

SERVICE PROVIDER AGREEMENT

This SERVICE PROVIDER AGREEMENT (“**Agreement**”) is entered into this _____ day of _____, 2020 (“**Effective Date**”), by and between the CITY OF ALAMEDA, a municipal corporation (the “**City**”), and URBAN FUTURES, Inc., whose address is 17821 17th Street, Ste. 245, Tustin CA 92780 (the “**Provider**”), in reference to the following facts and circumstances:

RECITALS

A. City is a municipal corporation duly organized and validly existing under the laws of the State of California with the power to carry on its business as it is now being conducted under the statutes of the State of California and the Charter of the City.

B. The City is in need of the following services: to provide Pension/OPEB Analysis and Financial Modeling Services. City staff issued a RFP/RFQ on November 16, 2019 and after a submittal period of twenty 20 days received three timely submitted proposals. Staff reviewed the proposals, interviewed qualified firms and selected the service provider that best meets the City’s needs.

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

D. City and Provider desire to enter into an agreement, upon the terms and conditions herein.

AGREEMENT

NOW, THEREFORE, in consideration of the forgoing, which are incorporated herein by reference, and for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the City and Provider agree as follows:

1. TERM:

The term of this Agreement shall retroactively commence on the _____ day of _____, 2020 and shall terminate on the _____ day of _____ 2022, unless terminated earlier as set forth herein.

SERVICES TO BE PERFORMED:

Provider agrees to do all necessary work at its own cost and expense, to furnish all labor, tools, equipment, materials, except as otherwise specified, and to do all necessary work included in Exhibit A as requested. The Provider acknowledges that the work plan included in Exhibit A is tentative and does not commit the City to request Provider to perform all tasks included therein.

2. COMPENSATION TO PROVIDER:

a. By the 7th day of each month, Provider shall submit to the City an invoice for the total amount of work done the previous month. Pricing and accounting of charges are to be according to the fee schedule as set forth in Exhibit A and incorporated herein by this reference.

b. Compensation for this Agreement shall not exceed \$110,000.

3. TIME IS OF THE ESSENCE:

Provider and City agree that time is of the essence regarding the performance of this Agreement.

4. STANDARD OF CARE:

Provider agrees to perform all services hereunder in a manner commensurate with the prevailing standards of like professionals or service providers, as applicable, in the San Francisco Bay Area and agrees that all services shall be performed by qualified and experienced personnel who are not employed by the City.

5. INDEPENDENT PARTIES:

Provider hereby declares that Provider is engaged as an independent business and Provider agrees to perform the services as an independent contractor. The manner and means of conducting the services and tasks are under the control of Provider, except to the extent they are limited by statute, rule or regulation and the express terms of this Agreement. No civil service status or other right of employment will be acquired by virtue of Provider's services. None of the benefits provided by City to its employees, including but not limited to unemployment insurance, workers' compensation plans, vacation and sick leave are available from City to Provider, its employees or agents. Deductions shall not be made for any state or federal taxes, FICA payments, PERS payments, or other purposes normally associated with an employer-employee relationship from any compensation due to Provider. Payments of the above items, if required, are the responsibility of Provider.

6. IMMIGRATION REFORM AND CONTROL ACT (IRCA):

Provider assumes any and all responsibility for verifying the identity and employment authorization of all of its employees performing work hereunder, pursuant to all applicable IRCA or other federal, or state rules and regulations. Provider shall indemnify, defend, and hold City harmless from and against any loss, damage, liability, costs or expenses arising from any noncompliance of this provision by Provider.

7. NON-DISCRIMINATION:

Consistent with the City's policy and state and federal law that harassment and discrimination are unacceptable conduct, Provider and its employees, contractors, and agents shall not harass or discriminate against any job applicant, City employee, or any other person on the basis of any kind of any statutorily (federal, state or local) protected class, including but not limited to: race, religious creed, color, national origin, ancestry, physical disability (including HIV and AIDS), mental disability, medical condition (ex. Cancer), genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, pregnancy, political affiliation, military and veteran status or legitimate Union activities. Provider agrees that any violation of this provision shall constitute a material breach of this Agreement.

8. HOLD HARMLESS:

a. Provider shall indemnify, defend, and hold harmless the City, its City Council, boards, commissions, officials, employees, and volunteers (“**Indemnitees**”) from and against any and all loss, damages, liability, claims, suits, costs and expenses whatsoever, including reasonable attorneys’ fees (“**Claims**”), arising from or in any manner connected to Provider’s negligent, reckless or intentional act or omission, whether alleged or actual, regarding performance of services or work conducted or performed pursuant to this Agreement. If Claims are filed against Indemnitees which allege negligence, recklessness or willful misconduct on behalf of the Provider, Provider shall have no right of reimbursement against Indemnitees for the costs of defense even if negligence, recklessness or willful misconduct is not found on the part of Provider. However, Provider shall not be obligated to indemnify Indemnitees from Claims arising from the sole negligence or willful misconduct of Indemnitees.

b. **Indemnification for Claims for Professional Liability Only:** As to Claims for professional liability only, Provider’s obligation to defend Indemnitees (as set forth above) is limited as provided in California Civil Code Section 2782.8.

c. Provider’s obligation to indemnify, defend and hold harmless Indemnities shall expressly survive the expiration or early termination of this Agreement.

9. INSURANCE:

a. On or before the commencement of the terms of this Agreement, Provider shall furnish the City’s Risk Manager with certificates showing the type, amount, class of operations covered, effective dates and dates of expiration of insurance coverage in compliance with subsections 10A, B, C and D. Such certificates, which do not limit Provider’s indemnification, shall also contain substantially the following statement:

“Should any of the above insurance covered by this certificate be canceled or coverage reduced before the expiration date thereof, the insurer affording coverage shall provide ten (10) days’ advance written notice to the City of Alameda. Attention: Risk Manager.”

b. It is agreed that Provider shall maintain in force at all times during the performance of this Agreement all appropriate coverage of insurance required by this Agreement with an insurance company that is acceptable to City and licensed to do insurance business in the State of California.

c. Provider shall deliver updated insurance certificates to the City at the address described in Section 17.f. prior to the expiration of the existing insurance certificate for the duration of the term of Agreement. Endorsements naming the City, its City Council, boards, commissions, officials, employees, and volunteers as additional insured shall be submitted with the insurance certificates.

Provider Initials

A. COVERAGE:

Provider shall maintain the following insurance coverage:

(1) Workers' Compensation:

Statutory coverage as required by the State of California.

