

**F.8 Authorization for the Mayor to sign an agreement with Citygate Associates LLC to conduct a fire services alternatives study for the cities of Newark and Union City–
from City Manager Becker (RESOLUTION)**

Background/Discussion – The cities of Newark and Union City are currently under contract with the Alameda County Fire Department (ACFD) to provide fire and emergency response services. ACFD is a special dependent district, formed in 1993, to provide fire services to unincorporated Alameda County and which is governed by the Alameda County Board of Supervisors (BOS). During the past 21 years, five cities (San Leandro, Dublin, Newark, Union City and Emeryville) and two federal laboratories (Lawrence Berkeley and Lawrence Livermore National Laboratories) have joined the ACFD. The contracting agencies now constitute over 60% of the ACFD budget.

The fire services that Newark and Union City have received from ACFD have been excellent. However, recent budget issues within the unincorporated county portion of the ACFD budget (a structural budget deficit in excess of \$1 million annually) have placed a strain on the central administrative support services that ACFD provides both cities. Two major and problematic issues have become evident during the roughly four years that both cities have been served by the ACFD:

- **Governance** – The BOS holds all of the authority and control over the ACFD budget and the labor agreements which form the basic “driver” of increased operating costs for the ACFD. As a result, the ACFD contract agencies have no real control over the costs of their contracts with ACFD. The two advisory bodies formed to advise the BOS on issues of concern to contracting agencies, the Fire Advisory Commission (made up of appointed elected officials from the contract cities), and the Executive Management Oversight Committee (made up of City Managers and federal lab representatives), have no real authority and have recently seen their concerns and recommendations essentially ignored by the BOS. This situation is compounded by the fact that the County budget does not support the ACFD; rather, property taxes from the unincorporated county service areas support the ACFD. This dynamic presents a concern for the future of salary and benefit cost containment within the ACFD.
- **Other Post-Employment Benefits (OPEB)** – This term refers to the (legacy) Retiree Medical Benefit afforded all ACFD employees who serve at least five (5) years with the ACFD, and consists of uncapped universal family coverage for ACFD employees and their families. The term “uncapped” means that there is no upper limit on the monthly benefit that each retiree will receive (the benefit floats upward with the Kaiser family rate), and the term “legacy” means that despite future reductions in benefits that may possibly be negotiated in future ACFD labor agreements, there will almost certainly never be a reduction in the benefits that employees hired before such reductions take effect will receive. For both cities, all former employees are legacy members of the ACFD Retiree Medical Benefit once they pass their fifth anniversary with the ACFD, which will happen on May 1, 2015 for Newark,

and June 30, 2015 for Union City. At this time, the medical benefit is fully paid by ACFD with no financial contribution made by active employees and retirees.

This situation is compounded by the fact that the ACFD, like many other government agencies throughout California, had not (until recently) developed accurate actuarial estimates of what the unfunded liabilities associated with such a generous OPEB would be. These unfunded liabilities now total over \$120 million and are expected to continue to grow every year. The reason these unfunded liabilities are growing is that no agency associated with the ACFD (nor any ACFD employee) has ever paid the actual annual costs required to fully fund the OPEB. Instead, ACFD agencies have paid only those amounts needed to pay for current benefit payouts to retirees (“pay as you go”), thereby pushing the unfunded liability forward and increasing its size.

Newark and Union City have collaborated on a process to solicit and evaluate consultants to perform a Fire Services Alternatives Study. The cities invited four reputable firms to submit proposals. After reviewing the proposals, both cities agreed to interview three of the four consultants including Citygate Associates, LLC, Management Partners, and Matrix Consulting Group. The interview process resulted in the unanimous selection of Citygate Associates, LLC (Citygate) as the recommended consulting team for this important study. The Citygate team possesses superior experience in conducting fire services studies and has an extensive track record of successful engagements throughout California.

As the City Council may recall, Citygate was used by both Newark and Union City back in 2009-10 to evaluate the feasibility of both cities forming a joint fire department. For several reasons, this concept proved unworkable at the time and both cities then engaged Citygate in evaluating the feasibility of joining ACFD separately. This time around, as Citygate has acknowledged, the OPEB issue will be evaluated in much greater detail than it was in 2009-10, and several options will be evaluated. These options include:

- Remaining with ACFD
- Forming a new, joint fire department (as the cities of Livermore and Pleasanton have done)
- Forming a new Joint Powers Agency, Fire Services District, or similar entity
- Contracting for fire services from another entity (not ACFD).

The combination of the governance and OPEB issues has the potential to significantly impact both cities’ budgets, and forms the impetus for the recommended action. Both Newark and Union City are facing a decision point on whether to remain in the ACFD or evaluate other potential fire services options and potentially undertake what would be a very challenging transition in less than a year (i.e., in order to avoid the OPEB liability that accrues on the 5th anniversary of ACFD employment). All options will carry risks, both short and long term, and Citygate will be asked to develop alternatives for possible interim solutions if a total

reconfiguration of fire services in the two cities cannot be completed within the period remaining from completion of the study and final decision, to the deadline for ACFD contract renewal.

Citygate's proposed work plan and cost proposal is attached for reference. The cost quote is an amount not to exceed \$65,070 and the time frame for completion of the analysis is no longer than 90 days. This is an aggressive schedule, but staff is confident in the capability of the Citygate team to deliver an accurate study within the specified time frame. Both cities will share the cost of the study equally with the City of Newark's share not to exceed \$33,000. The funding will come from the unallocated General Fund Balance.

Attachment

Action - It is recommended that the City Council, by resolution, authorize the Mayor to sign an agreement with Citygate Associates, LLC to conduct a fire services alternatives study for the cities of Newark and Union City.

RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
NEWARK AUTHORIZING THE MAYOR TO SIGN A
CONSULTING SERVICES AGREEMENT WITH CITYGATE
ASSOCIATES; LLC TO CONDUCT A FIRE SERVICES
ALTERNATIVES STUDY FOR THE CITIES OF NEWARK
AND UNION CITY

WHEREAS, the City of Newark and the City of Union City have both independently executed agreements with the Alameda County Fire Department for fire services since May 2010 and July 2010; and

WHEREAS, both cities have been pleased with the quality and level of service provided by ACFD, but are concerned about the long-term financial stability of the ACFD due to structural operating deficits within the unincorporated county portion of the ACFD service area, and very large unfunded liabilities associated with the retiree medical benefits (“OPEB”) that all ACFD sworn personnel become vested with after five (5) years of service to ACFD; and

WHEREAS, both cities also have serious concerns about the basic governance model of the ACFD, in which all powers and authorities regarding ACFD budgets and labor agreements reside with the County Board of Supervisors, with no power or authority residing with the contract cities and agencies which now pay for over 60% of the ACFD budget; and

WHEREAS, both cities have a fiduciary duty to their taxpayers to evaluate the feasibility of remaining with the ACFD and renewing the contracts, especially since the OPEB liabilities that both cities will assume if they remain will take effect upon the fifth anniversary of the effective date of each contract; and

WHEREAS, both cities have agreed to share the costs of the feasibility study equally;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Newark authorizes the Mayor to sign a Consulting Services Agreement with Citygate Associates LLC to conduct a fire services alternatives study for the cities of Newark and Union City.

**CONSULTING SERVICES AGREEMENT BETWEEN
THE CITY OF UNION CITY, THE CITY OF NEWARK
AND CITYGATE ASSOCIATES, LLC.**

This Service Agreement (hereinafter "Agreement") is made and entered into this day of _____, 2014 by and between the **CITY OF UNION CITY**, a municipal corporation and the **CITY OF NEWARK**, a municipal corporation (sometimes collectively referred to as "Cities" and sometimes individually referred to as "City" depending on the context), and **CITYGATE ASSOCIATES, LLC**, ("Consultant"), collectively the "Parties".

1. CONSULTANT'S SERVICES. Consultant shall perform Services described, and in the time, place, and manner specified in Exhibit "A" in accordance with the terms and conditions of this Agreement. In the event of a conflict in or inconsistency between the terms of this Agreement and Exhibit "A", the Agreement shall control.

2. TIME FOR PERFORMANCE. Time is of the essence in the performance of Services under this Agreement and Consultant shall generally adhere to the schedule set forth in Exhibit "A"; provided, that Cities shall grant reasonable extensions of time for the performance of such Services occasioned by governmental reviews of Consultant's work product or other unavoidable delays occasioned by circumstances, provided, further, that such unavoidable delays shall not include strikes, lockouts, work stoppages, or other labor disturbances conducted by, or on behalf of, Consultant's officers or employees. Any Services for which times for performance are not specified in this Agreement shall be commenced and completed by Consultant in a reasonably prompt and timely manner based upon the circumstances and direction communicated to Consultant.

Consultant acknowledges the importance to Cities of Cities' performance schedule and agrees to put forth its best professional efforts to perform its Services under this Agreement in a manner consistent with that schedule. Cities understand, however, that Consultant's performance must be governed by sound professional practices.

3. COMPENSATION.

A. "Not to Exceed" Compensation. Cities shall compensate Consultant for all Services performed by Consultant hereunder in an amount based upon Consultant's hourly or other rates not to exceed the amounts set forth in Exhibit "A". The payments specified in Exhibit "A" shall be the only payments to be made to Consultant for Services rendered pursuant to this Agreement.

Notwithstanding the foregoing, the combined total of compensation and costs payable hereunder shall not exceed the sum of SIXTY FIVE THOUSAND SEVENTY and No/100 Dollars (\$65,070.00) unless the performance of services and/or reimbursement of costs and expenses in excess of said amounts have been approved in advance of performing such services or incurring such costs and expenses by Cities, evidenced in writing authorizing such additional amount.

B. Method of Billing. To request payment, Consultant shall submit monthly invoices to Cities identifying Services performed and the charges therefore (including an identification of personnel who performed Services, hours worked, hourly rates, and reimbursable expenses), based upon Consultant's billing rates (set forth on Exhibit "A" hereto).

Consultant shall submit all billings for said Services to Cities in the manner specified in Exhibit "A"; or, if no manner is specified in Exhibit "A", then according to the usual and customary procedures and practices which Consultant uses for billing clients similar to Cities. Consultant shall submit invoices to the Contract Administrator set forth in paragraph 20 of the Agreement.

Consultant shall divide each monthly invoice equally and shall submit a statement for services for one-half of each invoice to the City of Union City and one-half of each invoice to the City of Newark through the Contract Administrator. Each City shall be responsible for payment of its respective invoice.

C. Taxes. Consultant is solely responsible for the payment of employment taxes incurred under this Agreement and any similar federal or state taxes.

D. Payment. Upon receipt of billing, Cities shall make payments to Consultant on a monthly basis, or at such other times as may be specified in Exhibit "A", for Services, which are performed in accordance with this Agreement to the satisfaction of Cities and for authorized reimbursable costs incurred..

E. Consultant's Failure to Perform. In the event that Consultant performs Services that do not comply with the requirements of this Agreement, Consultant shall, upon receipt of written notice from Cities, re-perform the services (without additional compensation to Consultant). If Consultant's failure to perform in accordance with this Agreement causes damages to Cities, Consultant shall reimburse Cities for the damages incurred (which may be charged as an offset to Consultant's payment).

4. ADDITIONAL SERVICES. In the event Cities desire the performance of additional services not otherwise included within Services, such services shall be authorized by written task order approved in advance of the performance thereof. Such task order shall include a description of the services to be performed thereunder, the maximum compensation and reimbursement of costs and expenses payable therefore, the time of performance thereof, and such other matters as the Parties deem appropriate for the accomplishment of such services. Except to the extent modified by a task order, all other terms and conditions of this Agreement shall be deemed incorporated in each such task order.

5. INDEPENDENT CONSULTANT. At all times during the term of this Agreement, Consultant shall be, and is an independent consultant and shall not be an employee or agent of Cities. Consultant shall not be entitled to any benefit, right, or compensation other than that provided in this Agreement. Cities shall have the right to control Consultant only insofar as the results of Consultant's Services; however, Cities shall not have the right to control the means by which Consultant accomplishes Services.

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

6. PERSONNEL. Consultant understands that, in entering into this Agreement, Cities have relied upon Consultant's ability to perform in accordance with its representations regarding the qualifications of Consultant, including the qualifications of its Authorized Representative, its designated personnel, and its sub-consultants, if any, identified in Exhibit "A". Therefore, Consultant shall not replace its Authorized Representative, or any of the designated personnel or sub-consultants identified in Exhibit "A", without the prior written consent of Cities. All Services shall be performed by, or under, the direct supervision of Consultant's Authorized Representative.

In the event that Cities, in their sole discretion, at any time during the term of this Agreement, desires the removal of any of Consultant's designated personnel or sub-consultants, Consultant shall, immediately upon receiving notice from Cities of such desire of Cities, cause the removal of such person or persons.

7. FACILITIES AND EQUIPMENT. Consultant shall, at its sole cost and expense, furnish all facilities and equipment which may be required for furnishing Services. The Cities shall make available to Consultant only the facilities and equipment listed in this section, and only under the terms and conditions set forth herein.

Cities shall furnish physical facilities such as desks, filing cabinets, and conference space, as may be reasonably necessary for Consultant's use while consulting with Cities' employees and reviewing records and the information in possession of either of the Cities. The location, quantity, and time of furnishing those facilities shall be in the sole discretion of the Cities. In no event shall Cities be obligated to furnish any facility that may involve incurring any direct expense, including but not limited to computer, long-distance telephone or other communication charges, vehicles, and reproduction facilities.

8. INFORMATION AND DOCUMENTATION.

A. Information from Cities. Cities have made an effort to provide Consultant with all information necessary for Consultant's performance of Services. If Consultant believes additional information is required, Consultant shall promptly notify Cities and Cities will provide to Consultant all relevant non-privileged information in Cities' possession.

B. Consultant's Accounting Records. Consultant shall maintain all accounting records related to this Agreement in accordance with generally accepted accounting principles and state law requirements, and in no event for less than four (4) years. Consultant's accounting records shall include, at a minimum, all documents which support Consultant's costs and expenses related to this Agreement, including personnel, subconsultants' invoices and payments, and reimbursable expenses. Consultant's accounting records shall be made available to Cities within a reasonable time after Cities' request, during normal business hours. Any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or

documents evidencing or relating to charges for services or expenditures and disbursements charged to the Cities under this Agreement shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of the Cities.

C. Ownership of Work Product. All original documents or materials, in electronic form or other, prepared by Consultant (including its employees and sub-consultants) for this Agreement (“Work Product”), whether complete or in progress, are the property of Cities and shall be given to Cities at the completion of Consultant’s Services, or upon demand of Cities. Consultant shall have a right to make and keep copies of the Work Product except for any confidential information. Consultant shall not reveal the Work Product or the confidential information contained in the Work Product, or make it available, to any third party without the prior written consent of Cities.

9. CONFLICTS OF INTEREST PROHIBITED. Consultant (including its employees, agents, and sub-consultants) shall not maintain or acquire any direct or indirect interest that conflicts with the performance of this Agreement. Consultant shall comply with all requirements of the Political Reform Act (California Government Code Section 81000, *et seq.*) and other laws relating to conflicts of interest, including: (a) Consultant shall not make or participate in a decision made by City if it is reasonably foreseeable that the decision may have a material effect on Consultant’s economic interest, (b) Consultant shall not employ any official of either of the Cities in the work performed pursuant to this Agreement, and (c) if required by law, Consultant shall file financial disclosure forms with the City Clerk. If Consultant maintains or acquires a conflicting interest, any contract with City (including this Agreement) involving Consultant’s conflicting interest may be terminated by City.

