

# AGENDA STAFF REPORT

**DATE:** January 24, 2018

**TO:** Mayor and City Council

**APPROVED BY:** David Dale, Interim City Manager DD

**PREPARED BY:** David Dale, Interim City Manager

**SUBJECT:** Authorize the Interim City Manager to Sign Change Order No. 1 with Willdan Financial Services, in the amount of \$13,500, for the EMS User Fee Study.

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**Recommendation:**

Authorize the Interim City Manager to Sign Change Order No. 1 with Willdan Financial Services, in the amount of \$13,500, for the EMS User Fee Study.

**Background:**

On November 15, 2017 the City Council authorized the City Manager to sign an agreement for professional services with Willdan Financial Services for a Water and Wastewater Rate Study.

**Discussion and Analysis:**

Willdan Financial Services is currently conducting a Water and Wastewater rate study for the City of Calexico. It has recently been identified that there is a need for an EMS User Fee Study due to the City of Calexico currently undercharging for ambulance services.

Willdan current services to the City present the advantage of having recently been qualified by the City as well as familiarity with city procedures and staff. That, coupled with their previous experience with the City and their possession of the previous model and data translate to cost effective and expedited services to the City with an overall lower project cost.

**Fiscal Impact:**

Approximately \$13,500

**Attachments**

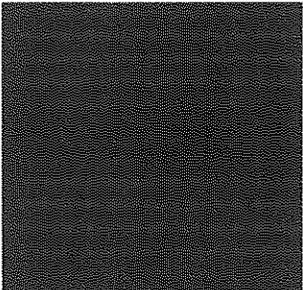
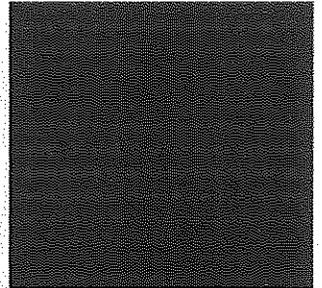
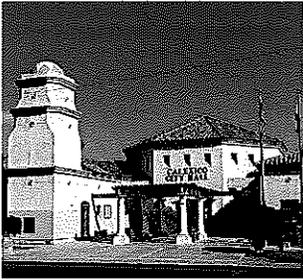
Willdan Proposal for EMS User Fee Study



# City of Calexico

Proposal

## EMS User Fee Study





January 18, 2018

Mr. David Dale, P.E.  
Public Work Director/City Engineer  
City of Calexico  
608 Heber Avenue  
Calexico, California 92251

**Re: City of Calexico, EMS User Fee Study**

Dear Mr. Dale:

Per our recent discussions, please find attached Willdan Financial Services' ("Willdan") proposal for an Emergency Medical Services ("EMS") User Fee Study for the City of Calexico ("City"). Willdan understands that the objective of this engagement is to establish a user fee program to cover the differential cost burden that frequent users of first response paramedic services place on the City.

**Experience with the City of Calexico** — Willdan is currently partnering with the City on the Water and Wastewater Rate Study project. We will bring this same level of professionalism and expertise to this proposed engagement, and utilize our familiarity with the City and community wherever possible. Our knowledge of the City, procedures, and staff will allow us to effectively gather data and information, and clarify questions. With the benefit of previous study data, work can be initiated rapidly and therefore more cost effective than may be possible by other firms. **We will leverage our knowledge of the City's operations and key staff, and our possession of the previous model and data, to facilitate this study in a cost-effective and efficient manner; focusing less time on data gathering and familiarization, and more on analysis, resulting in lower project cost and higher value.**

**Unique Combination of Services and Expertise/Public Engagement** — Willdan is a team of over 70 professionals who provide essential financial consulting services throughout California, and the United States. Willdan has provided the requested services to municipal clients for nearly two decades; and is the only firm providing these types of consulting services that also has a long history of providing contract staff support to public agencies for the delivery of municipal services. This direct experience as "agency staff" provides us with firsthand understanding of City operations and is uniquely useful in determining the full effort associated with service delivery and in developing a fee schedule that is easy to communicate and implement.

**Collaborative Approach and User-friendly Models and Reports** — Willdan prides itself on working closely with City staff to develop an approach that is targeted toward your specific objectives and accounts for your reality, and then working together with you to gather first-hand information regarding the processes and tasks required to provide services to those requesting them. We have included one full day of on-site data gathering and staff interviews to ensure we obtain the information we need efficiently and accurately, with limited need for follow-up.

We create user-friendly Excel-based models that the City can retain, and **conduct our analysis and develop the model collaboratively with City staff.** Rather than using an inflexible proprietary software program, we construct our models from the ground up, mirroring the City's budget format wherever possible. As a result, **the information contained in our models is easy for City staff to interpret, and the familiar software ensures ease of navigation.** This also allows for easy on-the-fly adjustments and updates, inclusion of updated budgets, or changes in organizational structure. Created directly from the models, our reports clearly and graphically illustrate full and recommended levels of cost recovery and projections of revenue for fee programs, break down the costs into direct and indirect overhead categories, and present the fee methodologies. Our models and project approach are geared toward delivering work on schedule, and presenting results at public meetings and council workshops. The Willdan Team is experienced at communicating complex analytical results in a manner that is easy to understand by non-finance oriented individuals, and facilitates discussion. I have coordinated or participated in numerous public and staff workshops regarding fees and cost of service based charges.

Mr. David Dale, P.E., Public Work Director/City Engineer  
Proposal for an EMS User Fee Study  
January 18, 2018  
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Our objective is to provide useful, detailed information to City Council and staff, so that they have the information necessary to make important decisions. Our experience ensures that we can meet this objective. Whether policymakers are considering subsidizing or increasing fees, the process may be subject to public discussion among Council and community stakeholders. Our response to these sensitive political issues is to employ a real-world approach to completing user fee studies, in determining the technically defensible reasonable costs of providing services.

Mr. Mike Medve will serve as the primary contact person for this proposal and services, you may contact him directly at (951) 587-3575, or via email at [MMedve@Willdan.com](mailto:MMedve@Willdan.com).

We are excited about this opportunity to use our skills and expertise to further assist the City of Calexico.