(2) Liability:

Commercial general liability coverage in the following minimum limits:

Bodily Injury: \$1,000,000 each occurrence
 \$2,000,000 aggregate - all other

Property Damage: \$1,000,000 each occurrence
 \$2,000,000 aggregate

If submitted, combined single limit policy with aggregate limits in the amounts of \$2,000,000 will be considered equivalent to the required minimum limits shown above. Additional Insured Endorsement naming the City, its City Council, boards, commissions, officials, employees, and volunteers is required.

(3) Automotive:

Comprehensive automobile liability coverage (any auto) in the following minimum limits:

Bodily injury: \$1,000,000 each occurrence
Property Damage: \$1,000,000 each occurrence

or

Combined Single Limit: \$2,000,000 each occurrence

Additional Insured Endorsement naming the City, its City Council, boards, commissions, officials, employees, and volunteers is required.

(4) Professional Liability:

Professional liability insurance which includes coverage for the professional acts, errors and omissions of Provider in the following minimum limits:

\$1,000,000 each occurrence

Additional Insured Endorsement naming the City, its City Council, boards, commissions, officials, employees, and volunteers is required.

B. SUBROGATION WAIVER:

Provider agrees that in the event of loss due to any of the perils for which it has agreed to provide comprehensive general and automotive liability insurance, Provider shall look solely to its insurance for recovery. Provider hereby grants to City, on behalf of any insurer providing comprehensive general and automotive liability insurance to either Provider or City with respect

to the services of Provider herein, a waiver of any right to subrogation which any such insurer of said Provider may acquire against City by virtue of the payment of any loss under such insurance.

C. FAILURE TO SECURE:

If Provider at any time during the term hereof should fail to secure or maintain the foregoing insurance, City shall be permitted to obtain such insurance in the Provider's name or as an agent of the Provider and shall be compensated by the Provider for the costs of the insurance premiums at the maximum rate permitted by law and computed from the date written notice is received that the premiums have not been paid.

D. ADDITIONAL INSURED:

City, its City Council, boards, commissions, officials, employees, and volunteers shall be named as an additional insured under all insurance coverages, except workers' compensation and professional liability insurance. The naming of an additional insured shall not affect any recovery to which such additional insured would be entitled under this policy if not named as such additional insured. An additional insured named herein shall not be held liable for any premium, deductible portion of any loss, or expense of any nature on this policy or any extension thereof. Any other insurance held by an additional insured shall not be required to contribute anything toward any loss or expense covered by the insurance provided by this policy.

E. SUFFICIENCY OF INSURANCE:

The insurance limits required by City are not represented as being sufficient to protect Provider. Provider is advised to consult Provider's insurance broker to determine adequate coverage for Provider.

10. CONFLICT OF INTEREST:

Provider warrants that it is not a conflict of interest for Provider to perform the services required by this Agreement. Provider may be required to fill out a conflict of interest form if the services provided under this Agreement require Provider to make certain governmental decisions or serve in a staff capacity as defined in Title 2, Division 6, Section 18700 of the California Code of Regulations.

11. PROHIBITION AGAINST TRANSFERS:

a. Provider shall not assign, sublease, hypothecate, or transfer this Agreement, or any interest therein, directly or indirectly, by operation of law or otherwise, without prior written consent of the City Manager. Provider shall submit a written request for consent to transfer to the City Manager at least thirty (30) days in advance of the desired transfer. The City Manager or his or her designee may consent or reject such request in his/her sole and absolute discretion. Any attempt to do so without said consent shall be null and void, and any assignee, sublessee, hypothecate or transferee shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer. However, claims for money against the City under this Agreement may be assigned by Provider to a bank, trust company or other financial institution without prior written consent.

b. The sale, assignment, transfer or other disposition of any of the issued and outstanding capital stock of Provider, or of the interest of any general partner or joint venturer or syndicate member or cotenant, if Provider is a partnership or joint venture or syndicate or cotenancy, which shall result in changing the control of Provider, shall be construed as an assignment of this Agreement. Control means fifty percent or more of the voting power of the corporation.

12. APPROVAL OF SUB-PROVIDERS:

a. Only those persons and/or businesses whose names and resumés are attached to this Agreement shall be used in the performance of this Agreement. However, if after the start of this Agreement, Provider wishes to use sub-providers, at no additional costs to the City, then Provider shall submit a written request for consent to add sub-providers including the names of the sub-providers and the reasons for the request to the City Manager at least five (5) days in advance. The City Manager may consent or reject such requests in his/her sole and absolute discretion.

b. Each sub-provider shall be required to furnish proof of workers' compensation insurance and shall also be required to carry general, automobile and professional liability insurance (as applicable) in reasonable conformity to the insurance carried by the Provider. In addition, any tasks or services performed by sub-providers shall be subject to each provision of this Agreement.

c. The requirements in this Section 13 shall not apply to persons who are merely providing materials, supplies, data or information which the Provider then analyzes and incorporates into its work product.

13. PERMITS AND LICENSES:

Provider, at its sole expense, shall obtain and maintain during the term of this Agreement, all appropriate permits, certificates and licenses, including a City Business License that may be required in connection with the performance of the services and tasks hereunder.

14. REPORTS:

a. Each and every report, draft, work product, map, record and other document produced, prepared or caused to be prepared by Provider pursuant to or in connection with this Agreement shall be the exclusive property of City.

b. No report, information or other data given to or prepared or assembled by Provider pursuant to this Agreement shall be made available to any individual or organization by Provider without prior approval of the City Manager or his/her designee.

c. Provider shall, at such time and in such form as City Manager or his/her designee may require, furnish reports concerning the status of services and tasks required under this Agreement.

15. RECORDS:

a. Provider shall maintain complete and accurate records with respect to the services, tasks, work, documents and data in sufficient detail to permit an evaluation of the Provider's

performance under the Agreement, as well as maintain books and records related to sales, costs, expenses, receipts and other such information required by City that relate to the performance of the services and tasks under this Agreement (collectively the “**Records**”).

b. All Records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Provider shall provide free access to the Records to the representatives of City or its designees during regular business hours upon reasonable prior notice. The City has the right to examine and audit the Records, and to make copies or transcripts therefrom as necessary, and to allow inspection of all proceedings and activities related to this Agreement. Such Records, together with supporting documents, shall be kept separate from other documents and records and shall be maintained by Provider for a period of three (3) years after receipt of final payment.

c. If supplemental examination or audit of the Records is necessary due to concerns raised by City’s preliminary examination or audit of records, and the City’s supplemental examination or audit of the records discloses a failure to adhere to appropriate internal financial controls, or other breach of this Agreement or failure to act in good faith, then Provider shall reimburse the City for all reasonable costs and expenses associated with the supplemental examination or audit.

