant to this Agreement.

b. Consultant shall maintain all documents and records which demonstrate performance under this Agreement for a minimum period of three (3) years, or for any longer period required by law, from records shall be available at Consultant's address indicated for the date of termination or completion of this Agreement.

c. Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit, at any time during regular business hours, upon written request by the City Manager, City Attorney, City Auditor, or a designated representative of these officers. Copies of such documents shall be provided to City for inspection at City offices when it is practical to do so. Otherwise, unless an alternative is mutually agreed upon, the receipt of notices in this Agreement.

d. Where City has reason to believe that such records or documents may be lost or discarded due to dissolution, disbandment or termination of Consultant's business, City may, by written request by any of the above-named officers, require that custody of the records be given to City and that the records and documents be

maintained at City offices. Access to such records and documents shall be granted to any party authorized by Consultant, Consultant's representatives, or Consultant's successor-in-interest.

9. Independent Contractor. It is understood that Consultant, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and shall not act as an agent or employee of City. Consultant shall obtain no rights to retirement benefits or other benefits which accrue to City's employees, and Consultant hereby expressly waives any claim it may have to any such rights. All employees, agents, contractors, or subcontractors hired or retained by Consultant are employees, agents, contractors, or subcontractors of Consultant and not of the City.

   City is not required to make any deductions or withholdings form the compensation payable to Consultant under the provisions of this Contract and is not required to issue W-2 Forms for income and employment tax purposes for any of Consultant's assigned personnel. Any third-party persons employed by Consultant shall be entirely and exclusively under the direction, supervision, and control of Consultant. Consultant hereby indemnifies and holds City harmless from any and all claims that may be made against City based upon any contention by any third party that an employer-employee relationship exists by reason of this Contract.

10. Interest of Consultant. Consultant, (and principals, associates, and professional employees of consultant) covenants and represents that it does not now have any investment or interest in real property and shall not acquire any interest, direct or indirect, in the area covered by this Agreement or any other source of income, interest in real property or investment which would be affected in any manner or degree by the performance of Consultant's services hereunder. Consultant further covenants and represents that in the performance of its duties hereunder no person having any such interest shall perform any services under this Agreement.

    Consultant is not a designated employee within the meaning of the Political Reform Act because Consultant:

    a. Will conduct research and arrive at conclusions with respect to his/her rendition of information, advice, recommendation, or counsel independent of the control and direction of City or of any City official, other than normal agreement monitoring; and,

b. Possesses no authority with respect to any city decision beyond rendition of information, advice, recommendation, or counsel. [FPPC Reg. 18700(a) (2)].

11. Professional Ability of Consultant. City has relied upon the professional training and ability of Consultant to perform the services hereunder as a material inducement to enter into this Agreement. Consultant shall therefore provide properly skilled professional and technical personnel to perform all services under this Agreement. All work performed by Consultant under this Agreement shall be in accordance with applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent professionals in Consultant's field of expertise.

12. Compliance with Laws. Consultant shall comply with all applicable federal, state, regional and local laws, codes, ordinances, and regulations in carrying out his/her duties under this Agreement. Consultant shall observe and comply with all applicable laws, ordinances, regulations, and codes of federal, state, and local governments, and shall commit no trespass on any public or private property in performing any of the work authorized by this Agreement. The City, its officials, officers, elected officials, appointed officials, and employees shall not be liable at law or in equity as a result of any failure of Consultant to comply with this section.

    In the event it is determined that the Consultant is required to pay prevailing wages for the work performed under this Agreement, the Consultant shall pay all penalties and wages as required by law.

13. Licenses. Consultant represents and warrants to City that it has all licenses, permits, qualifications, insurance, and approvals of whatsoever nature which are legally required of Consultant to practice its profession. Consultant represents and warrants to City that Consultant shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, insurance and approvals which are legally required of Consultant to practice its profession. Consultant shall maintain a City of South Lake Tahoe business license at all times services is performed under this Agreement. Consultant acknowledges that payments made pursuant to this Agreement may be withheld until this provision has been satisfied.

14. Indemnity. Consultant hereby agrees to and shall indemnify and hold harmless City, its elected and appointed boards, officers, agents, employees and volunteers from and against any liability for any and all claims, demands,

actions, losses, damages and injuries, direct or indirect (including any and all costs and expenses in connection therein), arising out of this Agreement or caused in any way by Consultant's negligent performance of this Agreement or its breach of its obligations contained in this Agreement, except for any such claims arising out of the negligence or willful misconduct of the City. Consultant agrees to defend City from and against any and all losses, damages, claims costs and fees arising out Consultant's negligent acts, errors, omissions, regarding this Agreement, the Consultant's work under this Agreement, or the consultant's Scope of Work.

City does not, and shall not, waive any rights against Consultant which it may have by reason of the aforesaid hold harmless agreement, because of the acceptance by City, or the deposit with City by Consultant, of any of the insurance policies hereinafter set forth.

This hold harmless agreement by Consultant shall apply to all damages and claims for damages, or alleged to have been suffered, by reason of any of the aforesaid operation of Consultant or any subcontractor, regardless of whether such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

Consultant further waives any and all rights to any type of express or implied indemnity or right of contribution from the City for any liability, claims, demands, costs, charges, and expenses and causes of action of whatsoever arising out of or in any way connected with this Agreement, and consultant's work under this Agreement.

15. Insurance Requirements.

a. Consultant, at Consultant's own cost and expense, shall procure and maintain, for the duration of the contract, the following insurance policies.

i. Workers' Compensation Coverage. Consultant shall maintain Workers' Compensation Insurance and Employer's Liability Insurance for his/her employees in accordance with the laws of the State of California. In addition, Consultant shall require each subcontractor to similarly maintain Workers' Compensation Insurance and Employer's Liability Insurance in accordance with the laws of the State of California for all the subcontractor's employees. Any notice of cancellation of all

Workers' Compensation policies must be received by City at least thirty (30) days prior to such change. Consultant shall provide thirty (30) days written notice of nonrenewal of any Workers' Compensation policies. The insurer shall agree to waive all rights of subrogation against City, its officers, agents, employees, and volunteers for losses arising from work performed by Consultant for City.

ii. Commercial General Liability Coverage. Consultant shall maintain commercial general liability insurance no less broad than ISO form CG 00 01 in an amount not less than one million dollars ($1,000,000) per occurrence for bodily injury, personal injury, and property damage. Coverage must be made on the standard Occurrence form. Claims-Made forms are not acceptable without prior written consent of City. City of South Lake Tahoe must be endorsed as an additional insured for liability arising out of ongoing operation by on behalf of Consultant. If a commercial general liability insurance form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit.

iii. Automobile Liability Coverage. Consultant shall maintain automobile liability insurance covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with the work to be performed under this Agreement, including coverage for owned, hired and non-owned vehicles, in an amount of not less than one million dollars ($1,000,000) combined single limit for each occurrence.

iv. Professional Liability Coverage. Consultant shall maintain professional errors and omissions liability insurance for protection against claims alleging negligent acts, errors or omissions which may arise from Consultant or by its employees, or subcontractors. The amount of this insurance shall not be less than one million dollars ($1,000,000) on a claims-made annual aggregate basis, or a combined single-limit per occurrence basis.

b. Endorsements. Each general liability and automobile liability insurance policy shall be with insurers possessing an AM Best's rating of no less than A:VII and shall be endorsed with the following specific language:

i. City, its elected or appointed officers, officials, employees, agents, and volunteers are to be covered as additional insureds under Consultant's General Liability and Automobile Liability policies with respect to liability arising out of this Agreement and/or work performed by or on behalf of the Consultant, including materials, parts or equipment furnished in connection with such work or operations.

ii. This policy shall be considered primary insurance as respects City, its elected or appointed officers, officials, employees, agents, and volunteers. Any insurance maintained by City, including any self-insured retention City may have, shall be considered excess insurance only and shall not contribute with it.

iii. This insurance shall act for each insured and additional insured as though a separate policy had been written for each, except with respect to the limits of liability of the insuring Consultant.

iv. The insurer waives all rights of subrogation against City except for Consultant's Professional Liability and Employers' Liability policies, its elected or appointed officers, officials, employees, or agents.

v. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to City, its elected or appointed officers, officials, employees, agents, or volunteers.

vi. No policies of insurance carried by Consultant shall be suspended, voided, canceled, or changed in coverage or in limits except after thirty (30) days written notice to the City Attorney by Certified Mail.

c. Deductibles and Self-Insured Retentions. The Consultant shall be responsible for all deductibles in all of Consultant's insurance policies. The amount of deductibles for insurance coverage required herein shall be reasonable and approved by the City Attorney.

d. Certificates of Insurance. Consultant shall provide certificates of insurance with original endorsements to City as evidence of the insurance coverage required herein. Consultant shall not commence work under this contract until all insurance required under this section has been approved by City as to form, amount, and carrier, nor shall Consultant allow any subcontractor to commence work on any subcontract until all similar insurance required and reasonably consistent limits of the subcontractor has been so obtained and approved. Certificates of insurance shall contain no exclusions unless negotiated with the City Attorney and approved, in writing, by the City Attorney.

16. Notices. Any notice required to be given under this Agreement shall be in writing and either served personally or sent prepaid, first-class mail. Any such notice shall be addressed to the other party at the address set forth below. Notice shall be deemed communicated within 48 hours from the time of mailing if mailed as provided in this section.

If to City: City of South Lake Tahoe
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150

Provide a copy to: City Attorney's Office
City of South Lake Tahoe
1901 Lisa Maloff Way, Suite 300
South Lake Tahoe, CA 96150

If to Consultant:

Provide a copy to:

17. Assignment and Subcontracting. The parties recognize that a substantial inducement to City for entering into this Agreement is the professional reputation, experience, and competence of Consultant. Assignments of any or all rights, duties or obligations of the Consultant under this Agreement will be permitted only with the express consent of City. Consultant shall not subcontract any portion of the work to be performed under this Agreement without the written authorization of City. If City consents to such subcontract, Consultant shall be fully responsible to City for all acts or omissions of the

subcontractor. Nothing in the Agreement shall create any contractual relationship between City and subcontractor nor shall it create any obligation on the part of City to pay or to see to the payment of any monies due to any such subcontractor other than as otherwise required by law.

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

19. Dispute Resolution. Any dispute concerning this Agreement will be first submitted to the City Manager or his designee for resolution. If no resolution is reached, such dispute shall be submitted to the City Council. The decision of the City Council shall be final and shall be appealable only to the El Dorado Superior Court pursuant to California Code of Civil Procedure §1094.5, and as provided by law.

20. Controlling Law Venue. This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in the Superior Courts in the County of El Dorado, South Lake Tahoe Division.

21. Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any Consultant or person, other than the independent contractors hired in accordance with Consultant's standard business practice, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid, nor has it agreed to pay any Consultant or person, other than a bona fide employee working solely for Consultant or an independent contractor hired as discussed above, any fee, commission, percentage, brokerage fee, gift, or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer, or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

22. Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer, and it shall not discriminate against any subcontractor, employee, or applicant for employment because of race, religion, color, national origin, disability, ancestry, sex, or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff, or termination. Consultant shall also comply with all relevant provisions of City's

Minority Business Enterprise program, Affirmative Action Plan, or other related programs or guidelines currently in effect or hereinafter enacted.

23. Drug-Free Workplace Certification. By signing this Agreement, Consultant hereby certifies under penalty of perjury under the laws of the State of California that the Consultant will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code Section 8350, et seq.) and will provide a drug-free workplace by taking the following actions:

    a. Publish a statement notifying employees that unlawful manufacture, distribution dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8355 (a).

    b. Establish a Drug-Free Awareness Program as required by Government Code Section 8355(b) to inform employees about all of the following:

        i. The dangers of drug abuse in the workplace;
        ii. The person's or organization's policy of maintaining a drug-free workplace;
        iii. Any available counseling, rehabilitation, and employee assistance program; and
        iv. Penalties that may be imposed upon employees for drug abuse violations.

    c. Provide, as required by Government Code Section 8355(c), that every employee who performs grant activities under this Agreement:

        i. Will receive a copy of the Consultant's drug-free policy statement; and
        ii. Will agree to abide by the terms of the Consultant's statement as a condition of employment on this Agreement.

    Failure to comply with these requirements may result in suspension of payments under this Agreement or termination of the Agreement, or both, and Consultant may be ineligible for award of any future City agreements if City determines that any of the following has occurred: the Consultant (1) has made false certification, or (2) violates the certification by failing to carry out the requirements as noted above.

24. Anti-Lobbying Certification. Consultant shall submit to City the Anti-Lobbying Certification contained in **Exhibit C**. Further, Consultant shall require that the language of the certification in **Exhibit C** be included in all contracts or

subcontracts entered into in connection with this Agreement and that all Consultants and contractors shall certify and disclose accordingly.

25. Debarment, Suspension, Ineligibility and Voluntary Exclusion. By signing this Agreement, Consultant assures that neither it nor its principals, is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency.

26. Americans with Disabilities Act. By signing this Agreement, Consultant assures the City that it complies with the American with Disabilities Act (ADA) of 1990, (42 U.S.C. 12101, et.seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to ADA.

27. Amendments. This Agreement may be modified or amended only by a written document executed by both Consultant and City and approved as to form by the City Attorney.

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

29. Entire Agreement. This Agreement constitutes the complete and exclusive statement of Agreement between City and Consultant. All prior written and oral communications, including correspondence, drafts, memoranda, and representations, are superseded in total by this Agreement.

30. Execution. This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument and shall become binding upon the parties when at least one copy hereof shall have been signed by both parties hereto. In approving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

31. Time is of the Essence. Time is of the essence for this Agreement.

32. Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and to bind each respective party.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first written above.

CITY OF SOUTH LAKE TAHOE:

By_____

City Manager

Date_____

CONSULTANT:

By _____

Name, Title

Date_____

Business License # _____

APPROVED AS TO FORM:

By_____

City Attorney

Date_____

ATTEST:

By_____

City Clerk

Date_____

Attachments:

Exhibit A – Scope of Services
Exhibit B – Compensation Schedule
Exhibit C - Anti-Lobbying Certification

EXHIBIT A

SCOPE OF SERVICES

EXHIBIT B

SCHEDULE OF CHARGES AND TIMELINE

BUDGET

Estimated fees (not to exceed)	**$_____**
Hourly Rate:	**$_____/hour**
Travel and out-of-pocket expenses	**$_____**
(travel is included in the TOTAL (not to exceed amount)	
TOTAL (not to exceed)	**$_____**

TIMELINE

EXHIBIT C

ANTI-LOBBYING CERTIFICATION

Consultant shall submit to City this certification prior to or at the time of the execution of this Agreement.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U. S. Code. Any person who fails to file the required certification shall be subject to a civil penalty not less than $10,000 and no more than $100,000 for such failure.

The undersigned certifies, to the best of his or her knowledge or belief, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement; and

2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instruction.

Consultant:
Name, Title

By:_____ Date_____

EXHIBIT H

STANDARD INVITATION TO BID TEMPLATE

INVITATION TO BID

TITLE

Picture

BID# date of award yyyy-mm-dd Title

**note: Formal Bids must be posted for minimum of 30 days*

SUMMARY

The City of South Lake Tahoe is requesting formal competitive bids from qualified professional vendors/firms for (short sentence describing what you are looking for).
Sealed or Electronic Bids are due on or before **MM/DD/YYYY** **no later than 12:00 p.m.** (Pacific Standard Time) at City offices (Department Address, South Lake Tahoe, CA 96150). Bids received after the deadline will not be accepted. Electronic Bids must be uploaded by said time and date. Sealed Bids and required copies must be submitted by U.S. mail or personal delivery to the address below, and/or on-line Planet Bids Portal. Fax and Electronic-mailed (e-mail) submission will not be accepted. Sealed paper bids must be marked **"BID yyyy-mm-dd Title"** and mailed to:

City of South Lake Tahoe
Attn: Department Head
Title of Bid
City Address
South Lake Tahoe, CA 96150

Bidders will be notified by the City of any addenda that may be issued to this Formal Invitation to Bid (BID). Bidders must register in the City's Vendor Database to be notified of such addenda (see page 3 for instructions on how to register).

Read this BID document carefully as the award will be given to the "lowest qualified responsible bidder" responding to this BID. The City reserves the right to reject any or all bids. Bids will be publicly opened and read aloud at the "department address" office immediately after the closing of the bid.

In the opinion of the City of South Lake Tahoe, this BID is complete and without need of explanation. However, if you have questions, or should you need any clarifying information, please use the Q&A feature that is found within Planet Bids, where the BID is posted.

Please note that no information given will be binding upon the City unless such information is issued in writing as an official addendum to this BID.

TIMELINE OF CRITICAL DATES

Release of Formal Competitive Bid	**xx-xx-xxxx**
Mandatory Pre-Bid Meeting	***optional**
Deadline for questions Submitted via Planted Bids	**xx-xx-xxxx**
Questions & Answers Uploaded	**xx-xx-xxxx**
Formal Bid Due/ Bid opening	**xx-xx-xxxx**
City Council Award	**xx-xx-xxxx**

SUBMITTAL PROCEDURES

1. Register with the City

All Bidders **must** complete a "Vendor Information Sheet" to be entered in the City of South Lake Tahoe Vendor Database, which is required to submit a bid. Go to this website address: https://pbsystem.planetbids.com/portal/14997/portal-home and follow the instructions applicable to Bidder. Following submission, Bidders will receive a confirmation message within 24 hours from the City. Bidders are *solely responsible* for maintaining up to date and accurate information in the Vendor Database.

2. Number of Copies

The Bidder must submit in a sealed package(s) one (1) "Original", and five (5) complete copy sets of the "Original" response. Bids shall not be e-mailed or faxed to the City. **Bids not received by the date and time specified in this BID, will be rejected.** Documents submitted in response to this BID will become the property of the City of South Lake Tahoe and will be regarded as public record under California Public Records Act under Government Code 6250 et seq., and subject to review or release to the public, **excluding** financial records marked "confidential" which shall be available for the bidder to pick up following a review and selection of the bid.

3. Format

Font, Type and Style: All proposals shall be single sided and professionally prepared (no handwritten proposals will be accepted). There are no requirements on font size, type, or style requirements.

Not Bound: Proposals shall not be bound with anything other than a clip or staple to allow the City to make additional copies as needed. No comb binding or permanent binding is permitted.

4. Submittal Deadline

Response to this BID is due on or before **MM/DD/YYYY no later than 12:00 p.m.** (Pacific Standard Time) at City offices (address below). Reponses received after the deadline will not be accepted; there are no exceptions. Fax and Electronic-mailed (e-mail) submission will not be accepted. Submit Sealed Bids to:

City of South Lake Tahoe
Attn: Department Head
"BID yyyy-mm-dd Title"
Department Address
South Lake Tahoe, CA 96150

5. Selection Process

A Selection Committee consisting of City Staff will evaluate the submitted bids. Bids will be objectively evaluated based on their responses to the Scope of Work outlined in this BID. The written bid should clearly demonstrate how the bidder could best satisfy the requirements of the

City. The Selection Committee will utilize the Evaluation Method and Criteria described on page 9 of this BID to rate and rank each proposal.

Following a review of the Bids, the Selection Committee may invite one or more of the bidders to a Selection Interview. Upon completion of interviews, the Selection Committee will submit a recommendation to the City Manager. The City of South Lake Tahoe reserves the right to accept or reject any or all proposals or to make no award at all, to extend the period for accepting bids, to advertise the BID at any time and to waive any minor irregularities in any bid.

The City of South Lake Tahoe reserves the right to accept or reject any or all bids or to make no award at all, to extend the period for accepting proposals, to advertise the Invitation to Bid at any time and to waive any minor irregularities in any proposal.

6. Purchase Agreement/ Contract

Upon approval of the Award by City Council; a written Purchase Agreement or Contract will be issued by the City Attorney's Office. The Agreement is in force through the time period specified in the Scope of Work in the bid. The selected Bidder will be required to sign the City's Purchase Agreement or Contract. A sample of this Agreement is attached hereto, and the City reserves the right to amend or edit this agreement however it sees fit. No changes may be made in the agreement without written authorization by the City of South Lake Tahoe. Quantities specified in the purchase agreement are not to be exceeded without written authorization from the City of South Lake Tahoe.

7. Reservations

a) The City reserves the right to reject any and all bids, whether or not minimum qualifications are met, and to modify, postpone, or cancel this Invitation to Bid, in whole or in part, or decide to award a contract on the basis of individual items, or groups of items, or on the entire list of items; to reject any or all bids or any part thereof; and to waive any informalities and/or negotiate minor deviations to the bid, with the successful bidder. The City's decision shall be final, without liability, obligation, or commitment to any party, firm, or organization.

b) In addition, the City reserves the right to request and obtain additional information from any Bidder and to negotiate the final scope of services with the selected vendor. The City is not liable for any costs incurred by Bidders prior to issuance of an agreement, contract, or purchase order. Costs of developing the bid, oral presentations or any other such expenses incurred by the vendor in responding to the BID are entirely the responsibility of the vendor and shall not be reimbursed in any manner by the City of South Lake Tahoe.

c) Only the City Council of South Lake Tahoe, or the City Manager after being duly authorized by the City Council, may execute the Agreement with the successful bidder. Further, it is understood that respondents must independently evaluate the information in this BID and that the City makes no guarantee of data accuracy.

d) The City reserves the right to waive or permit cure of minor informalities and/or insignificant mistakes such as matters of form rather than substance and to conduct discussions and negotiations with any *qualified respondent* in any manner deemed necessary by the City to serve its best interests. The City also reserves the right, based on its sole judgment and discretion, to award a contract based upon the written bids it receives without conducting discussions, interviews, or negotiations.

e) If, in the opinion of the City, a bid contains false or misleading statements or references, it may be rejected without notice to Bidder.

f) The City reserves the right to obtain written clarification of any point in a vendor bid or to obtain additional information necessary to properly evaluate a particular bid. Failure of a Bidder to respond to such a request for additional information or clarification may result in rejection of the bid.

g) The City reserves the right, without qualification, to select a Bidder for further discussions based solely on the content of the BID and relevant information obtained from others concerning the respondent's respective records of past performance.

h) Proposer agrees that any response submitted to this BID will remain current and valid for a period of not less than 120 calendar days from the proposal due date.

8. Bid Protests

a) A non-selected bidder may protest award of contract by submitting a written bid protest which shall be received by the city clerk no later than seven calendar days after the city's selection of the winning bidder or no later than 10 calendar days from the date that the city issues notice of designation of a bidder as non-responsible.

b) The bid protest shall state all grounds claimed for the protest and include supporting documentation. Failure to clearly state the grounds for the protest and provide supporting documentation shall be deemed a waiver of all protest rights.

c) Where award of the contract is to be made by the city council, the city clerk shall place a discussion of the bid protest on the next regularly scheduled council meeting agenda and the city council shall determine whether, based on the protest, to award the contract to the selected bidder, to reject all bids, or to award the contract to the next lowest responsible bidder.

9. Local Business Preference

a) The city shall apply a five percent discount to all local businesses which submit bids for materials, supplies, equipment, and services for nonpublic projects. The city shall evaluate the local businesses' bids as though the bid had been submitted at a cost of five percent lower than the cost submitted.

b) Local Business shall mean a business which maintains its principle place of business in a fixed office within the city of South Lake Tahoe and possesses a current South Lake Tahoe business license. To establish a principle place of business in South Lake Tahoe, a business must demonstrate the majority of its principals are based in the South Lake Tahoe office, and that it pays South Lake Tahoe payroll taxes on at least 51 percent of its total payroll.

9. Bidder's Security

a) When deemed necessary, bidders' security may be prescribed in invitations to bid, RFP's and RFQ's. Bidders shall be entitled to return of bid security; provided however, that a successful bidder shall forfeit his or her bid security upon his or her refusal or failure to execute that contract within 10 days after receipt of contract.

INTRODUCTION

8. Background

Background information that would be relevant to what product is being requested

9. Objective

What is the City's primary objective? What are we trying to accomplish through this BID?

SCOPE OF WORK

11. Scope of Work to be Performed:

- List all technical and general specifications of item(s), product, service, etc….
- Be specific with all details and descriptions.
- Request bid to include all fees, tax (8%), delivery charges

- Request implementation schedule, timeline, delivery date

BID CONTENT REQUIREMENTS

12. <u>Bid Requirements</u> - All bids must include the following information and shall be organized as described below.

F. Cover Letter (0-5 points)

The cover letter shall be addressed to the Department, Department Head, Title, and at a minimum, must contain the following:

- Identification of Vendor, including name, address, and telephone number
- Name, title, address, and telephone number of contact person during period of bid evaluation
- A statement to the effect that the bid shall remain valid for a period of not less than 120 calendar days from date of submittal
- Signed by person authorized to bind the bidder the terms of the proposal.

G. Executive Summary (10 points)

In a brief narrative, describe the overall approach and plans to meet the requirements of the Invitation to Bid. The intent of this narrative is to convince the City that the Bidder understands the objective that the bid is intended to meet, the nature of the work and/or product, and the level of effort necessary to successfully provide the defined product or scope of work.

H. Company History, Background and Experience (0-20 points)

Describe the Vendor's history and organizational structure, including the size of the company, location of office(s) and years in business. Provide resumes project team members (if applicable). Also include the Vendor's background and public sector experience in conducting description of work/item.

I. Scope of Work/Implementation (0-35 points)

Describe the Vendor's general approach to managing the project or providing the goods, including specific plans to manage, control, and/or deliver the project in order to insure satisfactory provision of services. Provide a schedule designed to meet the requirements of the City. The City's target date for completion/delivery is xxxx weeks/days from the date the contract is signed; however, a timeline from the Vendor is required. Provide description of all costs, implementation, including

estimated timeframes and deliverables.

J. Project Budget (0-25 points)

Provide a detailed description of the project budget/ product itemized according to Scope of Work. The Vendor shall present a specific "not to exceed" fixed fee /cost including associated taxes, fees, and charges and be based on achievement of deliverables. Provide itemized budget.

F. Description of Recent Projects/References (0-5 points)

Provide a description of projects/products of a similar nature including at least three (3) client references with names and telephone numbers, contact persons. Preference shall be given to vendors who have provided satisfactory service to public entity clients.

EVALUATION METHOD & CRITERIA

Bids will first be reviewed for responsiveness to the requirements. If any information is missing from the required content, the bid may be deemed non-responsive and returned to bidder. Further review is subject to the City's discretion (see Reservations, page 4).

The Selection Committee will make a recommendation to the City Manager based on the criteria in this bid to award the contract to the lowest qualified responsible bidder. The City Council will make the final determination whether or not to award a contract/agreement. The City may conduct interviews of the top scoring Bidders.

13. Evaluation Criteria

Recommendations for selection of the Concessionaire will be based on the following weighted criteria of 100 possible points and passing status on all Pass or Fail categories. **This information should match the BID content requirements on page 7**

riteria	Points
A. Cover Letter	5
B. Executive Summary	10
C. Company History, Background & Experience	10
D. Scope of Work/Implementation	35
E. Project Budget	35
F. Description of Recent Projects/References	5

ATTACHMENT 1

SAMPLE

STANDARD PURCHASE AGREEMENT

EXHIBIT I

STANDARD PURCHASE AGREEMENT TEMPLATE

CITY OF SOUTH LAKE TAHOE
PURCHASE AGREEMENT

This Agreement is made and entered into as of the_____day of _____ 202x by and between the **City of South Lake Tahoe**, a municipal corporation ("City") and _____ ("Vendor").

RECITALS

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

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

AGREEMENT

1. Scope of Agreement. Vendor shall provide the goods/materials/products set forth in this agreement and described more fully in the **Exhibit A, "Description of Goods/Materials/Products,"** attached hereto and incorporated herein by reference (hereinafter the "product(s)"). **Exhibit A** further sets forth the requirements for delivery of the product(s), including requirements for installation, maintenance, servicing, etc.

2. Term/Time of Performance. The goods/materials/services described in **Exhibit A** shall be delivered to the City on or before _____.

3. Compensation. Compensation to be paid to Vendor shall be in accordance with **Exhibit B** which is attached hereto and incorporated herein by reference. In no event shall Vendor's compensation exceed _____ without additional written authorization from City. Payment by City under this Agreement shall not be deemed a waiver of defects, even if such defects were known to City at the time of payment. Payment is contingent upon compliance with all terms and conditions of this Agreement, as set forth herein. Vendor shall obtain prior written authorization from the City Project Manager for any costs in excess of budgeted amounts for each line item set forth in **Exhibit A**.

4. Expiration and Termination of Agreement. This Agreement shall expire upon written confirmation from the City that Vendor has delivered product(s) in compliance with the scope set forth in **Exhibit A.** Such confirmation shall not be unreasonably withheld.

The City may terminate this agreement if Vendor fails to deliver product(s) and comply with the terms of **Exhibit A** within ten (10) days of the date of delivery set forth in paragraph two (2) herein.

5. Independent Contractor. It is understood that Vendor, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and shall not act as an agent or employee of City. Vendor shall obtain no rights to retirement benefits or other benefits which accrue to City's employees, and Vendor hereby expressly waives any claim it may have to any such rights. All employees, agents, contractors, or subcontractors hired or retained by Vendor are employees, agents, contractors, or subcontractors of Vendor and not of the City.

   City is not required to make any deductions or withholdings form the compensation payable to Vendor under the provisions of this Contract and is not required to issue W-2 Forms for income and employment tax purposes for any of Vendor's assigned personnel. Any third-party persons employed by Vendor shall be entirely and exclusively under the direction, supervision, and control of Vendor. Vendor hereby indemnifies and holds City harmless from any and all claims that may be made against City based upon any contention by any third party that an employer-employee relationship exists by reason of this Contract.

6. Interest of Vendor. Vendor, (and principals, associates, and professional employees of Vendor) covenants and represents that it does not now have any investment or interest in real property and shall not acquire any interest, direct or indirect, in the area covered by this Agreement or any other source of income, interest in real property or investment which would be affected in any manner or degree by the performance of Vendor's services hereunder. Vendor further covenants and represents that in the performance of its duties hereunder no person having any such interest shall perform any services under this Agreement.

7. Professional Ability of Vendor. City has relied upon the professional training and ability of Vendor to provide the product(s) hereunder as a material inducement to enter into this Agreement. Vendor shall therefore provide properly skilled professional and technical personnel to perform all tasks related to delivery of the product(s), etc. as set forth in **Exhibit A**.

8. Compliance with Laws. Vendor shall comply with all applicable federal, state, regional and local laws, codes, ordinances, and regulations in carrying out his/her duties under this Agreement. Vendor shall observe and comply with all

applicable laws, ordinances, regulations, and codes of federal, state, and local governments.

9. Licenses. Vendor represents and warrants to City that it has all licenses, permits, qualifications, insurance, and approvals of whatsoever nature which are legally required of Vendor to engage in this Agreement. Vendor represents and warrants to City that Vendor shall, at its sole cost and expense, always keep in effect or obtain during the term of this Agreement, any licenses, permits, insurance and approvals which are legally required of Vendor. Vendor shall always maintain a City of South Lake Tahoe business license during this Agreement. Vendor acknowledges that payments made pursuant to this Agreement may be withheld until this provision has been satisfied.

10. Debarment, Suspension, Ineligibility and Voluntary Exclusion. By signing this Agreement, Consultant assures that neither it nor its principals, is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency.

11. Indemnity. Vendor hereby agrees to and shall indemnify and hold harmless City, its elected and appointed boards, officers, agents, employees and volunteers from and against any liability for any and all claims, demands, actions, losses, damages and injuries, direct or indirect (including any and all costs and expenses in connection therein), arising out of this Agreement or caused in any way by Vendor's negligent performance of this Agreement or its breach of its obligations contained in this Agreement, except for any such claims arising out of the negligence or willful misconduct of the City. Vendor agrees to defend City from and against any and all losses, damages, claims costs and fees arising out Vendor's negligent acts, errors, omissions, regarding this Agreement, the Vendor's work under this Agreement, or the Vendor's Scope of Work.

    City does not, and shall not, waive any rights against Vendor which it may have by reason of the aforesaid hold harmless agreement, because of the acceptance by City, or the deposit with City by Vendor, of any of the insurance policies hereinafter set forth.

12. Warranty. Vendor will provide warranty language.

13. Notices. Any notice required to be given under this Agreement shall be in writing and either served personally or sent prepaid, first-class mail. Any such

notice shall be addressed to the other party at the address set forth below. Notice shall be deemed communicated within 48 hours from the time of mailing if mailed as provided in this section.

If to City: City of South Lake Tahoe
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150

Provide a copy to: City Attorney's Office
City of South Lake Tahoe
1901 Lisa Maloff Way, Suite 300
South Lake Tahoe, CA 96150

If to Vendor:

Provide a copy to:

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

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

16. Dispute Resolution. Any dispute concerning this Agreement will be first submitted to the City Manager or his designee for resolution. If no resolution is reached, such dispute shall be submitted to the City Council. The decision of the City Council shall be final and shall be appealable only to the El Dorado

Superior Court pursuant to California Code of Civil Procedure §1094.5, and as provided by law.

17. Controlling Law Venue. This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in the Superior Courts in the County of El Dorado, South Lake Tahoe Division.

18. Prohibited Interests. Vendor maintains and warrants that it has not employed nor retained any Vendor or person, other than the independent contractors hired in accordance with Vendor's standard business practice, to solicit or secure this Agreement. Further, Vendor warrants that it has not paid, nor has it agreed to pay any Vendor or person, other than a bona fide employee working solely for Vendor or an independent contractor hired as discussed above, any fee, commission, percentage, brokerage fee, gift, or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer, or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

19. Amendments. This Agreement may be modified or amended only by a written document executed by both Vendor and City and approved as to form by the City Attorney.

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

21. Entire Agreement. This Agreement constitutes the complete and exclusive statement of Agreement between City and Vendor. All prior written and oral communications, including correspondence, drafts, memoranda, and representations, are superseded in total by this Agreement.

22. Time is of the Essence. Time is of the essence for this Agreement.

23. Authority to Enter Agreement. Vendor has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and to bind each respective party.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first written above.

CITY OF SOUTH LAKE TAHOE: VENDOR:

By_____ By _____

City Manager Name, Title

Date_____ Date_____

Business License # _____

APPROVED AS TO FORM:

By_____ Date_____

City Attorney

ATTEST:

By_____ Date_____

City Clerk

Attachments:

Exhibit A – Description of Goods/Materials/Products

Exhibit B – Compensation
Exhibit C - Anti-Lobbying Certification

EXHIBIT A

Description of Goods/Materials/Products

EXHIBIT B

COMPENSATION

- **Provide total itemized costs**
- **Include all taxes, shipping, handling, fees, and discounts**

EXHIBIT C

ANTI-LOBBYING CERTIFICATION

Vendor shall submit to City this certification prior to or at the time of the execution of this Agreement.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U. S. Code. Any person who fails to file the required certification shall be subject to a civil penalty not less than $10,000 and no more than $100,000 for such failure.

The undersigned certifies, to the best of his or her knowledge or belief, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement; and

2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instruction.

Vendor:
Name, Title

By: _____ Date_____

EXHIBIT J

BID REJECTION LETTER – TEMPLATE/EXAMPLE

USE DEPARTMENT- CITY LETTERHEAD

Date

Address

Re: Award Decision, Department of _____, RFP # _____ for [service requested]

Dear

Thank you for submitting a proposal in response to the subject Request for Proposals (RFP). An evaluation panel, using the weighted criteria outlined in the RFP, has completed its review, and scoring of all the proposals we received. The proposal submitted by _____ received the panel's highest score. We will be developing a contract for the requested services with that organization. Thank you again for your participation, and for your interest in doing business with the City of South Lake Tahoe.

This award is a final decision subject to the successful negotiation of a mutually acceptable contract. A nonselected bidder may protest the award of a contract by submitting a written bid protest which shall be received by the city clerk no later than seven calendar days after the city's selection of the winning bidder or no later than 10 calendar days from the date that the city issues notice of designation of a bidder as nonresponsible. Please see City of South Lake Tahoe Code section 3.45.020 for the full bid protest procedure.

Very truly yours,

EXHIBIT K

BID ACCEPTANCE LETTER TEMPLATE/EXAMPLE

*Use Department City Letterhead

Date

Address

Re: Award Decision, Department of _____, RFP # _____ for [service requested]

Dear

Congratulations. The evaluation panel, using the weighted criteria outlined in the subject Request for Proposals (RFP), has completed its review of the proposals received. We are pleased to announce that your proposal received the panel's highest score.

