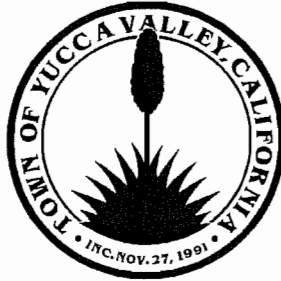


TOWN OF YUCCA VALLEY TOWN COUNCIL MEETING



*The Mission of the Town of Yucca Valley is to
provide a government that is responsive to its citizens
to ensure a safe and secure environment
while maintaining the highest quality of life.*

**TOWN COUNCIL: 6:00 p.m.
TUESDAY, MARCH 3, 2015
YUCCA VALLEY COMMUNITY CENTER
YUCCA ROOM
57090 - 29 PALMS HIGHWAY
YUCCA VALLEY, CALIFORNIA 92284**

**CLOSED SESSION: 6:00 p.m.
(Immediately following regular meeting)
YUCCA VALLEY TOWN HALL
CONFERENCE ROOM
57090 - 29 PALMS HIGHWAY
YUCCA VALLEY, CALIFORNIA 92284**

* * * *

TOWN COUNCIL
*George Huntington, Mayor
Robert Leone, Mayor Pro Tem
Merl Abel, Council Member
Rick Denison, Council Member
Robert Lombardo, Council Member*

* * * *

**TOWN ADMINISTRATIVE OFFICE:
760-369-7207
www.yucca-valley.org**

**AGENDA
MEETING OF THE
TOWN OF YUCCA VALLEY COUNCIL
TUESDAY, MARCH 3, 2015
6:00 P.M.**

The Town of Yucca Valley complies with the Americans with Disabilities Act of 1990. If you require special assistance to attend or participate in this meeting, please call the Town Clerk's Office at 760-369-7209 at least 48 hours prior to the meeting.

An agenda packet for the meeting, and any additional documents submitted to the majority of the Town Council, are available for public view in the Town Hall lobby and with respect to the staff agenda packet, on the Town's website, www.yucca-valley.org, prior to the Council meeting. Any materials submitted to the Agency after distribution of the agenda packet will be available for public review in the Town Clerk's Office during normal business hours and will be available for review at the Town Council meeting. For more information on an agenda item or the agenda process, please contact the Town Clerk's office at 760-369-7209 ext. 226.

If you wish to comment on any subject on the agenda, or any subject not on the agenda during public comments, please fill out a card and give it to the Town Clerk. The Mayor/Chair will recognize you at the appropriate time. Comment time is limited to 3 minutes.

(WHERE APPROPRIATE OR DEEMED NECESSARY, ACTION MAY BE TAKEN ON ANY ITEM LISTED IN THE AGENDA)

OPENING CEREMONIES (6:00 p.m. – Yucca Room)

CALL TO ORDER

ROLL CALL: Council Members Abel, Denison, Leone, Lombardo and Mayor Huntington

PLEDGE OF ALLEGIANCE

INVOCATION

PRESENTATIONS, INTRODUCTIONS, RECOGNITIONS

1. San Bernardino County Fire- Personnel Introduction
2. Hi-Desert Water District Wastewater Project Update

APPROVAL OF AGENDA

Action: Move _____ 2nd _____ Vote _____.

CONSENT AGENDA

All items listed on the consent calendar are considered to be routine matters or are considered formal documents covering previous Town Council instruction. The items listed on the consent calendar may be enacted by one motion and a second. There will be no separate discussion of the consent calendar items unless a member of the Town Council or Town Staff requests discussion on specific consent calendar items at the beginning of the meeting. Public requests to comment on consent calendar items should be filed with the Town Clerk before the consent calendar is called.

3. Waive further reading of all ordinances (if any in the agenda) and read by title only.

Recommendation: Waive further reading of all ordinances and read by title only.

- 1-4 4. State Water Resources Control Board Letter of Support for the Hi Desert Water District Zero Interest Loan Request

Recommendation: Support the Hi Desert Water District's request for a zero percent interest rate loan from the State Water Resources Control Board for the District's wastewater collection, treatment, and reclamation system, and authorize the mayor to offer a letter of support on behalf of the Council

- 5-70 5. Public Facilities Development Impact Fees
Annual Report
Set Public Hearing for April 7, 2015

Recommendation: Receive and File the Public Facilities Development Impact Fees Annual Report and schedule the public hearing for April 7, 2015

- 71-77 6. Warrant Register

Recommendation: Ratify the Payroll Register total of \$137463.31 for checks dated February 13, 2015 and the Warrant Register total of \$186,598.79 for checks dated February 19, 2015

Recommendation: Adopt Consent Agenda (items 3-6)

Action: Move _____ 2nd _____ Vote _____

DEPARTMENT REPORTS

- 78-112 7. Town and Citizen Negotiated Medical Marijuana Ballot Measure

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF YUCCA VALLEY, CALIFORNIA, CALLING AND GIVING NOTICE OF THE HOLDING OF A SPECIAL MUNICIPAL ELECTION ON TUESDAY, JUNE 2, 2015, FOR THE SUBMISSION TO THE VOTERS OF THE TOWN A PROPOSED MEASURE ALLOWING A LIMITED NUMBER OF MEDICAL MARIJUANA DISPENSARIES IN TOWN LIMITS AND REQUESTING THE COUNTY OF SAN BERNARDINO TO CONSOLIDATE THE TOWN'S SPECIAL ELECTION WITH THE SPECAIL AND GENERAL MUNICIPAL ELECTIONS HELD WITHIN SAN BERNARDINO COUNTY ON THAT DATE.

Recommendation: The Medical Marijuana Sub Committee recommendation is to adopt the resolution and to request the Proponents to fulfill their obligation to immediately, and publicly, withdraw the Citizen Measure and endorse passage of the negotiated measure, as well as immediately memorialize such withdrawal in writing.

Action: Move _____ 2nd _____ Vote _____

- 113-159 8. Award of Contract for Total Compensation and Classification Study

Recommendation: Approve the award of contract for total Compensation and Classification Study to Koff & Associates in the amount of \$42,100.00 and authorize the Town manager and Town Attorney to prepare and execute a professional services agreement utilizing the Town's standard professional agreement form. Additionally, it is recommended that the Council establish an Ad Hoc Committee to be involved throughout the study, and appoint two councilmembers to the committee.

Action: Move _____ 2nd _____ Vote _____

FUTURE AGENDA ITEMS

PUBLIC COMMENTS

In order to assist in the orderly and timely conduct of the meeting, the Council takes this time to consider your comments on items of concern which are on the Closed Session or not on the agenda. When you are called to speak, please state your name and community of residence. Notify the Mayor if you wish to be on or off the camera. Please limit your comments to three (3) minutes or less. Inappropriate behavior which disrupts, disturbs or otherwise impedes the orderly conduct of the meeting will result in forfeiture of your public comment privileges. The Town Council is prohibited by State law from taking action or discussing items not included on the printed agenda.

STAFF REPORTS AND COMMENTS

MAYOR AND COUNCIL MEMBER REPORTS AND COMMENTS

9. Council Member Abel
10. Council Member Denison
11. Council Member Lombardo
12. Mayor Pro Tem Leone
13. Mayor Huntington

ANNOUNCEMENTS

Time, date and place for the next Town Council meeting.

The next meeting of the Yucca Valley Town Council is scheduled for Tuesday, March 17, 2015 at 6:00 p.m. in the Yucca Valley Community Center Yucca Room.

CLOSED SESSION (Town Hall Conference Room)

(Public Comments will be taken prior to Closed Session)

1. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**
A closed session will be held, pursuant to Government Code §54956.9(d)(1), to confer with legal counsel regarding pending litigation to which the Town is a party. The title of such litigation is as follows: Town of Yucca Valley vs. Yashraj Hospitality, Inc., dba Best Western Yucca Valley Hotel and Suites, Nathsons Hospitality, Inc., Venokumar Nathraj, Charmaine Nathraj et. al; CIVDS1415964; San Bernardino County Superior Court

CLOSED SESSION REPORT/ADJOURNMENT

Yucca Valley Town Council

Meeting Procedures

The Ralph M. Brown Act is the state law which guarantees the public's right to attend and participate in meetings of local legislative bodies. These rules have been adopted by the Town of Yucca Valley Town Council in accordance with the Brown Act, Government Code 54950 et seq., and shall apply at all meetings of the Yucca Valley Town Council, Commissions and Committees.

Agendas - All agendas are posted at Town Hall, 57090 Twentynine Palms Highway, Yucca Valley, at least 72 hours in advance of the meeting. Staff reports related to agenda items may be reviewed at the Town Hall offices located at 57090 Twentynine Palms Highway, Yucca Valley.

Agenda Actions - Items listed on both the "Consent Calendar" and "Items for Discussion" contain suggested actions. The Town Council will generally consider items in the order listed on the agenda. However, items may be considered in any order. Under certain circumstances new agenda items can be added and action taken by two-thirds vote of the Town Council.

Closed Session Agenda Items - Consideration of closed session items, *excludes* members of the public. These items include issues related to personnel, pending litigation, labor negotiations and real estate negotiations. Prior to each closed session, the Mayor will announce the subject matter of the closed session. If final action is taken in closed session, the Mayor shall report the action to the public at the conclusion of the closed session.

Public Testimony on any Item - Members of the public are afforded an opportunity to speak on any listed item. Individuals wishing to address the Town Council should complete a "Request to Speak" form, provided near the Town Clerk's desk at the meeting room, and present it to the Town Clerk prior to the Council's consideration of the item. A "Request to Speak" form must be completed for *each* item when an individual wishes to speak. When recognized by the Mayor, speakers should be prepared to step forward and announce their name and address for the record. In the interest of facilitating the business of the Council, speakers are limited to up to three (3) minutes on each item. The Mayor or a majority of the Council may establish a different time limit as appropriate, and parties to agenda items shall not be subject to the time limitations.

The Consent Calendar is considered a single item, thus the three (3) minute rule applies. Consent Calendar items can be pulled at Council member request and will be brought up individually at the specified time in the agenda allowing further public comment on those items.

Agenda Times - The Council is concerned that discussion takes place in a timely and efficient manner. Agendas may be prepared with estimated times for categorical areas and certain topics to be discussed. These times may vary according to the length of presentation and amount of resulting discussion on agenda items.

Public Comment - At the end of the agenda, an opportunity is also provided for members of the public to speak on any subject with Council's authority. *Matters raised under "Public Comment" may not be acted upon at that meeting. The time limits established in Rule #4 still apply.*

Disruptive Conduct - If any meeting of the Council is willfully disrupted by a person or by a group of persons so as to render the orderly conduct of the meeting impossible, the Mayor may recess the meeting or order the person, group or groups of person willfully disrupting the meeting to leave the meeting or to be removed from the meeting. Disruptive conduct includes addressing the Council without first being recognized, not addressing the subject before the Council, repetitiously addressing the same subject, failing to relinquish the podium when requested to do so, or otherwise preventing the Council from conducting its meeting in an orderly manner. *Please be aware that a NO SMOKING policy has been established for all Town of Yucca Valley meetings. Your cooperation is appreciated!*

ACRONYM LIST

ADA	Americans with Disabilities Act
CAFR	Comprehensive Annual Financial Report
CALTRANS	California Department of Transportation
CEQA	California Environmental Quality Act
CCA	Community Center Authority
CDBG	Community Development Block Grant
CHP	California Highway Patrol
CIP	Capital Improvement Program
CMAQ	Congestion Mitigation and Air Quality
CMP	Congestion Management Program
CNG	Compressed Natural Gas
COP	Certificates of Participation
CPI	Consumer Price Index
DOJ	Department of Justice
DOT	Department of Transportation
ED	Economic Development
EIR	Environmental Impact Report (pursuant to CEQA)
GAAP	Generally Accepted Accounting Procedures
GASB	Governmental Accounting Standards Board
HDWD	Hi Desert Water District
HUD	US Department of Housing and Urban Development
IEEP	Inland Empire Economic Partnership
IIPP	Injury and Illness Prevention Plan
IRC	Internal Revenue Code
LAIF	Local Agency Investment Fund
LLEBG	Local Law Enforcement Block Grant
LTF	Local Transportation Fund
MBTA	Morongo Basin Transit Authority
MBYSA	Morongo Basin Youth Soccer Association
MDAQMD	Mojave Desert Air Quality Management District
MOU	Memorandum of Understanding
MUSD	Morongo Unified School District
PARSAC	Public Agency Risk Sharing Authority of California
PERS	California Public Employees Retirement System
PPA	Prior Period Adjustment
PVEA	Petroleum Violation Escrow Account
RDA	Redevelopment Agency
RSA	Regional Statistical Area
RTP	Regional Transportation Plan
SANBAG	San Bernardino Associated Governments
SCAG	Southern California Association of Governments
STIP	State Transportation Improvement Program
STP	Surface Transportation Program
TEA-21	Transportation Enhancement Act for the 21 st Century
TOT	Transient Occupancy Tax

Town Council Committee Assignments

COMMITTEE	REPRESENTATIVE	MEETING SCHEDULE	LOCATION
CITY / COUNTY ANIMAL SERVICES JPA	Huntington Lombardo	12:00 pm. Last Thursday	Yucca Valley
DESERT SOLID WASTE JPA	Huntington Leone (Alt)	10:00 a.m. 2 nd Thursday Feb, May, Aug, Nov	Victorville
LEAGUE OF CALIFORNIA CITIES DESERT MOUNTAIN DIVISION	Lombardo Denison (Alt)	10:00 a.m. 4 th Friday- Quarterly	Varies
LEAGUE OF CALIFORNIA CITIES LEGISLATIVE DELEGATE	Mayor		
LEGISLATIVE TEAM	Huntington Denison	Proposed for Council Members to work with Town Manager meeting with legislators when necessary	
HOMELESS PARTNERSHIP (SBCO) AND INTERAGENCY COUNCIL ON HOMELESSNESS	Staff	9:00 a.m. 4 th Wednesday	San Bernardino
MEASURE I	Huntington Abel (Alt)	9:30 a.m. 3 rd Friday	Apple Valley
MORONGO BASIN TRANSIT AUTHORITY	Abel Leone Lombardo (Alt)	5:00 p.m. 4 th Thursday	Joshua Tree
MOJAVE AIR QUALITY DISTRICT	Leone Abel (Alt)	10:00 a.m. 4 th Monday	Victorville
SANBAG	Huntington Abel (Alt)	10:30 a.m. 1 st Wednesday	San Bernardino
SPORTS COUNCIL	Denison	6:30 p.m. 2 nd Monday March, June, Sept	Yucca Valley

Ad Hoc Committee Assignments

COMMITTEE	REPRESENTATIVES
AUDIT	Denison Huntington
BREHM PARK	Abel Lombardo
MEDICAL MARIJUANA INITIATIVE	Lombardo Abel
ONLINE VIDEO	Huntington Evans (PRCC)
PUBLIC FACILITIES	Huntington Leone
RDA BONDS	Huntington Leone
SEWER FINANCING	Denison Leone
SUBDIVISION	Huntington Leone

TOWN COUNCIL STAFF REPORT

To: Honorable Mayor & Town Council
From: Curtis Yakimow, Town Manager
Date: February 27, 2015
For Council March 3, 2015
Meeting:
Subject: State Water Resources Control Board Letter of Support for the Hi Desert Water District Zero Interest Loan Request

Prior Council Review: None for this item.

Recommendation: That the Town Council supports the Hi Desert Water District's request for a zero percent interest rate loan from the State Water Resources Control Board for the District's wastewater collection, treatment, and reclamation system, and authorize the Mayor to offer a letter of support on behalf of the Council.

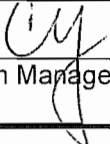
Order of Procedure:

- Request Staff Report
- Request Public Comment
- Council Discussion/Questions of Staff
- Motion/Second
- Discussion on Motion
- Call the Question (Roll Call Vote – Consent Agenda)

Discussion: As the lead agency on the wastewater collection, treatment and reclamation system project for the Town of Yucca Valley, the Hi Desert Water District (District) has been actively advancing the project forward in all aspects, including planning, design, engineering and financing. A critical component of the District's financing plan includes a formal application to the State Water Resources Control Board (SWRCB) for participation in the State Revolving Fund (SRF) loan program. Participation in this program will provide the District with access to low interest funding for affected properties within the HDWD assessment district.

It is anticipated that the SWRCB will consider the District's formal loan application in March of 2015. As part of that application, the District is requesting that the Board consider the granting of a zero percent interest rate loan for the first 20 years, and a not to exceed rate of one percent for the remaining ten years. If granted, this action will provide a lower financing cost to the affected residents and businesses of Yucca Valley.

Reviewed By:


Town Manager

Town Attorney

Finance


Department

____ Department Report

____ Ordinance Action

____ Resolution Action

____ Public Hearing

Consent

Minute Action

____ Receive and File

____ Policy Disc.

Following prior Council direction, the Town is committed to supporting the District's loan application, and is anxious to attend the Board's March meeting to lend positive support when the item is considered.

In advance of that meeting, it is recommended that the Town submit a formal letter of recommendation to the SWRCB in support of the District's zero interest loan request. A draft copy of the letter is attached for the Council's review.

- Alternatives:** None recommended.
- Fiscal impact:** None with this item.
- Attachment:** Draft Letter of Support

March 4, 2015

DRAFT

Honorable Chair Felicia Marcus
State Water Resources Control Board
PO Box 100
Sacramento, CA 95812-0100

Subject: **Hi-Desert Water District Loan Terms; Grant Policy Change**

Dear Honorable Chair Marcus:

The Town Council of the Town of Yucca Valley is honored to write to you regarding the Hi-Desert Water District's effort to implement a new wastewater collection, treatment, and reclamation system for the Town. As you are undoubtedly aware, at present, there are no centralized wastewater facilities in Yucca Valley; the Town relies on septic systems for the disposal of commercial and residential wastewater. According to District studies, these septic systems are linked to nitrate contamination of the groundwater basin. As a result, the Town of Yucca Valley is subject to a septic discharge prohibition in May 2016, per a basin plan amendment adopted by the Colorado River Basin Regional Water Quality Control Board in May 2011.

Unfortunately, at present there are neither state grant funds nor federal principal forgiveness available through the Clean Water State Revolving Fund to help offset project costs. While other small, disadvantaged communities may be able to defer their funding requests until the following fiscal year to ensure access to the new Prop 1 grants, the looming discharge prohibition means that the Yucca Valley project must move forward sooner.

According to SWRCB staff, the Hi-Desert Water District will not be considered for any future grants if their loan application is approved this fiscal year. If this is indeed the case, we would request that the SWRCB members craft a unique and realistic solution for this disadvantaged community.

To that extend, the Town of Yucca Valley respectfully requests that the Board approve the District's request for a 0% interest rate for first 20 years and a not to exceed 1% for the remaining 10 years, or provide access to other principal forgiveness mechanisms to mitigate for the loss of future grants available through Proposition 1 bond funds.

Thank you for your consideration of these requests.

Respectfully,

George Huntington
Mayor

Cc: State Water Resources Control Board Members

Ms. Martha Guzman Aceves, Deputy Legislative Affairs Secretary, Governor's Office,

Mr. Matthew Rodriguez, Secretary, CAL-EPA

Assm. Marc Levine, Chair, Assembly Committee on Water Parks and Wildlife

Sen. Fran Pavley, Chair Senate Committee on Natural Resources and Water

Ms. Laurel Firestone, Executive Director, Community Water Center

Mr. Ed Muzik, General Manager, Hi-Desert Water District

Mr. Patrick Leathers, Clean Tech Advocates

Ms. Elaine Berghausen, Clean Tech Advocates

TOWN COUNCIL STAFF REPORT

To: Honorable Mayor & Town Council
From: Shane R. Stueckle, Deputy Town Manager
Date: February 26, 2015
For Council Meeting: March 3, 2015

Subject: Public Facilities Development Impact Fees
Annual Report
Set Public Hearing for April 7, 2015

Prior Council Review: At its meeting of October 18, 2011, the Town Council established subdivision single family residential public facility development impact fees at the maximum level of \$9,081 per unit.

The Town Council also modified the development incentive program for infill single family residential public facility development impact fees, setting the fees at \$2,568 per unit with those fees dedicated to Park facilities.

Retained multi-family residential public facility development impact fees at \$3,600 per unit.

Modified the development incentive program for commercial, general office, and industrial development projects as follows:

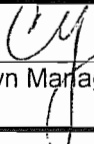
Up to 3,000 square feet:	\$1.00 per square foot
3,001 to 5,000 square feet:	\$2.00 per square foot
5,001 to 10,000 square feet:	\$4.00 per square foot
10,001 square feet or more:	\$7.85 per square foot

Approved the above public facility development impact fee levels through December 2013 or until thereafter as modified and amended by the Town Council.

At its meeting of October 5, 2010, the Town Council established revised maximum legally defensible public facility development impact fee for the planning period through 2025; maintained the public facility development impact fees at their then current levels; and adopted the development incentive program, waiving public facility development impact fees for infill single family residential development and for the first 10,000 square feet of commercial, general office, and industrial development projects.

The Town Council made no changes to the Fees in 2014.

Reviewed By:


Town Manager

Town Attorney

Mgmt Services

Dept Head

____ Department Report

Consent

____ Ordinance Action

Minute Action

____ Resolution Action

____ Receive and File

____ Public Hearing

____ Study Session

Recommendation: That the Town Council receives and files the report and schedules the public hearing for April 7, 2015.

Executive Summary: Pursuant to the Study prepared by MuniFinanical dated May 5, 2005, on October 27, 2005, the Town Council established Public Facilities Development Impact Fees (DIF) for new residential development. The fees became effective on January 30, 2006. The Town Council implemented Public Facility Development Impact Fees for non-residential development in 2008. Annual review of those Fees is required.

The Town Council, pursuant to Ordinance No. 173 annually receives the report and reviews the fee levels.

Order of Procedure:

- Request Staff Report
- Request Public Comment
- Council Discussion/Questions of Staff
- Motion/Second
- Discussion on Motion
- Call the Question (Roll Call Vote, Consent Agenda)

Discussion: The Public Facilities Development Impact Fee Study (Study) evaluated and established maximum legally defensible fee levels that could be imposed on new development, based upon the impact to the Town's public infrastructure system. The infrastructure systems evaluated included the following.

1. General Facilities
2. Park Facilities
3. Trails
4. Storm Drains
5. Streets and Traffic

The Study analyzed the need for public facilities and capital improvements to support future development within the Town through 2025. As part of estimating facility needs, the Study uses residential and household population data provided by the California Department of Finance and internal projections developed for the Town by Stan Hoffman and Associates.

The Study identified the following parameters for the different impact fee categories.

- * Identified the purpose of the fee;

- * Identified the use to which the fee will be put;
- * Determined that there is a reasonable relationship between the fee's use and the type of development on which the fee is to be imposed;
- * Determined how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is to be imposed;
- * Demonstrated a reasonable relationship between the amount of the fees and the costs of the public facilities or portions of the facilities attributable to the development upon which the fees are imposed.

Infrastructure needs within the Town are extensive. Over \$200 million for just streets and flood control systems will be necessary to put into place adequate road and drainage infrastructure to meet community needs. These needs cannot be funded by impact fees alone as new development cannot pay for any existing infrastructure deficits.

The following table illustrates the maximum legally defensible public facility development impact fees for the planning period through 2025, as established by the Town Council at the meeting of October 18, 2011.

Proposed	General Facilities	Parks	Trails	Storm Drains	Street & Traffic	Total
<i>RESIDENTIAL</i>		(fee per dwelling unit)				
SFR	\$ 1,181	\$ 2,568	\$ 458	\$ 2,632	\$ 2,242	\$ 9,081
MFR	913	1,980	354	1,316	1,789	6,352
<i>NON-RES</i>		(per 1,000 square feet building area)				
Commercial	\$ 264	NA	NA	\$ 1,737	\$ 5,734	\$ 7,735
Office	352	NA	NA	1,816	4,915	7,083
Industrial	176	NA	NA	1,211	1,789	3,176

The table below identifies the fee levels as established by the Town Council in 2011.

Dev. Type	2005 Maximum	Pre-2010	Oct-2010	Prior	10-18-11 Established Fee
SFR, Subdiv.	\$15,815	\$5,200	\$9,081	\$5,200	\$9,081
Infill	NA		NA	\$0	\$2,568 to Park Development
MFR	\$10,820	\$3,600	\$6,352	\$3,600	\$3,600
Commercial	\$19.49 sq. ft.	\$1.00 sq.ft.	\$7.74 sqft	\$0 under 10K \$1 sq ft over	Up to 3,000 sq ft: \$1 sq ft 3001-5000 sq ft: \$2 sq ft 5001-10,000 sq ft: \$4 sq ft * 10,001 + sq ft: \$7.74**
Office	\$17.54 sq. ft.		\$7.08	\$0 under 10K \$1 sq ft over	
Industrial	\$7.50 sq. ft.		\$3.18	\$0 under 10K \$1 sq ft over	

*Industrial caps at \$3.18

**Office caps at \$7.08

Alternatives: No alternative action is recommended.

Fiscal impact: No modifications to the Fees are recommended at this time.

Beginning/Ending Balance(s) for the five individual Fee categories as of June 30, 2013, and June 30, 2014 are as follows:

	<u>6/30/2013</u>	<u>6/30/2014</u>	<u>2013-14 Expenditures</u>
General Facility	(28,401)	352,587	4,548
Parks	6,114	(113,653)	139,955
Streets/Traffic	403,943	893,232	
Drainage	264,326	627,801	
Trails	21,251	24,564	
Total Fund Balance	<u>667,234</u>	<u>1,784,531</u>	<u>144,503</u>

The above balances reflect the appropriations and transfers authorized by the Town Council with the adoption of prior FY Budgets when all funds have been repaid.

Other Fund activity since inception includes interest earnings in the amount of \$56,515 and indirect cost recovery of \$41,287. Fund balance as of June 30, 2014 is \$1,784,531. Cash balance as of June 30, 2014 is \$1,234,531

Attachments: Resolution No. 11-11, with Attachments
2005 Muni-Financial Study

RESOLUTION NO. 11-11

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF
YUCCA VALLEY, CALIFORNIA, CONTINUING THE PUBLIC
FACILITY DEVELOPMENT IMPACT FEES FOR NEW
DEVELOPMENT WITHIN THE TOWN OF YUCCA VALLEY

WHEREAS, California Government Code Sections 66000 et seq. enables cities to charge fees for public facilities; and

WHEREAS, Sections 66000 et seq. of the California Government Code contains the provisions defining parameters of development impact fees, as well as reporting and maintenance requirements to ensure the ongoing appropriateness of the fees charged; and

WHEREAS, the Town of Yucca Valley established Public Facility Development Impact Fees effective February 1, 2006 through adoption of Resolution No. 05-59; and

WHEREAS, the first deposits into the Public Facility Development Impact Fees occurred on March 27, 2006; and

WHEREAS, the Town of Yucca Valley ("Town") imposes certain development impact fees ("Development Impact Fees") upon development project applicants ("Applicants") to recover the costs to the Town for the future construction of public infrastructure facilities and improvements ("Public Improvements") necessitated by increasing development within the Town; and

WHEREAS, the continuing growth of the Town, combined with the continued expectation of infrastructure development by persons who live and work in the Town, and historical and recent reductions by the State of California in property tax allocations to local governments have been catalysts for the need for the Town's Public Improvements, made necessary by new development; and

WHEREAS, due to the increased need for Public Improvements caused by new development, without Public Facility Development Impact Fees, other fees charged to Applicants do not adequately recoup the Town's costs of constructing Public Improvements and, therefore, a significant amount of these Public Improvements would be paid for out of the Town's general fund and borne by the general public unless Development Impact Fees are continued; and

WHEREAS, the Town Council finds that the approval of development projects is of special benefit to Applicants and that development projects constructed by Applicants impose a special burden upon Public Improvements separate and apart from and in addition to that of the public; and therefore, in the interests of fairness to the general public, the Town desires to better recover the costs of

development impacts upon Public Improvements from Applicants who seek the Town's approval for development projects; and

WHEREAS, the Town has established infrastructure needs based upon the Town's adopted General Plan, the General Plan Circulation Element, the General Plan Park, Recreation, and Trails Element, the adopted Master Plan of Drainage, the adopted Parks and Recreation Master Plan, the adopted Trails Master Plan, the Caltrans SR 62 Route Concept Report, the Caltrans SR 247 Route Concept Report, and based upon the population growth projections developed for the Town by Stan Hoffman & Associates ("Plans & Projections"); and

WHEREAS, the continuation of Development Impact Fees is based upon the information contained in the document prepared by MuniFinancial entitled "Public Facilities Development Impact Fee Study", dated May 2, 2005 ("Study"); and

WHEREAS, descriptions of each of the Public Improvements, their approximate location, size, and their estimated costs are also set forth in the Study, in addition to the Plans and Projections cited above; and

WHEREAS, the Study complies with the California Government Code Section 66001 by establishing the basis for the imposition of fees for new development; and in particular, the Study accomplishes the following:

1. Identify the purpose of the proposed fees;
2. Identify the use to which the fees will be put;
3. Demonstrate a reasonable relationship between the fees' use and the types of projects on which the fees are imposed;
4. Demonstrate a reasonable relationship between the need for the public facilities and the types of developments on which the fees are imposed; and
5. Demonstrate a reasonable relationship between the amount of the fees and the cost of the public facilities or portions of the facilities attributable to the developments on which the fees are imposed; and

WHEREAS, the Public Facilities Development Impact Fee Study prepared by MuniFinancial, Dated May 2, 2005, identifies and contains findings identifying items 1 through 5 above for General Facilities, Park Facilities, Trail Facilities, Storm Drain Facilities, and Street and Traffic Facilities, in addition to those findings contained in Attachment "B" to this Resolution; and

WHEREAS, the Development Impact Fee Report justifies the imposition and continuation of each development fee on new construction by analyzing the Town's needs for Public Improvements, assigning the costs on a fair share basis to the various types of development, and assigning the resulting fee per dwelling unit and/or commercial/office/industrial square footage, based on the anticipated burden of such new dwelling unit and/or commercial/office/industrial area on

Town Public Improvements and the need created by such dwelling unit and/or commercial/office/industrial area for new and expanded facilities and infrastructure; and

WHEREAS, the Development Impact Fees collected pursuant to this Resolution shall be used to finance the Public Improvements described or identified in the Study; and

WHEREAS, the projects and fee methodologies identified in the Study are consistent with the Town's General Plan; and

WHEREAS, after considering the types of projects to be funded by the Development Impact Fees and the cost estimates contained in the Study, the Town Council approves such projects and approves the cost estimates and finds them reasonable as the basis for calculating and imposing the Development Impact Fees; and

WHEREAS, copies of the Study are on file in the Town Clerk's office and have been made available for public review in accordance with state law, as more fully described below; and

WHEREAS, copies of the Plans and Projections are on file in the Town Clerk's office and have been made available for public review in accordance with state law, as more fully described below; and

WHEREAS, the Town Council considered the Public Facility Development Impact Fees at a public hearing on October 5, 2010; and

WHEREAS, the Town Council adopted Ordinance No. 217 at its meeting of October 19, 2010, amending section 3.40.070 B of Chapter 3.40 of the Yucca Valley Municipal Code amending the methodology for evaluating and establishing the maximum legally defensible public facility development impact fees imposed upon new development and as attached to this Resolution as Attachment "C"; and

WHEREAS, the Town Council adopted Resolution No. 10-26 at its meeting of October 5, 2010, reducing the maximum legally defensible public facility development impact fees contained in the 2005 MuniFinancial Study related to the Town of Yucca Valley Development Impact Fee Schedule and as attached to this Resolution as Attachment "D"; and

WHEREAS, pursuant to Government Code Section 66000, et. Seq., the Town is empowered to impose fees and other exactions to provide necessary Public Improvements required to mitigate the effects of new development in the Town; and

WHEREAS, pursuant to Government Code Section 66006, the Town deposited its Public Facility Development Impact Fees in separate funds in a manner to avoid co-mingling of the Development Impact Fees with other revenues of the Town, except for temporary investments, and to expend such Development Impact Fees solely for the purpose for which the Development Impact Fees were collected; and

WHEREAS, Government Code Section 66006 permits the Town to make inter-fund transfers and loans between capital facilities accounts upon those reasonable terms of repayment and interest rates as determined by the Town Council; and

WHEREAS, the Town of Yucca Valley has made no inter-fund transfers or loans between capital facility accounts contained Public Facility Development Impact Fees; and

WHEREAS, California Government Code Section 66001(d) requires the Town Council to make specified findings every five years with respect to any portion of the Public Facility Development Impact Fees collected that remain unexpended or uncommitted in its account and to identify the purpose to which the fee is to be put and to demonstrate a reasonable relationship between the fee and the purpose for which it was charged; and

WHEREAS, attachment "B" to this Resolution identifies the purpose(s) to which the Public Facility Development Impact Fees are to be put for General Facilities, Park Facilities, Trail Facilities, Storm Drain Facilities, and Street and Traffic facilities; and

WHEREAS, Ordinance No. 217 adopted by the Town Council on October 19, 2010, amended the "Study" for determining the maximum legally defensible public facility development impact fees; and

WHEREAS, the amendments to the Study enacted by Ordinance No. 217 are found consistent with the purpose to which the fee is to be put and to demonstrate a reasonable relationship between the fee and the purpose for which it was charged; and

WHEREAS, the Town Council conducted the review of its Public Facility Development Impact Fees required by California Government Code Section 66001(d) on an annual basis in conjunction with its review of the capital improvement program as required by California Government Code Section 6600a02(b) and the annual accounting as required by California Government Code Section 66006 (b)(1); and

WHEREAS, the purpose of this Resolution is to re-establish the Public Facility Development Impact Fees based upon the 2005 MuniFinancial "Study" and to

enable the Town to continue the Public Facility Development Impact Fee Program; and

NOW, THEREFORE, THE TOWN COUNCIL OF THE TOWN OF YUCCA VALLEY, CALIFORNIA, DOES ORDAIN AS FOLLOWS:

Section 1. The 5-Year Report identifies the purpose for each Public Facility Development Impact Fee.