16. NOTICES:

a. All notices shall be in writing and delivered: (i) by hand; or (ii) sent by registered, express, or certified mail, with return receipt requested or with delivery confirmation requested from the U.S. postal service; or (iii) sent by overnight or same day courier service at the party’s respective address listed in this Section.

b. Each notice shall be deemed to have been received on the earlier to occur of: (x) actual delivery or the date on which delivery is refused; or (y) three (3) days after notice is deposited in the U.S. mail or with a courier service in the manner described above (Sundays and City holidays excepted).

c. Either party may, at any time, change its notice address (other than to a post office box address) by giving the other party three (3) days prior written notice of the new address.

d. All notices, demands, requests, or approvals from Provider to City shall be addressed to City at:

City of Alameda
City Manager’s Office
2263 Santa Clara Ave, Room 320
Alameda, CA 94501
ATTENTION: Assistant City Manager
Ph: (510) 747-4714

e. All notices, demands, requests, or approvals from City to Provider shall be addressed to Provider at:

UFI Financial Solutions
Valerie Elliott
17821 17th Street, Suite 245
Tustin CA 92780
ATTENTION: Valerie Elliott
Ph: 714-923-3562

f. All updated insurance certificates from Provider to City shall be addressed to City at:

City of Alameda
City Manager's Office
2263 Santa Clara Ave., Room 320
Alameda, CA 94501
ATTENTION: Jodi Owens, Executive Assistant
Ph: (510) 747-4715 / jowens@alamedaca.gov

17. SAFETY:

a. The Provider will be solely and completely responsible for conditions of all vehicles owned or operated by Provider, including the safety of all persons and property during performance of the services and tasks under this Agreement. This requirement will apply continuously and not be limited to normal working hours. In addition, Provider will comply with all safety provisions in conformance with U.S. Department of Labor Occupational Safety and Health Act, any equivalent state law, and all other applicable federal, state, county and local laws, ordinances, codes, and any regulations that may be detailed in other parts of the Agreement. Where any of these are in conflict, the more stringent requirements will be followed. The Provider's failure to thoroughly familiarize itself with the aforementioned safety provisions will not relieve it from compliance with the obligations and penalties set forth herein.

b. The Provider will immediately notify the City within 24 hours of any incident of death, serious personal injury or substantial property damage that occurs in connection with the performance of this Agreement. The Provider will promptly submit to the City a written report of all incidents that occur in connection with this Agreement. This report must include the following information: (i) name and address of injured or deceased person(s); (ii) name and address of Provider's employee(s) involved in the incident; (iii) name and address of Provider's liability insurance carrier; (iv) a detailed description of the incident; and (v) a police report.

18. TERMINATION:

a. In the event Provider fails or refuses to perform any of the provisions hereof at the time and in the manner required hereunder, Provider shall be deemed in default in the performance of this Agreement. If such default is not cured within two (2) business days after receipt by Provider from City of written notice of default, specifying the nature of such default and the steps necessary to cure such default, City may thereafter immediately terminate the Agreement forthwith by giving to the Provider written notice thereof.

b. The foregoing notwithstanding, City shall have the option, at its sole discretion and without cause, of terminating this Agreement by giving seven (7) days' prior written notice to Provider as provided herein.

c. Upon termination of this Agreement either for cause or for convenience, each party shall pay to the other party that portion of compensation specified in this Agreement that is earned and unpaid prior to the effective date of termination. The obligation of the parties under this Section 19.c. shall survive the expiration or early termination of this Agreement.

19. ATTORNEYS' FEES:

In the event of the bringing of any action or suit by a party hereto against the other party by reason of any breach of any covenants, conditions, obligation or provision arising out of this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party all of its costs and expenses of the action or suit, including reasonable attorneys' fees, experts' fees, all court costs and other costs of action incurred by the prevailing party in connection with the prosecution or defense of such action and enforcing or establishing its rights hereunder (whether or not such action is prosecuted to a judgment). For the purposes of this Agreement, reasonable fees of attorneys of the Alameda City Attorney's office shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the services were rendered who practice in Alameda County in law firms with approximately the same number of attorneys as employed by the Alameda City Attorney's Office.

20. COMPLIANCE WITH ALL APPLICABLE LAWS:

During the term of this Agreement, Provider shall keep fully informed of all existing and future state and federal laws and all municipal ordinances and regulations of the City of Alameda which affect the manner in which the services or tasks are to be performed by the Provider, as well as all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. Provider shall comply with all applicable laws, state and federal and all ordinances, rules and regulations enacted or issued by City.

21. CONFLICT OF LAW:

This Agreement shall be interpreted under, and enforced by the laws of the State of California without regard to any choice of law rules which may direct the application of laws of another jurisdiction. The Agreement and obligations of the parties are subject to all valid laws, orders, rules, and regulations of the authorities having jurisdiction over this Agreement (or the successors of those authorities). Any suits brought pursuant to this Agreement shall be filed with the courts of the County of Alameda, State of California.

22. WAIVER:

A waiver by City of any breach of any term, covenant, or condition contained herein shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition contained herein, whether of the same or a different character.

23. INTEGRATED CONTRACT:

The Recitals and Exhibits are a material part of this Agreement and are expressly incorporated herein. This Agreement represents the full and complete understanding of every kind or nature whatsoever between the parties hereto, and all preliminary negotiations and agreements of whatsoever kind or nature are merged herein. No verbal agreement or implied covenant shall be held to vary the provisions hereof. Any modification of this Agreement will be effective only by written execution signed by both City and Provider.

24. CAPTIONS:

The captions in this Agreement are for convenience only, are not a part of the Agreement and in no way affect, limit or amplify the terms or provisions of this Agreement.

26. COUNTERPARTS:

This Agreement may be executed in any number of counterparts (including by fax, PDF, DocuSign, or other electronic means), each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

27. SIGNATORY:

By signing this Agreement, signatory warrants and represents that he/she executed this Agreement in his/her authorized capacity and that by his/her signature on this Agreement, he/she or the entity upon behalf of which he/she acted, executed this Agreement.

28. CONTROLLING AGREEMENT:

In the event of a conflict between the terms and conditions of this Agreement and any other terms and conditions wherever contained, including, without limitation, terms and conditions included within exhibits, the terms and conditions of this Agreement shall control and be primary.

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IN WITNESS WHEREOF, the parties have each caused this Agreement to be duly executed on its behalf as of the Effective Date.

URBAN FUTURES, INC.