Enclosed with this letter is an electronic copy of the City's approved Professional Services Agreement. We respectfully ask you to review the terms and conditions. Any changes should be made with MS Word Track Changes so that our Attorney may review them. We also kindly ask that you provide us a scope of services attachment that includes all services requested in our RFP. When both parties arrive at mutually acceptable terms, we will place the master agreement on the City Council agenda for adoption.

Thank you for your interest in working with the City of South Lake Tahoe. If you have any questions or concerns, please do not hesitate to reach out to me at _____.

Very truly yours,

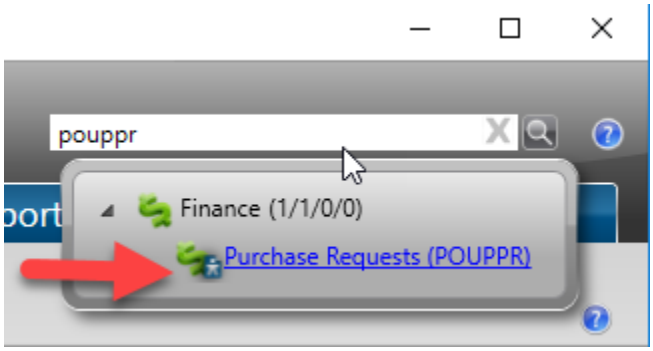
Attachment: Professional Services Agreement/ or Purchase Agreement

EXHIBIT L

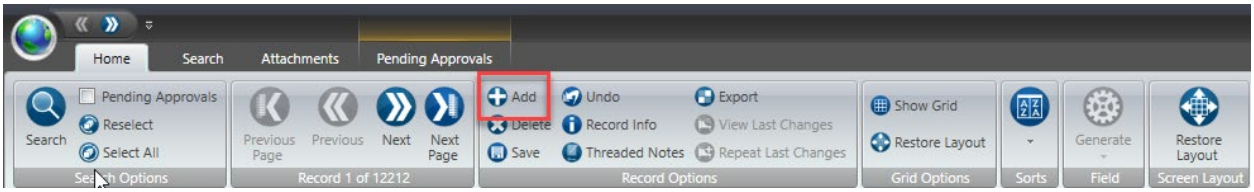
INSTRUCTIONS TO CREATE A STANDARD PURCHASE ORDER (PO)

Creating a Purchase Order

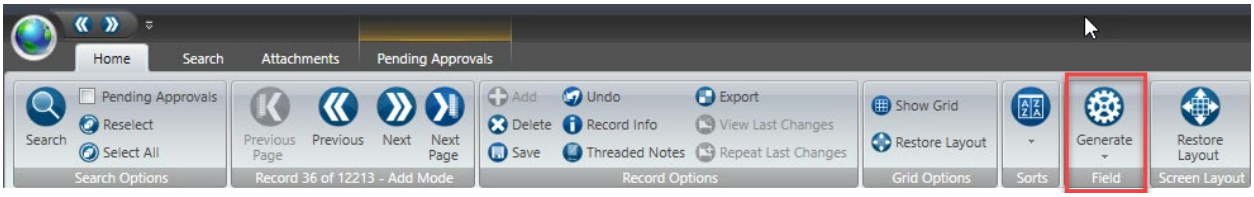
1. Login to OneSolution
2. Type POUPPR into the top right search tool and click on “Purchase Requests (POUPPR)



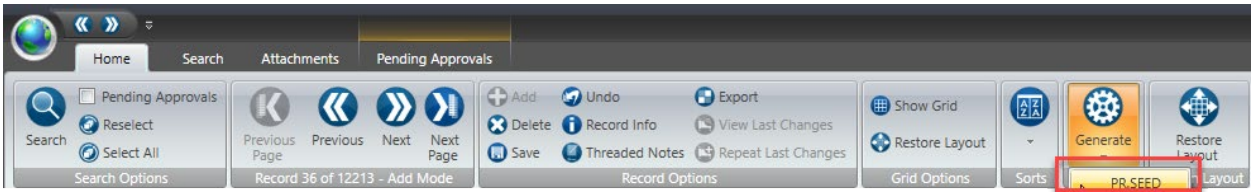
3. Click on “Add”



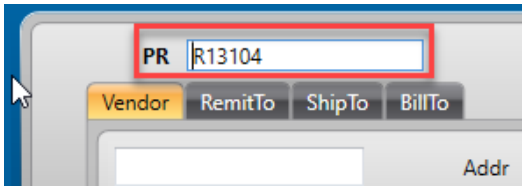
4. Click on Generate



5. Click on PR_SEED



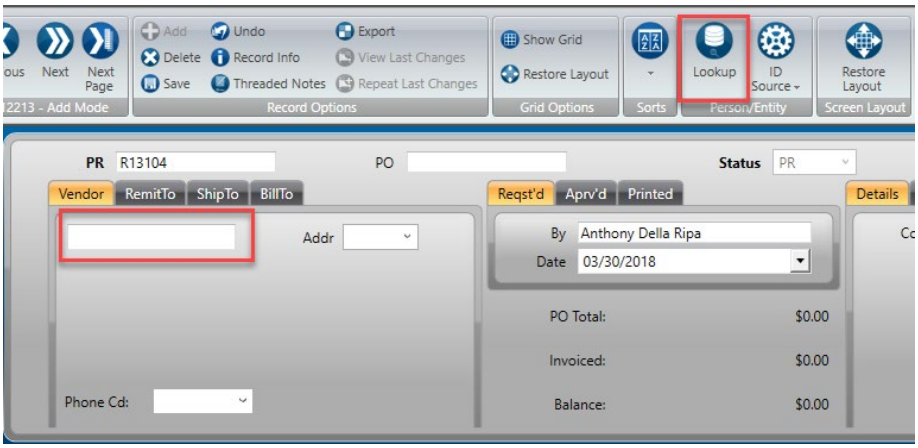
6. Write down the PR Number

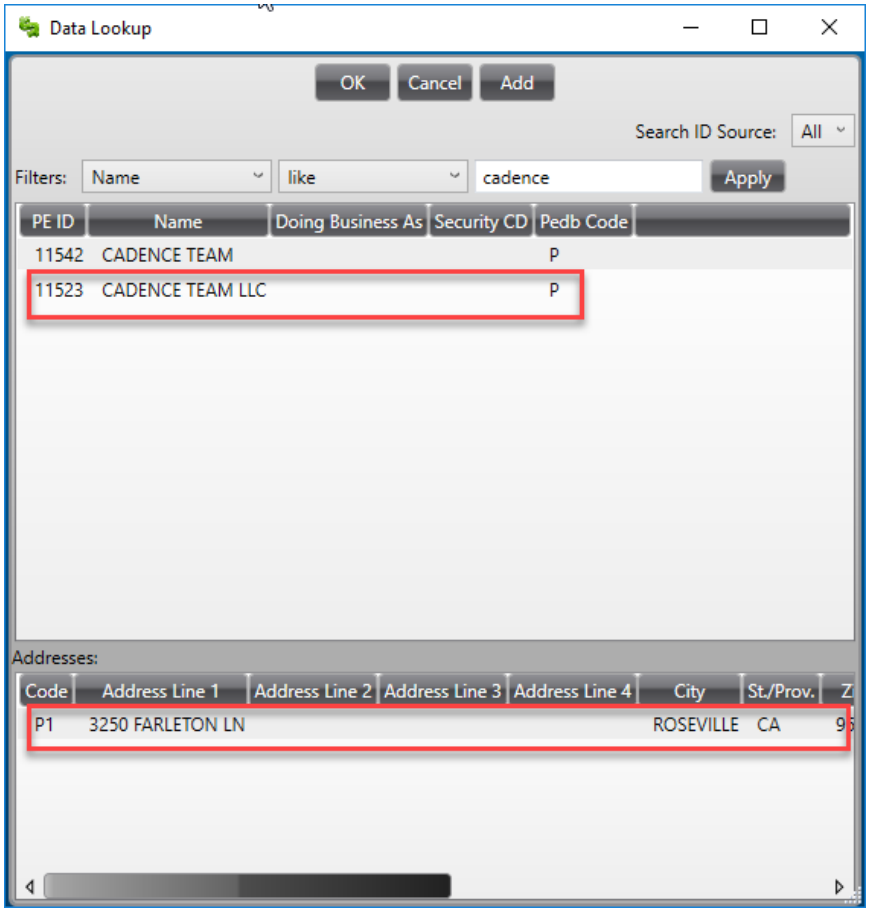


7. If you know the vendor ID then type it in the text box that is located in the Vendor tab. If you don’t know the ID then you can search for it by name. If the vendor is not in our system then you will have to request a W9 from the vendor and send it over to Ben so he setup the new

vendor in our system. If this new vendor is doing any work on one of our properties then a business license is needed. Have Finance contact this new vendor to setup a business license.

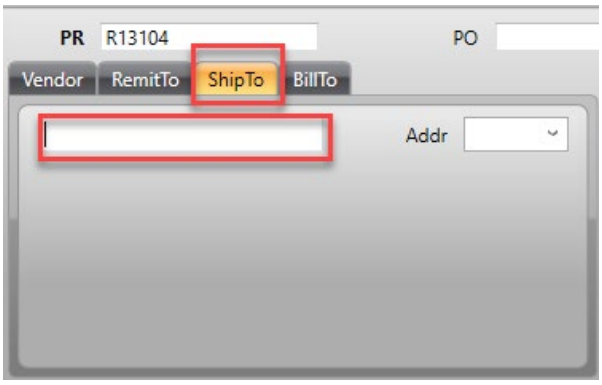
8. Type in the Vendor ID in the text box or look it up. Select the vendor and the correct address then click on OK at the top.

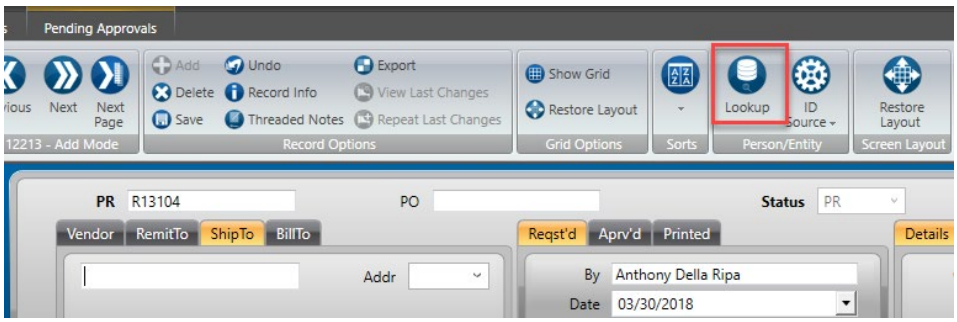


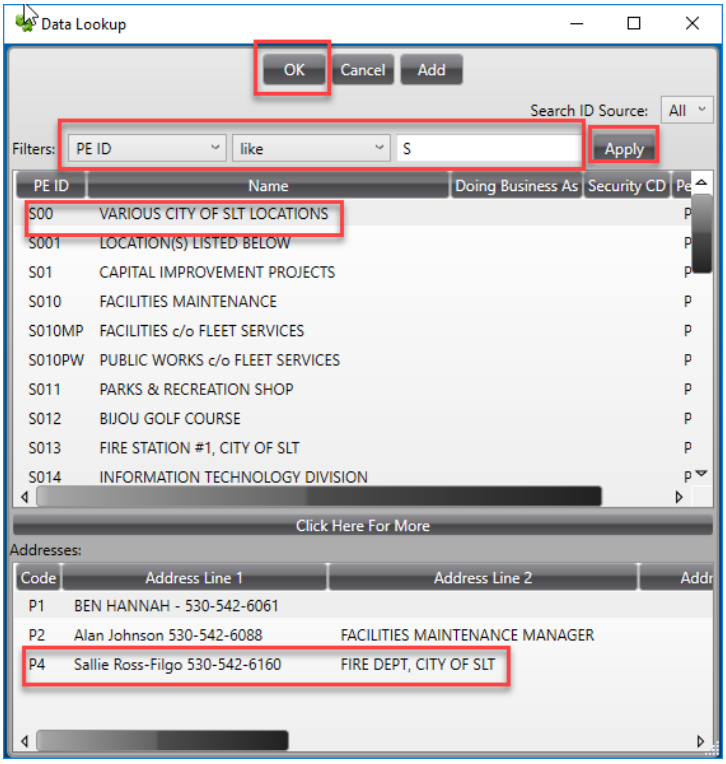


9. Click on the Ship to Tab. If you know the ship to ID then type it in the box or you can search for it. To search click on the Lookup button. All city building starts with a S. Filter by PE ID and type

in an “S” and click on “Apply”. Look for the city building that it needs to be shipped to and select the correct person at that address.

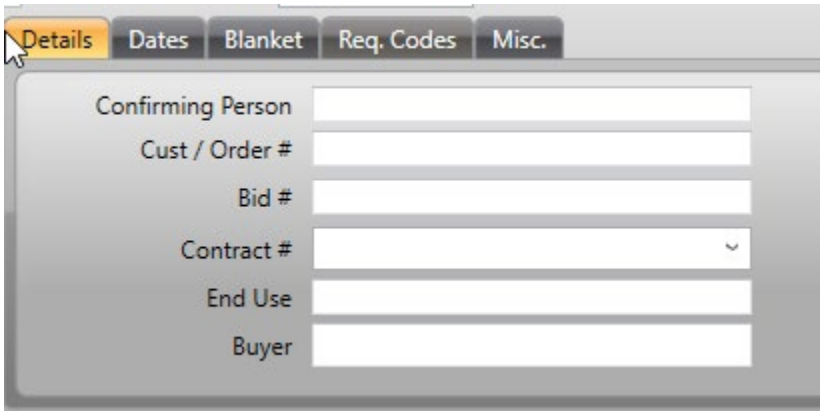




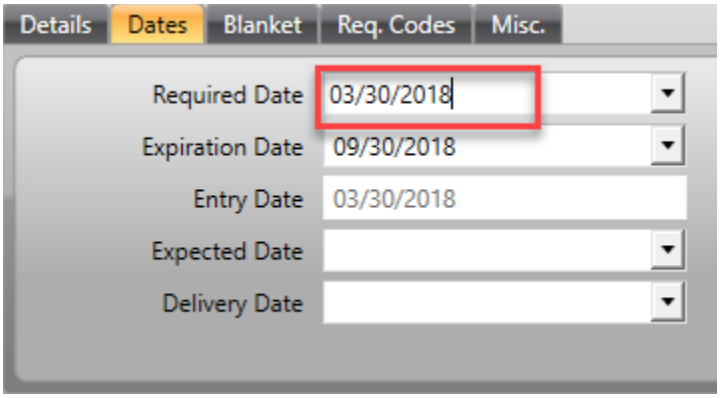


10. Under the “Details” tab type in the following
    a. Confirming Person – The person requesting this item/service

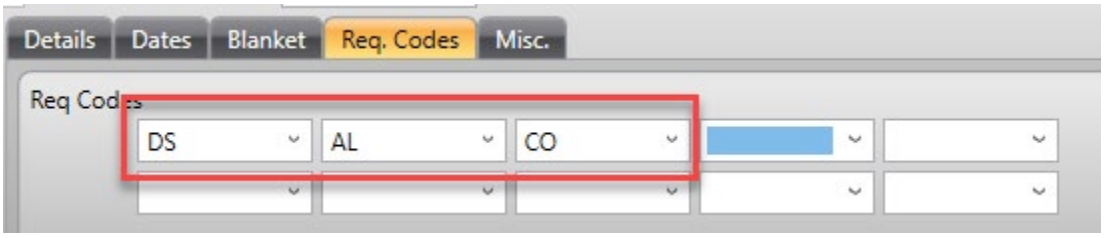
b. Cust / Order # - Quote or order number if available
c. Bid # - If available
d. Contract # - If available
e. End Use – The department or division requesting this PR
f. Buyer – Leave Blank



11. Go to the "Details" tab and type in the current date



12. Skip "Blanket" Tab
13. Click on "Req. Codes" Tab. Make sure the following codes are selected.



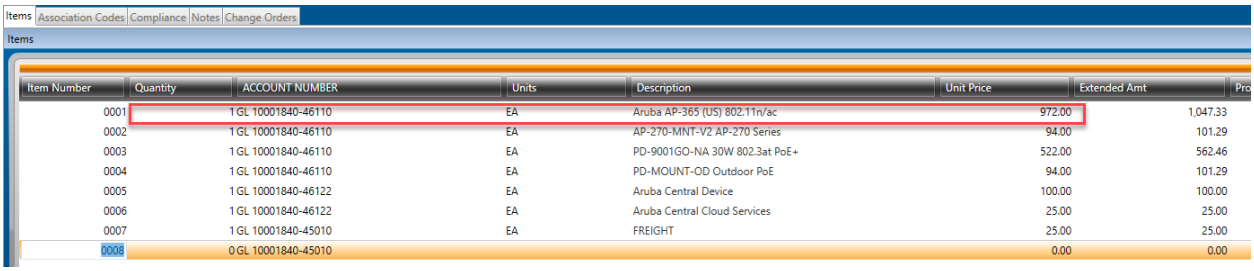
14. Skip "Misc." Tab

15. Click on the "Notes" Tab. In the dropdown there are three choices
    a. PR Notes – This is for internal notes only
    b. Print Before – This will place the note directly on the PO above the first line item.

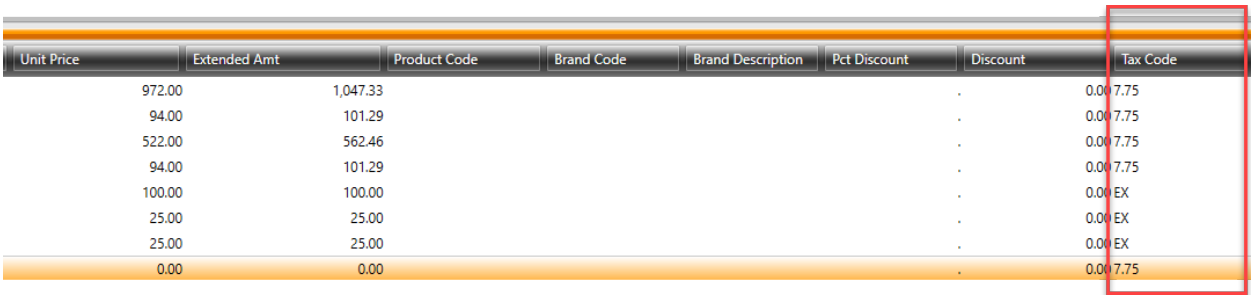
i. Quote number
ii. Delivery instructions
iii. Etc…

c. Print After – This will place the note directly after the last line item.
   i. Quote number
   ii. Delivery instructions
   iii. Etc…

16. In the "Items" tab. Enter in the Quantity, Account Number, Units, Description, Unit Price. If Tax is NOT required, then scroll to the right and select EX under the "Tax Code" column. After entering the data in each filed press the "Enter" to save the item and two add a second item.

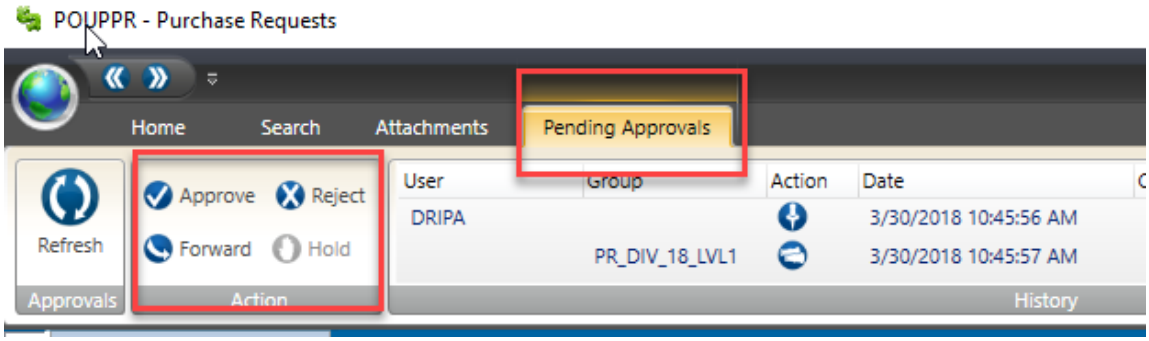


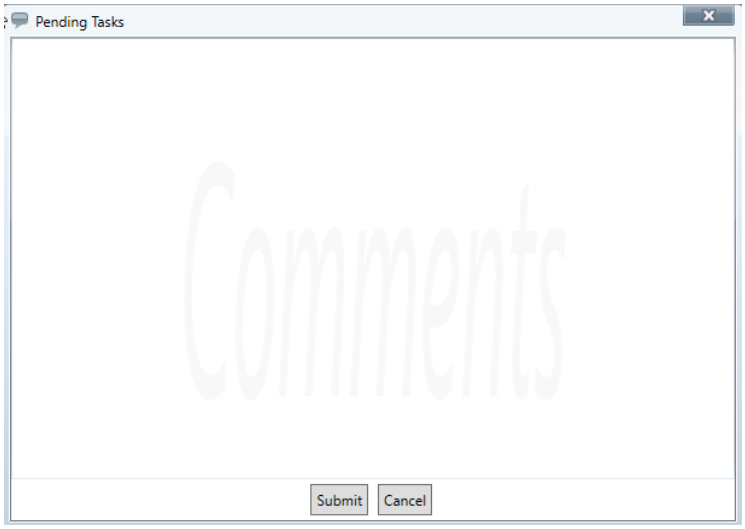
Item Number	Quantity	ACCOUNT NUMBER	Units	Description	Unit Price	Extended Amt	Pro
0001	1	GL 10001840-46110	EA	Aruba AP-365 (US) 802.11n/ac	972.00	1,047.33	
0002	1	GL 10001840-46110	EA	AP-270-MNT-V2 AP-270 Series	94.00	101.29	
0003	1	GL 10001840-46110	EA	PD-9001GO-NA 30W 802.3at PoE+	522.00	562.46	
0004	1	GL 10001840-46110	EA	PD-MOUNT-OD Outdoor PoE	94.00	101.29	
0005	1	GL 10001840-46122	EA	Aruba Central Device	100.00	100.00	
0006	1	GL 10001840-46122	EA	Aruba Central Cloud Services	25.00	25.00	
0007	1	GL 10001840-45010	EA	FREIGHT	25.00	25.00	
0008	0	GL 10001840-45010			0.00	0.00	



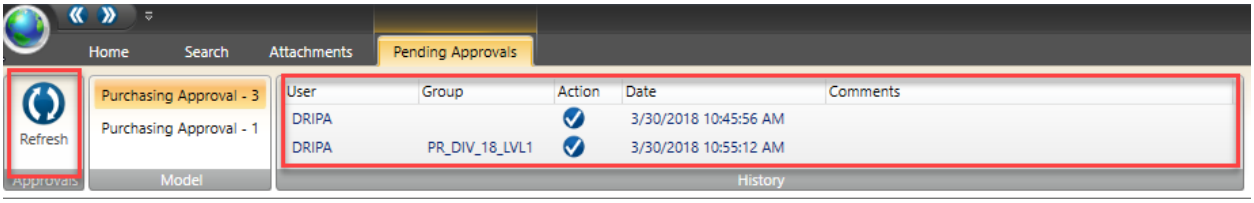
Unit Price	Extended Amt	Product Code	Brand Code	Brand Description	Pct Discount	Discount	Tax Code
972.00	1,047.33				.	0.00	7.75
94.00	101.29				.	0.00	7.75
522.00	562.46				.	0.00	7.75
94.00	101.29				.	0.00	7.75
100.00	100.00				.	0.00	EX
25.00	25.00				.	0.00	EX
25.00	25.00				.	0.00	EX
0.00	0.00				.	0.00	7.75

17. Once you are finished adding items. You will have to approve the PR out of your queue. At the top you should have "Pending Approvals" tab; If you don't, please see below to activate it. Click on that tab and select one of the four choices. When you select one a second window will popup so you can type additional notes for yourself or for the next approver in the queue.



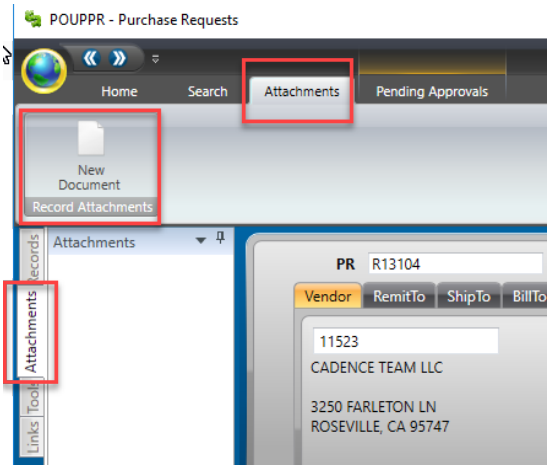


18. If there are multiple approvers you can click on refresh to see who next in line to approve the PR.

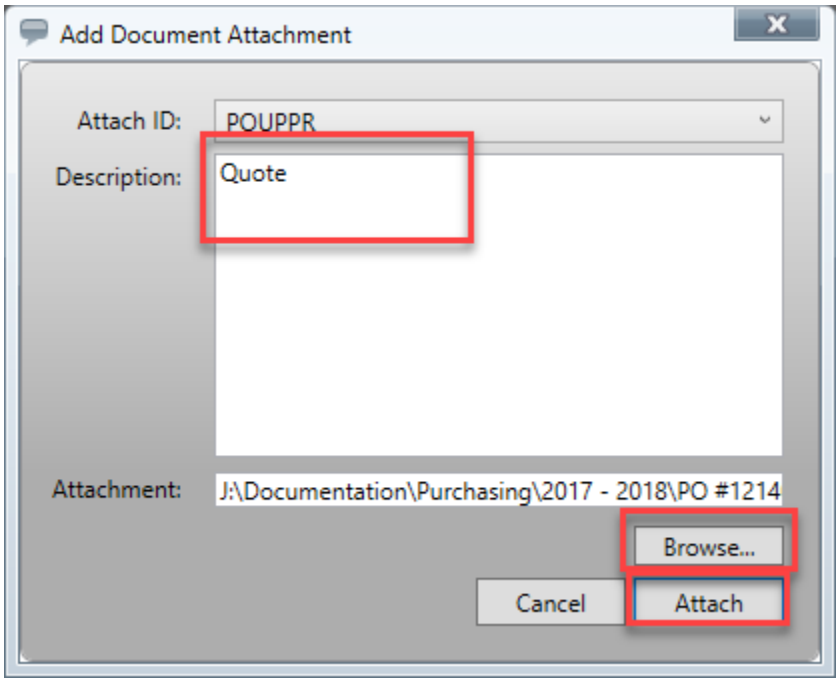


Adding Attachments to the PR

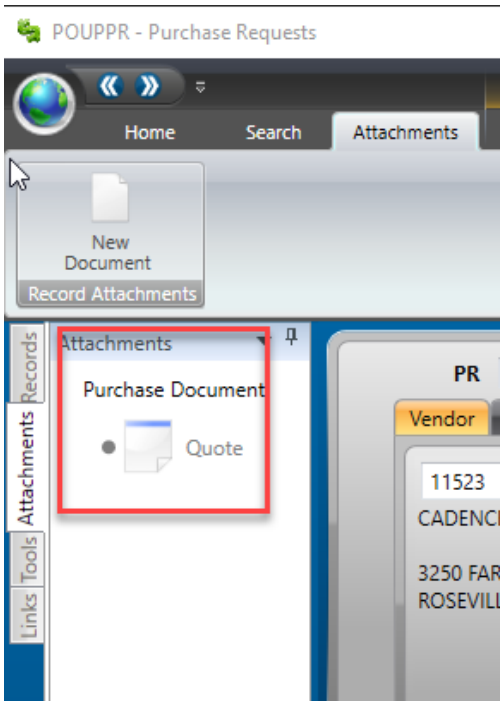
1. Click on the "Attachments" tab on the top will allow you add new documents. The "Attachment" tab on the left will show you the current documents attached to the PR.



2. Click on "New Document". A second window will popup. You will need to add a description and then browse to the location where your attachment is saved. Then click on "Attach."

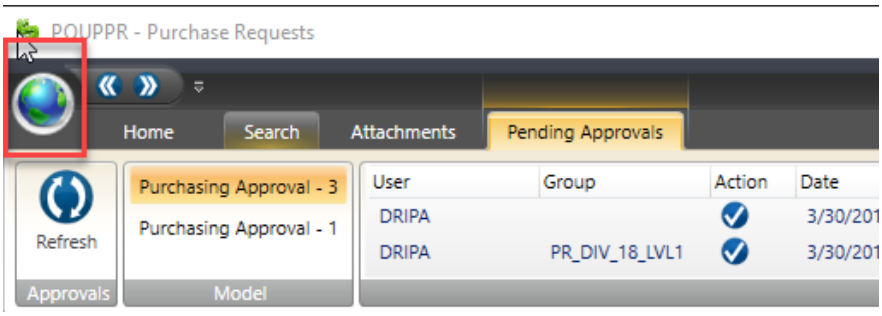


3. You will see the document listed on the left side. If the wrong document was attached; just hover you mouse of the attached document and send IT the document ID and request that document to be removed.

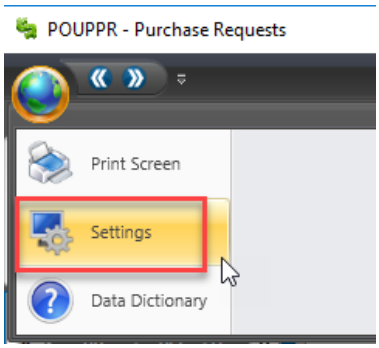


Activating the "Pending Approval" tab and "Attachments" Tab

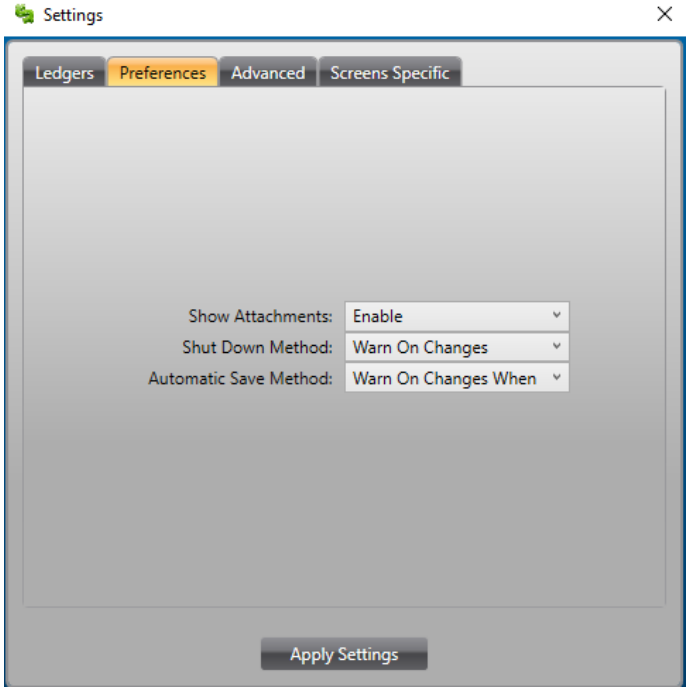
1. Click on the Globe



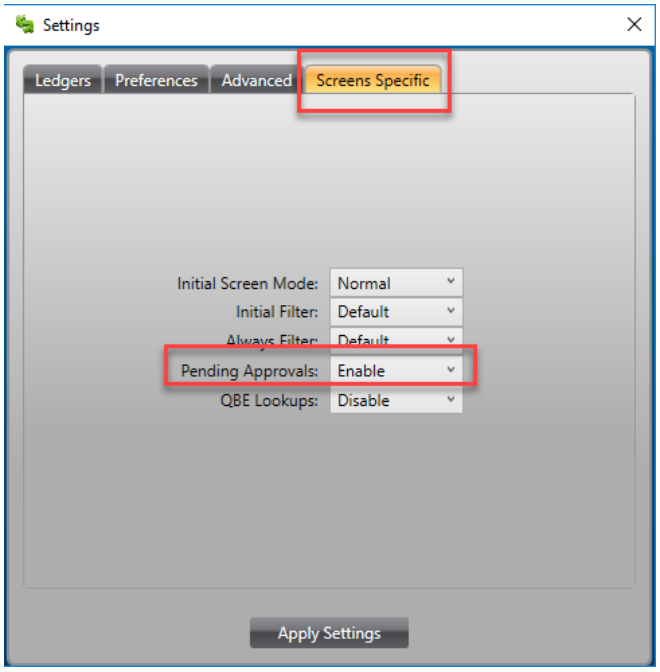
2. Click on “Settings”



3. Click on “Preferences” tab and select “Enable for “Show Attachments”. Then click on “Apply Settings”



4. Click on “Screens Specific” tab and select “Enable” for “Pending Approvals”



Purchase Order Rules

1. All quotes, sole source form, state contracts, etc…. and the approved PO must be attached to the PR.

Commented [LM1]: New logo

FINANCIAL MANAGEMENT
GRANT FUNDING AND COMPLIANCE POLICY

The purpose of this document is to establish uniform guidelines for oversight of the City of South Lake Tahoe in the pursuit of grant related revenue. Adherence to the following policies and procedures promote increased efficiencies, transparency, accountability to ethical standards, and a strategic approach to funding opportunities, which enable the City to be competitive in securing grant funding. All City personnel utilizing or seeking Grant funding for City business purposes are responsible for knowing and following this policy.

Table of Contents

This Policy is organized into the following six sections:

1. **General Standards 2-3**

2. **Grant Application 3**
   - 2.1 Grant Planning and Opportunities 3
   - 2.2 Determining Eligibility 3-4
   - 2.3 City Council Approval to Apply 4
   - 2.4 Submitting Grant Application 4-5

3. **Grant Acceptance 5**
   - 3.1 Approval Process 5
   - 3.2 City Council Approval to Accept Award 5
   - 3.3 Execution of Award 5-6

4. **Grant Management and Compliance 6**
   - 4.1 Roles and Responsibilities 6-7
   - 4.2 Grant Procurement 8
   - 4.3 Compliance Standards 9

5. **Grant Accounting 9**
   - 5.1 Monitoring the Budget 10
   - 5.2 Cash Management 11
   - 5.3 Reimbursement Requests 11
   - 5.4 Staff Time/ Administration 11-12
   - 5.5 Internal Controls/Equipment/Capital Expenditures 12-13

6. **Post Award 14**
   - 6.1 Close-out 14
   - 6.2 Audit 14-15

1. GENERAL STANDARDS

Grant funding allows the City to supplement local public funds to increase the efficiency and impact of programs, projects, and services provided to the community; therefore, the effect of grant funding and the process that governs it is significant.

Grants are not "free money". A grant is a **financial award** provided by a federal, state, local government, or other organization to fund specific, beneficial, goals, objectives, and/or legislative initiatives through legal, contractual, and binding grant agreements. Because government grants are funded by tax dollars, they include stringent compliance and reporting measures to ensure the money is well-spent. Careful consideration and analysis should be given prior to applying or accepting these funds.

This policy describes the City's grant management and administration procedures and intends to do the following:

- Promote the use of best practices
- Promote sound financial management
- Promote efficiency and effectiveness in grant funded projects and programs
- Ensures the grant related activity is consistent with City's strategic priorities
- Ensures the integrity of the City's good standing among granting agencies
- Ensures accountability for financial and programmatic elements of grant administration and management

Adoption and Implementation: The City Council is responsible for adopting the City's Grant Funding and Compliance Policy and for approving any significant policy revisions. The City Manager, or his/her designee, is responsible for developing administrative procedures to implement this policy. In this role, the City Manager is authorized to make minor administrative changes in the guidelines without significant policy impacts.

Public Records Requirement: All documents related to Grant applications, contracts, expenditures, revenues, and grant compliances are public records and may be subject to disclosure under the California Public Records Act (Government Code §6250-6270).

Conflicts of Interest: An officer or employee of the City acting or appearing to act on behalf of someone other than the City; or in carrying out duties has or appears to have a self-interest from which a personal profit or gain is realized or that is actually or potentially adverse to the best interests of the City.

Conflicts of interest and the *appearance* of a conflict of interest can damage the reputation, credibility, and trust of the City. These situations may involve ethical, legal, or other issues and City officials and employees should be diligent in the identification of potential conflicts when working in any capacity with proposed or funded grant activity involving the City.

No officer or employee of the City shall have any interest, financial or otherwise, direct or indirect, or have any arrangement that may reasonably be expected to bias the design, conduct, or reporting of a city grant funded project.

