

CITY OF SEBASTOPOL CITY COUNCIL
AGENDA ITEM REPORT FOR MEETING OF: August 6, 2024

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To: Honorable Mayor and City Councilmembers
From: Ana Kwong – Administrative Services Director
City Administration
Subject: Adoption of Fiscal Year 2024-25 Budget
Approval of Annual Contracts for Fiscal Year 2024-25

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RECOMMENDATION:

- Approve resolutions related to the Adoption of the fiscal year 2024-25 City budget as follows:
1. Adopt a resolution of the Council of the City of Sebastopol adopting the budget for fiscal year 2024-25 and making appropriations for amounts budgeted.
 2. Adopt a resolution of the Council of the City of Sebastopol determining and establishing the City’s Appropriations Limit for the fiscal year 2024-25.
 3. Adopt a resolution of the Council of the City of Sebastopol for the expenditure plan for Supplemental Law Enforcement Services (SLESF) funding for the fiscal year 2024-25.
 4. Adopt a resolution of the Council of the City of Sebastopol for establishing an interfund loan agreement between the General Fund and Wastewater Fund.

Approve the contracts listed below and Authorize the City Manager to Execute the following contracts:

1. Renewal of Contract with Muchmore Than Consulting
2. Renewal of Contract with Marin IT
3. Renewal of Contract with Phillips Seabrook Associates

Other contracts approved in the budget do not require additional approval from the City Council, as those contracts fall within the Purchasing/Signing Authority of the City Manager.

EXECUTIVE SUMMARY:

The public hearing on July 16, 2024, was an essential forum for the City Council to deliberate and for the public to offer feedback on the budget for the fiscal year 2024-25. Following the discussions and recommended changes, the City is anticipating a projected deficit of \$697,586. The City Council was presented with a plan that includes the use of reserves to address the budgetary shortfall.

Upon the adoption of the Fiscal Year 2024-25 budget, it is the responsibility of the departments to oversee the operation and maintenance of services, including contracts for goods and services. Consequently, staff is seeking the City Council's approval to renew several contracts with amounts requiring Council approval and is requesting authorization for the City Manager to execute each agreement. This ensures that the city's services continue to be managed effectively.

BACKGROUND:

On July 16, 2024, during the City Council Meeting, the City Council unanimously approved the Operating Budget for Fiscal Year 2024-25, incorporating minor amendments and directing staff to return to the City Council at the subsequent meeting to present resolutions pertinent to the adoption of the Fiscal Year 2024-25 City Budget.

The City has been using the contract services listed above to continue our operation of City essential services through from various consultants.

ANALYSIS:

During the July 16, 2024 meeting, the City Council reviewed each of the departments' budgets in detail. As a result, the following items were approved by the City Council:

1. The City Council Department has been granted an additional \$3,000 for the League of California Annual Meeting.
2. The budget for the City Manager has been adjusted, resulting in a \$20,000 reduction in contracted services with the Baker Tilly firm for financial analysis. An additional \$20,000 has been allocated to the Equipment Technology and Vehicle Reserve to support a comprehensive analysis of the city's fleet, ensuring that our resources are managed efficiently and effectively to meet the city's operational needs.
3. The Administrative Services department's budget has been augmented with an additional \$2,400 allocated for the California Intergovernmental Risk Authority (CIRA) Associate Risk Management Training. Furthermore, a \$30,000 has been earmarked for a comprehensive Compensation Study, and a \$10,000 placeholder has been set aside for the update of the Staffing Assessment Study. This specific \$10,000 budgetary enhancement is subject to review during the City Council Mid-Year Budget Review.
4. The Planning department's budget retains the \$91,800 for estimated revenues for staff time reimbursement from a grant, which offsets salaries to the general fund. This reimbursement is subject to further review and consideration by the City Council due to the need for a detailed discussion on the staff time devoted to grants and development projects and its impact on the frequency of board, committee and commission meetings. Additionally, the \$50,000 initially allocated for monitoring ownership housing units has been deferred for this fiscal year. However, the \$22,000 earmarked for monitoring rental housing units has been approved.
5. The Police department has been granted an additional \$10,000 in funding to support the operation of warming and cooling centers. This allocation is a proactive measure to ensure the well-being of the community during extreme weather conditions, providing a safe and comfortable environment for those in need.

The City Council also identified operation funding for the Community Center as a topic to be considered during a mid-year budget review.

Furthermore, in the interest of full transparency, it is important to note that on June 18, 2024, the City Council approved the water and wastewater rate study. This approval came with the understanding that the General Fund would extend a loan to the Wastewater Fund. Although the interfund loan has been a recurring topic in the water/wastewater rate study discussions, a resolution would officially document the City's intentions. This would ensure that there will be a clear resolution in place for staff to follow, preserving the continuity and clarity of our financial decisions.

The amount of this loan is set at \$1,100,000 and is to be provided by June 30, 2024, to address the operational shortfall faced by the Wastewater Fund, with the repayment commencing on July 1, 2027, and concluding by June 30, 2032.