Sincerely,

**WILLDAN FINANCIAL SERVICES**



Chris Fisher  
Vice President - Group Manager  
Financial Consulting Services

COMPREHENSIVE. INNOVATIVE. TRUSTED.



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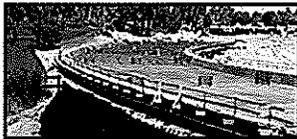
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## Experience and Qualifications

### Firm Profile

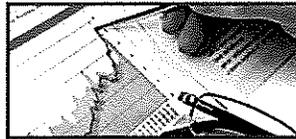
Willdan Financial Services is one of four operating divisions within Willdan Group, Inc. (WGI), which was founded in 1964 as an engineering firm working with local governments. Today, WGI is a publicly owned company on NASDAQ (NASDAQ ticker: WLDN). WGI provides technical and consulting services that ensure the quality, value, and security of our nation's infrastructure, systems, facilities, and environment. The firm has been a consistent industry leader in providing all aspects of municipal and infrastructure engineering, public works contracting, public financing, planning, building and safety, construction management, homeland security, and energy efficiency and sustainability services. Today, WGI has over 800 employees operating from offices in *Arkansas, Arizona, California, Colorado, Connecticut, District of Columbia, Florida, Illinois, Kansas, Nevada, New Jersey, New York, Ohio, Oregon, Utah, Texas, and Washington.*



ENGINEERING, PLANNING, & INFRASTRUCTURE



ENERGY EFFICIENCY & SUSTAINABILITY



FINANCIAL & ECONOMIC CONSULTING SERVICES



NATIONAL PREPAREDNESS & INTEROPERABILITY

Established on June 24, 1988, Willdan Financial Services, a California Corporation, is a national firm, and is one of the largest public sector financial consulting firms in the United States. Since that time, we have helped over 1200 public agencies successfully address a broad range of financial challenges, such as financing the costs of growth and generating revenues to fund desired services. Willdan assists local public agencies by providing the following services:

- User fee studies;
- Cost allocation studies;
- Real estate economic analysis;
- Economic development plans and strategies;
- Tax increment finance district formation and amendment;
- Housing development and implementation strategies;
- Financial consulting;
- Real estate acquisition;
- Development impact fee establishment and analysis;
- Utility rate and cost of service studies;
- Feasibility studies;
- Classification/compensation surveys and analysis;
- Debt issuance support;
- Long-term financial plans and cash flow modeling; and
- Property tax audits.

Our staff of over 70 full-time employees supports our clients by conducting year-round workshops and on-site training to assist them in keeping current with the latest developments in our areas of expertise.

The organization chart located to the right represents Willdan's reporting structure, including the operating groups and the responsible manager; it as well defines the assets available to the City of Calexico.



## References

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Provided below are three recent project descriptions, including client contact information, that are similar in nature to those requested by the City of Calexico. We are proud of our reputation for customer service, and encourage you to contact these clients regarding our commitment to completing the projects within budget and agreed upon timelines.

### **City of Cerritos, CA** **Development Services Fee Study**

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The City of Cerritos had not completed an update to their fee schedule in many years, therefore the fees were significantly out of date and did not accurately reflect the actual costs associated with planning and public works related services. Willdan recently completed this study in a manner that would fully identify and take into account all direct/indirect costs. Willdan reviewed and analyzed existing user fee programs, and based upon conversations with staff, made suggestions, as necessary, for fees that may need to be added to the City's fee schedule for which fees were not currently being charged.

Willdan also assisted in the preparation of the Staff Report and resolutions for adoption of the fees, and provided guidance in the noticing process to ensure the City is in compliance with the requirements of the Government Code; the fees were recently adopted by the City Council.

**Client Contact:** Ms. Kristen Aguila, Advance Planning Manager  
18125 Bloomfield Avenue, Cerritos, CA 90703  
Tel #: (562) 916-1201 | Email: [KAguila@cerritos.us](mailto:KAguila@cerritos.us)

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### **City of Laguna Hills, CA** **Cost Allocation Plan Update and Comprehensive User Fee Study**

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The City of Laguna Hills was seeking an outside consultant to complete a review and update of their current cost allocation plan and the preparation of a comprehensive user fee study for the development of its master list of fees. Our primary objective for the cost allocation study was to ensure that general government costs were fairly and equitably allocated to appropriate programs and funds, which are based on tailored and well thought out allocation factors. For the Fee Study, the primary objective was to ensure that fees for requested services were calculated to account for the full cost of providing the services, and set appropriately, given City policy and financial objectives.

Upon completion of the update to the cost allocation plan, Willdan utilized the final report to complete the comprehensive user fee study.

**Client Contact:** Ms. Janice Mateo-Reyes, Finance Manager  
24035 El Toro Road, Laguna Hills, CA 92653  
Tel #: (949) 707-2623 | Email: [JReyes@ci.laguna-hills.ca.us](mailto:JReyes@ci.laguna-hills.ca.us)

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### **City of Indian Wells, CA** **Comprehensive User Fee and Charges Study**

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The City of Indian Wells sought an outside consultant to prepare a comprehensive study of the City's user fees. Willdan completed this study in a manner that would fully identify and consider all direct/indirect costs.

Willdan reviewed and analyzed existing user fee programs, and based upon conversations and meetings with staff, made suggestions, as necessary, for fees that may need to be added to the City's fee schedule for which fees were not currently being charged. We developed a comprehensive cost of service analysis and model that included allocation of indirect overhead costs, updated existing fees and incorporated new fees, and used it to create an updated comprehensive fee schedule. We also assisted the City by attending a meeting with local building industry officials to describe the approach to the analysis, and address questions and concerns.

**Client Contact:** Mr. Kevin McCarthy, Finance Director  
44-950 Eldorado Drive, Indian Wells, CA 92210-7497  
Tel. #: (760) 346-2489 | Email: [KMcCarthy@indianwells.com](mailto:KMcCarthy@indianwells.com)

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**Studies Conducted**

Presented in the table below we have listed agencies in which similar services have been completed, or are currently in progress, in the previous five years.