It shall be the responsibility of the Grants Project Manager for each ~~particular~~ grant funded project to ensure in the use of project funds, officials or employees of the City and nongovernmental recipients or sub-recipients shall avoid any action that might result in, or create the appearance of:

- Using his or her official position for private gain
- Giving preferential treatment to any person or organization
- Losing complete independence or impartiality
- Making an official decision outside official channels
- Adversely affecting public confidence in the City and the grant funded program
- Or any other Conflict of Interest outlined per the specific grant agency

Employees and City Officials are responsible for exercising good judgment in applying, approving, requesting, managing and administering grant funds. Accordingly, the basic standard should prevail to provide prudent stewardship of public funds, the City's resources, and granting agency compliance.

2. GRANT APPLICATION

2.1 GRANT PLANNING AND OPPORTUNITIES

Each respective department within the City may research and identify grant opportunities to facilitate City Council's strategic goals, objectives, and initiatives as well as department work plans, to provide supplemental or alternative funding sources to public projects, capital expenditures, or operating programs and expenses.

Once grant opportunities are identified, employees are responsible for obtaining approval from their Department Head to pursue review of such funding. Gathering information beforehand will help ensure success in meeting a tight deadline. Coordination with the Principal Management Analyst, serving as Grants Manager is encouraged to facilitate the process. ~~Following are~~ N~~n~~ecessary components in pursuit of a competitive grant application are:

1. A list of approved projects/programs meeting the needs of the Department as well as City Council priorities (ex. CIP, Master Plans, EIP, Community Plans etc.).
2. Project/program descriptions, goals and objectives.
3. Project timelines, estimated costs, project budgets.
4. Matching fund contribution and fiscal impacts.

2.2 DETERMING ELIGIBILITY

To determine eligibility for grant funding;

1. Review grant guidelines, specifications, and requirements.

2. Coordinate with key personnel for staff and departmental impacts as well as Finance to access fiscal impact.
3. Applications should be evaluated for administrative burden, compliance cost, city match requirements, long term costs, and operation and maintenance costs.
4. In the event the cost to the City exceeds the amount received from the grant, the Department should seek approval from Finance as well as the City Manager to pursue the grant further
5. Department Head shall assign a Project Manager to manage the grant project, program, and department grant compliances.
6. If an outside consultant is hired to assist with grant writing or project management; the Director will assign a staff member responsible for overseeing the consultant contract and ensuring grant compliance.

2.3 CITY COUNCIL APPROVAL TO APPLY

City Council approval to **submit an application** is required for **ALL** Grant Applications. A detailed staff report and a resolution (if required) should be brought forth to City Council for Council approval/adoption. The staff report should include the following information:

1. Project and grant details
2. Budget summary
3. Administration requirements and funding source
4. Match requirements
5. Compliance requirements
6. Grantee responsibilities
7. Maintenance and operations requirements
8. Long-term costs including staffing needs after the expiration of the grant

Background: should summarize and detail the need for the project or program and which priorities will be met. Provide grant agency information.

Issue and Discussion: should summarize the proposed project or program, including all departmental impacts, goals and objectives and benefits or impacts to the City.

Financial Implications: should detail all fiscal impacts, long-term costs, matching contributions, operation and maintenance costs, budget availability or budget constraints.

In the event the application deadline does not allow the necessary lead time for City Council approval; and prior Council approval is not a requirement of the application; the Department Director should ensure the **approval of the City Manager *prior*** to submitting the ~~application, and~~application and will bring the item before council to the next appropriate meeting for ratification.

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2.4 SUBMITTING GRANT APPLICATION

Following City Council approval, a completed grant proposal may be submitted by the department overseeing the project or program. The Project Manager and/or Grants Manager will follow the

grant guidelines, and requirements to review and submit a complete and competitive grant proposal.

Budget Summary: When determining the budget for the grant application all of the project expenses must be included in the application. This includes:

1. Total cost of the project
2. Project management and oversight, staff time, administration
3. Expenses that arise as a result of your project
4. City share of costs where applicable
5. Operation and maintenance, long-term or ongoing costs

3. GRANT ACCEPTANCE

3.1 APPROVAL PROCESS

Upon Grant approval the Department will receive a grant award letter from the funding agency detailing the measures necessary to accept the award. The city should also receive a finalized grant award contract which will become a binding agreement. The grant contract and **all compliance measures** should be reviewed by the Grants Manager, Project Manager, and the Department Director. Grant Manager reviews the grant contract to ensure ability to maintain compliance, and the Director will ensure the department's capability to comply with the contract and will make the appropriate recommendation to City Manager and City Council.

3.2 CITY COUNCIL APPROVAL TO ACCEPT AWARD

The final step in the approval process is taking the awarded grant contract and funding acceptance, ~~to City~~to City **Council for approval and budget appropriation**. Staff report should include:

1. Details of the grant contract, project/program and all compliance required.
2. ~~Must specify~~ A~~a~~cceptance of the grant award, as well as the details necessary to appropriate~~load~~ the grant funding into the City's Budget. **,The proposed budget must match the approved budget in the grant award.**
3. Anticipated revenues, along with balanced associated expenditures with account numbers must be outlined in detail in the staff report and resolution. (Expenditures cannot exceed revenues).
4. All pertinent documentation ~~should be~~ attached, including the grant award contract.

~~4.~~

~~5.~~ Provide a copy of the signed Council Resolution, and the executed Grant Contract -to the Grant Manager to ensure ~~the~~ funds are appropriated into the budget, and ~~begin~~ tracking procedures can begin.

3.3 EXECUTION OF AWARD

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The Grant Contract is fully executed and the funds can be spent when the following steps are complete:

1. Granting Agency signs the grant contract and specifies the dates of the "term of the agreement"
2. **Grant Contract has been approved through City Council**
3. City's Authorized Signatory signs the grant contract
4. Grant revenues and expenses have been loaded into the appropriate account within the City's Budget

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Grant funding cannot be spent prior to approvals and a grant award notification is received from the Granting Agency. The Granting Agency typically sends the Department the original, signed, and fully executed, Grant Agreement. The Department will forward the original copy to the City Clerk as well as a copy to the Grant Manager. A copy needs to be kept within the department in a centralized file for future reference.

Authorized Signatory Responsibility: All Grant applications require an Authorized Signatory on behalf of the City. The Authorized Signatory is usually the Mayor, City Manager, or the Department Director. The signature legally binds the City to all terms and conditions within the grant agreement regardless of whether; the city is the main beneficiary of the funding; the city has applied on behalf of another agency for pass through funding; or the city has hired an outside agency to oversee and manage the project.

4. GRANT MANAGEMENT AND COMPLIANCE

4.1 ROLES AND RESPONSIBILITY

The following shall describe responsible parties for activities surrounding the submittal, implementation, maintenance, reporting and other related duties for grant funded projects by or on behalf of the City of South Lake Tahoe. The full development of a project or program requires the assistance and support from all affected departments.

Financial Services Department

The ***Principal Management Analyst*** in Finance will serve as the ***Grants Manager*** and is the primary person responsible for providing city-wide coordination and monitoring of grants. This individual is responsible for ensuring the City's grants management and compliance program is current and effectively fulfills the compliance requirements of the City's policies and external granting agencies and is available for assistance and guidance for a successful proposal.

The Grants Manager is responsible for:

1. Researching grant opportunities and notifying departments of such opportunities.
2. Acting as a liaison between departments and funding agency personnel.
3. Assisting staff, adhering to grant guidelines, policies, and deadlines.

4. Assisting departments with City Council agenda items regarding applying for grants, accepting awards, and appropriating the grant budgets and/or reviewing agenda items related to grants prior to submission.
5. Receiving a copy of the grant award and maintaining a grant file; tracking grant activity at all stages of the grant cycle. Maintain master files of "open" and "closed" grants in accordance with retention requirements.
6. Developing and conducting grants administration training and assistance to staff pertaining to grant management and compliance.
7. Ensuring the departments track and report programmatic and financial grant activity in a timely manner in accordance with grant agreement, providing the proper account codes as budgeted.
8. Coordinating with Department Head, Project Manager and Finance personnel to gather all information required to meet grant funding ~~requirements;~~requirements, including contracts, professional ~~agreements~~agreements, and proper invoicing from vendors.
9. Preparing and submitting grant reimbursement requests, financial reports, and final financial reconciliation and closing reports.
10. Monitoring and tracking cash flow and accounts receivable.
11. Preparing Schedule of Expenditures of Federal Award for the Single-Audit requirement.
12. Acts as a liaison between auditors, granting agency, and department personnel.

City Departments

The ***Department Director*** is responsible for programmatic and fiscal responsibilities for the designated department. This individual ensures adequate staff and infrastructure are provided for the appropriate performance of grant award management and provides oversight of staff identified as key personnel on grant awards.

Department Director is responsible for:
1. Ensuring adequate management of programmatic and fiscal aspects of the grant awards.
2. Assigning staff to adequately manage the grant awards.
3. Managing general departmental-level support activities related to grants management.
4. Approving submittals and proposed programmatic and fiscal changes to the grant.
5. Reviewing budget amendment requests if they affect commitments by the department.
6. Ensuring cost sharing dollars are available and the budget is adequate relative to the project scope and its justification is appropriate.

The Department ***Project Manager*** is the primary person responsible for the programmatic activities on a project/grant. Although some tasks may be delegated, the Project Manager is the chief accountable person and bears responsibility for the overall administrative and fiscal conduct of the grant project, ~~award~~ for meeting the terms and conditions of the grant award, and for representing the project to the granting agency.

The Project Manager is responsible for:
1. Preparing the grant proposal, with an emphasis on the technical details, scope of work and budgetary components; coordinate with Grants Manager for fiscal impact and assistance.
2. Forwarding all grant agreements and documentation to the Grants Manager for review prior to execution by the proper City officials; prepare City Council agenda items, staff reports,

resolution, ~~(if required),~~ and requesting ~~that~~ budget be established and approved prior to incurring expenditures. ~~being made~~

3. Modify and monitor the project budget, scope of work, and ensuring the appropriate charging of expenditures to the project in compliance with grant award.
4. Appropriately managing the programmatic aspects of the project, monitoring expenditures to ensure grant funds are spent in accordance with the approved budget.
5. Approving all grant expenditures and payment request, utilizing appropriate account numbers and ensuring budget. Submit to Department Director for approval.
6. Working with the Grants Manager to ensure the completeness, accuracy, and timeliness of programmatic and financial reports submitted to the granting agency.
7. Prepares project reporting, progress reports, final reports, monitoring reports.
8. Ensures Finance Department receives copies of pertinent information, documentation, reports or correspondence with the granting agency.
9. Ensuring contractors, subcontractors, consultants have complied with the appropriate work in a timely manner and in accordance with technical, financial, and other requirements of the award, as well as reviewing their invoices for accuracy and grant compliance.
10. Adhering to the terms of the grant agreement and policies and notifying the Grants Manager if changes are needed.
11. Follows State, Federal and City procurement and contract policies in the utilization of grant funding.
12. Complying with Single Audit Act requirements; providing documentation for audit requests; and adhering to audit recommendations.

4.2 GRANT PROCUREMENT

The purchase of goods, materials, supplies, equipment, services, and non-public contracts must follow the City Procurement Policies and Procedures as well as the City's Purchasing Ordinance (SLTCC § 3.45) adopted by City Council. Public Contracts and Public Projects must adhere to Public Contracts and the Uniform Public Construction Cost Accounting Act as adopted by City Council (SLTCC § 3.45 Article II).

Federal Awards, Cooperative Agreements, or State Awards utilizing Federal Funds must also follow the General Procurement Standards in the Code of Federal Regulations (CFR); Title 2: Grants and Agreements section §200.318 through §200.326. These guidelines can be found at https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl; or contact Grants Manager for additional information (ext. 7410).

Grant Awards and Cooperative Agreements utilizing funds through Caltrans must follow the Local Assistance Procedures Manual (LAPM, particularly Chapters 5 and 16. These guidelines can be found at https://dot.ca.gov/programs/local-assistance/guidelines-and-procedures/local-assistance-procedures-manual-lapm or contact Grants Manager for additional information.

Suspension and Debarment: ALL **Federal Awards** used to procure vendors, consultants, and/or contractors, providing services to the city in excess of **$25,000.00** must maintain evidence of vendor **"Suspension and Debarment"** verification through the "Systems for Awards Management (SAM). Print or save a copy of verification and submit it to Finance or contact Grant

Manager to obtain a copy. This requirement must also be included in your Contract, Professional Services Agreement, or PO. (Refer to Purchasing Policy for boiler plate "Suspension and Debarment" language).

4.3 COMPLIANCE STANDARDS

The City "shall at all time exercise responsibility over the implementation of the project" and is held liable for all provisions set forth in the agreement, as quoted from a current grant contract. Therefore, it is imperative that all departments involved, as well as the Authorized Signatory, fully understand the conditions of the grant agreement and follow the compliance measures put into place. This will further ensure the integrity of the City's commitment to the Grantor, help maintain audit compliance, and avoid grant fraud speculation.

Non- compliance; non-compliance findings can result in loss of final retention reimbursement, terminating the grant agreement, repayment of funds, suspension or debarment from receiving future grants, and/or implementation of grant special conditions.

Evidence that an organization has grossly ***misused funds*** or committed ***fraudulent activity***, can result in civil actions against the City and/or City Officials and Personnel to include:

1. Recovery of funds up to triple damages
2. Criminal remedies including arrest
3. Prison sentences
4. Seizure of assets
5. Monetary fines.

Falsification of Documentation- Submitting fraudulent receipts, falsifying an application, or report will result in disciplinary action and may lead to termination of employment and/or criminal action.

The City of South Lake Tahoe reserves the right to deny request of reimbursement for expenses that are considered lavish, extravagant, or are unsupported by required documentation. Unusual expenses incurred due to special circumstances must be approved by the City Manager and the granting agency, if those expenses do not violate Federal or State requirements.

5. GRANT ACCOUNTING

After award acceptance, the Grant Manager will maintain documentation and begin proper tracking and monitoring of the new grant. The Project Manager will monitor and manage the consultant and/or contractor contracts, and track the project budget.

1. Before initiating a contract, purchase order, agreement with a service provider, professional services agreement, or other expense; review the Grant Agreement for **terms and conditions.**

2. Compliance must be maintained with City policy, the Grant Award, and State and/or Federal Policies. Follow the most stringent procedures to ensure all compliances are being met.
3. Before entering into agreements with vendors or contractors, verify that the provider or business has a **valid City Business License.**
4. Staff and/or contractors, consultants or service providers utilizing grant funding must disclose all relevant **conflict of interest** or criminal violations in writing to the appropriate granting agency and follow the guidelines as outlined in the City Council adopted resolution #2016-69.
5. Grant expenditures must be expensed as detailed in the grant application, grant contract and as approved in the City Annual Budget.
6. Consultant/contractor/vendor invoices must be thoroughly reviewed by Project manager for compliance with City and Grant Procurement, Federal compliances and Public Contract Code prior to authorization for payment.
7. If conditions of the Grant Contract are not met; the **Grantor is under no obligation to disburse funds or reimbursement.**
8. ALL **Federal Awards**, Cooperative Agreements, or State Awards utilizing Federal Funds must follow the Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Chapter 1, Chapter 2, Part 200). These guidelines can be found at https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl.

5.1 MONITORING THE BUDGET

Funds must be spent in the manner approved by the Granting Agency and City Council. The **Project Manager** is responsible for:

1. Monitoring the project budget and city staff time budget.
2. Monitoring sub-contractors, sub-recipients, service providers.
3. Monitoring budgets for contractors, consultants, and professional service agreements.
4. Reviewing invoices for payment; specifying appropriate account numbers.
5. Timely submittal of invoices for payment ensuring adequate cash management.

The **Grants Manager** is responsible for:

1. Monitoring expenses after payment to ensure compliance between the grant budget and the City's budget.
2. Preparing and submitting grant payment requests, managing receivables, and cash flow.
3. Preparing and/or reviewing Staff time, administration, and activity delivery.
4. Tracking expenses and revenues in accordance with Grant Contract..
5. Providing direct communication with granting agencies and city departments.

Adjustment between budgeted line items to the approved grant budget; must be approved by the Granting Agency in the manner stated in the Grant Agreement. Concurrently, the Department Director should request a budget adjustment via e-mail to the Finance Department.

Adding additional budget to an approved grant or reducing budget or scope via a Grant Amendment must follow procedures and **request council approval accepting the additional funding** and loading the budget or reducing the budget and accept reducing the scope of the project.

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5.2 CASH MANAGMENT

To minimize time lapsing between outlay of city funds and receipt of grant funds, timely review, approval, and submittal of vendor invoices and grant reimbursement requests is imperative.

1. Invoices and receipts must be ~~paid~~paid, with~~and~~ a check cut to the vendor prior to requesting reimbursement; therefore timely submittal of invoices is required.
2. All work performed and items purchased within a fiscal year; must be **paid within the fiscal year the work was performed** (This is an audit requirement)
3. Provide a brief explanation/justification on the delay of pay requests for invoices submitted for **payment 45 days or more beyond the date of the invoice**; this will help provide information to auditor, or Grantor
4. When submitting invoices (over $250,000) for payment, notify Accounts Payable and Grants Manager to manage bank balance cash flow and expedite grant reimbursement

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5.3 REIMBURSEMENT REQUESTS

Most grant reimbursements are~~must be~~ submitted in arrears. The city must first expend the funds; pay the invoice and request reimbursement after payment has been finalized. Grant reimbursements will be requested in the manner set forth in the grant agreement and as frequent as permitted when expenditures dictate.

- Grants Manager will be responsible for preparing the reimbursement request, or reviewing the request before submitting to the Granting Agency.
- Invoices must be paid in a timely manner and distributed in the General Ledger prior to reimbursement requests.
- Once the billing is complete, it will submitted to the Authorized Signatory for review and approval.
- This review enables an examination of expenditures, proper account numbers, staff time accuracy, and project deliverables.
- After the billing is signed, the Grants Manager will submit as required in the Grant Agreement.
- The revenue is entered into accounts receivable and tracked by the Grants Manager to ensure receipt.

5.4 STAFF TIME/ ADMINISTRATION

Follow grant guidelines in determining eligibility of charging staff time to the grant or using staff time as the City's match or cost share. Employee rates provided should be directly from employee

payroll at current actual hourly rates and remain in effect until such changes are submitted through a "change of status" to Human Resources, or a change to the employee "MOU" within the city.

- Grant timesheets (provided by Finance, Grant Manager) must be used when charging staff time to a grant.
- The Grant timesheet must represent the actual hours worked in a pay period and account for the grant hours within that pay period.
- Department Head and employee must approve the grant timesheets at the end of the pay period and submit the timesheets to the Grant Manager.
- Grant Manager will calculate the staff time directly from the pay period payroll documentation.
- Compensation for personnel services on federal grants must be based on payroll documented through standard City policy and procedures. The consequences of noncompliance with employee time and effort certification may be the disallowance of such charges to the grant.
- Federal grants require accounting for 100% of one's time even if all of one's time is not allocated to the grant project (2 CFR 200.430).
- Wages of employees used in meeting cost sharing or matching requirements of federal awards must be supported in the same manner as those claimed as allowable costs under federal awards.

5.5 INTERNAL CONTROLS

Expenditures

When an invoice is received for a grant funded project, the workflow for payment shall be as follows:

1. Reviewed by Project Manager and back-up documentation verified
2. Approved by Department Head or Authorized Signatory per Procurement Policy
3. Submitted to Accounts Payable for entry and procurement documentation verified
4. Vendor checks are printed by Revenue Accountant, posting payment to the General Ledger ~~(GL)~~
5. GL detail is reviewed by Grants Manager for grant reimbursement preparation
6. Grant Manager prepares reimbursement request according to grant budget and agreement terms, as well as information provided from Project Manager below~~.~~

To assure the invoice gets paid from the proper grant and project; the Project Manager shall:

1. Determine available budget within vendor contract as well as city financial system
2. Specify the grant name, agency, and grant number on the pay request or invoice
3. Specify whether the invoice is 100% reimbursable or what portion is reimbursable through which revenue sources assigned to project
4. Specify the amount and revenue source when splitting an invoice between multiple grants or revenue sources

5. Be specific when paying an invoice between multiple account numbers
6. Make a notation of the account number, name and grant number on the receipt of an expense being paid with a City Cal Card or petty cash

Equipment and other Capital Expenditures

Equipment (Capital Expenditures) purchased with Federal funds must follow Code of Federal Regulations CFR §200.313 and §200.439. These guidelines can be found at the link below: https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl.

1. Capital expenditures for special purpose equipment are allowable as direct costs, provided items with a unit cost of **$5,000** or more have the prior written approval of the Federal awarding agency or pass-through entity.
2. Equipment must be used in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by the Federal award.
3. Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a Federal award, until disposition takes place will, at a minimum, meet the following requirements:

    - Property records must be maintained that include a description of the property, a serial number or other identification number, **the source of funding for the property** (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
    - A physical inventory of the property must be taken, and the results reconciled with the property records at least once every two years.
    - Control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.
    - Adequate maintenance procedures must be developed to keep the property in good condition.
    - If the City is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return. See *CFR §200.313 (e) Disposition*, for guidelines.

Revenues

When a Reimbursement Request is submitted it is:

1. Prepared by Grants Manager after verifying account numbers, budgets, proper grant documentation, matching documentation and back up

2. Approved and signed by Authorized Signatory per grant Agreement
3. Submitted and entered into Accounts receivable by Grants Manager
4. Funds are received and deposited by Revenue Supervisor
5. Deposit is reviewed and reconciled into the GL System by Revenue Accountant

6. POST AWARD

6.1 CLOSEOUT

After completion of all required performance period activities, the Administering Department and Finance shall perform grant closeout tasks in accordance with Federal CFR §200.343, or corresponding State regulations, and/or contractual requirements.

1. The Project Manager is responsible for final performance reports and programmatic reporting required by the terms and conditions of the award and shall provide copies to the Grants Manager in Finance
2. The Grants Manager is responsible for final financial reports and final reimbursement as required by the terms and conditions of the award
3. The Project Manager and Grant Manager are responsible for collecting and maintaining all appropriate back up documentation for performance, financial, and final reports
4. The Administering Department and Finance shall ensure that all financial activities are recorded, that revenues balance to expenditures, and that revenues and expenditures balance to budget figures
5. The Administering Department and Finance are responsible for ensuring their **records retention** follows the compliance in the grant award or at a minimum is held 5 years after final close date of award.

6.2 AUDIT

All Granting Agencies reserve the right to call for a program audit or a financial audit at any time between execution of the agreement and the completion or termination of the project.

All non-Federal entities that expend $750,000 or more of Federal awards in a year are required to obtain an annual audit in accordance with the Single Audit Act Amendments of 1996, OMB Circular A-133, the OMB Circular Compliance Supplement and Government Auditing Standards. A single audit is intended to provide a cost-effective audit for non-Federal entities in that one audit is conducted in lieu of multiple audits of individual programs. The City exceeds the $750,000 threshold and is subject to this required Audit annually.

Federal Single Audit Act and annual reporting requirements are contained in 2 CFR Part 200 Subpart F (200.5 Compliance and Audit Requirements.) It is important that all grant activity and any changes to the grant are well documented to facilitate any audit. Audit findings made during the audit are provided to the grantor, which could prompt an audit by the grantor.

The following activities are the fourteen types of compliance requirements considered in every audit conducted under 2 CFR Part 200 Subpart F, and many are described throughout this policy:

1. Activities: Allowed or Unallowable
2. Allowable Costs/Cost Principles
3. Cash Management
4. Compliance with Terms & Conditions (e.g. Davis-Bacon Act)
5. Eligibility
6. Equipment and Real Property Management
7. Matching, Level of Effort, Earmarking
8. Period of Availability of Federal Funds
9. Procurement, Suspension and Debarment
10. Program Income
11. Real Property Acquisition and Relocation Assistance
12. Reporting
13. Subrecipient Monitoring
14. Special Tests and Provisions

The Administering Department and Finance are responsible for ensuring their records are maintained in accordance with applicable City policy, State law, and Federal regulations and maintain compliance with Federal Code 2 CFR Part 200.

- Project Manager is responsible to provide all programmatic and procurement documentation requested by a Granting Agency or Auditor

- Grant Manager is responsible to provide all fiscal documentation requested by a Granting Agency or Auditor

Complete and proper documentation is instrumental to a smooth and successful audit; which reflects positively on the City, and in turn increases the chance for future successful grant applications.

FINANCIAL MANAGEMENT
GRANT FUNDING AND COMPLIANCE POLICY

The purpose of this document is to establish uniform guidelines for oversight of the City of South Lake Tahoe in the pursuit of grant related revenue. Adherence to the following policies and procedures promote increased efficiencies, transparency, accountability to ethical standards, and a strategic approach to funding opportunities, which enable the City to be competitive in securing grant funding. All City personnel utilizing or seeking Grant funding for City business purposes are responsible for knowing and following this policy.

Table of Contents

This Policy is organized into the following six sections:

1. General Standards 2-3

2. Grant Application 3
- 2.1 Grant Planning and Opportunities 3
- 2.2 Determining Eligibility 3-4
- 2.3 City Council Approval to Apply 4
- 2.4 Submitting Grant Application 4-5

3. Grant Acceptance 5
- 3.1 Approval Process 5
- 3.2 City Council Approval to Accept Award 5
- 3.3 Execution of Award 5-6

4. Grant Management and Compliance 6
- 4.1 Roles and Responsibilities 6-7
- 4.2 Grant Procurement 8
- 4.3 Compliance Standards 9

5. Grant Accounting 9
- 5.1 Monitoring the Budget 10
- 5.2 Cash Management 11
- 5.3 Reimbursement Requests 11
- 5.4 Staff Time/ Administration 11-12
- 5.5 Internal Controls/Equipment/Capital Expenditures 12-13

6. Post Award 14
- 6.1 Close-out 14
- 6.2 Audit 14-15

1. GENERAL STANDARDS

Grant funding allows the City to supplement local public funds to increase the efficiency and impact of programs, projects, and services provided to the community; therefore, the effect of grant funding and the process that governs it is significant.

Grants are not "free money". A grant is a **financial award** provided by a federal, state, local government, or other organization to fund specific, beneficial, goals, objectives, and/or legislative initiatives through legal, contractual, and binding grant agreements. Because government grants are funded by tax dollars, they include stringent compliance and reporting measures to ensure the money is well-spent. Careful consideration and analysis should be given prior to applying or accepting these funds.

This policy describes the City's grant management and administration procedures and intends to do the following:

- Promote the use of best practices
- Promote sound financial management
- Promote efficiency and effectiveness in grant funded projects and programs
- Ensures the grant related activity is consistent with City's strategic priorities
- Ensures the integrity of the City's good standing among granting agencies
- Ensures accountability for financial and programmatic elements of grant administration and management

Adoption and Implementation: The City Council is responsible for adopting the City's Grant Funding and Compliance Policy and for approving any significant policy revisions. The City Manager, or his/her designee, is responsible for developing administrative procedures to implement this policy. In this role, the City Manager is authorized to make minor administrative changes in the guidelines without significant policy impacts.

Public Records Requirement: All documents related to Grant applications, contracts, expenditures, revenues, and grant compliances are public records and may be subject to disclosure under the California Public Records Act (Government Code §6250-6270).

Conflicts of Interest: An officer or employee of the City acting or appearing to act on behalf of someone other than the City; or in carrying out duties has or appears to have a self-interest from which a personal profit or gain is realized or that is actually or potentially adverse to the best interests of the City.

Conflicts of interest and the *appearance* of a conflict of interest can damage the reputation, credibility, and trust of the City. These situations may involve ethical, legal, or other issues and City officials and employees should be diligent in the identification of potential conflicts when working in any capacity with proposed or funded grant activity involving the City.

No officer or employee of the City shall have any interest, financial or otherwise, direct or indirect, or have any arrangement that may reasonably be expected to bias the design, conduct, or reporting of a city grant funded project.

It shall be the responsibility of the Grants Project Manager for each grant funded project to ensure in the use of project funds, officials or employees of the City and nongovernmental recipients or sub-recipients shall avoid any action that might result in, or create the appearance of:

- Using his or her official position for private gain
- Giving preferential treatment to any person or organization
- Losing complete independence or impartiality
- Making an official decision outside official channels
- Adversely affecting public confidence in the City and the grant funded program
- Or any other Conflict of Interest outlined per the specific grant agency

Employees and City Officials are responsible for exercising good judgment in applying, approving, requesting, managing and administering grant funds. Accordingly, the basic standard should prevail to provide prudent stewardship of public funds, the City's resources, and granting agency compliance.

2. GRANT APPLICATION

2.1 GRANT PLANNING AND OPPORTUNITIES

Each respective department within the City may research and identify grant opportunities to facilitate City Council's strategic goals, objectives, and initiatives as well as department work plans, to provide supplemental or alternative funding sources to public projects, capital expenditures, or operating programs and expenses.

Once grant opportunities are identified, employees are responsible for obtaining approval from their Department Head to pursue review of such funding. Gathering information beforehand will help ensure success in meeting a tight deadline. Coordination with the Principal Management Analyst, serving as Grants Manager is encouraged to facilitate the process. Necessary components in pursuit of a competitive grant application are:

1. A list of approved projects/programs meeting the needs of the Department as well as City Council priorities (ex. CIP, Master Plans, EIP, Community Plans etc.).
2. Project/program descriptions, goals and objectives.
3. Project timelines, estimated costs, project budgets.
4. Matching fund contribution and fiscal impacts.

2.2 DETERMING ELIGIBILITY

To determine eligibility for grant funding;

1. Review grant guidelines, specifications, and requirements

2. Coordinate with key personnel for staff and departmental impacts as well as Finance to access fiscal impact
3. Applications should be evaluated for administrative burden, compliance cost, city match requirements, long term costs, and operation and maintenance costs
4. In the event the cost to the City exceeds the amount received from the grant, the Department should seek approval from Finance as well as the City Manager to pursue the grant further
5. Department Head shall assign a Project Manager to manage the grant project, program, and department grant compliances
6. If an outside consultant is hired to assist with grant writing or project management; the Director will assign a staff member responsible for overseeing the consultant contract and ensuring grant compliance

2.3 CITY COUNCIL APPROVAL TO APPLY

City Council approval to **submit an application** is required for **ALL** Grant Applications. A detailed staff report and a resolution (if required) should be brought forth to City Council for Council approval/adoption. The staff report should include the following information:

1. Project and grant details
2. Budget summary
3. Administration requirements and funding source
4. Match requirements
5. Compliance requirements
6. Grantee responsibilities
7. Maintenance and operations requirements
8. Long-term costs including staffing needs after the expiration of the grant

Background: should summarize and detail the need for the project or program and which priorities will be met. Provide grant agency information.

Issue and Discussion: should summarize the proposed project or program, including all departmental impacts, goals and objectives and benefits or impacts to the City.

Financial Implications: should detail all fiscal impacts, long-term costs, matching contributions, operation and maintenance costs, budget availability or budget constraints.

In the event the application deadline does not allow the necessary lead time for City Council approval; and prior Council approval is not a requirement of the application; the Department Director should ensure the **approval of the City Manager *prior*** to submitting the application and will bring the item before council to the next appropriate meeting for ratification.

2.4 SUBMITTING GRANT APPLICATION

Following City Council approval, a completed grant proposal may be submitted by the department overseeing the project or program. The Project Manager and/or Grants Manager will follow the

grant guidelines, and requirements to review and submit a complete and competitive grant proposal.

Budget Summary: When determining the budget for the grant application all of the project expenses must be included in the application. This includes:

1. Total cost of the project
2. Project management and oversight, staff time, administration
3. Expenses that arise as a result of your project
4. City share of costs where applicable
5. Operation and maintenance, long-term or ongoing costs

3. GRANT ACCEPTANCE

3.1 APPROVAL PROCESS

Upon Grant approval the Department will receive a grant award letter from the funding agency detailing the measures necessary to accept the award. The city should also receive a finalized grant award contract which will become a binding agreement. The grant contract and **all compliance measures** should be reviewed by the Grants Manager, Project Manager, and the Department Director. Grant Manager reviews the grant contract to ensure ability to maintain compliance, and the Director will ensure the department's capability to comply with the contract and will make the appropriate recommendation to City Manager and City Council.

3.2 CITY COUNCIL APPROVAL TO ACCEPT AWARD

The final step in the approval process is taking the awarded grant contract and funding acceptance, to **City Council for approval and budget appropriation**. Staff report should include:

1. Details of the grant contract, project/program and all compliance required.
2. Acceptance of the grant award, as well as the details necessary to appropriate the grant funding into the City's Budget. **The appropriated budget must match the approved budget in the grant award.**
3. Anticipated revenues, along with balanced associated expenditures with account numbers must be outlined in detail in the staff report and resolution. (Expenditures cannot exceed revenues).
4. All pertinent documentation should be attached, including the grant award contract.

Provide a copy of the signed Council Resolution, and the executed Grant Contract to the Grant Manager to ensure the funds are appropriated into the budget, and tracking procedures can begin.

3.3 EXECUTION OF AWARD

The Grant Contract is fully executed and the funds can be spent when the following steps are complete:

1. Granting Agency signs the grant contract and specifies the dates of the "term of the agreement"
2. **Grant Contract has been approved through City Council**
3. City's Authorized Signatory signs the grant contract
4. Grant revenues and expenses have been loaded into the appropriate account within the City's Budget

Grant funding cannot be spent prior to approvals and a grant award notification is received from the Granting Agency. The Granting Agency typically sends the Department the original, signed, and fully executed, Grant Agreement. The Department will forward the original copy to the City Clerk as well as a copy to the Grant Manager. A copy needs to be kept within the department in a centralized file for future reference.

Authorized Signatory Responsibility: All Grant applications require an Authorized Signatory on behalf of the City. The Authorized Signatory is usually the Mayor, City Manager, or the Department Director. The signature legally binds the City to all terms and conditions within the grant agreement regardless of whether; the city is the main beneficiary of the funding; the city has applied on behalf of another agency for pass through funding; or the city has hired an outside agency to oversee and manage the project.

4. GRANT MANAGEMENT AND COMPLIANCE

4.1 ROLES AND RESPONSIBILITY

The following shall describe responsible parties for activities surrounding the submittal, implementation, maintenance, reporting and other related duties for grant funded projects by or on behalf of the City of South Lake Tahoe. The full development of a project or program requires the assistance and support from all affected departments.

Financial Services Department

The ***Principal Management Analyst*** in Finance will serve as the ***Grants Manager*** and is the primary person responsible for providing city-wide coordination and monitoring of grants. This individual is responsible for ensuring the City's grants management and compliance program is current and effectively fulfills the compliance requirements of the City's policies and external granting agencies and is available for assistance and guidance for a successful proposal.

The Grants Manager is responsible for:

1. Researching grant opportunities and notifying departments of such opportunities.
2. Acting as a liaison between departments and funding agency personnel.
3. Assisting staff, adhering to grant guidelines, policies, and deadlines.
4. Assisting departments with City Council agenda items regarding applying for grants, accepting awards, and appropriating the grant budgets and/or reviewing agenda items related to grants prior to submission.

5. Receiving a copy of the grant award and maintaining a grant file; tracking grant activity at all stages of the grant cycle. Maintain master files of "open" and "closed" grants in accordance with retention requirements.
6. Developing and conducting grants administration training and assistance to staff pertaining to grant management and compliance.
7. Ensuring the departments track and report programmatic and financial grant activity in a timely manner in accordance with grant agreement, providing the proper account codes as budgeted.
8. Coordinating with Department Head, Project Manager and Finance personnel to gather all information required to meet grant funding requirements, including contracts, professional agreements, and proper invoicing from vendors.
9. Preparing and submitting grant reimbursement requests, financial reports, and final financial reconciliation and closing reports.
10. Monitoring and tracking cash flow and accounts receivable.
11. Preparing Schedule of Expenditures of Federal Award for the Single-Audit requirement.
12. Acts as a liaison between auditors, granting agency, and department personnel.

City Departments

The ***Department Director*** is responsible for programmatic and fiscal responsibilities for the designated department. This individual ensures adequate staff and infrastructure are provided for the appropriate performance of grant award management and provides oversight of staff identified as key personnel on grant awards.