10. NONDISCRIMINATION AND EQUAL OPPORTUNITY. Consultant shall comply with all applicable federal, state, and local laws, policies, rules, and requirements regarding nondiscriminatory employment practices, whether or not said laws are expressly stated in this Agreement. Consultant shall not discriminate against any employee or applicant because of race, color, religious creed, national origin, physical disability, mental disability, medical condition, marital status, sexual orientation, sex, age, or any other basis, as defined in California Civil Code Section 51.

11. COMPLIANCE WITH LAW AND STANDARD OF CARE. Consultant shall comply with all applicable legal requirements including all federal, state, and local laws (including ordinances and resolutions), whether or not said laws are expressly stated in this Agreement. Consultant shall perform Services pursuant to this Agreement using a standard of care equal to, or greater than, the degree of skill and diligence ordinarily used by reputable professionals, with a level of experience and training similar to Consultant, performing under circumstances similar to those required by this Agreement. Consultant’s failure to comply with any law(s) or regulations(s) applicable to the performance of the work hereunder shall constitute a breach of contract.

12. INSURANCE. Consultant shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, his agents, representatives, sub-consultants, or employees.

A. Verification of Coverage.

Consultant shall, at its own cost and expense, furnish Cities with original certificates and amendatory endorsements effecting coverage required by this clause. All certificates and endorsements are to be received and approved by Cities before work commences. Cities reserve the right to require complete, certified copies of all required insurance policies, including endorsements that affect the coverage required by these specifications at any time. Consultant shall immediately furnish Cities with certificates of renewal for each policy that is renewed during the term of this Agreement. Consultant shall maintain all insurance policies required by this section for the duration of this Agreement.

B. Minimum Scope of Insurance.

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence Form CG 0001).
2. Insurance Services Office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto), or Code 8 (hired) and 9 (non-owned) if consultant has no owned autos.
3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.
4. Errors and Omissions Liability insurance appropriate to the Consultant's profession. Architects' and Engineers' coverage is to be endorsed to include contractual liability.

C. Minimum Limits of Insurance.

Consultant shall maintain limits no less than:

1. General Liability: **\$1,000,000** per occurrence for bodily injury, personal injury, and property damage. If Commercial General Liability insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: **\$1,000,000** per accident for bodily injury and property damage.
3. Employer's Liability: **\$1,000,000** per accident for bodily injury or disease.

4. Errors and Omissions Liability: **\$1,000,000** per occurrence or claim.

D. Deductibles and Self-Insured Retentions.

Any deductibles or self-insured retentions must be declared to and approved by Cities before beginning any of the services or work called for by any term of this Agreement. At the option of Cities, either: (a) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects to Cities, their officers, officials, directors, employees, and volunteers, or (b) Consultant shall provide a financial guarantee satisfactory to Cities guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

Any deductible or self-insured retention for professional liability insurance shall not exceed \$150,000 per claim.

E. Claims Made Policies.

For all “claims made” coverage, in the event that Consultant changes insurance carriers Consultant shall purchase “tail” coverage or otherwise provide for continuous coverage covering the Term of this Agreement and not less than five (5) years thereafter. Proof of such “tail” or other continuous coverage shall be required at any time that the Consultant changes to a new carrier.

F. Contractual Liability.

A certified endorsement to include contractual liability shall be included in the policies.

G. Wasting Policies.

No policy required by this paragraph 12 shall include a “wasting” policy limit (ie. limit that is eroded by the cost of defense).

H. Remedies.

In addition to any other remedies Cities may have if Consultant fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, Cities may, at their sole option exercise any of the following remedies, which are alternatives to other remedies Cities may have and are not the exclusive remedy for Consultant’s breach:

1. Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the Agreement;

2. Order Consultant to stop work under this Agreement or withhold any payment that becomes due to Consultant hereunder, or both stop work and withhold any payment, until Consultant demonstrates compliance with the requirements hereof; and/or

3. Terminate this Agreement.

I. Acceptability of Insurers.

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to City.

J. Other Insurance Provisions.

The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. Additional Insureds. Cities, their officers, officials, directors, employees and volunteers are to be covered as insureds with respect to liability arising out of work or operations performed by or on behalf of Consultant; including materials, parts or equipment furnished in connection with such work or operations; or automobiles owned, leased, hired, or borrowed by Consultant.

2. Primary Insurance. For any claims related to these Services, Consultant's insurance coverage shall be primary insurance as respects Cities, their officers, officials, directors, employees, and volunteers. Any insurance or self-insurance maintained by Cities, their officers, officials, directors, employees, or volunteers shall be excess of Consultant's insurance and shall not be contribute with it.

3. Notice of Cancellation. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to Cities. Similarly, no major change in coverage, expiration, or nonrenewal will be made during the term of this Agreement.

4. Civil Code § 2782. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the California Civil Code.

5. Qualifications. All insurance companies providing coverage to Consultant shall be insurance organizations authorized by the Insurance Commissioner of the State of California to transact the business of insurance in the State of California.

6. Sub-consultants. Consultant shall include all sub-consultants as insured under its policies or shall furnish separate certificates and endorsements for each sub-consultant. All coverage for sub-consultants shall be subject to all of the requirements stated herein.

7. Waiver of Subrogation. With respect to Workers' Compensation and Employer's Liability Coverage, the insurer shall agree to waive all rights of subrogation against Cities, their officers, officials, directors, employees, agents, and volunteers for losses arising from work performed by Consultant for Cities.

8. Coverage is Material Element. Maintenance of proper insurance coverage in conformity with the provision of this paragraph 12 is a material element of this Agreement and failure to maintain or renew coverage or to provide evidence of coverage or renewal may be treated by Cities as a material breach of this Agreement.

9. Variation. The Risk Managers of Cities may approve a variation in these insurance requirements upon a determination that the coverage, scope, limits, and form of such insurance are either not commercially available or those Cities' interests are otherwise fully protected. Any variation granted shall be done in writing and shall be made a part of this Agreement as Appendix "A".

13. REPORTING DAMAGES. If any damage (including but not limited to death, personal injury or property damage) occurs in connection with the performance of this Agreement, Consultant shall immediately notify the City Risk Managers' offices by telephone, and Consultant shall promptly submit to the Cities' Risk Managers and the Cities' Administrators (see paragraph 18, hereinbelow) a written report (in a form acceptable to Cities) with the following information: (a) name(s) and address(es) of the injured or deceased person(s), (b) name(s) and address(es) of witnesses, (c) name(s) and address(es) of Consultant's insurance company(ies), and (d) a detailed description of the damage(s) and whether any City property was involved.

14. INDEMNIFICATION/SAVE HARMLESS. To the fullest extent permitted by law, the Consultant shall: (1) immediately defend, and (2) indemnify Cities and each of them, their respective officers, officials, directors, employees, and volunteers from and against all liabilities regardless of nature or type arising out of or resulting from Consultant's performance of Services, or any negligent or wrongful act or omission of Consultant or Consultant's officers, employees, agents, or subcontractors. Liabilities subject to the duties to defend and indemnify include, without limitation all claims, losses, damages, penalties, fines, and judgments; associated investigation and administrative expenses; defense costs, including but not limited to reasonable attorneys' fees; court costs; and costs of alternative dispute resolution. Consultant's obligation to indemnify applies unless it is adjudicated that its liability was caused by the sole active negligence or sole willful misconduct of an indemnified party. If it is finally adjudicated that liability is caused by the comparative active negligence or willful misconduct of an indemnified party, Consultant's indemnification obligation shall be reduced in proportion to the established comparative liability of the indemnified party.

With respect to third party claims against the Consultant, the Consultant waives any and all rights of any type of express or implied indemnity against the Indemnitees.

The duty to defend is a separate and distinct obligation from Consultant's duty to indemnify. Consultant shall be obligated to defend, in all legal, equitable, administrative, or special proceedings, with counsel approved by City immediately upon tender to Consultant of the claim in any form or at any stage of an action or proceeding, whether or not liability is established. An allegation or determination of comparative active negligence or willful misconduct by an indemnified party does not relieve the Consultant from its separate and distinct obligation to defend City. The obligation to defend extends through final judgment, including exhaustion of any appeals. The defense obligation includes an obligation to provide independent defense counsel if Consultant asserts that liability is caused in whole or in part by the negligence

or willful misconduct of the indemnified party. If it is finally adjudicated that liability was caused by the sole active negligence or sole willful misconduct of an indemnified party, Consultant may submit a claim to City for reimbursement of reasonable attorneys' fees and defense costs.

The review, acceptance or approval of Consultant's work or Work Product by any indemnified party shall not affect, relieve or reduce Consultant's indemnification or defense obligations. This paragraph survives completion of Services or the termination of this contract. The provisions of this paragraph are not limited by and do not affect the provisions of this contract relating to insurance.

15. LICENSES, PERMITS, ETC. Consultant represents and warrants to Cities that it and its employees, agents, and any sub-consultants have all licenses, permits, qualifications, and approvals of whatsoever nature which are legally required to practice their respective professions. Consultant represents and warrants to Cities that Consultant and its employees, agents, and subcontractors shall, at their sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals which are legally required for Consultant to practice its profession. In addition to the foregoing, Consultant and any sub-consultants shall obtain and maintain during the term hereof a valid Business License from each of the Cities.

16. TERM/TERMINATION.

A. The term of this Agreement shall commence upon the Effective Date first hereinabove written and shall end after 60 (sixty) days as specified in Exhibit "A", and Consultant shall complete Services on or before that date, unless the term of the Agreement is otherwise terminated or extended as provided for in paragraph 16 section B below.

B. Notwithstanding the provisions of paragraph 16 section A above, either party may terminate this Agreement without cause by giving written notice thereof not less than ten (10) days prior to the effective date of termination, which date shall be included in said notice. In the event of such termination, Cities shall compensate Consultant for Services rendered and reimburse Consultant for costs and expenses incurred, to the date of termination, calculated in accordance with the provisions of paragraph 3. In ascertaining the Services actually rendered to the date of termination, consideration shall be given both to completed work and work in process of completion. Nothing herein contained shall be deemed a limitation upon the right of Cities to terminate this Agreement for cause, or otherwise to exercise such rights or pursue such remedies as may accrue to Cities hereunder.

17. BREACH BY CONSULTANT. If Consultant materially breaches any of the terms of this Agreement, the Cities' remedies shall include, but not be limited to, the following:

- A.** Immediately terminate the Agreement; and
- B.** Retain any work product prepared by Consultant pursuant to this Agreement; and

C. Retain a different consultant to complete the work described in Exhibit A not finished by Consultant; and

D. Charge Consultant the difference between the cost to complete the work described in Exhibit A that is unfinished at the time of breach and the amount that Cities would have paid Consultant pursuant to if Consultant had completed the work.

18. EXTENSION. Cities may, in their sole and exclusive discretion, extend the end date of this Agreement beyond that provided for in paragraph 16 section A above. Any such extension shall require a written amendment to this Agreement, as provided for herein. Consultant understands and agrees that, if the Cities grant such an extension, the Cities shall have no obligation to provide Consultant with compensation beyond the maximum amount provided for in this Agreement. Similarly, unless authorized by the Contract Administrators, Cities shall have no obligation to reimburse Consultant for any otherwise reimbursable expenses incurred during the extension period

19. CONTRACT ADMINISTRATION. This Agreement shall be administered by Terrence Grindall of the City of Newark and Tony Acosta of the City of Union City (“Administrators”). All correspondence shall be directed to or through the Administrators or his/her designees.

20. NOTICES. Written notices required or convenient hereunder shall be delivered personally or by depositing the same with the United States Postal Service, first class (or equivalent) postage prepaid and addressed, in the case of Consultant, to:

CONSULTANT

Title: _____
Citygate Associates, LLC
2250 East Bidwell Street
Folsom, CA 95630

CITY OF UNION CITY

Tony Acosta, Deputy City Manager
City Hall
34009 Alvarado-Niles Road
Union City, CA 94587

CITY OF NEWARK

Terrence Grindall, Assistant City Manager
City Administration Building
37101 Newark Boulevard
Newark, CA 94560

21. **PARAGRAPH HEADINGS.** Paragraph headings used herein are for convenience only and shall not be deemed to be a part of such paragraphs and shall not be construed to change the meaning thereof.

22. **EXHIBITS.** All exhibits referred to herein are attached hereto and are by this reference incorporated herein. In the event there is a conflict between any of the terms of the Exhibits and the terms of this Agreement, then the terms of this Agreement shall control.

23. **SEVERABILITY.** If any term of this Agreement (including any phrase, provision, covenant, or condition) is held by a court of competent jurisdiction to be invalid or unenforceable, the Agreement shall be construed as not containing that term, and the remainder of this Agreement shall remain in full force and effect; provided, however, this paragraph shall not be applied to the extent that it would result in a frustration of the Parties' intent under this Agreement.

24. **SURVIVAL.** All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between Cities and Consultant shall survive the termination of this Agreement.

25. **GOVERNING LAW, JURISDICTION, AND VENUE.** The interpretation, validity, and enforcement of this Agreement shall be governed by and interpreted in accordance with the laws of the State of California. Any suit, claim, or legal proceeding of any kind related to this Agreement shall be filed and heard in a court of competent jurisdiction in the County of Alameda or in the United States District Court for the Northern District of California.

26. **ATTORNEY'S FEES.** In the event any legal action is commenced by a party to this Agreement, including declaratory relief, to enforce or interpret this Agreement, the prevailing party is entitled to reasonable attorney's fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.

27. **ASSIGNABILITY.** Consultant may not subconsult, assign, sell, mortgage, hypothecate, or otherwise transfer their respective interests or obligations in this Agreement or any interest therein without the express prior written consent of the non-transferring party(ies).

28. **MODIFICATIONS.** This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by all the Parties.

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

30. **ENTIRE AGREEMENT.** This Agreement, including all documents incorporated herein by reference, comprises the entire integrated understanding between the Parties concerning the Services. This Agreement supersedes all prior negotiations, agreements, and understandings regarding this matter, whether written or oral. The documents incorporated

by reference into this Agreement are complementary; what is called for in one is binding as if called for in all.

31. SIGNATURES. The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Agreement on behalf of the respective legal entities of Consultant and Cities. This Agreement shall inure to the benefit of and shall apply to and bind the Parties hereto and their respective successors and assigns.

32. RECYCLED PRODUCTS. Consultant shall prepare and submit all reports, written studies, and other printed material on recycled paper to the extent it is available at equal or less cost than virgin paper.

33. NO SOLICITATION. Consultant agrees not to solicit business at any meeting, focus group, or interview related to this Agreement, either orally or through any written materials.

34. COVENANT AGAINST CONTINGENT FEES. Consultant hereby warrants that Consultant has not employed or retained any company or person, other than a *bona fide* employee working for Consultant, to solicit or secure this Agreement, and Consultant has not paid or agreed to pay any company or person, other than a *bona fide* employee, any fee, commission, percentage, brokerage fee, gift, or any other consideration contingent upon or resulting from the award or formation of this Agreement. For breach or violation of this warranty, City shall have the right to annul this Agreement without liability or, at City's discretion, to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift or contingent fee.