<b>Willdan Financial Services 5 Year Cost Allocation Plan and User Fee Study Experience</b>	
<b>Contracting Agency</b>	<b>Project Description</b>
Burney Fire Protection District, CA	Ambulance User Fee Study
City of Agoura Hills, CA	Comprehensive User Fee and Rate Study and Cost Allocation Plan, and Updates
City of Banning, CA	Cost Allocation Plan, User Fee Study and User Fee Study and Development Impact Fee Study
City of Bell, CA	User Fee Study
City of Bell Gardens, CA	Cost Allocation Plan
City of Bellflower, CA	Overheard Cost Allocation Plan and Citywide User Fee Study
City of Bellflower, CA	OMB A-87 Cost Allocation Plan
City of Bellflower, CA	Cost Allocation Plan, OMB Compliant Plan, User Fee Study and Development Impact Fee Study
City of Belmont, CA	User Fee Study and Refinement of Cost Allocation Plan
City of Blythe, CA	Cost Allocation Plan and OMB Compliant Plan
City of Brea, CA	Police Department Cost Allocation Plan
City of Brea, CA	Police Department Cost Allocation Plan (Placentia Dispatch)
City of Cerritos, CA	Development Services User Fee Study
City of Claremont, CA	Cost Allocation Plan and User Fee Study
City of Coalinga, CA	User Fee and Rate Study
City of Colton, CA	User Fee Study
City of Compton, CA	Master Fee Study and Development Impact Fee Study
City of Covina, CA	Overheard Cost Allocation Plan and User Fee
City of Dinuba, CA	Cost Allocation Plan
City of El Centro, CA	Comprehensive User Fee Study
City of El Cerrito, CA	Cost Allocation Plan and Community Development Department User Fee Study
City of Encinitas, CA	Development Services User Fee Study and Cost Allocation Plan
City of Fillmore, CA	Cost Allocation Plan, OMB Compliant Plan, and User Fee Study
City of Florida City, FL	Cost Allocation Plan
City of Galt, CA	Cost Allocation Plan and OMB Compliant Plan
City of Gardena, CA	Cost Allocation Plan
City of Glendale, AZ	Cost Allocation Plan
City of Hawthorne, CA	Cost Allocation Plan

**Willdan Financial Services  
5 Year Cost Allocation Plan and User Fee Study Experience**

<b>Contracting Agency</b>	<b>Project Description</b>
City of Hawthorne, CA	Comprehensive User Fee Study
City of Hayward, CA	Comprehensive Master User Fee Study
City of Hayward, CA	Full Overhead Cost Allocation Plan
City of Hayward	Rental Inspection Program Fee Analysis
City of Hemet, CA	Cost Allocation Plan and User Fee Study
City of Hesperia, CA	Cost Allocation Plan
City of Indian Wells, CA	Comprehensive User Fee Study
City of Irvine, CA	Comprehensive User Fee Study and Full Cost Allocation Plan
City of Irvine, CA	Cost Allocation Plan and Fee Analysis Services
City of Irwindale, CA	Cost Allocation Plan, User Fee Study and Development Impact Fee Study
City of La Mirada, CA	Cost Allocation Plan and User Fee Study Update
City of La Puente, CA	Cost Allocation Plan, OMB Compliant Plan, and User Fee Study
City of Laguna Hills, CA	Comprehensive User Fee Study and Cost Allocation Plan Update
City of Lake Elsinore, CA	Cost Allocation Plan, OMB Compliant Plan, User Fee Study and Development Impact Fee Study
City of Lynwood, CA	User Fee Study and Cost Allocation Plan
City of Lynwood, CA	City Hall Renovation Cost Allocation Plan
City of Mission Viejo, CA	Comprehensive User Fee Study and Cost Allocation Plan
City of Montebello, CA	Cost Allocation Plan Update
City of Montebello, CA	Transit Cost Allocation Plan
City of Monterey Park, CA	Cost Allocation Plan and User Fee Study, and Updates
City of Monterey Park, CA	Cost Allocation Plan Update
City of Monterey, CA	Cost Allocation Plan and Indirect Cost Rate
City of Monterey, CA	Cost Allocation Plan Update
City of Murrieta, CA	Comprehensive User Fee Study, Cost Allocation Plan, and OMB Compliant Plan
City of National City, CA	Cost Allocation Plan, OMB Compliant Cost Allocation Plan, User Fee Study, and ISF Allocation Study
City of Oroville, CA	Cost Allocation Plan and Impact Fee
City of Pacifica, CA	Comprehensive Citywide User Fee Study and Charges Rate Study
City of Palm Desert, CA	Ambulance User Fee Study
City of Patterson, CA	Comprehensive User Fee Study, Full Cost Allocation Plan, and OMB Compliant Plan
City of Petaluma, CA	Cost Allocation Plan, User Fee Study, CIP Admin Rate and Work Order Rate Analysis, Hourly Overhead Rates, and ISF Allocation Study
City of Petaluma, CA	Cost Allocation Plan Update

**Willdan Financial Services  
5 Year Cost Allocation Plan and User Fee Study Experience**

<b>Contracting Agency</b>	<b>Project Description</b>
City of Pittsburgh, CA	User Fee Study and Cost Allocation Plan
City of Red Bluff, CA	Cost Allocation Plan
City of Rocklin, CA	User Fee Study
City of St. Helena, CA	Cost Allocation Plan, OMB Compliant Plan, User Fee Study and Development Impact Fee Study
City of Salinas, CA	Full Cost Allocation Plan and Comprehensive Fee Study
City of San Anselmo, CA	Full Cost Allocation Plan and Comprehensive User Fee Study
City of San Bruno, CA	Comprehensive User Fee Study, Cost Allocation Plan, and OMB Compliant Plan
City of San Fernando, CA	Cost Allocation Plan, OMB Compliant Plan, User Fee Study and Development Impact Fee Study
City of Santa Ana, CA	User Fee Study
City of Signal Hill, CA	Comprehensive User Fee Study, Cost Allocation Plan, and OMB Compliant Plan
City of Soledad, CA	User Fee Study
City of Surprise, AZ	Full Cost Allocation Plan
City of Tulare, CA	Cost Allocation Plan
City of Union City, CA	Comprehensive User Fee and Rate Study, Full Cost Allocation Plan, and OMB Compliant Plan
City of Watsonville, CA	Comprehensive User Fee and Rate Study, Cost Allocation Plan, and OMB Compliant Plan
City of West Covina, CA	Cost Allocation Plan and User Fee Study
City of Yucaipa, CA	Comprehensive User Fee and Rate Study, Full Cost Allocation Plan, and OMB Compliant Plan
Community Child Care Council of Santa Clara County, CA	Cost Allocation Plan
County of San Benito, CA	User Fee Study
Kentuckiana Works, KY	Cost Allocation Plan
Rainbow Municipal Water District, CA	Cost Allocation Plan and OMB Compliant Plan
Sacramento Public Library, CA	Cost Allocation Plan, and Updates
Town of Danville, CA	Cost Allocation Plan
Town of Los Altos Hills, CA	Cost Allocation Plan and User Fee Study, and Updates
Town of Paradise Valley, AZ	Planning and Engineering Services Fee Study