Conclusion:

The adoption of the budget for the fiscal year 2024-25 marks a commitment to fiscal prudence, with total General Fund appropriations of \$15 million. This figure is carefully balanced against anticipated revenues and the use of fund balance. Sebastopol enters the new fiscal year with a budget that reflects the City Council's dedication to sound financial strategies. These strategies include enhancing revenues, maintaining funds set aside for pension liabilities, and protecting the City's assets.

The projected year-end General Fund Unassigned Balance stands at \$2.9 million or 19.1%. The City's policy is to maintain a minimum reserve of 15% or \$2.52 million. These reserves are crucial to navigate unforeseen events or economic fluctuations. The city staff remains vigilant, monitoring economic conditions and legislative actions that could impact Sebastopol's financial standing, and will provide regular updates to the City Council.

COMMUNITY OUTREACH:

This item has been noticed in accordance with the Ralph M. Brown Act and was available for public viewing and review at least 72 hours prior to schedule meeting date.

FISCAL IMPACT:

Funds have been appropriated in the General Governmental Funds, Assessment District, Enterprise Fund and Special Revenue Funds for the fiscal year 2024-25 budget.

OPTIONS:

No other options were considered.

ATTACHMENTS:

Full Budget Document (separate attachment)

Resolutions:

1. Budget Adoption
2. Appropriation GANN Limits
3. Supplemental Law Enforcement Services Funding
4. Interfund Loan Agreement between General Fund and Wastewater Fund

Contracts:

1. Muchmore than Consulting
2. Marin IT
3. Phillips Seabrook Associates

APPROVALS:

Department Head Approval: Approval Date: 7/18/24

CEQA Determination (Planning): Approval Date: 7/24/24

The proposed action is not a project under the California Environmental Quality Act (CEQA)

Administrative Services (Financial) Approval Date: 7/18/24

Costs authorized in City Approved Budget: Yes No N/A

Account Code (f applicable)

City Attorney Approval: Approval Date: N/A

City Manager Approval: Approval Date: 7/24/24

RESOLUTION NO _____

RESOLUTION OF THE COUNCIL OF THE CITY OF SEBASTOPOL APPROVING AND ADOPTING THE OPERATING BUDGET FOR THE CITY OF SEBASTOPOL FOR FISCAL YEAR 2024-25

WHEREAS, the Budget Committee has reviewed and the City Manager has recommended and submitted to the City Council a proposed operating budget for the City of Sebastopol for the fiscal year 2024-25; and

WHEREAS, on July 16, 2024, the City Council has extensively considered the operating budget; and

WHEREAS, the expenditures provided in said Budget, together with any revisions to it were discussed at the July 16, 2024 public hearing;

NOW, THEREFORE, BE IT RESOLVED, by the Council of the City of Sebastopol that the proposed operating budget for Fiscal Year 2024-25, is hereby approved and adopted as the operating budget for the City of Sebastopol for fiscal year 2024-25.

IN COUNCIL DULY ADOPTED this 6th day of August, 2024.

- Ayes:
- Noes:
- Absent:
- Abstain:

APPROVED: _____
Mayor Diana Rich

ATTEST: _____
Mary Gourley, MMC, Assistant City Manager / City Clerk

RESOLUTION NO _____

RESOLUTION OF THE COUNCIL OF THE CITY OF SEBASTOPOL
ESTABLISHING THE APPROPRIATIONS LIMIT FOR THE
CITY OF SEBASTOPOL FOR THE 2024-25 FISCAL YEAR
PURSUANT TO ARTICLE XIII B OF THE CALIFORNIA CONSTITUTION

WHEREAS, Article XIII B of the California Constitution (Proposition 4) provides for an annual appropriations limit for state and local governments beginning with the 1980-81 fiscal year, based on the 1978-79 appropriations, as adjusted for the changes in the cost of living or per capita personal income, population, and other specified factors; and

WHEREAS, implementing legislation, which became effective January 1, 1981, provides that each year the governing body of each local jurisdiction shall, by resolution, establish its appropriations limit for the year pursuant to Article III B at a regularly scheduled meeting or noticed special meeting; and

WHEREAS, local jurisdictions may select either the percentage change in California per capita personal income as reported by the California Department of Finance or the percentage change in the local assessment roll due to the addition of local nonresidential new construction.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Sebastopol:

1. For fiscal year 2024-25, the City of Sebastopol hereby (a) elects the change in the California Per Capita Personal Income for calculating the inflation factor, and (b) elects the change in the County’s population for calculating the population factor, necessary to determine the City’s appropriation limit.
2. For the fiscal year 2024-25, the total annual appropriations subject to limitation as specified by Article XIII B of the Constitution of the State of California for the City of Sebastopol Budget shall be: \$20,198,619.

IN COUNCIL DULY PASSED this 6th day of August, 2024.