Michael Busch
President & CEO

CITY OF ALAMEDA
a municipal corporation

Eric J. Levitt
City Manager

RECOMMENDED FOR APPROVAL

Gerry Beaudin
Assistant City Manager

APPROVED AS TO FORM:
City Attorney

Michael H. Roush
Chief Assistant City Attorney



March 8, 2020

Eric Levitt
City Manager
City of Alameda
2263 Santa Clara Avenue, Room 220
Alameda, CA 94501

RE: Financial Strategy Services – Baseline Financial Forecast & Related Services

Dear Eric,

Pursuant to our initial proposal submitted in December 2019 and our follow-up discussions last month, Urban Futures Inc. (UFI) has prepared a refined proposal to provide the City of Alameda (City) the below detailed financial forecast modeling services. Additionally, for purposes of budgeting and contract approval, we have also included in this proposal cost range estimate for potential follow-on financial strategy services in which the City indicated interest.

At UFI, we believe the best approach to developing sound financial policies, strategies and plans begins with a developing a solid long-term financial forecast of the General Fund. This tool can significantly help cities achieve both fiscal stability and service sustainability through more informed decision-making. Armed with a robust forecast, leadership (both appointed and elected) can identify critical unmet needs, develop options to close funding gaps and create plans that achieve the City's strategic objectives because they are aligned to a solid and continuously updated financial forecast and plan.

Forecasts also enable management to communicate effectively with elected officials, labor groups, and the general public regarding the trade-offs and costs required to achieve the community's objectives and goals. This communication tool is especially helpful during budget hearings, bargaining unit negotiations, and evaluation of potential revenue measures, capital investments, and financing options.

The focus of our initial engagement will be on developing a comprehensive baseline financial forecast for the City's General Fund, which will be comprised of three (3) integrated and successive phases:

1. Develop baseline forecast model for General Fund revenues, labor costs and expenses.
2. Develop customized scenarios and modules for the forecast model.
3. Review forecast with city management and determine next steps (e.g., additional modules/capacities for the forecast, expansion of forecast to include other funds, development of financial strategies/scenarios, etc.)

1. Develop baseline forecast model for General Fund revenues, labor costs and expenses.

UFI's baseline forecast model uses a simple and clear income statement format, which is based on the General Fund's current chart of accounts and general ledger data - using existing budgetary revenue and expense categories presented at a major category level. These categories can be expanded and disaggregated to meet the City's needs, depending on the object level detail of the City's data.

In developing the City's baseline forecast, UFI gathers and reviews a variety of data regarding the General Fund finances, operating budgets, personnel costs and benefit structures (including MOU commitments), current major capital improvement projects and initiatives, and long-term liabilities including pension liabilities and OPEB pay-go costs. UFI will work to aggregate, correlate and reconcile the baseline data to provide consistency and facilitate periodic updating of the baseline data that drives portions of the forecast model.

Once the baseline data is assembled and organized, the modeling commences with populating prior fiscal years (up to a decade in arrears) and the current fiscal year of General Fund revenues, labor costs and expenses for purposes of historical trend analysis and identifying anomalies or changes in revenue and expense patterns. Changes in financial accounting and reporting in prior years are reconciled to the greatest degree possible to ensure longitudinal consistency in the data. UFI's expense forecasting focuses heavily on labor costs because this expense can account for upwards of 75% of the General Fund budget. As such, labor costs are disaggregated from the general ledger data and forecasted separately from the City's other expenses, including pension and OPEB liabilities that are driven in part by salary and benefit levels.

With the historical financial data incorporated in the model, the forecasting focuses on developing a variety of indices and ratios that are selected as the assumptions which drive the revenue, labor and expense projections across the forecast years. These indices and ratios are incorporated as a menu of options, which can be adjusted for each revenue/expense category through an easy-to-use pulldown menu.

Fund	Object Codes	Revenue Source/Type	Assumption
FUND 100 - GENERAL FUND			
30000 - TAXES			Pull-down menu for each assumption
		Property Taxes	(expand for subcategories)
		ERAF - Property Tax	Prop. Tax - Mod. Trend (75%)
		Sales Taxes	(expand for subcategories)
	30201	SALES AND USE	Sales Tax - Avg. Trend (100%)
	30202	1/2 SALES TAX-PUBLIC SAFETY	Sales Tax - Mod. Trend (75%)
	30203	1/2 SALES TAX-TRANSPORTATION	Zero Amount
	30204	TAX COLLECTION FEES	No Growth
	30205	IN-LIEU SALES TAX TRIPLE FLIP	Zero Amount
	30206	TRIPLE FLIP PRIOR YEAR SHORTFALL	Zero Amount
		Transient Occupancy Tax	(expand for subcategories)
	30301	TRANSIENT OCCUP HOTEL MOTEL	TOT- Mod. Trend (75%)
	30302	TOT-SPECIAL 1% MEAS I NOV 2004	No Growth
	30303	PAST DUE TOT COLLECTIONS	No Growth
		Other Taxes	(expand for subcategories)
	30402	REAL PROPERTY TRANSFER TAX	Nominal Growth (0.5%)
	30403	BUSINESS LICENSE	Bus. Lic. Tax - Mod. Trend (75%)
	30404	COMMERCIAL PARKING TAX	Comm. Parking Tax - Conserv. Trend (50%)
	30405	TAX REVENUE COLLECTION SVCS	Zero Amount
31000 - FRANCHISE FEES			
	31001	FRANCHISE FEES	(expand for subcategories)
	31003	FRANCHISE FEE - FLIGHT CAR	Franchise Fees - Conserv. Trend (50%)
			Zero Amount

Examples of the indices and ratios, and the underlying sources, used in UFI's model include:

- Moody's Analytics, U.S. Précis® Metro forecast data
- California Economic Forecast (DOT) County-level Economic Forecast;
- Average annual growth rates (AAGR) based on city's historical fiscal data;
- Trendline calculations based on city's historical fiscal data;
- Customized indices tailored to estimate future expense or revenue categories;
- Combined indices with moderate and conservative trends; and
- Other applicable city and/or regional economic predictive data.

For property tax, sales tax, transient occupancy tax, utility user tax and other major revenue categories, UFI will also consult with and incorporate applicable data from the City's outside tax consultants (HdL, Avenue Insights & Analytics, etc.)