35. COUNTERPARTS. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

CITY OF UNION CITY
a municipal corporation

CONSULTANT
Citygate Associates, LLC

Carol Dutra-Vernaci, Mayor

President

Attest:

Renee Elliott, City Clerk

Approved as to form:

Benjamin T. Reyes, City Attorney

CITY OF NEWARK
a municipal corporation

Alan L. Nagy, Mayor

Attest:

Sheila Harrington, City Clerk

Approved as to form:

David J. Benoun, City Attorney

EXHIBIT A

SCOPE OF SERVICES

And

COMPENSATION SCHEDULE

And

QUALIFICATIONS

CITYGATE ASSOCIATES, LLC

■ FOLSOM (SACRAMENTO), CA

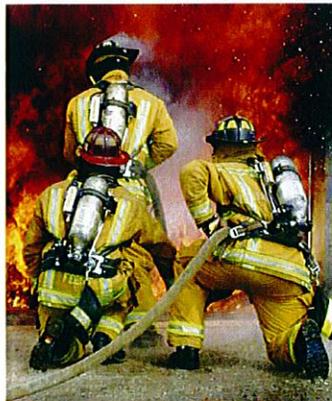
MANAGEMENT CONSULTANTS ■

■ ■

PROPOSAL TO CONDUCT A FIRE SERVICES ALTERNATIVES STUDY

CITIES OF NEWARK AND UNION CITY

April 3, 2014



■ 2250 East Bidwell St., Ste #100 ■ Folsom, CA 95630
■ (916) 458-5100 ■ Fax: (916) 983-2090


CITYGATE ASSOCIATES, LLC
FIRE & EMERGENCY SERVICES



2250 East Bidwell Street, Suite 100 ■ Folsom, CA 95630 ■ PH 916-458-5100 ■ FAX 916-983-2090

April 3, 2014

Terrence Grindall
Assistant City Manager, City of Newark
37101 Newark Blvd
Newark CA, 94560

**RE: PROPOSAL TO CONDUCT A FIRE SERVICES ALTERNATIVES STUDY FOR THE CITIES OF
NEWARK AND UNION CITY**

Dear Mr. Grindall:

Citygate Associates, LLC is pleased to present our proposal to perform a fire services alternatives study for the Cities of Newark and Union City. This introductory letter explains why Citygate is the most experienced merger consultancy on the west coast. It also provides a brief overview of our extensive fire services experience, particularly since we last conducted work for Newark and Union City.

We understand that the goal of the study is to evaluate all feasible alternative opportunities for fire protection services. We agree at this time that the cities should not constrain their options. Since we last conducted your study, there has been considerable movement in merger studies with regard to CalPERS costing, OPEB costs, and cost allocation with the Alameda County Fire Department. As our proposal will outline, our on-going experience and partnership with Bartel Associates across different studies makes us uniquely qualified to assist the cities, without a pre-determined outcome.

Over the last 12 years, Citygate has performed over 180 fire service studies. In California alone, our team of subject matter experts has performed fire deployment studies for over 75 cities, serving over 14.5 million residents, or 39 percent of the state's population. In addition, our

"We work with consultants, obviously, all the time, but the work that Citygate did on this report is some of the best I've seen in my tenure here."

-Former San Diego County CAO

experience is simply unmatched when it comes to fire department consolidations and their associated policy, deployment analysis, governance, and financial strategies. **We have four fire services consolidation studies currently underway, and have completed over twenty-five such fire merger engagements, some including four or more agencies.** We have extensive experience conducting

service merger studies before and since the recession, including a recent study for the Cities of Anaheim, Orange, and Fullerton. We are currently performing a police/fire safety JPA feasibility study for four agencies in San Bernardino County, **the first-ever of its kind in California.**

When multiple agencies have much at stake, or a project is complex, only consultants with the most exceptional multi-agency experience will suffice. Within the past few years alone, Citygate has executed many of the largest fire service studies we know of, including the Counties of San Diego (57 agencies) and El Dorado (14 agencies) as well as the Cities of San Diego, Oakland, Stockton, Pasadena, the Sacramento Metropolitan Fire District and both the Ports of Long Beach and Los Angeles. We enjoy the complex, challenging, “Gordian Knot” projects where other firms might steer clear.

We strongly encourage the partners to call our key project references—they are *golden*. As the County of San Diego former CAO stated: “*We work with consultants, obviously, all the time, but the work that Citygate did on this report is some of the best I’ve seen in my tenure here.*” (Watch the video clip at this link: www.citygateassociates.com/sdcountyvideo)

CITYGATE ASSOCIATES KEY SCOPE STRENGTHS FOR THIS STUDY

We believe that you are not simply hiring a “firm.” You are hiring professional individuals who have the qualifications matching your unique needs. Our team members are the practice specialists in their fields. The partners are not going to work with less skilled, entry- or mid-level consultants. We submit that the consultant team you need should possess these four *critical* attributes:

1. Experience designing and actually *managing merged* fire services. We can “walk our talk” on how to successfully establish sub-regional fire services.
2. Experience performing “Standards of Response Cover” deployment analysis that is second to no other consultancy.
3. Long-term financial expertise in local agencies, including skills in costing personnel expenses, actuarial estimates, drafting cost share allocation plans, and performing revenue-to-costs analysis.
4. Exceptional communication that builds consensus on the tough issues. When the technical details are completed, your consultant team must be able to clearly explain the results and options to the stakeholders.

We have these attributes. Time after time, at the end of our report presentations, our clients say, “This is one of the best studies we have ever received and we now really understand the fire issues before us.” Citygate will *not* present lofty ideas that have no practical chance of implementation or acceptance. What sets Citygate apart is our ability to weave our experience

Terrence Grindall

April 3, 2014

Page 3

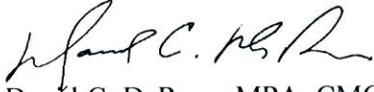
with the partners' facts and needs into recommendations that can positively move the agencies' fire service decisions ahead. We know the approaches needed and how to effectively communicate the results to the stakeholders.

* * *

Citygate believes that, upon the partners' review of our proposal and unique qualifications, you will find that Citygate's team of multi-disciplinary consultants will exceed the partners' expectations!

As President of the firm, I am authorized to execute a binding contract on behalf of Citygate Associates, LLC. Please feel free to contact me at (916) 458-5100, extension 101 or via e-mail at dderoos@citygateassociates.com if you wish further information.

Sincerely,



David C. DeRoos, MPA, CMC

President

cc: Proposal Team

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Proposal to Conduct a Fire Services Alternatives Study

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For the sake of clarity, the following matrix has been prepared to assist the reader locating requested information.

RFP Item	Description of Item	Location in the Proposal
1	Citygate’s Understanding of the Project	Page 14; Section 4
2	Work Plan and Methodology	Page 17; Section 4
3	Staffing Qualifications	Page 3; Section 2
4	Experience	
	a) Similar Project Experience	Page 1 and 9; Sections 1 and 3
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5	Project Timeline	Page 22; Section 4
6	Client Reference	
	a) Last Five Customers within Ten Years	Page 13; Section 3
	b) Outcome of Project vs. Consultant Recommendation	Page 9; Section 3

SECTION 1—FIRM INTRODUCTION

1.1 CITYGATE INTRODUCTION

Citygate Associates, LLC, founded in 1990, is dedicated to assisting public sector agencies to improve services. Citygate’s Fire Protection and Emergency Medical Services practice area conducts consolidation feasibility analyses, organizational efficiency studies, deployment and station location analyses, master and strategic plans, risk assessment studies, performance audits, staffing studies, and GIS for cities, counties, and districts throughout the United States.

We have four fire services consolidation studies currently underway, and have completed over 25 such fire merger engagements, some including four or more agencies.

Citygate has conducted over 300 successful engagements for public agencies throughout the United States, including over 180 fire and emergency services projects. We have four fire services consolidation studies currently underway, and have completed over 25 such fire merger engagements, some including four or more agencies.

For more detailed information on Citygate’s services, please visit our web site at www.citygateassociates.com.

1.2 FIRE SERVICE CONSOLIDATION AND REGIONAL STUDY EXPERIENCE

Below is a list of the recent and current consolidation, contract-for-services, and regional fire assessments performed by Citygate. We know of no other fire services consulting firm that has performed so many consolidation and contract-for-services studies in recent years. Many of these projects will be described in more detail later in our proposal.

- ◆ Cities of Newark and Union City – Consolidation or ALCO Contract for Services Study
- ◆ City of Emeryville, CA – Assessment of Fire Service Provision Options & Contract RFP with ALCO
- ◆ Cities of Orange, Fullerton, and Anaheim – Consolidation Feasibility Analysis
- ◆ San Diego County Office of Emergency Services (CA) – Countywide Deployment and Fiscal Study for Regional Fire, Rescue, and EMS Services (57 Total Fire Agencies)
- ◆ Sonoma LAFCO – Master Services Review and Standards of Coverage Analysis
- ◆ Seaside and Marina Fire Services, CA – Consolidation Implementation Assistance
- ◆ Cities of Pismo Beach, Arroyo Grande, Grover Beach, and Oceano CSD – High-Level Consolidation Feasibility Analysis
- ◆ Cities of Patterson, Newman and West Stanislaus County FPD, CA – Joint Fire Protection Study
- ◆ Cities of Monterey, Pacific Grove, and Carmel, CA – High-Level Consolidation Feasibility Analysis

Cities of Newark and Union City

Proposal to Conduct a Fire Services Alternatives Study

- ◆ Cities of Adelanto, Hesperia, and Victorville and the Town of Apple Valley – Public Safety JPA Feasibility Study
- ◆ City of Arcata, CA – Fire Services Feasibility Analysis
- ◆ City of Pinole, CA – Regional Fire Service Delivery Study
- ◆ City of Sausalito and Southern Marin FPD – Fire Consolidation Implementation Analysis
- ◆ UC Santa Cruz and City of Santa Cruz – Consolidation Feasibility Analysis
- ◆ Cities of Burlingame, Millbrae, San Bruno, and Town of Hillsborough – Fire Services Merger Technical Implementation
- ◆ UC Davis, Cities of Davis, West Sacramento, and Woodland – Consolidation Feasibility Analysis
- ◆ El Dorado LAFCO (CA) – Countywide Fire and Emergency Services Study (14 agencies)
- ◆ City of Lodi, CA – Contract for Services Feasibility Analysis
- ◆ Modesto Regional Fire Authority – Transition Assistance
- ◆ South Santa Clara County Area Fire Departments – Reorganization Feasibility Study
- ◆ City of South Lake Tahoe, CA – Fire Department Consolidation Feasibility Analysis
- ◆ City of Sonoma and Valley of the Moon FPD – Fire Services Reorganization Study
- ◆ City of Santa Rosa and Rincon FPD, CA – Fire Consolidation Analysis
- ◆ City of Covina, CA – Contract-for-Service Analysis
- ◆ City of Eureka and Humboldt No. 1 Fire Protection District – Consolidation or Contract Fire Services Feasibility Analysis
- ◆ Presidio Trust and National Park Service – Fire Services Reorganization
- ◆ Stanford University – Fire Services Delivery Options Analysis Including Contracting for Services
- ◆ Snohomish County Fire District 1, WA – Review of Regional Fire Authority Financial and Level-of-Service Plan
- ◆ City of Hemet – Contract for Fire Services Study

1.3 FIRM IDENTIFICATION AND CONTACT INFORMATION

Headquarters Office

Citygate Associates, LLC
2250 East Bidwell Street, Suite 100
Folsom, CA 95630

Telephone: (916) 458-5100
Email: admin@citygateassociates.com
Fax: (916) 983-2090

Chief Stewart Gary, Fire Practice Principal

Telephone: (916) 458-5100 ext. 305
Email: sgary@citygateassociates.com

Additional personnel assigned to work with partner staff can be found on page 4.

SECTION 2—PROPOSED TEAM

2.1 PROJECT TEAM INTRODUCTION

“Citygate completed a near impossible task—you are incredible and I am grateful! I am a huge Citygate fan and share my experiences with everyone!”

*-Chief Tim Scranton
Federal Coordinating Officer, FEMA
Former Fire Chief of Beverly Hills*

Citygate’s capability for this service can be simply stated: our Project Team is the most experienced and talented on the west coast. Our expert practitioners *have successfully walked the talk* in fire services consolidation efforts in their agency and consulting careers.

The expertise and the capabilities of project consultants ultimately determine the project’s success. The Citygate team has a multi-disciplinary approach that includes the full range of skills required to execute this challenging project. The diverse group of specialists comprising Citygate’s proposed Project Team (described below) has worked together before, and has integrated their respective expertise into comprehensive, compelling, and creative strategies to assist agencies.

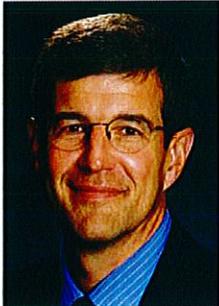
Our consultants possess deep knowledge and experience in the specific areas needed to successfully complete this project, including:

- ◆ Fire department fiscal management and cost controls
- ◆ Fire department staffing plans
- ◆ Fire services command and organizational structures
- ◆ Fire services merger organizational types, fiscal solutions, and governance options.

Below we present each consultant and the role they will fulfill in the execution of this project. Resumes for each consultant can be found in **Appendix B**.

2.2 CITYGATE PROJECT TEAM

Chief Stewart W. Gary, MPA, Fire Practice Principal and Project Director



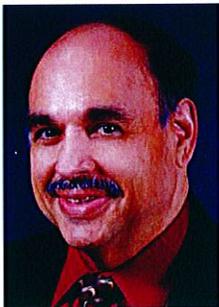
Chief Gary is the Fire Practice Principal for Citygate Associates and is the retired Fire Chief of the Livermore-Pleasanton Fire Department in Alameda County, California. In 1996 he successfully designed and led the implementation of the Livermore-Pleasanton fire department consolidation, which won a California League of Cities Helen Putnam award. For twelve years, he also has been the lead instructor and program content developer for the Standards of Coverage process. For many years he annually taught a 40-hour course on this systems approach for fire deployment at the California

Fire Academy and he teaches and consults across the United States and Canada on the Standards of Response Coverage process.

Chief Gary has completed over 25 fire merger engagements, and is the foremost fire services consolidation expert on the west coast.

Stewart Gary, Citygate's Fire Practice Principal, will serve as the Project Director and Lead Consultant for this study. Chief Gary is responsible for day-to-day management of the project, including direction of project personnel, detailed planning and scheduling of tasks, preparation of work products, direct participation as the key interface with the client, delegation of activities to project consultants, and synthesis of the study data into a meaningful and useful Final Report.

Steven A. Harman, MPA, IPMA-CP, Senior Consultant and Co-Project Director



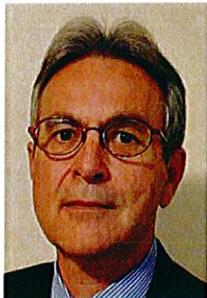
Mr. Steven Harman is an experienced and acknowledged leader in the public sector human resource management community, and retired as the Director of Human Resources in the City of Livermore. He has more than thirty-two years of personnel management experience covering the full array of management functions including recruitment and selection, classification and compensation, training and development, policy and procedure development and other related areas. Mr. Harman has extensive experience in providing human resource management services for fire departments. He is a certified

expert witness in California and Federal Courts in matters pertaining to employment discrimination and wrongful termination. Mr. Harman is currently serving on the Hesperia partners JPA feasibility study and has served as Citygate's Project Manager for our previous police management and/or staffing reviews conducted for Santa Monica, CA; Maricopa, AZ; Goodyear, AZ; and Provo, UT.