## **Firm Capabilities**

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Willdan has provided user fee and cost allocation services to municipal clients for nineteen years; and has prepared user fee studies, cost allocation plans and OMB compliant cost allocation plans for clients throughout California, as well as Arizona, Florida and Utah. Willdan's proven and successful track-record conducting user fee studies and cost allocation plan services for public agencies dates to 1998. Since that time, we have developed the expertise to successfully integrate this service into the Financial Consulting Services group's primary functions.

Our record of success within the industry provides assurance of the professionalism and capability we will bring to this engagement. A team composed of project managers and analysts develop and/or update cost allocation plans, along with their frequent companion projects — user fee studies.

Willdan has assembled a project team of three (3) subject matter experts who support public clients in California, and across the United States. We are confident that our team possesses the depth of experience that will successfully fulfill the desired work performance. Our employees know and understand the problems facing local government under the current economic climate, and we have oriented our practice to support an agency's modified budget policies and public service priorities.

Mr. Mike Medve, will serve as the primary contact for the City's engagement. The project team's key resources are comprised of the following individuals:

- Mr. Chris Fisher, Vice President and Group Manager;
- Mr. Mike Medve, Project Manager; and
- Mr. Robert Quaid, CPA, Principal Consultant.

## **Project Team**

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Our management and supervision of the project team is very simple: staff every position with experienced, capable personnel in sufficient numbers to deliver a superior product to the City, on time and on budget. With that philosophy in mind, we have selected experienced professionals for this engagement. We are confident that our team possesses the depth of experience that will successfully fulfill your desired work performance.

Mr. **Chris Fisher** will administer the City of Calexico project as the **Principal-in-Charge**. He will apply his extensive financial rate design/modeling experience and ability to clearly communicate results through the facilitation of numerous stakeholder forums. In this role, he will attend meetings and presentations, provide technical guidance, produce key study elements, and will be responsible for work deliverables.

Mr. **Mike Medve** will serve as the **Project Manager** for this engagement, and primary contact for the EMS User Fee Study project. He will work closely with Mr. Fisher to develop the analyses under the City's scope of services, and develop complete and accurate models that will best fit the project needs.

Mr. **Robert Quaid, CPA**, will provide quality assurance/quality control to this engagement in the role of **Quality Assurance/Technical Advisor**. Mr. Quaid will review the models as a third-party internal reviewer prior to their submittal to City staff. His continual review of data entry and model development assures that the draft, and final products have been thoroughly evaluated for potential errors; thus, providing quality client deliverables, and high levels of integrity and outcomes throughout the duration of the project.

## **Staff Continuity**

Vice President and Group Manager Chris Fisher has been assigned to serve as the City's representative. He has been selected for this role due to his extensive experience, which includes the preparation and supervision of numerous Cost Allocation Plans and User Fee Studies, as well as his experience presenting to governing bodies, stakeholders, and industry groups. ***It is important to note that Mr. Fisher has been with Willdan for more than 18 years, and Mr. Quaid more than 20 years, ensuring the City of Calexico of continuity and dedication in staffing during the completion of the project.***

## **Resumes**

Resumes for Willdan's project team are presented on the following pages.

**Chris Fisher**  
**Principal-in-Charge**

**Education**  
*San Francisco State University, Bachelor of Science, Finance*

Mr. Chris Fisher, Vice President and Group Manager of Willdan's Financial Consulting Services group, will serve as Principal-in-Charge for the City of San Jacinto's project. He will also share his extensive knowledge related to cost-of-service principles with members of the project team.

**Areas of Expertise**  
*Cost of Service Analyses*

Mr. Fisher joined Willdan in April of 1999, and during that time has managed an array of financial consulting projects for public agencies in California, Arizona, and Florida, coordinating the activities of resources within Willdan, as well as those from other firms working on these projects. He is one of the firm's leading experts for special district financing related to public infrastructure, maintenance, and services, including public safety.

**Multi-disciplinary Team Management**

**Related Experience**

*Special District Formations*

**City of Petaluma, CA — Overhead Cost Allocation Plan and OMB Circular A-87 Plan, User Fee Study, CIP Rate Analysis, and Hourly Overhead Rate Study:** Mr. Fisher served as project manager for the project team, and provided oversight for this thorough and intensive study for the City of Petaluma.

*Client Presentations*

*Proposition 218*

**Sacramento Public Library Authority, CA — Cost Allocation Plan and OMB Circular A-87:** In April 2014, as Project Manager, Mr. Fisher completed the final report for the Sacramento Public Library Authority. Throughout the project, he provided quality assurance to the project, which involved the development of a methodology for this unique venture. Mr. Fisher presented the final report to the Library Authority Board, as well as the Joint Powers Authority. An update to the CAP has just been completed and presented to the Board.

**Affiliations**

*California Society of Municipal Finance Officers*

**City of Hayward, CA — Cost Allocation Plan and User Fee Study:** Mr. Fisher served as the project manager for the City's full overhead cost allocation plan and OMB A-87 cost allocation plan, along with a comprehensive master user fee study. He worked with the City and Willdan staff to gather the necessary data, and is overseeing Willdan's development of the cost allocation model. The City has a complicated and detailed budget and the cost allocation plan that Willdan developed is tailored to their structure, and includes provision for several Internal Service Funds.