Ayes:
Noes:
Absent:
Abstain:

APPROVED: _____
Mayor Diana Rich

ATTEST: _____
Mary Gourley, MMC, Assistant City Manager / City Clerk

RESOLUTION NO. _____

RESOLUTION ADOPTING THE EXPENDITURE PLAN FOR SUPPLEMENTAL LAW ENFORCEMENT SERVICES FUNDING (SLESF) OR CITIZENS OPTIONS FOR PUBLIC SAFETY (COPS) FOR THE CITY OF SEBASTOPOL FISCAL YEAR BUDGET OF 2024-25

WHEREAS, AB1584, originally enacted as part of the state budget in Fiscal Year 1996-97, established the Citizens’ Options for Public Safety (COPS) Program, which is anticipated to be funded by the State for Fiscal Year 2024-25; and

WHEREAS, the Council conducted a public hearing to consider recommendations for use of these funds as required by law; and

WHEREAS, estimated funds available under this program total \$100,000 and are required to be placed in a special revenue fund; and shall be allocated for expenditures listed in the 2024-25 budget; and

WHEREAS, the 2024-25 budget is included the anticipation of using the COPS funds as part of the Police Department’s budget.

NOW, THEREFORE, BE IT RESOLVED that the Council approves the recommendation of the Chief of Police for use of the Supplemental Law Enforcement Services Funding or Citizens’ Options for Public Safety Funds to continue to supplement one sworn officer position.

IN COUNCIL DULY APPROVED AND ADOPTED this 6th day of August, 2024.

I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by City of Sebastopol City Council following a roll call vote:

City of Sebastopol Council:

VOTE:

Ayes:

Noes:

Absent:

Abstain:

Approved: _____
Mayor Diana Rich

Attest: _____
Mary Gourley, MMC, Assistant City Manager / City Clerk

RESOLUTION NO _____

RESOLUTION OF THE COUNCIL OF THE CITY OF SEBASTOPOL
ESTABLISHING AN INTERFUND LOAN AGREEMENT BETWEEN THE GENERAL
FUND AND WASTEWATER FUND

WHEREAS, given the projected deficit as identified in a recent water/wastewater rate study, the Wastewater Fund requires a short-term interfund loan in order to keep the positive cash flow through June 30, 2024; and

WHEREAS, the City desires and has the funds necessary to facilitate a short-term interfund loan from the General Fund to the Wastewater Fund; and

WHEREAS, this Agreement evidences the obligation of the Wastewater Fund to the General Fund for the repayment of funds loaned to the Wastewater Fund by the General Fund for the purpose of cash flow positive through June 30, 2024; and

WHEREAS, the City agrees to transfer from the General Fund to the Wastewater Fund the amount of one million one hundred thousand dollars (\$1,100,000) as of June 30, 2024; and

WHEREAS, the interfund loan term shall be for a five (5) year period and shall accrue interest at a compound rate of two percent (2.99%) per annum; and

WHEREAS, the Wastewater Fund shall be required to repay the General Fund in full by June 30, 2032; and

WHEREAS, City staff is directed to make necessary appropriation adjustments to execute this loan; and

WHEREAS, City staff is directed to appropriately record this loan in the City's financial system and subsequent financial reports, as necessary.

NOW, THEREFORE, BE IT RESOLVED, by the Council of the City of Sebastopol that the interfund loan between General Fund and Wastewater, is hereby approved and adopted as listed in the FY23-24 Estimated Actual of the operating budget for the City of Sebastopol for fiscal year 2024-25.

IN COUNCIL DULY ADOPTED this 6th day of August, 2024.

- Ayes:
- Noes:
- Absent:
- Abstain:

APPROVED: _____
Mayor Diana Rich

ATTEST: _____
Mary Gourley, MMC, Assistant City Manager / City Clerk

CITY OF SEBASTOPOL
PROFESSIONAL/CONSULTING SERVICES AGREEMENT

This **PROFESSIONAL/CONSULTING SERVICES AGREEMENT**, (this "Agreement") is made and entered into this 1st day of July 2024 by and between the **CITY OF SEBASTOPOL**, a municipal corporation (hereinafter "City") and Muchmore Than Consulting, LLC (hereinafter "Consultant").

In consideration of the mutual promises contained herein, the parties hereto agree as follows:

Section 1. Scope of Work

Consultant shall provide City with the services described in Exhibit A which is attached hereto and incorporated herein by this reference as though set forth in full.

The duties and services required of Consultant under this Agreement and pursuant to this Section 1 are referred to throughout the remainder of this Agreement as "the Work."

Section 2. Responsible Individual. Consultant represents and warrants that the execution of this Agreement has been approved by Consultant and that person executing this Agreement on behalf of Consultant has the full authority to do so. The person responsible for the Work is Deborah Muchmore.

Section 3. Work Schedule.

Consultant shall be available to work as many hours as required to complete the Work immediately upon receipt of the signed Agreement from the City and shall complete each task in a timely manner as specified. Consultant shall not be held responsible for delays caused beyond its reasonable control.