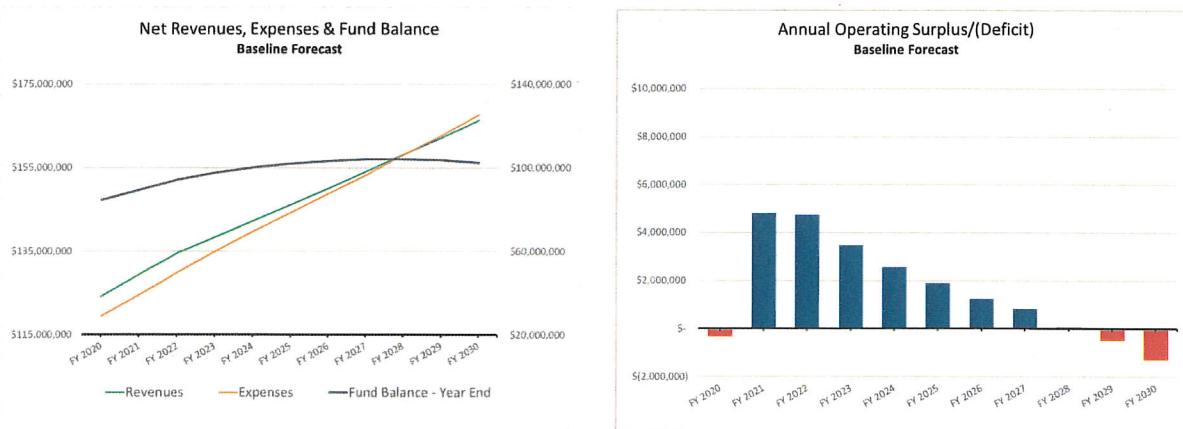
The end-product is a customized, Excel-based user-friendly baseline forecast model that can be used by the City to understand its fiscal future and the long-term financial impacts of strategic decisions. Because UFI's baseline forecast model is grounded in the City's budget categories, the outputs of the baseline model focus on cash flows and impacts on reserve levels. The model incorporates the City's reserve designations and other financial policies to understand the City's actual working capital (undesignated reserves) across the forecast years.

Category/Type	CURRENT FISCAL YEAR										FORECAST FISCAL YEARS												
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030		
REVENUES																							
Property Taxes	\$ 33,959,133	\$ 35,062,439	\$ 36,404,630	\$ 37,576,951	\$ 39,003,571	\$ 40,347,334	\$ 41,705,054	\$ 43,080,632	\$ 44,433,433	\$ 45,819,910	\$ 47,268,200												
ERFA Refund from County	3,000,000	3,124,657	3,243,546	3,359,589	3,474,605	3,594,255	3,715,248	3,838,005	3,962,657	4,089,322	4,218,107												
Sales Taxes	18,763,000	19,423,353	20,110,502	20,823,564	21,564,794	22,316,245	23,064,405	23,833,663	24,621,073	25,414,707	26,232,056												
Transient Occupancy Tax	16,655,297	17,723,452	20,625,407	21,114,834	21,601,152	22,095,549	22,568,630	23,050,932	23,532,533	24,015,061	24,497,702												
Other Taxes	6,058,132	6,150,132	6,240,446	6,331,837	6,424,170	6,517,401	6,611,574	6,706,728	6,802,303	6,900,134	6,998,455												
Franchise Fees	4,000,000	4,116,541	4,228,635	4,339,837	4,452,309	4,565,926	4,682,788	4,799,987	4,918,603	5,038,734	5,150,437												
Eldg., Pw, O&G, etc.	12,000,000	12,100,000	12,200,000	12,300,000	12,400,000	12,500,000	12,600,000	12,700,000	12,800,000	12,900,000	13,000,000												
Revenue from Other Agencies	1,705,476	1,719,320	1,733,773	1,747,257	1,760,567	1,773,123	1,785,255	1,798,404	1,811,558	1,824,694	1,837,530												
Charges for Services	8,325,713	9,147,912	9,362,346	9,573,269	9,780,889	9,985,383	10,187,032	10,386,383	10,583,184	10,777,385	10,969,363												
Administrative Charges	1,486,124	1,511,778	1,535,806	1,560,220	1,585,021	1,610,215	1,625,215	1,640,215	1,655,215	1,670,215	1,685,215												
Fines	618,500	623,130	627,639	632,263	636,819	641,297	645,824	650,334	654,836	659,641	664,300												
Interest, Rent & Other Revenue	5,431,453	5,294,731	5,345,620	5,395,667	5,444,702	5,491,192	5,538,244	5,584,192	5,633,420	5,681,537	5,729,390												
Transfers In - General Fund (100)	1,261,591	1,261,591	1,261,591	1,261,591	1,261,591	1,261,591	1,261,591	1,261,591	1,261,591	1,261,591	1,261,591												
Measure V	12,370,000	12,807,617	13,262,243	13,737,801	14,225,459	14,723,264	15,218,355	15,732,668	16,251,045	16,776,523	17,318,325												
(Adjustments for One-Time Revenues/Transfers)	(\$ 2,250,000)																						
TOTAL REVENUES	\$ 124,081,437	\$ 125,342,424	\$ 126,588,163	\$ 128,350,507	\$ 142,272,792	\$ 146,173,841	\$ 150,093,518	\$ 154,117,453	\$ 158,183,553	\$ 162,253,832	\$ 166,334,361												
EXPENSES																							
Salaries and Compensation	\$ 54,333,226	\$ 54,763,153	\$ 56,138,384	\$ 57,541,847	\$ 58,380,394	\$ 60,454,304	\$ 61,566,276	\$ 63,575,433	\$ 65,103,319	\$ 66,730,302	\$ 68,335,174												
Health Benefits	7,095,370	7,595,370	8,034,423	8,576,463	9,014,445	9,437,009	10,005,848	10,530,360	11,103,529	11,698,334	12,206,648												
Other Benefits & Workers Compensation	8,427,207	8,725,207	9,023,207	9,321,207	9,620,207	9,919,207	10,218,207	10,517,207	10,816,207	11,115,207	11,414,207	11,424,543											
PERS Normal Cost	8,022,253	8,436,116	8,595,394	8,760,694	8,926,994	9,104,294	9,281,594	9,458,894	9,636,194	9,813,494	9,990,794	10,168,094											
PERSUAL	10,005,885	12,251,827	13,776,610	15,134,609	16,946,338	16,764,334	17,226,351	17,689,053	18,155,775	18,655,860	19,135,742												
OPEB (Pay-Go + Pre-Funding)	3,061,367	3,279,954	3,493,863	3,790,576	4,022,694	4,292,640	4,570,366	4,903,132	5,217,734	5,521,381	5,788,580												
Contractual Services	10,080,084	10,614,006	11,139,280	11,660,882	12,178,863	12,687,112	13,197,421	13,703,768	14,223,031	14,739,044	15,255,447												
Operating Supplies & Equipment	4,304,355	4,446,399	4,594,237	4,721,165	4,858,036	4,993,881	5,124,607	5,257,847	5,402,438	5,545,603	5,689,780												
Facilities, Utilities and Other Op. Expenses	3,084,084	3,023,722	3,178,623	3,109,749	3,271,702	3,194,638	3,362,685	3,279,205	3,454,680	3,545,580	3,547,611												
Capital Outlays																							
Interdepartmental Charges	7,710,314	7,440,138	7,763,362	8,089,586	8,427,910	8,757,034	9,086,258	9,415,482	9,744,705	10,073,930	10,403,754												
Transfers Out - General Fund (100)	953,454	965,156	965,156	965,156	965,156	965,156	965,156	965,156	965,156	965,156	965,156												
Measure V - Expenses & Transfers Out	17,067,000	10,246,030	10,603,734	10,590,241	11,380,366	11,778,611	12,175,364	12,598,125	13,000,036	13,421,223	13,845,660												
(Adjustments for One-Time Expenses/Transfers)	(\$ 17,770,000)																						
TOTAL EXPENSES	\$ 119,472,439	\$ 124,533,125	\$ 125,857,296	\$ 126,329,205	\$ 129,693,192	\$ 144,291,771	\$ 148,054,344	\$ 153,239,507	\$ 158,112,589	\$ 162,739,769	\$ 167,697,182												
Net Transfers & One-Time Adjustments	(4,921,000)																						
ANNUAL OPERATING SURPLUS/(DEFICIT)	\$ (332,002)	\$ 4,805,300	\$ 4,730,864	\$ 3,461,302	\$ 2,573,680	\$ 1,881,871	\$ 1,233,173	\$ 817,352	\$ 70,572	\$ (495,196)	\$ (1,292,821)												
GENERAL FUND BALANCE - END OF FY	\$ 84,545,151	\$ 89,354,450	\$ 94,095,315	\$ 97,546,617	\$ 100,120,217	\$ 102,002,087	\$ 103,241,260	\$ 104,059,212	\$ 104,130,184	\$ 103,645,040	\$ 102,352,226												
Non-Spendable	106	106	106	106	106	106	106	106	106	106	106												
Fund Balance - Restricted	20,582,335	20,582,335	20,582,335	20,582,335	20,582,335	20,582,335	20,582,335	20,582,335	20,582,335	20,582,335	20,582,335												
Fund Balance - Committed	16,726,587	16,726,587	16,726,587	16,726,587	16,726,587	16,726,587	16,726,587	16,726,587	16,726,587	16,726,587	16,726,587												
Fund Balance - Assigned	4,334,322	4,334,322	4,334,322	4,334,322	4,334,322	4,334,322	4,334,322	4,334,322	4,334,322	4,334,322	4,334,322												
Reserve Policies	24,816,287	25,868,485	26,317,633	27,276,101	28,454,558	29,234,726	30,088,703	30,821,452	31,636,711	32,450,726	33,278,872												
UNDESIGNATED FUND BALANCE	\$ 18,086,203	\$ 21,843,306	\$ 25,525,022	\$ 28,225,855	\$ 30,072,998	\$ 31,124,693	\$ 31,579,057	\$ 31,593,060	\$ 30,805,813	\$ 29,551,661	\$ 27,430,894												