*Municipal Management Association of Northern California*

*California Municipal Treasurers Association*

**18 Years' Experience**

**City of Salinas, CA — Comprehensive Fee Study and Full Cost Allocation Plan:** Mr. Fisher served as the project manager for the City of Salinas engagement, to prepare an OMB A-87-compliant full cost allocation plan and comprehensive fee study for the development of a master list of fees. Mr. Fisher led an all-departments overview meeting, where the framework and general process was reviewed, and global practical and policy questions were addressed. Immediately following the overview meeting, individual meetings were held with representatives from each department to discuss their specific fee related activities, and gather necessary information to update fees.

**City of Irvine, CA — OMB A-87 Cost Allocation Plan and Comprehensive User Fee Study:** Willdan completed a cost allocation plan and user fee study for the City of Irvine. Mr. Fisher managed and provided quality assurance to this project, ensuring the accuracy of the models, as well as the final reports. He also presented the results to the City's Finance Commission and to the City Council.

**City of Belmont, CA — Master Fee Study and Cost Allocation Refinement:** Mr. Fisher served as the project manager for Willdan's work with the City of Belmont and the Belmont Fire Protection District's fee study. Willdan completed a Master Fee Study and an analysis and review of the existing Cost Allocation Plan for the City of Belmont, and a Fee and Rate Study for the Belmont Fire Protection District.

**City of Union City, CA — Comprehensive Fee and Rate Study & Overhead Cost Allocation Plan:** Mr. Fisher served as the principal-in-charge for the City's fee study. He oversaw the development of an overhead cost allocation plan, OMB compliant cost allocation plan, as well as a comprehensive user fee study.

**Mike Medve**  
**Project Manager**

**Education**

*Bachelor of Science,  
 Information and  
 Computer Science,  
 Management and  
 Mathematics Minors,  
 Cum Laude, University  
 of California, Irvine*

**Areas of Expertise**

*Public Finance*

*Public Facility Financing*

*Special District  
 Formation and  
 Administration*

*Proposition 218*

*New Markets Tax  
 Credits*

*Grant Writing*

**12 Years' Experience**

Mr. Mike Medve is a project manager within Willdan's Financial Consulting Services group. He brings 12 years of consulting experience with expertise in public finance, including special district formation and administration, fiscal impact analysis, public facilities financing plans, integrated financing districts, Proposition 218, tax credit financing, state and federal grant and loan programs, sales tax revenue bonds, and infrastructure financing districts. He has served as special tax consultant for over 50 CFD formations, annexations and restructurings.

Mr. Medve has been a financing team member for over \$150 million in limited obligation bonds and over \$50 million in grant funds. He has served as the lead public finance consultant for over 30 clients, both public and private, throughout the country. His broad experience in nearly all aspects of public finance allows him to approach complex projects with confidence and ensure that the client has the information necessary to make informed decisions.

**Related Experience**

**Burney Fire Protection District, CA — EMS User Fee Study:** Mr. Medve served as Project Manager on an EMS User Fee Study. Mr. Medve updated the district's existing fees to correspond with the latest staffing and budget data. He also added a category of service for non-transport EMS responses.

**City of Palm Desert, CA — EMS User Fee Study:** Mr. Medve served as Project Manager on the City's EMS User Fee Study. The City's expressed goal was to prevent overuse of City EMS resources by assisted living facilities, many of which contributed to a large percentage of EMS call volume. EMS fees were developed primarily to discourage abuse, and as such were held to nominal levels. Provisions were enacted to exempt Medicare enrollees and to allow one free EMS call per year per residence.

**City of Lake Elsinore, CA — User Fee Study, Cost Allocation Plan, and Development Impact Fee Study:** Mr. Medve is providing analytical support for two project managers during this multi-study venture with the City of Lake Elsinore.

**City of Compton, CA — Impact Fee Development and Implementation:** Mr. Medve is currently working with the City of Compton on the creation of a comprehensive impact fee program, to ensure that new development in the City, including infill development, pays its fair share of infrastructure costs.

**City of Petaluma, CA — Overhead Cost Allocation Plan and OMB Circular A-87 Plan, User Fee Study, CIP Rate Analysis, and Hourly Overhead Rate Study:** For this project Mr. Medve provided support and financial analysis to the Project Manager.

**County of San Diego, CA — Special Tax Consulting:** Mr. Medve is currently assisting the County with their special tax consulting projects, specifically CFDs formed within unincorporated areas. To meet the demands of continued growth within the County, he is currently involved with the initial steps of forming two separate CFDs that will fund services and improvements ranging from flood control maintenance and fire protection services, to necessary capital improvements. He is also helping to replace an existing Permanent Road Division special assessment with a special tax to fund street rehabilitation and maintenance.

**City of Pittsburg, CA — User Fee Study and Cost Allocation Plan Update:** Mr. Medve provided model development and analytical support to the Project Manager for the City of Pittsburg project. This project, now complete, focused on updating citywide user fees.

**Valley Metro (Phoenix Metropolitan Area):** Provided assessment consulting services to the public transit authority for the Phoenix metropolitan area exploring the possibility of using assessment districts to supplement transit construction, operations and maintenance funding (in transit funding, this is often called a "value capture" strategy). This involved developing a financing plan that prioritized the various transit projects to find the ones that would benefit the most from a value capture strategy.

**Robert Quaid, CPA**

**Quality Assurance/Technical Advisor**

**Education**

*Bachelor of Science,  
University of Southern  
California*

With his 35 years of extensive experience in public financing, Mr. Robert Quaid has been selected to provide quality assurance/quality control in the role of technical advisor. In his position as a Principal Consultant at Willdan, Mr. Quaid provides project management, procedural support, technical support, and quality review for Willdan's District Administration group, as well as the Financial Services Consulting group specific to cost allocation plans, user fee studies, and special financial analysis.