Section 4. Compensation.

In consideration of the performance of the Work Consultant shall be compensated in accordance with the fee schedule attached hereto as Exhibit B. Except for pass through recruitment advertising expenses, Consultant shall not charge City for any administrative expenses or overhead, including without limitation, facsimile, mileage and other/or any other expenses incurred by Consultant in connection with Consultant's provision of the Work. Consultant acknowledges and agrees that the compensation to be paid to Consultant under this Section 4 represents the full amount due and owing to Consultant in connection with performance of the Work. Unless amended and signed by both parties in writing, compensation under this agreement shall not exceed \$85,000.

Section 5. Amendments.

In the event City desires to retain Consultant for the performance of additional services, or wishes to delete any services in connection with this Agreement, specifications of such changes and adjustments to compensation due Consultant therefore shall be made only by written and signed amendment to this Agreement.

Section 6. Independent Contractor - Subcontractors.

It is specifically understood and agreed that in the making and performance of this Agreement, Consultant is an independent contractor and is not and shall not be construed to be an employee, common law employee, agent or servant of City. The consultant shall be solely liable and responsible to pay all required taxes and other obligations, including, but not limited to, withholding and Social Security. Consultant acknowledges and agrees that he/she is not entitled to the benefits of civil service status and/or the rights and privileges enjoyed by civil service employees and Consultant hereby waives any and all claims to such rights and/or privileges.

Section 7. Consultant's Responsibility.

It is understood and agreed that Consultant has the professional skills necessary to perform the Work, and that City relies upon the professional skills of the Consultant to do and perform the Work in a skillful and professional manner in accordance with the standards of the profession. Consultant thus agrees to so perform the Work.

Acceptance by City of the Work, or any of it, does not operate as a release of the Consultant from such professional responsibility. It is further understood and agreed that Consultant has reviewed in detail the scope of the work to be performed under this Agreement and agrees that in his professional judgment, the Work can and shall be completed for a fee within the amounts set forth in Section 3 of this Agreement.

Section 8. Indemnification.

Indemnity for Professional Liability:

When the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by law, Consultant shall indemnify, protect, defend, and hold harmless City and any and all of its officials, employees and agents from and against any and all losses, liabilities, damages, costs, and expenses, including legal Consultant's fees and costs but only to the extent the Consultant (and its SubConsultants), are responsible for such damages, liabilities and costs on a comparative basis of fault between the Consultant (and its SubConsultants) and the City in the performance of professional services under this agreement.

Indemnity for Other Than Professional Liability:

Other than in the performance of professional services and to the full extent permitted

by law, Consultant shall indemnify, defend, and hold harmless City, and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including legal Consultant's fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or City for which Consultant is legally liable, including, but not limited to officers, agents, employees, or subcontractors of Consultant.

Section 9. Insurance.

Professional Liability Insurance

Consultant shall maintain professional liability insurance that insures against professional errors and omissions that may be made in performing the Services to be rendered in connection with this Agreement, in the minimum amount of two million dollars (\$2,000,000) per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this agreement, and Consultant agrees to maintain continuous coverage through a period no less than three years after completion of the services required by this agreement.

General Liability

Consultant shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than one million dollars (\$1,000,000) per occurrence for bodily injury, personal injury, and property damage, including without limitation, blanket contractual liability. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit. Consultant's general liability policies shall be primary and shall not seek contribution from the City's coverage, and be endorsed using Insurance Services Office form CG 20 10 (or equivalent) to provide that City and its officers, officials, employees, and agents shall be additional insureds under such policies.

Auto Liability

Consultant shall provide auto liability coverage for owned, non-owned, and hired autos using ISO Business Auto Coverage form CA 00 01, or the exact equivalent, with a limit of no less than one million dollars (\$1,000,000) per accident.

Workers' Compensation

Consultant shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance with limits of at least one million dollars (\$1,000,000). Consultant shall submit to City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of City, its officers, agents, employees, and volunteers.

Section 10. Nondiscrimination.

There shall be no discrimination against any employee who is employed in the Work, or against any applicant for such employment because of race, religion, color, sex or national origin. This provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

Section 11. City Personnel Conflict of Interest.

No officers, member, or employee of City and no member of the governing body of City who exercises any functions or responsibilities in the review, approval of the undertaking or carrying out of the project, shall participate in any decision relating to this Agreement which affects his personal interest or the interest of any corporation, partnership, or association in which she is, directly or indirectly interested; nor shall any such officer, member or employee of City have any interest, direct or indirect, in this Agreement or the proceeds thereof.

Section 12. Consultant Conflict of Interest.

Consultant covenants that she presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of his services hereunder. Consultant further covenants that in the performance of this Agreement, no persons having any such interest shall be employed.

Section 13. Assignment.

Consultant shall not assign any interest in this Agreement, and shall not transfer any interest in the same (whether by assignment or novation) without the prior written consent of City.