The final component of the baseline forecast model is a standardized control panel and dashboard that facilitate ease-of-use and understanding. The standard control panel brings together the most significant revenue and expense categories in the City's forecast and allows the user to easily toggle among the potential assumptions (indexes) that can drive these categories in the forecast, and then indicates the resulting average annual growth rate for each category.

CONTROL PANEL					
BASELINE - KEY CATEGORIES & ASSUMPTIONS					
REVENUES (controls 80% of all revenues)			EXPENSES (controls 70% of all expenses)		
Category	Assumption (selectable)	AAGR	Category	Assumption (selectable)	AAGR
Property Taxes	Prop. Tax - Mod. Trend (75%)	3.48%	Salaries & Comp. (baseline annual adj.)	Est. Annual Salary Adjustment (2.5%)	2.50%
Sales Taxes	Sales Tax - Avg. Trend (100%)	3.41%	Health Benefits	Medical Cost Index (2 x CPI)	5.66%
Transient Occupancy Tax (TOT)	TOT- Mod. Trend (75%)	3.86%	Contract Services	Contract Services - Avg. Trend (100%)	4.23%
Commercial Parking Tax	Comm. Parking Tax - Conserv. Trend (50%)	1.11%	Operations, Supplies & Equipment	CPI - Avg. Trend (100%)	2.83%
Franchise Fees	Franchise Fees - Conserv. Trend (50%)	2.58%	Interdepart. Charges (IT, Fleet, Ins.)	Interdepart. Charges - Avg. Trend (100%)	3.88%
Building, Fire & Develop. Permits	Constr. & Develop. - Avg. Trend (100%)	1.73%	Measure W - % Transfer to CIP Fund	Measure W - Annual CIP Transfer (80%)	-0.93%

UFI's baseline model also includes a standard set of "dashboard" of graphical outputs and statistical measurements that help tell the story of the City's current and future fiscal condition in understandable terms to policymakers, stakeholders and the general public. Examples of dashboard outputs and metrics used in prior models are as follows:



5 KEY DRIVERS - REVENUES FY 2020 (Baseline Forecast)					
Category	Total Amount FY 2020	% of Total Revenues	Forecast 10-Year AAGR	% Difference from Expenses	
TOTAL REVENUES (unadjusted)	\$126,331,437	100%	2.98%	-0.47%	
Property Taxes (including ERAF)	\$36,659,133	29.0%	3.48%	0.03%	
Sales Taxes (including Measure W)	\$31,133,000	24.6%	3.41%	-0.04%	
Transient Occupancy Tax	\$16,855,297	13.3%	3.86%	0.41%	
Bldg., Fire & Develop. Permits	\$12,131,018	9.6%	1.73%	-1.72%	
Charges for Services	\$8,929,713	7.1%	2.08%	-1.37%	