Section 2. The 5-Year Report identifies the amount of fees unexpended in each Fund at June 30, 2010 and sufficient detail regarding the expected use of the fees to demonstrate a reasonable relationship between the fee and the purpose for which it is charged.

Section 3. The 5-Year Report includes the sources and amount of funding anticipated to complete financing of incomplete improvements identified in each program.

Section 4. The 5-Year Report includes the approximate dates on which the funding is expected to be deposited into the appropriate account or fund to finance the incomplete improvements.

PASSED, APPROVED AND ADOPTED this 1st day of March, 2011


MAYOR

ATTEST:


TOWN CLERK

STATE OF CALIFORNIA

COUNTY OF SAN BERNARDINO

TOWN OF YUCCA VALLEY

I, Janet M. Anderson, Town Clerk of the Town of Yucca Valley, California do hereby certify that Resolution No. 11-11 was duly and regularly adopted by the Town Council of the Town of Yucca Valley, California, at a meeting thereof held on the 1st day of March, 2011, by the following vote:

AYES: Council Members Hagerman, Luckino, Mayes, Rowe, and Mayor Huntington

NOES: None

ABSTAIN: None

ABSENT: None



TOWN CLERK

ATTACHMENT "A"
PUBLIC FACILITIES DEVELOPMENT IMPACT FEE STUDY
PREPARED BY MUNIFINANCIAL
MAY 2, 2005

TOWN OF YUCCA VALLEY

PUBLIC FACILITIES
DEVELOPMENT IMPACT FEE STUDY

MAY 2, 2005

Final



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EXECUTIVE SUMMARY

This report summarizes an analysis of the need for public facilities and capital improvements to support future development within the Town of Yucca Valley through 2025. It is the Town's intent that the costs representing future development's share of these facilities and improvements be imposed on that development in the form of a development impact fee, also known as a public facilities fee. The public facilities and improvements included in this analysis of the Town's public facilities fee program are divided into the fee categories listed below.

- General
- Storm Drains
- Parks
- Streets and Traffic
- Trails

Background and Study Objectives

The primary policy objective of a public facilities fee program is to ensure that new development pays the capital costs associated with growth. To fulfill this objective public agencies should review and update their fee programs periodically to incorporate the best available information. The primary purpose of this report is to adjust fees to incorporate current facility plans to serve a 2025 service population.

The Town imposes public facilities fees under authority granted by the *Mitigation Fee Act*, contained in *California Government Code* Sections 66000 *et seq.* This report provides the necessary findings required by the *Act* for adoption of the revised fees presented in the fee schedules contained herein.

Development Projections

To estimate facility needs, this study uses residential and household population data provided by the California Department of Finance and internal projections developed for the Town of Yucca Valley by Stan Hoffman and Associates. Current and projected employment figures were based on data provided by Claritas and the Southern California Association of Governments (SCAG). The development projections used in this analysis are summarized in Table E.0.

Table E.0: Demographic Assumptions

	2004	2025	Increase
Residents ¹	18,410	33,880	15,470
Dwelling Units ¹			
Single Family	6,710	11,230	4,520
Multi-family	1,730	2,900	1,170
Total	8,440	14,130	5,690
Employment ^{2,3}			
Commercial	3,040	5,090	2,050
Office	660	1,100	440
Industrial	600	1,000	400
Subtotal	4,300	7,190	2,890
Other ⁴	1,840	2,750	1,110
Total	5,940	9,940	4,000
Building Square Feet (000s) ⁵			
Commercial	7,800	12,730	5,130
Office	2,200	3,670	1,470
Industrial	1,000	1,670	670
Total	10,800	18,070	7,270

¹ California Department of Finance (DOF), Southern California Association of Governments (SCAG), Data from Town of Yucca - Stan Hoffman and Associates Population Projections, March, 2005.

² Assumes percentage of employees by land use remains constant to total from 2004 to 2025.

³ Estimates by land use type based a Claritas report prepared for the Town of Yucca Valley, February 2004. Projected employment figures derived by assuming a constant ratio of jobs to housing.

⁴ Represents government and other institutional.

⁵ Based on employment by land use and occupant density shown in Table 2.0.

Sources: Table 2.0; California Department of Finance (DOF), Table E-5, 2004; Town of Yucca Valley; Southern California Association of Governments (SCAG); Claritas 2004; MuniFinancial

Facility Standards and Costs of Growth

This fee analysis uses standards based on the Town's policy to determine the cost of facilities required to accommodate growth for public facilities. A standard for each facility category considered in this study is derived from the Town's facility plans for 2025. Depending on the facility standard, the Town currently may or may not have sufficient facilities to serve existing development. If the Town's existing facilities are below standard, then a deficiency exists. In this case, the portion of the cost of planned

facilities associated with correcting the deficiency must be allocated to funding sources other than the fee. Public facilities fees can only fund planned facilities needed to accommodate new development at the adopted standard.

Therefore, this study distinguishes between the share of planned facilities needed to accommodate growth and the share that serves existing residents and businesses. New development can only fund its fair share of planned facilities. To ensure compliance with the law, this study ensures that there is a reasonable relationship between new development, the amount of the fee, and facilities funded by the fee.

Fee Schedules and Revenues

Table E.1 summarizes the schedule of maximum justified public facilities fees based on the analysis contained in this report.

Table E.1: Proposed Facilities Fee Summary

Land Use	General Facilities	Parks	Trails	Storm Drains	Streets & Traffic	Total
<i>Residential (Fee per Dwelling Unit)</i>						
Single Family Unit	\$ 1,200	\$ 2,568	\$ 458	\$ 5,181	\$ 8,137	\$ 15,815
Multi-family Unit	886	1,880	354	2,581	4,809	10,820
<i>Non-residential (Fee per 1,000 Building Square Feet)</i>						
Commercial	\$ 340	N/A	N/A	\$ 3,407	\$ 15,741	\$ 19,488
Office	452	N/A	N/A	3,560	13,531	17,543
Industrial	226	N/A	N/A	2,377	4,894	7,497

Source: MuniFinancial

1. INTRODUCTION

This report presents an analysis of the need for public facilities to accommodate new development in the Town of Yucca Valley. This chapter explains the study approach and summarizes results under the following sections:

- Background and study objectives;
- Public facilities financing in California;
- Organization of the report; and
- Facility standards approach.

Background and Study Objectives

The primary policy objective of a public facilities fee program is to ensure that new development pays the capital costs associated with growth. To fulfill this objective public agencies should review and update their fee programs periodically to incorporate the best available information. The primary purpose of this report is to adjust fees to incorporate current facility plans to serve a 2025 service population for the Town of Yucca Valley.

The Town imposes public facilities fees under authority granted by the *Mitigation Fee Act*, contained in *California Government Code Sections 66000 et seq.* This report provides the necessary findings required by the *Act* for adoption of the revised fees presented in the fee schedules contained herein.

Public Facilities Financing in California

The changing fiscal landscape in California during the past 30 years has steadily undercut the financial capacity of local governments to fund infrastructure. Three dominant trends stand out

- The passage of a string of tax limitation measures, starting with Proposition 13 in 1978 and continuing through the passage of Proposition 218 in 1996;
- Declining popular support for bond measures to finance infrastructure for the next generation of residents and businesses; and
- Steep reductions in federal and state assistance.

Faced with these trends, many cities and counties have had to adopt a policy of "growth pays its own way". This policy shifts the burden of funding infrastructure expansion from existing rate and taxpayers onto new development. This funding shift has been accomplished primarily through the imposition of assessments, special taxes, and

development impact fees also known as public facilities fees. Assessments and special taxes require approval of property owners and are appropriate when the funded facilities are directly related to the developing property. Development fees, on the other hand, are an appropriate funding source for facilities that benefit all development jurisdiction-wide. Development fees need only a majority vote of the legislative body for adoption.

Organization of the Report

The determination of a public facilities fee begins with the selection of a planning horizon and development of projections for population and employment. These projections are used throughout the analysis of different facility categories, and are summarized in Chapter 2.

Chapters 3 through 7 are devoted to documenting the maximum justified public facilities fee for each of the following five facility categories:

- General
- Parks
- Trails
- Storm Drains
- Streets and Traffic

The five statutory findings required for adoption of the proposed public facilities fees in accordance with the *Mitigation Fee Act* (codified in *California Government Code* Sections 66000 through 66025) are summarized in Chapter 12.

Facility Standards Approach

A facility standard is a policy that indicates the amount of facilities required to accommodate service demand. Examples of facility standards include building square feet per capita and park acres per capita. Standards also may be expressed in monetary terms such as the replacement value of facilities per capita. The adopted facility standard is a critical component in determining new development's need for new facilities and the amount of the fee. Standards determine new development's fair share of planned facilities and ensure that new development does not fund deficiencies associated with existing development.

The most commonly accepted approaches to determining a facility standard are described below.

- The existing inventory method uses a facility standard based on the ratio of existing facilities to the existing development. Under this approach new development funds the expansion of facilities at the same rate that existing development has provided facilities to date. By definition, the existing inventory method does not consider facility deficiencies attributable to existing development. To increase facility standards the jurisdiction must secure funding in addition to development fees.

- * The system plan method calculates the standard based on the ratio of all existing plus planned facilities to total future demand (existing and new development). This method is used when (1) the local agency anticipates increasing its facility standard above the existing inventory standard discussed above, and (2) planned facilities are part of a system that benefit both existing and new development. Using a facility standard that is higher than the existing inventory standard creates a deficiency for existing development. The jurisdiction must secure non-fee funding for that portion of planned facilities required to correct the deficiency.
- * The planned facilities method calculates the standard solely based on the ratio of planned facilities to the increase in demand associated with new development. This method is appropriate when planned facilities only benefit new development, such as a sewer trunk line extension to a previously undeveloped area. This method also may be used when there is excess capacity in existing facilities that can accommodate new development. In that case new development can fund facilities at a standard lower than the existing inventory standard and still provide an acceptable level of facilities.

This study uses the existing inventory approach to determine facility standards for general facilities. Fees for parks, trails, and storm drains are based on the system plan method. Finally, streets and traffic fees are based on the planned facilities standard.

2. GROWTH PROJECTIONS

To assist in determining the appropriate fee structure, new development growth projections are used. Projected new development is estimated using the existing service population in 2004 as a base year with a Planning Horizon through the year 2025.

Use of Growth Projections On Impact Fees

Estimates of the existing service population and projections of growth are critical assumptions used throughout this report. These estimates are used as follows:

- Estimates of total development at the 2025 Planning Horizon are used to determine the total amount of public facilities required to accommodate growth and to allocate those costs on a per unit basis (for example, costs per capita or per EDU).
- Estimates of service population growth from 2004 to 2025 are used to allocate to new development its fair share of total planned facility needs.

To measure the existing service population and future growth, population and worker data, also identified as residents and workers, respectively, are used for the General and Parks and Trails facilities. These measures are used because numbers of residents and workers are reasonable indicators of the level of demand for public facilities. The Town builds public facilities primarily to serve these populations and, typically, the greater the population the larger the facility required to provide a given level of service. To measure growth for storm drains, the impervious surface area of a new development is linked to EDUs, while trip generation by use classification is used for streets and traffic signals.

Service Population Equivalent Dwelling Units and Trips

Different types of new development use public facilities at different rates in relation to each other, depending on the services provided. In Chapters 3 through 5, a specific service population is identified for each facility category to reflect total demand. The service population weights residential land use types against non-residential land uses based on the relative demand for services between residents and workers. Chapter 6 uses an impervious surface area linked to an EDU factor that weights each land use type against one single-family unit's demand for services. Chapter 7 uses trip generation by use classification to determine the fees.

Land Use Types

To ensure a reasonable relationship between each fee and the type of development paying the fee, growth projections distinguish between different land use types. The land use types used in this analysis are defined below.

- **Single family:** Attached and detached one-family dwelling units, and
- **Multi-family:** All attached single family dwellings such as duplexes and condominiums, plus mobile homes, apartments, and dormitories.
- **Commercial:** All commercial, retail, educational, and hotel/motel development.
- **Office:** All general, professional, and medical office development.
- **Industrial:** All manufacturing and warehouse development.

Some developments may include more than one land use type, such as an industrial warehouse with living quarters (a live-work designation) or a planned unit development with both single and multi-family uses. In these cases the public facilities fee would be calculated separately for each land use type.

The Town should have the discretion to impose the public facilities fee based on the specific aspects of a proposed development regardless of zoning. The guideline to use is the probable occupant density of the development, either residents per dwelling unit or workers per building square foot. The fee imposed should be based on the land use type that most closely represents the probable occupant density of the development.

Occupant Densities

Occupant densities ensure a reasonable relationship between the increase in service population and amount of the fee. To do this, they must vary by the estimated service population generated by a particular development project. Developers pay the fee based on the number of additional housing units or building square feet of nonresidential development, so the fee schedule must convert service population estimates to these measures of project size. This conversion is done with average occupant density factors by land use type, shown in Table 2.0.

The residential occupant density factors are derived from the 2000 U.S. Census Bureau's Tables H-31 through H-33. Table H-31 provides vacant housing units data, while Table H-32 provides information relating to occupied housing. Table H-33 documents the total 2000 population residing in occupied housing. The US Census numbers are adjusted by using the California Department of Finance ("DOF") estimates for January 1, 2004 found on Table E5, and the most recent State of California data available. The non-residential density factors are based on *Employment Density Study Summary report*, prepared for the Southern California Association of Governments, October 2001 by The Natelson Company. For example, the industrial density factor represents an average for light industrial, heavy industrial, and warehouse uses likely to occur in the Town.

Table 2.0: Density Assumptions

Land Use	Density	
<i>Residential</i>		
Single Family	2.29	Residents per Dwelling Unit
Multifamily	1.77	Residents per Dwelling Unit
<i>Non-residential</i>		
Commercial	2.50	Employees per 1,000 square feet
Office	3.33	Employees per 1,000 square feet
Industrial	1.67	Employees per 1,000 square feet

Source: 2000 Census, Tables H31-H33; California Department of Finance (DOF), Table E-3, 2004; Southern California Association of Governments (SCAG); MuniFinancial.

Growth Projections for Yucca Valley

The base year for this study is the year 2004. The existing facilities in 2004 combined with the planned facilities in 2025 will make up the system plan standard in our study.

Base year residential estimate is calculated using the California Department of Finance (DOF) January 1, 2004 estimates and information provided by Town staff. Base year employment estimates are based on data from the Southern California Association of Governments (SCAG) and the California Employment Development Department (EDD). Future 2025 population and dwelling units were provided by the Town of Yucca Valley. Employment projections were interpolated from the current employment estimates (provided by Claritas) by maintaining the jobs-housing ratio. Building square footage was computed by MuniFinancial using the density assumptions shown in Table 2.0.

Table 2.1 shows estimates of the growth in terms of residents and workers.

Table 2.1: Demographic Assumptions

	2004	2025	Increase
Residents ¹	18,410	33,880	15,470
Dwelling Units ¹			
Single Family	6,710	11,230	4,520
Multi-family	1,730	2,800	1,170
Total	8,440	14,130	5,690
Employment ^{2,3}			
Commercial	3,040	5,090	2,050
Office	660	1,100	440
Industrial	600	1,000	400
Subtotal	4,300	7,190	2,890
Other ⁴	1,640	2,750	1,110
Total	5,940	9,940	4,000
Building Square Feet (000s) ⁵			
Commercial	7,600	12,730	5,130
Office	2,200	3,670	1,470
Industrial	1,000	1,670	670
Total	10,800	18,070	7,270

¹ California Department of Finance (DOF), Southern California Association of Governments (SCAG), Data from Town of Yucca - Stan Hollman and Associates Population Projections, March, 2005.

² Assumes percentage of employees by land use remains constant to total from 2004 to 2025.

³ Estimates by land use type based on Claritas report prepared for the Town of Yucca Valley, February 2004. Projected employment figures derived by assuming a constant ratio of jobs to housing.

⁴ Represents government and other institutional.

⁵ Based on employment by land use and occupant density shown in Table 2.0.

Sources: Table 2.0; California Department of Finance (DOF), Table E-5, 2004; Town of Yucca Valley; Southern California Association of Governments (SCAG); Claritas 2004; Municipal Financial.

3. GENERAL FACILITIES

The purpose of the fee is to ensure that new development funds its fair share of general public facilities. A fee schedule is presented based on the cost of these facilities to ensure that new development provides adequate funding to meet its needs.

Service Population

General public facilities serve both residents and businesses. Therefore, demand for services and associated facilities are based on the Town's service population including residents and workers.

Table 3.0 shows the estimated service population in 2004 and 2025. In calculating the service population, workers are weighted less than residents to reflect lower per capita service demand. Nonresidential buildings are typically occupied less intensively than dwelling units, so it is reasonable to assume that average per-worker demand for services is less than average per-resident demand. The 0.24-weighting factor for workers is based on a 40-hour workweek divided by the total number of hours in a week (168).

Table 3.0: General Facilities Service Population

	Residents	Workers	Service Population
Existing (2004)	18,410	5,940	19,840
New Development (2004-2025)	15,470	4,000	16,430
Total (2025)	33,880	9,940	36,270
Weighting factor	1.00	0.24	

Sources: Table 2.1; *MuniFinancial*

Facility Inventories, Plans & Standards

Existing Town facilities house the Town Council chambers, the Town Manager and Town Clerk's offices and other governance and administrative functions. These existing facilities, as well as, the current facility standard are noted in Table 3.1

Table 3.1: General Facilities Existing Standard

	Inventory	Cost/Unit	Total Value
<i>Existing Facilities</i>			
Land (acres)			
Town Hall Complex	9.27	\$ 20,000	\$ 185,000
California Welcome Center	1.75	20,000	35,000
Public Works Complex	1.60	20,000	32,000
Subtotal Land			\$ 252,000
Buildings (sq. ft.)			
Town Hall Complex			
Town Hall/Library	12,640	\$ 200	\$ 2,528,000
Community Center	11,922	250	2,981,000
Museum	5,108	200	1,022,000
California Welcome Center	4,400	200	880,000
Subtotal Town Hall Complex	34,070		\$ 7,411,000
Corporation Yard			
Admin. Building	6,897	\$ 200	\$ 1,379,000
Operations Building	9,623	200	1,925,000
Subtotal Corporate Yard	16,520		\$ 3,304,000
Total Facilities			\$ 10,967,000
Existing Service Population (2004)			19,840
Cost per Capita			\$ 553
Facility Standard per Resident		\$	553
Facility Standard per Worker			133

Sources: Tables 2.1 and 3.0; Town of Yucca Valley, MunFinandcl

The contribution of new development towards future general facilities expenditures is captured in Table 3.2.

Table 3.2: New Development Development Contribution

Facility Standard Per Capita	\$	553
Growth in Service Population (2004-2025)		16,430
New Development Contribution	\$	9,082,000

Sources: Tables 3.0 and 3.1, MunFinandcl

Fee Schedule

Table 3.3 shows the proposed general facilities fees based on the existing inventory standard shown in Table 3.1. The cost per capita is converted to a fee per unit of new development based on dwelling unit and building space densities (persons per dwelling unit ("DU") for residential development and workers per 1,000 square feet ("KSF") of building space for non-residential development).

Table 3.3: General Facilities - Proposed Fee Schedule

Land Use	Costs per Capita	Density	Fee	Admin ¹	Total Fee	Fee / Sq. Ft.
<i>Residential</i>						
Single Family	\$ 553	2.29	\$ 1,266	\$ 25	\$ 1,290	
Multi-family	553	1.77	976	20	996	
<i>Non-residential</i>						
Commercial	\$ 133	2.50	\$ 333	\$ 7	\$ 340	\$ 0.34
Office	133	3.33	443	9	452	0.45
Industrial	133	1.67	222	4	226	0.23

¹ Administration fee of 2.0 percent

Sources: Tables 2.0 and 3.1; MuniFinancial

4. PARK FACILITIES

The purpose of the fee is to ensure that new development funds its fair share of park facilities. The Town would use fee revenues to expand park facilities to serve new development.

Service Population

Residents are the primary users of parkland. Therefore, demand for parks and associated facilities are based on the Town's residential population. Table 4.0 provides estimates of the resident population with a projection for the year 2025.

Table 4.0: Parks Facilities Service Population

	Residents
Existing (2004)	18,410
New Development (2004-2025)	15,470
Total (2025)	33,880

Source: Table 2.1

Facility Inventories, Plans & Standards

This section describes the Town's existing facility inventory, standards, and Planned Park facilities.

Existing Inventory

The Town owns and operates, or has agreements with other agencies to use various park facilities. The Town's inventory of improved park facilities includes approximately a total of 37.67 acres summarized in Table 4.1.

Table 4.1: Existing and Planned Park Facilities

Facility	Improved Acres	Unimproved Acres	Total Acres
<u>Existing Parks</u>			
Community Center Park	12.94		12.94
Jacobs Park	5.00		5.00
Machris Park	12.00		12.00
Remembrance Park	0.20		0.20
Sunnyslope Park	2.53	8.00	10.53
Paradise Valley Park	5.00		5.00
South Side Park		80.00	80.00
<u>Planned Parks</u>			
West End Park		10.00	10.00
East End Park		15.00	15.00
North End Park		10.00	10.00
Total Acres	37.67	123.00	160.67

Note: Excludes BLM patented open space lands

Sources: Town Parks Master Plan by Purdie Ross-RSI, Dec. 18, 1999; Town of Yucca Valley, Municipal

Park Facility Standards

To calculate new development's need for new parks, municipalities commonly use a ratio expressed in terms of developed park acres per 1,000 residents. The current Town General Plan policy standard for parks is 5.0 acres per 1,000 residents. Additional information included in this report was taken from the Town Parks Master plan completed for the Town by Purdie Ross-RSI in December 1999. According to the provided information, The Town currently has 37.67 acres of improved parkland. To reach the Town's planning standard of 5.0 acres per 1,000 residents, the acquisition and improvement of an additional 8.33 acres and 131.33 acres, respectively, by 2025 is required (as shown in Table 4.2).

Table 4.2: Parks Facilities General Plan Standard

General Plan Standard (developed acres per 1,000 residents)	5.00
2025 Service Population	33,880
Total Facilities Needs (acres)	169.00
Total Land Acquired	160.67
Deficit	(8.33)
Total Improved Acreage	37.67
Deficit	(131.33)

Sources: Table 4.0; Town of Yucca Valley Comprehensive General Plan, Prepared by Town of Yucca Valley Community Development Department, Dec. 14, 1995; MuniFinancial

Unit Costs for Land Acquisition and Improvement

Unit costs represent the current cost of park acquisition and improvement. This approach represents the land costs and level of improvements that existing development have provided to date. This approach ensures that the cost of facilities to serve new development is not artificially increased, and new development unfairly burdened, compared to existing development.

The unit costs used to estimate the total cost of parkland facility needs are shown in Table 6.4. All costs are expressed in 2004 dollars. Land acquisition costs and improvement costs are based on the Town's experience with park development.

Table 4.3: Park Facilities Unit Costs

	Average Cost
<i>Per Acre</i>	
Land Acquisition	\$ 20,000
Park Improvement	200,000
Total	\$ 220,000

Source: Town of Yucca Valley; MuniFinancial

Total Needs and Costs

The total amount of park facilities to serve growth is calculated by multiplying the facility standards developed in Table 4.2 by the growth in residents. The total cost of these needs for park facilities is based on the average unit costs for land acquisition and improvements shown in Table 4.3. To accommodate the increase in service population through 2025 new development or alternative sources would need to fund facilities estimated to cost approximately \$17 million as shown in Table 4.4.

Table 4.4: Park Facilities to Accommodate Growth

Land Acquisition

General Plan Standard (acres/1,000 residents)	5.00	
Resident Growth (2004-2025)	<u>15,470</u>	
Facility Needs (acres)	77.35	
Average Unit Cost (per acre)	\$ 20,000	
Total Cost of Facilities		\$ 1,647,000

Land Improvement

General Plan Standard (acres/1,000 residents)	5.00	
Resident Growth (2004-2025)	<u>15,470</u>	
Facility Needs (acres)	77.35	
Average Improvement Cost (per acre)	\$ 200,000	
Total Cost of Facilities		\$ 15,470,000
Total		\$ 17,017,000

Sources: Tables 4.0, 4.1, and 4.3; MiniFiscal

If the Town cannot acquire all 77.35 acres calculated in Table 4.4 because of land constraints, the Town may apply the same funds to rehabilitating, renovating, or rebuilding facilities in existing parks. The \$15.47 million in improvement facilities must be used for enhancing, upgrading, adding, or expanding new park facilities. Renovating and intensifying development of existing parks is another reasonable method for accommodating growth that could be used in conjunction with expanding improved park acreage. The use of fee revenues would be identified through planned parkland acquisition and improvement projects described in the most recently adopted version of annual capital improvement budget.

The Town anticipates that the park fees would be the primary revenue source to fund the planned facilities required to serve new development. Table 4.5 shows the share of

costs that could be attributed to new development. This amount represents the balance after allocating to new development its share of those planned Park facilities.

Table 4.5: Parks Facilities Costs per Capita for New Development

	Land Acquisition	Land Improvement
Cost Per Acre	\$ 20,000	\$ 200,000
Facility Standard (acres per 1,000 residents)	5.00	5.00
Cost Per 1,000 capita	100,000	1,000,000
	1,000	1,000
Cost Per Resident	\$ 100	\$ 1,000

Sources: Tables 4.3 and 4.4; MuniFinancial

Alternative Funding Sources

The Town can obtain the funding needed to complement facilities fee revenues over the Planning Horizon through non-fee revenue sources. This funding is necessary to justify the fee imposed on new development using the standard shown here. If this funding is not obtained, the new development will have paid too high a fee by the end of the Planning Horizon.

Fee Schedule

Park facility cost per resident is shown in Table 4.6.

Table 4.6: Parks Facilities Fees

Land Use	Cost per Capita	Density	Fee	Admin ¹	Total Fee
<i>Residential</i>					
<i>Single Family</i>					
Land Acquisition	\$ 100	2.29	\$ 229	\$ 5	\$ 233
Park Improvement	1,000	2.29	2,289	46	2,335
Total					\$ 2,568
<i>Multi-family</i>					
Land Acquisition	\$ 100	1.77	\$ 177	\$ 4	\$ 180
Park Improvement	1,000	1.77	1,765	35	1,800
Total					\$ 1,980

¹ Administration fee of 2.0 percent

Sources: Tables 2.0 and 4.5, MuniFinancial

Findings

The fee schedule in Table 4.6 includes separate components for land acquisition and improvement so that the Town can calculate a credit if a developer dedicates parkland or provides improvements. An average per-acre reimbursement is reasonable because the fees collected may not be used in the same area from which they were collected. The costs provided in this report represent the current Town-wide value.

6. TRAILS

The purpose of the fee is to ensure that new development funds its fair share of trails. The Town would use fee revenues to expand the town's network of trails to serve new development.

Service Population

Residents are the primary users of Yucca Valley's trails. Therefore, demand for hiking and bike trails, and their associated facilities, are based on the Town's residential population. Table 5.0 provides estimates of the resident population with a projection for the year 2025.

Table 5.0: Trails Facilities Service Population

	Residents
Existing (2004)	18,410
New Development (2004-2025)	15,470
Total (2025)	33,880

Source: Table 2.1

Facility Inventories, Plans & Standards

This section describes the Town's existing facility inventory, standards, and planned Trails facilities.

Proposed Inventory

The Town has a comprehensive Trail Master plan completed by RHA Landscape Architects – Planners, Inc. The Trails Master Plan was completed in June 2002. The Town has since made amendments to this Trails Master Plan and the information in this report reflects those changes. The proposed Trails facilities are summarized in Table 5.1

Table 5.1: Trail Inventory (Proposed)

	Estimated Construction Cost	Estimated Easement ¹ Cost	Estimated Total Cost
Yucca Wash Trail - Reach 1	\$ 216,000	\$ -	\$ 216,000
Yucca Wash Trail - Reach 2	310,500	-	310,500
Yucca Wash Trail - Reach 3	234,000	990	234,990
California Riding & Hiking Trail - Yucca Wash - Reach 4	214,500	-	214,500
California Riding & Hiking Trail - Marvin Drive	85,800	3,300	89,100
California Riding & Hiking Trail - Hacienda Drive - Reach 1	276,900	1,320	278,220
California Riding & Hiking Trail - Hacienda Drive - Reach 2	191,100	4,290	195,390
California Riding & Hiking Trail - Chipmunk Trail	218,400	8,600	225,000
California Riding & Hiking Tr - Skyline Ranch Rd - Reach 1	280,800	2,310	283,110
California Riding & Hiking Tr - Skyline Ranch Rd - Reach 2	93,600	2,640	96,240
California Riding & Hiking Tr - Skyline Ranch Rd - Reach 3	189,000	4,280	193,280
Kickapoo Trail	144,300	2,640	146,940
Little Morongo Canyon Road - Reach 1	187,200	1,320	188,520
Little Morongo Canyon Road - Reach 2	136,500	680	137,180
Royal Springs Wash Trail	280,800	1,650	282,450
Black Rock Canyon Trail	148,200	10,230	158,430
East Burnt Mountain Wash Trail - Reach 1	144,300	2,640	146,940
East Burnt Mountain Wash Trail - Reach 2	226,200	8,250	234,450
East Burnt Mountain Wash Trail - Reach 3	261,300	-	261,300
San Andreas Road Trail - Reach 1	489,520	8,250	507,770
San Andreas Road Trail - Reach 2	472,760	3,860	476,620
San Andreas Road Trail - Reach 3	472,760	5,610	478,370
San Andreas Road Trail - Reach 4	148,200	990	149,190
Carmella Wash Trail	202,800	-	202,800
Black Rock Wash Trail	148,200	-	148,200
Covington Wash Trail - Reach 1	183,800	1,850	185,650
Covington Wash Trail - Reach 2	226,200	3,860	230,060
Covington Wash Trail - Reach 3	265,200	3,860	269,060
Covington Wash Trail - Reach 4	214,600	4,280	218,880
Totals:	\$ 6,653,340	\$ 85,800	\$ 6,739,140
Total Trail Miles:	27.75		
Estimated Cost/Mile:	\$ 239,793	\$ 3,092	\$ 242,885

¹ Easement Costs inflated by 10 percent over costs provided in the Town of Yucca Valley Trails Bike Route Master Plan.

Sources: Town of Yucca Valley Adopted Trails/Bike Route Master Plan, March 10, 2008; Town of Yucca Valley Planning Department, MUI Financial

Unit Costs for Land Acquisition and Improvement

Unit costs represent the current cost of construction and easement acquisition. By dividing the total costs over the 2025 service population, this approach ensures that there is an equitable distribution of costs between new and existing development.

Table 5.2 summarizes the per capita cost for completion of the Trails System facilities. All costs are expressed in 2004 dollars.

Table 5.2: Trails Facilities Cost per Capita

	Construction Costs	Easement Acquisition Costs ¹
Cost	\$ 6,653,340	\$ 86,800
2025 Service Population	33,880	33,880
Cost Per Resident	\$ 196	\$ 3
Total Cost per Resident		\$ 199

Sources: Tables 5.0 and 5.1; MuniFinancial

Allocation of Facilities Costs to New Development

The Town anticipates that the trail fees would be the primary revenue source to fund the planned facilities required to serve new development. The allocation of costs for trails facilities between the existing service population and new development is shown in Table 5.3. The trails impact fee would be used in conjunction with alternative funding sources to close the deficiency.

Table 5.3: Costs Attributable to New Development

	New Development Contribution	Total Planned Facilities	Deficiency To Be Funded By Non-Fee Revenue Sources
Cost per Resident	\$ 199		
New Development (2004-2025)	15,470		
New Development Contribution	\$ 3,077,169		
	\$ 3,077,169	\$ 6,739,140	\$ (3,661,971)

Sources: Tables 5.0 and 5.2; MuniFinancial

Fee Schedule

Table 5.4 shows the maximum allowable trails facilities fees based on the Master Plan standard. These cost factors are based on the cost per capita derived from the unit cost estimates and facility standards.

Table 5.4: Trails Facilities Fee

Land Use	Cost per Capita ¹	Density	Fee	Admin ¹	Total Fee
<i>Residential</i>					
Single Family					
Construction	\$ 196	2.29	\$ 449	\$ 9	\$ 458
Easement	3	2.29	6	0	6
Subtotal					\$ 464
Multi-family					
Construction	\$ 196	1.77	\$ 347	\$ 7	\$ 354
Easement	3	1.77	4	0	5
Subtotal					\$ 358

¹ Administration fee of 2.0 percent

Sources: Tables 2.0 and 5.2; MuniFinancial

Fee Credits

The fee schedule in Table 5.4 includes separate components for construction and easement acquisition so that the Town can calculate a credit if a developer dedicates trail easements or other improvements. This fee credit plan could be structured similar to the one discussed for Parks facilities in the previous chapter.

6. STORM DRAIN FACILITIES

This chapter documents a reasonable relationship between new development and the funding for proposed Storm Drain facilities. Information included in this chapter comes from the Yucca Valley Master Plan of Drainage (the "Storm Drain Study") completed in June 1999 by John M. Tenenber & Associates, Inc.

Equivalent Dwelling Units

Table 6.0 calculates the equivalent dwelling unit (EDU) for each land use using average densities shown in the December 1995 Yucca Valley General Plan and impervious surface values derived from United States Department of Agriculture. Table 6.1 shows the total existing and future EDUs for storm drainage facilities by land use.