Section 14. Ownership of Documents.

Consultant agrees that all documents produced in the performance of this Agreement shall be the sole property of the City including all rights therein of whatever kind and whether arising from common or civil law or equity.

Section 15. Termination.

City may terminate this Agreement at any time without reason stated or required by giving written notice of the same and specifying the effective date thereof, at least seven calendar days before the effective date of such termination. If the Agreement is terminated by City as provided herein, Consultant shall be paid for all effort and material expended on behalf of the Work under the terms of this Agreement, less any charges

against Consultant as otherwise provided herein, up to the effective date of termination, except that upon notification of such termination, Consultant shall immediately cease to undertake any duties under the Agreement not yet underway, and shall limit its further activities up to the effective date of termination to those duties necessary to wind up work then underway.

In Witness Whereof, City and Consultant have executed this Agreement as of the date first written above.

City of Sebastopol

Consultant

By: Don Schwartz _____
Its: City Manager _____

By: Deborah Muchmore _____
Its: _____ Manager _____

EXHIBIT A

SCOPE OF WORK

Provide ongoing and ad hoc professional human resources services from July 1, 2024 through June 30, 2025 which may include project-based services; organizational development and workforce development services; performance management, and support for labor negotiations. Providing these duties may include work in the following areas:

- A. Perform a variety of project work in any of the following areas: recruitment and selection, classification and compensation, labor relations and labor negotiations, employee relations, leave and disability management, performance management, succession planning, or other human resources related fields.
- B. Provide support and guidance for creating of human resources systems, processes, documents, forms, plans, and procedures.
- C. Provide support to the City Manager, Assistant City Manager, Administrative Services Manager, and the City's Chief Negotiator for labor relations and contract negotiations; participate in meetings, develop and assess proposals and proposal responses, and materials as needed.
- D. Provide or arrange for personal and team development and assessment processes, workshops, assessments, and coaching, including individual and team assessment materials for workforce and team development through Everything DiSC™ and Five Behaviors™ products.
- E. Provide organizational development assessments, program change analysis, and staffing projections, including updates to classifications and make compensation recommendations.
- F. Confer with staff as requested to obtain input or feedback regarding the provision of the above services or to obtain information relevant to resolving of personnel issues.
- G. Provide executive coaching as requested and work directly with Council in matters related to employee performance, labor relations, or other matters as desired by the City and the Council.

EXHIBIT B



COST OF SERVICES AND FEE SCHEDULE

We bill hourly rounding to the nearest tenth of an hour for services provided based on the following fee schedule. Payment is made only for service hours rendered.

Director/ Chief Labor Negotiator	Up to \$140.00 per hour
Sr. HR Advisor / Finance & Budget Analyst	\$105.00 - \$115.00 per hour
HR Advisor/ Payroll Administrator / Lead Recruiter / Workshop Facilitator	\$85.00 - \$95.00 per hour
HR Specialist/ Recruiter / Workshop Scheduler	\$65.00 - \$75.00 per hour
Admin Technician/Organization and File Specialist	\$52.00 - \$60.00 per hour

Projects and services may be modified at the request of the City. The City will be invoiced monthly based on hours worked or workshops presented. Reimbursement for pre-approved advertising marketing expenditures is allowed under this agreement.

Experiential Workshops and Assessments if requested and budget allows (includes travel)

Workshop Facilitation – (Includes course prep, pre-and post-workshop communications, and facilitator-led in person or virtual classroom)	90 min-\$495 ½ Day \$1,075 Full Day \$2,750	2 hours \$695 ¾ Day \$2,050
Online Assessments, includes enrollment in an online resource, comparison, and continuing user exploration platform	Vary depending on type of assessment \$72-\$168 per person \$240 for Leader 363 assessment	

*Direct costs may be billed for reimbursement of reasonable direct expenditures for copying, supplies, assessments (listed above) or bindery necessary for project delivery.

Employee pulse surveys are available through a collaboration with Gallup. Surveys begin at annual subscription prices of:

- \$1,500
- \$5,000
- \$8,000

And \$15 an employee a year for unlimited surveys using a 300 customizable question database. For more information on surveying, survey data and analysis please contact Deborah Muchmore at (707) 490-0564 or deborah@muchmorethanconsulting.org.



PO Box 2318, Rohnert Park, CA 94928



Prepared for City of Sebastopol

City of Sebastopol - IT Support FY2024-2025

Quote#2024-004527 v1

PREPARED FOR

Don
Schwartz
dschwartz@cityofsebastopol.gov
(707) 824-4879

PREPARED BY

Brad Bowser
bbowser@marinit.com
(415) 842-3252



www.marinit.com -

Thursday, May 23, 2024

City of Sebastopol
Don Schwartz
7120 Bodega Avenue
Sebastopol, CA 95472
dschwartz@cityofsebastopol.gov

Dear Don,
Marin IT, Inc. is pleased to provide City of Sebastopol with our proposal for Managed IT Support.