Department Director is responsible for:
1. Ensuring adequate management of programmatic and fiscal aspects of the grant awards.
2. Assigning staff to adequately manage the grant awards.
3. Managing general departmental-level support activities related to grants management.
4. Approving submittals and proposed programmatic and fiscal changes to the grant.
5. Reviewing budget amendment requests if they affect commitments by the department.
6. Ensuring cost sharing dollars are available and the budget is adequate relative to the project scope and its justification is appropriate.

The Department ***Project Manager*** is the primary person responsible for the programmatic activities on a project/grant. Although some tasks may be delegated, the Project Manager is the chief accountable person and bears responsibility for the overall administrative and fiscal conduct of the grant project, for meeting the terms and conditions of the grant award, and for representing the project to the granting agency.

The Project Manager is responsible for:
1. Preparing the grant proposal, with an emphasis on the technical details, scope of work and budgetary components; coordinate with Grants Manager for fiscal impact and assistance.
2. Forwarding all grant agreements and documentation to the Grants Manager for review prior to execution by the proper City officials; prepare City Council agenda items, staff reports, resolution, and requesting budget be established and approved prior to incurring expenditures.
3. Modify and monitor the project budget, scope of work, and ensuring the appropriate charging of expenditures to the project in compliance with grant award.

4. Appropriately managing the programmatic aspects of the project, monitoring expenditures to ensure grant funds are spent in accordance with the approved budget.
5. Approving all grant expenditures and payment request, utilizing appropriate account numbers and ensuring budget. Submit to Department Director for approval.
6. Working with the Grants Manager to ensure the completeness, accuracy, and timeliness of programmatic and financial reports submitted to the granting agency.
7. Prepares project reporting, progress reports, final reports, monitoring reports.
8. Ensures Finance Department receives copies of pertinent information, documentation, reports or correspondence with the granting agency.
9. Ensuring contractors, subcontractors, consultants have complied with the appropriate work in a timely manner and in accordance with technical, financial, and other requirements of the award, as well as reviewing their invoices for accuracy and grant compliance.
10. Adhering to the terms of the grant agreement and policies and notifying the Grants Manager if changes are needed.
11. Follows State, Federal and City procurement, and contract policies in the utilization of grant funding.
12. Complying with Single Audit Act requirements; providing documentation for audit requests; and adhering to audit recommendations.

4.2 GRANT PROCUREMENT

The purchase of goods, materials, supplies, equipment, services, and non-public contracts must follow the City Procurement Policies and Procedures as well as the City's Purchasing Ordinance (SLTCC § 3.45) adopted by City Council. Public Contracts and Public Projects must adhere to Public Contracts and the Uniform Public Construction Cost Accounting Act as adopted by City Council (SLTCC § 3.45 Article II).

Federal Awards, Cooperative Agreements, or State Awards utilizing Federal Funds must also follow the General Procurement Standards in the Code of Federal Regulations (CFR); Title 2: Grants and Agreements section §200.318 through §200.326. These guidelines can be found at https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl; or contact Grants Manager for additional information (ext. 7410).

Grant Awards and Cooperative Agreements utilizing funds through Caltrans must follow the Local Assistance Procedures Manual (LAPM, particularly Chapters 5 and 16. These guidelines can be found at https://dot.ca.gov/programs/local-assistance/guidelines-and-procedures/local-assistance-procedures-manual-lapm or contact Grants Manager for additional information.

Suspension and Debarment: ALL **Federal Awards** used to procure vendors, consultants, and/or contractors, providing services to the city in excess of **$25,000.00** must maintain evidence of vendor **"Suspension and Debarment"** verification through the "Systems for Awards Management (SAM). Print or save a copy of verification and submit it to Finance or contact Grant Manager to obtain a copy. This requirement must also be included in your Contract, Professional Services Agreement, or PO. (Refer to Purchasing Policy for boiler plate "Suspension and Debarment" language).

4.3 COMPLIANCE STANDARDS

The City "shall at all time exercise responsibility over the implementation of the project" and is held liable for all provisions set forth in the agreement, as quoted from a current grant contract. Therefore, it is imperative that all departments involved, as well as the Authorized Signatory, fully understand the conditions of the grant agreement and follow the compliance measures put into place. This will further ensure the integrity of the City's commitment to the Grantor, help maintain audit compliance, and avoid grant fraud speculation.

Non- compliance; non-compliance findings can result in loss of final retention reimbursement, terminating the grant agreement, repayment of funds, suspension or debarment from receiving future grants, and/or implementation of grant special conditions.

Evidence that an organization has grossly ***misused funds*** or committed ***fraudulent activity***, can result in civil actions against the City and/or City Officials and Personnel to include:

1. Recovery of funds up to triple damages
2. Criminal remedies including arrest
3. Prison sentences
4. Seizure of assets
5. Monetary fines.

Falsification of Documentation- Submitting fraudulent receipts, falsifying an application, or report will result in disciplinary action and may lead to termination of employment and/or criminal action.

The City of South Lake Tahoe reserves the right to deny request of reimbursement for expenses that are considered lavish, extravagant, or are unsupported by required documentation. Unusual expenses incurred due to special circumstances must be approved by the City Manager and the granting agency, if those expenses do not violate Federal or State requirements.

5. GRANT ACCOUNTING

After award acceptance, the Grant Manager will maintain documentation and begin proper tracking and monitoring of the new grant. The Project Manager will monitor and manage the consultant and/or contractor contracts, and track the project budget.

1. Before initiating a contract, purchase order, agreement with a service provider, professional services agreement, or other expense; review the Grant Agreement for **terms and conditions.**
2. Compliance must be maintained with City policy, the Grant Award, and State and/or Federal Policies. Follow the most stringent procedures to ensure all compliances are being met.
3. Before entering into agreements with vendors or contractors, verify that the provider or business has a **valid City Business License.**

4. Staff and/or contractors, consultants or service providers utilizing grant funding must disclose all relevant **conflict of interest** or criminal violations in writing to the appropriate granting agency and follow the guidelines as outlined in the City Council adopted resolution #2016-69.
5. Grant expenditures must be expensed as detailed in the grant application, grant contract and as approved in the City Annual Budget.
6. Consultant/contractor/vendor invoices must be thoroughly reviewed by Project manager for compliance with City and Grant Procurement, Federal compliances and Public Contract Code prior to authorization for payment.
7. If conditions of the Grant Contract are not met; the **Grantor is under no obligation to disburse funds or reimbursement.**
8. ALL **Federal Awards**, Cooperative Agreements, or State Awards utilizing Federal Funds must follow the Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Chapter 1, Chapter 2, Part 200). These guidelines can be found at https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl.

5.1 MONITORING THE BUDGET

Funds must be spent in the manner approved by the Granting Agency and City Council. The **Project Manager** is responsible for:

1. Monitoring the project budget and city staff time budget.
2. Monitoring sub-contractors, sub-recipients, service providers.
3. Monitoring budgets for contractors, consultants, and professional service agreements.
4. Reviewing invoices for payment; specifying appropriate account numbers.
5. Timely submittal of invoices for payment ensuring adequate cash management.

The **Grants Manager** is responsible for:

1. Monitoring expenses after payment to ensure compliance between the grant budget and the City's budget.
2. Preparing and submitting grant payment requests, managing receivables, and cash flow.
3. Preparing and/or reviewing Staff time, administration, and activity delivery.
4. Tracking expenses and revenues in accordance with Grant Contract.
5. Providing direct communication with granting agencies and city departments.

Adjustment between budgeted line items to the approved grant budget; must be approved by the Granting Agency in the manner stated in the Grant Agreement. Concurrently, the Department Director should request a budget adjustment via e-mail to the Finance Department.

Adding additional budget to an approved grant or reducing budget or scope via a Grant Amendment must follow procedures and **request council approval accepting the additional funding** and loading the budget or reducing the budget and accept reducing the scope of the project.

5.2 CASH MANAGMENT

To minimize time lapsing between outlay of city funds and receipt of grant funds, timely review, approval, and submittal of vendor invoices and grant reimbursement requests is imperative.

1. Invoices and receipts must be paid, with a check cut to the vendor prior to requesting reimbursement; therefore timely submittal of invoices is required.
2. All work performed and items purchased within a fiscal year; must be **paid within the fiscal year the work was performed** (This is an audit requirement).
3. Provide a brief explanation/justification on the delay of pay requests for invoices submitted **for payment 45 days or more beyond the date of the invoice**; this will help provide information to auditor, or Grantor.
4. When submitting invoices (over $250,000) for payment, notify Accounts Payable and Grants Manager to manage bank balance cash flow and expedite grant reimbursement.

5.3 REIMBURSEMENT REQUESTS

Most grant reimbursements are submitted in arrears. The city must first expend the funds; pay the invoice and request reimbursement after payment has been finalized. Grant reimbursements will be requested in the manner set forth in the grant agreement and as frequent as permitted when expenditures dictate.

- Grants Manager will be responsible for preparing the reimbursement request, or reviewing the request before submitting to the Granting Agency.
- Invoices must be paid in a timely manner and distributed in the General Ledger prior to reimbursement requests.
- Once the billing is complete, it will submitted to the Authorized Signatory for review and approval.
- This review enables an examination of expenditures, proper account numbers, staff time accuracy, and project deliverables.
- After the billing is signed, the Grants Manager will submit as required in the Grant Agreement.
- The revenue is entered into accounts receivable and tracked by the Grants Manager to ensure receipt.

5.4 STAFF TIME/ ADMINISTRATION

Follow grant guidelines in determining eligibility of charging staff time to the grant or using staff time as the City's match or cost share. Employee rates provided should be directly from employee payroll at current actual hourly rates and remain in effect until such changes are submitted through a "change of status" to Human Resources, or a change to the employee "MOU" within the city.

- Grant timesheets (provided by Finance, Grant Manager) must be used when charging staff time to a grant.
- The Grant timesheet must represent the actual hours worked in a pay period and account for the grant hours within that pay period.

- Department Head and employee must approve the grant timesheets at the end of the pay period and submit the timesheets to the Grant Manager.
- Grant Manager will calculate the staff time directly from the pay period payroll documentation.
- Compensation for personnel services on federal grants must be based on payroll documented through standard City policy and procedures. The consequences of noncompliance with employee time and effort certification may be the disallowance of such charges to the grant.
- Federal grants require accounting for 100% of one's time even if all of one's time is not allocated to the grant project (2 CFR 200.430).
- Wages of employees used in meeting cost sharing or matching requirements of federal awards must be supported in the same manner as those claimed as allowable costs under federal awards.

5.5 INTERNAL CONTROLS

Expenditures

When an invoice is received for a grant funded project, the workflow for payment shall be as follows:

1. Reviewed by Project Manager and back-up documentation verified
2. Approved by Department Head or Authorized Signatory per Procurement Policy
3. Submitted to Accounts Payable for entry and procurement documentation verified
4. Vendor checks are printed by Revenue Accountant, posting payment to the General Ledger
5. GL detail is reviewed by Grants Manager for grant reimbursement preparation
6. Grant Manager prepares reimbursement request according to grant budget and agreement terms, as well as information provided from Project Manager below

To assure the invoice gets paid from the proper grant and project; the Project Manager shall:

1. Determine available budget within vendor contract as well as city financial system
2. Specify the grant name, agency, and grant number on the pay request or invoice
3. Specify whether the invoice is 100% reimbursable or what portion is reimbursable through which revenue sources assigned to project
4. Specify the amount and revenue source when splitting an invoice between multiple grants or revenue sources
5. Be specific when paying an invoice between multiple account numbers
6. Make a notation of the account number, name and grant number on the receipt of an expense being paid with a City Cal Card or petty cash

Equipment and other Capital Expenditures

Equipment (Capital Expenditures) purchased with Federal funds must follow Code of Federal Regulations CFR §200.313 and §200.439. These guidelines can be found at the link below: https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl.

1. Capital expenditures for special purpose equipment are allowable as direct costs, provided items with a unit cost of **$5,000** or more have the prior written approval of the Federal awarding agency or pass-through entity.
2. Equipment must be used in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by the Federal award.
3. Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a Federal award, until disposition takes place will, at a minimum, meet the following requirements:

    - Property records must be maintained that include a description of the property, a serial number or other identification number, **the source of funding for the property** (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
    - A physical inventory of the property must be taken, and the results reconciled with the property records at least once every two years.
    - Control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.
    - Adequate maintenance procedures must be developed to keep the property in good condition.
    - If the City is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return. See *CFR §200.313 (e) Disposition*, for guidelines.

Revenues

When a Reimbursement Request is submitted it is:

1. Prepared by Grants Manager after verifying account numbers, budgets, proper grant documentation, matching documentation and back up
2. Approved and signed by Authorized Signatory per grant Agreement
3. Submitted and entered into Accounts receivable by Grants Manager
4. Funds are received and deposited by Revenue Supervisor
5. Deposit is reviewed and reconciled into the GL System by Revenue Accountant

6. POST AWARD

6.1 CLOSEOUT

After completion of all required performance period activities, the Administering Department and Finance shall perform grant closeout tasks in accordance with Federal CFR §200.343, or corresponding State regulations, and/or contractual requirements.

1. The Project Manager is responsible for final performance reports and programmatic reporting required by the terms and conditions of the award and shall provide copies to the Grants Manager in Finance
2. The Grants Manager is responsible for final financial reports and final reimbursement as required by the terms and conditions of the award
3. The Project Manager and Grant Manager are responsible for collecting and maintaining all appropriate back up documentation for performance, financial, and final reports
4. The Administering Department and Finance shall ensure that all financial activities are recorded, that revenues balance to expenditures, and that revenues and expenditures balance to budget figures
5. The Administering Department and Finance are responsible for ensuring their **records retention** follows the compliance in the grant award or at a minimum is held 5 years after final close date of award.

6.2 AUDIT

All Granting Agencies reserve the right to call for a program audit or a financial audit at any time between execution of the agreement and the completion or termination of the project.

All non-Federal entities that expend $750,000 or more of Federal awards in a year are required to obtain an annual audit in accordance with the Single Audit Act Amendments of 1996, OMB Circular A-133, the OMB Circular Compliance Supplement and Government Auditing Standards. A single audit is intended to provide a cost-effective audit for non-Federal entities in that one audit is conducted in lieu of multiple audits of individual programs. The City exceeds the $750,000 threshold and is subject to this required Audit annually.

Federal Single Audit Act and annual reporting requirements are contained in 2 CFR Part 200 Subpart F (200.5 Compliance and Audit Requirements.) It is important that all grant activity and any changes to the grant are well documented to facilitate any audit. Audit findings made during the audit are provided to the grantor, which could prompt an audit by the grantor.

The following activities are the fourteen types of compliance requirements considered in every audit conducted under 2 CFR Part 200 Subpart F, and many are described throughout this policy:

1. Activities: Allowed or Unallowable
2. Allowable Costs/Cost Principles
3. Cash Management
4. Compliance with Terms & Conditions (e.g. Davis-Bacon Act)

5. Eligibility
6. Equipment and Real Property Management
7. Matching, Level of Effort, Earmarking
8. Period of Availability of Federal Funds
9. Procurement, Suspension and Debarment
10. Program Income
11. Real Property Acquisition and Relocation Assistance
12. Reporting
13. Subrecipient Monitoring
14. Special Tests and Provisions

The Administering Department and Finance are responsible for ensuring their records are maintained in accordance with applicable City policy, State law, and Federal regulations and maintain compliance with Federal Code 2 CFR Part 200.

- Project Manager is responsible to provide all programmatic and procurement documentation requested by a Granting Agency or Auditor

- Grant Manager is responsible to provide all fiscal documentation requested by a Granting Agency or Auditor

Complete and proper documentation is instrumental to a smooth and successful audit; which reflects positively on the City, and in turn increases the chance for future successful grant applications.

FINANCIAL MANAGEMENT
TRAVEL POLICY

These guidelines establish the basic policies and procedures for **overnight** travel on City business. All City employees and City officials traveling for City business purposes are responsible for knowing and following this policy.

TABLE OF CONTENTS

This policy is organized into the following seven sections: Page

1. General Standards.....2

2. Travel Authorization.....2
2.1. Delegation of Authority.....~~2~~ 3
2.2. Allowable Expenses.....3

3. Planning an Official Trip.....~~3~~ 4
3.1. Compensation.....~~3~~ 4
3.2. Registration.....4
3.3. Transportation.....4- 5
3.4. Lodging.....6~~5~~
3.5. Meals.....~~5~~ 6
3.6. Prohibited Expenses.....7~~6~~
3.7. Personal Travel.....7~~6~~
3.8. Illness While Traveling.....7~~6~~

4. Payments and Reimbursements.....8~~7~~
4.1. Payment Options.....8~~7~~

5. Final Accounting and Reconciliation.....~~7~~ 8
5.1. Maintaining Documentation.....~~7~~ 8-9
Missing or Lost Receipts.....8 - 9
5.2. Expense Reporting….....9~~8~~

6. Falsification of Expenses.....9~~8~~

7. Forms and Publications.....10~~9~~
7.1. IRS Publications.....~~9~~10
Travel Authorization and Advance Form (prior to travel) EXAMPLE.....11~~10~~
Travel Expense and Reconciliation Form (return from travel) EXAMPLE.....12~~1~~

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1. GENERAL STANDARDS:

The purpose of this policy is to document allowable business travel expenses eligible for reimbursement. These include necessary and reasonable expenses as defined under Section 162 of the Internal Revenue Code for purposes of Federal and State Income Tax Laws. This policy applies to all travel expenses regardless of the source of funds.

"Out-of-town travel" means travel on City business away from the normal workplace or residence and requires an overnight stay. Out-of-town travel expenses include transportation, meal and incidental per diem, lodging, and other travel related allowable expenses.

Adoption and Implementation: The City Council is responsible for adopting the City's Travel Policy and for approving any significant policy revisions. The City Manager, or his/her designee, is responsible for developing administrative procedures to implement this policy. In this role, the City Manager is authorized to make minor administrative changes in the guidelines without significant policy impacts. Updates to Per Diem and Mileage rates may be made periodically in accordance with Federal General Services Administration (G.S.A) established rates.

Public Records Requirement: All documents related to reimbursable City travel expenditures are public records and may be subject to disclosure under the California Public Records Act (Government Code §6250-6270).

Travel Authorization and Advance Form (T.A.A.): this form is located in Public Folders/ Finance Department/ Travel. This form must be completed and approved ***prior*** to scheduling or paying for any expenses related to the travel, including reservations. Upon approval, submit this form to Accounts Payable for advance payment and/or record retention.

Travel Expense and Reconciliation Form (T.E.R.F.): this form is located in Public Folders/ Finance Department/Travel. This form must be completed and approved upon return from travel. This form is used to reconcile all expenses. Upon approval, submit this form to Accounts Payable for reconciliation of expenses and record retention.

Employees and City Officials are responsible for exercising good judgment in requesting, arranging, and reimbursing a business trip. Accordingly, the basic standard that should prevail is to provide prudent stewardship of public funds and the City's resources.

2. TRAVEL AUTHORIZATION:

All employees must receive authorization for travel from their Department/Division Head prior to scheduling a trip. ~~In addition, all requests for ***out-of-state*** travel must be approved by the City Manager prior to taking the trip.~~ Authorization may be granted when travel funds are available in the Department's approved budget. All employees must have the Travel Authorization and Advance (T.A.A) Form completed and signed by their Department or Division Head prior to booking or paying for travel.

"Out-of-State" or "International" travel must be approved by the City Manager prior to

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scheduling a trip. Either attach an approval email to your Travel Authorization form or obtain the City Manager's approval signature on the T.A.A. Form.

Requests for advances, per diem for meals and incidentals, and support for all expenses directly paid to the vendor must be included on the approved T.A.A Form.

2.1. DELEGATION OF AUTHORITY

Finance Director for:	City Manager
City Manager approves for:	Direct Report Employees, Department Heads, & City Clerk/ Elected Officials
Department Heads approve for:	Division Managers, City Employees
Division Managers approve for:	Direct Report Employees

The Authorized Signor is responsible for determining the cost to be reasonable and justified, assuring the following:

1. The purpose cannot be accomplished by internet, mail, or telephone.
2. The seminar, meeting, or conference is necessary to accomplish key City goals/objectives and is unavailable locally if overnight accommodations are required.
3. The minimum number of City staff members will be going.
4. The itinerary ensures accomplishment of the purpose at the lowest reasonable cost.
5. The traveler understands and follows these guidelines.
6. There is enough budget in the appropriate travel line item to cover the costs.
7. A Travel Expense Reconciliation Form with all substantiated receipts will be submitted.

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~~7.1 A Travel Expense Reconciliation Form with all substantiated receipts will be submitted.~~

2.2. ALLOWABLE EXPENSES

Expenses incurred in connection with the following activities generally constitute authorized expenses when guidelines of this policy are met:

1. Communicating with representatives of regional, state, and national government on City adopted policy positions.
2. Serving on professional organizational/governmental committees, boards, or task forces.
3. Attending educational seminars, conferences, or organized educational activities designed to improve skill levels or provide information on topics important to City policy and operations.
4. Preparing research for City projects or implementing adopted City plans, policies, goals, or programs.
5. Attending meetings involving activities or decisions important to City interests and are consistent with adopted plans, policies, goals, or programs.
6. Attending events where the City is a formal sponsor or participant, or in performance of official duties for the City.
7. Communicating with individuals or representatives of community groups on policy positions adopted by or under consideration by the City.
8. Engaging in other business-related activities with a direct connection to the implementation of adopted City plans, policies, goals, or programs.

3. PLANNING AN OFFICAL TRIP:

3.1 COMPENSATION

When travel time exceeds the normal work week and the operating MOU allows, the City's rules for overtime apply. In determining overtime compensation, normal commute time should be deducted from the total time traveled. Additionally, normal unpaid meal periods are not considered work time when traveling. Overtime eligibility applies equally to drivers and passengers and should be granted whether the travel occurs during normal workdays, weekends or evenings.

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3.2 REGISTRATION

Fees charged for registration at any convention, meeting, or training are reimbursable with prior approval. Registration fees can be paid with a Cal-Card, requested as an advance with documentation of published rate, or reimbursed with itemized receipt if the employee pays for the registration on their own.

3.3 TRANSPORTATION

Transportation at the Destination- Use of public transit such as intercity trains, buses, streetcars, or ridesharing etc. is appropriate. If a car rental is required, attach a quote from the most reasonably priced rental car company for an advance check, use your Cal Card for payment, or attach an itemized receipt for reimbursement.

Air Travel- All air travel on City business should be coach class. Compare airline carriers prior to making reservations to ensure the most competitive rates are available to the City.

Reminder, out-of-state travel must be pre-approved by the City Manager.

Air Travel Credit – If a trip is cancelled and an employee receives a credit from the Airline for the value of the airfare, the employee should report that credit to Accounts Payable for tracking purposes and use that credit for future business travel. If the credit is used for personal travel, the employee should reimburse the city for that amount. Should the employee separate from city employment prior to using the credit, the city reserves the right to request reimbursement.

Traveling by Automobile- Traveling by a City vehicle is the most ideal. If one is not available or a personal car is preferred, approval of the Authorized Signor is required.

City Vehicle: When using a city vehicle, reimbursement for gas expenses is appropriate. Due to liability concerns, non-City employees/officials including spouses, children, and guests should not ride as passengers in City vehicles.

Personal Vehicle: When using a personal vehicle for travel; reimbursement at the current approved IRS Mileage rate (2023~~2~~ rate of 65~~2~~.5 cents per mile) will be provided. "Google Maps" or other mapping sites must be used in determining mileage reimbursements. The City will not reimburse for non-business-related mileage such as a personal stop or an indirect route taken for personal reasons.

Mileage in-lieu of Commercial Carrier Costs: In the event a commercial carrier such as an airplane would otherwise be the preferred mode of transportation, but a personal car is preferred (subject to the approval guidelines set forth above), mileage will be reimbursed up to the cost of a commercial carrier.

To drive a privately-owned vehicle on City business it is required to:

1. Possess a valid license to drive in California.
2. Carry liability insurance limits required by Human Resources with the City named as additional insured.

3. Realize that any damage to the car or needed service/repair occurring on the trip will be your responsibility as these costs are included in the City's per mile cost reimbursement.

3.4 LODGING

Accommodations- The City will pay for a single room (including taxes and parking) for as many nights as necessary. The accommodations used should be economical but practical. In general, choose the most reasonably priced accommodations available consistent with the purpose, goals, and convenience of travel.

Canceling a Reservation- Cancel any reservation that cannot be used. If the City is charged for an unused reservation, the employee will pay the charge unless circumstances requiring cancellation were reasonably beyond control and approved by the Authorized Signor.

3.5 MEALS

Please note: Procurement cards (CAL-Card), or Petty Cash, -cannot be used for meals while traveling.

There are no exceptions. Please see Section 8 (Restricted and prohibited purchases) of the Cal-Card User Handbook. Refer to Finance Policies- Cash, for disbursement of Petty Cash requirements.

To qualify for meal allowance:

1. Travel must be to an **overnight** destination outside of the City limits.
2. Meal expenses will be paid on a not to exceed per diem rate while traveling on official business as published by the Federal Government gsa.gov website under Per Diem Rates.
3. The per diem will generally be paid in advance of travel (receipts not required). Where a timely per diem request is not submitted (within 10 days prior to travel) and/or as determined by the employee's department head; a reimbursement of meal expenses may be submitted after travel (**requires submittal of receipts**).
4. Reimbursement in excess of allowable standard Federal Per Diem rate is taxable and must be reported on an employees' W-2 as wages. Therefore, under no circumstances may the cost of meals exceed the per diem rates allowed under this policy. **Employee is responsible for meal costs above current approved per diem rate.**
5. Employees may not claim meals provided by the event or included in hotel costs or conference fees.
6. Meals must be accounted for upon your return on the Travel Expense and Reconciliation (T.E.R) Form. No receipts are required for advance per diem payments. All reimbursed meal expenses require attached receipts.

Current Per Diem rates for 2023~~2~~ for South Lake Tahoe are as follows: Breakfast: $17.00
Lunch: $18.00
Dinner: $34.00
Incidental Expenses: $5.00 (payable full day)

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Total M&IE allowable payment for a full day (excess of 12 hours): $74
First & Last Day of Travel (less than 12 hours): $55.50*

* per GSA allowable Per Diem rates, the first and last day of travel may be received at 75% of total M&IE, this amount is only allowed on first and last travel days.

Rates are subject to change per Federal Government General Services Administration (GSA) www.gsa.gov/perdiem.

3.6 PROHIBITED EXPENSES

Examples of prohibited expenditures include but are not limited to:

- Alcohol/narcotics
- Toiletries/medicines
- Car repair/traffic citations (parking tickets, toll fines)
- Credit card interest charges
- Pet hotel fees, Health club fee/ spa treatments
- Fees for upgrades of air, hotel, or auto
- Headphones or extra incidentals on airlines
- Laundry/dry cleaning
- Movies/entertainment (in-room or off-site)
- Sporting events, theater, or cinema
- Personal expenses/spouse or guest expenses

3.7 PERSONAL TRAVEL

If time is taken away from official business for personal matters, or return is delayed after completing the business trip, reimbursement will not be provided for expenses incurred during that time. Pre-approval is required when combining business and personal travel. If this extended period occurs during regular scheduled work hours, the time will be counted as vacation, comp time, paid time off, or leave without pay.

3.8 ILLNESS WHILE TRAVELING

Should an employee/official become sick or ill during a travel business trip, reimbursement will be provided for necessary additional living expenses (except those directly related to your illness, such as physician or hospital costs) until the employee can return home. Employees are required to notify the supervisor or Authorized Signor as soon as possible of becoming ill. If applicable, the time will be counted as sick leave or paid time-off during your normally scheduled work hours.

4. PAYMENTS AND REIMBURSEMENTS:

The City will pay all legitimate expenses of your trip or meeting. These include transportation, lodging, registration fees, meals and any other related expenses such as parking, baggage fees, and bridge tolls **if they are for official business and within the guidelines of this policy.**

4.1 PAYMENT OPTIONS

Direct Vendor Payments: Direct payments made by the City to an organization to pay for specific costs related to a trip, usually registration fees, lodging and airfare. To obtain direct vendor payments, complete the appropriate sections of the T.A.A. Form and attach payment information for all direct payments. Retain a copy of the completed form to assist in reconciling actual expenses.

Cal Cards may be used to pay vendors directly for travel expenses, upon approval with completed T.A.A from. Receipt of payment on a Cal Card must be submitted with both the Travel Expense and Reconciliation (T.E.R.) Form and Cal Card Statement. Attach a copy of your T.A.A form to your Cal Card statement, when paying for travel expenses (including hotel reservations) with your Cal Card. -

Payment for travel meals on a Cal Card is prohibited.

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Cash Advances: Advance payments can be provided to an employee prior to travel to cover expenses including per diem for meal expenses, Hotel Registration, Transportation etc. To request cash advance, the Authorized Signor must review the amount ensuring it is reasonable and within the current Approved Per Diem Rates and department budget.

Employees must submit a T.E.R. Form to Accounts Payable with final reconciliation documenting all expenses and attaching receipts. Meals must be accounted for although receipts are not required if the employee received a per diem advance.

Reimbursements: Upon return, account for all expenses incurred on the T.E.R. Form attach substantiated receipts for all expenses and obtain proper approval from the Authorized Signor. Reimbursement of Meals requires itemized receipts. Reimbursements will be processed within ten (10) days of submittal to Accounts Payable.

Petty Cash cannot be used for Travel Costs. Refer to Financial Policies- Cash, for disbursement of Petty Cash requirements.

5. FINAL ACCOUNTING AND RECONCILIATION:

5.1 MAINTAINING DOCUMENTATION

- Maintain a detailed record of all expenses incurred during travel: meals, transportation/mileage, lodging, car rentals, parking fees, registration fees, and any other reasonable and necessary expenses to assist with final reconciliation.
- Detailed receipts must be submitted for all expenses except when receiving advanced per diem for meals. Failure to provide such documentation will result in

denial of reimbursement.

Missing or Lost Receipts: Reimbursement of expenses without receipts becomes taxable income. Therefore, the city will not reimburse employees without receipts. In the event receipts are not availabl~~e~~e, provide a written explanation to your Department Head, include a full description of the cost of the expense and reason the receipts are missing. IRS requires the name of the establishment, the date of service, description of items/meals/service purchased, amount paid, include tax if applicable. If you used a personal credit or debit card, provide a copy of the bank transaction. This written explanation must be approved by the Department Head and submitted to the Finance Director for approval. Once approved, submit this documentation with your T.E.R. Form to Accounts Payable. The City reserves the right to require additional approval of the City Manager, where necessary or deny the reimbursement.

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5.2 EXPENSE REPORTING

Within 10 days of return, employees must submit a T.E.R. Form to Accounts Payable with final reconciliation and receipts documenting all expenses. Failure to return this form will result in repayment to the City of any advanced funds and/or denial of reimbursement for expenses not accounted for in this manner.

Per IRS Section 15: to be excluded from taxable wages your T.E.R Form must include the following:

- The business purpose of the trip
- The date and place of the trip
- Receipts for lodging, and all travel expenses
- Receipts for meals if requesting reimbursement

Authorized Signor approving expense reports are responsible to ensure:

1. All expenses are reasonable, necessary and consistent with this policy.
2. All required itemized receipts are attached.
3. The final reconciliation is correct (balance due employee; balance due City).
4. Amounts due to the City are reimbursed within 10 days.
5. Final accounting on T.E.R. Form is submitted to Finance.

6. FALSIFICATION OF EXPENSES:

Submitting fraudulent receipts or falsifying a Travel Expense Reconciliation Form will result in loss of reimbursement privileges and may lead to disciplinary action up to and including termination of employment.

The City of South Lake Tahoe reserves the right to deny reimbursement of expenses that are considered lavish, extravagant, or are unsupported by required documentation. Unusual

expenses incurred due to special circumstances may be approved by the City Manager, if those expenses do not violate Federal or State requirements and when in the City Manager's judgment, such expenses are justified. These expenses must be submitted on a Travel Expense Reconciliation Form supported by documentation and written explanation of circumstances, signed by Department Head, Finance Director, and City Manager.

7. FORMS AND PUBLICATIONS:

The following forms are required when traveling for City business:

1. Prior to booking and paying for travel: Travel Authorization and Advance Form (T.A.A.F.).
2. Return from travel: Travel Expense and Reconciliation Form (T.E.R.F.).
3. Examples to assist in filling out these forms is located on the next page.
4. Blank forms are located in Outlook, Public Folders, Finance Dept., Travel-Training Polices. Updated Aug. 2022.

7.1 INTERNAL REVENUE SERVICE (IRS)

For additional information or clarification, refer to the following IRS publications.

- IRS Publication 15-B, Employers Tax Guide to Fringe Benefits for tax reporting requirement
- IRS Publication 463, Travel, Entertainment, Gift and Car Expenses
- IRS Publication 5318, Tax Cuts and Jobs Act, tax reform 2017

Financial Management - Travel Policy

CITY OF SOUTH LAKE TAHOE

TRAVEL AUTHORIZATION AND ADVANCE FORM

PRE TRAVEL REPORTING

This form should be completed in legible handwriting or in Excel using the City's standard template prior to booking or paying for travel.

EXAMPLE

PURPOSE OF TRAVEL

Attend the 2022 Annual ABC Conference in San Francisco, CA to learn of recent developments in xxxxxxxxx to assist my derpartment in xxxxxxx. Conference begins 9:00 AM on Juned 2nd and ends 12:00 AM on June 4th.

Employee	Department	Position
First & Last Name	City Department	Employee Title

Destination	No. of Days (including first/last)	Total Cost of Travel
San Fransico, CA	3	$ 1,290.72

ITINERARY

Departure From:	Date/Time	Arrival To:	Date/Time
City Offices, address	6/1/2022 12:30	San Francisco, ABC Hotel	6/1/2022 16:30

ESTIMATED COST SUMMARY

Description	Vendor	Payment Method*	Account Number	Paid/ Reimb	Advance
Registration	ABC Conference	D (Cal Card)	100 xxxxx 44050	$ 100.00	
Air Fare	N/A				
Lodging	Hotel (3 nights + park	R (Reimbursement)	100 xxxxx 44050	$ 735.84	
Rental Car	N/A				
Mileage- Personal Vehicle	5.6 miles (188.3 each w	A (Advance)	100 xxxxx 44051		**235.38**
Gasoline- City Vehicle					
Parking					
Misc.					
				$ 835.84	**$ 235.38**

** **D=** Direct Vendor Payments, **A=** Advance, **R=** Reimbursement*

*** **2022 IRS rate is 62.5 cents ($0.625)** per mile. Attach documentation used in determining anticipated mileage.*

ESTIMATED COST SUMMARY CONT. (MEALS)

***Note:** Calculation of daily meal per-diem must be in compliance with IRS regualtions using Federal GSA rates. Follow the calculation below to request proper amounts. If meals are included with registration or hotel fees make sure to deduct them from the calculation.*

Account Number:	100 xxxxx 44050			
	Instructions	**Date/ Meal Type**		**Amount**
First Day of Travel:	If two meal periods will be incurred put $55.50:			
	If only one meal period will be incurred use individual meal rates:	6/1/22 Dinner		**34.00**
Full Day of Travel:	Put number of full calendar travel days x $74.00 or deduct meals	6/2/22 Full Day		**74.00**
	included in registration, hotel, or provided by event	6/3 (breakfst/dinner) lunch incl		**56.00**
Last Day of Travel:	If two meal periods will be incurred put $55.50:	6/4 2 meal periods (Breakfast & Lunch)		**55.50**
	If only one meal period will be incurred use rates below:			
Individual Meal Rates: *Breakfast $17.00, Lunch $18.00, Dinner $34.00, $5.00 incidentals ($74.00 full day)*				**$ 219.50**
First & Last Day of Travel: *Calculated at 75% of total daily meals & incidentals.*				
		SUM OF ADVANCES AND PER DIEM OWED TO EMPLOYEE:		**$ 454.88**

APPROVALS

Employee	Date	Authorized Signor	Date
printed employee name	date submitted	Supervisor or Dept Head	date signed

CITY OF SOUTH LAKE TAHOE
TRAVEL EXPENSE AND REIMBURSEMENT FORM
POST TRAVEL REPORTING

This form should be completed in legible handwriting or in Excel using the City's standard template.