Table 6.0: Storm Drains - Impervious Surface

	DU/Acre or Acre ¹	Average Percent Impervious ²	Equivalent Dwelling Unit (EDU) ³	Acre/ KSF ³	EDU/ KSF ²
<i>Residential (dwelling units)</i>					
Single Family	2.78	35%	1.00		
Multi-Family	10.85	68%	0.50		
<i>Non-residential</i>					
Commercial Space	1.00	90%	7.15	0.09	0.66
Office Space	1.00	95%	7.55	0.09	0.69
Industrial	1.00	75%	5.88	0.08	0.46

¹ Dwelling units per acre for residential usage and acres for Non-residential usage. Residential average based on midpoint of dwelling units per acre - Yucca Valley General Plan, December 1995.

² Percent Impervious Surface derived from USDA data.

³ Floor Area Ratio ("FAR") per acre based upon Non-residential space classification .25 for Office, Retail & Service and .30 for Industrial space and derived by the following formula: $1/((43580 \cdot .25)/1,000)$ for Commercial and Office Space and $1/((43580 \cdot .30)/1,000)$ for Industrial and listed in KSF.

Sources: Yucca Valley General Plan, December 1995; Municipal

Table 6.1: Storm Drain Facilities Total Equivalent Dwelling Units

	EDU Factor	Existing (DU/KSF)	Projected Growth (DU/KSF)	Existing EDUs	Growth In EDUs	Total
<i>Residential</i>						
Single Family	1.00	6,710	4,520	6,710	4,520	11,230
Multi-Family	0.50	1,730	1,170	865	585	1,450
Total Dwelling Units		8,440	5,690	7,575	5,105	12,680
<i>Non-residential</i>						
Commercial Space	0.66	7,600	5,130	5,016	3,386	8,402
Office Space	0.69	2,200	1,470	1,518	1,014	2,532
Industrial	0.46	1,000	670	460	308	768
Total KSF Commercial		10,800	7,270	6,994	4,708	11,702
Total				14,569	9,813	24,382
Percent of Total				59.8%	40.2%	100.0%

Sources: Tables 2.1 and 8.0, Non-Financial

Facility Inventories, Plans & Standards

Hydrologic modeling uses a "design storm" to estimate the rainfall runoff needing to be accommodated by Storm Drain facilities. The measure of a design storm is typically expressed in terms of the probability of a particular storm in any one year. For example, a 100-year storm is the storm that would occur on average once during 100 years. Facilities designed to accommodate runoff from this type of storm provide 100-year flood protection.

The modeling completed for the Storm Drain Study was based on 100 year and 25-year peak discharges using an approved watershed sub-area delineation map with defined flow paths. Selected peak discharges resulting from the computations were used in sizing the drainage facilities.

The Yucca Valley Master Plan of Drainage developed two different types of storm drain systems, a non-detained system, with an estimated cost of \$121,303,000, and a detained system with an estimated cost of \$102,016,000. Based upon information provided by the Town, the detained system was selected as the preferred system.

The storm drainage facilities fee uses a facility standard (Table 6.2) to demonstrate a reasonable relationship between new development and the need for new facilities. The facility standard is based on the planned facilities investment into the Town's system of storm drainage facilities on a per EDU basis. The need for new storm drainage facilities is determined by maintaining the same investment on a per EDU basis as new development occurs.

Table 6.2: Storm Drain Facilities Standard

	Cost (2004)
Detained Flood Control System Projected Cost ¹	\$ 102,016,000
Cost Escalator ²	1.21
Escalated Detained Flood Control System Cost	\$ 123,439,360
Total EDUs (2025)	24,382
Equity per EDU	\$ 5,063

¹ Town of Yucca Valley Master Plan of Drainage - Final Report Prepared by John M. Tellmer & Associates, Inc. A Division of Kellth Companies, Inc. June 1999.

² Engineering News Record Construction Cost Index - June 1999 to November 2004.

Sources: Table B.1; Town of Yucca Valley; MuniFinancial

Table 6.3 presents the cost of upgraded, expanded, or new storm drainage improvements needed to accommodate new development. The new development contribution shown in the table represents the total revenue that the storm drain facilities fee would generate.

Table 6.3: Storm Drain Facilities to Accommodate Growth

	Total
Facility Standard Per EDU	\$ 5,063
Growth in EDUs (2005-2025)	9,813
New Development Contribution	\$ 49,681,428

Sources: Tables B.2 and B.3; MuniFinancial

Fee Schedule

Table 6.4 shows the sewer facilities fee based on the cost per EDU shown in Table 6.2. The cost per EDU is converted to a fee per unit of development based on dwelling units for residential and 1,000 building square feet for nonresidential development.

Table 6.4: Storm Drain Facilities Fee

Land Use	Cost per EDU	EDU	Fee	Admin ¹	Total Fee	Fee / Sq. Ft.
<i>Residential</i>						
Single Family	\$ 5,063	1.00	\$ 5,060	\$ 101	\$ 5,161	
Multifamily	5,063	0.50	2,530	51	2,581	
<i>Non-residential</i>						
Commercial	\$ 5,063	0.66	\$ 3,340	\$ 67	\$ 3,407	\$ 3.41
Office	5,063	0.69	3,490	70	3,560	3.56
Industrial	5,063	0.46	2,330	47	2,377	2.38

¹ Administration fee of 2.0 percent

Sources: Tables 6.0 and 6.2; MuniFinancial

7. STREETS AND TRAFFIC

This chapter summarizes an analysis of the need for streets and related transportation facilities to accommodate growth within the Town of Yucca Valley. It documents a reasonable relationship between new development and a traffic fee to fund streets and related transportation facilities that serve new development.

Trip Demand

Estimates of existing and new development provide the basis for calculating the traffic facilities fee. Estimates of existing development provide the basis for the facility standard. The facility standard is used to determine the rate at which new development must increase the value of the Town's equity in its system of street improvements. Estimates of new development are used to calculate the total amount of fee revenues that would be generated.

The need for street improvements is based on the trip demand placed on the system by development. A reasonable measure of demand is the number of average daily vehicle trips, adjusted for the type of trip. Vehicle trip generation rates are a reasonable measure of demand on the Town's system of street improvements across all modes because alternate modes (transit, bicycle, pedestrian) often substitute for vehicle trips.

The two types of trips adjustments made to trip generation rates to calculate trip demand are described below:

- Pass-by trips are deducted from the trip generation rate. Pass-by trips are intermediate stops between an origin and a final destination that require no diversion from the route, such as stopping to get gas on the way to work.
- The trip generation rate is adjusted by the average length of trips for a specific land use category compared to the average length of all trips on the street system.

Table 7.0 shows the calculation of trip demand factors by land use category based on the adjustments described above. Data is based on extensive and detailed trip surveys conducted in the San Diego region by the San Diego Association of Governments. The surveys provide one of the most comprehensive databases available of trip generation rates, pass-by trips factors, and average trip length for a wide range of land uses. Urban development patterns are similar enough among the San Diego and Southern California/Los Angeles regions to make the use of the San Diego data applicable to the Town of Yucca Valley.

Table 7.0: Trip Rate Adjustment Factor

	Non-Pass-by Trips			Average Trip Length ²	Average Adjustment Factor ²	Average Daily Trips ⁴	Trip Demand Factor ⁵
	Primary Trips ¹	Diverted Trips ¹	Total Excluding Pass-by ¹				
Residential¹							
Single Family	86%	11%	97%	7.9	1.04	10	10.4
Multifamily	86%	11%	97%	7.9	1.04	8	8.3
Nonresidential²							
Commercial	47%	31%	78%	3.6	0.38	70	26.6
Office	77%	18%	95%	8.8	1.14	20	22.8
Industrial	92%	5%	97%	9.0	1.18	7	8.3

¹ Percent of total trips. Primary trips are trips with no midway stops, or "Drives". Diverted trips are diverted trips whose distance adds at least one mile to the primary trip. Pass-by trips are links that do not add more than one mile to the total trip and therefore place little additional burden on the street system. As a result the trip adjustment factor includes a reduction for the share of pass-by trips.

² In miles.

³ The trip adjustment factor equals the percent of non-pass-by trips multiplied by the average trip length and divided by the systemwide average trip length of 8.8 miles.

⁴ Trips per dwelling unit or per 1,000 building square feet.

⁵ The trip demand factor is the product of the trip adjustment factor and the average daily trips.

⁶ Trip percentages, average trip lengths, and average daily trips based on "residential" category. See SANDAG for source, below.

⁷ Trip percentages, average trip lengths, and average daily trips for commercial based on "community shopping center" category, for office based on "standard commercial office" category, and for industrial based on "industrial park (no commercial)" category. See

Sources: San Diego Association of Governments, *Brief Guide of Vehicular Traffic Generation Rates for the San Diego Region*, July 1988; MurielFinnandel.

Table 7.1 estimates the trip demand for existing and new development on the Town's system of street improvements. Total trip demand is based on the trip demand factors calculated in Table 7.0 and the growth estimates in Table 2.1. As shown in the table, new development would represent about 40.5 percent of total trip demand.

Table 7.1: Trip Demand From Existing and New Development

	Trip Demand Factor	Existing	Growth	Existing Trip Demand	Trip Demand From Growth	Total Trip Demand
<i>Residential</i>						
Single Family	10.38	6,710	4,520	69,485	46,808	116,291
Multi-family	8.28	1,730	1,170	14,332	9,693	24,025
Subtotal		8,440	5,690	83,817	56,499	140,316
<i>Nonresidential</i>						
Commercial	28.58	7,600	5,130	201,872	136,264	338,136
Office	22.83	2,200	1,470	50,231	33,564	83,795
Industrial	8.26	1,000	570	8,258	5,533	13,791
Subtotal		10,800	7,270	260,362	175,361	435,722
Total				344,179	231,860	576,038
Percent of Total				59.7%	40.3%	100%

Sources: Tables 2.1 and 7.0; Munifinancial

Facility Inventory Plans & Standards

The cost of streets and traffic facilities attributed to new development (Table 7.2) are used to develop a Streets and Traffic Signals facility standard in Table 7.3. This approach allows the town to use fee revenues only to those projects that add new facilities and otherwise expand capacities for new development and exclude projects that upgrade existing facilities. This standard calculates and existing equity per trip that becomes the standard used in fee determination.

Table 7.2: Streets & Traffic Facilities Master Plan Cost Summary for New Development

	Cost
Streets	
ROW Costs to widen SR 62 - West Town Boundary to Kickapoo Trail, 2.88 AC	\$ 1,346,408
Widen SR 62 to 6 Lanes - West Town Boundary to Kickapoo Trail, 1.42 miles	2,227,500
ROW Costs to widen SR 62 - Kickapoo Trail to Acoma/Mohawk Trail, 1.32 AC	1,033,511
Widen SR 62 to 6 Lanes - Kickapoo Trail to Acoma/Mohawk Trail, 1.09 miles	1,707,750
ROW Costs to widen SR 62 - Acoma/Mohawk Trail to SR 247, 1.83 AC	1,427,190
Widen SR 62 to 6 Lanes - Acoma/Mohawk Trail to SR 247, 1.51 miles	2,361,150
ROW Costs to widen SR 62 - SR 247 to Hilton Avenue, 1.03 AC	802,775
Widen SR 62 to 6 Lanes - SR 247 to Hilton Avenue, 0.85 miles	1,336,500
ROW Costs to widen SR 62 - Hilton Avenue to Avalon Avenue, 1.03 AC	806,575
Widen SR 62 to 6 Lanes - Hilton Avenue to Avalon Avenue, 0.85 miles	1,336,500
ROW Costs to widen SR 62 - Avalon Avenue to Yucca Mesa Road, 1.26 AC	984,829
Widen SR 62 to 6 Lanes - Avalon Avenue to Yucca Mesa Road, 1.04 miles	1,633,500
ROW Costs to widen SR 247 - State Route 62 to San Juan Road, 12.19 AC	2,804,775
Widen SR 247 to 4 Divided Lanes - State Rte. 62 to San Juan Rd, 1.57 miles	12,322,412
ROW Costs to widen SR 247 - Ben Juan Rd. to Buena Vista Dr., 12.18 AC	2,804,775
Widen SR 247 to 4 Divided Lanes - San Juan Rd. to Buena Vista Dr., 1.57 miles	12,322,412
ROW Cost to widen SR 247 - Buena Vista Dr. to N. Town Boundary, 17.80 AC	4,093,113
Widen SR 247 to 4 Divided Lanes - Buena Vista Dr. to N. Town Bndry., 2.18 mi	13,543,200
Widen Onaga Trail, 4 Lane Arterial Divided - Kickapoo Tr. to Joshua Lane	7,437,150
Widen Yucca Trail, 4 Lane Arterial Divided - Sage Ave. to Avalon Avenue	5,883,584
Widen Joshua Lane, 4 Lane Arterial Divided - Onaga Tr. to State Route 62	2,621,389
Widen/Construct Camino del Cielo, 4 Lane Collector - Onaga Tr. to Sunnyslope (2 Lanes)	851,941
Widen/Construct Sunnyslope Dr., 4 Lane Collector - Camino del Cielo to Pioneertown (2 L	1,186,400
Widen Kickapoo Trail, 4 Lane Collector - Onaga Trail to State Route 62	387,318
Widen Pioneertown Road, 4 Lane Collector - State Rte. 62 to Sunnyslope Drive	1,402,235
Widen Acoma Trail, 4 Lane Collector - Golden Bee Drive to State Rte. 62	3,327,726
Widen Sage Avenue, 4 Lane Collector - Golden Bee Drive to State Route 62	3,327,726
Widen Joshua Lane, 4 Lane Collector - Golden Bee Drive to Onaga Trail	2,085,485
Widen La Contenta Road, 4 Lane Collector - Yucca Trail to State Route 62	3,174,245
Widen Palomar Avenue, 4 Lane Collector - Joshua Lane to Yucca Trail	3,877,871
Widen Avalon Avenue, 4 Lane Collector - Yucca Trail to State Route 62	2,830,329
Widen Yucca Trail, 4 Lane Collector - Avalon Avenue to Yucca Mesa Road	4,037,342
Widen Onaga Trail, 4 Lane Collector - Joshua Lane to Palomar Avenue	2,983,479
Construct Onaga Trail, 4 Lane Collector - Camino del Cielo to Kickapoo Trail	1,703,882
Widen Joshua Drive, 4 Lane Collector - Acoma Trail to Joshua Lane	2,486,232
Widen Warren Vista Avenue, 2 Lane Collector - Yucca Trail to State Rte. 62	474,864
Widen Golden Bee, 2 Lane Collector - Acoma Trail to Joshua Lane	1,587,805
Widen Joshua Lane, 2 Lane Collector - Golden Bee Drive to Warren Vista	793,406
Subtotal - Streets	\$ 117,555,292

Table 7.2: Streets & Traffic Facilities Master Plan Cost Summary for New Development

	Cost
<u>Traffic Safety</u>	
Raised Medians on SR 62 - West Town Boundary to Fairway Drive	\$ 810,000
Raised Medians on SR 62 - Fairway Drive to Camino del Cielo	1,114,000
Raised Medians on SR 62 - Camino del Cielo to Kickapoo Trail	1,114,000
Raised Medians on SR 62 - Kickapoo Trail to Elk Trail	1,336,000
Raised Medians on SR 62 - Cherokee Trail to Acoma/Mohawk Trail	616,000
Raised Medians on SR 62 - Acoma/Mohawk Trail to Palm Avenue	1,025,000
Raised Medians on SR 62 - Palm Avenue to Sage Avenue	794,000
Raised Medians on SR 62 - SR 247 to Warren Vista Avenue	1,198,000
Raised Medians on SR 62 - Warren Vista Avenue to Hillton Avenue	608,000
Raised Medians on SR 62 - Hillton Avenue to Balsa Avenue	640,000
Raised Medians on SR 62 - Balsa Avenue to Avalon Avenue	1,178,000
Raised Medians on SR 62 - Avalon Avenue to Indio Avenue	1,094,000
Raised Medians on SR 62 - Indio Avenue to Yucca Mesa Road	1,126,000
Sidewalks on both sides SR 62 - West Town Boundary to Fairway Dr.	278,000
Sidewalks on both sides SR 62 - Fairway Drive to Camino del Cielo	380,000
Sidewalks on both sides SR 62 - Camino del Cielo to Kickapoo Trail	380,000
Sidewalks on both sides SR 62 - Kickapoo Trail to Elk Trail	456,000
Sidewalks on both sides SR 62 - Elk Trail to Cherokee Trail	130,000
Sidewalks on both sides SR 62 - Cherokee Trail to Acoma/Mohawk Trail	210,000
Sidewalks on both sides SR 62 - Acoma/Mohawk Trail to Palm Avenue	350,000
Sidewalks on both sides SR 62 - Palm Avenue to Sage Avenue	378,000
Sidewalks on both sides SR 62 - Sage Avenue to SR 247	370,000
Sidewalks on both sides SR 62 - SR 247 to Warren Vista Avenue	408,000
Sidewalks on both sides SR 62 - Warren Vista Avenue to Hillton Avenue	208,000
Sidewalks on both sides SR 62 - Hillton Avenue to Balsa Avenue	218,000
Sidewalks on both sides SR 62 - Balsa Avenue to Avalon Avenue	402,000
Sidewalks on both sides SR 62 - Avalon Avenue to Indio Avenue	373,000
Sidewalks on both sides SR 62 - Indio Avenue to Yucca Mesa Road	384,000
Subtotal - Traffic Safety	\$ 17,676,000
<u>Traffic Signals</u>	
Yucca Trail @ Joshua Lane	\$ 500,000
Hwy 62/Camino Cielo	600,000
Hwy 62/Sage Avenue	600,000
Hwy 62/Joshua Lane	500,000
Hwy 62/Yucca Mesa Road/La Contenta Road	500,000
Yucca Trail/Avalon Avenue/Palomar Avenue	500,000
Onaga Trail/Acoma Trail	600,000
Subtotal - Traffic Signals	\$ 3,500,000
Total	\$ 138,631,282

Source: Town of Yucca Valley, Exhibit T of the General Plan EIR Traffic Study prepared by Robert Kohn, John Kohn & Associates, 03/95

Table 7.3: Streets & Traffic Facilities Standard

	Cost
<i>Planned Projects</i>	
Street Improvements	\$ 117,555,292
Traffic Safety	17,576,000
Traffic Signals	<u>3,500,000</u>
Total Streets & Traffic Facilities	\$ 138,631,292
Less: Other Funding Sources (2004-2025) ¹	<u>4,015,000</u>
Net Facility Needs	\$ 134,616,292
Projected Trip Demand for Future Growth (2004-2025)	<u>231,860</u>
Standard Per Trip	\$ 581

¹ Represents portion of Measure 1 funding available for regional traffic projects. Estimated at \$102,500 per year.

Sources: Town of Yucca Valley; Tables 7.1 and 7.2; Munifinancial

Fee and Revenue Schedules

The maximum justified fee for traffic facilities is shown in Table 7.4. The Town may adopt any fee up to that shown in the table. If the Town adopts a lower fee then it should consider reducing the fee for each land use by the same percentage. This approach would ensure that each new development project funds the same fair share of costs to improve the Town's system of street improvements.

Table 7.4: Streets & Traffic Facilities Fees

Land Use	Standard Per Trip	Trip		Fee	Admin ¹	Total Fee	Fee / Sq. Ft.
		Demand Factor					
<u>Residential</u>							
Single Family	\$ 581	10.4	\$ 6,016	\$ 120	\$ 6,137		
Multi-family	581	8.3	4,813	96	4,909		
<u>Non-residential</u>							
Commercial	\$ 581	26.6	\$ 15,433	\$ 309	\$ 15,741	\$ 15.74	
Office	581	22.8	13,286	265	13,531	13.53	
Industrial	581	8.3	4,798	96	4,894	4.89	

¹ Administration fee of 2.0 percent

Sources: Tables 7.0 and 7.3; MunFinancial

8. IMPLEMENTATION

Programming Revenues and Projects with the CIP

The Town CIP should be amended to identify fee revenue with specific projects. The use of the CIP in this manner documents a reasonable relationship between new development and the use of those revenues.

The Town may decide to alter the scope of the planned projects or to substitute new projects as long as those new projects continue to represent an expansion of the Town's facilities. If the total cost of facilities varies from the total cost used as a basis for the fees, the Town should consider revising the fees accordingly.

For the five-year planning period of the CIP, the Town should consider allocating existing fund balances and projected fee revenue to specific projects. The Town can hold funds in a project account for longer than five years if necessary to collect sufficient monies to complete a project.

Identify Non-Fee Revenue Sources

The use of the method for calculating facility standards can identify revenue deficiencies attributable to the existing service population. As fees are only imposed under the Act to fund new development's fair portion of facilities, the Town should consider how deficiencies might be supplemented through the use of alternative funding sources. Potential sources of revenue include existing or new general fund revenues or the use of existing or new taxes. Any new tax would require two-thirds voter approval, while new assessments or property-related charges would require majority property-owner approval.

Inflation Adjustment

Appropriate inflation indexes should be identified in a fee ordinance including an automatic adjustment to the fee annually. Separate indexes for land and construction costs should be used. Calculating the land cost index may require the periodic use of a property appraiser. The construction cost index can be based on the Town's recent capital project experience or can be taken from any reputable source, such as the *Engineering News Record*. To calculate prospective fee increases, each index should be weighed against its share of total planned facility costs represented by land or construction, as appropriate.

Reporting Requirements

The Town should comply with the annual and five-year reporting requirements of the Act. For facilities to be funded by a combination of public fees and other revenues, identification of the source and amount of these non-fee revenues is essential.

Identification of the timing of receipt of other revenues to fund the facilities is also important.

9. MITIGATION FEE ACT FINDINGS

Fees are assessed and typically paid when a building permit is issued and imposed on new development projects by local agencies responsible for regulating land use (cities and counties). To guide the imposition of facilities fees, the California State Legislature adopted the Act with Assembly Bill 1600 in 1987 and subsequent amendments. The Act, contained in *California Government Code* §§66000 – 66025, establishes requirements on local agencies for the imposition and administration of fees. The Act requires local agencies to document five statutory findings when adopting fees.

The five findings in the Act required for adoption of the maximum justified fees documented in this report are 1) Purpose of Fee, 2) Use of Fee Revenues, 3) Benefit Relationship, 4) Burden Relationship, and 5) Proportionality. They are each discussed below and are supported throughout the rest of this report.

Purpose of Fee

- *Identify the purpose of the fee (§66001 (a)(1) of the Act).*

We understand that it is the policy of the Town that new development will not burden the existing service population with the cost of facilities required to accommodate growth. The purpose of the fees proposed by this report is to implement this policy by providing a funding source from new development for capital improvements to serve that development. The fees advance a legitimate Town interest by enabling the Town to provide municipal services to new development.

Use of Fee Revenues

- *Identify the use to which the fees will be put. If the use is financing facilities, the facilities shall be identified. That identification may, but need not, be made by reference to a capital improvement plan as specified in §65403 or §66002, may be made in applicable general or specific plan requirements, or may be made in other public documents that identify the facilities for which the fees are charged (§66001 (a)(2) of the Act).*

Fees proposed in this report, if enacted by the Town, would be available to fund expanded facilities to serve new development. Facilities funded by these fees are designated to be located within the Town. Fees addressed in this report have been identified by the Town to be restricted to funding the following facility categories: General facilities, Park facilities, Trails facilities, Storm Drain facilities, and Streets and Traffic Signals.

Summary descriptions of the planned facilities such as size and cost estimates were provided by the Town and are included in Chapters 4 through 8 of this report. More thorough descriptions of certain planned facilities, including their specific location, if known at this time, are included in master plans, capital improvement plans, or other Town planning documents or are available from Town staff. The Town may change the list of planned facilities to meet changing needs and circumstances, as it deems necessary. The fees should be updated if these amendments result in a significant change in the fair share cost allocated to new development.

Planned facilities to be funded by the fees are described in the *facilities, Inventories, Plans and Standards* sections in each facility category chapter.

Benefit Relationship

- *Determine the reasonable relationship between the fees' use and the type of development project on which the fees are imposed (§66001(a)(3) of the Act).*

We expect that the Town will restrict fee revenue to the acquisition of land, construction of facilities and buildings, and purchase of related equipment, furnishings, vehicles, and services used to serve new development. Facilities funded by the fees are expected to provide a Town-wide network of facilities accessible to the additional residents and workers associated with new development. Under the Act, fees are not intended to fund planned facilities needed to correct existing Deficiencies. Thus, a reasonable relationship can be shown between the use of fee revenue and the new development residential and non-residential use classifications that will pay the fees.

Burden Relationship

- *Determine the reasonable relationship between the need for the public facilities and the types of development on which the fees are imposed (§66001(a)(4) of the Act).*

Facilities need is based on a facility standard that represents the demand generated by new development for those facilities. Facilities demand is determined as follows:

- o The service population is established based upon the number of residents and workers, which correlates to the demand for General facilities, Park facilities and Trails facilities;
- o Storm water generation is directly related to the impervious surface area of a new development and is linked to the number of EDUs and corresponds to an increased demand for Storm Drain facilities;
- o The number of vehicular trips generated per use classification determines Streets and Traffic Signals facilities demand.

For each facility category, demand is measured by a single facility standard that can be applied across land use types to ensure a reasonable relationship to the type of development. Service population standards are calculated based upon the number of residents associated with residential development and the number of workers associated with non-residential development. To calculate a single, per capita standard, one worker is weighted less than one resident based on an analysis of the relative use demand between residential and non-residential development. For Storm Drain facilities, facility standards are based on the impervious surface area of a development and linked to the number of EDUs as compared to one single-family dwelling unit.

The standards used to identify growth needs are also used to determine if planned facilities will partially serve the existing service population by correcting existing deficiencies. This approach ensures that new development will only be responsible for its fair share of planned facilities, and that the fees will not unfairly burden new development with the cost of facilities associated with serving the existing service population.

Chapter 3 Growth Projections provides a description of how service population and growth projections are calculated. Facility standards are described in the *Facilities, Inventories, Plans and standards* sections of in each facility category chapter.

Proportionality

- Determine how there is a reasonable relationship between the fees amount and the cost of the facilities or portion of the facilities attributable to the development on which the fee is imposed (§66001(b) of the Act).

The reasonable relationship between each facilities fee for a specific new development project and the cost of the facilities attributable to that project is based on the estimated new development growth the project will accommodate. Fees for a specific project are based on the project's size or increases in the number of EDUs or vehicle trips. Larger new development projects can result in a higher service population, larger impervious surface areas, or a higher trip generation rate resulting in higher fee revenue than smaller projects in the same land use classification. Thus, the fees can ensure a reasonable relationship between a specific new development project and the cost of the facilities attributable to that project.

See Chapter 3, Growth Projections, or the *service population, Equivalent Dwelling Unit or Trip Rate Adjustment Factor* sections in each facility category chapter for a description of how service population, EDUs or Trip Rate Adjustment Factors are determined for different types of land uses. See the *Fee Schedule* section of each facility category chapter for a presentation of the proposed facilities fees.

ATTACHMENT "B"
ADDITIONAL FINDINGS

GENERAL FACILITIES: Additional Findings

Purpose:

The purpose of the general facilities fee is to provide funding for the construction and or expansions of existing general facilities within the Town. These include the Town Hall Complex, the California Welcome Center, and the Community Development/Public Works Complex. Specifically, these include the areas of Town Hall, Library, Community Center, Museum, California Welcome Center, the Community Development Administration Building, the Public Works Operations Building, and the future Animal Shelter. These facilities and their specifics are identified in Table 3.1 of the Study.

Use of Fee Revenues:

The revenue generated from this fee will be used to furnish the funding required to erect new municipal buildings or expand existing municipal buildings as described in the foregoing section. These facilities will provide centralized, efficient, and expanded public service facilities to accommodate the projected increase in the Town's population due to new development.

Benefit Relationship:

The new residential, commercial, office, and industrial development which are anticipated to occur during the planning period will generate significant additional demand for the administrative, management, professional, technical and para-professional services provided by the staffs of the Town's non-emergency services. This demand will occur among all components of the community and will require adequate provision for office expansion to accommodate the new growth. The fee recommended will apply to each of these community components, since all will contribute to the demand for new and expanded municipal services.

Burden Relationship:

New development will require the services supplied by the administrative offices of the Town's non-emergency services. These services will require adequate, convenient and efficient workspace to fulfill their public service requirements. Chapter 3 of the Study addresses General Facilities. Specifically, Tables 3.0, 3.1, and 3.2 establish the rational and methodology for determining the fee for new development, as identified in Table 3.3.

Proportionality:

Chapter 3 of the Study addresses General Facilities. Specifically, Tables 3.0, 3.1, and 3.2 establish the rational and methodology for determining the fee for new development, as identified in Table 3.3.

PARK FACILITIES: Additional Findings

Purpose:

The purpose of this fee is to provide funding for the acquisition and improvement of those park facilities and projects identified in the Parks Master Plan, and that are required to augment the Town's current park system to accommodate the needs of projected new growth and development in the Town.

Use of Fee Revenues:

The revenue generated from this fee will be used to purchase land and develop new community, neighborhood and specialized parks within the Town of Yucca Valley pursuant to the goals and objectives of such facilities contained in the General Plan and the Parks Master Plan.

Benefit Relationship:

The new residential development which is anticipated to occur during the planning period will generate significant need to improve and expand the Town's basic park facilities. This fee will be used to finance such improvements and additions. These new park facilities will be needed in order to accommodate the projected growth from new development which will be occurring during the planning period as well as maintain existing service levels.

Burden Relationship:

As noted previously, new development will require additional, improved or expanded park facilities to maintain existing service levels. Growth from new development will require adding five acres of new park facilities per 1,000 population to accommodate such growth and to maintain current service levels. Further, the new facilities will enhance the community's quality of live and living environment to the benefit of all its citizens.

Proportionality:

Chapter 4 of the Draft Study, including Tables 4.0, 4.1, 4.2, 4.3, 4.4, and 4.5, identify the methodology and basis for calculating the maximum fees that may be imposed for park facilities as identified in Table 4.6. No fees are recommended for commercial, office or industrial type development.

TRAILS FACILITIES: Additional Findings

Purpose:

Chapter 5 addresses the Town's trails system as identified in the Master Plan of Trails. The purpose of the fee is to ensure that development funds its fair share of the trails system.

Use of Fee Revenues:

The Town will use fee revenues to expand the Town's network of trails to serve new development. The continued implementation of the trails system will further encourage the use of this alternative transportation mode consistent with the General Plan's stated goals and objectives.

Benefit Relationship:

The projected residential development which is anticipated to occur during the planning period will generate significant additional demand and need for the trails network. The fee will be used to finance such improvements and additions that are necessary to serve new development that is projected to occur during the planning period.

Burden Relationship:

As noted above, new residential development generates additional pedestrian and multi-use traffic which will require additional or improved and/or expanded trail facilities to maintain existing service levels as new growth occurs.

Proportionality:

Chapter 5, specifically Tables 5.0, 5.1, 5.2, and 5.3, identify the methodology and basis for calculating the fee level identified in Table 5.4.

STORM DRAIN FACILITIES: Additional Findings

Purpose:

The purpose of this fee is to provide funding for the acquisition and improvement of those storm drain facilities and projects identified in the Master Plan of Drainage, and that are required to augment the Town's current flood control system to accommodate the needs of projected new growth and development in the Town.

Use of Fee Revenues:

The revenue generated from this fee will be used to purchase land and develop new storm drain facilities within the Town of Yucca Valley pursuant to the goals and objectives of such facilities contained in the General Plan and as identified in the Master Plan of Drainage, as well as within Chapter 6 of the Study.

Benefit Relationship:

The new residential, commercial, office and industrial development which are anticipated to occur during the planning period will generate significant need to improve and expand the Town's storm drain office. This fee will be used to finance such improvements and additions. These new storm drain facilities will be needed in order to accommodate the projected growth from new development which will be occurring during the planning period as well as maintain existing service levels.

Burden Relationship:

Chapter 6, specifically Table 6.2, establishes and demonstrates a reasonable relationship between new development and the need for new facilities. The facility standard is based on the planned facilities investment into the Town's system of storm drainage facilities on a per EDU basis.

Proportionality:

Chapter 6 of the Draft Study, including Tables 6.0, 6.1, 6.2, and 6.3, identify the methodology and basis for calculating the maximum fees that may be imposed for storm drain facilities as identified in Table 6.4

STREETS AND TRAFFIC: Additional Findings

Purpose:

Chapter 7 summarizes an analysis of the need for streets and related transportation facilities to accommodate growth within the Town of Yucca Valley. It documents a reasonable relationship between new development and a traffic fee to fund street and related transportation facilities that serve new development. The purpose of this fee is to provide funding for the construction of those improvements to the Town's street facilities as identified in Chapter 7.

Use of Fee Revenues:

The revenue generated from this fee is to provide funding for the construction of those improvements to the Town's street facilities as identified in Chapter 7, which are required to augment the Town's current street system to accommodate the needs of projected new growth and development in the Town.

Benefit Relationship:

The new residential, commercial and industrial development which is projected to occur during the planning period and to build out will generate significant additional traffic and the need to improve and expand the Town's street facility system. The fee will be used to provide for those capacity improvements and traffic and pedestrian safety improvements required by growth projections to maintain existing levels of service and to accommodate new growth and development.

Burden Relationship:

As noted in the previous section, each type of new residential, commercial, office and industrial development will generate additional traffic, which will create an incremental need to add to roadway capacity, and to improve traffic and pedestrian safety. Specifically in Chapter 7, Tables 7.0, 7.1, 7.2 and 7.3 establish the methodology and basis for the fees identified in Table 7.2

Proportionality:

The recommended fee is demand or trip generation based. Based upon trip generation rates, Chapter 7 identifies the costs attributable to new development including residential, commercial, office, and industrial. Specifically in Chapter 7, Tables 7.0, 7.1, 7.2 and 7.3 establish the methodology and basis for the fees identified in Table 7.2

ATTACHMENT "C"
DEVELOPMENT IMPACT FEE SCHEDULE

Subdivision, single family residential development:	\$9,081 Per Unit	
Infill, single family residential development:	\$2,568 Per Unit allocated to Park Facilities	
Multi-Family residential development:	\$3,600 Per Unit	
Commercial, Office and Industrial development:	Up to 3,000 sq. ft.	\$1.00 Per Sq. Ft.
	3,001 to 5,000 sq. ft.	\$2.00 Per Sq. Ft.
	5,001 to 10,000 sq. ft.	\$4.00 Per Sq. Ft.*
	Over 10,000 sq. ft.	\$7.74 Per Sq. Ft.**
*Industrial Development is capped at:	\$3.18 Per Sq. Ft.	
**Office Development is capped at:	\$7.08 Per Sq. Ft.	