From his operational and fiscal perspectives as a recent Human Resources Director for Livermore, which included experience with the LPFD JPA, Mr. Harman will conduct total

compensation modeling analysis; personnel transition issues and coordinate pension and health care costs with Bartel Associates. He will also co-direct the project with Chief Gary to ensure the team is always in sync and available for the needs of the two cities. He can conduct overall briefings should Chief Gary not be available. He is a resident in Alameda County, as is Chief Gary.

Stanley E. Feathers, MPA, Senior Associate and Fiscal Specialist

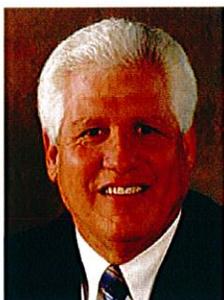


Mr. Feathers has served as City Manager, Assistant City Manager, Finance Director, Budget Manager, and has served extended duty as interim Community Development Director. He has over 25 years of management experience in both city and county government. His executive experience includes virtually all aspects of local government with much of it focused on “hands-on” analysis, policy development, and implementation of initiatives. He has experience in a diverse array of public policy areas and issues. Through his wide-ranging experience, he has developed approaches to resolving complex problems by emphasizing simple but elegant solutions. This is critical to long-term success in an increasing complex governmental environment limited by the availability of resources.

Mr. Feathers recently retired and has since assisted Central Valley Cities in dealing with financial, budget, and organizational issues related to the impact of the housing and economic meltdown. He recently completed serving as interim City Manager for the City of Oakdale, a full-service city in the central valley.

From his operational and fiscal perspectives as a recent City Manager and Finance Director, Mr. Feathers will conduct the costing of personnel, drafting cost share allocation plans, 5-year models and providing concluding revenue-to-costs analysis.

Chief Samuel L. Mazza, CFC, CFO, EFO, Fire Services Specialist

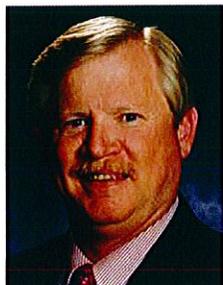


Mr. Mazza is a Senior Fire and Emergency Services Specialist with over 40 years of fire service experience. He recently retired as Fire Chief from the City of Monterey, California where he oversaw a successful consolidation of fire services with the City of Pacific Grove. Prior to his service with Monterey, Chief Mazza spent over 30 years with CAL FIRE in numerous assignments spanning state, county, and special district services. He has extensive collaborative and command experience, including appointment as the Incident Commander of a statewide Type-1 Incident Command Team.

Chief Mazza is a California state Certified Fire Chief, CPSE Chief Fire Officer, Executive Fire Officer, and National Fire Academy instructor.

Chief Mazza will assist Stewart Gary with assessing the crew deployment, headquarters and support operations services, and the dispatch questions.

David C. DeRoos, MPA, CMC, Citygate President



Mr. DeRoos has nearly 30 years of experience as a consultant to local government, preceded by 5 years as an assistant to the City Administrator. He earned his undergraduate degree in Political Science/Public Service (Phi Beta Kappa) from the University of California, Davis and holds a Master of Public Administration degree from the University of Southern California. Prior to becoming a Principal in Citygate in 1991, he was a Senior Manager in the local government consulting division of Ernst & Young.

Mr. DeRoos is responsible for ensuring the project is conducted smoothly and efficiently within the schedule and budget allocated, and that project deliverables meet Citygate's and the client's quality standards.



Bartel Associates Introduction and Team Members

Bartel Associates, LLC is an actuarial consulting firm specializing in counties, cities, districts, other public agencies, and retirement systems. John Bartel founded Bartel Associates to provide public sector clients high-quality actuarial services at reasonable fees, focusing on personal attention and clear results. Bartel emphasizes discussing results and observations in layman's terms including references to actuarial theory, the basis for assumptions, and other actuarial matters. The best actuarial calculations and observations are of little use if they are not effectively communicated. In fact, Bartel's clients frequently recommend the firm to others based on the firm's ability to communicate clearly and effectively.

Services include:

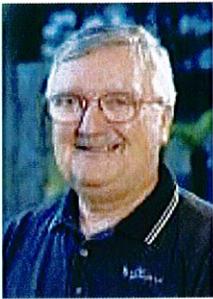
- ◆ Pension Plans – Preparing actuarial valuations and assist with the administration of defined benefit pension plans for governments, agencies, and retirement systems.
- ◆ Retirement Plan Audits – Reviewing actuarial valuations, experience studies, actuarial assumptions, and actuarial methods for state, county, and city retirement plans and for independent retirement systems.

Cities of Newark and Union City
Proposal to Conduct a Fire Services Alternatives Study

- ◆ Plan Design – Assisting public agencies redesign existing retirement plans and implement new retirement benefit programs including retiree medical plans and pension plans.
- ◆ OPEB Plans – Bartel has prepared “Other Postemployment Benefit” actuarial studies and valuations for over 250 counties, cities, districts, and agencies to assist with compliance with GASB Statements Nos. 43 and 45.
- ◆ Pension Consulting – Bartel provides consulting services on retirement system contribution rates and benefit design issues and have made presentations to county boards of supervisors, city councils, district boards of directors, employee bargaining groups, and agency staff.

Please visit www.bartel-associates.com for more information on services, publications and staff.

John Bartel, President, ASA, FCA, MAAA



John Bartel is an Associate of the Society of Actuaries, a Fellow of the Conference of Actuaries, and a Member of the American Academy of Actuaries. He has over 30 years of experience, and founded Bartel Associates 10 years ago to focus on the public sector. John’s extensive work with Public Pension and OPEB plans includes numerous analyses, Tier 2 studies, and cost projections for CalPERS plans. He has appeared before county boards of supervisors, city councils, retirement system boards, and public agency boards of directors and is known for his clarity. John earned a BS in Mathematics at California State University, Chico.

Mr. Bartel will peer review the benefits costing analysis.

Mary Beth Redding, Assistant Vice President, FSA, EA, MAAA

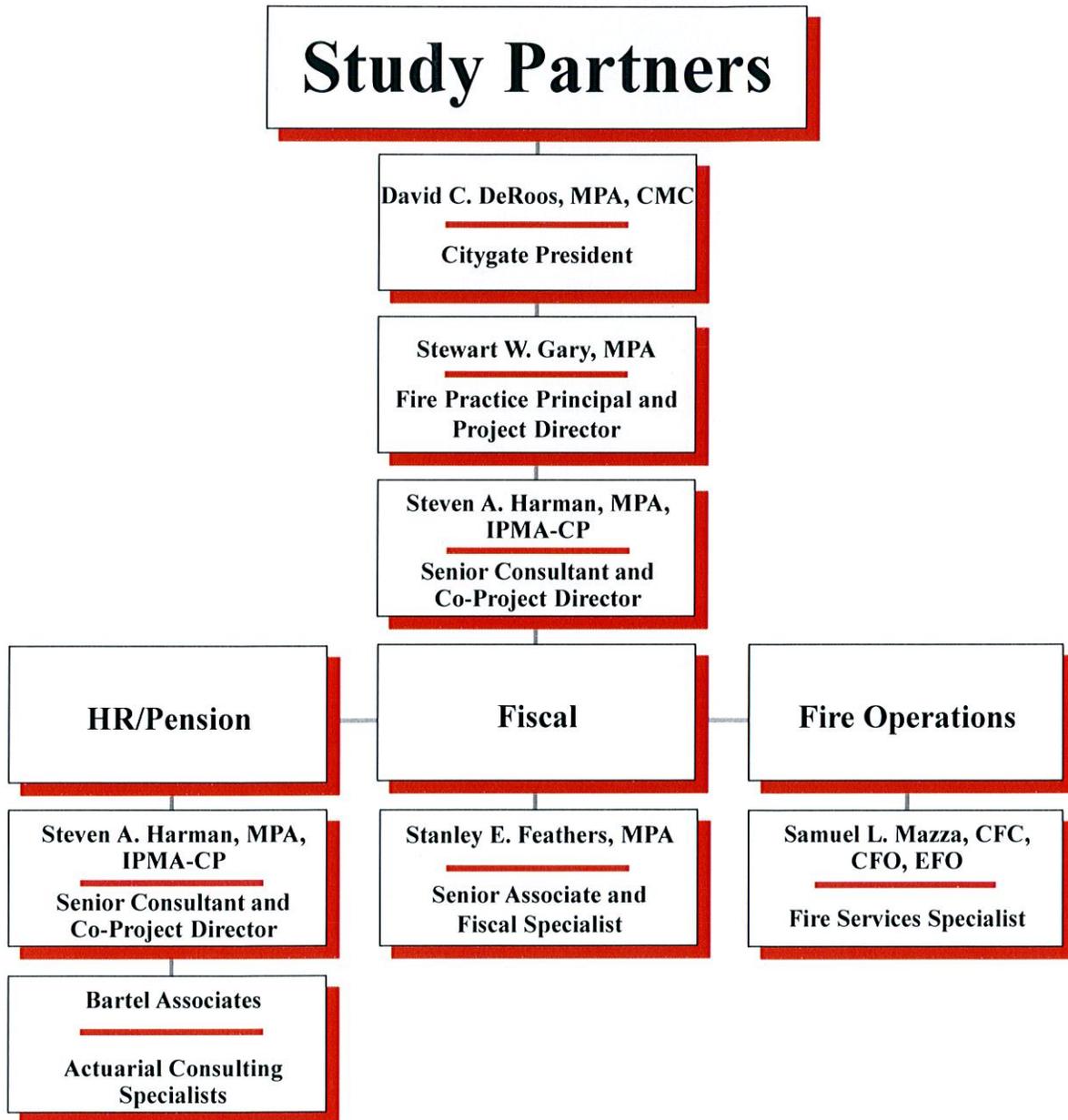


Mary Beth Redding is a Fellow of the Society of Actuaries, an Enrolled Actuary under ERISA, and a Member of the American Academy of Actuaries. With over 30 years of experience, Mary Beth has been with Bartel Associates for just over 1 year. She has performed actuarial studies for clients such as ‘37 Act Pension Plans and independent pension plans, as well as actuarial valuations of public sector pension and OPEB plans and studies comparing defined benefit and defined contribution plans. She has a B.S. in Geology & Geophysics from Yale University.

Ms. Redding will manage the benefits costing analysis and be responsible for the accuracy of the results.

Citygate’s consultants adhere to the Code of Ethics found in **Appendix A**. The following is a Project Team organization chart.

Project Team Organization Chart



SECTION 3—RELATED PROJECT EXPERIENCE AND REFERENCES

3.1 SUMMARY OF RELATED EXPERIENCE

Citygate has completed many recent projects that are very similar to the consolidation, fiscal, governance, and deployment work requested in this study. Below Citygate provides a description of our previous related fire services engagements. For many of the projects below, we describe in italics the outcome of the study as a result of our recommendations. Following this description of projects, Citygate presents five client references.

Cities of Hesperia, Adelanto, Victorville, Town of Apple Valley – Public Safety JPA Feasibility Study

Citygate is currently conducting a Feasibility Study for the cities of Hesperia, Adelanto, Victorville, and the Town of Apple Valley to determine the potential for a Public Safety JPA to manage Police and/or Fire services among the agencies.

The partner cities recently accepted our Phase I detailed report and directed us to brief the County staffs on the technical findings.

Stanford University – Fire Services System Review Consulting Services

Citygate is providing fire services system review consulting for Stanford University which has occurred over three phases, and has included preparation of alternative service plans and macro costs, and drafting a fire services RFP and cost model for the Fire Department.

Cities of Newark and Union City, CA – Regional Fire Service Study

In 2009, Citygate completed a feasibility analysis of merging the cities of Newark's and Union City's fire services to gain economies of scale and improved services in these challenging economic times. Additionally, Citygate explored other fire service delivery options and worked with the study partners and Alameda County Fire Department (ALCO) to evaluate the possibility of ALCO providing contract fire services to one or both cities.

Both cities approved Citygate's recommendation to contract with Alameda County Fire Department for fire services. Both cities' fire services are now part of ALCO.

City of Emeryville, CA – Evaluation of the Fire Services Delivery System

Citygate conducted a Fire Department operational review to include all aspects of the City's fire services operations. The review focused on how to best meet Emeryville's fire protection needs, while providing any possible operational efficiency, cost savings or possible re-configuration of services in these difficult economic times.

Cities of Newark and Union City
Proposal to Conduct a Fire Services Alternatives Study

As a follow-on engagement to our fire department review, Citygate assisted the City in assessing fire service provision options, including review of a proposal from Alameda County for the provision of fire services. Ultimately, the City decided to contract for services with Alameda County.

Based on Citygate's master plan for services and merger analysis, the City chose to contract fire services with the County of Alameda Fire Department. Citygate also assisted the City with all aspects of its implementation.

Cities of Anaheim, Fullerton, and Orange CA – Consolidation, Merger, or Contract Fire Services Feasibility Analysis

Citygate performed a study for the City of Anaheim, Fullerton, and Orange to identify opportunities to expand and/or to strengthen the delivery of Fire, EMS, and other services of the City of Anaheim Fire Department, City of Fullerton Fire Department, and Orange City Fire Department services and other non-emergency functions among the agencies.

Our work for these partners showed that, due to some of the agencies underfunding fire services during the recession, they had already reduced most of the headquarters positions that a merger's efficiencies would reduce over time. Additionally, the parties had significant line personnel total compensation differences that cost allocation strategies could not overcome. The merger did not proceed and the partners are working on further sharing of some support services while they work over time to align total compensation plans for the line personnel.

Cities of Brea, Buena Park, Fullerton, La Habra, Yorba Linda, and Placentia, CA – Police Services and Dispatch Merger Feasibility Studies

Citygate performed a police services consolidation and contract for shared services analysis. The study addressed opportunities for improvement in (1) efficiency and effectiveness; (2) enhancing or expanding services; (3) reducing and/or avoiding costs and duplications; (4) coordinating regional planning and eliminating artificial boundaries; (5) standardizing services and programs; (6) enhancing the opportunities for future grant funding; and (7) enhancing customer service.

Citygate also performed a dispatch study to evaluate opportunities for regional police including evaluating opportunities for shared dispatching between two or more of the study partners.

Citygate's analysis, while showing long-range possibilities, also identified near term difficulties with cost allocation due to significant total compensation and overall different service levels between the agencies. The partners are still discussing working on a phasing solution that can incrementally start a merger with some of the support service bureaus.

Cities of Newark and Union City
Proposal to Conduct a Fire Services Alternatives Study

Santa Barbara County, CA – Fire Services Deployment and Departmental Performance Audit Study

Citygate completed a Standards of Response Coverage deployment analysis and departmental performance audit assessment of the Santa Barbara County Fire Department. The study identified both the current service level and services desired, and then assessed the Department's ability to provide them. After understanding gaps—if any—in operations and resources, Citygate provided recommendations to maximize and improve Department operations and resources over time.

The study was well received by the Department, County Chief Executive, and the Board of Supervisors, who, after receiving the study, adopted a revised funding plan for the dependent fire district.