EXAMPLE

RECAP OF TRAVEL

Employee Name	Department	Location	Date Left	Date Returned	Total Cost of Travel
First & Last Name	City Department	ABC Conf. San Francisco, CA	6/1/2022	6/4/2022	**$ 1,290.72**

ACTUAL COSTS INCURRED

Description	Vendor	Payment Method*	Account Number	Amount Paid	Amount Due- Attach Itemized Receipts
Registration	ABC Conference	D (Cal Card)	100 xxxxx 44050	$ 100.00	
Air Fare					
Lodging	ABC Hotel	R- Personal Credit Card	100 xxxxx 44050		**$ 735.84**
Rental Car					
Meals**		A- Advanced Per Diem	100 xxxxx 44050	$ 219.50	
Mileage- Personal Vehicle***	376.6 miles (188.3 each way)	A (Advance)	100 xxxxx 44051	$ 235.38	
Gasoline- City Vehicle					
Parking					
Misc.					
				$ 554.88	**$ 735.84**

** **D** = Direct Vendor Payments, **A** = Advance, **R** = Reimbursement*

*** If a per diem was received prior to travel, fill in total received in the amount column.*

**** 2022 IRS rate is .625 per mile. Attach documentation used in determining mileage reimbursement.*

***** All Reimbursements require itemized receipts attached.*

ACTUAL MEAL COSTS INCURRED: **If meal Per Diem was received as an Advance, leave the section below blank.**

Note: *If requesting reimbursement for meals, attach itemized receipts for all meal periods. The City will only reimburse up to the Federal G.S.A Per Diem amounts. $5.00 Per Diem Incidental rate not applicable for Reimbursement.*

DATE	BREAKFAST	LUNCH	DINNER
Individual Meal Rates: *Breakfast $17.00, Lunch $18.00, Dinner $34.00*			**$ -**

SUM OF REIMBURSEMENTS OWED TO EMPLOYEE: **$ 735.84**

APPROVALS

Employee	Date	Authorized Signor	Date

FINANCIAL MANAGEMENT TRAVEL POLICY

These guidelines establish the basic policies and procedures for **overnight** travel on City business. All City employees and City officials traveling for City business purposes are responsible for knowing and following this policy.

Table of Contents

This Policy is organized into the following seven sections:

1. General Standards 2

2. Travel Authorization 3

Out-of-State Travel 3

2.1 Delegation of Authority 3

***2.2* Allowable Expenses** 3-4

3. Planning an Official Trip 4

3.1 Compensation 4

3.2 Registration 4

3.3 Transportation 4-5

3.4 Lodging 5

3.5 Meals 5-6

3.6 Prohibited Expenses 6

3.7 Personal Travel 7

3.8 Illness While Traveling 7

4. Payments and Reimbursements 7

4.1 Payment Options 7-8

5. Final Accounting and Reconciliation 8

5.1 Maintaining Documentation 8

*** Missing or Lost Receipts** 8

5.2 Expense Reporting 8-9

6. Falsification of Expenses 9

7. Forms and Publications 9

7.1 IRS Publications 9

Travel Authorization & Advance Form (T.A.A.) Prior to Travel EXAMPLE 10

Travel Expense & Reconciliation Form(T.E.R.) Return Travel EXAMPLE 11

1. GENERAL STANDARDS:

The purpose of this policy is to document allowable business travel expenses eligible for reimbursement. These include necessary and reasonable expenses as defined under Section 162 of the Internal Revenue Code for purposes of Federal and State Income Tax Laws. This policy applies to all travel expenses regardless of the source of funds.

"Out-of-town travel" means travel on City business away from the normal workplace or residence and requires an overnight stay. Out-of-town travel expenses include transportation, meal and incidental per diem, lodging, and other travel related allowable expenses.

"Out-of-State travel" means overnight travel to a location outside of the State of California.

"International travel" means travel to a location outside the continental United States, including Hawaii and Alaska.

Adoption and Implementation: The City Council is responsible for adopting the City's Travel Policy and for approving any significant policy revisions. The City Manager, or his/her designee, is responsible for developing administrative procedures to implement this policy. In this role, the City Manager is authorized to make minor administrative changes in the guidelines without significant policy impacts. Updates to Per Diem and Mileage rates may be made periodically in accordance with Federal General Services Administration (G.S.A) established rates.

Public Records Requirement: All documents related to reimbursable City travel expenditures are public records and may be subject to disclosure under the California Public Records Act (Government Code §6250-6270).

Travel Authorization and Advance Form (T.A.A.): this form is located in Public Folders/ Finance Department/ Travel. This form must be completed and approved ***prior*** to scheduling or paying for any expenses related to the travel, including reservations. Upon approval, submit this form to Accounts Payable for advance payment and/or record retention.

Travel Expense and Reconciliation Form (T.E.R.F.): this form is located in Public Folders/ Finance Department/Travel. This form must be completed and approved upon return from travel. This form is used to reconcile all expenses. Upon approval, submit this form to Accounts Payable for reconciliation of expenses and record retention.

Employees and City Officials are responsible for exercising good judgment in requesting, arranging, and reimbursing a business trip. Accordingly, the basic standard that should prevail is to provide prudent stewardship of public funds and the City's resources.

2. TRAVEL AUTHORIZATION:

All employees must receive authorization for travel from their Department/Division Head prior to scheduling a trip. Authorization may be granted when travel funds are available in the Department's approved budget. All employees must have the Travel Authorization and Advance (T.A.A) Form completed and signed by their Department or Division Head ***prior*** to booking or paying for travel.

"Out-of-State" or "International" travel must be approved by the City Manager prior to scheduling a trip. Either attach an approval email to your Travel Authorization form or obtain the City Manager's approval signature on the T.A.A. Form.

Requests for advances, per diem for meals and incidentals, and support for all expenses directly paid to the vendor must be included on the approved T.A.A Form.

2.1. DELEGATION OF AUTHORITY

Finance Director for:	City Manager
City Manager approves for:	Direct Report Employees, Department Heads, & City Clerk/ Elected Officials
Department Heads approve for:	Division Managers, City Employees
Division Managers approve for:	Direct Report Employees

The Authorized Signor is responsible for determining the cost to be reasonable and justified, assuring the following:

1. The purpose cannot be accomplished by internet, mail, or telephone.
2. The seminar, meeting, or conference is necessary to accomplish key City goals/objectives and is unavailable locally if overnight accommodations are required.
3. The minimum number of City staff members will be going.
4. The itinerary ensures accomplishment of the purpose at the lowest reasonable cost.
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Expenses incurred in connection with the following activities generally constitute authorized expenses when guidelines of this policy are met:

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designed to improve skill levels or provide information on topics important to City policy and operations.

4. Preparing research for City projects or implementing adopted City plans, policies, goals, or programs.
5. Attending meetings involving activities or decisions important to City interests and are consistent with adopted plans, policies, goals, or programs.
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8. Engaging in other business-related activities with a direct connection to the implementation of adopted City plans, policies, goals, or programs.

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When travel time exceeds the normal work week and the operating MOU allows, the City's rules for overtime apply. In determining overtime compensation, normal commute time should be deducted from the total time traveled. Additionally, normal unpaid meal periods are not considered work time when traveling. Overtime eligibility applies equally to drivers and passengers and should be granted whether the travel occurs during normal workdays, weekends, or evenings.

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- ***Reminder, out-of-state travel must be pre-approved by the City Manager***

Air Travel Credit – If a trip is cancelled and an employee receives a credit from the Airline for the value of the airfare, the employee should report that credit to Accounts Payable for tracking purposes and use that credit for future business travel. If the credit is used for

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Traveling by Automobile- Traveling by a City vehicle is the most ideal. If one is not available or a personal car is preferred, approval of the Authorized Signor is required.

City Vehicle: When using a city vehicle, reimbursement for gas expenses is appropriate. Due to liability concerns, non-City employees/officials including spouses, children, and guests should not ride as passengers in City vehicles.

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To drive a privately-owned vehicle on City business it is required to:

1. Possess a valid license to drive in California.
2. Carry liability insurance limits required by Human Resources with the City named as additional insured.
3. Realize that any damage to the car or needed service/repair occurring on the trip will be your responsibility as these costs are included in the City's per mile cost reimbursement.

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Accommodations- The City will pay for a single room (including taxes and parking) for as many nights as necessary. The accommodations used should be economical but practical. In general, choose the most reasonably priced accommodations available consistent with the purpose, goals, and convenience of travel.

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To qualify for meal allowance:

1. Travel must be to an **overnight** destination outside of the City limits.
2. Meal expenses will be paid on a not to exceed per diem rate while traveling on official business as published by the Federal Government gsa.gov website under Per Diem Rates.
3. The per diem will generally be paid in advance of travel (receipts not required). Where a timely per diem request is not submitted (within 10 days prior to travel) and/or as determined by the employee's department head; a reimbursement of meal expenses may be submitted after travel (**requires submittal of receipts**).
4. Reimbursement in excess of allowable standard Federal Per Diem rate is taxable and must be reported on an employees' W-2 as wages. Therefore, under no circumstances may the cost of meals exceed the per diem rates allowed under this policy.
   Employee is responsible for meal costs above current approved per diem rate.
5. Employees may not claim meals provided by the event or included in hotel costs or conference fees.
6. Meals must be accounted for upon your return on the Travel Expense and Reconciliation (T.E.R) Form. No receipts are required for advance per diem payments. **All reimbursed meal expenses REQUIRE attached receipts.**

Current Per Diem rates for 2023 for South Lake Tahoe are as follows:
Breakfast: $17.00
Lunch: $18.00
Dinner: $34.00
Incidental Expenses: $5.00 (payable full day)
Total M&IE allowable payment for a full day (excess of 12 hours): $74
First & Last Day of Travel (less than 12 hours): $55.50*

* per GSA allowable Per Diem rates, the first and last day of travel may be received at 75% of total M&IE, this amount is only allowed on first and last travel days.

Rates are subject to change per Federal Government General Services Administration (GSA) www.gsa.gov/perdiem.

3.6 PROHIBITED EXPENSES

Examples of prohibited expenditures include but are not limited to:

- Alcohol/narcotics
- Toiletries/medicines
- Car repair/traffic citations (parking tickets, toll fines)
- Credit card interest charges
- Pet hotel fees, Health club fee/ spa treatments
- Fees for upgrades of air, hotel, or auto

- Headphones or extra incidentals on airlines
- Laundry/dry cleaning
- Movies/entertainment (in-room or off-site)
- Sporting events, theater, or cinema
- Personal expenses/spouse or guest expenses

3.7 PERSONAL TRAVEL

If time is taken away from official business for personal matters, or return is delayed after completing the business trip, reimbursement will not be provided for expenses incurred during that time. Pre-approval is required when combining business and personal travel. If this extended period occurs during regular scheduled work hours, the time will be counted as vacation, comp time, paid time off, or leave without pay.

3.8 ILLNESS WHILE TRAVELING

Should an employee/official become sick or ill during a travel business trip, reimbursement will be provided for necessary additional living expenses (except those directly related to your illness, such as physician or hospital costs) until the employee can return home. Employees are required to notify the supervisor or Authorized Signor as soon as possible of becoming ill. If applicable, the time will be counted as sick leave or paid time-off during your normally scheduled work hours.

4. PAYMENTS AND REIMBURSEMENTS:

The City will pay all legitimate expenses of your trip or meeting. These include transportation, lodging, registration fees, meals and any other related expenses such as parking, baggage fees, and bridge tolls **if they are for official business and within the guidelines of this policy.**

4.1 PAYMENT OPTIONS

Direct Vendor Payments: Direct payments made by the City to an organization to pay for specific costs related to a trip, usually registration fees, lodging and airfare. To obtain direct vendor payments, complete the appropriate sections of the T.A.A. Form and attach payment information for all direct payments. Retain a copy of the completed form to assist in reconciling actual expenses.

Cal Cards may be used to pay vendors directly for travel expenses, upon approval with completed T.A.A from. Receipt of payment on a Cal Card must be submitted with both the Travel Expense and Reconciliation (T.E.R.) Form and Cal Card Statement. Attach a copy of your T.A.A form to your Cal Card statement, when paying for travel expenses (including hotel reservations) with your Cal Card.

Payment for travel meals on a Cal Card is prohibited.

Cash Advances: Advance payments can be provided to an employee prior to travel to

cover expenses including per diem for meal expenses, Hotel Registration, Transportation etc. To request cash advance, the Authorized Signor must review the amount ensuring it is reasonable and within the current Approved Per Diem Rates and department budget.

Employees must submit a T.E.R. Form to Accounts Payable with final reconciliation documenting all expenses and attaching receipts. Meals must be accounted for although receipts are not required if the employee received a per diem advance.

Reimbursements: Upon return, account for all expenses incurred on the T.E.R. Form attach substantiated receipts for all expenses and obtain proper approval from the Authorized Signor. **Reimbursement of Meals requires itemized receipts.** Reimbursements will be processed within ten (10) days of submittal to Accounts Payable.

Petty Cash cannot be used for Travel Costs. Refer to Financial Policies- Cash, for disbursement of Petty Cash requirements.

5. FINAL ACCOUNTING AND RECONCILIATION:

5.1 MAINTAINING DOCUMENTATION

- Maintain a detailed record of all expenses incurred during travel: meals, transportation/mileage, lodging, car rentals, parking fees, registration fees, and any other reasonable and necessary expenses to assist with final reconciliation.
- Detailed receipts must be submitted for all expenses except when receiving advanced per diem for meals. Failure to provide such documentation will result in denial of reimbursement.

Missing or Lost Receipts:

Reimbursement of expenses without receipts becomes taxable income. Therefore, the city will not reimburse employees without receipts. In the event receipts are not available, provide a written explanation to your Department Head, include a full description of the cost of the expense and reason the receipts are missing. IRS requires the name of the establishment, the date of service, description of items/meals/service purchased, amount paid, include tax if applicable. If you used a personal credit or debit card, provide a copy of the bank transaction. This written explanation must be approved by the Department Head and submitted to the Finance Director for approval. Once approved, submit this documentation with your T.E.R. Form to Accounts Payable. The City reserves the right to require additional approval of the City Manager, where necessary or deny the reimbursement.

5.2 EXPENSE REPORTING

Within 10 days of return, employees must submit a T.E.R. Form to Accounts Payable with

final reconciliation and receipts documenting all expenses. Failure to return this form will result in repayment to the City of any advanced funds and/or denial of reimbursement for expenses not accounted for in this manner.

Per IRS Section 15: to be excluded from taxable wages your T.E.R Form must include the following:

- The business purpose of the trip
- The date and place of the trip
- Receipts for lodging, and all travel expenses
- Receipts for meals if requesting reimbursement

Authorized Signor approving expense reports are responsible to ensure:

1. All expenses are reasonable, necessary and consistent with this policy.
2. All required itemized receipts are attached.
3. The final reconciliation is correct (balance due employee; balance due City).
4. Amounts due to the City are reimbursed within 10 days.
5. Final accounting on T.E.R. Form is submitted to Finance.

6. FALSIFICATION OF EXPENSES:

Submitting fraudulent receipts or falsifying a Travel Expense Reconciliation Form will result in loss of reimbursement privileges and may lead to disciplinary action up to and including termination of employment.

The City of South Lake Tahoe reserves the right to deny reimbursement of expenses that are considered lavish, extravagant, or are unsupported by required documentation. Unusual expenses incurred due to special circumstances may be approved by the City Manager, if those expenses do not violate Federal or State requirements and when in the City Manager's judgment, such expenses are justified. These expenses must be submitted on a Travel Expense Reconciliation Form supported by documentation and written explanation of circumstances, signed by Department Head, Finance Director, and City Manager.

7. FORMS AND PUBLICATIONS:

The following forms are required when traveling for City business:

1. Prior to booking and paying for travel: Travel Authorization and Advance Form (T.A.A.F.).
2. Return from travel: Travel Expense and Reconciliation Form (T.E.R.F.).
3. Examples to assist in filling out these forms is located on the next page.
4. Blank forms are located in Outlook, Public Folders, Finance Dept., Travel-Training Polices. Updated Aug. 2023.

7.1 INTERNAL REVENUE SERVICE (IRS)

For additional information or clarification, refer to the following IRS publications.

- IRS Publication 15-B, Employers Tax Guide to Fringe Benefits for tax reporting requirement
- IRS Publication 463, Travel, Entertainment, Gift and Car Expenses
- IRS Publication 5318, Tax Cuts and Jobs Act, tax reform 2017

Financial Management - Travel Policy

CITY OF SOUTH LAKE TAHOE
TRAVEL AUTHORIZATION AND ADVANCE FORM
PRE-TRAVEL REPORTING

This form should be completed in legible handwriting or in Excel using the City's standard template prior to booking or paying for travel.

EXAMPLE

PURPOSE OF TRAVEL

Attend the 2023 Annual ABC Conference in San Francisco, CA to learn of recent developments in xxxxxxxxx to assist my department in xxxxxxx. Conference begins 9:00 AM on Juned 2nd and ends 12:00 AM on June 4th.

Employee	Department	Position
First & Last Name	City Department	Employee Title

Destination	No. of Days (including first/last)	Total Cost of Travel
San Francisco, CA	3	**$ 1,297.69**

ITINERARY

Departure From:	Date/Time	Arrival To:	Date/Time
City Offices, address	6/1/2023 12:30	San Francisco, ABC Hotel	6/1/2023 16:30

ESTIMATED COST SUMMARY

Description	Vendor	Payment Method*	Account Number	Paid/ Reimb	Advance
Registration	ABC Conference	D (Cal Card)	100 xxxxx 44050	$ 100.00	
Air Fare	N/A				
Lodging	Hotel 3 nights + park	R (Reimbursement)	100 xxxxx 44050	$ 735.84	
Rental Car	N/A				
Mileage- Personal Vehicle	185 miles x 2 x 0.655	A (Advance)	100 xxxxx 44051		**242.35**
Gasoline- City Vehicle					
Parking					
Misc.					
				$ 835.84	**$ 242.35**

* ***D***= *Direct Vendor Payments,* ***A***= *Advance,* ***R***= *Reimbursement*

** ***2023 IRS rate is 65.5 cents ($0.655)*** *per mile. Attach documentation used in determining anticipated mileage.*

ESTIMATED COST SUMMARY CONT. (MEALS)

Note: *Calculation of daily meal per-diem must be in compliance with IRS regulations using Federal GSA rates. Follow the calculation below to request proper amounts. If meals are included with registration or hotel fees make sure to deduct them from the calculation.*

Account Number:	100 xxxxx 44050			
	Instructions	**Date/ Meal Type**		**Amount**
First Day of Travel:	If two meal periods will be incurred put $55.50:			
	If only one meal period will be incurred use individual meal rates:	6/1/22 Dinner		**34.00**
Full Day of Travel:	Put number of full calendar travel days x $74.00 or deduct meals	6/2/22 Full Day		**74.00**
	included in registration, hotel, or provided by event	6/3 (breakfst/dinner) lunch incl		**56.00**
Last Day of Travel:	If two meal periods will be incurred put $55.50:	6/4 2 meal periods (Breakfast & Lunch)		**55.50**
	If only one meal period will be incurred use rates below:			
Individual Meal Rates: *Breakfast $17.00, Lunch $18.00, Dinner $34.00, $5.00 incidentals ($74.00 full day)*				**$ 219.50**
First & Last Day of Travel: *Calculated at 75% of total daily meals & incidentals.*				
		SUM OF ADVANCES AND PER DIEM OWED TO EMPLOYEE:		**$ 461.85**

APPROVALS

Employee	Date	Authorized Signor	Date
printed employee name	date submitted	Supervisor or Dept Head	date signed

CITY OF SOUTH LAKE TAHOE
TRAVEL EXPENSE AND REIMBURSEMENT FORM
POST TRAVEL REPORTING

This form should be completed in legible handwriting or in Excel using the City's standard template.

EXAMPLE

RECAP OF TRAVEL

Employee Name	Department	Location	Date Left	Date Returned	Total Cost of Travel
First & Last Name	City Department	ABC Conf. San Francisco, CA	6/1/2023	6/4/2023	**$ 1,297.69**

ACTUAL COSTS INCURRED

Description	Vendor	Payment Method*	Account Number	Amount Paid	Amount Due- Attach Itemized Receipts
Registration	ABC Conference	D (Cal Card)	100 xxxxx 44050	$ 100.00	
Air Fare					
Lodging	ABC Hotel	R- Personal Credit Card	100 xxxxx 44050		**$ 735.84**
Rental Car					
Meals**		A- Advanced Per Diem	100 xxxxx 44050	$ 219.50	
Mileage- Personal Vehicle***	370 miles -185 x 2 x $0.655	A (Advance)	100 xxxxx 44051	$ 242.35	
Gasoline- City Vehicle					
Parking					
Misc.					
				$ 561.85	**$ 735.84**

** **D** = Direct Vendor Payments, **A** = Advance, **R** = Reimbursement*

*** If a per diem was received prior to travel, fill in total received in the amount column.*

**** 2023 IRS rate is .655 per mile. Attach documentation used in determining mileage reimbursement.*

***** All Reimbursements require itemized receipts attached.*

ACTUAL MEAL COSTS INCURRED: **If meal Per Diem was received as an Advance, leave the section below blank.**

Note: *If requesting reimbursement for meals, attach itemized receipts for all meal periods. The City will only reimburse up to the Federal G.S.A Per Diem amounts. $5.00 Per Diem Incidental rate not applicable for Reimbursement.*

DATE	BREAKFAST	LUNCH	DINNER
Individual Meal Rates: *Breakfast $17.00, Lunch $18.00, Dinner $34.00*			**$ -**

SUM OF REIMBURSEMENTS OWED TO EMPLOYEE: **$ 735.84**

APPROVALS

Employee	Date	Authorized Signor	Date

Financial Policies:
Preserving Capital Investments - Fixed Assets
Capitalization and Inventory Control Policy

The City invests in capital assets such as property, plant, equipment, facilities and infrastructure. Preservation of such investments through regular maintenance and a long-term renovation plan is necessary to preserve the value of such capital investments. The City must also plan for the replacement of capital investments (particularly vehicles and equipment). The following policy requirements are intended to ensure the proper accounting and preservation of capital investments; and to provide a sound economic base for their replacement.

1. The budget should provide sufficient funding for adequate maintenance, renovation and the orderly replacement of capital assets such as equipment, fleet, facilities, streets and parks.

2. All capital assets should be maintained at a level that protects capital investment and minimizes future maintenance and replacement costs.

3. A five-year schedule of equipment replacement and maintenance needs, as well as facilities, streets and parks renovation and maintenance needs should be prepared on an annual basis. Expenditures consistent with such plans shall be included in annual budget appropriations.

A. Capital Assets Definition, Classes, and Capitalization Thresholds

The City defines capital assets as any assets used in operations with an estimated useful life in excess of three years that have a value equal to or greater than the capitalization threshold for their respective asset class.

The Asset Classes and Capitalization Thresholds have been established as follows:

Asset Class	Threshold
Land	$50,000
Buildings/Building Improvements	$50,000/$10,000
Improvements Other Than Buildings	$10,000
Vehicles, Machinery, Specialty and Office Equipment	$10,000
Intangibles	$100,000
Infrastructure	$200,000
Construction in progress	$50,000
Lease purchase assets	Use threshold for the appropriate asset class

The threshold will generally not be applied to components of fixed assets.

1. Cost of Capital Assets

Capital Assets are recorded at historical cost or estimated historical cost if purchased or constructed. The cost should include ancillary charges necessary to place the asset into its intended location and condition for use. Items to include in the cost of capital asset are as follows:

- Original contract or invoice price
- Freight and transportation charges
- Handling and storage charges
- In-transit insurance charges
- Sales, use, and other taxes imposed on the acquisition
- Installation charges
- Charges for testing and preparation for use
- Site preparation costs
- Professional fees
- ~~Capitalized interest should be included in the cost of a proprietary fund asset when it meets the criteria of Financial Accounting Standards Board No. 34.~~

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Donated capital assets are valued at their fair value on the date of donation.

2. Depreciating Capital Assets

Property, plant and equipment, depreciable infrastructure and intangible assets of the City shall be depreciated using the straight-line method and applying the half-year convention method over the following useful lives.

Asset Class	Years
Buildings/Building Improvements	10-40
Improvements Other Than Buildings	3-10
Vehicles, Machinery, Specialty and Office Equipment	3-20
Intangibles (subject to depreciation/amortization)	As limited by contractual or legal provisions.
Infrastructure	10-40

It is the City's policy that capital assets have no residual value at the end of their lives. Land, Construction-in-Progress and certain intangible assets are not depreciated. If the asset is disposed of before the end of its useful life, a half-year of depreciation is allowable for the year of disposition.

3. Capital Assets Classes

Land

The surface of the earth, which can be used to support structures and roadways. Land is characterized as having an unlimited life (inexhaustible). Includes the cost of land itself and the cost of preparing land for its intended uses. Examples of items that might be capitalized as part of the cost of land include basic site improvements (e.g., excavation, fill, and grading), as well as the cost of removing, relocating, or reconstructing the property of others (e.g., power lines).

Buildings and Building Improvements

A structure that is permanently attached to the land, has a roof, is partially or completely enclosed by walls, and is not intended to be transportable or moveable.

Improvements to existing buildings that materially extend the useful life of a building, increase the value of a building, or both should be capitalized. The improvement must meet one of the following criteria:

- The improvement adds square footage to the existing building.
- The improvement is a major renovation that prepares an existing building for a new use.
- The improvement expenditure increases the life or value of the building by 25 percent of the original life or cost.

The cost of an improvement (or betterment) normally is added to the cost of the related structure, rather than treated as a separate asset.

Examples of expenditures to be capitalized as building improvements are as follows:

- Replacement of an old shingle roof with a new fireproof tile roof
- Upgrade of heating and cooling systems
- Structures attached to the building such as covered patios, sunrooms, garages, carports, enclosed stairwells, etc.
- Structural changes such as reinforcement of floors or walls, installation or replacement of beams, joists, steel grids, or other interior framing.

The following are examples of expenditures not to capitalize as improvements to buildings. Instead, these items should be recorded as maintenance expense:

- Adding, removing and/or moving of walls relating to renovation projects that are not considered major rehabilitation projects and do not increase the value or life of the building

- Plumbing or electrical repairs
- Cleaning, pest extermination, or other periodic maintenance
- Interior decoration, such as draperies, blinds, curtain rods, wallpaper
- Maintenance-type interior renovation, such as repainting, touch-up, plastering, replacement of carpet, tile, or panel sections; sink and fixture refinishing, etc.
- Maintenance-type exterior renovation such as repainting, replacement of deteriorated siding, roof, or masonry sections
- Replacement of a part or component of a building with a new part of the same type and performance capabilities, such as replacement of an old boiler with a new one of the same type and performance capabilities

Improvements Other Than Buildings

This major asset class is used for permanent (i.e., non-moveable) improvements, other than buildings, that add value to land, but do not have an indefinite useful life. Examples include fences, retaining walls, parking lots, and most landscaping. Moveable items (e.g., picnic table in a park) should be classified as furnishings and equipment.

Vehicles, Machinery, Specialty and Office Equipment

Fixed or movable tangible assets to be used for operations, the benefits of which extend beyond one year from date of acquisition and rendered into service.

Examples of expenditures to be capitalized in this class include but are not limited to:

Vehicles
Computers and servers
Machinery
Furniture and fixtures

Intangible Assets

Intangible assets are characterized as lacking physical form (e.g., computer software, water rights, easements, and patents). Certain intangibles provide benefits indefinitely. In that case, no amortization expense would be recognized. Intangibles with the length of their life limited by contractual or legal provisions should be amortized over the period stated in the provisions.

Easements are interest in land owned by another that entitles its holder to a specific limited use. The estimated value of easements is immaterial and therefore will not be capitalized.

A right-of-way is a type of easement in which title remains with the property owner and therefore is not capitalized.

Infrastructure

Long-lived capital assets that normally are stationary in nature and are of value only to the City. Include, but are not limited to: roads and streets, curbs, gutters, bridges, streetlights, sidewalks, streetscape, bike paths, storm-water drainage improvements, roadway resurfacing, basin and stream environment zone construction, ramps, airfields and runways in Airport Enterprise fund. For the purpose of reporting this major class is separated into subclasses, such as Streets, Bike Paths, Streetscape, Basin and SEZ Construction, and Runways.

Construction in Progress

This major class is used for costs incurred to construct or develop a tangible or intangible capital asset before it is substantially ready to be placed into service. The costs should remain in this category until all retention money has been paid (at which time the asset would be reclassified into the appropriate major class).

B. Capital Assets Accountability and Control

When capital assets are acquired or deeded to the City, copies of related documents shall be routed to the Finance Department in a timely manner to ensure these assets are recorded in the City's financial records.

Department heads are ultimately responsible for safeguarding its fixed assets from theft or loss. However, the Finance Department does recognize and acknowledge its responsibility to establish and maintain systems and procedures that enable department heads and program managers to properly safeguard their assets.

In ***general***, inventory control is applied only to movable fixed assets (generally these falling into the "Vehicles, Machinery and Equipment" category), and not to land, buildings, or other immovable fixed assets. Fixed assets subject to inventory control will be accounted for and controlled through the same systems and procedures used to account and control fixed assets subject to capitalization.

Fixed assets will be subject to inventory control if they meet at least one (1) of the following criteria:

a. The original cost of the fixed asset is equal to or greater than $10,000 if classified as equipment, $50,000 if classified as buildings or land, or $200,000 if classified as infrastructure.
b. Any asset less than the capitalization threshold, as recommended by the Finance Director. This may include certain machinery and equipment that, due to portability, value outside of the office, or character, are susceptible to theft and/or loss. It may include computer equipment and electronic devices such as laptops and iPhones, guns, weapons, and other movable items. Also included may be any asset requested by a department to be controlled in order to satisfy an internal (operational) or external

requirement. For example, the Finance Department (may wish to) tracks all computer hardware in order to establish replacement and upgrade requirements for both hardware and system software.

c. Any asset required to be controlled and separately reported pursuant to grant conditions or any other externally imposed reporting requirement.

Procedure: The goal is to tag all fixed assets that fall within the above categories without affecting the functionality or value of the product. Tags should be placed on the back of the equipment, somewhere where they can be found, but not necessarily stand out. The fixed asset addition form (**Exhibit I**) should be filled out as much as possible. A complete description of the asset should be obtained showing manufacturer, model, serial #, color and any other identifying criteria. The date purchased and cost should be entered when known. If not known, please estimate and mark (est.) after the data. It is understood that logistically some items cannot be tagged. These items still need to be inventoried and the information maintained in a department file.

C. Capital Assets Purchased with Federal Funds

Equipment (Capital Assets) purchased with Federal funds must follow Code of Federal Regulations CFR §200.313 and §200.439.
These guidelines can be found at the following link: https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl.

1. Capital expenditures for special purpose equipment are allowable as direct costs, provided items with a unit cost of **$5,000** or more have the prior written approval of the Federal awarding agency or pass-through entity.
2. Equipment must be used in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by the Federal award.
3. Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a Federal award, until disposition takes place will, at a minimum, meet the following requirements:
   - Property records must be maintained that include a description of the property, a serial number or other identification number, **the source of funding for the property** (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
   - A physical inventory of the property must be taken, and the results reconciled with the property records at least once every two years.

- Control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.
- Adequate maintenance procedures must be developed to keep the property in good condition.
- If the City is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return. See *CFR §200.313 (e) Disposition*, for guidelines.

Surplus property shall be identified by the department, officially declared to the City Council, and after approval, eliminated from the fixed asset accountability list and sold at auction or to any organization or non-employee willing to pay fair market price, Alternatively, the city council may elect to donate or destroy the same in accordance with whatever provision and/or terms and conditions the city council may, in its discretion, elect.

In the event any single item of property is less than $10,000, the finance director shall have the authority to sell, or dispose of such surplus supplies or equipment by donation to local schools or nonprofit organizations, or if surplus has no value, by disposal at a refuse company, Proceeds from sale of surplus property will be allocated to the City's General fund or Vehicle Replacement fund unless the property was originally purchased under contractual obligations with monies from a specific fund, in which case, the proceeds will be returned to that fund.

Disposal of any real property shall be conducted in accordance with all applicable requirements of the Government Code, including but not limited to Government Code sections 50569, 65402, and 54220, et seq. Before disposing of any surplus property, the applicable department head shall ascertain the source of funds used to purchase the property and ensure that disposal will not violate any grant conditions or other applicable restrictions.

Accounting for Leases: Leases that do not transfer substantially all the benefits and risks of ownership are operating leases.

Capitalize a lease that transfers substantially all of the benefits and risks of property ownership, provided the lease is non-cancelable (only non-cancelable leases may be capitalized). One or more of four criteria must be met:

1. Transfers ownership to the lessee.
2. Contains a bargain purchase option.
3. Lease term is equal to or greater than 75 percent of the estimated economic life of the leased property.
4. The present value of the minimum lease payments (excluding executor costs) equals or exceeds 90 percent of the fair value of the lease property.

Account Coding: The account coding to be used for the purchase of capital outlay will be as follows:

For items costing $10,000 or more (these are considered Fixed Assets) use:

Object code # 46010 – Land
Object code # 46020 – Buildings and Building Improvements
Object code # 46030 – Improvements Other Than Buildings
Object code # 46110 – Machinery & Equipment ($10~~7~~,000)
Object code # 46122 – Software
Object code # 46130 – Vehicles
Object code # 46140 – Furniture and Fixtures

For items costing less than $10,000 per unit (these are NOT considered Fixed Assets) use:

Object code # 46120 – Tools, Parts and Leases less than $10,000.

Attachments:

Exhibit I – Sample of Fixed Asset Addition Form

EXHIBIT I - SAMPLE OF FIXED ASSET ADDITION FORM

FIXED ASSET ADDITION FORM

TAG# _____ ITEM DESCRIPTION _____

MANUFACTURER/MODEL _____ SERIAL # _____

P.O. # _____ ITEM COST _____ VENDOR _____

DEPARTMENT _____ LOCATION _____

DATE RECEIVED _____ CLASS CODE _____

PROPERTY CONTACT _____

FINANCE CONTACT _____

DATE TAGGED _____

DATE RECEIVED BY FINANCE DEPARTMENT _____

Additional Comments:

--- FILL IN ALL MISSING BLANKS, MAKE COPY FOR YOUR RECORDS AND RETURN TO FINANCE/ACCOUNTING---

ATTACH THIS STICKER TO NEW ASSET ITEM:

Financial Policies:
Preserving Capital Investments - Fixed Assets
Capitalization and Inventory Control Policy

The City invests in capital assets such as property, plant, equipment, facilities and infrastructure. Preservation of such investments through regular maintenance and a long-term renovation plan is necessary to preserve the value of such capital investments. The City must also plan for the replacement of capital investments (particularly vehicles and equipment). The following policy requirements are intended to ensure the proper accounting and preservation of capital investments; and to provide a sound economic base for their replacement.

1. The budget should provide sufficient funding for adequate maintenance, renovation and the orderly replacement of capital assets such as equipment, fleet, facilities, streets and parks.

2. All capital assets should be maintained at a level that protects capital investment and minimizes future maintenance and replacement costs.

3. A five-year schedule of equipment replacement and maintenance needs, as well as facilities, streets and parks renovation and maintenance needs should be prepared on an annual basis. Expenditures consistent with such plans shall be included in annual budget appropriations.

A. Capital Assets Definition, Classes, and Capitalization Thresholds

The City defines capital assets as any assets used in operations with an estimated useful life in excess of three years that have a value equal to or greater than the capitalization threshold for their respective asset class.

The Asset Classes and Capitalization Thresholds have been established as follows:

Asset Class	Threshold
Land	$50,000
Buildings/Building Improvements	$50,000/$10,000
Improvements Other Than Buildings	$10,000
Vehicles, Machinery, Specialty and Office Equipment	$10,000
Intangibles	$100,000
Infrastructure	$200,000
Construction in progress	$50,000
Lease purchase assets	Use threshold for the appropriate asset class

The threshold will generally not be applied to components of fixed assets.

1. Cost of Capital Assets

Capital Assets are recorded at historical cost or estimated historical cost if purchased or constructed. The cost should include ancillary charges necessary to place the asset into its intended location and condition for use. Items to include in the cost of capital asset are as follows:

- Original contract or invoice price
- Freight and transportation charges
- Handling and storage charges
- In-transit insurance charges
- Sales, use, and other taxes imposed on the acquisition
- Installation charges
- Charges for testing and preparation for use
- Site preparation costs
- Professional fees

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Donated capital assets are valued at their fair value on the date of donation.

2. Depreciating Capital Assets

Property, plant and equipment, depreciable infrastructure and intangible assets of the City shall be depreciated using the straight-line method and applying the half-year convention method over the following useful lives.