**ATTACHMENT A
GENERAL FACILITIES**

Table 3.1 General Facilities Existing Standard

Existing Facilities	Inventory	Cost / Unit	Total Value
Land (Acres)			
Public Works Complex	1.6	20,000 \$	32,000
Buildings (sq-ft)			
Town Hall/Library	12,640	\$ 200 \$	2,528,000
Community Center	11,922	250 \$	2,980,500
Museum	5,108	200 \$	1,021,600
Corp. Yard Operations	9,623	200 \$	1,924,600
Animal Shelter (Future)**	10,000	150 \$	1,500,000
Total Facilities		\$	9,986,700
Existing Service Population			19,840
Cost Per Capita		\$	503
Facility Standard per Resident		\$	503
Facility Standard per Worker			103

** Animal Shelter costs applied to residential users only

Table 3.2: New Development Contribution

Facility Standard per Resident	\$	503
Growth in Residents (2005-2025)		15,470
Facility Standard per Worker		103
Growth in Workers (2005-2025)		4,000
New Development Contribution	\$	8,199,009

Table 3.3: General Facilities Fee

Land Use	Standard Per EDU	Density	Fee	Admin	Total Fee	Fee/ Sq-ft
<i>RESIDENTIAL</i>		(per dwelling unit)				
Single Family	\$ 503	2.29	\$ 1,152	\$ 29	\$ 1,181	
Multi Family	503	1.77	890	22	913	
<i>NON-RESIDENTIAL</i>		(per 1,000 square feet building area)				
Commercial	\$ 103	2.50	\$ 258	\$ 6	\$ 264	\$ 0.26
Office	103	3.33	343	9	352	0.35
Industrial	103	1.67	172	4	176	0.18

**ATTACHMENT B
STORM DRAIN FACILITIES**

Table 6.2: Storm Drain Facilities Standard

	(2004 Costs)	
Detained Flood Control System Projected Cost	\$	102,016,000
Cost Escalator		121%
Escalated Detained Flood Control System Cost		123,439,360
Facilities Standard Cost Allocation:	50% \$	61,719,680
Total EDUs (2025)		24,382
Equity Per EDU	\$	2,531

Table 6.3: Development Share of Storm Drain Facilities

Facility Standard Per EDU	\$	2,531
Growth in EDUs (2005-2025)		9,813
New Development Contribution	\$	24,840,260

Table 6.4: Storm Drain Facility Fees

Land Use	Standard Per EDU	EDU Factor	Fee	Admin	Total Fee	Fee/ Sq-ft
<i>RESIDENTIAL</i>		(per dwelling unit)				
Single Family	\$ 2,531	1.00	\$ 2,531	\$ 101	\$ 2,632	
Multi Family	2,531	0.50	1,266	51	1,316	
<i>NON-RESIDENTIAL</i>		(per 1,000 square feet building area)				
Commercial	\$ 2,531	0.66	\$ 1,670	\$ 67	\$ 1,737	\$ 1.74
Office	2,531	0.69	1,746	70	1,816	1.82
Industrial	2,531	0.46	1,164	47	1,211	1.21

**ATTACHMENT C
STREETS AND TRAFFIC**

Table 7.2: Streets & Traffic Facilities Master Plan Cost Summary for New Development

<u>Streets</u>	<u>Cost</u>
ROW Costs to widen SR 62 - West Town Boundary to Kickapoo Trail, 2.89 AC	\$ 1,346,406
Widen SR 62 to 6 Lanes - West Town Boundary to Kickapoo Trail, 1.42 miles	2,227,500
ROW Costs to widen SR 62 - Kickapoo Trail to Acoma/Mohawk Trail, 1.32 AC	1,033,511
Widen SR 62 to 6 Lanes - Kickapoo Trail to Acoma/Mohawk Trail, 1.09 miles	1,707,750
ROW Costs to widen SR 62 - Acoma/Mohawk Trail to SR 247, 1.83 AC	1,427,190
Widen SR 62 to 6 Lanes - Acoma/Mohawk Trail to SR 247, 1.51 miles	2,361,160
ROW Costs to widen SR 62 - SR 247 to Hilton Avenue, 1.03 AC	802,775
Widen SR 62 to 6 Lanes - SR 247 to Hilton Avenue, 0.85 miles	1,336,500
ROW Costs to widen SR 62 - Hilton Avenue to Avalon Avenue, 1.03 AC	806,575
Widen SR 62 to 6 Lanes - Hilton Avenue to Avalon Avenue, 0.85 miles	1,336,500
ROW Costs to widen SR 62 - Avalon Avenue to Yucca Mesa Road, 1.26 AC	984,829
Widen SR 62 to 6 Lanes - Avalon Avenue to Yucca Mesa Road, 1.04 miles	1,633,500
ROW Costs to widen SR 247 - SR 62 to San Juan Road, 12.19 AC	2,804,775
Widen SR 247 to 4 Divided Lanes - SR 62 to San Juan Road, 1.57 miles	3,140,000
ROW Costs to widen SR 247 - San Juan Road to Buena Vista Drive, 12.19 AC	2,804,775
Widen SR 247 to 4 Divided Lanes - San Juan Road to Buena Vista Drive, 1.57 miles	3,140,000
ROW Cost to widen SR 247 - Buena Vista Drive to N. Town Boundary, 17.60 AC	4,093,113
Widen SR 247 to 4 Divided Lanes - Buena Vista Drive to N. Town Boundary, 2.16 miles	4,320,000
Widen Onaga Trail, 4 Lane Arterial Divided - Kickapoo Trail to Joshua Lane	7,437,150
Widen Yucca Trail, 4 Lane Arterial Divided - Sage Avenue to Avalon Avenue	5,883,584
Widen Joshua Lane, 4 Lane Arterial Divided - Onaga Trail to SR 62	2,621,399
Widen Kickapoo Trail, 4 Lane Collector - Onaga Trail to SR 62	387,318
Widen Acoma Trail, 4 Lane Collector - Golden Bee Drive to SR 62	3,327,726
Widen Sage Avenue, 4 Lane Collector - Golden Bee Drive to SR 62	3,327,726
Widen Joshua Lane, 4 Lane Collector - Golden Bee Drive to Onaga Trail	2,065,485
Widen La Contenta Road, 4 Lane Collector - Yucca Trail to SR 62	3,174,245
Widen Palomar Avenue, 4 Lane Collector - Joshua Lane to Yucca Trail	3,977,971
Widen Avalon Avenue, 4 Lane Collector - Yucca Trail to SR 62	2,930,329
Widen Yucca Trail, 4 Lane Collector - Avalon Avenue to Yucca Mesa Road	4,037,342
Widen Onaga Trail, 4 Lane Collector - Joshua Lane to Palomar Avenue	2,983,479
Widen Joshua Drive, 4 Lane Collector - Acoma Trail to Joshua Lane	2,486,232
Widen Warren Vista Avenue, 2 Lane Collector - Yucca Trail to SR 62	474,954
Widen Joshua Lane, 2 Lane Collector - Golden Bee Drive to Warren Vista Drive	793,406
Widen Sage Avenue, 4 Lane Collector - SR 62 to Sunnyslope Drive	1,147,492
Widen Deer Trail, 4 Lane Collector - Onaga Trail to SR 62	1,032,743
Widen Balsa Avenue, 4 Lane Collector - Yucca Trail to SR 62	1,338,740
Widen Yucca Mesa Road, 4 Lane Collector - SR 62 to N. Town Boundary	4,360,469
Widen Buena Vista Drive, 4 Lane Collector - SR 247 to Yucca Mesa Road	6,196,455
Construct Sunnyslope Drive, 4 Lane Collector - Balsa Avenue to La Contenta Road	3,858,874
Construct Indio Avenue, 2 Lane Industrial - Yucca Trail to SR 62	4,879,468
Total:	\$ 106,029,446

Table 7.2: Streets & Traffic Facilities Master Plan Cost Summary for New Development

<u>Traffic Safety</u>	<u>Cost</u>
Raised Medians on SR 62 - West Town Boundary to Fairway Drive	\$ 810,000
Raised Medians on SR 62 - Camino del Cielo to Kickapoo Trail	\$ 1,114,000
Raised Medians on SR 62 - Cherokee Trail to Acoma/Mohawk Trail	\$ 616,000
Raised Medians on SR 62 - Palm Avenue to Sage Avenue	\$ 794,000
Raised Medians on SR 62 - SR 247 to Warren Vista Avenue	\$ 1,198,000
Raised Medians on SR 62 - Warren Vista Avenue to Hilton Avenue	\$ 608,000
Raised Medians on SR 62 - Hilton Avenue to Balsa Avenue	\$ 640,000
Raised Medians on SR 62 - Balsa Avenue to Avalon Avenue	\$ 1,178,000
Raised Medians on SR 62 - Indio Avenue to Yucca Mesa Road	\$ 1,126,000
Sidewalks on both sides SR 62 - West Town boundary to Fairway Drive	\$ 276,000
Sidewalks on both sides SR 62 - Fairway Drive to Camino del Cielo	\$ 380,000
Sidewalks on both sides SR 62 - Camino del Cielo to Kickapoo Trail	\$ 380,000
Sidewalks on both sides SR 62 - Kickapoo Trail to Elk Trail	\$ 456,000
Sidewalks on both sides SR 62 - Elk Trail to Cherokee Trail	\$ 130,000
Sidewalks on both sides SR 62 - Cherokee Trail to Acoma/Mohawk Trail	\$ 210,000
Sidewalks on both sides SR 62 - Acoma/Mohawk Trail to Palm Avenue	\$ 350,000
Sidewalks on both sides SR 62 - Palm Avenue to Sage Avenue	\$ 378,000
Sidewalks on both sides SR 62 - Sage Avenue to SR 247	\$ 370,000
Sidewalks on both sides SR 62 - SR 247 to Warren Vista Avenue	\$ 408,000
Sidewalks on both sides SR 62 - Warren Vista Avenue to Hilton Avenue	\$ 208,000
Sidewalks on both sides SR 62 - Hilton Avenue to Balsa Avenue	\$ 218,000
Sidewalks on both sides SR 62 - Balsa Avenue to Avalon Avenue	\$ 402,000
Sidewalks on both sides SR 62 - Avalon Avenue to Indio Avenue	\$ 373,000
Sidewalks on both sides SR 62 - Indio Avenue to Yucca Mesa Road	\$ 384,000
	Subtotal - Traffic Safety \$ 13,007,000
<u>Traffic Signals</u>	<u>Cost</u>
Yucca Trail @ Joshua Lane	\$ 500,000
SR 62/Camino del Cielo	\$ 500,000
SR 62/Sage Avenue	\$ 500,000
SR 62/Joshua Lane	\$ 500,000
SR 62/Yucca Mesa Road/La Contenta Road	\$ 500,000
Yucca Trail/Avalon Avenue/Palmar Avenue	\$ 500,000
Onaga Trail/Acoma Trail	\$ 500,000
	Subtotal - Traffic Signals \$ 3,500,000
TOTAL: \$ 16,507,000	

Table 7.3: Streets & Traffic Facilities Standard

Planned Projects	
Street Improvements	\$ 106,029,446
Traffic Safety	13,007,000
Traffic Signals	<u>3,500,000</u>
Total Streets & Traffic Facilities	\$ 122,536,446
Less: Other Funding Sources 2004-2025	(4,015,000)
Net Facility Needs	\$ 118,521,446
Development Share: 40%	47,408,578
Projected Trips Demand for Future Growth	231,860
Standard Per Trip	\$ 204

Table 7.4: Streets & Traffic Facility Fees

Land Use	Standard Per Trip	Trip Demand Factor	Fee	Admin	Total Fee	Fee/ Sq-ft
RESIDENTIAL		(per dwelling unit)				
Single Family	\$ 204	10.4	\$ 2,122	\$ 120	\$ 2,242	
Multi Family	204	8.3	1,693	96	1,789	
NON-RESIDENTIAL		(per 1,000 square feet building area)				
Commercial	\$ 204	26.6	\$ 5,426	\$ 308	\$ 5,734	\$ 5.73
Office	204	22.8	4,651	264	4,915	4.91
Industrial	204	8.3	1,693	96	1,789	1.79



TOWN COUNCIL STAFF REPORT

To: Honorable Mayor & Town Council
From: Sharon Cisneros, Finance Manager
Date: February 19, 2015
Council Meeting: March 3, 2015

Subject: Warrant Registers

Recommendation:

Ratify the Payroll Register total of \$ 137,463.31 for checks dated February 13, 2015 and the Warrant Register total of \$ 186,598.79 for checks dated February 19, 2015.

Order of Procedure:

- Department Report
- Request Staff Report
- Request Public Comment
- Council Discussion
- Motion/Second
- Discussion on Motion
- Call the Question (Roll Call Vote, Consent Agenda Item)

Attachments:

- Payroll Register No. 32 dated February 13, 2015 total of \$ 137,463.31
- Warrant Register No. 35 dated February 19, 2015 total of \$ 186,598.79

Reviewed By:


Town Manager

Town Attorney


Finance Manager


Department

____ Department Report
 Consent

____ Ordinance Action
 Minute Action

____ Resolution Action
____ Receive and File

____ Public Hearing
____ Study Item


TOWN OF YUCCA VALLEY
PAYROLL REGISTER #32
CHECK DATE - February 13, 2015


Fund Distribution Breakdown

Fund Distribution

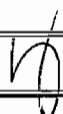
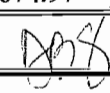
General Fund	\$124,827.30
Gas Tax Fund	12,636.01

Grand Total Payroll	<u><u>\$137,463.31</u></u>
----------------------------	----------------------------

Prepared by P/R & Financial Specialist: 

Reviewed by H/R & Risk Mgr.: 

Town of Yucca Valley
Payroll Net Pay & Net Liability Breakdown
 Pay Period 32 - Paid 02/13/2015
 (January 24, 2015 - February 06, 2015)
 Checks: 5026 - 5030

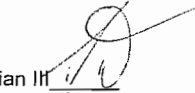

	Employee	Employer	Total
<u>Net Employee Pay</u>			
Payroll Checks	\$2,886.23		\$2,886.23
Direct Deposit	68,770.35	-	68,770.35
Sub-total	71,656.58		71,656.58
<u>Employee Tax Withholding</u>			
Federal	11,053.63		11,053.63
Medicare	1,335.52	1,335.51	2,671.03
SDI - EE	-	-	-
State	3,422.03		3,422.03
Sub-total	15,811.18	1,335.51	17,146.69
<u>Employee Benefit & Other Withholding</u>			
Misc. Payroll Adjustment Credit's	-	-	-
Deferred Compensation	2,871.69	1,630.81	4,502.50
PERS Survivor Benefit	38.00		38.00
Health Café Plan	1,201.41	12,560.64	13,762.05
American Fidelity Pre-Tax	165.09		165.09
American Fidelity After-Tax	-		-
American Fidelity-FSA	414.53		414.53
PERS EE - Contribution 6.25 %	597.31		597.31
PERS EE - Contribution 7%	1,017.21		1,017.21
PERS EE - Contribution 8%	4,805.87		4,805.87
PERS Retirement - Employer 6.25 %	-	597.31	597.31
PERS Retirement - Employer 7.846 %	-	1,163.26	1,163.26
PERS Retirement - Employer 18.586 %	-	12,462.18	12,462.18
Wage Garnishment - Employee	96.10		96.10
Life & Disability Insurance		1,148.51	1,148.51
Other Post Employee Benefit's		2,569.59	2,569.59
Unemployment Insurance		1,619.28	1,619.28
Workers' Compensation		3,701.25	3,701.25
Sub-total	11,207.21	37,452.83	48,660.04
Gross Payroll	\$98,674.97	\$38,788.34	\$137,463.31
Prepared by P/R & Financial Specialist: 	Reviewed by H/R & Risk Mgr.: 		

WARRANT REGISTER # 35
CHECK DATE FEBRUARY 19, 2015

FUND DISTRIBUTION BREAKDOWN

Checks # 46209 - # 46294 are valid
Check # 46282 is void

GENERAL FUND # 001	\$120,614.78
CENTRAL SUPPLIES FUND # 100	\$0.00
CUP DEPOSITS FUND # 200	\$4,217.89
COPS-LLESA FUND # 511	\$44,167.68
STREET MAINTENANCE FUND # 515	\$12,742.49
MEASURE I 2010-2040 FUND # 524	\$4,831.34
MEASURE I 2010-2040 FUND # 560	\$24.61
GRAND TOTAL	<u><u>\$186,598.79</u></u>

Prepared by Shirlene Doten, Accounting Technician III 
Reviewed by Sharon Cisneros, Finance Manager 

Town of Yucca Valley

Warrant Register

February 19, 2015

Fund	Check #	Vendor	Description	Amount
001	GENERAL FUND			
	46029	Sue Earnest	Senior Dance Expense	\$ 471.55
	46210	Action Pumping, Inc.	Septic Maintenance Service	305.00
	46211	Aleshire & Wynder, LLC	Professional Services	22,542.94
	46212	Alsco/American Linen, Inc.	Parks Uniform Service	454.73
	46213	American Planning Association	Membership Dues	398.00
	46214	Janet Anderson	03/15 Insurance Premium	1,203.46
	46215	Animal Action League	Veterinary Services	1,910.00
	46216	Arrowhead Mountain Water	Office Supplies	171.29
	46217	Avalon Urgent Care	Medical Services	530.00
	46218	Dave Behrens	Emergency Preparation Expense	928.68
	46219	Best Signs	Town Sign Repair	470.00
	46220	Debra Breidenbach-Sterling	Mileage Expense	74.75
	46221	Brian's Lockshop	Keying Service	106.92
	46222	Builders Supply-Yucca Valley	Maintenance Supplies	288.63
	46223	John Burdick	Hearing Officer	200.00
	46224	C & M Electric	YVHS Pool Maintenance	715.00
	46225	C & S Electric	Facilities Maintenance	87.96
	46226	C & S Electric	Facilities Maintenance	318.31
	46227	Checkered Flag Auto Spa	Vehicle Maintenance	71.80
	46228	Companion Animal Clinic	Veterinary Supplies & Services	335.00
	46229	Corelogics Information Solutions	Property Search Information	165.00
	46231	Department of Conservation	SMIP Fee Qtr 10-12/14	55.79
	46232	League of CA Cities Desert Mountain	2015 Membership Dues	500.00
	46233	Desert Arc	Park Maintenance Service	4,217.83
	46234	Desert Images Office Equipment, Inc	Office Supplies	382.29
	46235	DFM Associates	Reference Materials	3.75
	46236	Dept of Justice	Fingerprint Service	274.00
	46237	Employment Development Dept.	10-12/14 Unemployment Ins.	3,183.61
	46238	FedEx	Delivery Service	106.07
	46239	Fred's Tires	Vehicle Maintenance	380.00
	46240	Fulton Distributing Co.	Facilities Maintenance Supplies	952.87
	46241	G & K Propane	Vehicle Fuel	118.08
	46242	Joey Hagerman	Sports Referee	36.00
	46243	Hajoca Corporation	Plumbing Supplies	133.30
	46244	Totalfunds by Hasler	Postage	36.83
	46245	Totalfunds by Hasler	Postage	1,000.00
	46246	Kaiser Hengesbach, PC	Professional Services	148.00
	46247	Hi-Desert Water	Water Service	357.82
	46248	Hill's Towing	Vehicle Towing Service	130.00
	46249	Honeywell	HVAC Service Contract	10,702.75
	46251	Knorr Systems, Inc.	YVHS Pool Maintenance	1,854.96
	46253	Bob Lombardo	Meeting Expense	189.75

Town of Yucca Valley

Warrant Register

February 19, 2015

Fund	Check #	Vendor	Description	Amount
	46254	Jerry McPheeters	Emergency Preparation Expense	383.00
	46255	Leslie Mouriquand	Museum Lecturer	100.00
	46256	Navitas Lease Corp.	Shelter Phone Lease	527.19
	46257	NRO Engineering	Engineering Services	2,500.00
	46258	Oasis Office Supply, Inc.	Office Supplies	1,260.91
	46259	Selah Thuresson	Uniform Expense	41.75
	46260	Public Agency Retirement Services	12/14 Trust Administrator Svs.	300.00
	46261	Petty Cash	Miscellaneous Supplies	450.07
	46262	Phone Solutions	Phone Service	142.50
	46263	PlasticPlace	Parks Maintenance Supplies	338.00
	46264	Pool & Spa Center	YVHS Pool Maintenance	101.65
	46265	Pro Security	Alarm Monitoring Service	5,310.00
	46266	Pro Video	Town Council Taping	100.00
	46267	Recreonics, Inc.	YVHS Pool Repair	968.86
	46268	Jessica Rice	Mileage Expense	80.50
	46270	SBCO-Office of the Assessor	Monthly Subscription	429.39
	46271	SBCO - Information Services	01/15 Radio Access	2,144.37
	46272	SBCO Sheriff's Dept	10-12/14 OHV Overtime Chgs.	2,218.90
	46272	SBCO Sheriff's Dept	10-12/14 Vehicle Maintenance	12,750.65
	46273	SB County Recorder	Filing Fees	42.00
	46274	SCE	Electric Service	6,622.38
	46276	Smith Pipe & Supply, Inc.	Parks Irrigation Supplies	207.96
	46277	So. Cal. Gas Co.	Natural Gas Service	13.51
	46278	Sprint	Cell Phone Service	5.24
	46279	Stater Bros	Recreation Program Expense	8.36
	46281	TelePacific	Phone Service	3,556.16
	46285	Trophy Express	Engraving Service	38.77
	46287	VCA Yucca Valley Animal Hospital	Veterinary Services	794.28
	46288	Verizon	Long Distance Service	10.16
	46289	Valley Independent	General Plan Copy Service	1,076.11
	46290	US Bank Voyager Fleet Systems	Natural Gas Vehicle Fuel	171.36
	46291	Woods Auto Repair	Fleet Vehicle Repairs & Smog	4,653.40
	46292	Yucca Valley Quick Lube, LLC	Fleet Oil Change Service	74.83
	46293	YV Chamber of Commerce	Joint Marketing Agreement	12,810.48
	46294	Yucca Valley Auto Parts, Inc.	Vehicle Maintenance	45.26
	EFT	First Bankcard	Operating Supplies	2,310.84
	EFT	Home Depot	Facilities Maintenance	1,513.22
Total 001 GENERAL FUND				\$ 120,614.78

Town of Yucca Valley

Warrant Register

February 19, 2015

Fund	Check #	Vendor	Description	Amount
200 DEPOSITS FUND				
	46252	Mark Leonard	Deposit Account Refund	\$ 663.32
	46257	NRO Engineering	Engineering Services	125.00
	46280	Superior General Contractor	Deposit Account Refund	865.00
	46286	Michael Valente	Deposit Account Refund	2,564.57
Total 200	DEPOSITS FUND			\$ 4,217.89
511 COPS-LLESA FUND				
	46272	SBCO Sheriff's Dept	10-12/14 LLESA Overtime Chgs.	\$ 44,102.69
	46283	Time Warner Cable	Sheriff's Office Internet Service	64.99
Total 511	COPS-LLESA FUND			\$ 44,167.68
515 GAS TAX FUND				
	46212	Alsco/American Linen, Inc.	Streets Uniform Service	\$ 107.46
	46222	Builders Supply-Yucca Valley	Maintenance Supplies	32.90
	46230	Crafco, Inc.	Asphalt Supplies	9,613.62
	46247	Hi-Desert Water	Water Service	60.00
	46250	Johnson Machinery Co.	Vehicle Repair	350.00
	46269	Safetyline	Safety Equipment	132.77
	46274	SCE	Electric Service	701.53
	46284	Traffic Management, Inc.	Street Signs	636.66
	46291	Woods Auto Repair	Street Vehicle Maintenance	1,087.65
	46294	Yucca Valley Auto Parts, Inc.	Vehicle Maintenance	19.90
Total 515	GAS TAX FUND			\$ 12,742.49
524 MEASURE I - 2010-2040 FUND				
	46274	SCE	Electric Service	\$ 4,019.94
	46275	Siemens Industry, Inc.	Signal Maintenance	811.40
Total 524	MEASURE I - 2010-2040 FUND			\$ 4,831.34
560 CDBG FUND				
	46238	FedEx	Delivery Service	\$ 24.61
Total 560	CDBG FUND			\$ 24.61
***	Report Total			\$ 186,598.79

TOWN COUNCIL STAFF REPORT

To: Honorable Mayor & Council
From: Town Medical Marijuana Ad Hoc Subcommittee
Date: February 25, 2015
For Council Meeting: March 3, 2015

Subject: Town & Citizen Negotiated Medical Marijuana Ballot Measure

Prior Council Review: January 20, 2015, February 3, 2015, and February 12, 2015.

Summary: That the Council consider placing before voters the “Yucca Valley Medical Marijuana Dispensary Authorization and Regulation Act” (the “Negotiated Measure”), to be presented on the June 2, 2015, ballot as a special election. The Negotiated Measure was negotiated between the Town’s Medical Marijuana Ad Hoc Subcommittee (the “Subcommittee”) and the proponents of a prior citizen-circulated medical marijuana measure (the “Citizen Measure”). The proposed Negotiated Measure is substantially similar to the Citizen Measure, but with additional provisions to enhance regulations for the protection of public health, safety and welfare, and providing for the Town’s recovery of certain fees and costs attributable to law enforcement and other Town operational expenses affected by dispensaries.

Recommendation: The Subcommittee recommendation is that the Council adopts the following Resolution:

- “A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF YUCCA VALLEY, CALIFORNIA, CALLING AND GIVING NOTICE OF THE HOLDING OF A SPECIAL MUNICIPAL ELECTION ON TUESDAY, JUNE 2, 2015, FOR THE SUBMISSION TO THE VOTERS OF THE TOWN A PROPOSED MEASURE ALLOWING A LIMITED NUMBER OF MEDICAL MARIJUANA DISPENSARIES IN TOWN LIMITS AND REQUESTING THE COUNTY OF SAN BERNARDINO TO CONSOLIDATE THE TOWN’S SPECIAL ELECTION WITH THE SPECIAL AND GENERAL MUNICIPAL ELECTIONS HELD WITHIN SAN BERNARDINO COUNTY ON THAT DATE.” ; and
- Request the Proponents to fulfill their obligation to immediately, and publicly, withdraw the Citizen Measure and endorse passage of the Negotiated Measure, as well as immediately memorialize such withdrawal in writing.

Alternatives Recommendation: Do not place the proposed Negotiated Measure on the ballot at this meeting and provide further direction to the Ad Hoc Subcommittee, Town legal counsel, or staff. In such case, final action of the Council on the Citizen

01105.0027/243456.1
Reviewed By:


Town Manager

Town Attorney

Finance

MM AHC

Dept

Department Report

Ordinance Action

Resolution Action

Public Hearing

Consent

Minute Action

Receive and File

Study Session

Measure or another iteration of the Negotiated Measure must be taken at the March 17, 2015, regular meeting, unless an extension of the current Tolling Agreement is secured.

Order of Procedure:

Request Staff Report
Request Public Comment
Council Discussion / Questions of Staff
Motion/Second
Discussion on Motion
Call the Question
(If Recommended Action is Adopted, Request Required Action of Proponents)

Historical Background: On September 8, 2014, the Town received a voter Initiative petition from Proponents Daniel Zanercik and Serena Elsasser. As required by law, the Town provided a ballot title and summary, which denominated the voter petition as “The Medical Marijuana Authorization and Regulation Initiative” (the “Citizen Initiative”). On November 20, 2014, the Proponents submitted the signed Citizen Initiative petitions. The Town Clerk conducted a prima facie review and raw count of the petition and determined that there were sufficient numbers of signatures to proceed. On November 21, 2014 the Citizen Initiative petitions were submitted to the County of San Bernardino Registrar of Voters for signature verification. The Registrar of Voters promptly began the process of verifying the signatures contained on the petitions. Based on County verification of signatures contained on the petitions, the Citizen Initiative petition met the 15% threshold (or 1,442 votes) requisite for placement on a special election ballot. (Elections Code § 9214.)

At the January 20, 2015, Town Council meeting, the Town Council was presented with three possible courses of action:

1. Introduce the Citizen Initiative as presented by the proponents for first reading and schedule an adjourned regular meeting at least five days after its introduction and no longer than 10 days after its introduction to adopt the Citizen Initiative;
2. Request that a 30-day impact study be conducted of the possible effects of the Citizen Initiative on Town policies, land uses, economics or other issues of concern to the Council; or
3. Immediately call a special election to be held on a Tuesday falling at least 88 days but not more than 103 days after the date the election is called (i.e., April 28, 2015).

The Council requested a study to be prepared analyzing the effect of the Citizen's Initiative, which was presented at the Council meeting on February 17, 2015.

The Council also directed that the Town's Medical Marijuana Ad Hoc Subcommittee work with the proponents to prepare an amended measure that could be supported by the Town and the proponents to go forward as a ballot measure, and to prepare a tolling agreement suspending the requirement to either adopt or place the Citizen Initiative on the ballot as submitted (the "Tolling Agreement").

The California Elections Code specifically allows the Tolling Agreement mechanism, and specifically provides that proponents of local initiative measures have authority to withdraw such measures at any time before ballot filing with the elections official:

(a) Notwithstanding any other law, any person may engage in good faith bargaining between competing interests to secure legislative approval of matters embraced in a statewide or local initiative or referendum measure, and the proponents may, as a result of these negotiations, withdraw the measure at any time before filing the petition with the appropriate elections official.

(d) Withdrawal of a local initiative or referendum measure shall be effective upon receipt by the appropriate local elections official of a written notice of withdrawal, signed by all proponents of the measure.

Such a Tolling Agreement was reached between the Proponents and the Town and was executed between the parties by February 17, 2015.

In recent weeks, the Proponents and Subcommittee have reached concurrence on a Negotiated Measure, which is attached to the accompanying resolution as Exhibit "A". The Negotiated Measure is substantially similar to the Citizen Measure, excepting that the Negotiated Measure contains heightened regulations for the protection of public health, safety and welfare, and provides for the Town's recovery of certain fees and costs attributable to law enforcement and other Town operational expenses affected by dispensaries. The Town Council Subcommittee believes that the terms of the Negotiated Measure have been found acceptable to the Proponents and the Subcommittee recommends that the Negotiated Measure now be placed upon the ballot for a June 2, 2015, special election. Such call of the election would trigger Proponents' obligation to withdraw the Citizen Measure as required by the Tolling Agreement.

Finally, under the terms of the Tolling Agreement, Proponents agreed that if the Town Council takes action to place the Negotiated Measure on the ballot, they will at the regular Town Council meeting where that action is taken, immediately and publicly withdraw the Citizen Measure and endorse passage of the Negotiated Measure, as well as immediately memorialize such withdrawal of the Citizen Measure by written communication to the Town. If the recommended action is taken tonight, the Council should request the Proponents to fulfill this obligation on the record, both verbally and in written form.

Fiscal Impact: A cost of holding a special election on the Initiative has been requested of the County Registrar of Voters, but has yet to be provided. Town staff estimates the cost at approximately \$50,000. It is known that holding a special election that is consolidated with a countywide election would be considerably less expensive for the Town, and while that request is included in the recommended resolution, it is not known at this time if there will be other qualifying elections on that date.

Attachments: Resolution with Exhibit A (Initiative)

RESOLUTION NO. _____

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF YUCCA VALLEY, CALIFORNIA, CALLING AND GIVING NOTICE OF THE HOLDING OF A SPECIAL MUNICIPAL ELECTION ON TUESDAY, JUNE 2, 2015, FOR THE SUBMISSION TO THE VOTERS OF THE TOWN A PROPOSED MEASURE ALLOWING A LIMITED NUMBER OF MEDICAL MARIJUANA DISPENSARIES IN TOWN LIMITS AND REQUESTING THE COUNTY OF SAN BERNARDINO TO CONSOLIDATE THE TOWN'S SPECIAL ELECTION WITH THE SPECIAL AND GENERAL MUNICIPAL ELECTIONS HELD WITHIN SAN BERNARDINO COUNTY ON THAT DATE

WHEREAS, On September 8, 2014, the Town received a voter Initiative petition from Proponents Daniel Zanercik and Serena Elsasser. As required by law, the Town provided a ballot title and summary, which denominated the voter petition as "The Medical Marijuana Authorization and Regulation Initiative" (the "Citizen Initiative"); and

WHEREAS, On November 20, 2014, the Proponents submitted the signed Citizen Initiative petitions. The Town Clerk conducted a prima facie review and raw count of the petition and determined that there were sufficient numbers of signatures to proceed; and

WHEREAS, On November 21, 2014 the Citizen Initiative petitions were submitted to the County of San Bernardino Registrar of Voters for signature verification. The Registrar of Voters promptly began the process of verifying the signatures contained on the petitions; and

WHEREAS, Based on County verification of signatures contained on the petitions, the Citizen Initiative petition met the 15% threshold (or 1,442 votes) requisite for placement on a special election ballot (Elections Code § 9214.); and

WHEREAS, Given all options available to it under the Elections Code, at its regular January 20, 2015, meeting the Council requested a study be prepared analyzing the effect of the Citizen Initiative. The Council also directed that the Town's Medical Marijuana Ad Hoc Subcommittee (the "Subcommittee") work with the Proponents to prepare an amended measure that could be supported by the Town and the Citizen Initiative Proponents to go forward as a ballot measure, and to prepare a tolling agreement suspending the requirement to place the Citizen Initiative on the ballot as submitted ("Tolling Agreement"). Such a Tolling Agreement has been reached between the Proponents and the Town and was executed between the parties by February 17, 2015; and

WHEREAS, In recent weeks, the Proponents and Subcommittee have reached concurrence on a negotiated measure proposed as the "Yucca Valley Medical Marijuana Dispensary Authorization and Regulation Act" (the "Negotiated Measure"). The Negotiated Measure is substantially similar to the Citizen Measure, excepting that the Negotiated Measure contains heightened regulations for the protection of public health, safety and welfare, and

provides for the Town’s recovery of certain fees and costs attributable to law enforcement and other Town operational expenses affected by dispensaries.