IT support Scope of Work - Marin IT, Inc. Responsibilities

As part of this agreement it is our understanding that we will provide the IT support required for City of Sebastopol to continue daily operations including, but not limited to, support and maintenance of the following:

- Workstations (Desktops, Laptops, All-in-One, Police MDT's)
- Servers & Virtual Machine (VM) Hosts
- Network Equipment (Switches, Firewalls, Routers, Wireless Access Points)
- Business Network/Back Office - MS Active Directory, user accounts and access, Office 365 Apps and Email, Adobe, anti-virus, etc.

Additionally, Marin IT will provide the following MSP services:

- Business security and continuity - security awareness training, email SPAM & Malware filtering, data backup (including cloud-to-cloud)
- Remote monitoring and management of computers, servers, and tablets/iPad's

Marin IT technicians are expected to work with the City of Sebastopol in supporting the network. We will provide an online service ticket and tracking system.

In the event that issues arise which are outside of the scope of this proposal Marin IT will discuss any fee impact with the designated City of Sebastopol representative before proceeding with the work.

Client Responsibilities:

- Marin IT requires administrative access to all systems we are contracted to manage on behalf of the City of Sebastopol
- All client and server software licenses associated with this agreement will be obtained & managed by the end user
- City of Sebastopol will be responsible for communicating needs & changes thru the designated representative / channels only.
- Client is responsible for providing reasonable/timely access to all buildings, offices, devices, laptops, smart phones, tablets, etc.

Change / System Upgrade Process:

- Identify and discuss the need for the change with client
- Identify the additional tasks, which need to be performed in order to complete the change in scope.
- Estimate the cost associated with the additional scope, and determine the impact on network operation.
- Schedule and manage

Pricing/Rate Schedule:



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In an effort to maintain satisfactory Help desk and Maintenance levels, this proposal is meant to provide weekly Maintenance and Help Desk support, both onsite and remote for City of Sebastopol. It does not include "On-Demand" (T&M) and/or higher tier support that fall outside the managed services scope, nor does it include special projects. The rate schedule is detailed below. Some examples of special projects are:

- New system config and install (PC's, Servers, network equipment, etc.).
- Replacement/upgrades of existing hardware in the event of a failure
- New Version upgrades for major applications (RIMS, Financial software, Doc Management apps/software, etc)
- Office expansions/relocations
- Infrastructure upgrades – data cabling, fiber optic installs, Internet upgrade(s), VoIP/Telecom upgrades, etc.

Any additional projects or on-site service will be chargeable at the rates described below. For all projects that fall outside the service agreement scope, Marin It will provide a detailed proposal with costs for both goods and services. No product will be ordered, nor will any (billable) work be performed without approval from a/the designated City of Sebastopol representative. This agreement does not include hardware/software replacement or upgrades.

Our charge for MSP and contracted service is detailed in the "Managed Services" section. All rates shown here are for support during normal business hours (Monday through Friday between 8:00 AM and 5:30 PM). As requested, Marin IT is proposing (8) hours every week for onsite maintenance and support (1 year, totaling 416 hours). Our standard rate is \$145 per hour for this type of service; however Marin IT is extending a discounted municipal government/public safety rate of \$130 per hour. Marin IT will bill the standard rate in 1/2 hour increments for On-Demand Help Desk services (incidents that fall outside the weekly visits). The rate schedule is as follows:

- Service Desk Tech level 1 or 2 - \$130 per hour (discounted)
- Systems Administrator - \$155 per hour
- Network/Systems Engineer - \$165 per hour
- Tier 3 Network/Systems engineer - \$185 per hour
- Project and IT Management - \$165 per hour

Rates for overtime, nights, weekends will be billed at 1 ½ times the T&M rate (\$145). After hours emergency calls for remote support requires a 2-hour minimum at the OT rate. Onsite Emergency support is needed, there is a \$200 mobilization fee and a 2-hour minimum.

On-site Emergency calls for all holidays require a \$200 call-out fee, and a 2-hour minimum at 2 times the base T&M rate (currently \$145 per hour). Remote support fees for holidays will be billed at 2-hours upfront, then at 30 minutes intervals after the initial two hours with no call-out fee. Unless you are a public safety organization or a hospital, Marin IT does not provide any service on the following days: January 1st, Memorial Day, 4th of July, Thanksgiving Day, and the day after Thanksgiving, Christmas Eve after 12 pm, and Christmas Day.

Clients are billed monthly for all services rendered. Payment is on net-30 terms. If a client has a balance due that is 60 days or older, no service will be performed until the account is made current. Marin IT does not accept credit cards.

Invoicing

Payment shall be made within 30 days of the date of invoice. Invoices will include the date of service and a description of the services rendered. If any invoice is not paid when due, interest will be added to and payable on all overdue amounts at 18 percent per year, or the maximum percentage allowed under applicable laws, whichever is less. Buyer shall pay all costs of collection, including without limitation, reasonable attorney fees.