Asset Class	Years
Buildings/Building Improvements	10-40
Improvements Other Than Buildings	3-10
Vehicles, Machinery, Specialty and Office Equipment	3-20
Intangibles (subject to depreciation/amortization)	As limited by contractual or legal provisions.
Infrastructure	10-40

It is the City's policy that capital assets have no residual value at the end of their lives. Land, Construction-in-Progress and certain intangible assets are not depreciated. If the asset is disposed of before the end of its useful life, a half-year of depreciation is allowable for the year of disposition.

3. Capital Assets Classes

Land

The surface of the earth, which can be used to support structures and roadways. Land is characterized as having an unlimited life (inexhaustible). Includes the cost of land itself and the cost of preparing land for its intended uses. Examples of items that might be capitalized as part of the cost of land include basic site improvements (e.g., excavation, fill, and grading), as well as the cost of removing, relocating, or reconstructing the property of others (e.g., power lines).

Buildings and Building Improvements

A structure that is permanently attached to the land, has a roof, is partially or completely enclosed by walls, and is not intended to be transportable or moveable.

Improvements to existing buildings that materially extend the useful life of a building, increase the value of a building, or both should be capitalized. The improvement must meet one of the following criteria:

- The improvement adds square footage to the existing building.
- The improvement is a major renovation that prepares an existing building for a new use.
- The improvement expenditure increases the life or value of the building by 25 percent of the original life or cost.

The cost of an improvement (or betterment) normally is added to the cost of the related structure, rather than treated as a separate asset.

Examples of expenditures to be capitalized as building improvements are as follows:

- Replacement of an old shingle roof with a new fireproof tile roof
- Upgrade of heating and cooling systems
- Structures attached to the building such as covered patios, sunrooms, garages, carports, enclosed stairwells, etc.
- Structural changes such as reinforcement of floors or walls, installation or replacement of beams, joists, steel grids, or other interior framing.

The following are examples of expenditures not to capitalize as improvements to buildings. Instead, these items should be recorded as maintenance expense:

- Adding, removing and/or moving of walls relating to renovation projects that are not considered major rehabilitation projects and do not increase the value or life of the building

- Plumbing or electrical repairs
- Cleaning, pest extermination, or other periodic maintenance
- Interior decoration, such as draperies, blinds, curtain rods, wallpaper
- Maintenance-type interior renovation, such as repainting, touch-up, plastering, replacement of carpet, tile, or panel sections; sink and fixture refinishing, etc.
- Maintenance-type exterior renovation such as repainting, replacement of deteriorated siding, roof, or masonry sections
- Replacement of a part or component of a building with a new part of the same type and performance capabilities, such as replacement of an old boiler with a new one of the same type and performance capabilities

Improvements Other Than Buildings

This major asset class is used for permanent (i.e., non-moveable) improvements, other than buildings, that add value to land, but do not have an indefinite useful life. Examples include fences, retaining walls, parking lots, and most landscaping. Moveable items (e.g., picnic table in a park) should be classified as furnishings and equipment.

Vehicles, Machinery, Specialty and Office Equipment

Fixed or movable tangible assets to be used for operations, the benefits of which extend beyond one year from date of acquisition and rendered into service.

Examples of expenditures to be capitalized in this class include but are not limited to:

Vehicles
Computers and servers
Machinery
Furniture and fixtures

Intangible Assets

Intangible assets are characterized as lacking physical form (e.g., computer software, water rights, easements, and patents). Certain intangibles provide benefits indefinitely. In that case, no amortization expense would be recognized. Intangibles with the length of their life limited by contractual or legal provisions should be amortized over the period stated in the provisions.

Easements are interest in land owned by another that entitles its holder to a specific limited use. The estimated value of easements is immaterial and therefore will not be capitalized.

A right-of-way is a type of easement in which title remains with the property owner and therefore is not capitalized.

Infrastructure

Long-lived capital assets that normally are stationary in nature and are of value only to the City. Include, but are not limited to: roads and streets, curbs, gutters, bridges, streetlights, sidewalks, streetscape, bike paths, storm-water drainage improvements, roadway resurfacing, basin and stream environment zone construction, ramps, airfields and runways in Airport Enterprise fund. For the purpose of reporting this major class is separated into subclasses, such as Streets, Bike Paths, Streetscape, Basin and SEZ Construction, and Runways.

Construction in Progress

This major class is used for costs incurred to construct or develop a tangible or intangible capital asset before it is substantially ready to be placed into service. The costs should remain in this category until all retention money has been paid (at which time the asset would be reclassified into the appropriate major class).

B. Capital Assets Accountability and Control

When capital assets are acquired or deeded to the City, copies of related documents shall be routed to the Finance Department in a timely manner to ensure these assets are recorded in the City's financial records.

Department heads are ultimately responsible for safeguarding its fixed assets from theft or loss. However, the Finance Department does recognize and acknowledge its responsibility to establish and maintain systems and procedures that enable department heads and program managers to properly safeguard their assets.

In ***general***, inventory control is applied only to movable fixed assets (generally these falling into the "Vehicles, Machinery and Equipment" category), and not to land, buildings, or other immovable fixed assets. Fixed assets subject to inventory control will be accounted for and controlled through the same systems and procedures used to account and control fixed assets subject to capitalization.

Fixed assets will be subject to inventory control if they meet at least one (1) of the following criteria:

a. The original cost of the fixed asset is equal to or greater than $10,000 if classified as equipment, $50,000 if classified as buildings or land, or $200,000 if classified as infrastructure.
b. Any asset less than the capitalization threshold, as recommended by the Finance Director. This may include certain machinery and equipment that, due to portability, value outside of the office, or character, are susceptible to theft and/or loss. It may include computer equipment and electronic devices such as laptops and iPhones, guns, weapons, and other movable items. Also included may be any asset requested by a department to be controlled in order to satisfy an internal (operational) or external

requirement. For example, the Finance Department (may wish to) tracks all computer hardware in order to establish replacement and upgrade requirements for both hardware and system software.

c. Any asset required to be controlled and separately reported pursuant to grant conditions or any other externally imposed reporting requirement.

Procedure: The goal is to tag all fixed assets that fall within the above categories without affecting the functionality or value of the product. Tags should be placed on the back of the equipment, somewhere where they can be found, but not necessarily stand out. The fixed asset addition form (**Exhibit I**) should be filled out as much as possible. A complete description of the asset should be obtained showing manufacturer, model, serial #, color and any other identifying criteria. The date purchased and cost should be entered when known. If not known, please estimate and mark (est.) after the data. It is understood that logistically some items cannot be tagged. These items still need to be inventoried and the information maintained in a department file.

C. Capital Assets Purchased with Federal Funds

Equipment (Capital Assets) purchased with Federal funds must follow Code of Federal Regulations CFR §200.313 and §200.439.
These guidelines can be found at the following link: https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl.

1. Capital expenditures for special purpose equipment are allowable as direct costs, provided items with a unit cost of **$5,000** or more have the prior written approval of the Federal awarding agency or pass-through entity.
2. Equipment must be used in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by the Federal award.
3. Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a Federal award, until disposition takes place will, at a minimum, meet the following requirements:
   - Property records must be maintained that include a description of the property, a serial number or other identification number, **the source of funding for the property** (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
   - A physical inventory of the property must be taken, and the results reconciled with the property records at least once every two years.

- Control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.
- Adequate maintenance procedures must be developed to keep the property in good condition.
- If the City is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return. See *CFR §200.313 (e) Disposition*, for guidelines.

Surplus property shall be identified by the department, officially declared to the City Council, and after approval, eliminated from the fixed asset accountability list and sold at auction or to any organization or non-employee willing to pay fair market price, Alternatively, the city council may elect to donate or destroy the same in accordance with whatever provision and/or terms and conditions the city council may, in its discretion, elect.

In the event any single item of property is less than $10,000, the finance director shall have the authority to sell, or dispose of such surplus supplies or equipment by donation to local schools or nonprofit organizations, or if surplus has no value, by disposal at a refuse company, Proceeds from sale of surplus property will be allocated to the City's General fund or Vehicle Replacement fund unless the property was originally purchased under contractual obligations with monies from a specific fund, in which case, the proceeds will be returned to that fund.

Disposal of any real property shall be conducted in accordance with all applicable requirements of the Government Code, including but not limited to Government Code sections 50569, 65402, and 54220, et seq. Before disposing of any surplus property, the applicable department head shall ascertain the source of funds used to purchase the property and ensure that disposal will not violate any grant conditions or other applicable restrictions.

Accounting for Leases: Leases that do not transfer substantially all the benefits and risks of ownership are operating leases.

Capitalize a lease that transfers substantially all of the benefits and risks of property ownership, provided the lease is non-cancelable (only non-cancelable leases may be capitalized). One or more of four criteria must be met:

1. Transfers ownership to the lessee.
2. Contains a bargain purchase option.
3. Lease term is equal to or greater than 75 percent of the estimated economic life of the leased property.
4. The present value of the minimum lease payments (excluding executor costs) equals or exceeds 90 percent of the fair value of the lease property.

Account Coding: The account coding to be used for the purchase of capital outlay will be as follows:

For items costing $10,000 or more (these are considered Fixed Assets) use:

Object code # 46010 – Land
Object code # 46020 – Buildings and Building Improvements
Object code # 46030 – Improvements Other Than Buildings
Object code # 46110 – Machinery & Equipment ($10,000)
Object code # 46122 – Software
Object code # 46130 – Vehicles
Object code # 46140 – Furniture and Fixtures

For items costing less than $10,000 per unit (these are NOT considered Fixed Assets) use:

Object code # 46120 – Tools, Parts and Leases less than $10,000.

Attachments:

Exhibit I – Sample of Fixed Asset Addition Form

EXHIBIT I - SAMPLE OF FIXED ASSET ADDITION FORM

FIXED ASSET ADDITION FORM

TAG# _____ ITEM DESCRIPTION _____

MANUFACTURER/MODEL _____ SERIAL # _____

P.O. # _____ ITEM COST _____ VENDOR _____

DEPARTMENT _____ LOCATION _____

DATE RECEIVED _____ CLASS CODE _____

PROPERTY CONTACT _____

FINANCE CONTACT _____

DATE TAGGED _____

DATE RECEIVED BY FINANCE DEPARTMENT _____

Additional Comments:

--- FILL IN ALL MISSING BLANKS, MAKE COPY FOR YOUR RECORDS AND RETURN TO FINANCE/ACCOUNTING---

ATTACH THIS STICKER TO NEW ASSET ITEM:

The objective of this policy is to establish guidelines for the recognition, measurement, presentation, and disclosure of leases and Subscription-Based IT Arrangements (SBITAs) in accordance with the requirements of Governmental Accounting Standards Board (GASB) Statement No. 87, Leases, and GASB Statement No. 96, SBITAs.

A. Definitions

Lease: A contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contracts that meets this definition should be accounted for under the leases guidance, unless specifically excluded in GASB Statement No. 87.

Lease Term: The period during which a lessee has a noncancelable right to use an underlying asset.

Lessee: The entity that obtains the right to use the leased asset.

Lessor: The entity that owns the leased asset and grants the lessee the right to use the asset.

Lease Liability: The lessee's obligation to make lease payments arising from a lease.

Right-of-Use Asset: An asset that represents a lessee's right to use a leased asset during the lease term.

Subscription-Based Information Technology Arrangement (SBITA): a contract that conveys control of the right to use another party's (a SBITA vendor's) IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

Subscription Term: Includes the period during which a government has a noncancelable right to use the underlying IT assets.

B. Scope

This policy applies to all leases and subscription-based information technology arrangements entered into by the City of South Lake Tahoe (City), both as a lessee and as a lessor with the following general exceptions:

Transactions excluded from GASB 87

- Leases for intangibles (including computer software), except for sublease of intangible right-to- use leased asset
- Leases for biological assets
- Leases for inventory
- Leases where underlying asset financed with conduit debt, except for underlying asset and conduit debt reported by lessor
- Service concession agreements
- Supply contracts - electric power purchase agreements
- Short-term leases (maximum term 12 months or less, including any options to extend, regardless of their probability of being exercised)
- Contracts that transfer ownership of the underlying asset to the lessee

Transactions excluded from GASB 96

- Purchases of hardware or software an entity acquires through conventional purchase methods, such as outright purchase, capitalization, or financing arrangements.
- The statement does not apply to internal labor costs incurred by the entity for developing, hosting, or maintaining the software.
- If the arrangement is solely for data storage and does not include software functionality, it is excluded from the scope of GASB 96.

C. Recognition and Measurement:

Leases**:**

As a lessee, the City shall recognize a lease liability at the commencement of the lease term measured at the present value of payments expected to be made during the lease term. The City shall reduce the lease liability as payments are made and recognize an outflow of resources for interest on the liability. The lease asset shall be measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. The City shall amortize the lease asset over the shorter of the lease term or the useful life of the underlying asset.

As a lessor, the City shall recognize a lease receivable and a deferred inflow of resources at the commencement on the lease term measured at the present value of lease payments expected to be received during the lease term. The deferred inflow of resources shall be measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods. The City shall recognize interest revenue on the lease receivable and revenue from the deferred inflows of resources over the term of the lease.

Capitalization Threshold for Leases: The materiality threshold for GASB 87 leases has been established at $100,000 for both lessee and lessor activities.

SBITAs:

The City shall recognize a right-of-use asset and a corresponding liability at the commencement of the subscription term for subscription-based information technology arrangements that meet the definition of a lease as per GASB Statement No. 96. The subscription liability shall be initially measured at the present value of subscription payments expected to be made over the contract term. Future subscription payments shall be discounted using the interest rate the SBITA vendor charges the City, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. The City shall recognize amortization of the discount on the subscription liability as an outflow of resources.

The subscription asset shall be initially measured as the sum of the initial subscription liability amount, payments made to the SBITA vendor before the commencement of the subscription term, and capitalizable implementation costs less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The City shall recognize amortization of the subscription asset as an outflow or resources over the subscription term.

Capitalization Threshold for SBITAs: The materiality threshold for GASB 96 SBITAs has been established at $250,000 or greater in total future lease payments through the SBITA term.

Incremental Borrowing/Implicit Rate: This is an estimate of the interest rate that would be charged for borrowing the lease payment amounts during the lease term. In most cases, the borrowing rate is not stated in the lease; however, it is implied that there is a cost of borrowing the amounts. Due to the sensitivity of assumptions within the borrowing rate, the City will obtain the 5-, 10-, 20- and 30-year generic rated municipal yields from the City's Investment Management company as of September 30th to be used for the current fiscal year (e.g., use 9/30/2022 rates for fiscal year 2022/23) for any new eligible GASB 87 leases and lease amendments and GASB 96 SBITAs.

D. Presentation and Disclosure

The City shall ensure the proper presentation of leases and subscription-based information technology arrangements in its financial statements.

In accordance with GASB 87, the notes to the financial statements shall include a description of leasing arrangements, the amount of lease assets recognized, a schedule of future lease payments to be made, and the total inflows of resources recognized from leases.

In accordance with GASB 96, the notes to the financial statements shall disclose descriptive information about its SBITAs such as the amount of the subscription asset, accumulated amortization, other payments not included in the measurement of the subscription liability, principal and interest requirements for the subscription liability, and other essential information.

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: September 12, 2023

Agenda Item #: 19

Agenda Item: Snow Removal Operations Agreement with Trella Tahoe, Inc.

Executive Summary: Staff is requesting the City Council to approve the Professional Services Agreement with Trella Tahoe, Inc. for snow removal operations. This snow removal agreement will provide services for the Airport, Fire Department, and Police Department to remove snow from their facilities. Also, this agreement will remove snow from the Fire Rescue Facility and other areas in the City, plus an on-call portion if needed. The total amount of this contract will not exceed $385,390.00. This agreement would begin on November 1, 2023, and end on April 30, 2024, with four additional years at the City's discretion. The contract also includes an allocation of $126,000 for sidewalk snow maintenance.

Requested Action / Suggested Motions: Pass a Resolution amending Fiscal Year 2023-2024 budget and authorizing and directing the Mayor to execute a contract with Trella Tahoe, Inc. for snow removal services at the Airport, Fire Department, Police Department, and Fire Rescue Facility, sidewalks not maintained by City Park forces, plus on-call service as needed for a term of November 1, 2023 to April 30, 2024 in an amount not to exceed $385,390.00.

Responsible Staff Member: John Dickinson, Airport Manager and Anush Nejad, Public Works Director

Reviewed and Approved By: Anush Nejad, Director of Public Works Susan Blankenship, City Clerk Olga Tikhomirova, Finance Director Heather Stroud, City Attorney

Attachments:

- 01 - Staff Report - Snow Removal Contract.docx
- 02-Resolution for Snow Operations.docx
- 03- Snow Removal PSA
- 04-Trellas Bid.pdf
- 05-Sidewalk Map
- 06 - Presentation.pptx

City of South Lake Tahoe
Report to **City Council**

Meeting Date: September 12, 2023

Title: Agreement with Trella Tahoe, Inc. for Snow Removal Operations

Application Location: Airport, City Hall, Police Department, Fire Department, and Various Other City Facilities Citywide

Responsible Staff Member: John Dickinson, Airport Manager (530) 542-6182 and Anush Nejad, Director of Public Works (530) 542-6182

Background: The City issued a Request for Proposal on June 28th, 2023, for Snow Removal services during the 2023/2024 winter season. The requested services included the following facilities:

- Lake Tahoe Airport: Lisa Maloff Way, including Lisa Maloff Way roadway
- Police Department Facility: 1352 Johnson Blvd.
- Fire Rescue Stations 1, 2, 3 & Fire Training Center: 1252 Ski Run Blvd., 2951 Lake Tahoe Blvd., 2101 Lake Tahoe Blvd., and 1195 Rufus Allen Blvd.
- Recreation Center, Ice Arena, Harrison Parking Lots, Bijou Park, Senior Center, and Museum Area.
- Public Works and Development Services Parking Lots.
- Selected Sidewalks.
- Optional Hourly Services.

This Contract is crucial to the airport and public works departmental needs due to staff needs that must be performed daily. These services will close the resource gap and allow the City to manage the Airport and all other City facilities. The contract is annual with an option to extend for four additional years, at City's discretion, with a CPI inflation adjustment annually.

Issue and Discussion: The project was advertised on Planet Bids on June 28, 2023. 408 vendors were notified, and 13 prospective bidders downloaded the bid documents. The bidding period closed on July 19, 2023. The City received one bid from Trella Tahoe, Inc. for a total of $427,390.00, which includes snow removal along the City's sidewalks.

In addition to the core services, the Contract also allows a not-to-exceed hourly service to provide additional resources to the City, if needed, during heavy storm events or special needs. The Contract break down of cost is listed in Table A below:

Site	Location	Bid Amount
Airport Property	1901 Lis Maloff Way	$125,000.00
Police Station	1352 Johnson Blvd.	$9,500.00
Fire Station 1	1252 Ski Run Blvd.	$6,100.00
Fire Station 2	2951 Lake Tahoe Blvd.	$6,100.00
Fire Station 3	2101 Lake Tahoe Blvd.	$6,100.00
Fire Training Center	1195 Rufus Allen Blvd.	$3,600.00
Harrison Avenue Parking Lots	3 locations along Harrison Ave	$15,750.00
Ice Arena, Rec Center, Museum, Ambulance, Senior Center	1176 and 1180 Rufus Allen; 3050, 3058, and 3066 Lake Tahoe Blvd	$31,000.00
Bijou Park	1201 Al Tahoe Blvd.	$17,750.00
Community Playfields Parking Lot	1300 Al Tahoe Blvd.	$7,875.00
Public Works Departement	1740 D Street	$8,275.00
Development Services Department	1052 Tata Lane	$7,340.00
~~City Maintained Walkways~~	~~City Maintained Sidewalks (6.7 Miles)~~	~~$42,000.00~~
Optional other City Sidewalks	Optional other City Sidewalks (22.6 Miles)	$126,000.00
Optional On-Call Services	Optional On-Call Services per hr/Max $15,000 ($240/hr)	$15,000.00
	TOTAL	**$427,390.00**

Table A – Contract Breakdown

The City has been using contract services for the Airport, Police, and Fire Station facilities in the past. During the winter of 2022-23, the City contracted out other City facilities due to staffing limitations and snow operational needs. On March 14, 2023, staff presented a revised Snow Operations Plan, which included contracting out the facilities and potentially the sidewalks. The proposed snow operational contract is consistent with the recommendations presented to the City Council on March 14, 2023.

Sidewalk Maintenance:

In addition, the City Council requested options for maintaining the sidewalks. The snow operations proposal includes two sidewalk maintenance options: 1) City-owned sidewalks and 2) All other sidewalks in the City. It is important to note that many of the sidewalks in the scope of work are in the Caltrans right-of-way for US 50 and City-contracted snow removal on these sidewalks that Caltrans owns and maintains is subject to approval from Caltrans. The City is proposing to do snow removal only on these sidewalks and not take on any other maintenance responsibility.

Within the City, some sidewalks do not have snow storage capacity and are not continuous. Staff recommends plowing of the continuous sidewalks and where it is practical to conduct snow operations. In addition, staff recommends that City Park forces plow and maintain City-owned sidewalks and multi-use trails. For All Other Sidewalks, there are three operational/financial options:

1. Continue Sidewalk Maintenance per the current process through education and enforcement.
2. Form an Assessment District. This will trigger Proposition 218 requirements, in which the definition of special tax under Proposition 218. An assessment district must be formed, which is both costly and long.
3. The City will pay for the snow management to benefit all users and property owners.

Based on the favorable bids, staff recommends Option 3, the City paying for snow management for all continuous sidewalks, including the City-owned sidewalks. Staff has negotiated a lower cost to plow all sidewalks shown in Attachment 02, for $126,000. Sidewalk snow operations will begin at the end of each snow event and will be completed within 24 hours.

Since this is the first year of such as service, the City will monitor the work and will make adjustments for subsequent years if warranted. Staff recommends using Measure "S" funding for the sidewalk snow maintenance services.

Therefore, staff recommends awarding all items in Table A, except for City Maintained walkways, for **$385,390**. This total is a fixed payment amount, no matter the number of snow events.

Financial Implications: A portion of the Snow Removal contract, totaling $20,500, will be funded from the Snow Removal account 207-03610-42025 Contract Services, for removing snow on Lisa Maloff Way, a public Street. An additional $125,000 (including a portion for optional on-call services) will be funded from the Airport Account 501-05130-43025 (Airfield Area/Snow Plowing). The remaining portion for snow removal in non-public-street areas, such as sidewalks and parking lots, will be paid from the General Fund account 100-03310-42025 Facilities Maintenance/ Contract Services. The majority of this funding, except for the portion of snow removal on other City sidewalks, has already been allocated and appropriated in the Fiscal Year 2023-2024 adopted budget, as follows:

- Airport Enterprise Fund: $125,000 – Account 501-05130-43022
- Snow Removal Fund: $15,000 – Account 207-03610-42025
- General Fund Facilities Maintenance: $114,000 – Account 100-03310-42025

Staff is proposing to fund $126,000 for snow removal on agreed-upon sidewalks from the unallocated revenue in the Measure S Sales Tax fund. The attached resolution amends the FY 2023-2024 budget by transferring this amount into the Facilities Maintenance account 100-03310-42025 for a total of $240,000 towards this contract. Additionally, the existing budget in the Snow removal account 207-03610-42025 will be increased by $5,500 for a total of $20,500. In combination with the $125,000 in the Airport account, this provides a total of $385,500 in available funding in order to award the contract to Trella Tahoe Inc. in the amount of $385,390.

Environmental Considerations: The Project is considered Categorically Exempt (CE) from review under CEQA under CEQA Guidelines section 15301 (Existing Facilities) because it consists of operating existing public facilities and mechanical equipment involving negligible or no expansion of use.

Policy Implications: Contracting snow operations for City Facilities is consistent with the city-adopted Snow Operations Plan and will maintain a safe and efficient roadway and facilities for public access and use. By contracting this work, the City will have sufficient resources to address the Airport Runway, City Streets, Trails, and City-owned Sidewalks.

Resolution 2023-XXX

Adopted by the City of South Lake Tahoe
City Council

September 12, 2023

Amending Fiscal Year 2023-2024 Budget and Awarding Contract to Trella Tahoe, Inc. for Snow Removal at City Facilities, on City Parking Lots and Selected Sidewalks

BACKGROUND

A. The City issued a Request for Proposal on June 28th, 2023, for Snow Removal services during the 2023/2024 winter season and an optional extension for an additional four years, at the City's discretion, with a CPI inflation adjustment annually.

B. The Requested Services include Lake Tahoe Airport, City facilities, and selected Sidewalks in the City.

C. This Contract is crucial to the airport and public works departmental needs due to staff needs that must be performed daily. These services will close the resource gap and allow the City to manage the Airport and all other City facilities.

D. The City received one bid from Trella Tahoe, Inc., which includes snow removal along the City's sidewalks and an annual $15,000 for optional services.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of the City of South Lake Tahoe:

1. Amends FY 2023-2024 budget by appropriating $126,000 from unallocated revenue in the Measure S Sales Fund for the Sidewalk Snow Removal and transferring this amount into Facilities Maintenance account 100-03310-42025.

2. Appropriates an additional $5,500 from unallocated Snow Removal Fund revenue into Snow Removal account 207-03610-42025.

3. Authorizes and directs the Mayor to execute an Agreement with Trella Tahoe, Inc. of South Lake Tahoe, CA, in the amount of $385,390, including $15,000 optional services for 2023-24 and an optional extension for an additional four years, at the City's discretion, with a CPI inflation adjustment annually.

Adopted by the City of South Lake Tahoe City Council on September 12, 2023, by the following vote:
Yes:
No:
Absent:
Abstain:

_____ Date:_____

Cristi Creegan, Mayor

Attest:

_____

Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

CITY OF SOUTH LAKE TAHOE

PROFESSIONAL SERVICES AGREEMENT

This Agreement is made and entered into as of the **1ST** day of **November 2023** by and between the City of South Lake Tahoe, a municipal corporation ("City") and **Trella Tahoe, Inc.** ("Consultant").

RECITALS

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

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

C. City desires to retain Consultant to render professional services as set forth in this Agreement.

AGREEMENT

1. **Scope of Services**. Consultant shall perform the services set forth in this agreement and shall provide said services at the time, place, and in the manner specified in this agreement. Consultant shall have no power or authority by this Agreement to bind City in any respect.

The Consultant agrees that it has satisfied itself by its own investigation and research regarding the conditions affecting the work to be done and labor and materials needed, and that its decision to execute this Contract is based on such independent investigation and research.

All services provided by consultant pursuant to this Agreement will be provided in accordance with the terms set forth in the **Exhibit A, "Scope of Services,"** attached hereto and incorporated herein by reference. **Exhibit B, "Compensation Schedule,"** attached hereto and incorporated herein by reference, outlines the fees and compensation which shall be paid pursuant to this Agreement.

2. **Term/Time of Performance.** The services by Consultant are to commence upon the execution of the Agreement on November 1, 2023 at 12:01 AM PDT and continue until 11:59 PM PDT April 30, 2024, with the option to renew annually at the sole discretion of the City for four (4) additional years between November 1 and May 1 of each year.

3. **Compensation**. Compensation to be paid to Consultant shall be in accordance with the Schedule set forth in **Exhibit B** which is attached hereto and incorporated herein by reference. In no event shall Consultant's compensation, including travel and out-of-pocket expenses, exceed $385,390.00 without additional written authorization from City. Payment by City under this Agreement shall not be

deemed a waiver of defects, even if such defects were known to City at the time of payment. Payment is

contingent upon compliance with all terms and conditions of this Agreement, as set forth herein. Consultant shall obtain prior written authorization from the City Project Manager for any costs in excess of budgeted amounts for each line item, task, or obligation under the Scope of Services.

4. **Method of Payment**. Consultant shall submit monthly billings to City describing the work performed during the preceding month. Consultant's bills shall include a brief description of the services performed, the date the services were performed, the number of hours spent and by whom, the applicable hourly rate, and a description of any reimbursable expenditures. City shall pay Consultant no later than 30 days after approval of the monthly invoice by City staff.

5. **Extra Work.** At any time during the term of this Agreement, City may request that Consultant perform extra work. As used herein, "Extra Work" means any work which is determined by City to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, extra work without prior written authorization from City.

6. **Termination.** This Agreement may be terminated by City or Consultant immediately for cause or without cause upon thirty days (30) days written notice of termination. Upon termination, Consultant shall be entitled to compensation for services performed up to the effective date of termination, and City shall be entitled to all work performed to that date.

Termination, revocation, or expiration of this Agreement shall not release either party from liability resulting from an event which occurred prior to such termination, revocation, or expiration.

7. **Ownership of Documents.** All plans, studies, documents, and other writings, including working notes and internal documents, prepared by and for Consultant, its officers, employees and agents and subcontractors in the course of implementing this Agreement, shall become the property of City upon payment to Consultant for such work, and City shall have the sole right to use such materials in its discretion without further compensation to Consultant or to any other party. Consultant shall, at Consultant's expense, provide such reports, plans, studies, documents, and other writings to City upon written request. All documents prepared by Consultant are confidential and shall be maintained to preserve their confidential nature. Release of any such documents to third parties shall only be made upon written consent of City.

8. **Consultant's Books and Records**.

a. Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services, or expenditures and disbursements charged to City for a minimum period of three (3) years, or for any longer period required by law, from the date of final payment to Consultant for services provided pursuant to this Agreement.

b. Consultant shall maintain all documents and records which demonstrate performance under this Agreement for a minimum period of three (3) years, or for any longer period required by law, from records shall be available at Consultant's address indicated for the date of termination or completion of this Agreement.

c. Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit, at any time during regular business hours, upon written request by the City Manager, City Attorney, City Auditor, or a designated representative of these officers. Copies of such documents shall be provided to City for inspection at City offices when it is practical to do so. Otherwise, unless an alternative is mutually agreed upon, the receipt of notices in this Agreement.

d. Where City has reason to believe that such records or documents may be lost or discarded due to dissolution, disbandment or termination of Consultant's business, City may, by written request by any of the above-named officers, require that custody of the records be given to City and that the records and documents be maintained at City offices. Access to such records and documents shall be granted to any party authorized by Consultant, Consultant's representatives, or Consultant's successor-in-interest.

9. Independent Contractor. It is understood that Consultant, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and shall not act as an agent or employee of City. Consultant shall obtain no rights to retirement benefits or other benefits which accrue to City's employees, and Consultant hereby expressly waives any claim it may have to any such rights. All employees, agents, contractors, or subcontractors hired or retained by Consultant are employees, agents, contractors, or subcontractors of Consultant and not of the City.

City is not required to make any deductions or withholdings form the compensation payable to Consultant under the provisions of this Contract and is not required to issue W-2 Forms for income and employment tax purposes for any of Consultant's assigned personnel. Any third-party persons employed by Consultant shall be entirely and exclusively under the direction, supervision, and control of Consultant. Consultant hereby indemnifies and holds City harmless from any and all claims that may be made against City based upon any contention by any third party that an employer-employee relationship exists by reason of this Contract.

10. Interest of Consultant. Consultant, (and principals, associates, and professional employees of consultant) covenants and represents that it does not now have any investment or interest in real property and shall not acquire any interest, direct or indirect, in the area covered by this Agreement or any other source of income, interest in real property or investment which would be affected in any manner or degree by the performance of Consultant's services hereunder. Consultant further covenants and represents that in the performance of its duties hereunder no person having any such interest shall perform any services under this Agreement.

Consultant is not a designated employee within the meaning of the Political Reform Act because Consultant:

a. Will conduct research and arrive at conclusions with respect to his/her rendition of information, advice, recommendation, or counsel independent of the control and direction of City or of any City official, other than normal agreement monitoring; and,

b. Possesses no authority with respect to any city decision beyond rendition of information, advice, recommendation, or counsel. [FPPC Reg. 18700(a) (2)].

11. Professional Ability of Consultant. City has relied upon the professional training and ability of Consultant to perform the services hereunder as a material inducement to enter into this Agreement. Consultant shall therefore provide properly skilled professional and technical personnel to perform all services under this Agreement. All work performed by Consultant under this Agreement shall be in accordance with applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent professionals in Consultant's field of expertise.

12. Compliance with Laws. Consultant shall comply with all applicable federal, state, regional and local laws, codes, ordinances, and regulations in carrying out his/her duties under this Agreement. Consultant shall observe and comply with all applicable laws, ordinances, regulations, and codes of federal, state, and local governments, and shall commit no trespass on any public or private property in performing any of the work authorized by this Agreement. The City, its officials, officers, elected officials, appointed officials, and employees shall not be liable at law or in equity as a result of any failure of Consultant to comply with this section.

In the event it is determined that the Consultant is required to pay prevailing wages for the work performed under this Agreement, the Consultant shall pay all penalties and wages as required by law.

13. Licenses. Consultant represents and warrants to City that it has all licenses, permits, qualifications, insurance, and approvals of whatsoever nature which are legally required of Consultant to practice its profession. Consultant represents and warrants to City that Consultant shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, insurance and approvals which are legally required of Consultant to practice its profession. Consultant shall maintain a City of South Lake Tahoe business license at all times services is performed under this Agreement. Consultant acknowledges that payments made pursuant to this Agreement may be withheld until this provision has been satisfied.

14. Indemnity. Consultant hereby agrees to and shall indemnify and hold harmless City, its elected and appointed boards, officers, agents, employees, and volunteers from and against any liability for any and all claims, demands, actions, losses, damages and injuries, direct or indirect (including any and all costs and expenses in connection therein), arising out of this Agreement or caused in any way by Consultant's negligent performance of this Agreement or its breach of its obligations contained in this Agreement, except for any such claims arising out of the negligence or willful misconduct of the City. Consultant agrees to defend City from and against any and all losses, damages, claims costs and fees arising out Consultant's negligent acts, errors, omissions, regarding this Agreement, the Consultant's work under this Agreement, or the consultant's Scope of Work.

City does not, and shall not, waive any rights against Consultant which it may have by reason of the aforesaid hold harmless agreement, because of the acceptance by City, or the deposit with City by Consultant, of any of the insurance policies hereinafter set forth.

This hold harmless agreement by Consultant shall apply to all damages and claims for damages, or alleged to have been suffered, by reason of any of the aforesaid operation of Consultant or any subcontractor, regardless of whether such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

Consultant further waives any and all rights to any type of express or implied indemnity or right of contribution from the City for any liability, claims, demands, costs, charges, and expenses and causes of action of whatsoever arising out of or in any way connected with this Agreement, and consultant's work under this Agreement.

15. Insurance Requirements.

a. Consultant, at Consultant's own cost and expense, shall procure and maintain, for the duration of the contract, the following insurance policies.

i. Workers' Compensation Coverage. Consultant shall maintain Workers' Compensation Insurance and Employer's Liability Insurance for his/her employees in accordance with the laws of the State of California. In addition, Consultant shall require each subcontractor to similarly maintain Workers' Compensation Insurance and Employer's Liability Insurance in accordance with the laws of the State of California for all the subcontractor's employees. Any notice of cancellation of all

Workers' Compensation policies must be received by City at least thirty (30) days prior to such change. Consultant shall provide thirty (30) days written notice of nonrenewal of any Workers' Compensation policies. The insurer shall agree to waive all rights of subrogation against City, its officers, agents, employees, and volunteers for losses arising from work performed by Consultant for City.

ii. Commercial General Liability Coverage. Consultant shall maintain commercial general liability insurance no less broad than ISO form CG 00 01 in an amount not less than one million dollars ($1,000,000) per occurrence for bodily injury, personal injury, and property damage. Coverage must be made on the standard Occurrence form. Claims-Made forms are not acceptable without prior written consent of City. City of South Lake Tahoe must be endorsed as an additional insured for liability arising out of ongoing operation by on behalf of Consultant. If a commercial general liability insurance form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit.

iii. Automobile Liability Coverage. Consultant shall maintain automobile liability insurance covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with the work to be performed under this Agreement, including coverage for owned, hired and non- owned vehicles, in an amount of not less than one million dollars ($1,000,000) combined single limit for each occurrence.

iv. Professional Liability Coverage. Consultant shall maintain professional errors and omissions liability insurance for protection against claims alleging negligent acts, errors or omissions which may arise from Consultant or by its employees, or subcontractors. The amount of this insurance shall not be less than one million dollars ($1,000,000) on a claims-made annual aggregate basis, or a combined single-limit per occurrence basis.

b. Endorsements. Each general liability and automobile liability insurance policy shall be with insurers possessing an AM Best's rating of no less than A:VII and shall be endorsed with the following specific language:

i. City, its elected or appointed officers, officials, employees, agents, and volunteers are to be covered as additional insureds under Consultant's General Liability and Automobile Liability policies with respect to liability arising out of this Agreement and/or work performed by or on behalf of the Consultant, including materials, parts or equipment furnished in connection with such work or operations. ii. This policy shall be considered primary insurance as respects City, its elected or appointed officers, officials, employees, agents, and volunteers. Any insurance maintained by City, including any self-insured retention City may have, shall be considered excess insurance only and shall not contribute with it.

iii. This insurance shall act for each insured and additional insured as though a separate policy had been written for each, except with respect to the limits of liability of the insuring Consultant.

iv. The insurer waives all rights of subrogation against City except for Consultant's Professional Liability and Employers' Liability policies, its elected or appointed officers, officials, employees, or agents.

v. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to City, its elected or appointed officers, officials, employees, agents, or volunteers.

vi. No policies of insurance carried by Consultant shall be suspended, voided, canceled, or changed in coverage or in limits except after thirty (30) days written notice to the City Attorney by Certified Mail.

c. Deductibles and Self-Insured Retentions. The Consultant shall be responsible for all deductibles in all of Consultant's insurance policies. The amount of deductibles for insurance coverage required herein shall be reasonable and approved by the City Attorney.

d. Certificates of Insurance. Consultant shall provide certificates of insurance with original endorsements to City as evidence of the insurance coverage required herein. Consultant shall not commence work under this contract until all insurance required under this section has been approved by City as to form, amount, and carrier, nor shall Consultant allow any subcontractor to commence work on any subcontract

until all similar insurance required and reasonably consistent limits of the subcontractor has been so obtained and approved. Certificates of insurance shall contain no exclusions unless negotiated with the City Attorney and approved, in writing, by the City Attorney.