El Dorado LAFCO, CA – Countywide Fire and Emergency Services Study

Citygate performed a fire and emergency services study to evaluate fire services countywide and to provide actionable recommendations on how to ensure sustainable, adequate and cost-effective coverage. This study was undertaken because eight of the fourteen agencies providing fire and emergency services to El Dorado County had insufficient revenue streams and had been relying on supplemental funding from the County; without these funds, some agencies would not be able to meet service demands. The study exceeded LAFCO's and the stakeholders' expectations.

The Board of Supervisors is still working with the fire districts on a sustainable funding solution.

City of Sausalito and Southern Marin FPD – Fire Consolidation Analysis

Citygate performed a feasibility analysis in order to help the City of Sausalito and the Southern Marin Fire Protection District to identify opportunities to expand and strengthen their services and other non-emergency functions between the two agencies.

Citygate recommended a full merger, which had to receive a vote of the City's residents as well as approval by the regional intergovernmental organization. The merger was approved by all parties and is now implemented. Citygate assisted with all of the steps of research, public outreach, and implementation.

Cities of Burlingame and San Mateo, CA – Police Department Consolidation Analysis

Citygate conducted a study to analyze the feasibility of merging all or a portion of the cities' Police Service operations in order to (1) reduce costs while retaining, at a minimum, the current service levels for each city, and (2) where possible, improve service levels without additional costs. Thus, this study addressed the possibilities from full consolidation of the agency police services to partial sharing of various services.

Cities of Newark and Union City
Proposal to Conduct a Fire Services Alternatives Study

Similar to the Brea police merger, there were significant compensation to available revenue differences between the partners and the merger did not go forward.

UC Santa Cruz, CA – Consolidation Feasibility Study

Citygate recently completed a fire services consolidation feasibility study for University of California, Santa Cruz and the City of Santa Cruz.

The partners accepted Citygate's recommendations to move forward with the merger and are now using Citygate as an advisor as they draw up the actual contracts.

Presidio Trust (CA) – Fire Services Reorganization

Citygate performed a fire services reorganization and accompanying fiscal analysis for the Presidio Trust. The purpose of the study was to identify the current and future fire and EMS service needs of the Presidio Trust Areas A and B, and other Golden Gate National Recreation Area locations and an assessment of policy choices for delivery of this fire and EMS service.

Based on our feasibility analysis the Trust chose to contract for service with the San Francisco Fire Department and the GGNRA chose to contract fire service in the Marin Headlands to the Southern Marin Fire District.

San Diego County Office of Emergency Services, CA – Countywide Deployment Study for Regional Fire, Rescue, and EMS Services (57 Total Fire Agencies)

In 2010, Citygate completed a project to implement a phased process designed to establish a blueprint for improving San Diego County's regional fire protection and emergency medical system. The study assessed current levels of service, identified future needs, provided options for a regional governance structure and developed cost feasible proposals to improve the region's ability to respond to natural or manmade disaster including wildfires, earthquakes, terrorism, and other multi-hazard events, bolster day-to-day operations for local agencies and enhance the delivery of fire and emergency medical services in San Diego County.

The study exceeded the County's expectations and was very well received by the elected officials and stakeholders in May 2010. The County has since retained Citygate to provide ad hoc assistance with implementation of the study's recommendations. More information on this study, including links to watch the final presentation, listen to a related radio interview with Stewart Gary, view study documents, and read local news articles is available here:

http://citygateassociates.com/Fire_San_Diego_County_Study.html

The Board of Supervisors voted 5-0 to adopt Citygate's recommendations and the County is now in the process of implementing the recommendations.

3.2 REFERENCES

Below, Citygate provides a list of references for related engagements. We strongly encourage the partners to contact these references to see why agencies continue to call on Citygate for their fire and emergency services consulting needs.

Stanford University

Project: Fire Services System Review

Laura Wilson, Police Chief

(650) 723-9633

711 Serra St.

Stanford, CA 94305

**Cities of Brea, Buena Park, Fullerton,
La Habra, and Placentia, CA**

Project: Police Services and Dispatch

Merger Feasibility Studies

Tim O'Donnell, City Manager

(714) 990-7710

1 Civic Center Circle

Brea, CA 92821

**Cities of Anaheim, Fullerton, and Orange
CA**

*Project: Consolidation, Merger, or Contract
for Services Feasibility Analysis*

Randy Bruegman, Fire Chief

(714) 765-4000

201 South Anaheim Blvd. Suite 300

Anaheim, CA 92805

UC Santa Cruz

Project: Consolidation Feasibility Study

Jeff Trapp, Fire Chief

(831) 459-2344

230 Walnut Ave

Santa Cruz, CA 95060

El Dorado LAFCO, CA

*Project: Countywide Fire and Emergency
Services Study*

Jose Henriquez, Executive Officer

(530) 295-2707

550 Main Street, Suite E

Placerville, CA 95667

SECTION 4—PROJECT APPROACH

4.1 OVERVIEW OF THE SCOPE OF WORK AND STUDY COMPONENTS

Citygate understands that the cities of Newark and Union City are re-investigating the possibilities for providing cost-effective fire services due to upcoming expense changes with their Alameda County Fire Department contracts. The cities are also investigating new opportunities to “reboot” personnel costs for retirement and health care given changes at the state and federal levels. Citygate agrees that much has changed since the cities made the decision to contract with Alameda County, and conducting a review prior to the contract’s 5-year renewal makes excellent sense.

The study will review several factors that may impact the services of the fire departments, such as: current and future trends; community demographics; financial conditions and forecasts; environmental, technological, and societal issues; on-going and projected development projects; and industry standards and requirements, if any, that may impact services provided by the two cities.

In brief, our team has the capabilities at the expert level in each area to address all of the partners’ questions as stated in your RFQ items 1-22 along with a 5-year fiscal forecast. We will evaluate all information available and determine the possibility of a different merger, partnership, contractual relationship, or stand-alone fire services. We will also include recommendations regarding the form of service to implement, with a shared governance design as necessary. Macro topic areas that our evaluation will cover include:

- ◆ General Administration – City Hall level support services
- ◆ Fire Management
- ◆ Joint Powers Agreements
- ◆ Consortium purchasing
- ◆ Vehicle Maintenance and Repair
- ◆ Fire Prevention Services
- ◆ Emergency Medical Services
- ◆ Training and Recruitment
- ◆ Dispatching
- ◆ Cost sharing formulas
- ◆ Governance.

The recommended model will incorporate, as needed, a phased-in approach with 5-year cost estimates, and will include sample organizational charts representing the scenario. The final recommendation will include an overview of an implementation plan.

The following will also be assessed:

- ◆ Analysis of current operations.
- ◆ Preservation of existing revenue sources.
- ◆ Identification of legal requirements.
- ◆ Outline of options for managing of services and cost analysis.
- ◆ Identification of potential challenges, opportunities, weaknesses, threats, and strengths.
- ◆ Identification of efficiencies to be gained.
- ◆ Identification of deployment strategies to improve service or facilitate economic efficiencies.

4.2 OUR INCREMENTAL APPROACH

Our proposal is based on a task approach that assesses each of the requested elements incrementally to determine feasibility before proceeding to the next step. This allows the partners to understand each step, and build trust in the findings and proposed solutions. As trust emerges, the next steps are easier because all stakeholders are part of choosing the best-fit next steps.

The stakeholders in this study do not need a canned or one-size-fits-all study taken from some other situation. Implementable solutions are needed to address the reorganization issues and cost of services for the cities.

In evaluating the opportunities for cost reduction and for regional cooperation, Citygate will address, at a minimum, the following questions:

1. Is a multi-jurisdictional approach feasible and appropriate in all fire service functional areas, or just for certain functions?
2. Would the agencies be best served by cooperative method of fire service delivery? Or governance organization?
3. What issues or obstacles could affect the development of a more cooperative plan?
4. What options are available to achieve the optimal service delivery models within the partner agencies' revenue constraints?

Citygate always recommends that consolidation studies begin with a high-level feasibility analysis to determine key policy decisions, and to narrow the detailed implementation work in later phases. Many times, services look ready for consolidation, but when costs and governance are examined, it may not be feasible to integrate some or all of the fire functional service areas.

For instance, Citygate recently conducted a similar study in which an early assessment of fiscal issues made it clear that full consolidation of the four interested agencies would result, in all circumstances, in at least two of the agencies paying significantly more for services. As a result, the agencies focused the remainder of the study on the more feasible forms of cooperation. In another study, Citygate found that a contract for service would have been more expensive for one of the parties than an alternative arrangement. In each of these studies, these critical issues were evident early in the study. This prevented the agencies from spending money to conduct a more in-depth study for alternatives that all agreed were not practical.

4.3 COMMUNICATION PLAN

Central to our approach is a rigorous communication plan, as detailed below:

4.3.1 Communication with Staff

Citygate feels that any fire service contract-for-service or consolidation study needs to have periodic steps that involve Citygate communicating with management, elected officials, and labor representatives. This helps all parties understand the emerging findings and potential recommendations. This allows the study to include the nuances of fact and analysis that must be in a final report to satisfy the questions of all parties. Simply conducting a study without this interactive process usually results in a report that only answers some of the questions and concerns that the decision makers and participants will have. Each party interested in the study has to feel that their concerns were heard. This allows the study results to be seen as valid and comprehensive, and it allows the implementation plan to be seen as feasible.

4.3.2 Monthly Written Status Reports

We also provide our clients with a monthly written progress report and more frequent verbal and written reports as necessary. These routine reports keep the client informed of project status and issues to ensure steady progress on the project.

Finally, the accepted Final Report is presented and discussed in a public workshop of the partner agencies' choosing.

4.4 WORK PLAN

Our Work Plan is shown below:

Phase I – Task 1: Initiate Project and Gather Information	
Sub Task Description	
<ul style="list-style-type: none"> ◆ We will begin Task 1 by requesting data and documents from each agency that relates to the issues of concern to the partner agencies. ◆ Following receipt and review of the data, we will meet on-site to explain the essential elements of the study to the project leadership team and to request further clarifying information about the situation with the Alameda County contract and the desires of each city for long-term cost sustainability for fire services. ◆ During this first on-site visit we will also interview Executive Management, the fiscal officer, and, if directed, labor representatives and the current fire service provider. ◆ Work with the partner agencies to review the existing revenues and expenses, assets and liabilities for each city regarding fire services ◆ Identify other critical issues that impact the feasibility of restoring city-provided fire services, such as, medical, retirement and workers’ compensation liabilities, property ownership and maintenance, personnel transition and merger of benefits, accounting, budgeting, information systems, fiscal and operating reporting to the partners, risk management, and regional agreements. ◆ Our initial task also combines the activities of starting the project and the ongoing task of monitoring, controlling, and administering the project. Project reporting will include frequent telephone updates and monthly written status reports. 	
On-Site Meetings	
One on-site meeting of one day to begin the project and conduct initial stakeholder listening.	
Deliverables	
Issue document request list at the onset of the project. Provide ongoing monthly status reports.	

Phase I – Task 2: Macro-Level Operational and Cost Model

Sub Task Description

- ◆ Identify overall cost and potential areas of financial savings at a macro level for both cities to separate their fire services from Alameda County.
- ◆ Construct a total compensation and benefits model to expense individual stand-alone fire services or a two-city fire services partnership.
- ◆ The salaries and staffing plan will reflect the information provided by the current Alameda County Fire Contract for line fire crews and locations. Citygate will add to this a basic headquarters staffing count, also based on Alameda County salaries.
- ◆ Citygate will construct a replacement benefits model based on what the two cities currently provide and a single best-fit set of plans from CalPERS.
 - Pension and OPEB costs will be estimated from current OPEB and pension costs from the cities and the County. Bartel will *not* run new scenarios using individual employees in their software-modeling tool. Using known costs will provide an order-of-magnitude cost solid enough to make a decision about whether to proceed or not with further separation from the County research.
 - For the two-city partnership, OPEB costs will be the average of the two cities.
- ◆ Include, at a high level, other matters that come to Citygate’s attention related to assumptions in the study’s recommendation, including administrative location, training, apparatus maintenance, and co-located prevention and CUPA services.
 - Alternatives, if any, to reduce OPEB costs while remaining with Alameda County will be discussed.
- ◆ Brief the study partners on the latest pension, health care, and OPEB choices in the formation of a new employer for fire services, and help the partners choose the pension, health, and OPEB plans for cost modeling in the following task.
- ◆ Deliver a briefing and answer questions in a joint staff meeting to facilitate an understanding of the base-case staffing counts, salary, and benefits to be used for cost modeling of separated fire services.

On-Site Meetings

One on-site meeting to refine our in-depth understanding of services, especially for headquarters staffing.

Deliverables

Prepare a PowerPoint-level briefing with supporting handouts.

Phase I – Task 3: Feasibility Analysis With Macro Costing

Sub Task Description

- ◆ In this task, Citygate and Bartel will use the agreed-upon base-case staffing, salary, and benefit cost structure to model the projected costs of providing fire services if separated from Alameda County.
- ◆ Bartel Associates, along with Citygate’s Human Resources and Fiscal Specialists, will provide pension, health, and OPEB benefit options, with estimated costs.
- ◆ The personnel cost models will exclude contract for service with other agencies. The total compensation models, with pension and OPEB costs, will:
 1. Include estimated cost projections and the effect of PEPRA (for pension);
 2. Estimate the effect of adding implied subsidy into the OPEB valuations in the next cycle.
- ◆ To the extent possible, Bartel Associates will not bill for work they have already completed for either City on previous projects.
- ◆ Similarly, to the extent possible, Bartel Associates will use their team members who have already worked with each of the cities on OPEB valuations, as those staff members are already familiar with each city’s benefit plans.
- ◆ Provide briefing materials illustrating the costs of stand-alone fire services and the likely conversion issues, opportunities, obstacles, and timeline.

On-Site Meetings

- ◆ One meeting to present to the partners’ executive and fire management teams the results and opinions generated by the fiscal model and fire services separation research to this point.
- ◆ This presentation will be led by Steven Harman, Stanley Feathers, and Mary Beth Redding. It will include an extensive description, with backup data, of the total compensation personnel cost models and choices moving forward.

Deliverables

Prepare briefing materials using PowerPoint, a fiscal model using Excel, and, as needed, other written documents covering the issues and next steps.

Phase II – Task 4: Draft and Final Report with Recommendation

Sub Task Description

- ◆ After Phase I is complete, if the partners desire to pursue separating their fire services from Alameda County, this task will provide adequate reports and briefings to the partners’ elected officials.
- ◆ Prepare a Draft Feasibility Study with findings site meeting and handle any fact-check edits using “track changes” in MS-Word.
- ◆ The discussion of recommendations will include, but not be limited to:
 - Proposed governance option(s) and expected outcomes.
 - Organizational structure, locations, facilities, etc. based on the existing services model.
 - Financial forecast for five years regarding cost implications for each City under the service delivery model evaluated.
 - Cost allocation and apportionment options for the proposal including: overall cost and potential areas of financial savings, and methodology used.
 - Other recommended actions deemed appropriate.
- ◆ Prepare the Final Report and, as needed, exhibits.
 - Citygate’s report and findings will be presented to the two cities’ staff to ensure that all necessary components and validated facts have been included.
 - Up to twelve (12) bound copies and a PDF of the report will be provided along with electronic GIS mapping and deployment analysis files, as needed.