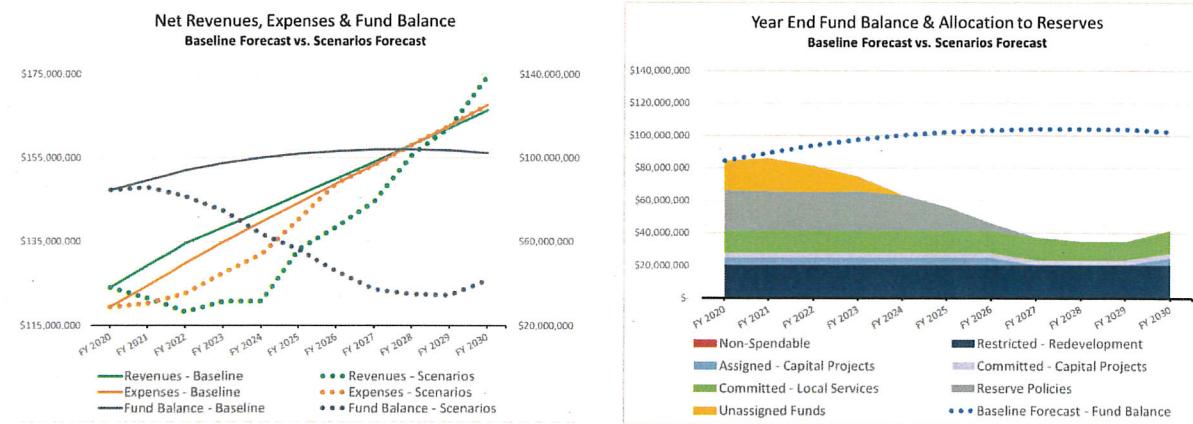
2. Develop customized scenarios and modules for the forecast model.

Central to the analytical capacity of UFI's forecast model is scenario evaluation that enables the City to assess the fiscal impact of various future financial scenarios as compared to the baseline forecast. UFI is very adept at modeling various revenue and expense scenarios such as new capital projects, financing alternatives, new revenue measures, hypothetical economic projections or recessions, and savings/expenses from operational changes to municipal service delivery. Multiple scenarios can be "stacked" to produce alternative forecasts with comparative metrics/outputs.

Once the baseline forecast model for the General Fund is complete, UFI will meet with city management to review the forecast and discuss what scenarios or modules would be appropriate and analytically helpful to the City. The discussion and decisions will be largely driven by the City's policy context, priorities and available financial data. The following are examples of custom scenarios and modules we have developed for other cities:

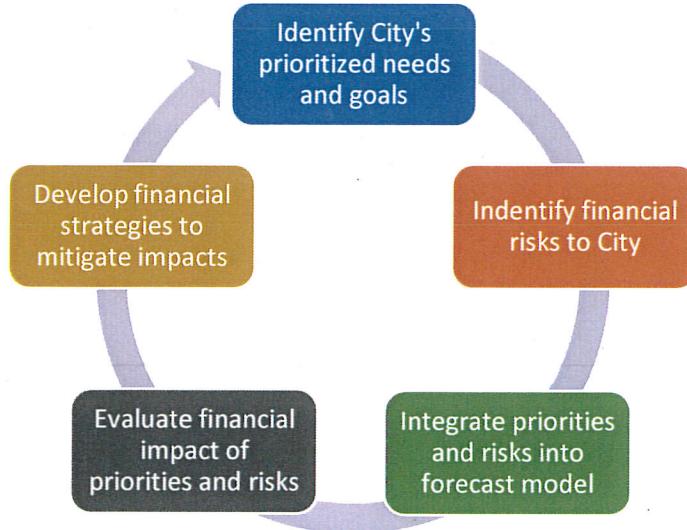
- Recession Impact & Potential Response Scenarios. This module correlates the City's historical real revenue data with prior recessionary periods to estimate the impact (revenue shortfall) caused by a potential future recession. The module allows the City to assess and evaluate the profile of various recession scenarios across the forecast years (i.e., the length and severity of the recession's fiscal impact compared to the baseline forecast), including post-recession revenue recovery periods and the estimated impact on the City's pension/OPEB liabilities. In addition, UFI can work with the City to model potential financial response scenarios to the recession based on the City's priorities, needs and policies. Informing the City's forecast with recession scenarios empowers the City to both (1) make better informed decisions on projects, initiatives and proposals with long-term fiscal impacts, and (2) develop plans and strategies that better prepare the City to flex and adapt its finances when the next recession occurs.
- Labor Costing Module & Projections – This module integrates the City's detailed labor costing data (breakdown of total compensation and benefits by position/bargaining group/PERS classification) into the baseline forecast model in-lieu of using budget categories for salaries and benefits. The module provides the City a more granular understanding, analysis and control of its labor costs in the forecast, which often account for upwards of 75% of general fund expenses. More importantly, the module provides the City with the capacity to iterate and project the fiscal impact of potential adjustments to salaries and benefits for use in future labor negotiations with bargaining groups or as a potential recession response scenario.
- Custom Revenue or Expense Scenarios. UFI is also very experienced in developing customized revenue and expense scenarios that integrate into the forecast. Examples of revenue scenarios include incorporating financial projections for expected revenues from sources such as new/expanded/extended tax measures, and revenue impact analysis from significant new community development projects currently in the city's planning pipeline. On the expense side, example scenarios include incorporating the fiscal impact of strategies to mitigate pension or OPEB liabilities, potential financing structures for capital needs, service level improvements or changes to service delivery models.

Each custom scenario that is added to the General Fund baseline model can be toggled on-and-off for purposes of evaluating the combined impact of multiple scenarios on the long-term forecast. In addition, the control panel is expanded to ensure ease-of-use in toggling and iterating the variables that drive the scenarios, and graphical outputs are added to the dashboard to help tell the story of the difference between the City's baseline forecast as compared its scenarios forecast. Below are some examples of these comparative outputs between the baseline forecast and scenarios forecast:



3. Review forecast with city management and determine next steps.

After UFI works with the City to complete an initial baseline financial forecast, including any requested customized modules and scenarios, we recommend a meeting between UFI and the city's management team to review the forecast, to discuss our insights from the initial work and outputs, and to determine the next steps towards meeting the City's financial strategy objectives. The focus of this meeting (or series of discussions if needed) will be as follows: (1) understanding the City's prioritized needs and goals; (2) identifying various risks that could significantly affect the City's financial future; (3) integrating the aforementioned into the City's long-term financial forecast through additional financial scenarios or additional city funds in the forecast ; (4) evaluating the overall, combined fiscal impacts and (5) developing financial strategies to address and mitigate the impacts. Here is a process model that visualizes the approach:



At the conclusion of this process, UFI will provide the City a cost estimate and timeline for completion of the agreed upon next steps and the additional work needed to develop recommended financial strategies aligned to the City's goals and objectives. The form and content for presenting our modeling, analytic

process and recommended strategies (financial plan) will be determined after completing the additional work draft financial strategies.