WHEREAS, Under the terms of the Tolling Agreement, Proponents agree that if the Town Council takes action to place the Negotiated Measure on the ballot, they will at the regular Town Council meeting where that action is taken, immediately and publicly withdraw the Citizen Measure and endorse passage of the Negotiated Measure, as well as immediately memorialize such withdrawal of the Citizen Measure by written communication to the Town.

WHEREAS, The Town Council Subcommittee believes that the terms of the Negotiated Measure attached hereto as **Exhibit “A”** have been found acceptable to the Proponents and the Subcommittee recommends that the Negotiated Measure now be placed upon the ballot for a June 2, 2015, special election. Such call of the election would trigger Proponents’ obligation to withdraw the Citizen Measure as required by the Tolling Agreement.

NOW THEREFORE, THE TOWN COUNCIL OF THE TOWN OF YUCCA VALLEY DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Pursuant to the requirements of the California Elections Code, Sections 9214, 92222 and 1405, there is called and ordered to be held in the Town of Yucca Valley, California, on Tuesday, June 2, 2015, a Special Municipal Election for the purpose of submitting to the voters of the Town of Yucca Valley the Negotiated Measure. It is the intent of the Town Council that the Negotiated Measure be submitted to the voters of Yucca Valley at the aforementioned Special Election. The full text of the Negotiated Measure is attached hereto and marked as Exhibit “A”. The San Bernardino County Registrar of Voters is requested to print the full text of the Measure contained on Exhibit “A” in the sample ballot pamphlet. As required by Elections Code Section 13247, the abbreviated form of the measure to appear on the ballot is specific below in Section 2. The Town Clerk is hereby authorized and directed to make any changes to the text of the proposition or this resolution as required to conform to any requirements of the San Bernardino County Registrar of Voters.

Section 2. The Town Council hereby orders the following measure be submitted to the voters at the aforementioned Special Election:

MEASURE

Shall the Medical Marijuana Dispensary Authorization and Regulation Initiative Measure be enacted to allow the operation of medical marijuana dispensaries in the jurisdictional boundaries of the Town of Yucca Valley at a rate of one dispensary per every 10,000 residents, and attendant provisions regulating such operations?	YES
	NO

Section 3. The ballots to be used at the election shall be in form and content as required by law. The Town Clerk is hereby directed to provide the full text of the Negotiated Measure to the Town Attorney and the Town Attorney is directed to prepare an “impartial analysis” thereof in accordance with the timeframes and requirements of the Elections Code.

Section 4. The Town Clerk is authorized, instructed and directed to procure and furnish any and all official ballots, notices, printed matter and all supplies, equipment and paraphernalia that may be necessary in order to properly and lawfully conduct the election.

Section 5. Pursuant to Sections 10402 and 10403 of the Elections Code, the San Bernardino County Board of Supervisors is hereby requested to consent and agree to the consolidation of the Special Election with the election conducted by San Bernardino County to be held on Tuesday, June 2, 2015. If the County does not hold a countywide election for Tuesday, June 2, 2015, then the Town Council hereby directs the Town Clerk to take all actions to process the Special Election as a stand-alone municipal election, and authorization to coordinate same with the County.

Section 6. The San Bernardino County Registrar of Voters is authorized to canvass the returns of the Special Election. The election shall be held in all respects as if there were only one election.

Section 7. The San Bernardino County Board of Supervisors is requested to issue instructions to the San Bernardino County Registrar of Voters to take any and all necessary steps for the holding of this consolidated election.

Section 8. The Town of Yucca Valley recognizes additional costs will be incurred by San Bernardino County by reason of this consolidation and agrees to reimburse San Bernardino County for those costs.

Section 9. The Town Clerk is directed to file a certified copy of this resolution with the San Bernardino County Board of Supervisors, the San Bernardino County Registrar of Voters and enter this resolution into the book of Original resolutions.

Section 10. The Town Council authorizes the Town Clerk to administer the election, including but not limited to, contracting with the County of San Bernardino, and otherwise take all reasonable necessary steps to ensure the proper handling and conduct of the Special Election authorized by this Resolution, and all reasonable and actual election expenses shall be paid by the Town upon presentation of a properly submitted bill.

Section 11. This Resolution shall be effective immediately upon passage and adoption.

PASSED AND ADOPTED by the Yucca Valley Town Council at a regular meeting thereof held on the 3rd day of March, 2015, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

George Huntington, Mayor

ATTESTED:

Lesley Copeland, Town Clerk

Exhibit A

The Medical Marijuana Authorization and Regulation Initiative

ORDINANCE NO. 2015-_____

AN ORDINANCE AMENDING THE YUCCA VALLEY DEVELOPMENT CODE TO REPEAL THE TOWN BAN ON MARIJUANA DISPENSARIES AND REGULATE THE LOCATION AND OPERATION OF MEDICAL MARIJUANA DISPENSARIES

The People of the Town of Yucca Valley hereby ordain as follows:

Section 1- Title.

This initiative shall be known and may be cited as the *Yucca Valley Medical Marijuana Dispensary Authorization and Regulation Act*.

Section 2 – Findings and declarations.

The People of the Town of Yucca Valley, California, find that the intent of this ordinance is to exempt a limited number of medical marijuana dispensaries from the Town's prohibition on medical marijuana dispensaries, to make exempted medical marijuana dispensaries eligible for a business registration certificate, to advance local control, to restrict the location and operation of exempted medical marijuana dispensaries, and to impose civil and criminal sanctions for violation of these local requirements;

In 1996 California voters approved Proposition 215, the Compassionate Use Act. The People of the State of California declared that their purpose in enacting the ballot measure was, "to ensure that seriously ill Californians have the right to obtain and use marijuana for medical purposes where that medical use is deemed appropriate and has been recommended by a physician who has determined that the person's health would benefit from the use of marijuana in the treatment of cancer, anorexia, AIDS, chronic pain, spasticity, glaucoma, arthritis, migraine, or any other illness for which marijuana provides relief. " ;

Proposition 215 called on federal and state governments "to implement a plan to provide for the safe and affordable distribution of marijuana to all patients in medical need of marijuana.";

In 2003, the California State Legislature enacted Senate Bill 420, codified in *Health and Safety Code, sections 11362.7 et seq.*, known as the Medical Marijuana Program Act. The Medical Marijuana Program Act clarified the scope of the Compassionate Use Act and promoted uniform and consistent application of Proposition 215 throughout the state by ensuring that seriously ill Californians and their caregivers have access to medical marijuana through collective, cooperative cultivation projects;

The Medical Marijuana Program Act expanded limited criminal immunity to qualified marijuana patients and their primary caregivers by decriminalizing possession, furnishing, sale, cultivation, transportation, or possession for sale of marijuana, or for providing or maintaining a place for the manufacture, processing, storage, or distribution of marijuana;

In 2008, pursuant to *Health and Safety Code, section 11362.81, subd. (d)*, the California Attorney General issued Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use. The Guidelines recognize and protect the rights of qualified patients, their designated primary caregivers, and medical marijuana collectives and cooperatives to access safe and affordable marijuana for medical purposes, by establishing reasonable parameters upon the manner in which medical marijuana may be cultivated while protecting public health, safety, and welfare;

In October 2009, the Office of the United States Attorney General released a memorandum that stated, "prosecution of individuals with cancer or other serious illnesses who use marijuana as part of a recommended treatment regimen consistent with applicable state law, or those caregivers in clear and unambiguous compliance with existing state law who provide such individuals with marijuana, is unlikely to be an efficient use of limited federal resources.";

In 2010, the Medical Marijuana Program Act was amended to prohibit a medical marijuana "cooperative, collective, dispensary, operator, establishment, or provider," other than a licensed residential or elder medical care facility, that is "authorized by law" to possess, cultivate, or distribute medical marijuana, and that "has a storefront or mobile retail outlet which ordinarily requires a local business license," to be located within six hundred feet (600') of a school. The 2010 amendment also made clear that nothing in the Medical Marijuana Program Act shall prevent a city or other local governing body from "adopting local ordinances that regulate the location, operation, or establishment of a medical marijuana cooperative or collective" or from the "the civil and criminal enforcement" of such ordinances;

In December 2011, the United States Attorney General, during a House Judiciary Committee hearing, testified to the effect that limited federal resources would not be used to prosecute medical marijuana entities operating within state laws;

In August 29, 2013, the Office of the United States Attorney General released a subsequent memorandum which once again advised that federal enforcement efforts against the seriously ill and their individual caregivers was not an efficient use of federal resources, and set forth an expectation that states and local governments which enacted laws authorizing marijuana related conduct will

implement strong and effective regulatory and enforcement systems that address any threat those state laws could pose to public safety, public health, and other law enforcement interests;

On September 10, 2013, during a United States Senate Judiciary hearing, Deputy United States Attorney General James Cole testified that all United States Attorneys are required to comply with Office of the United States Attorney General's policies related to those states with medical marijuana laws, so that those medical marijuana entities complying with state and local laws and regulations are unlikely to threaten federal law enforcement priorities;

During the November 5, 2013, Town of Yucca Valley, California, Town Council Meeting, law enforcement for the Town of Yucca Valley confirmed the absence of nuisance and crime activities related to the sole medical marijuana dispensary then operating within the Town of Yucca Valley;

As recently as February 14, 2014, the Department of the Treasury provided guidance for financial institutions seeking to provide banking services to medical marijuana related entities, thereby enhancing the availability of financial services for, and the financial transparency of medical marijuana related entities;

On February 21, 2014, the California Police Chiefs Association dropped their prior policy of "unconditional opposition" to laws sanctioning medical marijuana related entities operating within California;

The People of the Town of Yucca Valley, California, support the right of qualified patients to use medical marijuana in accordance with the recommendation or approval of a licensed physician in good standing with the Medical Board of California, the Compassionate Use Act, the Medical Marijuana Program Act, the California Attorney General Guidelines, and the United States Departments of Justice and Treasury policies regarding state and local regulation of medical marijuana;

The People of the Town of Yucca Valley, California, recognize the need for a framework that effectively implements Proposition 215 by establishing local regulations consistent with the Compassionate Use Act, Medical Marijuana Program Act, and the California Attorney General Guidelines related to the cultivation, distribution and land use of medical marijuana dispensaries within the Town of Yucca Valley to ensure that seriously ill patients have suitable access to medication;

The People of the Town of Yucca Valley, California, strongly oppose law enforcement resources being used to arrest, prosecute, and incarcerate qualified patients and designated

caregivers who use and provide medical marijuana in accordance with the Compassionate Use Act, the Medical Marijuana Program Act, and the California Attorney General Guidelines;

The People of the Town of Yucca Valley, California, support safe and orderly access to medical marijuana in a manner which protects qualified patients, designated caregivers, collectives, public health, public safety and the welfare of the community. The absence of a sufficient number of recognized medical marijuana collectives results in qualified patients and designated caregivers being denied legally recognized medication, or incurring the hardship and expense of traveling great distances to obtain their medicine;

The People of the Town of Yucca Valley, California, recognize that neither the Compassionate Use Act nor the Medical Marijuana Program Act sufficiently address local licensing, regulation, and land use restrictions related to medical marijuana collectives;

The People of the Town of Yucca Valley, California, recognize that in the absence of detailed state regulation, local governments must adopt policies and regulations to protect their communities and ensure that their resident qualified patients have safe and adequate access to legally recognized medication;

The People of the Town of Yucca Valley, California, recognize that according to the California State Board of Equalization, state mandated medical marijuana collectives contribute millions of dollars annually in sales tax to the State of California.

The People of the Town of Yucca Valley, California, recognize that municipalities state wide have successfully imposed annual medical marijuana dispensary business fees based on a percentage of gross receipts. The fee based revenue supports much needed municipal services such as public safety, public health and welfare, and community education;

The People of the Town of Yucca Valley, California, recognize that medical marijuana collectives organized and operating as nonprofit mutual benefit corporations ensure the security of medical marijuana and safeguard against its diversion for non-medical purposes;

The People of the Town of Yucca Valley, California, find that those nonprofit medical marijuana dispensaries that, prior to July 1, 2014, filed articles of incorporation with the California Secretary of State, obtained a California State Board of Equalization seller's permit to operate in the Town of Yucca Valley, and submitted an application to obtain a California State Department of Food and Agriculture license to sell nursery stock within the Town of Yucca Valley; and also those that have operated in the Town within three years prior to January 1, 2015 pursuant to an agreement with the Town; demonstrate a willingness to engage in lawful activity in full compliance with the

Compassionate Use Act, the Medical Marijuana Program Act, and the Attorney General Guidelines, all of which reduce costs associated with local regulation and enforcement efforts.

NOW, THEREFORE, The People of the Town of Yucca Valley do ordain as follows:

Section 3 — Amendment to Section 9.14.050 of the Town of Yucca Valley Development Code.

Section 9.14.050 of the Town of Yucca Valley Development Code is hereby amended as follows (any underlined language is new and is inserted, whereas any strike-through language is existing and is deleted.):

9.14.050 Marijuana Dispensaries

A. Prohibition. The establishment or operation of a marijuana dispensary or medical marijuana dispensary for the sale or distribution of marijuana, including medical marijuana, is prohibited. No special use permit, variance, building permit or other entitlement for use shall be accepted, processed, approved or issued for the establishment or operation of, and no person shall otherwise establish a marijuana dispensary or medical marijuana dispensary. This prohibition shall apply regardless of the professed status of any person as a qualified patient or primary caregiver as those terms are defined by State law. A medical marijuana dispensary that has been provided with written notice from the Town Clerk indicating that its application submitted pursuant to section 9.53.060 or 9.53.070 is complete, shall be exempted from this prohibition and thus eligible for a business registration certificate and regulatory safety permit, so long as that exempted medical marijuana dispensary remains in full compliance with each of the requirements and standards set forth in Chapter 9.53.

B. No person, firm, corporation, association, collective, cooperative, club, society, or other organization shall operate any type of marijuana delivery-by-vehicle service, nor deliver any type of marijuana product to any person at any location other than on the premises of an exempted medical marijuana dispensary as defined in section 9.53.030 of this code.

Section 4 – Amendment to Section 9.99.140 of the Town of Yucca Valley Development Code

Section 9.99.140 of the Town of Yucca Valley Development Code is hereby amended as follows (any underlined language is new and is inserted, whereas any strike-through language is existing and is deleted.):

...

~~**Medical Marijuana Cooperative:** Two or more persons collectively or cooperatively cultivating, using, transporting, processing, administering, delivering or making available medical marijuana, with or without compensation. The term “medical marijuana cooperative” shall include medical marijuana collective.~~

~~**Medical Marijuana Dispensary:** Any facility or location, including a mobile facility or delivery service whether such mobile facility or delivery service is independent from or affiliated with any fixed facility or location in the Town, where medical marijuana is made available to, distributed by, sold or supplied to one or more of the following: (1) more than a single qualified patient, (2) more than a single person with an identification card, or (3) more than a single primary caregiver. The term “medical marijuana dispensary” shall include all facilities or locations, including storefronts and offices, associated with any medical marijuana dispensary, as defined herein, that handle or process the paperwork for joining a medical marijuana or medical marijuana cooperative as defined herein, to receive financial compensation or donations for the marijuana, or give vouchers or other indicia of membership to individuals, regardless of whether marijuana is ultimately dispensed from the location or a mobile or off-site delivery source independent of the facility or location. The term “medical marijuana dispensary” shall also include a medical marijuana cooperative, and any other medical marijuana collective, operator, establishment or provider.~~

Marijuana: As defined in Health and Safety Code, section 11018.

Marijuana Dispensary: Any facility, site, or location (whether for profit or not-for-profit) where marijuana is distributed, sold exchanged, given away, or made available to and/or distributed by or to another.

Medical Marijuana Dispensary: A nonprofit clinic, cooperative, collective, club, business or group comprised of qualified patients and their designated primary caregivers, the sole intent of which is to provide education, referral, or network services, and to facilitate/assist in the lawful production, acquisition, and provision of medical marijuana to its qualified patient participants within the terms of the Compassionate Use Act and the Medical Marijuana Program Act and is organized and operated in compliance with the Attorney General Guidelines.

Section 5 - Amendment of the Yucca Valley Development Code to add Chapter 9.53.

Chapter 9.53 of the Yucca Valley Development Code, is hereby added to read as follows.
(Any underlined language is new and is inserted.):

Chapter 9.53 **Medical Marijuana Dispensaries.**

Sections:

- 9.53.010 Authority and title.
- 9.53.020 Scope of chapter.
- 9.53.030 Definitions.
- 9.53.040 Operating standards.
- 9.53.050 Location Restrictions.
- 9.53.060 Preferred Exemptions
- 9.53.070 Non-preferred Exemptions.
- 9.53.080 Recognized exemptions and regulatory safety permits.
- 9.53.090 Maximum number of medical marijuana dispensaries.
- 9.53.100 Annual Operating Fee.
- 9.53.110 Maintenance of Records
- 9.53.120 Audits
- 9.53.130 Applicability to existing medical marijuana operations
- 9.53.140 Compliance with this chapter and state law
- 9.53.150 Violation and enforcement

9.53.010 Authority and title.

Pursuant to the authority granted by *Article XI, section 7* of the *California Constitution, Health and Safety Code, sections 11362.5 and 11362.7 et seq.*, and *Government Code, sections 37100 and 37101*, the People of the Town of Yucca Valley do enact this chapter, which shall be known and may be cited as the Town of Yucca Valley "Medical Marijuana Dispensary Authorization and Regulation Act."

9.53.020 Scope of chapter.

The operating standards established in this chapter apply to any site, facility, location, use, and nonprofit entity, including but not limited to a cooperative, collective, association, dispensary or other business currently operating in the Town of Yucca Valley that cultivates distributes, dispenses, stores, sells, exchanges, processes, delivers, or gives away marijuana for medical purposes to qualified patients, health care providers, patients' primary caregivers, or physicians, pursuant to *Health and Safety Code, section 11362.5* (adopted as Proposition 215, the

Compassionate Use Act of 1996) or any state regulations adopted in furtherance thereof. Any such facility shall, within the Town of Yucca Valley, operate in conformance with the standards set forth in this Chapter to assure compliance with California law and to mitigate any adverse secondary effects from said operations.

9.53.030 Definitions.

For purposes of this chapter, the following words and phrases shall mean:

"Exempted medical marijuana dispensary" means a medical marijuana dispensary that has been provided written notice from the Town Clerk indicating that its application pursuant to section 9.53.060 or 9.53.070 has been deemed complete, is exempt from the prohibition described in section 9.14.050, and is eligible for a business registration certificate and regulatory safety permit, so long as it remains in full compliance with each of the requirements and standards set forth in Chapter 9.53.

"Cutting" means a cut from a medical marijuana plant that is no more than one foot in length and that can be used to grow another marijuana plant in a different location.

"Marijuana" shall have the same definition as set forth in Health and Safety Code, section 11018.

"Marijuana dispensary" means any facility, site, or location (whether for profit or not-for-profit) where marijuana is distributed, sold exchanged, given away, or made available to and/or distributed by or to another.

"Medical marijuana" means marijuana including all marijuana products, infusions, and concentrates containing the active ingredients of the marijuana plant used for medical purposes in accordance with the Compassionate Use Act and the Medical Marijuana Program Act.

"Medical marijuana dispensary" means a nonprofit clinic, cooperative, collective, club, business or group comprised of qualified patients and their designated primary caregivers, the sole intent of which is to provide education, referral, or network services, and to facilitate/assist in the lawful production, acquisition, and provision of medical marijuana to its qualified patient participants within the terms of the Compassionate Use Act and the Medical Marijuana Program Act, and is organized and operated in compliance with the attorney General Guidelines.

"Operator" means any person responsible for the establishment, organization, supervision, or oversight of the operation of a medical marijuana dispensary, including but not limited to members who perform the functions of president, vice-president, director, operating officer, financial officer, secretary, or treasurer. Ability to control one or more of the following functions shall be prima facie

evidence that such person is an operator: (1) to hire, select, or separate employees or staff, including volunteers; (2) to acquire facilities, furniture, equipment or supplies other than occasional replenishment of stock; (3) to disburse funds of the business other than occasional expenditures for replenishment of stock; or (4) to make, or participate in making, policy decisions relative to the operations of the business.

"Physician" shall have the same definition as set forth in Health and Safety Code, section 11362.7, subd. (a).

"Preferred Exemption" means a medical marijuana dispensary that has Articles of Incorporation file stamped by the California Secretary of State on or before the date of July 1, 2014, a valid California State Board of Equalization Seller's Permit issued on or before the date of July 1, 2014, for operation at a location within the Town of Yucca Valley, and a State of California, Department of Food and Agriculture application for a license to sell nursery stock within the Town of Yucca Valley and proof said application was submitted to and received by the California Department of Food and Agriculture on or before the date of July 1, 2014; or a medical marijuana dispensary that has operated in the Town within three years prior to January 1, 2015 pursuant to an agreement with the Town.

9.53.040 Operating standards.

Each exempted medical marijuana dispensary must comply with the following minimum requirements, in addition to other requirements imposed by the Town of Yucca Valley Development and Municipal Codes.

A. At all times the medical marijuana dispensary is open for business, it shall provide at least one security guard who is licensed, possesses a valid California Department of Consumer Affairs, Bureau of Security and Investigative Services Department "security guard card" at all times, and has a valid Town of Yucca Valley business registration certificate.

B. The security guard and dispensary personnel shall monitor the medical marijuana dispensary facility and its immediate vicinity to assure that patrons leave the site without delay and do not consume medical marijuana at or in the vicinity of the dispensary including, but not limited to, the parking lot.

C. Exterior signage shall be limited to one wall sign not to exceed ten square feet in area and shall not be externally or internally illuminated. Interior signage or advertising may not be visible from the exterior.

D. No recommendation from a physician for medical marijuana shall be issued on-site.

E. There shall be no on-site sales or distribution of alcohol, tobacco, pipes, papers, water pipes, vaporizers or other paraphernalia, and no on-site consumption of food, alcohol, tobacco or marijuana by patrons.

F. Hours of operation shall be limited to 8:00 A.M. to 8:00 P.M. daily.

G. A medical marijuana dispensary shall only dispense medical marijuana to qualified patients and their caregivers as defined by California Health and Safety Code § 11362.5 (Proposition 215). A medical marijuana dispensary shall only dispense medical marijuana to such qualified patients that possess an original valid physician's recommendation, not more than one year old, for medical marijuana use by the patient.

H. A medical marijuana dispensary shall notify patrons of the following, through both the posting of a sign in a conspicuous location, and by oral notification by the dispensary operator:

1. Use of medical marijuana shall be limited to the patient identified on the physician's recommendation. Secondary sale, barter or distribution of medical marijuana is a crime and can lead to arrest.

2. Loitering on and around the dispensary site is prohibited by California Penal Code, section 647(e) and patrons must immediately leave the site and not consume medical marijuana in the vicinity of the dispensary, on the property or in the parking lot.

3. Forgery of medical documents is a felony crime.

4. A warning that patrons may be subject to prosecution under federal marijuana laws.

5. Use of medical marijuana may impair a person's ability to drive a motor vehicle or operate machinery.

I. A medical marijuana dispensary shall not provide medical marijuana to any individual in an amount not consistent with personal medical use.

A medical marijuana dispensary shall not store more than two hundred dollars in cash reserves overnight at the facility.

J. No one under 18 years of age shall be permitted to enter the medical marijuana dispensary.

K. A medical marijuana dispensary shall provide the name and phone number of an on-site staff person to the Yucca Valley Police Administration Division and Community Development Department for notification if there are operational problems with the establishment. Such staff person must respond to the Town by phone within 30 minutes if contacted during business hours.

L. All dispensary operators, employees, and volunteers shall complete a criminal background check, including a Live Scan, and submit same to the Town Community Development Department prior to starting work at the medical marijuana dispensary. All dispensary operators shall complete the criminal background check, including a Live Scan, prior to approval of any entitlement of use, including but not limited to an exemption, regulatory safety permit, or business registration certificate. Operators, employees, or volunteers may not have been convicted of, or plead guilty/no-contest to, a felony within the past seven years.

M. Medical marijuana shall not be grown at medical marijuana dispensary facilities, except that cuttings of the medical marijuana plant may be kept or maintained on-site for distribution to qualified patient and their primary caregivers to cultivate medical marijuana plants off-site and to return medical marijuana from the resulting mature plant for distribution by the dispensary.

N. A medical marijuana dispensary shall comply with the applicable provisions of the California Health and Safety Code, sections 11362.5 through 11362.83, the Yucca Valley Development Code, and the Yucca Valley Municipal Code.

O. If food is distributed at the facility, the medical marijuana dispensary shall comply with all relevant state laws and town ordinances pertaining to the preparation, distribution and sale of food.

P. The property must provide a sufficient odor absorbing ventilation and exhaust system so that odor generated inside the property is not detected outside the property, anywhere on adjacent property or public rights-of-way, or within any other unit located within the same building as the medical marijuana dispensary.

Q. The medical marijuana dispensary, interior and exterior, shall be monitored at all times by web-based closed-circuit television for security purposes. The camera and recording system must be of adequate quality, color rendition and resolution to allow the ready identification of any individual committing a crime anywhere on or adjacent to the location. The recordings shall be maintained for a period of not less than ninety days. The Yucca Valley Police Administration

Division may request the recordings in connection with an investigation. If the recordings are not voluntarily provided, the Police Administration Division may seek a warrant or court order for the recordings.

R. The medical marijuana dispensary shall have a centrally-monitored fire and burglar alarm system and the building or the portion of the building where the dispensary is located shall contain a fire-proof safe;

S. No manufacture of concentrated cannabis in violation of California Health and Safety Code section 11379.6 is allowed;

T. No medical marijuana dispensary shall operate for profit. Cash and in-kind contributions, reimbursements, and reasonable compensation provided by qualified patient participants and their primary caregivers (as those terms are defined by Health & Safety Code 11362.5) towards the medical marijuana dispensary's actual expenses of the growth, cultivation, and provision of medical marijuana shall be allowed provided that they are in strict compliance with State Law. All such cash and in-kind amounts and items shall be fully documented.

U. If the medical marijuana dispensary operator is not the owner of the property where the dispensary is to operate, the operator shall provide evidence to the Town prior to issuance of any entitlement or license for use that the property owner(s) consent to the operation of a medical marijuana dispensary on the property and a copy of the lease.

V. The medical marijuana dispensary may operate only at the location indicated on the Board of Equalization seller's permit submitted with the dispensary's application for an exemption under section 9.53.060 or 9.53.070.

W. The medical marijuana dispensary shall not operate any type of delivery-by-vehicle service or provide any product to a patient or participant at any location other than on the premises of the medical marijuana dispensary.

X. All medical marijuana sold or otherwise distributed by the medical marijuana dispensary shall be packaged and contain a label in print large enough to be readable that includes the following statement:

WARNING: THIS PRODUCT CONTAINS MARIJUANA. THIS PRODUCT IS MANUFACTURED WITHOUT ANY REGULATORY OVERSIGHT FOR HEALTH, SAFETY, OR MEDICAL EFFECTIVENESS. THERE MAY BE HEALTH RISKS ASSOCIATED WITH THE INGESTION OR USE OF THIS PRODUCT.

9.53.050 Location Restrictions.

A. A medical marijuana dispensary may operate only in the “Industrial” and “Old Town Industrial/Commercial” zoning districts.

B. No medical marijuana dispensary may be located within:

(1) 600 feet of a “school”, as defined under Health and Safety Code 11362.768 (h);

(2) 600 feet of a licensed child care facility or place where children under the age of 18 regularly gather;

(3) 600 feet of a church or house of worship existing as of the effective date of this section;

(4) 200 feet of any state highway (including State Highways 62 and 247);

(5) The distances outlined above shall be construed as the horizontal distance measured in a straight line from the property line of the school, licensed child care facility, or place where children under the age of 18 regularly gather, to the closest property line of the medical marijuana dispensary.

9.53.060 Preferred Exemptions

A. Within thirty (30) calendar days following the effective date of Chapter 9.53, the Town Clerk shall cause to be prepared an application form for use by medical marijuana dispensaries applying for a preferred exemption from Section 9.14.050.

B. The application for preferred exemption shall require a medical marijuana dispensary to pay a non-refundable processing fee in an amount established by the Town Council and submit a copy of either (a) all of items 1 thru 5 below, or (b) items 5 and 6 below:

1. Its Articles of Incorporation file stamped by the California Secretary of State on or before the date of July 1, 2014;

2. A valid California State Board of Equalization Seller’s Permit issued on or before the date of July 1, 2014 for operation at a location within the Town of Yucca Valley;

3. A State of California, Department of Food and Agriculture application for a license to sell nursery stock within the Town of Yucca Valley and proof said application was submitted to and received by the California Department of Food and Agriculture on or before the date of July 1, 2014;

4. Its most recent Statement of Information file stamped by the Secretary of State, with any amendments thereto;

5. The name, home address, telephone number, title and function(s) of each and every proposed operator of the medical marijuana dispensary, and a fully legible copy of one valid government issued form of photo identification, such as State Driver's License or Identification Card, for each and every proposed operator;

6. Evidence that demonstrates to the satisfaction of the Town Clerk that the medical marijuana dispensary has operated in the Town within three years prior to January 1, 2015 pursuant to an agreement with the Town.

C. Thirty-one (31) days following the date of enactment of Chapter 9.53, the Town Clerk shall begin accepting applications for preferred exemptions.

D. The Town Clerk shall ensure that each application for exemption is date and time stamped and processed in the order in which it was received. For any applications received essentially simultaneously, as determined by the Town Clerk, the order in which they are processed shall be determined by random drawing.

E. Any medical marijuana dispensary application for any exemption submitted after the Town Clerk has issued written notices of completion of application for exemption to the maximum number of medical marijuana dispensaries, as set forth in section 9.53.090, shall be rejected. The Town Clerk shall resume accepting applications pursuant to section 9.53.070 ninety days after the total number of medical marijuana dispensaries with recognized exemption falls below the maximum limit set forth in section 9.53.090, with public notice provided pursuant to section 9.53.070(C).

F. Any application for preferred exemption submitted by a medical marijuana dispensary which does not fully comply with the requirements set forth in Section 9.53.060 shall be rejected.

G. No two applications for any exemption may be from the same corporation as indicated on the Articles of Incorporation. No person listed as an operator, or incorporator or officer on the Articles of Incorporation or Statement of Information submitted by a dispensary with its exemption application, may be listed as an operator, incorporator, or officer on any other applicant's Articles of Incorporation or Statement of Information or application, unless the prior application had been awarded an exemption that expired or was revoked. At least one operator

listed on an exemption application must also be an incorporator or officer listed on the applicant's Articles of Incorporation or Statement of Information.

H. Within ten (10) business days following submittal of an application for preferred exemption, the Town Clerk shall determine whether the application is complete, and shall either:

1. Notify the applicant in writing that the application for preferred exemption is complete; or
2. Notify the applicant in writing that the application for preferred exemption is incomplete, and set forth the reason(s) therefore, including all additional information and documentation necessary to render the application complete.

I. The applicant shall have fifteen (15) business days from the date of notice of incomplete application for preferred exemption to submit all additional information and documentation identified by the Town Clerk to complete the application. Any amended application for preferred exemption shall maintain the original date and time stamp in the order in which it was received, as set forth in section 9.53.060, subd. (D).

J. Within ten (10) business days following receipt of an amended application for preferred exemption set forth in section 9.53.060, subd. (I), the Town Clerk shall determine whether the application is complete, and shall either:

1. Notify the applicant in writing that the application for preferred exemption is complete; or
2. Notify the applicant in writing that the application for preferred exemption remains incomplete setting forth the reasons therefore and shall be considered rejected and null and void.

9.53.070 Non-preferred Exemptions.

A. Within thirty (30) calendar days following the effective date of Chapter 9.53, the Town Clerk shall cause to be prepared an application form for use by medical marijuana dispensaries applying for a non-preferred exemption from Section 9.14.050.

B. The application for non-preferred exemption shall require a medical marijuana dispensary to pay a non-refundable processing fee in an amount established by the Town Council and attach a copy of:

1. Its Articles of Incorporation file-stamped by the California Secretary of State;

2. Its most recent Statement of Information file stamped by the Secretary of State, with any amendments thereto;

3. The name, home address, telephone number, title and function(s) of each and every proposed operator of the medical marijuana dispensary, and a fully legible copy of one valid government issued form of photo identification, such as State Driver's License or Identification Card, for each and every proposed operator;

C. One hundred and eighty (180) calendar days following the date of enactment of Chapter 9.53, the Town Clerk shall begin accepting applications for non-preferred exemptions. At least 60 days prior to the opening of any non-preferred exemption application period, the Town Clerk shall mail notice of the date of such opening to all persons who have submitted a request for such notice to the Town Clerk in writing.

D. The Town Clerk shall ensure that each application for non-preferred exemption is date and time stamped and processed in the order in which it was received. For any applications received essentially simultaneously, as determined by the Town Clerk, the order in which they are processed shall be determined by random drawing.