On-Site Meetings

Two on-site meetings for a presentation of the Final Report to the two cities’ executive management staffs and/or Council members.

Deliverables

Prepare a Final Report and PowerPoint presentation.

Phase III – Task 5: Optional Conversion Assistance

Sub Task Description

- ◆ If the analysis work and policy choices in the earlier tasks lead to the cities pursuing separation from Alameda County-provided fire services, Citygate would be available at our time and materials rates in this proposal to assist with:
 - Conducting further benefit and pension and choices costing analysis.
 - Conducting a detailed salary and benefits survey, and based on that, a recommended total compensation model for implementation.
 - Providing additional cost sharing formula advice.
 - Assisting with governance model design alternatives.
 - Assisting with setting up the chosen fire services model, including working as needed with CalPERS.
 - Providing on-going advice on implementation, separation, recruitment and hiring issues.

4.5 SITE MEETINGS

There will be five on-site meetings:

Task Number	Number of On-Site Meetings
Phase I – Task 1	1
Phase I – Task 2	1
Phase I – Task 3	1
Phase II – Task 4	2
TOTAL	5

4.6 APPROACH TO GATHERING DATA

4.6.1 Study Components With Which the Study Partners Need to Assist

Citygate and the partners understand the economic constraints on a study. The agencies have the best capability to collect much of the required data that can assist the Citygate study. Therefore, the agencies will assist Citygate with:

- ◆ Answering a comprehensive background document questionnaire.

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- ◆ Ensuring Alameda County Fire will willingly participate and make available all internal service and cost issues in each city’s service area.
- ◆ Participating in start-up interviews to brief Citygate on what has already occurred and determine the key study issues and desired results.
- ◆ Providing current budgets; operating expenses; revenue for the past several years; MOUs; and operational and staffing plans that describe the current level of fire services.
- ◆ Providing personnel benefit and retirement expense information.
- ◆ Providing other background agency data as requested by Citygate.

4.7 PROJECT TIMELINE AND MILESTONES

Based on Citygate’s experience conducting numerous consolidation technical analyses and deployment reviews, we believe a reasonable project completion date is 2 months for Tasks 1 through 3 following signing of the contract. We understand time is of the essence and can have the needed preliminary costing information available within 60 days from which the partners can know enough to choose to proceed or not with further work.

A Summary Project Schedule graphic is presented below.

Task	Month 1	Month 2	Month 3
	●		
Phase I – 1: Initiate Project and Gather Information			
		●	
Phase I – 2: Macro-Level Operational and Cost Models			
		●	
Phase I – 3: Feasibility Analysis with Macro Costing			
			●
Phase II – 4: Draft and Final Reports			

● On-site trip

SECTION 5—PROJECT COST

5.1 PROJECT FEES

Our charges are based on actual time spent by our consultants at their established billing rates, plus reimbursable expenses incurred in conjunction with travel, printing, clerical, and support services related to the engagement. Below, we present a “not-to-exceed” total cost to perform our proposed Work Plan.

Phase	Consultant	Hourly Fees of Project Team	Reimbursable Expenses	Administration (5% of Hourly Fees)	Project Amount
1	Citygate Associates	\$29,545	\$883	\$1,477	\$31,905
1	Bartel Associates	\$12,300	\$78	\$615	\$12,993
	Phase I Total:	\$41,845	\$961	\$2,092	\$44,898
2	Citygate Associates	\$15,705	\$295	\$786	\$16,786
2	Bartel Associates	\$3,225	\$0	\$161	\$3,386
	Phase II Total:	\$18,930	\$295	\$947	\$20,172
	Total for Phases I and II:	\$60,775	\$1,256	\$3,039	\$65,070

Citygate’s total professional services *hours by task* are shown in the following table:

Task	Professional Consulting Services	Support Staff (Oversight/Admin)	Total
Phase I – Initial Feasibility			
1: Initiate Project and Gather Information	41	6	47
2: Macro-Level Operational and Cost Models	71	9	80
3: Feasibility Analysis With Macro Costing	77	9	86
<i>Phase I Total Hours:</i>	189	24	213
Phase II – Reporting If Desired/Needed			
4: Draft and Final Reports	78	30	108
<i>Phase I and II Total Hours:</i>	78	30	108
Phase III – Optional Conversion Assistance	T&M	T&M	T&M

The price quoted above is effective for 30 days from the date of receipt for this proposal and includes one (1) draft cycle as described in Task 4 of our Work Plan to be completed by Citygate and the cities within 30 calendar days. Additional Draft Report cycles or processing delays requested by the cities would be billed in addition to the contracted amount at our time and

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materials rates. When changes are agreed upon, Citygate will provide up to twelve (12) bound color copies of the Final Report document and a reproducible master copy on CD-ROM. The Draft Report will be considered to be the Final Report if there are no suggested changes within thirty (30) days of the delivery of the Draft Report.

If the cities decide to delay the final presentation in Task 4 after acceptance of the final work product, Citygate will accommodate such a request, but will charge two administrative hours per month to keep the project in suspense until the presentation is delivered.

5.2 BILLING TERMS

Our policy is to bill monthly for professional fees. Our charges are based on actual time spent by our consultants at their established billing rates, plus a five percent (5%) administration charge in lieu of individual charges for copies, phone, etc. We also bill for travel expenses (at cost) incurred in the prior month's work. Our invoices are payable within thirty (30) days. Citygate's billing terms are net thirty (30) days plus two percent (2%) for day thirty-one (31) and two percent (2%) per month thereafter.

We request that ten percent (10%) of the project cost be advanced at the execution of the contract, to be used to offset our start-up costs. This advance would be credited to our last invoice.

5.3 STANDARD HOURLY BILLING RATES

Classification	Rate	Consultant
Citygate Associates, LLC		
Citygate President	\$ 225/per hour	David DeRoos
Fire Practice Principal & Project Director	\$ 250/per hour	Stewart Gary
Senior Consultant & Co-Project Director	\$ 210/per hour	Steven Harman
Senior Associate & Fiscal Specialist	\$ 195/per hour	Stanley Feathers
Fire Services Specialist	\$ 195/per hour	Samuel Mazza
Report Project Administrator	\$ 95/per hour	Chad Jackson
Administrative	\$ 85/per hour	Various
Bartel Associates		
President	\$ 300/per hour	John Bartel
Assistant Vice President	\$ 225/per hour	Mary Beth Redding
Actuarial Analyst	\$ 125-150/per hour	Various

APPENDIX A

CODE OF ETHICS

CODE OF ETHICS

CLIENTS

1. We will serve our clients with integrity, competence, and objectivity.
2. We will keep client information and records of client engagements confidential and will use proprietary client information only with the client's permission.
3. We will not take advantage of confidential client information for ourselves or our firms.
4. We will not allow conflicts of interest which provide a competitive advantage to one client through our use of confidential information from another client who is a direct competitor without that competitor's permission.

ENGAGEMENTS

5. We will accept only engagements for which we are qualified by our experience and competence.
6. We will assign staff to client engagements in accord with their experience, knowledge, and expertise.
7. We will immediately acknowledge any influences on our objectivity to our clients and will offer to withdraw from a consulting engagement when our objectivity or integrity may be impaired.

FEES

8. We will agree independently and in advance on the basis for our fees and expenses and will charge fees and expenses that are reasonable, legitimate, and commensurate with the services we deliver and the responsibility we accept.
9. We will disclose to our clients in advance any fees or commissions that we will receive for equipment, supplies or services we recommend to our clients.

PROFESSION

10. We will respect the intellectual property rights of our clients, other consulting firms, and sole practitioners and will not use proprietary information or methodologies without permission.
11. We will not advertise our services in a deceptive manner and will not misrepresent the consulting profession, consulting firms, or sole practitioners.
12. We will report violations of this Code of Ethics.

The Council of Consulting Organizations, Inc. Board of Directors approved this Code of Ethics on January 8, 1991. The Institute of Management Consultants (IMC) is a division of the Council of Consulting Organizations, Inc.



APPENDIX B

PROJECT TEAM RESUMES



Mr. Gary was, until his retirement, the Fire Chief of the Livermore-Pleasanton Fire Department. Now in his 42nd year in the Fire Service, Mr. Gary began as a volunteer and worked his way up through the ranks, including his service as a Paramedic for five years.

Mr. Gary started his career with the City of Poway in San Diego County, attaining the rank of Battalion Chief/Fire Marshal. He subsequently served as the Administrative Battalion Chief for the Carlsbad Fire Department in San Diego County. He was appointed Fire Chief for the City of Livermore, CA in January 1994, and two years later, he successfully facilitated the peer-to-peer merger of the Livermore and Pleasanton Fire Departments into one seamless ten-company department from which he retired as Chief. This successful consolidation was awarded the esteemed Helen Putnam award for excellence and innovation by the California League of Cities in 1999.

Mr. Gary has both a Bachelor's and Master's degree in Public Administration from San Diego State University. He holds an Associate in Fire Science Degree from Miramar Community College in San Diego, a Certificate in Fire Protection Administration from San Diego State, and he has attended hundreds of hours of seminar course work in fire protection.

Mr. Gary has served in elected professional positions, including: President, California League of Cities, Fire Chiefs Department and Chairperson, San Diego County Paramedic Agencies. He has been involved in progressive responsibility for creating or implementing fire protection policy on the local, state and national levels. He has served as a Board Member representing cities on the California Office of Emergency Services-Firescope Board, and served two terms as the Fire Chief representative on the California League of Cities Board of Directors. Mr. Gary served on the Livermore School District Board, and presently serves as an elected official on the City of Livermore City Council.

Memberships Held Include:

- ◆ International Association of Fire Chiefs, Fairfax, VA
- ◆ California Fire Chiefs Association, Rio Linda, CA
- ◆ National Fire Protection Association, Quincy, MA

Current Consulting Experience Includes:

Since starting his consulting career with Citygate Associates in 2001, Chief Gary has successfully worked on, managed or directed over 180 consulting projects, over 25 of which were consolidation studies. Some of the highlights and recent projects are:

- ◆ Served as Principal Consultant for a feasibility analysis of merging the cities of Newark's and Union City's fire services to gain economies of scale and improved services in these challenging economic times. Additionally, Citygate explored other fire service delivery options and worked with the study partners and Alameda County Fire Department (ALCO) to evaluate the possibility of ALCO providing contract fire services to one or both cities.
- ◆ Currently serving as Project Director for a project to provide a feasibility study for a public safety Joint Powers Authority for the cities of Adelanto, Hesperia, Victorville and Town of Apple Valley.

-
- ◆ Currently serving as Principal Consultant for the City of Rancho Cucamonga Police Services Analysis.
 - ◆ Served as Fire Practice Principal and Project Director for a police services consolidation or contract for shared services analysis for the cities of Brea, Buena Park, Fullerton, La Habra and Yorba Linda.
 - ◆ Served as Project Director for a consolidation, merger or contract for services feasibility analysis for the City of Anaheim and its partners in the study. Citygate identified opportunities to expand and/or to strengthen the delivery of Fire, EMS, and other services of the City of Anaheim Fire Department, City of Fullerton Fire Department, and Orange City Fire Department.
 - ◆ Served as Fire Practice Principal for Citygate's police department consolidation feasibility assessment for the cities of Burlingame and San Mateo, CA.
 - ◆ Served as Fire Practice Principal for a fire services merger technical implementation for the cities of Millbrae, Burlingame, San Bruno, and Town of Hillsborough to gain greater economies of scale, avoid fiscal, governance and operational duplication and where needed, improve services. The study investigated full consolidation of the agency fire services with various related governance arrangements to partial contractual sharing along with the most feasible appropriate cost apportionment formulas.
 - ◆ Served as Fire Practice Principal to conduct an emergency service consolidation/merger support study for the University of California, Davis and the cities of Davis, West Sacramento, and Woodland.
 - ◆ Served as Project Director and SOC Specialist for Citygate's Regional Fire Services Deployment Study for San Diego County, including 57 fire agencies in the County region. Citygate outlined a process designed to establish a blueprint for improving San Diego County's regional fire protection and emergency medical system.
 - ◆ Served as Project Director and SOC Specialist for a fire and emergency services study for the El Dorado Local Agency Formation Commission to evaluate fire services countywide and to provide actionable recommendations on how to ensure sustainable, adequate and cost effective coverage.
 - ◆ Served as Project Manager for Citygate's project to perform a high-level assessment of the feasibility of fire agency consolidation for the cities of Monterey, Pacific Grove, and Carmel.

Other non-Citygate Relevant Experience Includes:

- ◆ In 2002, Mr. Gary led a seminar that taught the Standards of Response Cover (SOC) methodology to members of the Clark County Fire Department.
- ◆ In 2005 and into 2006, Mr. Gary coached, assisted and initially drafted the Clark County Fire Department Rural SOC documents. He advised County GIS on how to prepare the necessary mapping and response statistics analysis. He then coached the project manager on collecting risk assessment information on each

rural area, which he then wove into an integrated draft set of risk statements and proposed response policies for each rural area.

- ◆ In 2000, Mr. Gary was the lead deployment consultant on a team that developed a new strategic plan for the San Jose Fire Department. The final plan, which used the accreditation system methods and Standards of Response Coverage tools, was well received by the Department and City Council, which accepted the new strategic plan on a 9-0 vote.
- ◆ In 1996, Mr. Gary successfully studied and then facilitated the peer-to-peer merger of the Livermore and Pleasanton Fire Departments into one seamless ten-company department for which he served as Chief. The LPFD represents one of the few successful city-to-city fire mergers in California. The LPFD consisted of 128 total personnel with an operating budget for FY 00/01 of \$18M. Service was provided from eight stations and a training facility, and two additional stations were under construction.
- ◆ In 1995, Mr. Gary began working with the International Association of Fire Chiefs and International City Management Association Accreditation project on the *Standards of Cover* system for fire service deployment. He re-worked the material into a California manual and annually taught a 40-hour course for the California Fire Academy for many years. He conducts seminars on this deployment methodology for the International Fire Chiefs across the United States and Canada.
- ◆ In 1994, Mr. Gary effectively led the Fire Department's adding of paramedic firefighters on all engines to increase service. Previously the Alameda County regional system was under-serving Livermore, and the local hospital emergency room was closing. Residents and the City Council approved a local EMS supplemental property tax assessment (successfully re-voted after Proposition 218) to help pay for this increased service. In 1995, Mr. Gary assisted the City Council and the firefighters union in reaching a new understanding on staffing, and a fifth Fire Company was added to better serve the Northwest area of Livermore.
- ◆ During his tenure in Carlsbad, he successfully master-planned and opened two additional fire stations and developed the necessary agreements between the development community and the City Council.
- ◆ Mr. Gary has developed fire apparatus replacement plans; procured fire apparatus; supervised the development of community disaster preparedness and public education programs; facilitated permit streamlining programs in the Fire Prevention and Building Departments; improved diversity in the Livermore fire department by hiring the first three female firefighters in the City; supervised the Livermore City Building Department including plan check and inspection services for two years; master planned future growth in the North Livermore area for an additional 30,000 people in a "new town" area.

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- ◆ Mr. Gary facilitated a successful regional dispatch consolidation between Poway and the City of San Diego Fire Department. He developed and implemented fire department computer records systems for Carlsbad and Livermore.
 - ◆ Mr. Gary has been a speaker on the proper design of information systems at several seminars for Fire Chiefs, the California League of Cities and the Fortune 100. He has authored articles on technology and deployment for national fire service publications.
 - ◆ Mr. Gary is experienced as an educator in teaching firefighting, paramedicine and citizen CPR programs. As a community college instructor, he taught management and fire prevention. He has been an instructor for State Fire Training and the San Diego Paramedic program.