**Areas of Expertise**

*Fiscal Analysis for User  
Fees and Rates*

Prior to joining Willdan, Mr. Quaid worked in the private industry of real estate accounting and finance. He began his career with the public accounting firm formerly known as Haskins & Sells (currently known as "Deloitte & Touche"). His experience includes financial statement analyses, asset administration, computer conversion, and reporting to the Securities and Exchange Commission for several public real estate partnerships. In 1979, Mr. Quaid became a licensed California CPA.

*Cost Allocation Plans*

*Acquisition Audit  
Services*

*Statutory Financial  
Reporting*

*Fund Audits*

**Related Experience**

**City of Thousand Oaks, CA — Cost Allocation Plan:** Mr. Quaid served as project manager for the development of an OMB A-87 compliant cost allocation plan model using fiscal year actual costs as the basis for the allocations. He was responsible for the preparation of the Cost Allocation Plan report and provided cost allocation model training to City staff.

*Quality Review of  
Community Facilities,  
Lighting & Landscaping,  
and Assessment  
Districts*

The objective of this project was to determine the appropriate allocation of indirect costs from City General Fund central service departments to the General Fund operating departments/programs and the non-General Fund departments/programs. The plan model included 16 allocation bases allocating costs to over 100 departments and divisions. Both full and OMB A-87 cost allocation models were delivered to the City. Willdan was awarded a four-year contract.

**Affiliations**

*California Society of  
Municipal Finance  
Officers*

**Cities of Fontana, Gardena and Hawthorne, CA — Cost Allocation Plan Projects:** For each of these cities, Mr. Quaid served in the role of task manager for the development of an OMB A-87 compliant cost allocation plan model using Microsoft Excel. He was responsible for the preparation of the cost allocation plan report and trained City staff on how to use the cost allocation model.

*California Society of  
CPAs*

**City of Rialto, CA — Comprehensive User Fee Study:** Project manager for the Comprehensive User Fee Study to develop a user fee model in Microsoft Excel and update fees for Planning, Engineering, Building, Public Works, Recreation, Police, Fire, City Clerk, Treasurer and Finance.

**Certifications/ Licenses**

*Certified Public  
Accountant*

**City of Cathedral City, CA — Comprehensive User Fee Study:** Mr. Quaid served as project manager for a user fee study that required updating fees for Planning, Engineering, Building, Police, Fire, City Clerk, and Finance.

**35 Years' Experience**

Mr. Quaid has provided Quality Assurance and Quality Control to multiple clients throughout California. Provided below are a few examples of clients in which services have been provided in the previous three years.

- Agoura Hills
- Bell
- Bellflower
- Brea
- Cerritos
- Claremont
- Compton
- Covina
- Colton
- Gardena
- Hesperia
- Irwindale
- La Mirada
- La Puente
- Laguna Hills
- Lynwood
- Montebello
- Monterey Park
- San Fernando
- Santa Ana
- Signal Hill
- West Covina

## Scope of Services

### Project Understanding

Based on our understanding of the City of Calexico's request, and on our extensive experience with exactly this type of project, Willdan Financial Services ("Willdan") is confident that we can meet the City's objective of reviewing, and evaluating the EMS user fee, developing appropriate and defensible methods of analysis to determine the full cost of providing various City services, and then recommending updated fee amounts based upon this analysis. The overall objective is to establish an updated schedule of fees that is objective, fair and equitable, that maximizes the recovery of the costs of providing City services.

The end products will include a report and a user-friendly Excel-based model, which staff will retain, and which can be easily updated in the future. The model will be used to calculate and analyze the components that make up the full cost of services provided by the City's Fire Department, the recommended level of cost recovery (taking into account appropriate subsidies), and the revenue impacts to the City of proposed changes in fees. Most importantly, we will ensure that the results and recommendations are clear and understandable, defensible, and easily implementable.

For this fee study, we will meet directly with departmental representatives, to discuss the approach and process that is best suited for each fee category; and then in more detail to identify processes and levels of activity and effort involved in providing services for which user fees are paid. Through this process we will identify the full cost recovery amount for each fee related activity, compare this with the City's current cost recovery levels, and then discuss with staff, policy and/or political concerns that need to be considered in developing recommended fees. Final recommended fees will be the result of these collaborative discussions, so that they reflect realities and considerations that are specific to the City of Calexico.

For a successful and effective engagement, it is important to have a thorough understanding of the structure and organization of the City. We bring years of successful experience working directly with hundreds of agencies throughout California, and specifically with the City of Calexico.

Willdan possesses the resources, practical experience, creative thinking, and collaborative consulting skills necessary to complete this important project. Key distinct advantages that Willdan brings to the City include the following:

#### **Public Engagement**

Our models and project approach are geared toward delivering our work on schedule and presenting our analysis results at public meetings and Council workshops. While we understand that the City Council and local business community may be generally supportive of increasing fees where necessary, it will be important to present recommendations to them in a way that clearly demonstrates the rationale and supporting analysis.

The Willdan Team is experienced at communicating complex analytical results in a manner that is easy to understand by non-finance oriented individuals and facilitates discussion. Our proposed project manager for this engagement has coordinated, or participated in numerous public and staff workshops regarding fees and cost of service based charges. As previously mentioned, our objective is to provide useful, detailed information to the Council and staff, necessary to make important decisions. Our experience ensures that we can meet this objective.

#### **User-friendly Models and Reports**

Willdan prides itself on creating user-friendly Excel-based models that the City can retain, and **conducting our analysis and developing the models collaboratively with City staff.** With staff's immediate input and collaboration, Willdan will design extremely flexible, intuitive Excel-based models. **The models are then the City's to retain, after our services are completed, and allows for the creation of revenue projections, highlighting potential new revenues, and levels of subsidy.**

A key element of these studies are presenting results and recommendations in a straightforward manner, that allows Council and staff to confidently make fee setting policy decisions, and understand the impacts of those decisions. Rather than using an inflexible proprietary software program, we construct our models from the ground up, as previously discussed, mirroring the City's budget format wherever possible. As a result, the information contained in our models is easy for staff to interpret, and the familiar software ensures ease of navigation. As the models are being designed and constructed, we will work together with staff to determine the best and most effective features to include. After the project is completed, we will provide training, so that your staff can independently and efficiently evaluate the effects of changes in certain factors.