E. Any medical marijuana dispensary application for non-preferred exemption submitted after the Town Clerk has issued written notices of completion of application for exemption to the maximum number of medical marijuana dispensaries, as set forth in section 9.53.090, shall be rejected. The Town Clerk shall resume accepting applications pursuant to section 9.53.070 ninety days after the total number of medical marijuana dispensaries with recognized exemption falls below the maximum limit set forth in section 9.53.090, with public notice provided pursuant to section 9.53.070(C).

F. Any application for non-preferred exemption submitted by a medical marijuana dispensary which does not fully comply with the requirements set forth in Section 9.53.070 shall be rejected.

G. No two applications for non-preferred exemption may be from the same corporation as indicated on the Articles of Incorporation. No person listed as an operator, or incorporator or officer on the Articles of Incorporation or Statement of Information submitted by a dispensary with its non-preferred exemption application, may be listed as an operator, incorporator, or officer on any other applicant's Articles of Incorporation or Statement of Information or application, unless the prior application had been awarded an exemption that expired or was revoked. At least one

operator listed on a non-preferred exemption application must also be an incorporator or officer listed on the applicant's Articles of Incorporation or Statement of Information.

H. Within ten (10) business days following application for non-preferred exemption, the Town Clerk shall determine if the application is complete, and shall either:

1. Notify the applicant in writing that the application for non-preferred exemption is complete; or
2. Notify the applicant in writing that the application for non-preferred exemption is incomplete, and set forth the reason(s) therefore, including all additional information and documentation necessary to render the application complete.

I. The applicant shall have fifteen (15) business days from the date of notice of incomplete application for non-preferred exemption to submit all additional information and documentation identified by the Town Clerk to complete the application. Any amended application for non-preferred exemption shall maintain the original date and time stamp in the order in which it was received, as set forth in section 84.10025, subd. (D).

J. Within ten (10) business days following receipt of an amended application for non-preferred exemption set forth in section 9.53.070, subd. (I), the Town Clerk shall determine whether the application is complete, and shall either:

1. Notify the applicant in writing that the application for non-preferred exemption is complete; or
2. Notify the applicant in writing that the application for non-preferred exemption remains incomplete setting forth the reasons therefore and shall be considered rejected and null and void.

9.53.080 Recognized exemptions and regulatory safety permits.

A. A medical marijuana dispensary that has been provided with written notice from the Town Clerk indicating that its preferred or non-preferred exemption application pursuant to section 9.53.060 or 9.53.070 has been deemed complete, shall be exempt from the prohibition described in section 9.14.050, and shall be eligible for a business registration certificate and eligible to apply for a regulatory safety permit, so long as said exempted medical marijuana dispensary remains in full compliance with each of the requirements and standards set forth in this Chapter;

B. Every medical marijuana dispensary shall obtain a Regulatory Safety Permit from the Director of the Community Development Department (“Director”). It shall be unlawful for any person, association, partnership or corporation to engage in, conduct or carry on, in or upon any premises within the Town a medical marijuana dispensary without the required regulatory safety permit. A copy of the Regulatory Safety Permit shall be displayed at all times in a place visible to the public in the medical marijuana dispensary.

C. Any medical marijuana dispensary desiring a regulatory safety permit required by this chapter shall, prior to initiating operations and within 45 days after being sent notice of its exemption under section 9.53.060 or 9.53.070, complete and file an application to the Director on a form supplied by the Director. The application shall be filed together with a nonrefundable fee as establish by resolution of the Town Council, to defray the cost of investigation required by this section. The application shall contain all of the following:

1. The address where the medical marijuana dispensary will operate;
2. A site plan describing the property with full dimensioned interior and exterior floor plans including electrical, mechanical, plumbing, and disabled access compliance pursuan to to Title 24 of the California Code of Regulations and the federally mandated Americans with Disabilities Act;
3. Exterior photographs of the entrances, exits, street frontages, parking, front, rear, and sides of the proposed property;
4. Photographs depicting the entire interior of the proposed property;
5. If the property is being rented or leased or is being purchased under contract, a copy of such lease or contract;
6. If the property is being rented or leased, written proof that the property owner, and landlord if applicable, were given notice that the property will be used as a medical marijuana dispensary, and that the property owner, and landlord if applicable, agree to said operations;
7. The name, home address, telephone number, title and function(s) of each and every proposed operator, employee, and volunteer of the medical marijuana dispensary, and a fully legible copy of one valid government issued form of photo identification, such as State Driver’s License or Identification Card, for each and every proposed operator, employee, or volunteer. This information must be updated as operators, employees, and volunteers change;

8. Reliable proof obtained pursuant to section 9.53.040(L) that no medical marijuana dispensary operator, employee, or volunteer has been convicted of, or plead guilty/no-contest to, a felony within the past seven years.

9. A certified copy of the dispensary's Secretary of State Articles of Incorporation, Certificate(s) of Amendment, Statement(s) of Information, and a copy of the dispensary's Bylaws;

10. The name and address of the dispensary's current agent for service of process;

11. A copy of the dispensary's Board of Equalization Seller's Permit issued for operation at a location within the Town of Yucca Valley;

12. A copy of the medical marijuana dispensary operating standards and locational restrictions, listed in sections 9.53.040 and 9.53.050, containing a statement dated and signed by all dispensary operators stating under penalty of perjury that they have read, understand, and shall ensure compliance with the aforementioned operating standards.

D. The Director shall have sixty (60) calendar days in which to investigate the application and background of the applicant. The building department, the fire department, and the San Bernardino County Health Department shall inspect the premises proposed for the dispensary and shall make separate recommendations to the Director concerning compliance with the foregoing provisions.

The Director, after receiving the application and aforementioned recommendations, shall grant the permit only if he finds all of the following:

- (1) The required fee has been paid.
- (2) The application conforms in all respects to the provisions of this chapter.
- (3) The applicant has not knowingly made a material misrepresentation in the application.
- (4) the applicant has fully cooperated in the investigation of his or her application.
- (5) The applicant has not had an exemption, regulatory safety permit, or other similar license or permit denied or revoked for cause by this Town or any other city or county located in or out of this state within the five (5) years prior to the date of application.
- (6) The dispensary as proposed by the applicant would comply with all applicable laws including, but not limited to, health, zoning, fire, and safety requirements.

(7) The applicant has demonstrated compliance with the California Department of Justice, Office of the Attorney General, “Guidelines for the Security and non-Diversion of Marijuana Grown for Medical Use” standards.

(8) A regulatory safety permit shall not authorize construction of a new structure or additional habitable space to an existing structure. Regulatory Safety Permit applications which propose new construction or additions to existing structures shall comply with the application and review processes established by the Yucca Valley Development Code and any other land use plan in effect, and shall require Planning Commission review and approval.

(9) The applicant shall demonstrate compliance with the following Town of Yucca Valley Development Code minimum standards. The Director is also authorized to require compliance with provisions of the Development Code pursuant to Chapter 9.63, Conditional Use Permit requirements, and Chapter 9.68, Site Plan and Design Review where deemed necessary. The minimum standards shall include, but not be limited to:

a. Parking and screening requirements

b. Outdoor Lighting regulations

c. Commercial Design Guidelines

d. Dedication of easements for drainage facilities, streets, trails, avigation easements as required by the Development Code or any adopted land use plan.

e. Utility undergrounding.

f. ADA Access from adjacent streets and the site parking facility to the project structure.

g. Control of vehicular ingress and egress.

h. Control of on-site traffic and pedestrian circulation.

i. Control of potential nuisances;

j. Indemnification

k. Trash containment and collection.

l. Native Plant Regulations

Alternatively, the Director may refer an application for regulatory safety permit to the Planning Commission.

E. Any exempt dispensary not filing an application for regulatory safety permit within 45 days after being sent notice of its exemption shall lose its exempt status. Any exempt dispensary whose application for a regulatory safety permit is denied, or whose regulatory safety permit expires or is revoked, shall lose its exempt status. In all such cases, 90 days after the loss of any dispensary's exempt status, the Town Clerk shall resume processing and accepting exemption applications pursuant to 9.53.070(E), with public notice provided pursuant to section 9.53.070(C), until the available exemptions are filled.

F. A Regulatory Safety Permit shall be valid for a period of one (1) year, unless sooner revoked. Applications for the renewal of a regulatory safety permit shall be filed with the Director at least sixty (60) calendar days before the expiration of the current permit. Temporary permits will not be issued. Any permittee allowing his or her permit to lapse shall be required to submit a new exemption application under section 9.53.070 and pay the corresponding fees.

G. The regulatory safety permit renewal application shall be a written application to the Director under penalty of perjury. The application shall be accompanied by a nonrefundable filing fee established by separate resolution of the Town Council to help defray the cost of the investigation required for such renewals. An applicant shall be required to update the information contained in his/her prior regulatory safety permit application and provide any new and/or additional information as may be reasonably required by the Director in order to determine whether said permit should be renewed.

9.53.090 Maximum number of medical marijuana dispensaries

The number of exempted medical marijuana dispensaries within the Town shall be limited to one (1) per ten thousand (10,000) Town residents. This number shall increase with each additional ten thousand Town residents, such that for twenty thousand (20,000) Town residents the number of medical marijuana dispensaries would be limited to two (2), for thirty thousand (30,000) Town residents the number would be limited to three (3) medical marijuana dispensaries, and so on. The population figures to be used shall be those most recently determined and promulgated by the California Department of Finance for cities, counties and states.

9.53.100 Annual operating fee

Each medical marijuana dispensary operating with a regulatory safety permit shall be required to pay an annual operating fee to the Town, in an amount to be established by Town

Council resolution, to assist the Town in recovering increased law enforcement costs incurred as a result of dispensary operations in the Town. The operating fee shall be increased each year by the increase in the Consumer Price Index.

9.53.110 Maintenance of Records

A medical marijuana dispensary shall maintain records at the location accurately and truthfully documenting: (1) the full name, address, and telephone number(s) of the owner, landlord and/or lessee of the location; (2) the full name, address, and telephone number(s) of all operators and other members who are engaged in the management of the dispensary and the exact nature of each member's participation in the management of the dispensary; (3) the full name, address, and telephone number(s) of all patient members to whom the dispensary provides medical marijuana, and a copy of a government-issued identification card for all patient members; (4) the full name, address, and telephone number(s) of all primary caregiver members to whom the dispensary provides medical marijuana; (5) all receipts of the collective, including but not limited to all contributions, reimbursements, and reasonable compensation, whether in cash or in kind, and all expenditures incurred by the collective for the cultivation of medical marijuana; and (6) proof of compliance with the California Attorney General Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use. These records shall be maintained by the dispensary for a period of five years and shall be made available by the dispensary to the Police Administration Division and/or Community Development Department upon request. If they are not produced as requested the Town may seek a search warrant, subpoena, or court order. In addition to all other formats that the dispensary may maintain, these records shall be stored by the dispensary at the location in a printed format in its fire-proof safe. Any loss, damage or destruction of the records shall be reported to the Town Community Development Department within 24 hours of the loss, destruction or damage.

9.53.120 Audits

No later than February 15 of every year, each dispensary shall file with the Town one copy of an audit of its operations of the previous calendar year, completed and certified by an independent certified public accountant in accordance with generally accepted auditing and accounting principles. The audit shall include but not be limited to a discussion, analysis, and verification of each of the records required to be maintained pursuant to this chapter.

9.53.130 Applicability to existing medical marijuana operations

Any existing medical marijuana collective, dispensary, operator, establishment, or provider that does not comply with the requirements of this chapter must immediately cease operation until such time, if any, when it complies fully with the requirements of this chapter. No medical marijuana collective, dispensary, operator, establishment, or provider that existed prior to the enactment of this chapter shall be deemed to be a legally established use under the provisions of this chapter, and such medical marijuana collective, dispensary, operator, establishment, or provider shall not be entitled to claim legal nonconforming status.

9.53.140 Compliance with this chapter and state law

A. It is unlawful for any person to (i) cause, permit or engage in the cultivation, possession, distribution or giving away of medical marijuana or (ii) own establish, operate, use or permit the establishment or operation of a medical marijuana dispensary, or to participate as an employee, contractor, agent or volunteer of a dispensary, except as provided in this chapter, and pursuant to any and all other applicable local and state laws.

B. It is unlawful for any person to knowingly make any false, misleading or inaccurate statements or representations in any forms, records, filings or documentation required to be maintained, filed or provided to the Town under this chapter, or to any other local, state or federal government agency having jurisdiction over any of the activities of dispensaries.

C. It shall be the sole responsibility of the members engaged in the management of the dispensary to ensure that the dispensary is at all times operating in a manner compliant with all applicable state laws and this chapter. Nothing in this chapter shall be construed as authorizing any actions which violate state law with regard to the cultivation, transportation, provision, and sale of medical marijuana.

D. Each exemption or regulatory safety permit issued pursuant to this chapter is personal to the operators and shall not run with the land. Medical marijuana dispensary operators shall not transfer or assign the exemption or regulatory safety permit rights or obligations thereunder, directly or indirectly, voluntarily or by operation of law, without the transferee/assignee obtaining a new exemption and regulatory safety permit. For purposes of this section, “transfer” or “assign” means a transfer, assignment, conveyance, hypothecation, mortgage, pledge, or encumbrance to any person or group of persons acting in concert of more

than twenty-five percent (25%) of the present equity ownership and/or more than twenty-five percent (25%) of the voting control of the medical marijuana dispensary or any general partner of the medical marijuana dispensary in the aggregate, taking all transfers into account on a cumulative basis, except transfers of such ownership or control interest between members of the same immediate family, or transfers to a trust, testamentary or otherwise, in which the beneficiaries are limited to members of the transferor's immediate family.

9.53.150 Violation and enforcement

A. Upon violation of any provision of this chapter, a dispensary's regulatory safety permit may be revoked by the Director of Community Development pursuant to the procedures in Chapter 9.84. A regulatory safety permit shall not be considered revoked for purposes of section 9.53.080(E) until all administrative and judicial appeals have been exhausted, or the deadlines or statute of limitations for same has expired, and the revocation decision has therefore become final.

B. Each and every violation of this chapter shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by the Town Municipal Code. Additionally, as a nuisance per se, any violation of this article shall be subject to injunctive relief, revocation of the collective's regulatory safety permit, revocation of the certificate of occupancy for the location, costs of abatement, costs of investigation, attorney fees, and any other relief or remedy available at law or equity. The Town may also pursue any and all remedies and actions available and applicable under local and state laws for any violations committed by the dispensary and persons related or associated with the dispensary.

C. In addition to any other remedy provided by law, the Town may issue administrative citations in response to violations of this chapter, pursuant to Yucca Valley Municipal Code Chapter I.04. The amount of the administrative citation for violation of this chapter shall be established by resolution of the Town Council.

Section 6 - Amendment to Section 9.10.020 of the Town of Yucca Valley Development Code.

Section 9.10.020, Table 2-18, Industrial District land use table, of the Town of Yucca Valley Development Code, is hereby amended as follows (Any underlined language is new and is inserted, whereas any strike-through language is existing and is deleted):

...

Type of Use	Permit Required	Notes and Other Regulations
Medical Marijuana Dispensary	NP P	Permitted only in compliance with Chapter 9.53

...

Section 7 – Amendment to Table 4-1 of Old Town Yucca Valley Specific Plan.

Table 4-1 in Section 4.3.1 of the Old Town Yucca Valley Specific Plan, adopted by Ordinances 185 and 186 of the Town Council as described in Section 9.13.050, is hereby amended as follows (Any underlined language is new and is inserted, whereas any strike-through language is existing and is deleted.):

...

Permit Requirement by District							
Land Use	OTMU	OTHC	OTCR	OTIC	HE Overlay		Notes:
Miscellaneous							
...							
<u>Medical Marijuana Dispensary</u>	-	-	-	P	-		<u>Permitted only in compliance with Developm</u>

									<u>ent Code</u>
									<u>Chapter</u>
									<u>9.53</u>
...									

...

Section 8 - Amendment and Repeal.

The code provisions added by, amended by, or contained in this initiative ordinance may be amended only to further its purposes by ordinance passed by a majority vote of the Yucca Valley Town Council. The code provisions added by, amended by, or contained in this initiative ordinance shall not be repealed, except by an ordinance adopted by a vote of the electors.

Section 9 - Severability.

Should any provision of this initiative ordinance, or its application to any person or circumstance, be determined by a court of competent jurisdiction to be unlawful, unenforceable or otherwise void, voidable, or invalid, that determination shall have no effect on any other provision, or the application of this initiative to any other person or circumstance and, to that end, the provisions hereof are severable. By approving this ordinance the voters intend that each section and sub-section be explicitly severable, part-by-part, phrase-by-phrase, and word-by-word, thus that the minimum language held invalid be severed.

Section 10 - Effective Date.

After its adoption by the voters, this ordinance shall be in full force and effect ten (10) days after the vote is declared by the legislative body.

TOWN COUNCIL STAFF REPORT

To: Honorable Mayor & Town Council
From: Debra Breidenbach-Sterling, Human Resources Manager
Date: February 23, 2015
For Council March 3, 2015
Meeting:

Subject: Award of Contract for Total Compensation and Classification Study

Prior Council Review: With the approval of the FY 2014-16 adopted budget, the Council allocated funding for the completion of a Total Compensation and Classification Study.


Recommendation: It is recommended that the Council approve the award of contract for Total Compensation and Classification Study to Koff & Associates in the amount of \$42,100.00 and authorize the Town Manager and Town Attorney to prepare and execute a professional services agreement utilizing the Town's standard professional agreement form. Additionally, it is recommended that the Council establish an Ad Hoc committee to be involved throughout the study, and appoint two councilmembers to the committee.

Order of Procedure:

- Request Staff Report
- Request Public Comment
- Council Discussion/Questions of Staff
- Motion/Second
- Discussion on Motion
- Call the Question (Roll Call Vote)

Discussion: The Town is grateful for the dedication and support of the Town's workforce, and recognizes that successful delivery of Town services requires an efficient and effective employee team. Since incorporation, the Town and its employees have worked together to establish a solid and respectful relationship built upon transparency and open communication. Over the years, the Town has committed to fair and competitive employment compensation practices, while the employees have committed to working with the Town to establish a financially responsible and sustainable labor structure.

Recognizing that accurate job classifications and competitive compensation practices are critical components of the employment process, the Town occasionally reviews employee classification and compensation. The Town's last classification and

Reviewed By:	 Town Manager	_____ Town Attorney	_____ Finance	_____ Department
<input checked="" type="checkbox"/> Department Report	<input type="checkbox"/> Ordinance Action	<input type="checkbox"/> Resolution Action	<input type="checkbox"/> Public Hearing	
<input type="checkbox"/> Consent	<input checked="" type="checkbox"/> Minute Action	<input type="checkbox"/> Receive and File	<input type="checkbox"/> Study Session	

compensation study was conducted in 2006 and implemented in 2007. Since that time, the Town has gone through significant changes in its labor structure. These changes have resulted in a number of impacts including the following:

- Decrease in the Town's work force by forty percent from 2007 levels.
- Elimination of certain director level positions.
- Realignment of various positions.
- Addition and deletion of certain job titles.
- Reorganization of some divisions or departments.

It is important to review compensation and classifications at regular intervals to address salary alignment, benefits, and proper classification. The proposed study will provide both staff and the Town Council with data necessary to address the identified changes, ensure legal compliance, and will provide the Town with comparable organizations to benchmark positions. Additionally, the study will provide a tool for staff use in the development of succession plans, by providing essential compensation and benefit data for competitive, viable recruitments that attract well-qualified candidates.

Staff prepared a Request for Proposal for a Total Compensation and Classification Study with responses due by January 15, 2015. Staff received proposals from the following five consulting firms:

- CPS HR Consulting
- Public Management Group
- Mercer Group
- Creative Management Group
- Koff & Associates

The responses were evaluated using criteria consisting of experience with similar study projects in similar environments, demonstrated work plan and approach, experience with integrating Council/Management/Employee support, communication of a thorough understanding of the proposal request, and cost considerations. Koff & Associates provided a proposal that best met all of the criteria identified in the request. Staff contacted recent references and found the references to be supportive of the professionalism, budget, end work product, and the timeliness of the agreed upon schedule.

Based on the above criteria, staff is requesting that Council approve the Award of Contract to Koff & Associates for a not to exceed amount of \$42,100.00.

Ad Hoc Committee

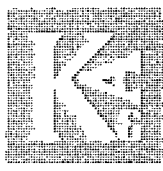
It is also recommended that the Council consider the establishment and assignment of two councilmembers to an ad hoc committee that will participate in the study process

and provide additional policy guidance recommendations to the Council as the study progresses.

Alternatives: None recommended.

Fiscal impact: The FY 2014/16 Adopted Budget provides \$42,100.00 in the Human Resources/Risk Management line item 001-10-11-7820 for this and other special projects. The recommended action is accommodated by the adopted budget.

Attachments: Koff & Associates Proposal



Classification and Compensation Consulting Services Proposal

Town of Yucca Valley

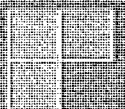
Submittal Date: January 15, 2015

Koff & Associates

Katie Kaneko
President

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January 14, 2015

Ms. Debra Breidenbach-Sterling
Human Resources Manager
Town of Yucca Valley
57090 Twentynine Palms Highway
Yucca Valley, CA 92284

Dear Ms. Breidenbach-Sterling,

Thank you for the opportunity to respond to your request for proposals for a Classification and Compensation Study for the Town of Yucca Valley. We are most interested in assisting the Town with this important work and feel that we are uniquely qualified to provide value to your organization based on our experience working with other towns, cities, counties, and public agencies throughout California.

We have developed K&A's collaborative, transparent, and inclusive methodology over thirty years to ensure optimal outcomes and success rates with all of our projects, particularly when various different stakeholders with potentially divergent or conflicting priorities are involved. Our consensus-driven approach has always avoided formal appeals at the end of our studies, ensuring that clients are not left with a divided organization and negatively impacted employee morale.

Our number one priority is to meet the Town's needs and requirements. Having conducted hundreds of classification and compensation studies over 30 years, our firm has developed project management skills that control cost, ensure on-time delivery of end products, diligent management of project staff, and effective crisis management if unexpected issues and concerns arise throughout the project.

The Town of Yucca Valley desires human resources consulting assistance to conduct an objective job evaluation, classification review, and development of compensation systems for all positions and job classifications in order to make recommendations regarding the appropriateness, internal equity, and external competitiveness of the Town's classification and compensation plans. The Town currently has close to thirty four-and-a-half (34.5) full-time equivalent and sixteen (16) part-time positions budgeted and allocated to approximately forty (40) job classifications.

Koff & Associates is an experienced Human Resources consulting firm that has been providing classification and compensation consulting services to towns, cities, counties, special districts, courts, educational institutions, and other public agencies for over thirty years. The firm is a woman-owned California small business corporation and has achieved a reputation for working successfully with management, employees, union representatives, and governing bodies. We believe in a high level of dialogue and input from study stakeholders and our proposal speaks to that level of effort. That extra effort has resulted in close to *100% implementation* of all of our classification and compensation studies.

Koff & Associates is a small firm that accepts only as much work as our own staff can handle. This ensures a high level of quality control, excellent communication between clients and our office, commitment to meeting timelines and budgets, and a consistent high-caliber work product. No subcontractors will be used for purposes of any work for this project.



As Chief Executive Officer of the Firm, Georg Krammer would assume the role of Project Director and be responsible for the successful completion of the project. We can both be reached at the Berkeley address and phone number listed below. Georg's email is gkrammer@koffassociates.com and my email is kkaneko@koffassociates.com.

We understand and agree with all terms and conditions contained in the RFP, the sample professional services agreement, and this proposal will remain valid for ninety (90) days from the date of submittal. Please call if you have any questions or wish additional information. We look forward to the opportunity to provide professional services to the Town of Yucca Valley.

Sincerely,

Katie Kaneko
President



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Project Approach

Introduction – Understanding of the Project

The Town of Yucca Valley desires human resources consulting assistance to conduct an objective job evaluation, classification review, and development of compensation systems for all positions and job classifications in order to make recommendations regarding the appropriateness, internal equity, and external competitiveness of the Town's classification and compensation plans. The Town currently has close to thirty four-and-a-half (34.5) full-time equivalent and sixteen (16) part-time positions budgeted and allocated to approximately forty (40) job classifications.

The study's purpose is to initially develop an updated and well-structured classification system and classification descriptions for all study positions that are legally compliant (including Fair Labor Standards Act (FLSA) and Americans with Disabilities Act (ADA) requirements), internally aligned, reflective of contemporary standards, and accurately reflect current roles, responsibilities, duties, and qualifications. The classification analysis process includes orientation and briefing sessions with employees, management, Human Resources, and other stakeholders, as appropriate; the completion of a position description questionnaire by employees; interviews with at least a representative sample of employees in each study classification; and interviews with supervisors and management to address any classification issues. All participating employees will be allocated to an appropriate classification and draft classification descriptions will be developed and sent back to the Town and incumbents for additional feedback and concurrence.

A second level of effort will be to review the Town's compensation structure for the studied classifications and to conduct a compensation market survey (salaries and benefits) using a set of appropriate comparator agencies. The identification of comparator agencies, benchmark classifications, and benefits to be collected is an iterative process that includes all stakeholders. We have found this open discussion philosophy to be critical to our success for organizational buy-in. Once the external data development is completed, we will make specific recommendations for internal equity for non-benchmarked positions and positions without a large enough market sampling.

The compensation study will contain specific recommendations regarding the integration of all study classifications into a clear compensation structure, with the goal of developing a clearly designed, internally equitable format that is flexible for career opportunity and future growth. Our study will make recommendations regarding a salary structure that takes the Town's compensation preferences into consideration and regarding the appropriate placement of each classification on that structure.

The study includes a significant number of meetings with the Study Project Team, human resources, management, employees, employee representation, and Town Council, as desired. We have expertise in labor/management relations and understand the importance of active participation by all stakeholders to ensure a successful outcome. The meetings and "stakeholder touch-points" that we recommend ensure understanding of the project parameters, enhance accurate intake and output of information, and improve a collaborative and interactive approach that will result in greater buy-in for study recommendations. This interactive approach, although time-consuming, has resulted in almost 100% implementation success of K&A's studies.



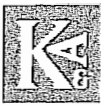
Study Objectives

Classification Objectives

- To analyze and update the Town's classification system and each study position's classification description and structure through a comprehensive process of job analysis and evaluation, including review of existing documentation, position description questionnaire completion, employee interviews, management interviews, analysis of existing positions and working situations, analysis of levels of duties and responsibilities, and other professional methods, as appropriate;
- To recommend each study position for title change or reclassification (as appropriate), create new classifications (if applicable), eliminate outdated classifications (if applicable), and consolidate classifications assigned to similar functional areas (as appropriate);
- To provide for growth and flexibility of assignment within the new classification structure, where feasible, in recognition that some job duties and responsibilities may evolve over time, as well as adequate career paths and class series/job families that will foster career service within the Town;
- To clearly state definitions of job classifications, the essential functions, and minimum requirements and preferred requirements such as education, prior work experience, knowledge, skills, abilities, and physical requirements;
- To provide a classification structure that ensures regulatory compliance, including allocation of each selected study position to the correct classification with appropriate FLSA designation, as well as, meeting Federal ADA regulations;
- To provide for adequate educational, review, and appeal processes that will result in a product that is understood by all levels of personnel and is internally equitable; and
- To ensure sufficient documentation and training throughout the study, including classification concepts, distinguishing characteristics, and final reports and recommendations to guide the organization in implementing, managing, and maintaining the classification system.

Compensation Objectives

- To make recommendations regarding a list of appropriate comparator agencies, benchmark classifications, and benefits to be collected prior to beginning the compensation portion of the study;
- To collect accurate salary and benefit data from the approved group of comparator agencies and to ensure that the information is analyzed in a manner that is clear and comprehensible to Human Resources, management, the Study Project Team, and employees;
- To carefully analyze the scope and level of duties and responsibilities, requirements for successful work performance, and other factors for survey classes according to generally accepted compensation practices;
- To review the Town's compensation structure and practices and develop compensation recommendations that will assist the Town to recruit, motivate, and retain competent staff;
- To develop solutions to address pay equity issues, analyze the financial impact of addressing pay equity issues, and create a market adjustment implementation strategy supporting the organization's goals, objectives, and budget considerations;
- To evaluate benefit offerings in the labor market and make recommendations for better alignment and/or different benefit offerings as indicated by the analysis and best practices;



- To create an inclusive final report summarizing the administrative and process methodologies, analytical tools, findings, and recommended compensation structure;
- To recommend appropriate internal salary relationships and allocate classes to salary ranges in a comprehensive salary range plan; and
- To ensure sufficient documentation and training throughout the study so that our recommendations can be implemented and maintained in a competent and fair manner.

Overall Objectives

- To review and understand all current documentation, rules, regulations, policies, procedures, budgets, class descriptions, organizational charts, memoranda of understanding, personnel policies, wage and salary schedules, and related information so that our recommendations can be operationally incorporated with a minimum of disruption;
- To conduct start-up Study Project Team meetings with management, study project staff, and other stakeholders to discuss any specific concerns with respect to the development of classification and compensation recommendations; finalize study plans and timetables; conduct employee orientation sessions with management and staff in order to educate and explain the scope of the study and describe what are and are not reasonable study expectations and goals;
- To work collaboratively and effectively with the Town and its stakeholders while at the same time maintaining control and objectivity in the conduct of the study;
- To develop a classification and compensation structure that meets all legal requirements, is totally non-discriminatory, and easily accommodates organizational change and growth;
- To document all steps in the process and provide documentation and training for Human Resources and other staff, as appropriate, in classification and compensation analysis methodologies so that the Town can integrate, maintain, administer, and defend any recommended changes after the initial implementation; and
- To provide effective ongoing communications throughout the duration of the project and continued support after implementation.

General Scope of Work

This section of the proposal identifies the actual work plan. We believe that our detailed explanation of methodology and work tasks clearly distinguishes our approach and comprehensiveness.

Our approach is to complete the classification and job evaluation before completing the compensation review. The reasons for this include:

- The description of the work performed and the requirements for that work are, in the minds of the employees and their supervisors, inextricably associated with the “worth of that work” or compensation, which is often a highly emotional issue. Separating the two phases of the study, even though elements of phases may be conducted concurrently, tends to produce more objective classification results.
- The compensation review will be completed when there is a full understanding of the work of the Town, thereby ensuring that the data developed from the labor market and Town classifications is accurate.



Given these parameters, our approach is as follows:

PHASE I: CLASSIFICATION STUDY

Task A. Initial documentation review/meetings with study project team and management staff

This phase includes identifying the Town's Study Project Team (Human Resources Manager, Town Manager, etc.), contract administrator, and reporting relationships. Our team will conduct an orientation and briefing session with the Study Project Team to explain process and methodology; create the specific work plan and work schedule; identify subsequent tasks to be accomplished; reaffirm the primary objectives and specific end products; determine deadline dates for satisfactory completion of the overall assignment; determine who will be responsible for coordinating/scheduling communications with employees, management, and the Town Council; and develop a timetable for conducting the same.

Included in this task will be the gathering of written documentation, identifying current incumbents, and assembling current class descriptions, organizational charts, salary schedules, budgets, memoranda of understanding, personnel policies, previous classification and compensation studies, and any other relevant documentation to gain a general understanding of Town operations.

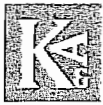
Town terminology and methods of current classification and compensation procedures, as well as the written questionnaire instrument for the classification study that will be used in the job analysis phase will be reviewed and agreed to. We will discuss methodology and agree to a class description, as well as, compensation format and identify appropriate comparator agencies, benchmark classifications, and benefits to be surveyed for compensation survey purposes. We will respond to questions.

Task B. Orientation meetings with employees and distribution of Position Description Questionnaire

The Position Description Questionnaire (PDQ) will be discussed with the Study Project Team and customized as needed to meet the study objectives prior to distributing copies to employees.

We will facilitate orientation meetings with employees (within the same time frame as the initial project kick-off meeting) and distribute the PDQ to start the classification portion of the study. While these meetings are not mandatory, they form the beginning of the educational process that continues throughout the study. We will discuss the importance of the employees' involvement in the study and their participation in PDQ completion and job analysis interviews. Project processes will be explained, expectations will be clarified, and elements that are not a part of the study will also be covered. Questions will be answered and a detailed explanation and examples for completing the PDQ will be given.

PDQs shall be handed out with the incumbent's current class description attached to the questionnaire so employees can use this as a tool for completing the questionnaire.



Task C. Position description questionnaire completion and review

We recommend giving employees in the same classification the option of collaborating on completing a PDQ together, if the employees so choose. At the same time, we will invite employees to complete an individual PDQ if they prefer and if they want to be interviewed separately.

Although we provide an email version of our questionnaire so that employees can more easily complete it, we require a hardcopy or scanned copy with signatures affixed before we can begin the evaluation process. Employees complete the questionnaire and then send it to their supervisor/manager for review, comment, and signature.

Upon receipt of the PDQs in our office, they will be reviewed and analyzed in detail along with other documentation.

Task D. Employee/Supervisor/Management Interviews

Interviews will be scheduled with employees. Because this is a critical step in the information-gathering and educational process, we recommend scheduling interviews with all employees in each classification.

We will offer employees the option to be interviewed in a focus group session with incumbents in the same classification or to request an individual interview if they prefer. We recommend individual interviews only if the employee wants to discuss certain issues (e.g., out of class responsibilities, etc.) in privacy with the consultant. Due to the relatively small size of the Town, we will most likely interview most employees individually but may interview groups of Maintenance Workers and Skilled Maintenance Workers if they so choose.

Interviews will then be held with supervisory and management staff, who will clarify their own responsibilities and/or confirm the information we have received in the interviews with their staff (we allow more time for these interviews).

The purpose of the interviews is to clarify and supplement the questionnaire data and to respond to potential perception differences regarding roles, tasks, scope, and supervisory responsibilities. The appropriateness of the following will be assessed:

- Work being completed and relationships of positions to each other within a division/department as well as across the organization.
- Classification structure and reporting structure.