16. **Notices.** Any notice required to be given under this Agreement shall be in writing and either served personally or sent prepaid, first-class mail. Any such notice shall be addressed to the other party at the address set forth below. Notice shall be deemed communicated within 48 hours from the time of mailing if mailed as provided in this section.

If to City: City of South Lake Tahoe
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150

Provide a copy to: City Attorney's Office
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150

If to Consultant: Phil Trella, Owner
930 Mule Deer Circle
South Lake Tahoe, CA 96150
Email: Phil@trellatahoe.com
Phone: (530) 318-8537

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

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

19. Dispute Resolution. Any dispute concerning this Agreement will be first submitted to the City Manager or his designee for resolution. If no resolution is reached, such dispute shall be submitted to the City Council. The decision of the City Council shall be final and shall be appealable only to the El Dorado Superior Court pursuant to California Code of Civil Procedure §1094.5, and as provided by law.

20. Controlling Law Venue. This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to

this Agreement shall be held exclusively in the Superior Courts in the County of El Dorado, South Lake Tahoe Division.

21. Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any Consultant or person, other than the independent contractors hired in accordance with Consultant's standard business practice, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid, nor has it agreed to pay any Consultant or person, other than a bona fide employee working solely for Consultant or an independent contractor hired as discussed above, any fee, commission, percentage, brokerage fee, gift, or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer, or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

22. Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer, and it shall not discriminate against any subcontractor, employee, or applicant for employment because of race, religion, color, national origin, disability, ancestry, sex, or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff, or termination. Consultant shall also comply with all relevant provisions of City's Minority Business Enterprise program, Affirmative Action Plan, or other related programs or guidelines currently in effect or hereinafter enacted.

23. Drug-Free Workplace Certification. By signing this Agreement, Consultant hereby certifies under penalty of perjury under the laws of the State of California that the Consultant will comply with the requirements of the Drug- Free Workplace Act of 1990 (Government Code Section 8350, et seq.) and will provide a drug-free workplace by taking the following actions:

a. Publish a statement notifying employees that unlawful manufacture, distribution dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8355 (a).

b. Establish a Drug-Free Awareness Program as required by Government Code Section 8355(b) to inform employees about all of the following:

i. The dangers of drug abuse in the workplace.
ii. The person's or organization's policy of maintaining a drug-free workplace. iii. Any available counseling, rehabilitation, and employee assistance program; and iv. Penalties that may be imposed upon employees for drug abuse violations.

c. Provide, as required by Government Code Section 8355(c), that every employee who performs grant activities under this Agreement:

i. Will receive a copy of the Consultant's drug-free policy statement; and ii. Will agree to abide by the terms of the Consultant's statement as a condition of employment on this Agreement.

Failure to comply with these requirements may result in suspension of payments under this Agreement or termination of the Agreement, or both, and Consultant may be ineligible for award of any future City agreements if City determines that any of the following has occurred: the Consultant.
(1) has made false certification, or (2) violates the certification by failing to carry out the requirements as noted above.

24. Anti-Lobbying Certification. Consultant shall submit to City the Anti-Lobbying Certification contained in **Exhibit C**. Further, Consultant shall require that the language of the certification in **Exhibit C** be included in all contracts or subcontracts entered into in connection with this Agreement and that all Consultants and contractors shall certify and disclose accordingly.
25. Debarment, Suspension, Ineligibility and Voluntary Exclusion. By signing this Agreement, Consultant assures that neither it nor its principals, is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency.

26. Americans with Disabilities Act. By signing this Agreement, Consultant assures the City that it complies with the American with Disabilities Act (ADA) of 1990, (42 U.S.C. 12101, et.seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to ADA.

27. Amendments. This Agreement may be modified or amended only by a written document executed by both Consultant and City and approved as to form by the City Attorney.

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

29. Entire Agreement. This Agreement constitutes the complete and exclusive statement of Agreement between City and Consultant. All prior written and oral communications, including correspondence, drafts, memoranda, and representations, are superseded in total by this Agreement.

30. Execution. This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument and shall become binding upon the parties when at least one copy hereof shall have been signed by both parties hereto. In approving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

31. Time is of the essence. Time is of the essence for this Agreement.

32. Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and to bind each respective party.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first written above.

CITY OF SOUTH LAKE TAHOE:	**CONSULTANT:**
By:	**By:**
City Mayor	**Phil Trella, Owner**
_____ Date	_____ Date

Business License #: **011500**

APPROVED AS TO FORM:

By:

_____ _____

City Attorney Date

ATTEST

By:

_____ _____

City Clerk Date

Attachments:

Exhibit A-Scope of Services
Exhibit B-Compensation Schedule
Exhibit C-Anti-Lobbying Certification
Exhibit D- Prevailing Wage
Exhibit E- COI

EXHIBIT A

SCOPE OF SERVICES

INTRODUCTION

1. Background & Scope of Work

The Contractor will provide equipment and manpower necessary to clear snow from certain paved portions of the Lake Tahoe Airport, City Police Station Headquarters, Fire Rescue Station 1, 2, 3, Fire Training Center and various other areas within City jurisdictional boundary based on need. This seasonal snow removal contract is for a six-month contract period. Contracts start on November 1, 2023, and span until April 30, 2024. All contracts with the City of South Lake Tahoe require a contractor to maintain a City of South Lake Tahoe Business License. A City of South Lake Tahoe Business License can be obtained online from the address: https://cityofslt.us/451/Business-Professions-Tax

IMAGE 1

Lake Tahoe Airport Contract Snow Removal Areas Are Shaded.

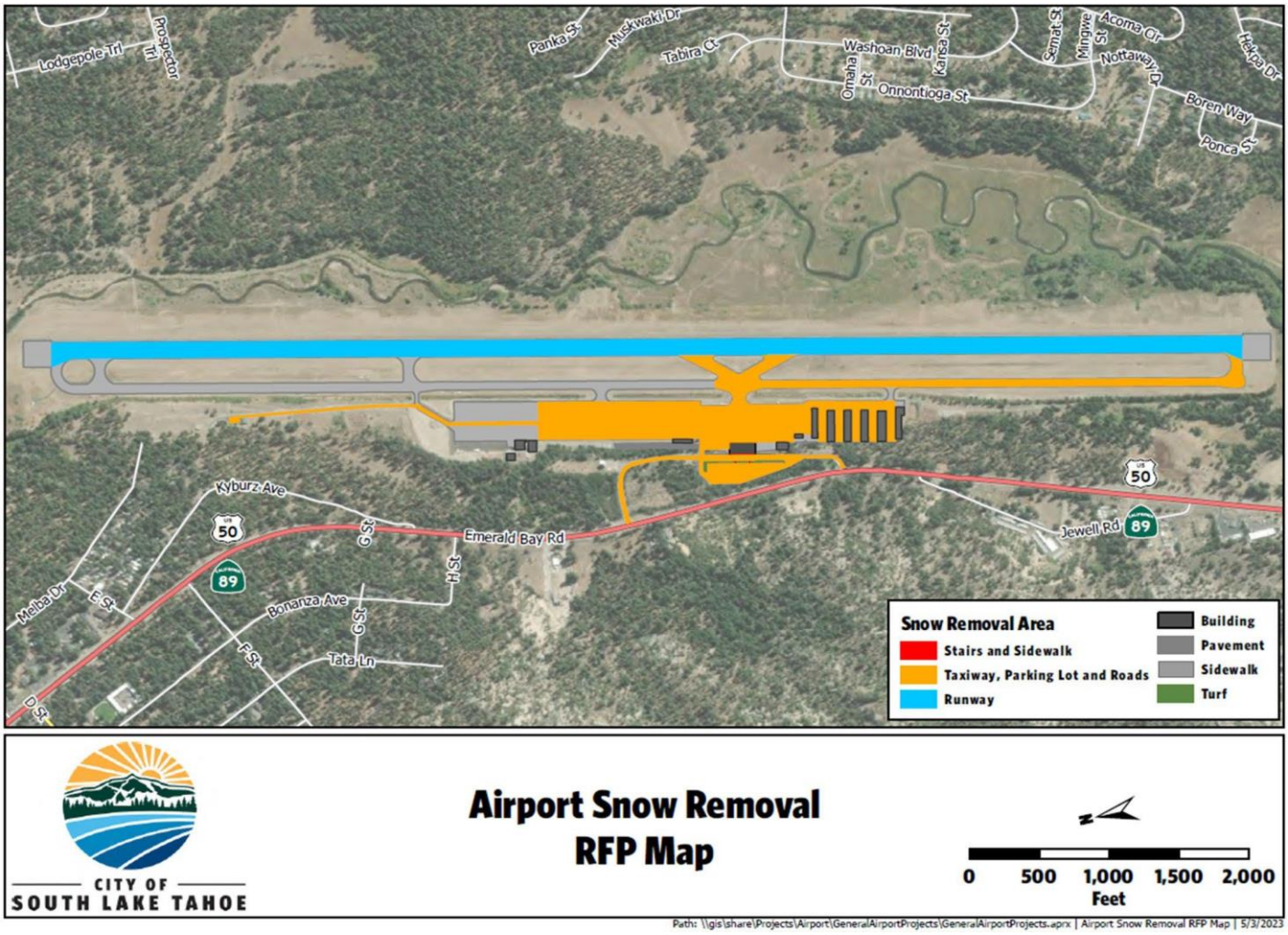


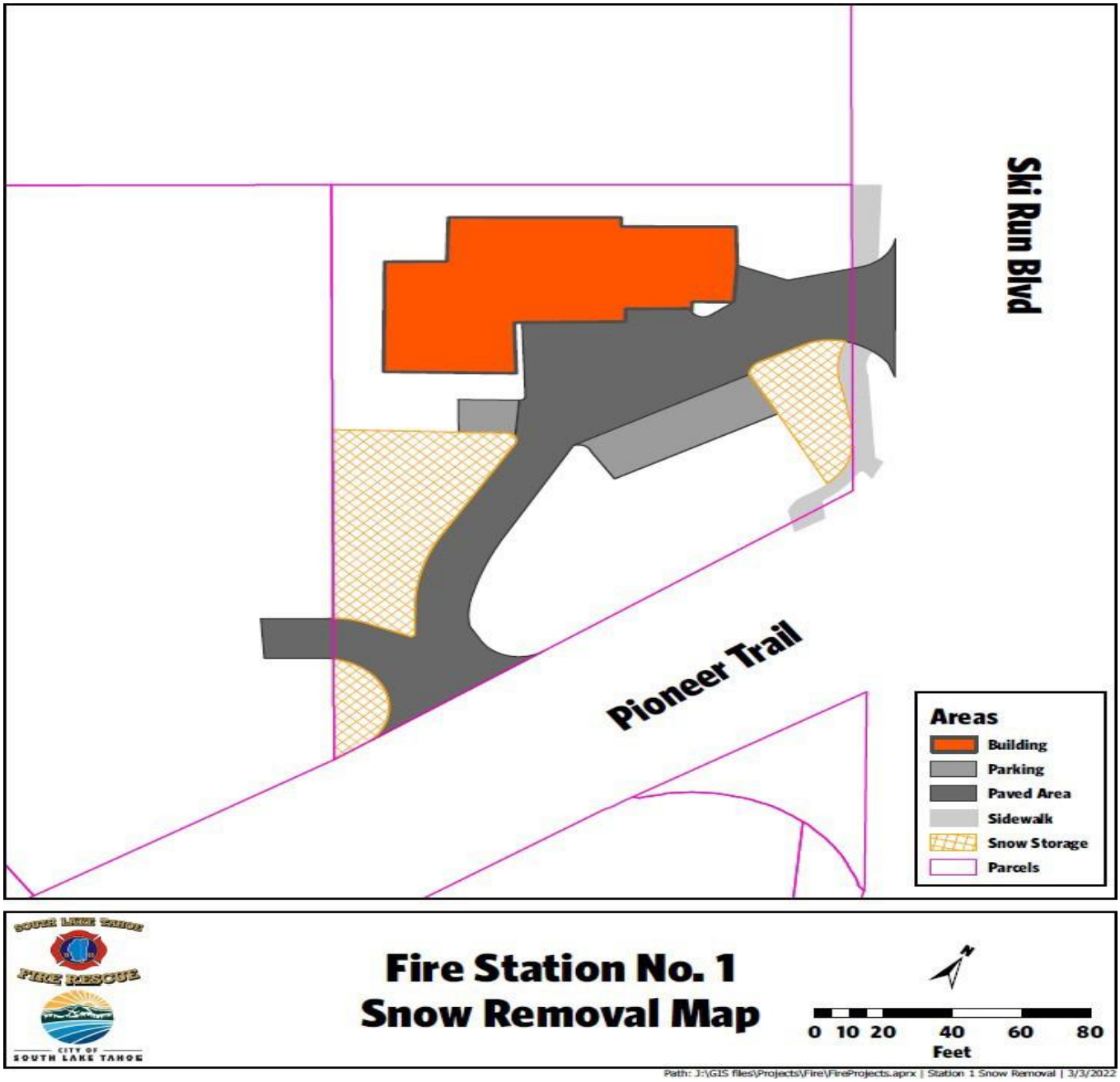
Image 2 Sidewalk and Stairs at Airport

1901 Lisa Maloff Way, South Lake Tahoe, CA 96150

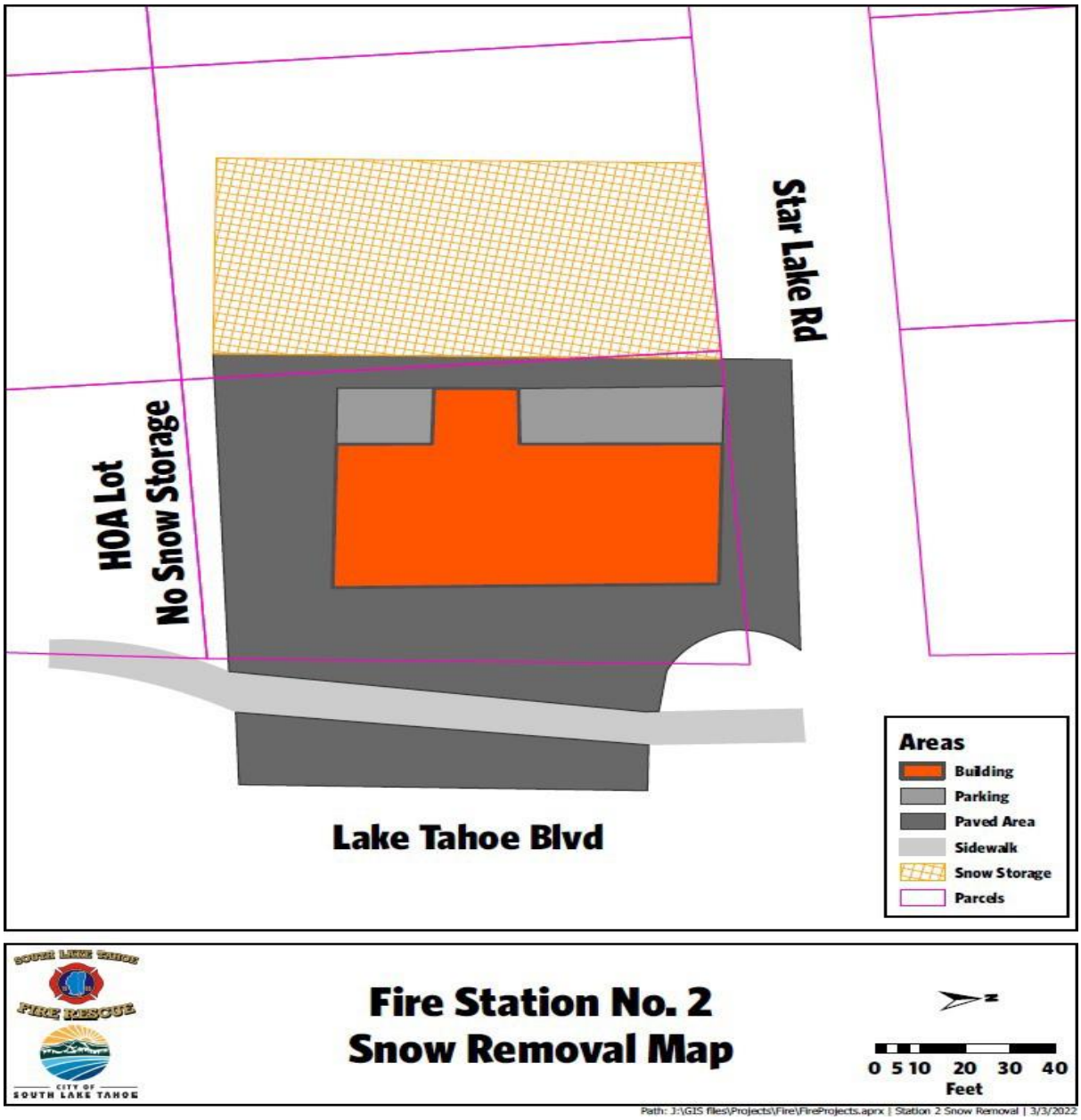
Image 3
City Police Station Headquarters Snow Removal Areas are Shaded.

1352 Johnson Blvd., South Lake Tahoe, CA 96150

Image 4
Fire Station 1

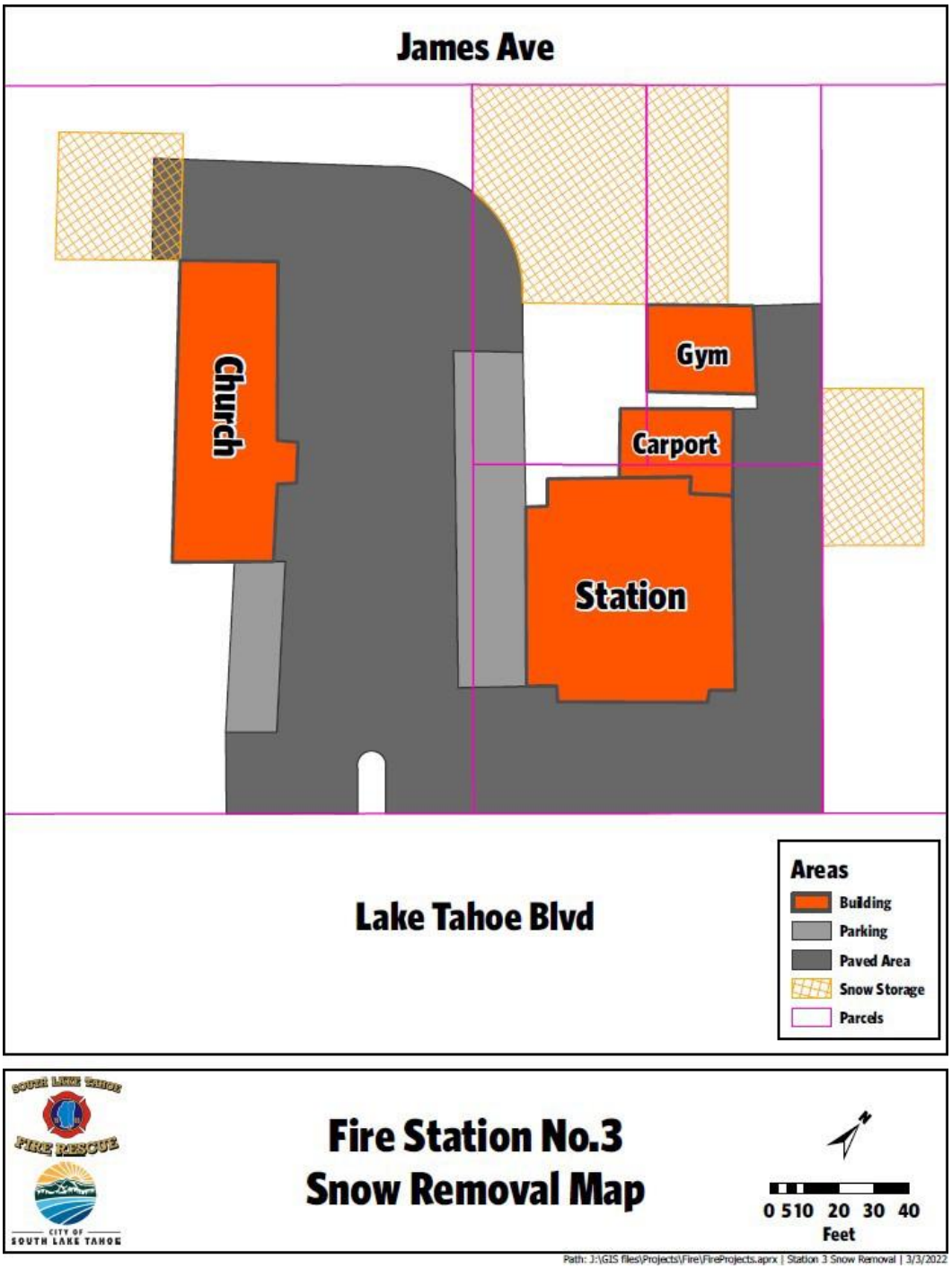


1252 Ski Run Blvd.
IMAGE 5 Fire Station 2



2951 Lake Tahoe Blvd., South Lake Tahoe, CA 96150

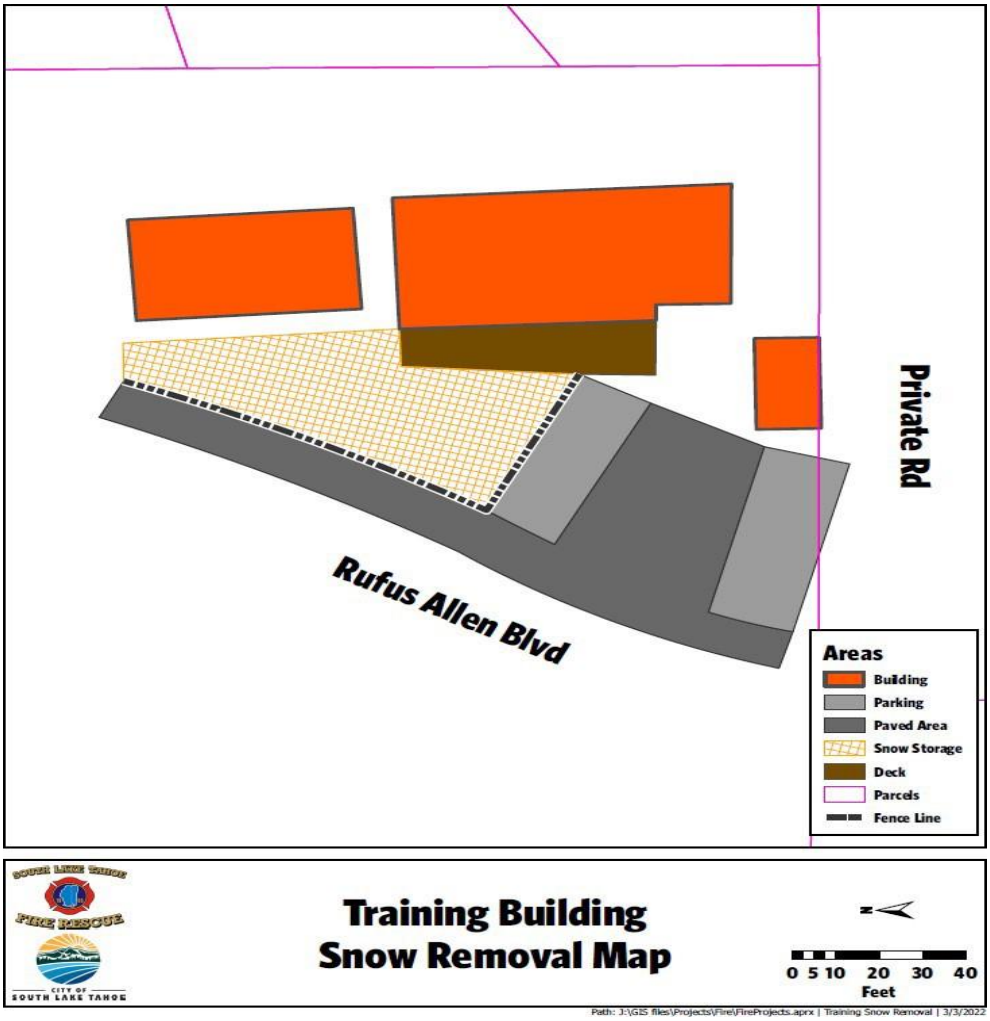
Image 6
City Fire Rescue Station 3 Snow Removal Areas are Shaded.



2101 Lake Tahoe Blvd., South Lake Tahoe, CA 96150

Image 7

City Fire Rescue Training Center Snow Removal Areas are Shaded.



1195 Rufus Allen Blvd., South Lake Tahoe, CA 96150

City Police Station Headquarters

All paved parking Areas inside fence will be cleared, dirt road between two parking areas will be cleared, entrance nearest the cemetery will be cleared.

City Fire Rescue Stations

At the four Fire Rescue Facilities identified the standard to start snow removal operations is when 3" or more of snow is observed on pavements at any one of the facilities. The snow should not be allowed to accumulate more than 3" at any Fire Station as these are mission critical infrastructure to the community. During a prolonged winter storm event, a Contractor should plan on multiple site visits to the Fire Rescue Stations to ensure that snow accumulations remain 3 inches or below during a 24-hour period. Please note these facilities are staffed 24/7/365. Graveyard shift work maybe required. The ramp areas and vacant parking should be cleared for station shift change scheduled at 0600 hours daily. The Fire Rescue Training Facility located at 1195 Rufus Allen Blvd., South Lake Tahoe, CA 96150 can be cleared once a day rather than at the 3-inch snow depth limit. Clearing can occur late morning through early afternoon as Contractor schedule permits. Snow storage locations are depicted on maps provided by Fire Rescue.

All paved parking areas will be cleared at Fire Stations 1, 2, and 3 and the fire station training facility. This contract includes 2101 Lake Tahoe Blvd, 2951 Lake Tahoe Blvd, and 1252 Ski Run Blvd and 1195 Rufus Allen Blvd.

Lake Tahoe Airport

The airport is requesting that a push or tracked snow blower is employed during snow removal operations to clear snow on the North face of the hangars. The snow between the face of the building to a distance of 4-7 feet out from the hangar building face for each hangar. The remaining snow can be removed using a loader or comparable equipment. Mechanical snow removal operations will commence after snow accumulations on airside airport property reaches one inch (1") or greater in accumulated snow depth and three inches (3") on landside airport property. The snow contractor will be expected to dispatch a removal crew when these conditions are observed. The airport will not be required to request service. The airport will only request service if it discovers that a snow removal crew was never dispatched by the contractor.

The date and times of service under this contract are dependent on local winter weather conditions and can require multiple site visits should snow accumulations reach more than one inch (1") more than once in a 24-hour period.

The airport is open seven days a week, 365 days per year. The Snow Removal Contractor agrees to meet its obligations to clear snow from 5:00 am – 10:00 pm when conditions warrant or at the airport manager's discretion.

When snow conditions exist on the ground at a depth of 1" or greater, the Contractor. agrees to clear a route along Lisa Maloff Way (formerly Airport Road) to allow for entry and exiting of vehicles and at minimum of fifteen (15) vehicle spaces at the public airport parking lot by 6:30 a.m. to allow the opening of City/Airport/Tenant offices at 7:00 am daily. Additional vehicle parking spaces can be cleared after the initial 15 spaces are available at 6:30 a.m.

Contractor agrees to adhere to the Lake Tahoe Airport Winter Operations Plan provided (Exhibit A). **Contractor agrees to provide required equipment in all vehicles used on the airfield to include the following:**

- Aviation Radio & Headset
- Snow Tires without chains

Contractor is also required to complete airfield movement area training with the airport maintenance supervisor prior to driving on the airfield.

Responsibilities

1. Clear snow from the surface of Lisa Maloff Way and ensure snow berms created from U.S. Hwy 50 (Caltrans) snow removal operations are removed allowing access into and out from the airport. Clear snow starting at the terminal frontage curbs, steps from the parking lot to the building, and sidewalk in front of the terminal building.

2. Clear fifteen vehicle parking spots along the Eastern row of the public airport parking lot during any storm daily before 6:30 am Pacific Time (Frequency storm to storm when snow accumulation reaches depth of 3" or more. May require more than one visit by Contractor in one day if conditions warrant).

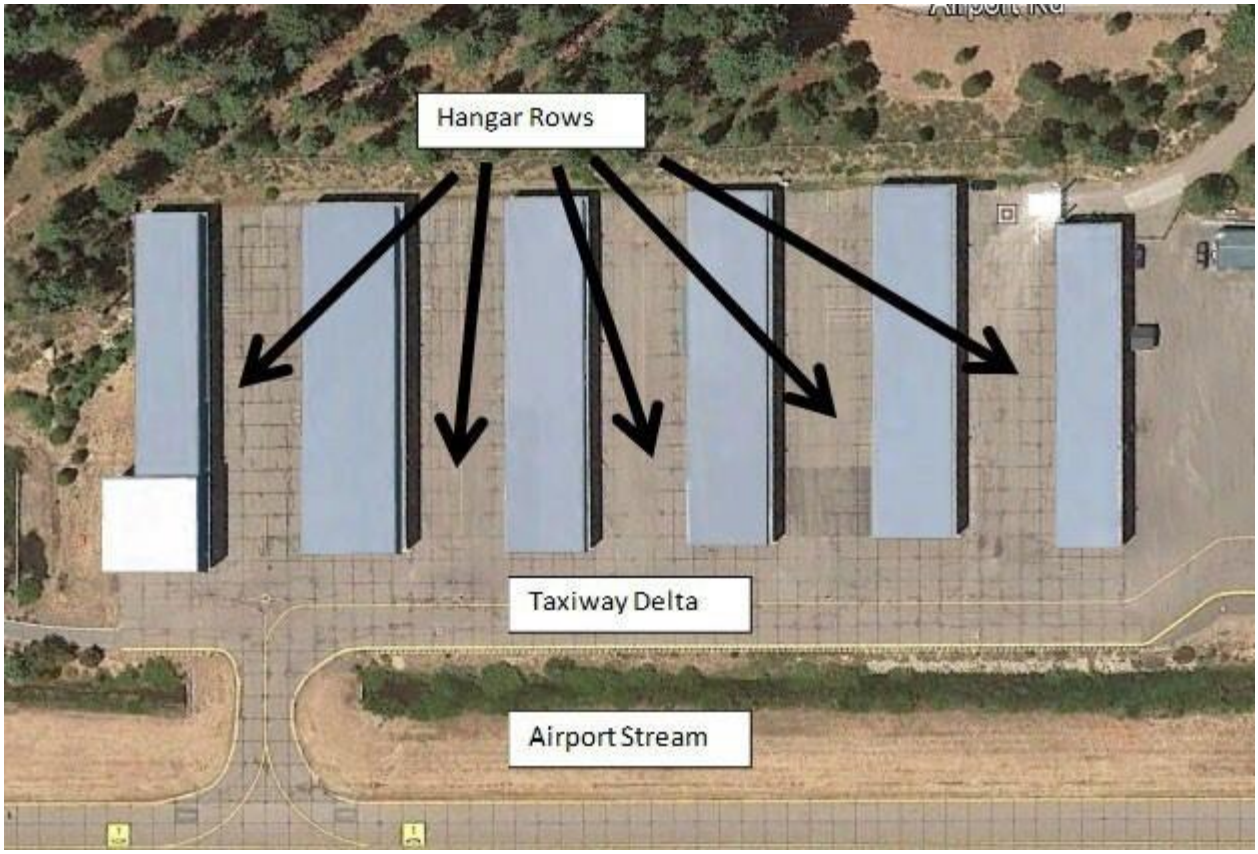
3. Clear the remaining vehicle parking spaces in the public parking lot by pushing snow West towards U.S. Highway 50. Clean up snow on Airport Road providing for two lanes at the entry and exit and the single lane road access to the city owned hangars and the other single lane road access to Gate V1. (Frequency storm to storm when snow accumulation reaches depth of 3" or more. May require more than one visit by the Contractor in one day if conditions warrant)

4. Contractor will clear in between hangar buildings pushing snow east and piling the snow as far East along Taxi Lane Delta. Snow will be piled on Taxi Lane Delta. Contractor is required to remove snow leaving no berms over two feet.

5. Contractor will clear snow on the General Aviation Ramp, Cal Star Ramp, Taxiways Alpha, Bravo, Echo, Foxtrot, and fuel farm road every snowstorm of one inch (1") or more. Also ensuring no berms to exceed two feet high on the movement area.

6. Contractor will be on-call for snow removal on runway 18/36 as needed at the airport managers discretion, which will be at the hourly rate.

8. Contractor agrees to store equipment at the airport in hangar E-8 or if needed two hangars at the airports price, plus $100 in utility costs per month.



The Contractor agrees to clear hangar rows in a timely manner post-storm event or upon request by the airport.