Instructor and Lecturer:

- ◆ Instructor and lecturer on Fire Service Deployment for the Commission on Fire Accreditation (now the Center for Public Safety Excellence) Standards of Cover Methodology. Over the last five years, Mr. Gary has presented one-day workshops across the U.S. and Canada to fire chiefs. Presentations have included:
 - The International Association of Fire Chiefs Convention;
 - U.S. Navy Fire Chiefs in Norfolk, Virginia;
 - U.S. Air Force Fire Chiefs at the USAF Academy, Colorado Springs, Colorado;
 - Seattle area Fire Chiefs;
 - Vancouver British Columbia Fire Chiefs Association;
 - The Michigan/Indiana Fire Chiefs Association School at Notre Dame University;
 - The California Fire training Officers annual workshop.
- ◆ Developed and taught for seven years, the 40-hour course in fire deployment methods for the California Fire Academy. Over 250 fire officers have been trained in this course.

Presentations:

- ◆ “Mapping the Future of Fire.” First ever fire service technology conference, October 2000, Dallas, Texas. Outlined fire service needs, especially for GIS mapping and mobile data technologies in the fire service.

Publications:

- ◆ Edited, partially wrote and co-developed the 2nd, 3rd & 4th Editions of the Commission on Fire Accreditation Standards of Response Cover Manual.
- ◆ Fire Chief Magazine article. February 2001, “System of Cover.” Using the Accreditation Commission’s Standards of Response Cover systems approach for deployment.

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- ◆ Fire Chief Magazine article. December 2000, "Data to Go." Designing and implementing wireless data technologies for the fire service.

Mr. Steven Harman retired after a thirty-two year career in human resource management and joined Citygate Associates. He served as the Director of Human Resources for the City of Livermore, CA for six years where he provided human resource management leadership and technical expertise in all functional areas including executive search, classification and compensation, labor relations, training and development, policy development and implementation along with other responsibilities. Mr. Harman is a skilled, experienced and acknowledged leader in the public sector human resource management community.

Mr. Harman is active in the profession; he was on the Board of Directors of the International Public Management Association for Human Resources (IPMA-HR) and is currently on the Board of Directors of the IPMA-HR Certification Council. He holds an IPMA-CP, which is the highest level of professional certification offered to public sector human resource professionals.

Related Experience Includes:

- ◆ Serving as Human Resources Consultant for a project to provide a feasibility study for a public safety Joint Powers Authority for the Cities of Adelanto, Hesperia, Victorville and Town of Apple Valley.
- ◆ Currently serving as Human Resources Specialist for the City of Rancho Cucamonga Police Services Analysis.
- ◆ Served as Project Consultant for a review and assessment of current organizational structure, operational functions and levels of staffing for each District department to enhance organizational and operational current and future needs for the Monterey Peninsula Airport District.
- ◆ Currently serving Human Resource Specialist for the City of San Bernardino Fire Services Deployment Study.
- ◆ Served as Human Resources Consultant for a Patrol Division workload and alternative scheduling plan for the Santa Monica Police Department.
- ◆ Served as Project Manager for Citygate's review of the Goodyear, AZ Police Department.
- ◆ Served as Project Manager for a Management Review of the Police Department for the City of Maricopa, AZ.
- ◆ Served as Project Manager for Citygate's analysis of the Human Resources Division for the City of Vista, CA.
- ◆ Conducted a successful executive search for a Police Chief for the City of Provo, UT.
- ◆ As Director of Human Resources for the City of Vallejo, Mr. Harman was responsible for coordinating and assisting with the administration of discipline for the Vallejo, CA Police Department. As Secretary to the Civil Service Commission, Mr. Harman assisted in defending management's disciplinary action before the Civil Service Commission.

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- ◆ Conducted hundreds of successful searches including fire chiefs, police chiefs, city attorneys, department heads, division managers and other key governmental positions.
 - ◆ Conducted a search for the City of Los Angeles' Information Technology Agency for the positions of General Manager and Assistant General Manager.
 - ◆ Conducted an executive search for the position of Deputy Planning Director for the City of Los Angeles. Mr. Harman performed all aspects of the search including review of applications, conducting interviews, work product preparation and key interfacing with the client.
 - ◆ Conducted an executive search for the Los Angeles Animal Services General Manager.
 - ◆ Developed and implemented human resources strategic plans so that the goals of the human resource program were aligned with the organizational goals and objectives.
 - ◆ Developed and implemented comprehensive employee compensation policies and procedures.
 - ◆ Directed organization-wide classification and compensation studies for two public agencies – Butte County, CA and the City of San Leandro, CA.
 - ◆ Developed for City Council approval a comprehensive employee compensation policy which required an annual “total compensation” salary and benefit study and report for benchmark job classes.
 - ◆ Conducted numerous compensation studies for executive level positions including City Manager, City Attorney, Finance Director, Director of Library Services, Police and Fire Chief, Director of Economic Development, and Community Development Director among others.
 - ◆ Developed and implemented strategies for compliance with Accounting Standard #45 and reducing long-term liabilities for retirement health insurance.
 - ◆ Successfully negotiated more than 50 labor agreements all within bargaining parameters; concurrently developing a high level of trust with representatives of organized labor.
 - ◆ Successfully negotiated the consolidation of two municipal fire departments.
 - ◆ Served as Program Chair for the 2006 IPMA-HR International Training Conference, Solving the Generational Collide, Las Vegas, Nevada, October 2006.
 - ◆ Presented at numerous human resource management conferences.
 - ◆ Served as a certified expert witness in state and federal court in matters pertaining to recruitment and selection, assessment and employment discrimination.
 - ◆ Received the 2005 NCCIPMA-HR Agency Award of Excellence.

Detailed Work Experience

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- ◆ Director of Human Resources, City of Livermore, CA (9/2002-9/2008)
 - As a member of the City's leadership team, responsible for formulating and implementing human resource policies, practices and procedures for an organization with more than five hundred employees. Facilitated annual leadership team retreats and other organization-wide planning activities. Supervised a staff of eight engaged in recruitment, classification, training and development, employee benefits management, labor relations and related functions. Managed a departmental budget of \$1.2 million and an employee benefits budget of more than \$5 million. Designated as the chief spokesperson for the labor relations program.
 - ◆ Director of Human Resources, Labor Relations and Risk Management, City of Vallejo, CA (3/2000-9/2002)
 - As a member of the City's executive management teams, was responsible for the full range of human resource and risk management activities for this city of 120,000 population. Supervised a staff of sixteen engaged in recruitment, classification, training, benefits, risk management and labor relations functions. Served as Executive Secretary to the Civil Service Commission. Managed a departmental budget of \$1.2 million and a risk management budget of more than \$6 million. Personally responsible for directing an effective, proactive labor relations program.
 - ◆ Human Resources Director, City of San Leandro, CA (1994-3/2000)
 - Reporting to the City Manager, responsible for managing and directing the human resource program for this city of 75,000 population. Managed and directed a six person staff performing the traditional personnel management functions including recruitment, classification and compensation, employee benefits management, training and development along with related administrative and managerial responsibilities.
 - ◆ Human Resources Director, Butte County, CA (1992-1994)
 - Reporting to the County Administrator, was responsible for managing and directing the human resources program for an organization with 1,700 employees. Supervised a staff of eight.

Mr. Stanley E. Feathers has served as City Manager, Assistant City Manager, Finance Director, Budget Manager and has served extended duty as interim Community Development Director. He has over 25 years of management experience in both county and city government. His executive experience includes virtually all aspects of local government with much of it focused on “hands-on” analysis, policy development and implementation of initiatives. He has experience in a diverse array of public policy areas and issues. Through his wide ranging experience he has developed approaches to resolving complex problems by emphasizing simple but elegant solutions. This is critical to long-term success in an increasing complex governmental environment limited by the availability of resources. This approach focuses on sound empirical analysis, collaboration, and teamwork. His experience includes governmental finance, budget, business systems, human resources, labor relations, contract management, planning and community development, public safety, information and business technology, risk management, legislative advocacy, public works, major capital projects, and a wide variety of other areas.

Mr. Feathers recently retired and has since assisted Central Valley Cities in dealing with financial, budget and organizational issues related to the impact of the housing and economic meltdown. He just completed serving as interim City Manager for the City of Oakdale, a full-service city in the central valley. Mr. Feathers holds an undergraduate degree in the social sciences with concentrations in economics, political science, and social psychology and a master’s degree in public administration from California State University Stanislaus.

Since joining Citygate, Mr. Feather’s consulting experience includes:

- ◆ Serving as Senior Associate and Fiscal Specialist for a project to provide a feasibility study for a public safety Joint Powers Authority for the Cities of Adelanto, Hesperia, Victorville and Town of Apple Valley.
- ◆ Currently serving as Fiscal Specialist for the City of Rancho Cucamonga Police Services Analysis.
- ◆ Currently serving as Project Manager and Lead Fiscal Specialist for the Town of Gilbert, AZ staff modeling over a 20-year time horizon.
- ◆ Currently serving as Senior Associate and Fiscal Specialist for the Lakeside Fire Protection District Standards of Cover Assessment and Strategic Fiscal Review.
- ◆ Currently serving as Senior Associate and Fiscal Specialist for Fire Services Deployment Study for the City of San Bernardino.
- ◆ Currently serving as Senior Associate and Fiscal Specialist for the provision of consulting services regarding fire prevention’s best practices for the City of Sacramento, CA.
- ◆ Currently serving as Senior Associate and Fiscal Specialist for a project to analyze the Sacramento Metropolitan Fire District’s revenue-to-expense plans to determine if the planning to date meets both fire service and local government fiscal best practices.

Related Experience:

The following is a detailed listing of Mr. Feathers' experience in local government over the past 25 years. The range and scope of this experience has included virtually every functional area in which cities are involved:

- ◆ **City Management** – Provided executive oversight of all city services and responsibilities. Served as both City Manager and Assistant City Manager. This includes all aspects of city management, operations, department head supervision, city council relations, agenda process, media relation, intergovernmental relations, legislative analysis, and strategic planning.
- ◆ **Budget** – Has been involved in the management, analysis, development, and monitoring of governmental budgets throughout his career. His expertise extends to every aspect from strategic long-range planning to day-to-day operations and performance management. His experience includes police, fire, public works, community development, parks and recreation, engineering, enterprise operations such as wastewater, water, airport, golf courses, community center, and major capital projects in all areas of city infrastructure. His experience includes preparation of feasibility studies, indirect and direct cost allocation studies, long-range financial projections and modeling, enterprise and governmental operations cash flow projections, utility rate analysis and projections and a host of varying analytical studies.
- ◆ **Finance** – Has extensive experience including all aspects of governmental finance including preparation of annual financial statements, the annual financial audit, required financial reporting and disclosure, bond issuance and debt issues including analysis of ongoing bond requirements and continuing disclosure necessary to comply with relevant bondholder agreements and covenants. His debt and financing issues experience has mainly centered on capital improvement projects for City infrastructure including public safety facilities, redevelopment projects, wastewater and water enterprise facilities and other governmental facilities. His background includes experience in investment, business process improvement, cash management, banking, investments, financial systems design, upgrade and conversion.
- ◆ **Contract Negotiation and Management** – Served as the lead negotiator in numerous contract negotiations during his career. Many have been both complex and multifaceted negotiations. They include: a \$62 million wastewater plant design build contract; a settlement of a controversial and longstanding dispute over a reimbursement agreement between a benefit district's land owners, lead developer, and the city which was key to economic development strategies for the city; an intense and ultimately successful negotiation between the city, Firefighters labor association and Cal-Fire to transition city fire services to Cal-Fire and produce significant cost savings for the city; professional service contracts for legal services with city attorneys and special counsels; department heads agreements; interagency agreements for utility (water and wastewater) services; and a variety of other areas with significant implications.

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- ◆ **Community Development** – Served as interim Community Development Director on several occasions. His experience includes economic development, general plan updates, specific plans, development agreements, reimbursement agreements, capital facility fee studies, tax sharing agreements, most aspects of current as well as advance planning. He has been involved in economic development activities including successful endeavors with major retailers.
 - ◆ **Human Resources** – Served as the City Human Resources Director and has also supervised the Director of Human Resources and Risk Manager. Served as Chief labor relations negotiator on many occasions. Successfully negotiated many labor relations contracts. Conducted classifications studies, executive recruitments, updated and modified administrative policies as well as created new directives, updated personnel rules as state of labor laws changed. Conducted reorganizations in virtually every city department over his career including combining or splitting departments to improve the business processes and the value of services as well as outsourcing service to private sector service providers.
 - ◆ **Intergovernmental Relations** – As City Manager and Assistant City Manager Mr. Feathers has been involved in a significant number of inter-agency endeavors including multi-agency contracts to provide transportation, planning, sanitation services, wastewater services, and fire services. These include working with partner agencies, and local Councils of Governments.
 - ◆ **Information Technology** – Significant involvement with city-wide information technology from management system conversion, development of information technology practices and policies, investigations related to fraud against governmental agencies, and outsourcing of information technology functions.

Additional Related Experience Includes:

- ◆ Valley Chapter Chair – California Municipal Finance Officers Association 2008-2009.
- ◆ Past part-time Faculty Member – Golden Gate University, Masters in Business/Public Administration Program.
- ◆ Developed National Association of Counties (NaCo) award winning Integrated Quality Control System.
- ◆ Project coordinator on California State pilot project – on-line computer cross-match system for fraud prevention system.

Mr. Mazza recently retired as the Fire Chief for the City of Monterey, California, where he engineered and facilitated the consolidation of the Monterey and Pacific Grove fire departments in 2008. His fire service career spans 38 years with city, county, special district, and state fire agencies, and includes administration, operations, air operations, training, dispatch, disaster planning and management, fire prevention, and law enforcement experience. He served as the Incident Commander on a statewide Incident Command Team, and continues to serve as a member of the Monterey City and Monterey County Emergency Operations Center staffs. Mr. Mazza holds a Bachelor's degree from California State University Fresno, an Associate in Fire Science degree from Fresno City College, and is a graduate of the Executive Fire Officer Program.

Mr. Mazza has extensive collaborative experience having served elected and appointed positions in numerous professional organizations and on regional committees and initiatives. He has served as the Fire and Rescue Coordinator and chaired the California Incident Command Certification System Peer Review Committee for the California Emergency Management Agency Monterey County Operational Area, and also served on the Monterey County Operational Area Grant Approval Authority for the California Department of Homeland Security. He has served as President of the Monterey County Fire Chiefs Association, and represented county fire agencies on committees providing governance and policy oversight of the Monterey County voice and data emergency communications and dispatch systems. He obtained grant funding and facilitated implementation of a mobile data communications system for Monterey County fire agencies in 2010, and initiated and led the continuing effort to develop a regional shared governance fire agency for the Monterey Peninsula.

Memberships Held Include:

- ◆ International Association of Fire Chiefs, Fairfax, VA
- ◆ California Fire Chiefs Association, Rio Linda, CA

Current Consulting Experience Includes:

Since joining Citygate, Mr. Mazza's consulting experience is listed below.