FEE ESTIMATES

UFI is willing and prepared to refine, modify and tailor our tasks and work product to meet the City's needs and financial parameters. For purposes of generally estimating costs associated with the work described in this proposal, the following are estimates based on work completed in recent similar engagements:

1. **Develop baseline forecast model for General Fund revenues, labor costs and expenses.** We charge on a time and materials basis for developing the baseline forecast model. Assuming the City's baseline financial data does not require significant manipulation and reconciliation for purposes of populating the model, we estimate the hourly fees to produce the baseline forecast model will range between **\$25,000 and \$32,000**.
2. **Develop customized scenarios and modules for the forecast model.** Once the baseline forecast model is complete, we charge on a time and materials basis for developing customized scenarios and modules. This allows the City to control the extent of customization and the appropriate level of analytical capacity it believes is helpful in the forecast model. The cost of this work is largely dependent on (1) whether we have previously developed the scenario or module, (2) the level of complexity requested, and (3) the condition of the City's associated data, and. For example, assuming the required data is in good shape, here are estimates of the hourly fees for some of the forecast scenarios and modules described in this proposal:
 - Recession revenue impact module - **\$5,000 to \$7,000**
 - Labor costing module - **\$10,000 to \$15,000**
 - Revenue scenarios for new/expanded/extended tax measure - **\$2,000 or less**
 - Revenue scenarios from new development - **\$7,500 to \$10,000**.

We can provide a more refined estimate of the hourly fee once we have discussed the specific custom scenarios or modules desired by the City and we have reviewed the associated data.

3. **Review forecast with city management and determine next steps.** We anticipate the process for reviewing the forecast with city management and determining next steps (as outlined in this proposal) may require 1-2 in-person meetings and several follow-up video conferences (with screen sharing) and/or teleconferences. We charge on a time and materials basis for the costs of developing/making presentations, performing requested analysis, and attending meetings. We estimate the hourly fees for this work should range between **\$3,500 – \$5,000**.
4. **Additional work needed to develop recommended financial strategies and/or plan.** Additional work beyond UFI's development of a baseline forecast model for the General Fund (with custom scenarios/modules) will be determined from the strategic discussions and process described in this proposal. As such, our estimated costs for performing such additional work will be presented to the City during these discussions. To assist the City with some rough financial parameters, based on previous engagements, the estimated hourly fees could range between **\$20,000 to \$40,000 or more**. The actual costs will be largely dependent on the additional modeling and/or analysis required, the quantity and complexity of the City's financial challenges and identified strategies, the City's needs

and objectives for the final product, and the number of meetings and presentations required to complete the work and final presentation.

HOURLY RATES

Due to variables in every engagement and to ensure Alameda maintains flexibility to tailor the work to fit within the City's time and fiscal constraints, UFI proposes to carry out its work on an actual time and materials basis with the overall costs being governed by the financial limits defined by the City, utilizing the following professional service rate schedule:

UFI Professional Staff	Hourly Rates
Chief Executive Officer	\$350
Managing Director / Director	\$325
Associate	\$175
Analyst	\$125

These rates will remain constant through June 30, 2020 and are subject to change thereafter. Costs for telephone, e-mail and facsimile expenses, postage and incidental photocopying are included within the above noted rate schedule. The rate schedule does not include out-of-pocket and travel expenses that may be incurred during the work. Out-of-pocket expenses include inter-regional travel, project specific services or data from third-party vendors (prior approval required), or extraordinary or specifically requested materials, supplies, printing, or electronic data storage. All out-of-pocket expenses will be charged on an actual cost basis.

CONCLUSION

We are enthusiastic about the opportunity to work with you and the city staff. If you have any questions, please do not hesitate to contact me at 714-923-3541 (work) or 714-316-6150 (mobile), or via email at michaelb@urbanfuturesinc.com.

Sincerely,



Michael P. Busch
CEO & President
Urban Futures, Inc.

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY
CG 20 10 10 93

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - OWNERS, LESSEES or PROVIDERS FORM B

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name of Person or Organization:

City of Alameda
Public Works Department
Alameda Point, Building 1
950 West Mall Square, Room 110
Alameda, CA 94501-7558

SA M P L E
(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

WHO IS AN INSURED (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of your ongoing operations performed for that insured.

REF: _____

The City of Alameda, its City Council, boards and commissions, officers & employees are additional insured for work done on their behalf by the named insured.

PRIMARY INSURANCE:

IT IS UNDERSTOOD AND AGREED THAT THIS INSURANCE IS PRIMARY AND ANY OTHER INSURANCE MAINTAINED BY THE ADDITIONAL INSURED SHALL BE EXCESS ONLY AND NOT CONTRIBUTING WITH THIS INSURANCE.

SEVERABILITY OF INTEREST:

IT IS AGREED THAT EXCEPT WITH RESPECT TO THE LIMIT OF INSURANCE, THIS COVERAGE SHALL APPLY AS IF EACH ADDITIONAL INSURED WERE THE ONLY INSURED AND SEPARATELY TO EACH INSURED AGAINST WHOM CLAIM IS MADE OR SUIT IS BROUGHT.

WAIVER OF SUBROGATION:

IT IS UNDERSTOOD AND AGREED THAT THE COMPANY WAIVES THE RIGHT OF SUBROGATION AGAINST THE ABOVE ADDITIONAL INSURED (S), BUT ONLY AS RESPECTS THE JOB OR PREMISES DESCRIBED IN THE CERTIFICATE ATTACHED HERETO.

NOTICE OF CANCELLATION:

IT IS UNDERSTOOD AND AGREED THAT IN THE EVENT OF CANCELLATION OF THE POLICY FOR ANY REASON OTHER THAN NON-PAYMENT OF PREMIUM, 30 DAYS WRITTEN NOTICE WILL BE SENT TO THE CERTIFICATE HOLDER BY MAIL. IN THE EVENT THE POLICY IS CANCELED FOR NON-PAYMENT OF PREMIUM, 10 DAYS WRITTEN NOTICE WILL BE SENT TO THE ABOVE.

POLICY NUMBER:

COMMERCIAL AUTO
CG 20 48 02 99

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED INSURED

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by this endorsement.

This endorsement identifies person(s) or organization(s) who are "insureds" under the Who Is An Insured Provisions of the Coverage Form. This endorsement does not alter coverage provided in the Coverage Form.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement Effective:	Countersigned By:
Named Insured:	(Authorized Representative)

SAMPLE SCHEDULE
Name of Person or Organization:
City of Alameda
Public Works Department
950 West Mall Square, Room 110
Alameda, CA 94501-7558

WHO IS AN INSURED (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of your ongoing operations performed for that insured.

REF: _____
The City of Alameda, its City Council, boards and commissions, officers, employees and volunteers are additional insured for work done on their behalf by the named insured.

NOTICE OF CANCELLATION:

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