Termination of Agreement



www.marinit.com -

- **Term:** The length of this agreement is for one year and begins on July 1, 2024.
- **Discretionary:** After the first 9 months of the initial term, either party may terminate this Agreement without cause upon thirty (30) days written notice mailed or personally delivered to the other party. Any fee waivers will be payable to Marin IT & will be included in the final bill. All rates for services will become billable at the current project/T&M rates on the date of notification.
- **Cause:** Either party may terminate this Agreement for cause upon fifteen (15) days written notice mailed or personally delivered to the other party, and the notified party's failure to cure or correct the cause of the termination, to the reasonable satisfaction of the party giving such notice, within such fifteen (15) day time period.
- **Effect of Termination:** Upon receipt of notice of termination, neither party shall incur additional obligations under any provision of this Agreement without the prior written consent of the other.
- **Return of Documents:** Upon termination, any and all documents or materials provided to Marin IT and any and all of Marin IT documentation and materials prepared for or relating to the performance of its duties under this Agreement, shall be delivered to the designated City of Sebastopol representative as soon as possible, but not later than thirty (30) days after termination.

Contract Renewal

The Term of this contract is for 1 year beginning on July 1, 2024 and ending on June 30, 2025. The City of Sebastopol may renew this contract under it's then-existing terms and conditions for one additional year with the understanding that there may be an adjustment in labor rates for cost of living, by providing the Contractor written notice of the renewal decision at least 45 days prior to the expiration of the initial term.

Non-Solicitation

During the term of this agreement, and for a period of one (1) year thereafter, neither party will directly or indirectly solicit away employees or consultants of the other party.

Brad Bowser
Project Manager
Marin IT



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Managed Services

DESCRIPTION	PRICE	QTY	EXT. PRICE
Onsite IT Service, Support, Maintenance - Billed Monthly <ul style="list-style-type: none"> 8 hours per week for 1 year @ \$130 per hour Total of 416 hours annually 	\$4,507.00	12	\$54,084.00

Onsite Services performed:

- Help Desk Ticket/end-user break/fix resolution
- Server Maintenance - DNS, DHCP, patching/hot-fixes, verify and test data backup, examine server logs, etc
- End-user device and peripheral maintenance
- Network device maintenance - firmware updates, examine log files, misc adjustments as needed
- Software support/updates
- Device software/firmware updates
- Office 365 management/administration

Subtotal: **\$54,084.00**



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Subscription Services

DESCRIPTION	PRICE	QTY	EXT. PRICE
Automate Proactive Monitoring and Remote Control - Includes Windows Defender Anti-Virus/Malware with EDR Billed Monthly	\$1,950.00	12	\$23,400.00

- PC and Server
- Includes software - anti-virus/malware with EDR
 - EDR - Endpoint Detection and Response
 - Real-time continuous monitoring and endpoint data analytics with advanced reporting and rule-based automated response to threats
- Up to 60 devices (Servers, PC/MAC) @ \$32.50 each per month (\$1950.00 monthly)
- Pro-active system monitoring and alerting
- Advanced IT asset inventory reporting and management
- Secure remote control

* - Device count will be adjusted as needed - Client only billed for devices in use

** - License renewal fee of \$2500 waived

Barracuda - Intronis cloud data backup - Billed Monthly @ \$325.00	\$325.00	12	\$3,900.00
<ul style="list-style-type: none"> • Daily backup for Servers and computers (physical or VM) • Rapid recovery with physical to virtual recover capability • Object-level restore 			

Subtotal: **\$27,300.00**

Annual Maintenance Renewals

DESCRIPTION	PRICE	QTY	EXT. PRICE
Estimated Annual Hardware and Software Maintenance/Support Renewals	\$3,500.00	1	\$3,500.00

ESTIMATED Annual maintenance agreements managed by Marin IT

- Network Hardware (switching, firewall, wireless)
- Servers and storage devices
- Software licenses/subscriptions

Subtotal: **\$3,500.00**



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Contingency

DESCRIPTION	PRICE	QTY	EXT. PRICE
Budgetary Contingency	\$10,000.00	1	\$10,000.00
Recommended for unexpected, mission critical hardware, software or labor expenditures that cannot wait until the next budget cycle. Client must approve the expense before Marin IT will proceed.			

Subtotal: **\$10,000.00**



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City of Sebastopol - IT Support FY2024-2025

Prepared by:	Prepared for:	Quote Information:
Marin IT Brad Bowser (415) 842-3252 bbowser@marinit.com	City of Sebastopol 7120 Bodega Avenue Sebastopol, CA 95472 Don Schwartz (707) 824-4879 dschwartz@cityofsebastopol.gov	2024-004527 Version: 1 Delivery Date: 05/22/2024 Expiration Date: 06/21/2024

Quote Summary

DESCRIPTION	AMOUNT
Managed Services	\$54,084.00
Subscription Services	\$27,300.00
Annual Maintenance Renewals	\$3,500.00
Contingency	\$10,000.00
Total:	\$94,884.00

Terms and Conditions: By signing this quote, Buyer agrees to the following Terms and Conditions unless a Master Agreement is negotiated between the parties, where the Master Agreement shall govern.