- ◆ Served as Fire Services Specialist for a performance audit for the University of California, Davis to produce a campus-specific Standards of Response Cover Plan, a forward-looking Applied Strategic Plan and a Pre-Accreditation Review of key UCD Fire operating elements documentation.
- ◆ Currently serving as Senior Fire Service Associate for Montecito Fire Protection District to provide a Standards of Coverage and Risk Assessment Study.
- ◆ Currently serving as Fire Services Specialist, Fire Risk Assessment and Intergovernmental Relations for UC Merced Fire Services Threat Assessment and Strategic Plan.
- ◆ Served as Fire Services Specialist to develop a fire services strategic plan and pre-accreditation review for University of California, Davis, and City of Davis Fire Departments.

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- ◆ Served as Project Manager and Fire Services Specialist for a Fire Services Study for the Templeton Community Services District Fire Department to identify gaps in operations and resources; develop recommendations to maximize current fire department operations and resources, and identify best practices.
 - ◆ Currently serving as Fire Services Specialist for a fire municipal services review and sphere of influence review for Sonoma LAFCO.

Significant Programs/Projects:

- ◆ Coordinated rewrite of the Monterey City Emergency Operations Plan in 2010 in conformance with federal and state all-hazard guidelines
- ◆ Authored Damage Assessment Plan annex to the Monterey City Emergency Operations Plan
- ◆ Authored Critical Infrastructure and Key Resources Plan annex to the Monterey City Emergency Operations Plan
- ◆ Authored Pandemic Influenza Preparedness and Response Plan annex to the Monterey City Emergency Operations Plan
- ◆ Developed and administered multiple fire service contracts
- ◆ Coordinated annual Proposition 172 allocation for Monterey County fire agencies with the Monterey County Administrative Office
- ◆ Board of Directors – Fire Agency Insurance Risk Authority
- ◆ Monterey County Emergency Medical Services Agency Task Force – evaluating and recommending enhancements to the Monterey County EMS system
- ◆ Represented Monterey County fire agencies on the Monterey County Emergency Medical System Committee
- ◆ Coordinated fire agencies’ recommendations and comments to the Monterey County General Plan update
- ◆ Coordinated implementation of the California Incident Command Certification System within the Monterey County Operational Area
- ◆ Participated in the National Fallen Firefighters Foundation Wildland Fire Symposium to develop initiatives to reduce firefighter line-of-duty-fatalities
- ◆ Developed and implemented capital facilities and equipment replacement and maintenance plans
- ◆ Facilitated development and implementation of multiple Strategic Plans
- ◆ Facilitated implementation of the reorganization of Monterey County Service Area #61 into the South Monterey County Fire Protection District
- ◆ Coordinated development and implementation of a Fire District Illness and Injury Prevention Plan
- ◆ Coordinated development and implementation of fire suppression assessment and mitigation fee ordinances

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- ◆ Co-facilitated development and implementation of multi-agency engine and truck company performance standards.

Mr. DeRoos is the President of Citygate Associates, LLC and former Deputy Director of the California Redevelopment Association. He earned his undergraduate degree in Political Science/Public Service (Phi Beta Kappa) from the University of California, Davis and holds a Master of Public Administration degree from the University of Southern California. Mr. DeRoos has over five years of operational experience as a local government administrator in land use planning, budgeting, and personnel, and nearly 30 years of consulting experience performing operations and management reviews of local government functions. Prior to joining Citygate in 1991, he was a Senior Manager in the State and Local government consulting division of Ernst & Young.

Relevant Experience Includes:

- ◆ For all Citygate projects, Mr. DeRoos reviews work products and is responsible for ensuring that each project is conducted smoothly and efficiently within the schedule and budget allocated, and that the project deliverables are in conformance to Citygate's quality standards.
- ◆ Served in an oversight capacity for a feasibility analysis of merging the cities of Newark's and Union City's fire services to gain economies of scale and improved services in these challenging economic times. Additionally, Citygate explored other fire service delivery options and worked with the study partners and Alameda County Fire Department (ALCO) to evaluate the possibility of ALCO providing contract fire services to one or both cities.
- ◆ Currently serving an oversight capacity for a project to provide a feasibility study for a public safety Joint Powers Authority for the cities of Adelanto, Hesperia, Victorville and Town of Apple Valley.
- ◆ Served in an oversight capacity for a police services consolidation or contract for shared services analysis for the cities of Brea, Buena Park, Fullerton, La Habra and Yorba Linda.
- ◆ Served in an oversight capacity for a consolidation, merger or contract for services feasibility analysis for the City of Anaheim and its partners in the study. Citygate identified opportunities to expand, and/or to strengthen the delivery of Fire, EMS, and other services of the City of Anaheim Fire Department, City of Fullerton Fire Department, and Orange City Fire Department.
- ◆ Served in an oversight capacity for Citygate's police department consolidation feasibility assessment for the cities of Burlingame and San Mateo, CA.
- ◆ Served in an oversight capacity for a fire services merger technical implementation for the cities of Millbrae, Burlingame, San Bruno, and Town of Hillsborough to gain greater economies of scale, avoid fiscal, governance and operational duplication and where needed, improve services. The study investigated full consolidation of the agency fire services with various related governance arrangements to partial contractual sharing along with the most feasible appropriate cost apportionment formulas.

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- ◆ Served in an oversight capacity to conduct an evaluation of the Fire Services Delivery System for the City of Emeryville, CA.
 - ◆ Served in an oversight capacity to conduct an emergency service consolidation/merger support study for the University of California, Davis and the cities of Davis, West Sacramento, and Woodland.
 - ◆ Served in an oversight capacity for Citygate's Regional Fire Services Deployment Study for San Diego County, including 54 fire agencies in the County region. Citygate will implement a phased process designed to establish a blueprint for improving San Diego County's regional fire protection and emergency medical system.
 - ◆ Served in an oversight capacity for a fire and emergency services study for the El Dorado Local Agency Formation Commission to evaluate fire services countywide and to provide actionable recommendations on how to ensure sustainable, adequate and cost effective coverage.
 - ◆ Currently serving in an oversight capacity for a consolidation, merger or contract fire services feasibility analysis for the City of Sausalito and Southern Marin FPD. Citygate is identifying opportunities to expand and strengthen their services and other non-emergency functions between the two agencies.
 - ◆ Recently served in an oversight capacity for an operational review of Roseville Fire Services for the City of Roseville. The review consists of operations, facilities, budget, organizational structure, management, policies, functions and activities of the Fire Department.
 - ◆ Served in an oversight capacity for a Standards of Response Cover deployment analysis and geo-mapping software implementation for the Sacramento Metropolitan Fire District.
 - ◆ Provided quality control and project oversight on a review of the current arrangement for fire protection services within the City of West Sacramento.
 - ◆ Served in an oversight capacity for a feasibility analysis of merging the cities of Newark's and Union City's fire services to gain economies of scale and improved services in these challenging economic times. Additionally, Citygate explored other fire service delivery options and worked with the study partners and Alameda County Fire Department (ALCO) to evaluate the possibility of ALCO providing contract fire services to one or both cities.
 - ◆ Served in an oversight capacity for a fire services reorganization implementation study for the Sonoma Valley Fire & Rescue Authority to explore the feasibility of more completely merging the City of Sonoma's and Valley of the Moon Fire Protection District's Fire Service operations in order to gain greater economies of scale, avoid fiscal, governance and operational duplication and where needed, improve service.
 - ◆ Served as Project Director for Citygate's high-level assessment of the feasibility of fire agency consolidation for the cities of Monterey, Pacific Grove, and Carmel.

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- ◆ Served in an oversight capacity for a feasibility study on the merging of City and District Fire Service Operations in order to gain economies of scale, avoid duplication, and improve services for the City of Santa Rosa, the Rincon Valley Fire Protection District and the Roseland Fire Protection District.
 - ◆ Served as Project Director for a high-level assessment of the feasibility to fully or partially consolidate the fire agencies for the cities of Redlands and Loma Linda.
 - ◆ Served as Project Director for the City of Pismo Beach and surrounding communities' consolidation feasibility study. This was an independent review of the current fire department service relationships to determine if a functional or a full consolidation of one or more departments would provide cost stabilization while maintaining effective services.
 - ◆ Served in an oversight capacity for a project where Citygate performed Incident Command System training for the ten Bay Area Counties. The training was targeted to Command and General Staff and Unit Functions for Emergency Operations Centers and Incident Management Teams.

Mr. DeRoos is a member of several professional and civic associations. He has taught for the U.C. Davis Extension College and for graduate classes in Public Administration, Administrative Theory and Labor Relations for Golden Gate University, and Non Profit and Association Management for the University of Southern California. He speaks and trains frequently on the topic of Leadership, Character and Values, and has also been a speaker for the American Planning Association (APA), written for the California APA Newsletter and the California Redevelopment Journal, and has been a speaker on redevelopment, Base Closures, and related issues across the US. Mr. DeRoos holds a certificate in Public Sector Labor Management Relations from U.C. Davis, and is a Certified Management Consultant (CMC).

John Bartel is an Associate of the Society of Actuaries, a Fellow of the Conference of Actuaries, and a Member of the American Academy of Actuaries. He has over 30 years experience, and founded Bartel Associates 10 years ago to focus on the public sector. John's extensive work with Public Pension and OPEB plans includes numerous analyses, Tier 2 studies, and cost projections for CalPERS plans. He has appeared before county boards of supervisors, city councils, retirement system boards, and public agency boards of directors and is known for his clarity. John will peer review the plan design and actuarial estimates. John earned a B.S. in Mathematics at California State University, Chico.

Experience/Responsibilities Include:

With over 30 years in employee benefits, John focuses on pension consulting for a wide variety of public and private sector clients. He founded Bartel Associates to serve public sector agencies, emphasizing quality, personal attention, and clear results at reasonable fees. Clients rely on John's ability to apply complex regulations in understandable ways.

John Bartel is a member of the special task force which is assisting the Governmental Accounting Standards Board (GASB) in drafting the Update to Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions" (GASB 45), and he was also a member of the task force that assisted the GASB with the original Statement. He was directly involved in the statement's development and has assisted numerous public agencies to quantify and understand the impact of this accounting standard.

John is one of two actuaries appointed by the Governor to the California Actuarial Advisory Panel (CAAP). CAAP provides impartial and independent information on pensions, other postemployment benefits, and best practices to California public agencies. He served as consultant for the former governor's Public Employee Post-Employment Benefits Commission, charged with review of policy regarding the State's public employee retirement benefits.

John specializes in:

- ◆ Public agency retirement consulting
- ◆ Helping clients understand actuarial, accounting, and regulatory issues
- ◆ Retiree healthcare plan valuation, study, and design
- ◆ Retirement plan review, valuation, and design
- ◆ Employee benefit merger and acquisition issues

The following is a sample of Mr. Bartel's recent projects:

- ◆ Mr. Bartel is the primary consultant to the Alameda County Fire department for District's OPEB plan. The District has several public agency members. Mr. Bartel, in conjunction with District staff, developed a method that allowed each member agency to fund their District's OPEB liability at different levels. He supervises and reviews the work products and presents all reports.
- ◆ Mr. Bartel is the primary consultant to Orange County, presenting OPEB valuation results and additional consulting services relating to OCERS. He supervises and reviews the work products and presents all reports.

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- ◆ Mr. Bartel works with the County of Riverside’s Pension Advisory review Committee (PARC) to review CalPERS and OPEB issues. He presents CalPERS contribution rate projections and reviews the OPEB report prepared by another actuarial firm. He supervises and reviews the work products and presents all reports.
 - ◆ Mr. Bartel is the supervising actuary and peer reviewer for numerous OPEB actuarial valuations, including those for the Cities of Victorville and Hesperia. He supervised and reviewed the work products and met with representatives of Hesperia and Victorville to present the reports.

Publications (copies available upon request):

- ◆ 2003 California Public Retirement Journal “GASB: Other (Than Pensions) Post Employment Benefits Plan Sponsor Reporting and Disclosure”
- ◆ June 2001 National Association of State Retirement Administrators (NASRA) “Is A DROP Plan Right for Your Organization?” with Chris Bone, Aon’s Chief Actuary
- ◆ January 2001 Western City “Understanding the Impact of the New CalPERS Public Safety Benefits” with Harriet Commons, City of Fremont
- ◆ GASB 27 (pension disclosure) White Paper, California Committee on Municipal Accounting with Glenn Steinbrink, City of Fullerton.

Other Experience:

- ◆ Speaker at meetings for Enrolled Actuaries, Society of Actuaries, Conference of Consulting Actuaries, League of California Cities, California Society of CPAs, California Public Employee Labor Relations Association, and California Society of Municipal Finance Officers
- ◆ Associate of the Society of Actuaries, Fellow of the Conference of Consulting Actuaries, Member, American Academy of Actuaries
- ◆ BS in Mathematics, California State University, Chico.

Mary Beth Redding is a Fellow of the Society of Actuaries, an Enrolled Actuary under ERISA, and a Member of the American Academy of Actuaries. With over 30 years experience, Mary Beth has been with Bartel Associates for just over 1 year. She has performed actuarial studies for clients such as '37 Act Pension Plans and independent pension plans, as well as actuarial valuations of public sector pension and OPEB plans and studies comparing defined benefit and defined contribution plans. Mary Beth will manage the project and be responsible for the accuracy of the actuarial results and project timing. She has a B.S. in Geology & Geophysics from Yale University.

With over 30 years in employee benefits, Mary Beth has served as retirement consultant for a wide range of public agencies, private sector corporations, government employers, governmental contractors, and nonprofit organizations. Mary Beth enjoys understanding her client's benefit programs, and then communicating clearly so that her clients can make the best decisions possible for their organizations.

Experience/Responsibilities:

Mary Beth's experience includes:

- ◆ Governmental and corporate pension and retiree medical plan consulting, valuation and financial modeling and analysis
- ◆ Experience studies and actuarial audits
- ◆ Employee communications, plan amendments, and summary plan descriptions
- ◆ GASB, FASB, CASB and IAS accounting valuations
- ◆ Qualified retirement (DB & DC) and retiree medical plan design, administration and compliance
- ◆ Nonqualified executive retirement plan design and financial analysis
- ◆ Asset liability modeling
- ◆ Employee benefit merger and acquisition consulting
- ◆ Plan terminations
- ◆ Speaker for Enrolled Actuaries meeting, Retirement Boards, Retirement Committees, Boards of Directors and employee groups.

The following is a sample of Ms. Redding's recent projects:

- ◆ Ms. Redding is serving as project manager and actuary for the pension and OPEB Tier 2 plan design and consulting work for the City of Los Angeles. She manages the projects, directs the personnel and prepares work products, presents the final report, and attends meetings with Labor representatives and City council meetings.
- ◆ Ms. Redding is serving as project manager and actuary for ongoing work with a confidential client, involving research, design and costing of alternative designs for public pension plans. She manages the projects, directs the personnel and prepares work products and reports.

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- ◆ Ms. Redding is serving as project manager and actuary for the OPEB valuation and study of Tier 2 benefit design for the Monte Vista Water District. She manages the project, directs the personnel and prepares work products and presents the final report.

Affiliations/Designations/Education

- ◆ Fellow of the Society of Actuaries
- ◆ Enrolled Actuary under ERISA
- ◆ Member, American Academy of Actuaries
- ◆ BS in Geology and Geophysics, Yale University, New Haven, Connecticut.