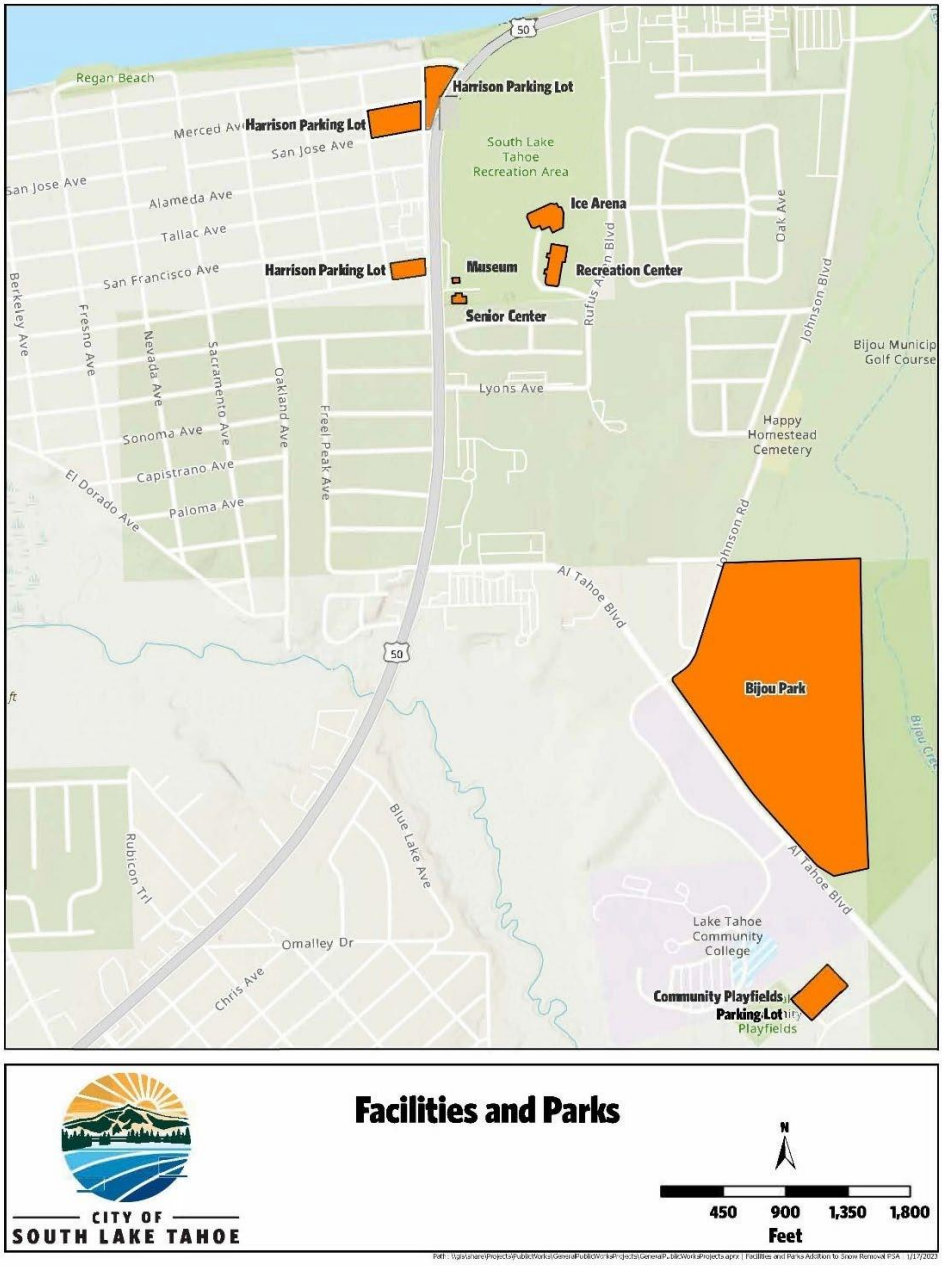
The Contractor is <u>not responsible</u> for the following snow removal activities at the Airport under this contract:

A. Sanding of roadway, parking lot or any paved areas,
B. Clearing of snow from sidewalks and pedestrian areas,
C. Clearing of snow from areas not specified in this contract unless directed by the Airport Manager through on-call services specified in this RFP,
D. Placing any snow melt chemicals on any surfaces at the airport,

At no time and under no circumstances will Snow Removal Contractor equipment or personnel access Runway 18/36 without the expressed permission of the airport manager. The Contractor acknowledges that aircraft, rotorcraft, and emergency vehicles always have the right of way.

Park and Recreation Facilities

The Parks and Recreation Facilities include the public driving lanes and surface parking and access area for the following facilities: Ice Arena, Recreation Center, Senior Center, Museum/Ambulance Area along US 50, Harrison Parking Lots – 3 locations)., Bijou Park, and Community Playfield Parking Lot as shown on the map below.



Public Works and Development Services Parking Lots and City Sidewalks

The Contract will include snow removal at 1740 D Street (Public Works Department) and 1052 Tata Lane (Development Services) Parking Lots. Parking Lots must be plowed starting 6 AM with a 3" snow accumulation.

The sidewalks are typically 4-8 feet wide and must be plowed with walk-behind blowers or other mechanical equipment. ~~The base contract will include **6.7 miles** of City Maintained Sidewalks, see map below.~~ The Contractor shall submit bids for an additive sidewalk maintenance for **20.0** **miles** which are shown in non-maintained map of sidewalks shown below. The additive item is subject to future City Council direction.

Lake Tahoe
Camp Richardson
Tahoe Village
Lake Valley
Al Tahoe
Bijou
Bijou Park
Stateline
Edgewood
Grass Lake Tahoe
Tahoe Valley
Sierra Ave
Lake Tahoe Airport
CITY OF
SOUTH LAKE TAHOE
Sidewalks In South Lake Tahoe, CA
City Boundary
Sidewalks In Contract
Sidewalks Not In Contract
0
0.25
0.5
0.75
Miles

No Show

Failure to provide mechanical snow removal operations after snow accumulations on airside airport property reaches one inch (1") or greater in accumulated snow depth and three inches (3") on landside airport and other City properties will result in a $3000.00 deduction per occurrence from the contract price. City Officials will contact the snow removal contractor if City Fire, Police, Airport or Public Works management observes that a response has not yet been initiated by the snow removal contractor. Failure to respond within a three-hour period after telephone notification from City officials is considered a "no-show" and will be subject to the $3,000 deduction in payment. City Officials will only call the snow removal contractor in the event that 3 inches or more snow is observed on the ground at one of the city facilities identified in this RFP. No show provisions do not apply to on demand call outs made for snow removal services based on City need. These will be coordinated as needed between the Contractor and the City.

EXHIBIT B

SCHEDULE OF CHARGES AND TIMELINE
BUDGET

Site	Location	Bid Amount
Airport Property	1901 Lis Maloff Way	$125,000.00
Police Station	1352 Johnson Blvd.	$9,500.00
Fire Station 1	1252 Ski Run Blvd.	$6,100.00
Fire Station 2	2951 Lake Tahoe Blvd.	$6,100.00
Fire Station 3	2101 Lake Tahoe Blvd.	$6,100.00
Fire Training Center	1195 Rufus Allen Blvd.	$3,600.00
Harrison Avenue Parking Lots	3 locations along Harrison Ave	$15,750.00
Ice Arena, Rec Center, Museum, Ambulance, Senior Center	1176 and 1180 Rufus Allen; 3050, 3058, and 3066 Lake Tahoe Blvd	$31,000.00
Bijou Park	1201 Al Tahoe Blvd.	$17,750.00
Community Playfields Parking Lot	1300 Al Tahoe Blvd.	$7,875.00
Public Works Department	1740 D Street	$8,275.00
Development Services Department	1052 Tata Lane	$7,340.00
~~City Maintained Walkways~~	~~City Maintained Sidewalks (6.7 Miles)~~	~~$42,000.00~~
Optional other City Sidewalks	Optional other City Sidewalks (22.6 Miles)	$126,000.00
Optional On-Call Services	Optional On-Call Services per hr/Max $15,000 ($240/hr)	$15,000.00
		TOTAL $385,390.00

Total (Not to Exceed): $385,390.00

TIMELINE

Contract begins at 12:01am on November 1, 2023, and ends on 11:59pm on April 30th, 2023.
Snow response requirements are provided in Exhibit A: Scope of Services.

EXHIBIT C

ANTI-LOBBYING CERTIFICATION

Consultant shall submit to City this certification prior to or at the time of the execution of this Agreement.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U. S. Code. Any person who fails to file the required certification shall be subject to a civil penalty not less than $10,000 and no more than $100,000 for such failure.

The undersigned certifies, to the best of his or her knowledge or belief, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement; and

2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instruction.

Consultant:

By: _____ **Date:** _____

Phil Trella, Owner

EXHIBIT D

Prevailing Wages Required. Pursuant to the provisions of California Labor Code, Sections 1770 to 1780, inclusive thereof, Consultant, and any subcontractor, of any tier, shall pay not less than the prevailing rate of per diem wages as determined by the Director of the California Department of Industrial Relations. Consultant must comply with all applicable requirements of the California Labor Code, including, without limitation, all requirements set forth in Division 2, Part 7, Chapter 1. Attention is specifically directed to the following sections of the California Labor Code: Prevailing Wage Requirements (§§ 1771.5 and 1776); Apprentices (§1777.5); Working Hours (§§ 1810 to 1815); Workers' Compensation (§ 1860); and Protection of Workers in Trench Excavations (§§ 6705 and 6707). In accordance with Labor Code section 1771.5, that the Project is subject to monitoring and enforcement by the Department of Industrial Relations pursuant to 8 Cal. Code Reg. §§16450 through 16464, including the obligation to furnish certified payroll records directly to the Division of Labor Standards Enforcement's Compliance Monitoring Unit (CMU), using the CMU's electronic certified payroll reporting (eCPR) system.

Pursuant to the provisions of California Labor Code Section 1773.2, Consultant is hereby advised that copies of the prevailing rate of per diem wages and a general prevailing rate for holidays, Saturdays and Sundays and overtime work in the locality in which the Work is to be performed for each craft, classification, or type of worker required to execute the Agreement, are on file in the City's office. Consultant agrees that not less than said prevailing rates shall be paid to workers employed on this public works contract as required by Labor Code Section 1774. These rate determinations are found on the State of California Department of Industrial Relations' website at: http://www.dir.ca.gov/dlsr/DPreWageDetermination.htm.

Pursuant to the provisions of California Labor Code Section 1813, Consultant or subcontractor shall, as a penalty to the state or political subdivision on whose behalf the contract is made or awarded, forfeit twenty-five dollars ($25) for each worker employed in the execution of the Agreement by the respective Consultant or subcontractor for each calendar day during which the worker is required or permitted to work more than 8 hours in any one calendar day and 40 hours in any one calendar week in violation of the provisions of this article. In awarding any contract for public work, the awarding body shall cause to be inserted in the contract a stipulation to this effect. The awarding body shall take cognizance of all violations of this article committed in the course of the execution of the contract and shall report them to the Division of Labor Standards Enforcement.

EXHIBIT E

Certificate of Insurance

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 08/21/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
A to Z Insurance Services, LLC
PO Box 1190
Zephyr Cove NV 89448

CONTACT NAME: Elizabeth Fenley
PHONE (A/C, No, Ext): (530) 541-5300 FAX (A/C, No):
E-MAIL ADDRESS: libi@atozins.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Northfield Insurance Company	27987
INSURER B :	
INSURER C : State Compensation Insurance Fund	35076
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
Trella Tahoe Inc
930 Mule Deer Cir
South Lake Tahoe CA 96150

COVERAGES **CERTIFICATE NUMBER:** 23 Master **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	[X] COMMERCIAL GENERAL LIABILITY [ ] CLAIMS-MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: [X] POLICY [ ] PRO-JECT [ ] LOC [ ] OTHER:	Y		WS493708	01/24/2023	01/24/2024	EACH OCCURRENCE	$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 100,000
							MED EXP (Any one person)	$ 5,000
							PERSONAL & ADV INJURY	$ 1,000,000
							GENERAL AGGREGATE	$ 2,000,000
							PRODUCTS - COMP/OP AGG	$ 2,000,000
								$
	AUTOMOBILE LIABILITY [ ] ANY AUTO [ ] OWNED AUTOS ONLY [ ] SCHEDULED AUTOS [ ] HIRED AUTOS ONLY [ ] NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident)	$
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
	[ ] UMBRELLA LIAB [ ] OCCUR [ ] EXCESS LIAB [ ] CLAIMS-MADE [ ] DED [ ] RETENTION $						EACH OCCURRENCE	$
							AGGREGATE	$
								$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y / N [ ] (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N / A		9282725	08/25/2023	08/25/2024	[X] PER STATUTE [ ] OTH-ER	
							E.L. EACH ACCIDENT	$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

City of South Lake Tahoe is listed as additional insured with respect to work performed.

CERTIFICATE HOLDER

City of South Lake Tahoe
1901 Lisa Maloff Way
South Lake Tahoe CA 96150

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 08/22/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Progressive Insurance
PO Box 94739, Cleveland, OH 44101

CONTACT NAME: Progressive Commercial Lines Customer and Agent Servicing
PHONE (A/C, No, Ext): 1-800-444-4487 **FAX (A/C, No):**
E-MAIL ADDRESS: progressivecommercial@email.progressive.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Progressive Express Ins	10193
INSURER B :	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
TRELLA TAHOE INC
930 MULE DEER CIRCLE
SOUTH LAKE TAHO, CA 96150

COVERAGES **CERTIFICATE NUMBER:** 975357476049940586D082223T183416 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	$
	☐ CLAIMS-MADE ☐ OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$
	☐ POLICY ☐ PRO-JECT ☐ LOC						PRODUCTS - COMP/OP AGG	$
	OTHER:							$
A	**AUTOMOBILE LIABILITY**	N	N	004149650	02/23/2023	08/23/2023	COMBINED SINGLE LIMIT (Ea accident)	$2,000,000
	☐ ANY AUTO						BODILY INJURY (Per person)	$
	☐ OWNED AUTOS ONLY ☒ SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	☐ HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	☐ **UMBRELLA LIAB** ☐ OCCUR						EACH OCCURRENCE	$
	☐ **EXCESS LIAB** ☐ CLAIMS-MADE						AGGREGATE	$
	☐ DED ☐ RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N	N / A					☐ PER STATUTE ☐ OTH-ER	
	ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBEREXCLUDED? ☐ **(Mandatory in NH)** If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. EACH ACCIDENT	$
							E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

TRELLA TAHOE INC
930 MULE DEER CIRCLE
SOUTH LAKE TAHO, CA 96150

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Mark Pant

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AGENCY CUSTOMER ID: _____

LOC #: _____

ADDITIONAL REMARKS SCHEDULE

AGENCY		NAMED INSURED
Progressive Insurance		TRELLA TAHOE INC 930 MULE DEER CIRCLE SOUTH LAKE TAHO, CA 96150
POLICY NUMBER 004149650		
CARRIER Progressive Express Ins	NAIC CODE 10193	EFFECTIVE DATE: 02/23/2023

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,

FORM NUMBER: 25 **FORM TITLE:** Certificate of Liability Insurance

Additional Coverages

Insurance coverage(s)	Limits
Uninsured/Underinsured Motorist	$15,000/$30,000

Liability coverage may not apply to all scheduled vehicles.

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Trella Tahoe Inc.
930 Mule Deer Circle,
South Lake Tahoe, CA 96150
530-318-8537
phil@trellatahoe.com
www.trellatahoe.com

We are honored to be included in the following Request for Proposal #RFP 2023-06-21. Thank you for your time and consideration.

Trella Tahoe Inc. is a locally owned and operated family run business. established in 2019, we at Trella Tahoe Inc. have over 15 years of experience with snow removal in the Lake Tahoe region. We are equipped with multiple unique pieces of equipment that have been proven to work successfully without hiccup at your properties for several years and will produce a clean and thorough job while have little to no negative impact to your property.

Our company currently employs 9 seasonal employees of whom will all be a part of this opportunity during snow events. This ensures 24-hour service for the not so normal timing of snowstorms in the sierras. We own several pieces of proven effective equipment that will be dispatched to the proposed properties during snow removal events which all have an average age of less than 10 years old. Our equipment will be stored with in a 5-minute drive to your properties ensuring our dispatch time will second to none. The owner Phil Trella, a lifelong resident of South Lake Tahoe, has had many years of experience clearing and managing the airport property with a former contractor. Trella Tahoe service most of the proposed properties last season (some mid-season added assistance) and will have no issue adding a few more properties with the excellent service you have come to expect.

Trella Tahoe has completed several seasonal contracts with the City of South Lake Tahoe including the record-breaking snowfall of the 2022/ 2023 season. Even with the record-breaking snowfall last season we were able to complete our contracted work and assist the city with multiple additional properties when staffing and equipment issues arose with the City. We remain in good standing with all our prior year snow removal customers.

Please do not hesitate to contact me at any time if there is any questions or comments on how we can continue to provide you with the excellent service you have come to expect from us in the many past years!

List of Equipment

Trella Tahoe Inc. will use a combination of the following equipment with up 9 to operators for each snow removal event. 3 operators will be dedicated to the airport during all snow events and the remaining will be disbursed throughout the city to ensure timely snow removal operations. Any of these machines with operator will be available after the contracted work is complete for any additional assistance The City may need throughout the winter.

A. Caterpillar 938GII loader with Metal Pless Plowmaxx snow blade/pusher combination, also bucket if needed

B. Caterpillar 924K loader with Metal Pless Plowmaxx snow blade/pusher combination, also bucket if needed.

C. Caterpillar 926M loader with Metal Pless Plowmaxx Snow blade/ pusher combination, also bucket if needed.

D. Caterpillar 938M with Push box, angle blade and bucket

E. Caterpillar 950 with push box, angle blade. Or bucket.

F. Multihog Mx 120 tractor with 80” industrial snow blower

G. Multihog Mx tractor with sidewalk snow blower

H. Bobcat A300 high flow all steer loader with 84” industrial snow blower, or Metal Pless Plowmaxx

I. 2 Bobcat Toolcat UW46 tractors with snowblower, snow pusher, and snow bucket.

J. 3 Chevrolet 3500 pickup trucks with angle snowplows

K. 2 Honda HS928 walk behind snow blowers.

L. 3 Honda HSS 1332 walk behind snow blowers.

Trella Tahoe will have several pieces of backup equipment on standby to ensure all properties are cleared in a timely manner.

Bid Results

Bidder Details

Vendor Name	Trella Tahoe Inc.
Address	930 Mule Deer Cir South Lake Tahoe, California 96150 United States
Respondee	Phillip Trella
Respondee Title	President
Phone	530-318-8537
Email	phil@trellatahoe.com
Vendor Type	
License #	

Bid Detail

Bid Format	Electronic
Submitted	07/19/2023 6:17 AM (PDT)
Delivery Method	
Bid Responsive	
Bid Status	Submitted
Confirmation #	338912

Respondee Comment

Buyer Comment

Attachments

File Title	File Name	File Type
cover letter equipment list 2023 City of SLT.docx	cover letter equipment list 2023 City of SLT.docx	Cover Letter, with qualifications and experience and list of equipment being used to fulfill the job

Line Items

Discount Terms No Discount

Item #	Item Code	Type	Item Description	UOM	QTY	Unit Price	Line Total	Response	Comment
Section 1							$419,150.0000		
1	Airport - Access Road		Add Line Item Description HereAirport Access Road, Lisa Maloff Way, 1901 Lisa Maloff Way (Public Road)	LS	1	$20,500.0000	$20,500.0000	Yes	
2	Airport Parking Lot		Airport Parking Lot, 1901 Lisa Maloff Way	LS	1	$16,020.0000	$16,020.0000	Yes	
3	Airport Hangar Areas		Airport Hangar Areas	LS	1	$95,000.0000	$95,000.0000	Yes	
4	Police Station		Police Station Headquarters, 1352 Johnson Blvd.	LS	1	$9,500.0000	$9,500.0000	Yes	
5	Fire Station 1		Fire Station 1, 1252 Ski Run Blvd.	LS	1	$6,100.0000	$6,100.0000	Yes	
6	Fire Station 2		Fire Station 2, 2951 Lake Tahoe Blvd.	LS	1	$6,100.0000	$6,100.0000	Yes	
7	Fire Station 3		Fire Station 3, 2101 Lake Tahoe Blvd.	LS	1	$6,100.0000	$6,100.0000	Yes	
8	Fire Training Center		Fire Rescue Training Center, 1195 Rufus Allen Blvd.	LS	1	$3,600.0000	$3,600.0000	Yes	
9	Harrison Avenue Parking Lots		Harrison Parking Lots, (3 locations, see map)	LS	1	$15,750.0000	$15,750.0000	Yes	
10	Ice Arena, Rec Center, Museum, Senior Center & Related Aeras		Ice Arena, Recreation Center, Museum, Ambulance Area, Senior Center	LS	1	$31,000.0000	$31,000.0000	Yes	
11	Bijou Park		Bijou Park, 1201 Al Tahoe Blvd.	LS	1	$17,750.0000	$17,750.0000	Yes	
12	Community Playfields Parking Lot		Community Playfield Parking Lot, 1300 Al Tahoe Bvld.	LS	1	$7,875.0000	$7,875.0000	Yes	
13	Public Works Offices		Public Works Parking Lot 1740 D Street	LS	1	$8,275.0000	$8,275.0000	Yes	
14	Development Services Offices		Development Services Parking Lot, 1052 Tata Lane	LS	1	$7,340.0000	$7,340.0000	Yes	
15	City Maintained Walkways and Trails		City Maintained Sidewalks (6.7 Miles) with Walk Behind Blower	LS	1	$42,000.0000	$42,000.0000	Yes	
16	Optional On-Call Services		Optional On-Call Services per hour/Maximum $15,000	Per Hour	1	$240.0000	$240.0000	Yes	
17	Additive, Optional other City Sidewalks		Additive, Optional other City Sidewalks 22.6 Miles (Walk behind blower)	LS	1	$126,000.0000	$126,000.0000	Yes	

Line Item Subtotals

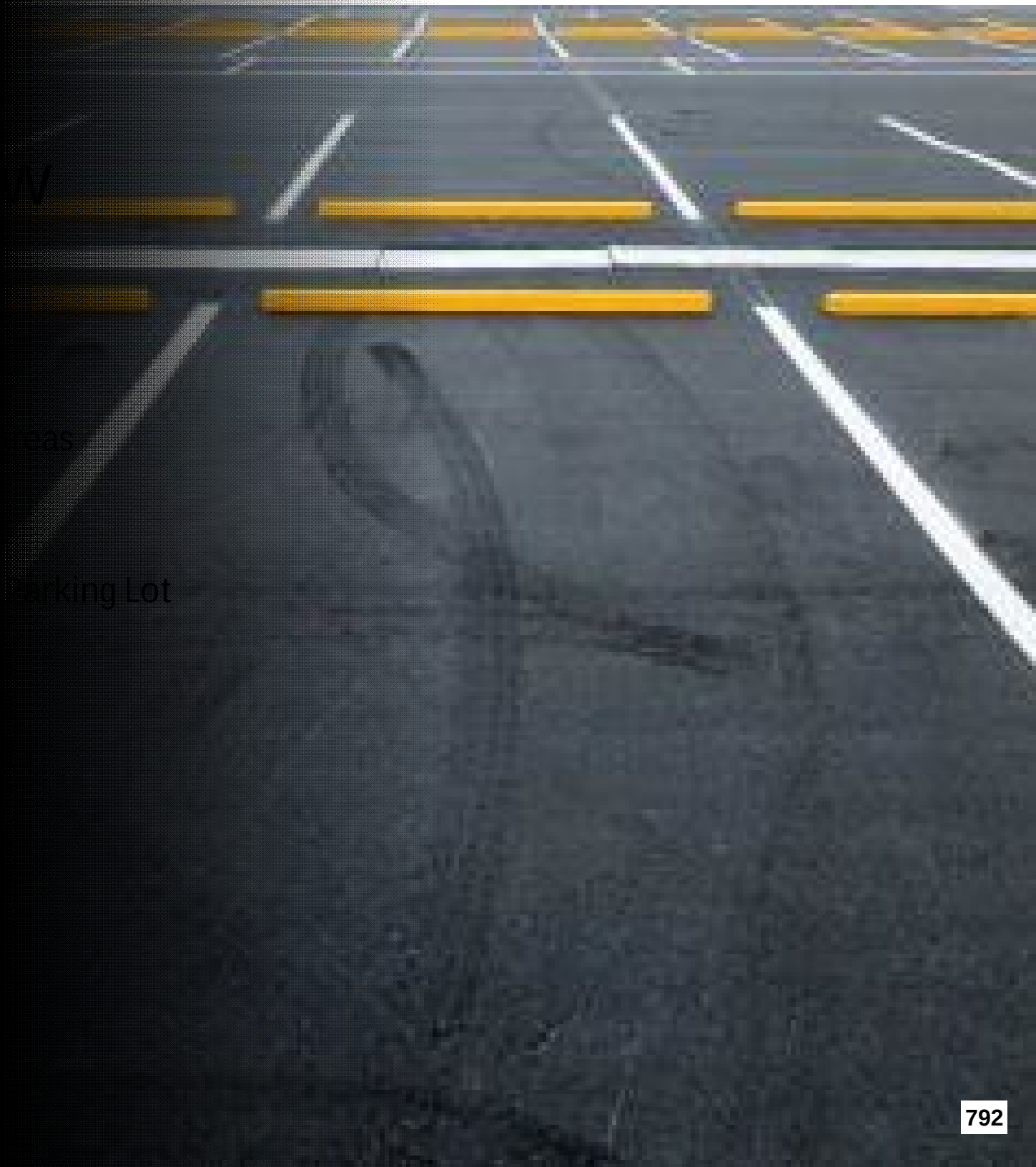
Section Title	Line Total
Section 1	**$419,150.0000**
Grand Total	**$419,150.0000**

Path: \\gis\share\Projects\PublicWorks\GeneralPublicWorksProjects\GeneralPublicWorksProjects.aprx | Sidewalks Arch D | 9/6/2023

Agreement with Trella Tahoe, Inc. for Snow Removal

City Council

September 12, 2023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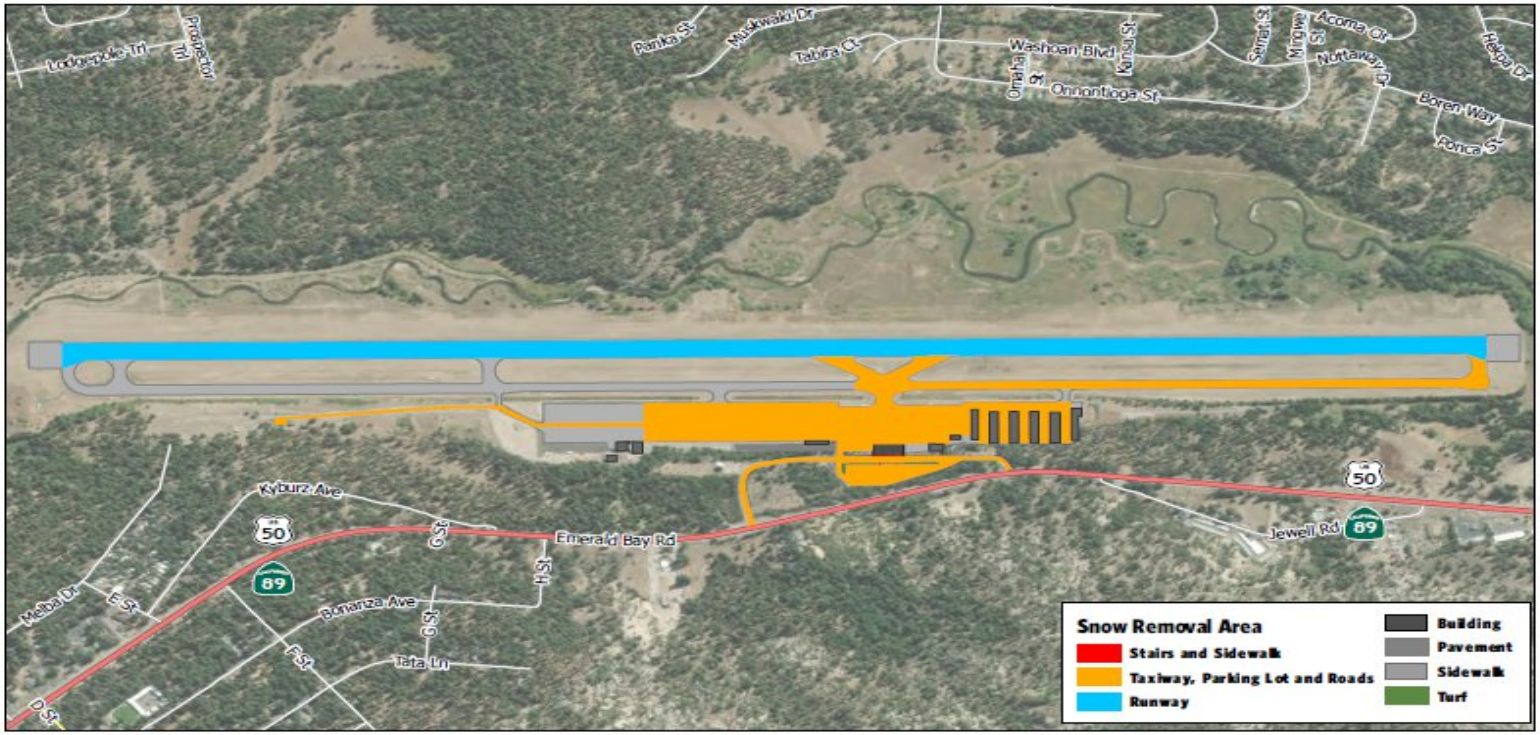
MAP



CITY OF SOUTH LAKE TAHOE

Airport Snow Removal RFP Map

0 500 1,000 1,500 2,000 Feet

Path: \\gis\share\Projects\Airport\GeneralAirportProjects\GeneralAirportProjects.aprx | Airport Snow Removal RFP Map | 5/3/2023

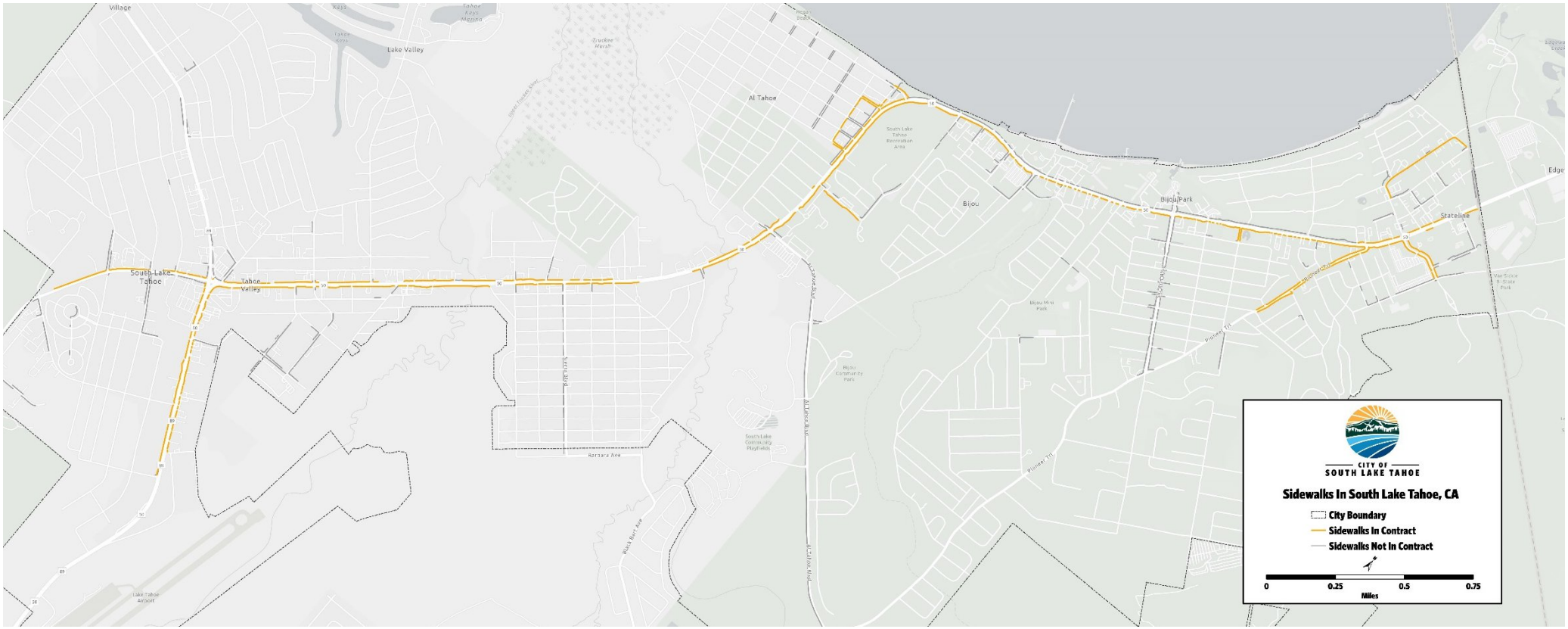
Facilities

Police Station	1352 Johnson Blvd.
Fire Station 1	1252 Ski Run Blvd.
Fire Station 2	2951 Lake Tahoe Blvd.
Fire Station 3	2101 Lake Tahoe Blvd.
Fire Training Center	1195 Rufus Allen Blvd.
Harrison Avenue Parking Lots	3 locations along Harrison Ave
Ice Arena, Rec Center, Museum, Ambulance, Senior Center	1176 and 1180 Rufus Allen; 3050, 3058, and 3066 Lake Tahoe Blvd
Bijou Park	1201 Al Tahoe Blvd.
Community Playfields Parking Lot	1300 Al Tahoe Blvd.
Public Works Department	1740 D Street
Development Services Department	1052 Tata Lane

Sidewalk Maintenance

1. Continue Sidewalk Maintenance per the current process through education and enforcement.
2. Form an Assessment District. This will trigger Proposition 218 requirements, in which the definition of special tax under Proposition 218. An assessment district must be formed, which is both costly and a long process.
3. The City will pay for the snow management to benefit all users and property owners.

Proposed Areas in the Contract



Questions ?

Thank you!

CITY OF
SOUTH LAKE TAHOE

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: September 12, 2023

Agenda Item #: 20

Agenda Item: Agenda Planning Calendar

Executive Summary: The Agenda Planning Calendar is a projection of items coming before City Counci, for consideration.

Requested Action / Suggested Motions: A Councilmember may request that an item be placed on a future agenda. Upon the support of one (1) additional Council Member, direction shall be given to the City Manager to calendar the item for a convenient future agenda, but no sooner than the second meeting after the request was made, and/or modify the Agenda Planning Calendar as desired.

Responsible Staff Member: Joseph Irvin, City Manager

Reviewed and Approved By: Susan Blankenship, City Clerk

Attachments:

APC - 09 07 2023.pdf

2023 Agenda Planning Calendar (Updated 09 07 2023)

Department		Agenda Item	Agenda Section
Sep 26, 5:30 p.m.	**City Clerk**	City Council Chamber Upgrades	Consent
	City Manager	Via cost analysis of municipal fixed-route and microtransit service	NB
		Potential Revenue Ballot Measures for Nov 2024 Election	NB
	Dev Services	Employee Housing Bill of Rights	NB
		Local Housing/Transit Funding Analysis:TOT	UB
	Finance	2023 Lease Revenue Bonds Post Sale Budget Appropriations True-up	Consent
	Human Resources	City Manager & City Attorney Employment Contracts	NB
		Unrepresented Compensation & Benefit Package	Consent
		Adoption of MOUs for Fire and Local 39	Consent
	Police	Police Taser Purchase	Consent
	Public Works	Vision Zero Contract Award	Consent
		CalTrans Electrical and Maintenance Agreement	Consent
		Labor Compliance Award (Rec Center)	Consent
		Financing Options for Snow Operations (Service Area 3 Parcel Tax)	NB
		ADA Transition Plan update	NB

2023 Agenda Planning Calendar (Updated 09 07 2023)

Oct 17, 5:30 p.m.	**City Attny**	Local Hire Ordinance (first reading)	NB
	City Manager	GHG Inventory and Climate Action Plan Update	
		Comprehensive Energy Services Contract	NB
		Area Plan Updates	NB
	Dev Services	Inclusionary Housing In-Lieu Fee Ordinance (first reading)	NB
		PLHA Formula Grant Amendment	NB
		Mid-Town Area Plan Technical Consultant PSA	UB
		3900/3908 Lake Tahoe Blvd DDA	UB
	Finance	Fiscal Year 2022-2023 Budgeted Funds Re-Appropriation	
		GANN Limit	
	Police	Opioid Settlement Barton Agreement	
	Public Works	Broadband PPP Contract	UB
Nov 7, 9 a.m.	**City Attny**	Local Hire Ordinance (second reading)	Consent
	City Manager	TRPA Regional Grant Program (EV Charging/Pioneer Project)	
	Dev Services	Inventory of vacant/underutilized sites	NB
		Inclusionary Housing In-Lieu Fee Ordinance (second reading)	Consent

2023 Agenda Planning Calendar (Updated 09 07 2023)

		Lease to Locals Contract Extension	
	Public Works	GIS Program Presentation	Presentation
		Hwy 50/89 Concrete/Pavement Option	NB
Nov 21, 5:30 p.m.	**City Attny**	ADA Transition Plan update	NB
	Dev Services	MFD/SRO Program Evaluation	
Dec 12, 5:30 p.m.	**Dev Services**	REACH Code Adoption	NB
Unscheduled/Pending			
	City Attorney	Cannabis On-Site Consumption	
		Small Mobility Device Ordinance	
	City Clerk	Records Management Policy (Updated)	
	City Manager	Minimum Wage Discussion	
		Grant Acceptance from Tahoe Water Suppliers Association	
		Electric Vehicle Charging Contract	
		Electric Municipality - Feasability Analysis	
	Dev Services	Plan Area Statement Update for Tourist Accommodation Uses	
		City/CTC land exchange agreement	

2023 Agenda Planning Calendar (Updated 09 07 2023)

	VHR TAU Requirement Discussion
Finance	
Fire	
Parks & Rec	Parks Foundation MOU
	Assessment on LOS prior to 2018
	Lifeguard Mid-Year Budget 23-24 Analysis
	Tahoe Swim Team Use Agreement
	Bijou Golf Course "Rock the Lake" Event and Review