Task E. Classification concept and preliminary allocation development

Prior to developing detailed class descriptions, our job evaluation will result in a classification concept and employee allocation document that will be submitted to the Town for review and approval. We will compare changes in business need and operations, as well as any re-organizations, with the established classification system and job families, as well as, review internal relationships between classifications.

Our job analysis method is the whole position analysis approach. Objective factors in the whole position classification methodology include:



1. Education, Training, and Certifications/Licenses
2. Experience
3. Problem Solving/Ingenuity
4. Attention/Stress (Concentration/Time Pressure & Interruptions)
5. Independence of Action/Responsibility
6. Contacts with Others/Internal/External
7. Supervision Received and/or Given to Others
8. Consequences of Action/Decisions Made on the Job
9. Working Conditions
10. Physical/Mental Demands

Our analysis will include written documentation of our assessment methodology and assessment for each position surveyed.

The document we deliver to the Town during this project task will list broad class concepts and highlight where significant changes may be recommended, such as expanding or collapsing class series in the same functional area and/or separating or combining classifications assigned to different functional areas. We will review and analyze current classification series, the number of classifications and classification levels, and career ladders. We will also review and update established titling guidelines for the studied classifications for appropriate and consistent titling.

A detailed, incumbent-specific allocation list for each position included in the study will be prepared, specifying current and proposed classification title and the impact of our recommendations (reclassification – upgrade or downgrade, title change, or no change).

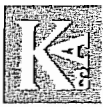
After we have completed this process, a meeting will be arranged to review any recommended changes to the classification plan with the Study Project Team.

Task F. Draft class description development and update

After preliminary approval of the class concepts and allocation lists, new and/or updated class descriptions will be developed for each proposed classification, following the format approved by the Town.

From the review of the PDQs and employee interviews, we will update duties, responsibilities, and minimum qualifications of each class specification, as necessary, or develop new class specifications if duties, responsibilities, and minimum qualifications have changed significantly, we recommend new classifications/class levels, and/or operational changes, business needs, and any re-organizations require new classifications.

We will review, analyze, and update, as appropriate, knowledge, skills, abilities, education and experience, relevance and hierarchical consistency, position definitions, purpose, distinguishing characteristics, supervision received and exercised, position functions and special requirements including licensing and certification requirements.



We will also review and update the physical demands based on the essential job functions of each classification in accordance with the Americans with Disabilities Act (ADA).

Finally, we will review each classification's essential job functions and determine exempt vs. non-exempt status in accordance with "white collar" exemptions under the Fair Labor Standards Act (FLSA).

Task G. Draft class description review and informal appeal process

A draft copy of the revised/new class description with allocation recommendation will be submitted to the Project Team and subsequently to each manager, supervisor, and employee representation, to give each stakeholder group an opportunity to provide comments and concerns regarding any modifications to the classification structure and specifications. Our experience has been that this is one of the most critical phases of the project (but also one of the most time-consuming). Our proactive and effective communication process at this crossroad has always avoided formal appeals, adversarial meetings, or major conflicts at the conclusion of our studies.

Each employee whose position was studied will receive a memorandum from us outlining what has been accomplished, how to best review the draft classification specification that will be attached, and how to provide feedback to us. Supervisors and managers receive a copy of their employees' draft class descriptions and will be asked to review their employees' comments and feedback to verify and concur with the information provided.

Employees shall submit their written concerns (via their supervisor/manager) to our office. While employees may not always agree with our recommendations, they have a "second chance" to ensure that they have been heard and to continue the educational process regarding why specific recommendations were made.

Significant employee comments will be reviewed with management prior to making any significant changes to the proposed class plan. These discussions will be by email, telephone, or additional direct personal contact with employees, depending upon the extent of the response.

Allocation and/or class description changes will be made as required and the class specifications will be finalized and submitted for approval. All employees who submitted their comments during the review process will be notified in writing regarding the outcome of their concerns.

Task H. Finalize classification plan and draft interim report/final report

A Draft Interim Report of the Classification Study will be completed and submitted to the Town for review and comment. The report will contain:

- Classification recommendations for each studied position, including documentation regarding study goals and objectives, classification methodology, approach, and process, as well as, all findings, analysis, and resulting recommendations;
- The recommended allocation list, classification title changes, job family and career ladder/career growth issues, reporting relationships, and other factors will all be included; and



- Classification concepts and guidelines, occupational groups of classifications, as well as, distinguishing characteristics and other pertinent information for implementation and continued maintenance of the recommendations will be detailed.

Once we have received the Town's comments regarding the Draft Interim Report and have made any necessary changes, a Final Classification Report will be developed.

PHASE II: COMPENSATION STUDY

Task A. Identify comparator agencies, benchmark classifications, and benefits to be collected

During the initial meeting with the Study Project Team, we will discuss the compensation study factors that need to be agreed upon. We will identify appropriate comparator agencies that will be included in the external market survey (as well as those that will be surveyed for organizational review purposes), which will be the foundation of ensuring that the Town's salaries for the studied classifications are competitively aligned with the external labor market (and that the Town's organizational structure and operations follow industry best practices). We will also identify those classifications that will be surveyed in the market (i.e., benchmark classifications), with the intention of internally aligning the remaining classifications with those that were surveyed. Finally, we will determine the list of benefits that the Authority wants to be included in the total compensation data gathering process.

1. Determination of Comparator Agencies

The selection of comparator agencies is considered a critical step in the study process. Using the following factors below to identify appropriate comparators, we will receive approval before proceeding with the total compensation survey.

Our recommended methodology is that we involve the Town Council, as well as the management and employee representation in the decision-making process of agreeing as to which comparable agencies are included, **PRIOR** to beginning the study. Our experience has shown that this is the most successful approach. The factors that we typically review when selecting and recommending appropriate comparator agencies include:

- **Organizational type and structure** – While various organizations may provide overlapping services and employ some staff having similar duties and responsibilities, the role of each organization is somewhat unique, particularly in regard to its relationship to the citizens it serves and level of service expectation. During this iterative process, the Town's current/prior list of comparators and the advantages/disadvantages of including them/others will be discussed.
- **Similarity of population served, Town demographics, Town staff, and operational and capital improvement budgets** – These elements provide guidelines in relation to resources required (staff and funding) and available for the provision of services.
- **Scope of services provided** – While having an organization that provides all of the services at the same level of citizen expectation is ideal for comparators, as long as the *majority* of services are provided in a similar manner, sufficient data should be available for analysis.



- **Labor market** – The reality of today’s labor market is that many agencies are in competition for the same pool of qualified employees. No longer do individuals necessarily live in the community they serve. Therefore, the geographic labor market area (where the Town may be recruiting from or losing employees to) will be taken into consideration when selecting potential comparator organizations.
- **Cost of living** – The price of housing and other cost-of-living related issues are some of the biggest factors in determining labor markets. We will review overall cost of living of various geographic areas, median house prices, and median household incomes to determine the appropriateness of various potential comparator agencies.

We typically recommend using ten to twelve (10-12) comparator agencies but are flexible to use a different model.

2. Determination of Benchmark Classifications

In the same collaborative manner as in Step 1 above, we will work with the Town’s stakeholders to select those classifications that will be surveyed.

“Benchmark classes” are normally chosen to reflect a broad spectrum of class levels. In addition, those that are selected normally include classes that are most likely to be found in other similar agencies, and therefore provide a sufficient valid sample for analysis. Internal relationships will be determined between the benchmarked and non-benchmarked classifications and internal equity alignments will be made for salary recommendation purposes.

Because we find that the labor market typically yields reliable data, we recommend using about 65%-70% of all classifications as benchmarks for smaller agencies, but we are flexible to use a different model.

3. Determination of Salary and Benefits Data to Be Collected

In addition to base salaries, benefit data elements for a total compensation study normally include at least the following, which are generally available to all staff in a specific job classification. Again, we recommend a dialogue with the various stakeholders to come to an agreement as to which total compensation components should be gathered and how to present that data as a point of comparison between the Town and the labor market. Shown below are descriptions of those benefits that we normally collect (which can be modified to include any other information the Town desires):

- **Monthly Salary** – The top of the normal, published salary range. All figures are presented on a monthly basis. We normalize the salary data to reflect working hours and/or “spiking” of retirement or other benefits.
- **Employee Retirement** – This includes two figures: the amount of the employee’s State or other public or private retirement contribution that is contributed by the Authority and the amount of the Authority’s Social Security contribution.



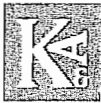
With healthcare cost rising and retiree healthcare and liabilities increasing for many public agencies, we typically collect retiree health information as well. However, we do not roll this cost into our total compensation analysis but report it separately by describing what the policies/liabilities are.

- **Insurance** – This typically includes Health, Dental, Vision, Life, Long-Term Disability, Short-Term Disability, Employee Assistance Program (EAP), and other insurance coverage.
- **Leave** – Other than sick leave, which is usage-based, leave is the amount of days off for which the organization is obligated. All days will be translated into direct salary costs.
 - **Vacation** – The number of vacation days available to all employees after five (5) years of employment.
 - **Holidays** – The number of holidays (including floating) available to the employee on an annual basis.
 - **Administrative/Personal Leave** – Administrative leave is normally the number of days available to management staff to compensate for the lack of payment for overtime. Personal leave may be available to other groups of employees to augment vacation or other time off.
- **Deferred Compensation** – This is any deferred compensation provided to all members of a classification, either as an employer matching contribution or as a straight dollar or percentage contribution.
- **Other** – This category includes any other benefits that are available to all employees within a classification and not already specifically detailed. We will gather up to five (5) additional benefit components that the Town may be interested in, such as educational/certification/license incentives, shift differentials, on-call pay, tuition reimbursement, etc.

Task B. Data collection

Our firm does not collect market compensation data by merely sending out a written questionnaire. We find that such questionnaires are often delegated to the individual in the department with the least experience in the organization and given a low priority. We conduct all of the data collection and analysis ourselves to ensure validity of the data and quality control. This approach also ensures that we compare job description to job description and not just job titles, therefore ensuring true “matches” of at least 70%, which is the percentage we use to determine whether to include a comparator classification or not. As mentioned above, our job analysis method is the whole position analysis approach. Our analysis will include written documentation of our assessment methodology and assessment for each position surveyed.

We typically collect classification descriptions, organization charts, salary schedules, personnel policies, MOUs, and other information via website, by telephone, or by an onsite interview. With the prior knowledge from the data gathered directly from each comparator agency and our experience in the public sector human resources field, our professional staff makes preliminary “matches” and then schedules appointments by telephone, and sometimes in person, with knowledgeable individuals to answer specific questions. We find that the information collected using these methods has a very high validity rate and is generally substantiated by employees, management, as well as governing bodies.



In terms of record keeping, we will create electronic file folders for each comparator agency that we survey, including all documentation listed above, so that we have all of the source documentation to support the data and findings of the study.

Task C. Analysis and preliminary data review

Data will be entered into spreadsheet format designed for ease of interpretation and use. The information will be presented in a format that will identify the comparator positions used for each classification comparison. Information will be calculated based upon both average and median figures allowing the Town to make informed compensation decisions. Other elements of the compensation survey report are agencies surveyed; comparable class titles; salary range maximum/control point; number of observations; and percent of the Town's salary range is above/below the market values.

In addition, we will include any type of statistical representation and analysis that the Town desires such as 60th, 70th, or any other percentiles.

Benefits data will be displayed in an easy-to-read format. You will receive three sets of spreadsheets per classification, one with base pay, one with the benefits detail, and one with total compensation statistical data. In addition, we are often asked to collect "other" benefits (as listed in the benefits section above), which we typically report on a separate spreadsheet.

Task D. Draft compensation findings/additional analysis/study project team meetings

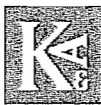
We distribute our draft findings to the Study Project Team. After their preliminary review, K&A will meet with the Study Project Team and other stakeholders (including management, employees, and Human Resources) to clarify data, to receive requests for reanalysis of certain comparators, and to answer questions and address concerns. This provides an opportunity for the Study Project Team and other stakeholders to review and question any of our recommended benchmark comparator matches. If questions arise, we conduct follow-up analysis to reconfirm our original analysis and/or make corrections as appropriate.

Task E. Internal relationship analysis and internal alignment

To determine internal equity for all studied positions, considerable attention will be given to this phase of the project. It is necessary to develop an internal position hierarchy based on the organizational value of each classification. Again, we utilize the "whole position" analysis methodology as described above.

By reviewing those factors, we will make recommendations regarding vertical salary differentials between classes in a class series (if recommended), as well as across departments. This analysis will be integrated with the results of the compensation survey.

The ultimate goal of this critical step of the process is to address any potential internal equity issues and concerns with the current compensation system, including compaction issues between certain classifications. We will create a sound and logical compensation structure for the various levels within each class series, so that career ladders are not only reflected in the classification system but also in the compensation system, with pay differentials between levels that allow employees to progress on a clear



path of career growth and development. Career ladders will be looked at vertically, as well as, horizontally to reflect the classification structure that was developed during the classification phase of the study.

Task F. Compensation structure and implementation plan development

Depending on data developed as a result of the internal analysis, we will review and make recommendations regarding internal alignment and the salary structure within which the classes are allocated (set of salary ranges, salary differentials, steps within ranges, and/or alternative compensation plans), based upon the Town's preferred compensation model. We will develop recommendations for pay grades and salary ranges for all classifications based on median and/or mean salaries from the comparable agencies.

We will conduct a competitive pay analysis using the market data gathered to assist in the determination of external pay equity and the recommendation of a new base compensation structure. We will conduct a comparative analysis to illustrate the relationships between current pay practices and the newly determined market conditions and develop solutions to address pay equity issues, analyze the financial impact of addressing pay equity issues, and create a market adjustment implementation strategy supporting the Town's goals, objectives, and budget considerations. We will develop recommendations covering special compensation issues such as salaries above the maximum; seniority; promotions; maintenance of the salary schedules; etc.

Finally, we will evaluate benefit offerings in the labor market and make recommendations for better alignment and/or different benefit offerings as indicated by the analysis and best practices.

Draft recommendations will be discussed with the Study Project Team and management prior to developing an Interim Report.

Task G. Preparation of draft final and final report and deliverables

Volume II (Draft Interim Report of the Compensation Study) will be completed and submitted to the Study Project Team for review and comment. The report will provide detailed compensation findings, documentation, and recommendations. The report will include:

- A set of all market data spreadsheets;
- A proposed Salary Range document;
- A policy and procedure to address employees whose base pay exceed the maximum of their newly assigned pay range;
- A manual of instructions regarding the administration of the proposed compensation system;
- Discussion of how the compensation program impacts employee recruitment and retention efforts;
- Implementation issues and cost projections surrounding our recommendations; and
- A guide for rules, policies and procedures for the Town in implementing, managing and maintaining the compensation system.

Once all of the Town's questions/concerns are addressed and discussed, a Final Classification and Compensation Report will be created and submitted in bound format. The Final Report will incorporate any appropriate revisions identified and submitted during the review of the draft report.



Task H. Participation in a formal appeal process

Should the Town have a formal appeal process regarding the allocation of positions to classifications and of classifications to salary ranges, this proposal does not cover time regarding a formal appeal process. Should our on-site participation be desired, our stated composite hourly rate will be honored. As mentioned above, however, our internal process usually addresses any appeal issues.

Task I. Final presentation

Our proposal includes multiple meetings and weekly oral and written status/progress updates to the Study Project Team. Regarding the involvement of the Town Council, we recommend at least one initial meeting regarding to confirm the comparator agencies to be included in the study, one interim study session (to discuss the initial findings of the compensation study), and one final presentation of our Final Report. Of course, we are flexible to have more or less interaction with the Town Council, based on the Town's preferences.

Expectations of Town Support

In order to conduct this study in the most timely and cost-effective manner, we ask for support in the following areas:

- Timely provision of written documentation, such as current class specifications, union contracts, organizational charts, budget documents, requests for audits, past salary studies, etc.;
- Assistance in the notification and scheduling of orientation and other meetings and the provision of adequate interview space;
- Assistance in the compilation of current descriptions with the position description questionnaire; collecting and forwarding questionnaires; and in ensuring that materials are complete and returned in a timely manner;
- Assistance in scheduling study project team, bargaining unit, management, employee audit, and other meetings; and
- Meeting agreed to timelines.

In terms of time commitment for Town staff, it is our expectation that the Town hires an outside consultant to conduct the entire effort. It is our goal to reduce the time commitment of Town staff as much as possible and to only request assistance in the coordination of some of the steps in the process, such as scheduling employee orientation meetings, duplicating position description questionnaires, scheduling employee interviews/desk audits, disseminating information, and in general, be a channel of communication between our firm and employees.

Communication with the Town

Our typical communication model includes at least weekly or biweekly written status updates to keep the Town informed on where we are at every phase of the project. We have found that most communication can be managed through emails and teleconferences by phone.

In addition, the study includes a significant number of meetings with the Study Project Team, human resources, management, employees, employee representation, and Town Council, as desired. The



meetings and “stakeholder touch-points” (see next section of proposal) that we recommend ensure understanding of the project parameters, enhance accurate intake and output of information, and improve a collaborative and interactive approach that will result in greater buy-in for study recommendations. This interactive approach, although time-consuming, has resulted in almost 100% implementation success of K&A’s studies.

Stakeholder Touchpoints

We believe in an interactive and collaborative process with the whole organization and in a high level of stakeholder contact and interaction to ensure organizational buy-in of the study throughout the entire process. The following are the major milestones at which we touch base with human resources, employees, employee representation, managers, and other stakeholders, as appropriate:

- Initial study kick-off and employee/management orientation meetings;
- Position description questionnaire completion and review;
- Employee and management interviews;
- Employee, management, and Human Resources review of draft class descriptions;
- Contact with employees and management to address final classification issues;
- Stakeholder input regarding a list of appropriate comparator agencies;
- Town/stakeholder review of compensation study data and contact with them to address any challenges to the market comparables we identified for each classification;
- Stakeholder input on internal salary relationship analysis and recommendations; and
- Stakeholder input regarding final compensation plans and structure recommendations.

These steps will ensure that the study results in a product that is accepted and trusted by all levels within the organization. Beyond sound mechanics, our approach includes sufficient communication steps to ensure that the study methodology is understood and the results are regarded as expert, impartial, and fair.

Post-Implementation Consultation and Support

We are committed to providing the Town with the highest-quality product and service. Providing ongoing consultation and support after study implementation is a service that is included in our professional fees and a continued relationship-building aspect of our client relationship that we highly value.

Often times, we find that clients will call or email with follow-up questions and to discuss certain aspects of the study, why decisions and recommendations were made, and other important components of the study. We consider post-implementation support as part of our customer service.

Should the Town request any additional onsite meetings and/or training after implementation of the study and/or other specific, identifiable work efforts, such as position reclassification studies, creating new class descriptions, or conducting annual surveys, we would honor our composite hourly rate for actual hours spent at the Town. However, from experience, we expect that most follow-up support will be conducted via telephone and email and this is absolutely included in our total lump sum fee for this project.



Proposed Cost

We have found that, often times, our proposals address a very high level of time commitment, which sometimes results in a higher proposal cost. We believe that our methodology and implementation success rate is attributable to the significantly greater level of contact we have with management, governing body, and staff. The time we commit to working with the employees [orientations and briefings, meetings with employees via personal interviews, informal appeal process, etc.] results in a significantly greater buy-in throughout the process and no formal appeals at the end of the study.

In fact, our firm has never had a formal appeal to any of our studies in over thirty years. It has been our experience that the money and time invested in stakeholder touch-points throughout the study are money and time saved during implementation. Numerous times our firm has been hired after an agency has gone through an unsuccessful classification and/or compensation study whose results were rejected or appealed and whose implementation was very controversial. The result was a divided organization with hostility and animosity between employees/employee representation and management. Every time our firm was hired after such a bad experience, study stakeholders were amazed at our open and all-inclusive process, our efforts to elicit equal stakeholder input, and our development of recommendations that were accepted as fair and reasonable and understood by management, employees, and the governing body. Our success rate is also attributable to the fact that we have 30 years of experience working with employees of all types of backgrounds, educational levels, and work experiences and are accustomed to successfully communicate with and educate them throughout the process. It is imperative that all employees eventually buy into the study results and recommendations, whether they have been through a process like this before or whether this is the first time for them.

In these economic times, the tendency may be to select the firm with the lowest cost proposal but it has been our experience that ultimately the price can be much higher considering the additional time and lost goodwill that can result from utilizing a less involved process.

Our clients always provide us feedback that our process was professional, comprehensive, understandable, timely, and inclusive. Employees, although not necessarily always happy with our recommendations, have always indicated that we listened to their issues and concerns and were available for discussion, as required. Although time consuming, we also drive the process to ensure that timelines are met and schedules are maintained.

We want to emphasize that we provide an all-inclusive lump-sum cost amount for the entire study and do not believe in underpricing the effort or change orders along the way, unless the Town requests an obvious and identifiable *additional* level of effort. However, we're also aware that budgets are often limited and that public agencies must be economically conservative. We hope to be able to negotiate a scope of work and cost option that best serves the Town's needs.

		Hours
	PHASE I: Classification Study	
A.	Initial Document Review/Meetings with Study Project Team and HR/Management Staff	8



Classification and Compensation Study Proposal

Town of Yucca Valley

B.	Orientation Meetings with Employees and Distribution of PDQ	8
C.	Position Description Questionnaire Completion & Review	15
D.	Employee/Supervisor/Management Interviews	25
E.	Classification Concept/Preliminary Allocation Development	8
F.	Draft Class Description Development/Update (approximately 40 classifications)	100
G.	Draft Class Description Review/Informal Appeal Process	12
H.	Finalize Classification Plan/Draft Interim Report/Final Report	12
	Total Professional Hours	188
	Combined professional and clerical composite rate: \$110/Hour	\$20,680
	PHASE II: Compensation Study	Hours
A.	Identify Comparator Agencies, Benchmark Classifications, and Benefits to Be Collected	10
B.	Compensation Data Collection (assuming 28-30 benchmarks, 10-12 comparator agencies)	70
C.	Analysis and Preliminary Data Review	30
D.	Draft Compensation Findings/Additional Analysis/Project Team Meeting	16
E.	Internal Relationship Analysis/Internal Alignment	8
F.	Salary Structure Recommendation and Implementation Plan Development	10
G.	Development of Draft Final and Final Report and Deliverables	12
H.	Formal Appeal Process *	0
I.	Final Presentation to the Project Team and Town Council	8
	Additional meetings with study Project Team, employees, and/or other stakeholders	8
	Total Professional Hours	172
	Combined professional and clerical composite rate: \$110/Hour	\$18,920
	Expenses:	\$2,500
	Expenses include but are not limited to duplicating documents, binding reports, phone, fax, supplies, postage, air fare, rental cars, hotels, travel time, per diem, etc.	
	TOTAL LUMP SUM FOR PROJECT NOT TO EXCEED:	\$42,100
	*Additional consulting will be honored at composite rate (\$110)	



Terms and Conditions

We accept all terms and conditions stated in the RFP's Sample Professional Services Agreement, including submitting monthly invoices to the Town for all work performed and expenses incurred during the preceding month in a form approved by the Town's Director of Finance.

Ability of the Proposer to Perform

General

Koff & Associates is a majority woman-owned public sector human resources consulting firm that was founded in 1984 and has been assisting cities, counties, special districts, other public agencies, and non-profit organizations with their classification and compensation needs for over 30 years. We are a private corporation and our legal name is Kaneko and Krammer Corp DBA Koff & Associates, Inc. Our headquarters are located in Berkeley, CA and we have satellite offices in San Diego and Brea, CA. We have fourteen (14) staff members. We are a State-certified small business enterprise and a locally certified Very Small Business Enterprise in Alameda County. The owners of the firm are Catherine Kaneko, President, and Georg Krammer, CEO.

The person who will receive correspondence and who is authorized to represent the firm is: Georg Krammer, CEO.

Koff & Associates has no past or pending litigation.

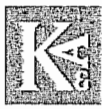
The work will be coordinated from our headquarters office in Berkeley, with support from our San Diego office.

Experience

We have extensive experience working in both union and non-union environments (including serving as the management representative in meet & confer and negotiation meetings), working with Boards of Trustees, City Councils, Boards of Supervisors, Merit Boards, Joint Power Authorities, and Boards of Directors. We are familiar with the various organizational structures, agency missions, operational and budgetary requirements, and staffing expectations.

The firm's areas of focus are compensation and classification studies (approximately 70% of our workload); organizational development/assessment studies; performance management and incentive compensation programs; development of strategic management tools; policy/procedure development and employee handbooks; executive search and staff recruitments; public agency consolidations and separations; Human Resources audits; and serving as off-site Human Resources Director for our smaller public agencies that need the expertise of an Human Resources Director but do not need a full-time, on-site professional.

Without exception, all of our classification and compensation studies have successfully met all of our intended commitments; communications were successful with employees, supervisors, management,



and employee representatives; and we were able to assist each agency in successfully implementing our recommendations. All studies were brought to completion within stipulated time limits and proposed budgets.

The firm’s growing list of clients is indicative of its reputation as being a quality organization that can be relied upon for producing comprehensive, sound and cost-effective recommendations and solutions. Koff & Associates has a reputation for being “hands-on” with an ability and expertise to implement its ideas and recommendations through completion in both union and non-union environments.

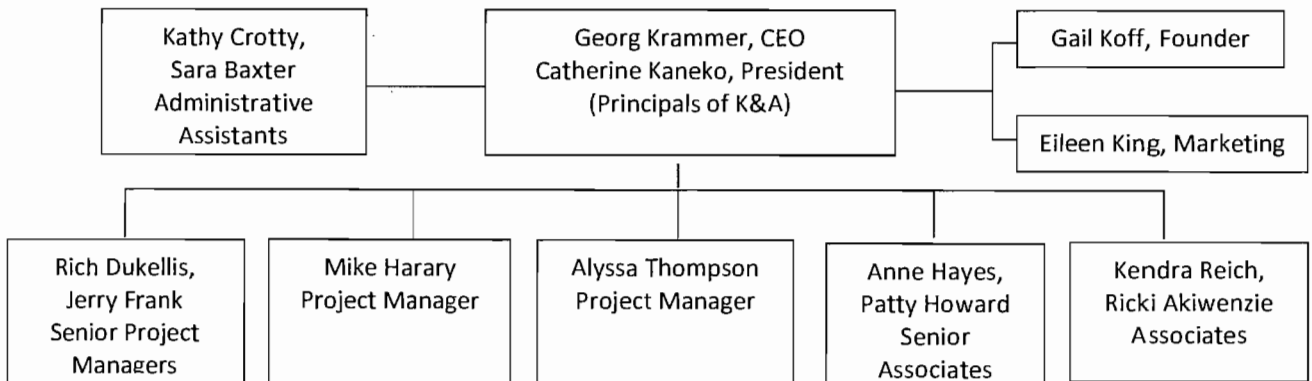
Koff & Associates relies on our stellar reputation and on the recommendations and referrals of current clients to attract new clients. Our work speaks for itself and our primary goal is to provide professional and technical consulting assistance with integrity, honesty, and a commitment to excellence. The fact that we have not had any formal appeals in almost thirty years, working with hundreds of public agency clients and completing hundreds of classification and compensation studies, is something we are very proud of.

We take a unique approach that encourages stakeholder participation through interactive communication and education in each phase of every project. This emphasis on client customization, coupled with our expertise in implementing recommendations, is critical to bringing each project to a successful conclusion in both union and non-union environments. The educational aspect of our projects expands to all stakeholders, and we pay special attention to educating and training human resources and project staff in our methodologies and the interpretation of best practices, industry standards, and best management policies. Town staff training and thorough documentation ensure that the Town can seamlessly implement our recommendations and maintain and administer its new/updated classification and compensation plans going forward.

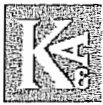
We are always on stand-by for any questions that may come up in the future. Once we complete a study or project, we don’t just walk away, we will continue our relationship with our client for any future support they may need. Our goal is to become and remain our client’s trusted advisor and HR business partner.

Staff Qualifications and Experience

Organization/Project Chart



K&A’s entire team consists of fourteen (14) members, as shown above in our organizational structure. All members of our team have worked on multiple comprehensive classification and compensation studies and



are well acquainted with the wide array of organizational structures, classification plans, and compensation structures, as well as the challenges and issues that arise when conducting studies like this.

No portion of this engagement will be assigned to subcontractors.

Key Personnel

Georg Krammer, M.B.A., S.P.H.R. Chief Executive Officer

Georg brings close to twenty (20) years of management-level human resources experience to Koff & Associates with an emphasis in organizational development; classification and compensation design; market salary studies; executive and staff recruitment; performance management; and employee relations, in the public sector, large corporations and small, minority-owned businesses.

After obtaining a Master of Arts in English and Russian and teaching credentials at the University of Vienna, Austria, Georg came to the United States to further his education and experience and attained his Master of Business Administration from the University of San Francisco. After starting his HR career in Wells Fargo's college recruiting department, he moved on to HR management positions in the banking and high-tech consulting industries. With his experience as a well-rounded senior HR generalist, his education in business and teaching, and his vast experience with public sector HR programs and functions, Georg's contribution to K&A's variety of projects greatly complements our consulting team. Georg joined K&A in 2000 and has been the firm's Chief Executive Officer since 2005.

Georg will be assigned as Project Director for the project and coordinate all of K&A's efforts. He will attend all meetings with the Town and be responsible for all work products and deliverables.

Catherine "Katie" Kaneko, C.P.A., P.H.R. President

Katie brings twenty-five (25) years of management level human resources experience to Koff & Associates, both as a human resources director and as a management consultant in the hi-tech industry as well as the public sector. She has extensive experience in compensation including equity plans and performance incentive programs, survey design and reporting, recruitment in both the public and private sector; staffing; classification and job analysis; compensation and job evaluation techniques, employee relations, retention strategies, infrastructure development; coaching; policy and procedure development; mergers and acquisitions; change management and employee training.

With a Bachelor in Business Administration, Katie started her career as a Certified Public Accountant (CPA) in an international accounting/consulting firm. She transitioned into Human Resources within the firm to become the Human Resources Director of the San Francisco office. She then moved into the hi-tech industry where she served in leadership positions for high-growth, startup, and organizations in transition. Her primary focus in recent years has been in classification, compensation, and recruitment services in the public sector.



Katie's experience provides a broad knowledge of human resource management within diverse organizations. Her background provides her a strong ability to understand the big picture, identify problems and solutions, and effectively implement them. Her skill set complements our current consultant base with additional levels of service areas. Katie joined K&A in 2000 and has been the firm's President since 2005.

Katie will provide consultant support throughout the effort, including classification analysis, interviews with employees and management, compensation analysis, internal job analysis, development of recommendations, and implementation strategies.

Richard Dukellis, IPMA-CP Senior Project Manager

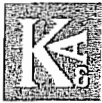
Richard Dukellis, IPMA-CP, has more than 30 years of human resources experience in the public sector primarily working for five different agencies. Four of the agencies have been full-service cities providing a wide range of services including Police and Fire. Richard retired from the City of La Mesa in 2013 as the Director of Administrative Services (Human Resources, Risk Management & Information Technologies) after six years providing all aspects of HR and Risk support for the City. This included managing the City's labor relations processes, recruitment and selection procedures, employee benefit programs, classification and compensation, employee development and training, liability and workers' compensation.

As part of the City Manager's Senior Management team, Richard worked closely with the City Manager and had regular contact with the City Council. As part of the City Manager's Office, Richard participated in events encouraging community involvement including Council Strategic Planning Meetings and Town Hall Meetings which focused on community participation and connection. In previous positions, Richard involved the community in recruitment and selection processes for sensitive recruitments that the City Council wanted the input and participation of the public. Richard has conducted numerous Executive Management recruitments throughout his career working for cities.

Prior to working for the City of La Mesa, Richard was the Human Resources Manager for the Cities of Coronado and Poway. He had previously been a Principal Human Resources Analyst with the City of Escondido and held a variety of progressively responsible human resources positions with the City of El Cajon. Richard possesses a Bachelor's Degree in Public Administration from San Diego State University.

Richard is the 2014 International Public Management Association for Human Resources (IPMA-HR) International President and has been involved with IPMA-HR at various local, regional and international levels for the past 25 years. He is the 2011 recipient of Western Region IPMA-HR's prestigious Muriel M. Morse Achievement Award and received the designation of IPMA-HR Certified Professional (IPMA-CP) in 2008. In addition, Richard has been a member of the Public Agency Risk Managers' Association (PARMA), California Public Employers Labor Relations Association (CalPELRA) and the National Public Employers Relations Association (NPELRA).

Rich will provide consultant support throughout each effort, including classification analysis, interviews with employees and management, compensation analysis, internal job analysis, development of recommendations, and implementation strategies.



Rich has been a part-time resident of Yucca Valley and has spent much of his life in the Town. He knows the Town and its history very well and will be an invaluable resource for this project.

Alyssa Thompson, PhD
Project Manager

Alyssa earned her bachelor's degree in Psychology with a minor in Sociology-Organization Studies from the University of California, Davis and her PhD in Organizational Psychology from Alliant International University. She brings with her over ten (10) years of human resources experience in compensation data gathering and analysis, classification analysis and development, performance management, affirmative action program development, and recruitment. Alyssa also has experience in designing and conducting quantitative and qualitative research studies.

Since joining the firm in 2007, Alyssa has worked on close to 100 classification, compensation, recruitment, and other special human resources projects. She has worked on classification, compensation, and/or organizational projects for numerous clients, such as the Cities of Tulare, Madera, Newman, Patterson, Orange, Montebello, Bellflower, Coachella, Menifee, San Gabriel, Perris, Poway, as well as, Dublin San Ramon Services District, Cutler-Orosi Joint Unified School District, Compton Community College District, Alameda Unified School District, Mount San Antonio College, Orange County Sanitation District, Midpeninsula Regional Open Space District, Housing Authority of the County of San Bernardino, San Francisco Housing Authority, and the Counties of San Mateo and Tehama.