**The models will be developed to allow the City to run "what-if" scenarios to address possible changes in staffing levels, working hours, etc.**

Created directly from the models, our reports clearly and graphically illustrate bases for the full cost recovery level of fee programs, provide projections of revenue from fee programs, both at full cost recovery and at recommended levels, and present the fee methodologies.

## Methodology

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The following describes our project understanding, proposed approach, and work plan for a User Fee Study.

### User Fee Study Methodology

To comprehensively update fees, the City should develop a user fee schedule that accurately accounts for the true cost of providing services. Once the study is complete, the fee study model must be flexible so that the City can add, delete, and revise fees in the future. To meet this goal, we will bring our expertise and unique perspectives to your fee study by approaching the project with these three principles:

#### 1) Defensibility

Our user fee projects have not been legally challenged since the inception of this practice area in our firm. We have accomplished this by closely working with legal counsel familiar with user fee studies. In this way, we can tailor the correct approach to ensure full cost recovery combined with a sound and reasonable basis for each user fee you implement.

While Proposition 218 does not directly apply to non-property-related fees, we employ principles from this important constitutional article to make certain that your user fee and rate schedule is developed with fairness, equity, and proportionate cost recovery principles in mind. With the addition of Proposition 26, Willdan will review each analyzed user fee for compliance and appropriateness to ensure continued defensibility.

#### 2) Project and Staff Time

Our standards and approaches serve to get to the issues of your fee study quickly. Starting with the project kick-off, we will make certain that your staff understands the purpose and scope of the study. As Willdan can communicate directly with the service providers, this interaction provides valuable information needed to develop time and direct cost estimates.

#### 3) Responsiveness

We take great pride in providing responsive service to our client agencies. Frequent communication is critical to a successful user fee study experience. We will provide a list of data requirements in advance of the project kick-off. Due to this simple step, the introductory meeting can focus on the survey input process, answering questions, determining policy goals, and defining next steps in the project. We will follow up weekly with you at each step in the fee study process to make sure that staff "buys in" to the fee study approach and results.

### Approach

Our approach to preparing the user fee study and documentation for Calexico includes:

- Close coordination with your staff to devise a consensus approach. Different programs and/or different service delivery methods will necessitate different approaches. We will discuss specific pros and cons with City staff as we determine which methods work best for various categories of fees;
- Strict adherence to key legal and policy issues with regard to user fees, including the percent of cost recovery that the City seeks to achieve. A user fee shall not be set higher than the reasonable cost of providing a fee-generating service. Our approach provides you with a fee schedule that achieves maximum legal cost recovery while ensuring that each fee is supported by technically defensible documentation; and
- Technical analysis necessary for project participants to resolve policy issues.

As described below, there are two basic approaches to calculating user fees:

#### Approach 1: Case Study Method

This is also sometimes referred to as a cost build-up approach. Using a time and materials approach, the "Case Study Method" examines the tasks, steps and City staff involved in providing a particular 'unit' of service, such as a permit review, and then uses that information to develop estimates of the actual labor and material costs associated with providing a unit of service to a single user. It is often used when a service is provided on a regular basis, and staff and other costs associated with the service can be segregated from available budget data.

A typical case study fee model should comprise the following three general cost layers:

**1) Central Services Overhead:** This category may involve such costs as labor, services, and supplies that benefit more than one department, division, or project. The exact benefits to specific areas are impossible to ascribe to a single activity. Examples are purchasing, human resources, and liability insurance. As part of the user fee study, these costs are calculated in the overhead cost review.

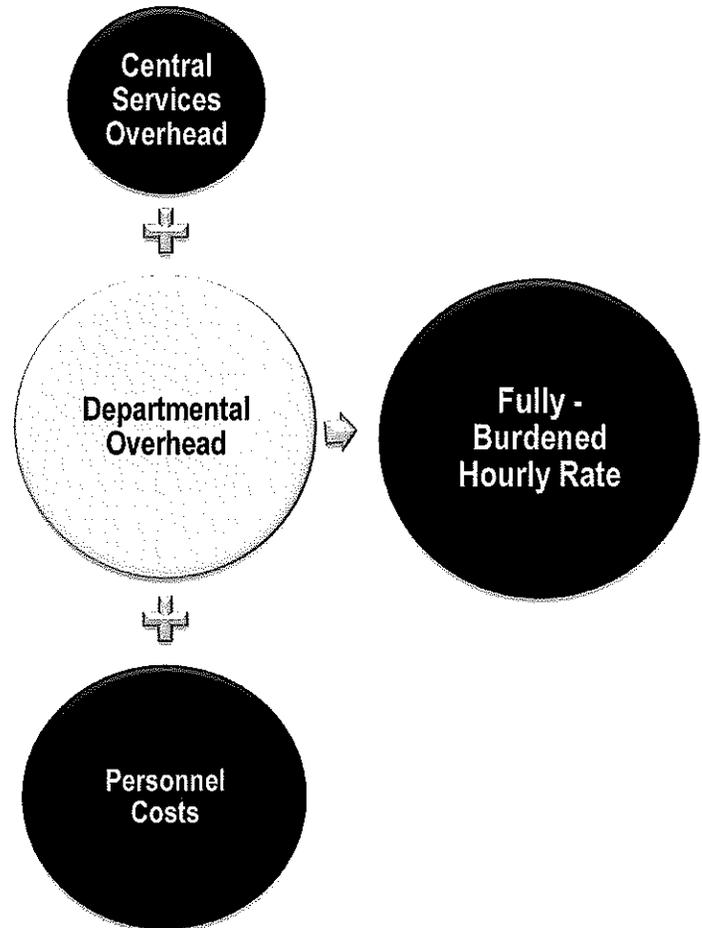
**2) Department Overhead:** This category may include expenses related to such items as office supplies, outside consultants, and membership dues. It may include management, supervision, and administrative support that are not provided to a direct fee-generating service. Typically, these items are charged, on an item-by-item basis, directly to the department, division, or project.

**3) Personnel Costs:** This category refers to direct salary and benefit costs of staff hours spent on providing a fee-generating service (e.g., on-site building inspector).