Prices: Quoted product pricing is valid for thirty (30) days assuming product availability, and does not include applicable taxes and freight. Buyer agrees to pay reasonable shipping charges and all applicable taxes (excluding income taxes). Services include only those items specified in the quotation. Additional services may be provided at Marin IT's then standard billing rates.

It is understood and agreed that end customer will accept and pay invoice of any product once it has been received at the Marin IT warehouse regardless of if it has been delivered to the final installation location or if it is being held at the Marin IT facility and that title to the Products will transfer to client upon invoicing.

While taking title to these products includes assuming the risk of loss, Marin IT insures equipment stored in its facility. Title having transferred to client, it is understood that there is risk of obsolescence and that the Products are not covered by price protection.

We agree to make payment on all invoices delivered to us by Marin IT with respect to the Products strictly in accordance with the terms thereof without defense, offset, deduction, recoupment or counter claim of any kind arising from the fact that the Products were not delivered to us at the time the invoice was delivered and were stored by Marin IT.

Payment: Payment shall be made within 30 days of the date of invoice. If any invoice is not paid when due, interest will be added to and payable on all overdue amounts at 18 percent per year, or the maximum percentage allowed under applicable laws, whichever is less. Buyer shall pay all costs of collection, including without limitation, reasonable attorney fees.

Warranties: Product warranties, if any, are provided by the manufacturer or publisher of the products.

MARIN IT, INC. MAKES NO WARRANTIES, EITHER EXPRESS, IMPLIED, OR STATUTORY, INCLUDING BUT NOT LIMITED TO, THE IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, WHATSOEVER. ALL SERVICES AND DELIVERABLES ARE PROVIDED ON AN "AS IS" BASIS. Limitation of Liability: CUSTOMER AGREES THAT THE LIABILITY OF MARIN IT FOR DIRECT DAMAGES RELATED TO ANY PRODUCT OR SERVICE ARISING UNDER THESE TERMS AND CONDITIONS, WHETHER IN CONTRACT, TORT, OR OTHERWISE, WILL NOT EXCEED THE NET AMOUNT PAID TO MARIN IT BY CUSTOMER FOR THAT PRODUCT OR SERVICE WHICH IS THE SUBJECT OF THE CLAIM. MARIN IT SHALL IN NO EVENT BE LIABLE FOR ANY INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES OF ANY NATURE, EVEN IF MARIN IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. NEITHER PARTY MAKES ANY REPRESENTATION OR WARRANTY AS TO ANY THIRD-PARTY INFORMATION OR PRODUCTS PROVIDED TO EACH



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OTHER, ALL OF WHICH ARE PROVIDED, SOLD OR LICENSED "AS IS," AND THE PARTIES AGREE TO LOOK SOLELY TO THE WARRANTIES AND REMEDIES, IF ANY, PROVIDED BY THE THIRD PARTY.

Marin IT

City of Sebastopol

Signature: _____

Signature: _____

Name: Brad Bowser

Name: Don Schwartz

Title: Project Manager

Date: _____

Date: 05/22/2024

**THIRD AMENDMENT TO AGREEMENT
WITH PHILLIPS SEABROOK ASSOCIATES FOR CITY BUILDING OFFICIAL SERVICES**

This Third Amendment to the Agreement for Phillips Seabrook Associates (the "Third Amendment") is entered into as of August 6, 2024, by and between the City of Sebastopol, a municipal corporation of the State of California ("City") and Phillips Seabrook Associates, Plan Review and Building Code Consultant ("Contractor").

RECITALS

WHEREAS, City and Contractor previously entered into that certain Agreement for Building Official services dated July 1, 2023 (the "Agreement"). And

WHEREAS, City and Contractor now desire to extend the term of the Agreement through June 30, 2025.


NOW, THEREFORE, in consideration of this Third Amendment, and the mutual promises, covenants, and stipulations contained in the Agreement and this Third Amendment, the Parties agree as follows:

1. The above recitals are true and correct and incorporated into this Agreement.
2. The term of the Agreement, as set forth in the Agreement, is hereby extended through June 30, 2025.
3. The new hourly rate shall be \$130.00 per hour.
4. Except as explicitly set forth in this Third Amendment, all other terms and conditions of the agreement shall remain in full force and effect.

IN WITNESS WHEREOF, City and Contractor have executed this Third Amendment As of the date first set forth above.

August 6, 2024

Phillips Seabrook Associates, Inc.

By: 
Eric Seabrook, Principal for
Daryl A Phillips, Principal

City of Sebastopol

By: _____
Dan Schwartz, City Manager

Attest

By: _____
Mary Gourley, City Clerk

Approved as to form