Alyssa will provide consultant support throughout each effort, including classification analysis, interviews with employees and management, compensation analysis, internal job analysis, development of recommendations, and implementation strategies.

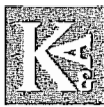
Anne Hayes
Senior Associate

Anne earned a Bachelor's degree in Mathematics and Economics from the University of California, Santa Barbara.

Before joining Koff & Associates, she worked in the private sector for more than 10 years, with 5 years in a management role. She transitioned to a non-profit organization, which specialized in providing labor relations representation to public sector employers, where she gained extensive experience in data gathering and analysis, specifically in the areas of classification, compensation and benefit analysis for public sector agencies.

Since joining K&A, Anne has been an integral part of project teams working on classification, compensation, and/or organizational studies for the cities of El Cerrito, Lafayette, Novato, and San Jose, as well as Mount San Antonio College, Orange County Transportation Authority, Orange County Sanitation District, Central Contra Costa Sanitary District, South Tahoe Public Utility District, Alameda County Waste Management Agency, and Bay Area Clean Water Agencies.





Anne will provide consultant support throughout each effort, including classification analysis, interviews with employees and management, compensation analysis, internal job analysis, staffing analysis, development of recommendations, and implementation strategies.

**Kendra Reich
Firm Associate**

Kendra earned her Bachelor’s degree in Psychology from the University of Wisconsin – Milwaukee and her Master’s degree in Industrial/ Organizational Psychology from San Francisco State University.

Before joining Koff & Associates, she worked in the Human Factors and Ergonomics Laboratory at San Francisco State University, where she performed research projects funded by NASA and the FAA with an emphasis on teamwork, leadership, communication, and decision making issues. While obtaining her master’s degree, Kendra also worked at Pacific Gas and Electric Company in the Workforce Planning and Analytics department. While at PG & E, she utilized statistical programs and methodologies to develop and enhance predictive workforce models and participated in best-practice forums to develop a resource pool of HR best-practice information. Her experiences have helped her develop the knowledge and skills required to perform complex human resources projects and analysis.

Kendra will provide professional consulting support as needed.

**Kathy Crotty
Administrative Assistant**

Kathy is our resident data entry, office administrative and technical “guru” and has been with the firm for over five years. She will be heavily involved with the technical aspects of the project and assist our professional staff at each phase of each project.

PLEASE SEE DETAILED RESUMES OF OUR PROFESSIONAL STAFF ATTACHED.

Examples of Recent Projects and Client References

The following list includes project experience and client references from agencies for whom we conducted similar studies within recent years, as well as additional references.

Agency and Project	Contact Information
<p>City of Rancho Palos Verdes Currently in the midst of a citywide classification and total compensation study.</p>	<p>Contact: Mr. Sean Robinson Human Resources and Risk Manager Phone: (310) 544-5331 30940 Hawthorne Blvd. Rancho Palos Verdes, CA 90275 E-mail: srobinson@rpv.com</p>



Classification and Compensation Study Proposal

Town of Yucca Valley

<p>City of Bellflower Total compensation study completed in 2007; compensation study completed in 2013. Currently in the midst of a citywide classification and total compensation study.</p>	<p>Contact: Ms. Susan Crumly Human Resources and Risk Manager (562) 804-1424 16600 Civic Center Drive Bellflower, CA 90706 E-mail: scrumly@bellflower.org</p>
<p>City of Anaheim Classification and total compensation study for Library Services Department in final stages of completion.</p>	<p>Contact: Ms. Belen Ramirez Senior Class & Comp Analyst Phone: (714) 765-5159 201 S. Anaheim Boulevard, Suite 501 Anaheim, CA 92805 E-mail: BRamirez@anaheim.net</p>
<p>City of Monterey Total Executive staff compensation study completed in 2013. Police and Fire compensation studies completed in 2008.</p>	<p>Contact: Mr. Michael McCarthy Human Resources Director (831) 646-3765 735 Pacific Street Monterey, CA 93940 E-mail: McCarthy@ci.monterey.ca.us mailto:jones@monterey.org</p>
<p>City of Santa Barbara Compensation study completed in 2014.</p>	<p>Contact: Ms. Kristy Schmidt Administrative Services Director (805) 564-5305 P.O. Box 1990 Santa Barbara, CA 93102-1990 E-mail: kschmidt@santabarbaraca.gov</p>
<p>City of Santa Cruz We have done on-going classification studies from 2011 to present.</p>	<p>Contact: Ms. Cathy Bonino Principal Human Resources Analyst (831) 420-5045 809 Center St. Rm 6 Santa Cruz, CA 95060 E-mail: cbonino@cityofsantacruz.com</p>
<p>City of Claremont Salary and Benefit study, completed in 2014.</p>	<p>Contact: Mr. Jeremy Swan Personnel Services Manager (909) 399-5447 207 Harvard Avenue, Claremont, CA 91711 E-mail: jswan@ci.claremont.ca.us</p>



<p>City of Sausalito Performed a City-wide classification and total compensation study completed in 2012.</p>	<p>Contact: Mr. Charlie Francis Director of Administrative Services/Treasurer (415) 289-4105 420 Litho Street Sausalito, CA 94965 E-mail: cfrancis@ci.sausalito.ca.us</p>
<p>City of Compton Compensation study completed in 2014.</p>	<p>Contact: Mr. Mario Beas Interim Director of Human Resources (310) 605-5635 205 S. Willowbrook Avenue Compton, CA 90220 E-mail: mbeas@comptoncity.org</p>
<p>Riverside County Transportation Commission Classification and total compensation study completed in 2013. Just initiated another classification and total compensation study to be performed in 2015.</p>	<p>Contact: Ms. Michele Cisneros Accounting & Human Resources Manager (951) 787-7941 4080 Lemon Street 3rd Floor Riverside, CA 92502 E-mail: mcisnero@rctc.org</p>

Client Feedback

We have found that, often times, our proposals address a very high level of time commitment, which sometimes results in a higher proposal cost. We believe that our methodology and implementation success rate is attributable to the significantly greater level of contact we have with management, governing body, and staff. The time we commit to working with the employees [orientations and briefings, meetings with employees via personal interviews, informal appeal process, etc.] results in a significantly greater buy-in throughout the process and no formal appeals at the end of the study.

In fact, our firm has never had a formal appeal to any of our studies in over thirty years. It has been our experience that the money and time invested in stakeholder touch-points throughout the study are money and time saved during implementation. Numerous times our firm has been hired after an agency has gone through an unsuccessful classification and/or compensation study whose results were rejected or appealed and whose implementation was very controversial. The result was a divided organization with hostility and animosity between employees/employee representation and management. Every time our firm was hired after such a bad experience, study stakeholders were amazed at our open and all-inclusive process, our efforts to elicit equal stakeholder input, and our development of recommendations that were accepted as fair and reasonable and understood by management, employees, and the governing body. Our success rate is also attributable to the fact that we have 30 years of experience working with employees of all types of backgrounds, educational levels, and work experiences and are accustomed to successfully communicate with and educate them throughout the process. It is imperative that all employees eventually buy into the study results and recommendations, whether they have been through a process like this before or whether this is the first time for them.



Our clients always provide us feedback that our process was professional, comprehensive, understandable, timely, and inclusive. Employees, although not necessarily always happy with our recommendations, have always indicated that we listened to their issues and concerns and were available for discussion, as required. Although time consuming, we also drive the process to ensure that timelines are met and schedules are maintained.

K&A's Distinguishing Characteristics

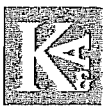
We have developed K&A's collaborative, transparent, and inclusive methodology over thirty years to ensure optimal outcomes and success rates with all of our projects, particularly when various different stakeholders with potentially divergent or conflicting priorities are involved. Our consensus-driven approach has always avoided formal appeals at the end of our studies, ensuring that clients are not left with a divided organization and negatively impacted employee morale.

Our number one priority is to meet the Town's needs and requirements. Having conducted hundreds of classification and compensation studies over 30 years, our firm has developed project management skills that control costs, ensure on-time delivery of end products, close management of project staff, and effective crisis management if unexpected issues and concerns arise throughout the project.

In terms of our quality assurance and control, we have trained each one of our team members to submit their project deliverables to the Project Manager (in this case, Katie Kaneko) for review and approval and to treat each such deliverable as if it were being submitted directly to the client. Working with public agencies, we understand that, ultimately, the work deliverables and recommendations we produce will become public information and undergo scrutiny not only from internal agency staff but also its appointed officials, elected/appointed Council members, as well as, the public and, potentially, the media. Before delivering any product or recommendation to the Town, we ask ourselves the question as to whether we would be comfortable seeing our name in the media associated with each particular deliverable. This is the perspective we bring to our approach for quality control and assurance. At a time when public scrutiny of public agency activities, programs, services, compensation, benefits, etc., has never been greater, we understand that the data and recommendations we provide to the Town have to be absolutely accurate, vetted, and when questioned, can be supported by the appropriate source documentation.

We will report to the designated Town Project Manager and understand that all other Town staff involved in the project may be available with reasonable advance notice and in coordination with the Project Manager. Project correspondence, meetings and communications will be directed and coordinated through the Project Manager. We will provide periodic project status reports (at least once per week or every two weeks, as desired) that include progress toward achieving milestones, issues encountered that might cause significant deviations from the project plan and recommendations for corrective actions. The Town Project Manager and our firm will jointly establish and agree upon written acceptance of each task and deliverable.

We believe in a transparent and open-book process and always encourage all stakeholders to contact us with questions and concerns. We want to be the ultimate HR resource for all of the Town's employees. However, we also need to ensure that all stakeholders know what the issues are and how we plan to address them. We like to include all stakeholders in the communication process from the beginning so that they all receive the same information from us, as well as, the Town Project Manager. We believe that our hands-on approach creates trust and confidence among employees and it is important to create a sound comfort-level



between us, the Project Manager, and other stakeholders through carefully structured and streamlined communication.

Potential Analysis Problems

The sections above describe how K&A addresses any issues, challenges, and problems that may come up during a study like this. In all cases, but especially when a study shows that the client organization’s compensation is above market, the consultant’s data and analysis will be questioned. Therefore, it is critical that all data is double and triple checked, and vetted throughout the organization, in addition to being able to show proof by producing each comparator agency’s supporting documentation, if necessary.

We are often asked what the greatest challenge is that comes up during studies like these. In our experience, it is when we have to present data and findings to a group of employees and their representatives that show them to be “overpaid” compared to the labor market. This is challenging because we understand that our findings may have a negative impact on the employees’ livelihoods, something we take very seriously. The importance of accurate data and analysis cannot be overstated.

Assigned Consultant Staff and Number of Hours

The following are the individual project task broken down by hours and assigned project staff:

	PHASE I: Classification Study	Hours	Consultant Staff
A.	Initial Document Review/Meetings with Study Project Team and HR/Management Staff	8	Krammer Dukellis
B.	Orientation Meetings with Employees and Distribution of PDQ	8	Krammer Dukellis
C.	Position Description Questionnaire Completion & Review	15	Krammer Dukellis Thompson Hayes
D.	Employee/Supervisor/Management Interviews	25	Krammer Dukellis Thompson Hayes
E.	Classification Concept/Preliminary Allocation Development	8	Krammer Dukellis Thompson Hayes
F.	Draft Class Description Development/Update	100	Krammer Dukellis Thompson Hayes



G.	Draft Class Description Review/Informal Appeal Process	12	Krammer Dukellis Thompson Hayes
H.	Finalize Classification Plan/Draft Interim Report/Final Report	12	Krammer Dukellis
	PHASE II: Compensation Study	Hours	Consultant Staff
A.	Identify Comparator Agencies, Benchmark Classifications, and Benefits to Be Collected	10	Krammer Dukellis Thompson
B.	Compensation Data Collection	70	Dukellis Thompson
C.	Analysis and Preliminary Data Review	30	Dukellis Thompson
D.	Draft Compensation Findings/Additional Analysis/Project Team Meeting	16	Krammer Dukellis Thompson
E.	Internal Relationship Analysis/Internal Alignment	8	Krammer Dukellis Thompson
F.	Salary Structure Recommendation and Implementation Plan Development	10	Krammer Dukellis Thompson
G.	Development of Draft Final and Final Report and Deliverables	12	Krammer Dukellis Thompson
H.	Formal Appeal Process *	0	As Needed
I.	Final Presentation to the Project Team and Town Council	8	Krammer Dukellis
	Additional meetings with study Project Team, employees, and/or other stakeholders	8	All

Project Schedule

Our professional experience is that classification and compensation studies of this scope and for this size organization take approximately three (3) months to complete, allowing for adequate interview time, classification description review and/or development, compensation data collection and analysis, review steps by the Town, the development of final reports, any appeals, and presentations.

The following is a suggested timeline based on an assumed contract executive date around mid-February, 2015 (which can be modified based on the Town's needs):



PHASE I: Classification Study		Completion Date
Task		By
A.	Initial Document Review/Meetings with Study Project Team	February 20
B.	Orientation Meetings with Employees and Distribution of Position Description Questionnaire	February 20
C.	Position Description Questionnaire Completion and Review	March 6
D.	Employee/Supervisor/Management Interviews	March 13
E.	Classification Concept/Preliminary Allocation Development	March 20
F.	Draft Class Description Development/Update	April 10
G.	Draft Class Description Review/Informal Appeals Process	April 24
H.	Finalize Classification Plan/Draft Interim Report/Final Report	May 1
PHASE II: Compensation Study		
Task		By
A.	Identify Comparator Agencies, Benchmark Classes, and Benefits to Be Collected	March 13
B.	Compensation Data Collection	April 17
C.	Analysis and Preliminary Data Review	April 24
D.	Draft Compensation Findings/Additional Analysis/Study Project Team Meeting	May 1
E.	Internal Relationship Analysis/Internal Alignment	May 8
F.	Compensation Structure and Implementation Plan Development	May 8
G.	Development of Draft Final and Final Report and Deliverables	May 15
H.	Formal Appeal Process *	As Needed
I.	Final Presentation	As Scheduled



PROPOSAL SIGNATURE PAGE

Koff & Associates intends to adhere to all of the provisions described in the RFP.

This proposal is valid for 90 days.

Respectfully submitted,

**Proposer: KOFF & ASSOCIATES
State of California**

Signed By:

**Katie Kaneko
President**

January 14, 2015

Date



Koff & Associates
Solving the Human Resources Puzzle for 30 Years

SUMMARY

Senior Human Resources Consultant with MBA skilled at juggling all HR aspects of small to medium sized companies and public agencies and aligning policies and programs with human and legal concerns.

KEY ACHIEVEMENTS AND HIGHLIGHTS

- **Chief Executive Officer:** At HR consulting firm, Koff & Associates, moved from junior role to Senior Project Manager position and, subsequently, became CEO and one of two principals of the firm; worked with close to 100 clients on projects with a 100% success and implementation rate.
- **Human Resources Director/Recruiter:** At IT and e-commerce consultancy, Primitive Logic, was part of building the team from 20 employees to 50; implemented entirely new HR infrastructure.
- **Administrative Officer:** As a member of Senior Management team of Mission National Bank, turned Bank around from years of losses to profits within six months, as well as substantially improved rating with regulatory authorities. Established smoothly running HR department.

PROFESSIONAL EXPERIENCE

Koff & Associates, Emeryville, CA

Associate and Senior Project Manager, 2000-2005

Chief Executive Officer, 2005-Present

- Koff & Associates is a human resources consulting firm specializing in organizational, compensation and classification studies; development of performance management systems and strategic management tools; policy/procedure development and employee handbooks; executive and staff recruitments; HR audits; employee/labor relations; and serving as off-site HR Director. 95% of clients are in the public sector and the remainder in the private sector.
- Regularly create responses to Requests-for-Proposal from cities, counties, courts, and special districts, such as housing, school, healthcare, air quality, vector control, transportation, water and wastewater agencies. Represent the firm with clients, write and approve final project reports and hold presentations in front of Boards of Commissioners/Supervisors/Directors and City Council.

Primitive Logic, Inc., Sausalito, CA

Human Resources Director, 1998-2000

- Supported 50 employees, focusing on organizational development, program implementation, and coaching resulting in an efficient and healthy organization.
- Pulled all HR functions under one umbrella, thereby allowing executive management to focus on company operations.
- In charge of overall recruiting process and coordination resulting in the company's growth of over 100% within one year.
- Planned, directed and carried out employment policies with the goal of reducing cost, safeguarding company culture, and keeping employee morale high.
- Handled all employee relations issues to ensure a productive work environment and to minimize company liability: grievances; counseling; workplace investigations; terminations. Created a structured termination process resulting in smoothly administered workforce reductions.
- In charge of employee services: new-hire orientation; benefits; employee reviews; employee mentoring program; training; employee morale; record-keeping.
- In charge of creation of all employment related contracts: offer letters, non-disclosure agreements, stock option agreements, independent consultant contracts; separation/release-of-claims agreements.
- In charge of applications for immigration visas, including H-1B's and Labor Certifications.

Mission National Bank, San Francisco, CA

HR Manager/Administrative Officer, 1996-1998

- As Executive Officer and member of Senior Management team, acted in the following roles: HR Manager; Bank Security Officer; Bank Secrecy Act Officer; Administrative Officer; Supervisor of Merchant Credit Card Program; Supervisor of Research, ACH and check processing; back-up for MIS troubleshooting and other technical issues; supervised two people.
- As head of HR department, overhauled HR infrastructure, including: training, payroll, compensation, benefits administration, employee grievance and conflict resolution. Maintained and implemented updated employment policies. Responsible for hiring, new-hire orientation, and terminations. Advised Senior Management and Board of Directors on HR issues, labor law updates, business conduct and ethics, as well as compensation structure to ensure legal compliance, adherence to overall business goals, reduction of cost, and employee retention.

EDUCATION

MBA - International Business, University of San Francisco, Beta Gamma Sigma Honorary Society.

MA - English and Russian languages, literature and linguistics; University of Vienna, Austria.

SPHR – Senior Professional Human Resource Certificate

PROFESSIONAL AFFILIATIONS

- California Public Employer Labor Relations Association
- National Public Employer Labor Relations Association
- Public Employer Labor Relations Association of California
- International Public Management Association
- Society of Human Resource Management
- Northern California Human Resource Association
- California Chamber of Commerce

ADDITIONAL INFORMATION

- Fluent in German, English, Russian; literate in Latin and French.
- Teaching credentials for English and Russian in Austria.

SUMMARY

President of Koff & Associates, Inc., with experience in managing the planning, development, implementation, and administration of compensation programs, including stock plans, benefits administration, variable pay programs, performance management and employee development, strategic planning, and policy development.

KEY ACHIEVEMENTS AND HIGHLIGHTS

Evaluated, designed, and implemented step system and broadband compensation structures for public agencies and private companies, which accomplished organization goals of controlling costs, attracting and retaining key talent, and ease of administration. Managed and developed organization-wide classification systems. Designed and implemented incentive and variable pay programs. Designed performance appraisal systems. Integrated career management programs with compensation, reward and recognition, promotion, transfer, and training strategies, processes, and procedures. Developed strategic business plans. Developed and implemented multiple training programs.

PROFESSIONAL EXPERIENCE

Koff & Associates, Inc., Emeryville, CA

Associate and Senior Project Manager, 2000-2005

President, 2005-Present

- Koff & Associates is a human resources consulting firm specializing in organizational, compensation and classification studies; development of performance management systems and strategic management tools; policy/procedure development and employee handbooks; executive and staff recruitments; HR audits; employee/labor relations; and serving as off-site HR Director. 95% of clients are in the public sector and the remainder in the private sector.
- Regularly create responses to Requests-for-Proposal from cities, counties, courts, and special districts, such as housing, school, healthcare, air quality, vector control, transportation, water and wastewater agencies. Represent the firm with clients, write and approve final project reports and hold presentations in front of Boards of Commissioners/Supervisors/Directors and City Council.

Xpedior, San Francisco, CA

Human Resources Director, 1997-2000

- Managed acquired companies to the Xpedior culture. Audited human resources practices of acquired companies and provided training and guidance to management. Ensured compliance with organization policies and procedures.
- Oversaw conversion to IPO environment in terms of the impact on human resources functions.
- Managed all human resources programs, including organization development, recruitment and selection, labor law compliance, classification and compensation, benefits administration, employee relations, training and development, and safety programs.

SEGA of America, Redwood City, CA

Human Resources Generalist, 1993-1996

Compensation Manager, 1996-1997

- Managed compensation function for over 1,000 employees. Evaluated, designed, and implemented broadband compensation structure which accomplished corporate goals of controlling costs, attracting and retaining key talent, and ease of administration. Developed and conducted the manager and employee training/communications program for new broadband system.
- Managed the production of over 250 job descriptions for the entire organization.
- Designed new corporate incentive plans for Research and Development and Sales divisions.
- Functioned as project lead for conversion and installation of new HRIS system.
- Obtained and compiled high-tech market data to support the organization's competitive advantage in a cutting edge industry.

- Managed the human resources function for the U.S. satellite software development divisions and companies (over 450+ employees);
- Consulted with managers and employees on organization development, conflict resolution, performance management, discipline, termination, and other employee relations issues.
- Assimilated acquired companies to the SEGA culture. Audited human resources practices of acquired companies and provided training and guidance to management. Ensured compliance with organization policies and procedures.

TPA Company, San Francisco, CA

Human Resources Manager/Financial Controller, 1992-1993

- Managed human resources function. Evaluated and implemented new policies and procedures to strengthen organization structure. Supervised and maintained financial accounting operations. Position encompassed diverse responsibilities in a high-pressure, fast paced environment.

BDO Seidman, CPA's and Consultants, San Francisco, CA

Laventhol & Horwath, CPA's and Consultants, San Francisco, CA

Human Resources Director, 1986-1992

- Managed human resources, organization development, employment, labor law, compensation, benefits administration, affirmative action, employee relations, and safety programs.

EDUCATION

BS – Business Administration; California State University, Hayward.

CPA – Certified Professional Accountant

PHR – Professional Human Resource Certificate

PROFESSIONAL AFFILIATIONS

- California Public Employer Labor Relations Association
- National Public Employer Labor Relations Association
- Public Employer Labor Relations Association of California
- International Public Management Association
- Society of Human Resource Management
- Northern California Human Resource Association
- California Chamber of Commerce

EMPLOYMENT

Senior Project Manager, January 2014 – present

Koff & Associates

Provide project management and support on classification and compensation studies for public sector clients, including cities, counties, school districts, and special districts. Serve as lead and participate in special projects including recruitment, pay for performance program development, and organizational development.

Director of Administrative Services, December 2007 – December 2013

City of La Mesa, CA

Planned and directed the functions, programs, and operations of Human Resources in a full-service city, including recruitment & selection, labor relations, benefit administration, classification, compensation; Safety and Risk Management including liability and workers' compensation; Information Technology; and training and employee development services and activities; coordinated activities with other departments and outside agencies; and provided administrative support to the City Manager.

Human Resources Manager, October 2002 – December 2007

City of Poway, CA

Managed the City's Human Resources function that includes Fire Service and Water Utilities. Responsibilities included benefit administration; employee development and training coordination; classification and compensation; labor relations; recruitment and selection procedures. Consulted and worked collaboratively with various levels of management and staff as resource regarding workplace and human resources issues and projects.

Human Resources Manager, August 2000 – October 2002

City of Coronado, CA

Managed the Human Resources function in a full-service city including Fire, Police, Library, Public Works, etc. Responsible for workers' compensation program, classification and compensation studies, benefit administration, training and employee development, and full range of recruitment and selection procedures. Coordinated activities with departments and outside agencies. Participated in the City's labor contract negotiations processes; conducted investigations. Provided staff support to Civil Service Commission.

Principal Human Resources Analyst, July 1999 – August 2000

City of Escondido, CA

Professional personnel generalist position in a full-service city including Police, Fire, Water Utilities. Participated in the labor negotiations with four bargaining groups; liaison to City departments; conducted recruitment and selection procedures; conducted classification and reclassification studies & wage, salary and benefit surveys; participated on city-wide committees and programs.

Senior Personnel Analyst, January 1984 – July 1999

City of El Cajon, CA

Progressed through a series of increasingly responsible Human Resources positions in a full-service agency. Responsible for conducting classification and compensation studies; recruitment and selection procedures; participating in labor negotiations; liaison with City departments. Developed and implemented a city-wide performance evaluation system.

EDUCATION

Bachelor of Arts, Public Administration, San Diego State University

Master's Program, Public Administration, San Diego State University (30 of 36 units)

PROFESSIONAL AFFILIATIONS

International Public Management Association for Human Resources (IPMA-HR)

Calpelra, PELRAC, NPELRA

P. 153

Public Agency Risk Management Association (PARMA)

Alyssa Thompson, PhD

EMPLOYMENT EXPERIENCE

Project Manager, Koff & Associates

February 2007 – present

- Provide project management and support on classification and compensation studies for public sector clients, including cities, counties, school districts, and special districts.
- Classification studies: conduct employee interviews; analyze and develop recommendations for position allocation; develop classification specifications.
- Compensation studies: data collection and analysis; develop compensation recommendations and implementation plans.
- Serve as lead and/or participate in special projects, including recruitment, pay for performance program development and training, audits, and other special projects.

Research Assistant, Alliant International University, Marshall Goldsmith School of Management

January 2006 – June 2007

- Assist professor in research study focusing on identifying essential organization development competencies.
- Research and synthesize literature on organization development competencies and adult learning theory.
- Work with professor to write research proposal for Institutional Review Board (Human Participants Committee) approval. Received approval to conduct research project.
- Design and conduct research, including both qualitative (structured interviews) and quantitative (survey) methods; analyze data and develop recommendations.

Teaching Assistant, Alliant International University, Marshall Goldsmith School of Management

August 2005 – May 2006

- Assist professor in teaching of Psychometrics, Statistics, and Research Design class in organizational psychology PhD program.
- Independently teach one hour each week.
- Develop lesson plans focused on developing a research design and using SPSS for statistical analysis, interpretation, and presentation of results.
- Facilitate group discussions.

Human Resources Associate, The J. David Gladstone Institutes

July 2000 – February 2007

Compensation

- Assist in coordination of compensation program, including developing and administering salary surveys, data collection, analysis of survey results, and proposing merit budget and salary increase recommendations.
- Work with senior management on implementation of annual merit increase program.

- Recommend adjustments to salary structure based on market data and cost of living adjustments.
- Research, analyze, and provide recommendations to address salary grade adjustments for internal positions; assess and ensure internal and external equity of salaries for each position.
- Help administer annual performance evaluation program; conduct performance appraisal training sessions to assist managers in completing evaluations.
- Assist in development of new and modifications to existing job descriptions; maintain job description database.
- Evaluate and recommend EEO and FLSA status and salary grades for new and existing positions.
- Assist with creating offer proposals for new hires to ensure internal and external equity in salary.

Affirmative Action Program

- Coordinate annual affirmative action program.
- Accurately collect and analyze data; apply and interpret statistical tests to identify key areas of development; provide recommendations to address areas of development.

International Visa

- Coordinate processing of international visas for all employees.
- Maintain tracking system of visa status.
- Serve as a liaison between employees and visa representatives and attorneys; resolve visa and immigration issues; understand and apply basic immigration and visa regulations.

Other Generalist Responsibilities:

- Maintain HRIS databases and integrity of the data.
- Ensure compliance with monthly Department of Labor reporting regulations.
- Generate all human resources reports; provide analysis of reports, as requested.
- Member of the Diversity Leadership Team and Student Minority Outreach Committee. Assist in coordinating graduate student and student intern programs.
- Assist recruitment function, including updating job postings, sorting and screening resumes and applications, developing tests and assessments, and interviewing.
- Assist in annual audit of personnel files to ensure compliance with applicable regulations.
- Assist in temporary agency placements.

EDUCATION

University of California, Davis

BA in Psychology awarded March 2000

Alliant International University

PhD in Organizational Psychology awarded November 2012

Education:

University of California, Santa Barbara

Santa Barbara, California

Bachelor's Degree, Mathematics & Economics

Professional Experience:

January 2012 – Present

Koff & Associates– Emeryville, CA

Associate, Koff & Associates

- Provide support on classification and compensation studies for public sector clients, including cities, counties, school districts, and special districts.
- Classification studies: analyze and develop recommendations for position allocation; develop classification specifications.
- Compensation studies: data collection and analysis; develop compensation recommendations and implementation plans.
- Serve as lead and/or participate in special projects, including recruitment, pay for performance program development and training, audits, and other special projects.

September 2007 to June 2011

IEDA - Emeryville, CA

Benefit Analyst, IEDA

- Maintain compensation and benefit database, providing public sector agencies comparative, compensation information.
- Regularly propose recommendations and develop efficiencies to improve data integrity and productivity.
- Collaborate with management to diversify suite of service offerings, directly contributing to the organization's bottom line.
- Additional responsibilities include monthly invoicing. Maintain and assist in enhancing invoicing procedures.
- Partner with team members and management to respond to client inquiries.
- Communicate potential client service issues to management; offer executable and timely resolutions to ensure client satisfaction and retention.

December 1995 to September 2005

Charles Schwab - San Francisco, CA

2004 - 2005 Operations Manager, Charles Schwab

- Managed team of 5 in Trust Operations.

Anne Kennedy Hayes

- Utilizing hands-on experience, developed controls to mitigate trading risk, improved operational procedures regarding account transfers.
- Achieved successful audits by internal and external auditing entities through the aforementioned procedures.
- Cultivated collaborative team environment to retain talented employees.

2001 – 2004 Project Manager, Charles Schwab

- Provided support to Trust operations teams to implement internal departmental projects.
- Developed operations guidelines, managed initiation of new Trust Company products.

1996 – 2001 Team Leader, Charles Schwab

- Provided highest level of service to internal and external business partners.
- Delivered results in fast paced, time sensitive environment. Contributed innovative ideas to improve operations.

1995 – 1996 Operations Specialist, Charles Schwab

- Experienced in all aspects of Trust operations.
- Developed customer and interpersonal skills to deliver quality service.
- Developed concrete understanding of Trust Company business, Trust Company clients and goals of the firm.

December 1986 to December 1995 Merrill Lynch - San Francisco, CA

1993 – 1995 Associate Financial Consultant, Merrill Lynch

- Worked with Senior Financial Consultant to develop business, prospect clients, cold calling.
- Gained understanding of diverse product line and working with high net worth individuals.

1992 – 1993 Administrative Assistant, Merrill Lynch

- Provided administrative assistance for financial consultants.
- Through direct customer contact developed relationships to ensure retention of clients.

1986 – 1992 Customer Service Representative, Budget Administrator, Merrill Lynch

- Held various entry level positions gaining experience in a fast paced environment. Developed skills in prioritization, organization, attention to detail.

Kendra Reich

Education

San Francisco State University
MS, Industrial/Organizational Psychology

San Francisco, CA
2011-2013

University of Wisconsin – Milwaukee
BA, Psychology

Milwaukee, WI
2008-2010

Professional Experience

Pacific Gas and Electric Company (PG&E)
Intern, Workforce Planning and Analytics

San Francisco, CA
June-Dec 2012

- Captured and analyzed labor market data for issues and trends to provide insights and recommendations.
- Utilized statistical programs and methodologies to develop and enhance predictive workforce models.
- Participated in best-practice forums to develop a resource pool of HR best-practice information.
- Analyzed and reported labor market and demographic information to key stakeholders.
- Provided insights and action recommendations to enhance workforce planning tools.

Center for Learning and Autism Support Services (CLASS)
Human Resources Assistant

San Mateo, CA
May-June 2012

- Provided potential clientele with information about programs and services.
- Screened job candidates and provided recommendations to interview.
- Performed reference checks for all qualified job candidates.
- Worked with clients and therapists to deliver optimal schedules.

Center for Learning and Autism Support Services (CLASS)
Behavioral Therapist

San Mateo, CA
Oct 2011-June 2012

- Provided behavioral therapy to clients diagnosed with developmental disorders.
- Provided therapy in clients' homes, schools, and other community-based settings.
- Documented and maintained data for all proposed and enacted interventions.

Autism Behavior Network (ABN)
Behavioral Therapist

Wauwatosa, WI
Jan 2011- July 2012

- Provided behavioral therapy to clients diagnosed with developmental disorders.
 - Provided therapy in clients' homes, schools, and other community-based settings.
 - Documented and maintained data for all proposed and enacted interventions.
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Research Experience

San Francisco State University
Human Factors and Ergonomics

San Francisco, CA
Sep 2011-present

- Participated in multiple research studies funded by NASA and the FAA.
- Focused research efforts on leadership, communications, teamwork, and decision making.
- Managed all administrative responsibilities for NASA study on asynchronous communication.
- Trained participants on complex processes for NASA study on asynchronous communication.

Kendra Reich

University of Wisconsin – Milwaukee
Health Psychology

Milwaukee, WI
Sep 2008-Dec 2010

- Collected and analyzed data for research studies in the Health Psychology department.
- Worked as a teaching assistant for introductory Psychology course.
- Provided students with timely progress reports and instructional support.

Affective Neuroscience

Dec 2009-Dec 2010

- Prepared participants for involvement in an Electroencephalography (EEG) study.
- Helped participants complete simulations utilizing EEG technology.

Center for Urban Initiatives and Research

Oct 2008-May 2009

- Designed evaluation tools to assess the quality of after school programs for at-risk youth.
- Tested and assessed the utility and value of evaluation tools.
- Presented results to client and implemented feedback.
- Presented results at research symposium.

Professional Memberships

Bay Area Applied Psychologists (B.A.A.P.)

Society for Industrial Organizational Psychologists (S.I.O.P.)

Technical Skills

Microsoft Excel, Microsoft Word, SPSS