**Approach 2: Average Cost Method**

This is also sometimes referred to as a programmatic approach, because it looks at costs at a program level, and then allocates them to participants on an occurrence basis. By taking total service costs across a substantial sample period (a year), and dividing by the total number of service units delivered over that same period, costs per unit of service is estimated.

This approach is useful when services or programs are provided in a more aggregate manner, where it might be difficult to identify a specific sequence of steps associated with one user or participant; or where it is not feasible to cost-effectively segregate costs associated with specific activities.



## Work Plan

Our proposed work plan, described in detail by task, is provided below. We explain how each task will be accomplished, and identify associated meetings and deliverables. We want to ensure our scope provides quality and clarity, and is responsive to the City's needs and specific local circumstances.

Taxes, fines, utility rates, and penalties are not "user fees", therefore will not be part of our work plan for this project. However, we will advise the City regarding additional study efforts it may pursue to evaluate fee categories not considered user fees.

## User Fee Study

### **Task 1: Cost Data Gathering/Kick-off Meeting**

In this task, we will meet with City representatives from the appropriate departments to identify and discuss:

- 1) The targeted/eligible costs to be recovered;
- 2) Any appropriate cost allocations to non-Emergency Medical Services (EMS); and
- 3) Current legal context and policy objectives regarding an Emergency Medical Services fees.

We will also discuss a schedule for completion of the study.

### **Task 2: Evaluate Emergency Medical Services/Establish Nexus**

Evaluate the City's paramedic services current fiscal year operational budget and capital expenditure plans. We will identify the full cost of emergency medical/ambulance service delivery, using the City's most current financial information, including direct and indirect costs. Willdan will evaluate the potential services to be financed by the fee program, the budget for those services, and factors that drive the need for these services; and establish a relationship (or nexus) between the services and, the fees to be collected.

### **Task 3: Establish Costing Methodology**

Upon review of all costs, Willdan will develop the revenue requirements for the current and future levels of service. Willdan will also, as part of the revenue requirements, project revenue needed to maintain and/or replace capital items in the identified fiscal years. An analysis of the proposed fee will be prepared for discussion purposes.

Based on research conducted in Task 1 and 2, we will apply the appropriate costing methodology to update the City's Ambulance User Fee. In this task, we will review the City's current cost recovery model and costing methodology and the rationale behind the method employed. We will research and propose the nexus relationship between the fee and the benefit received by the eligible users. A draft report and preliminary fee calculation will be submitted to City staff for review and comment. We will meet with City staff in a review session to listen to comments and answer questions about our preliminary report and calculations. Up to two (2) revisions to the fee calculation will be made, including the final fee calculation.

### **Task 4: Develop Ambulance User Fee**

Willdan, again working with City staff, will develop a pro forma schedule of rates designed to provide the revenue stream required for the ambulance services, including operations and capital needs. Emergency medical/ambulance program funding options or program scenarios will be prepared and presented to the City's professional staff and, if requested, to the City Council. The completed program will be presented to City staff, the public, and the City Council.

### City Staff Support

To complete our tasks, we will need the cooperation of City staff. We suggest that the City of Calexico assign a key individual to represent the City as the project manager who can function as our primary contact. We anticipate that the City's project manager will:

- 1) Coordinate responses to requests for information;
- 2) Coordinate review of work products; and
- 3) Help resolve policy issues.

Willdan will endeavor to minimize the impact on City staff in the completion of this project. We will ask for responses to initial information requests in a timely manner. If there are delays on the part of the City, we will contact the City's project manager to steer the project back on track. We will keep the City's project manager informed of data or feedback we need to keep the project on schedule.

Willdan will rely on the validity and accuracy of the City's data and documentation to complete the analysis. Willdan will rely on the data as being accurate without performing an independent verification of accuracy, and will not be responsible for any errors that result from inaccurate data provided by the client or a third party. City shall reimburse Willdan for any costs Willdan incurs, including without limitation, copying costs, digitizing costs, travel expenses, employee time and attorneys' fees, to respond to the legal process of any governmental agency relating to City or relating to the project. Reimbursement shall be at Willdan's rates in effect at the time of such response.

## **Fees**

### **EMS User Fee Study**

Willdan Financial Services will perform the tasks described within our scope of services, for a *fixed fee of \$13,500* for the User Fee Study.

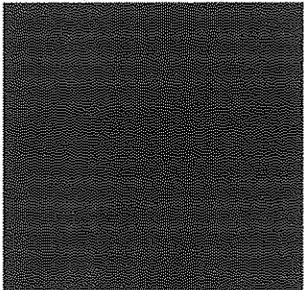
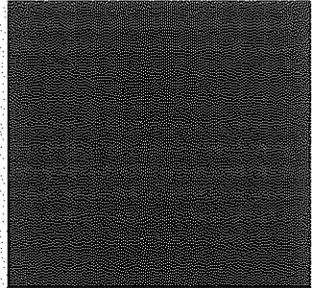
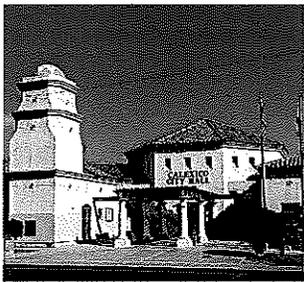
**Notes:**

- Our fee includes all direct expenses associated with the project.
- We will invoice the City monthly based on percentage of project completed.
- Additional services may be authorized by the City, and will be billed at our then-current hourly overhead consulting rates.

### **Hourly Fee Schedule**

Our current hourly rates are listed below.

<b>Willdan Hourly Rate Schedule</b>	
<b>Position</b>	<b>Hourly Rate</b>
Group Manager	\$250
Managing Principal	\$240
Principal Consultant	\$210
Senior Project Manager	\$185
Project Manager	\$165
Senior Project Analyst	\$135
Senior Analyst	\$125
Analyst II	\$110
Analyst I	\$100



27368 Via Industria, Suite 200  
Temecula, California 92590-4856  
800.755.6864 | 951.587.3500 | Fax: 951.587.3510

[www.willdan.com](http://www.willdan.com)