



**REGULAR MEETING  
Board of Directors**

Los Altos Community Center  
Sequoia Room  
97 Hillview Avenue  
Los Altos, CA 94022

**MARCH 14, 2024  
7:00 PM**

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**Meeting Information:**

- *Board meetings are open to the public at the location shown above.*
- *Members of the public may join the Zoom webinar as follows:*

**Webinar ID: 835 1075 6481**

**Passcode: 519682**

- *Meeting also livestreamed on YouTube: <https://www.youtube.com/@citiesassoc>*
  - *More information on public comment and accessibility is given at the end of the agenda.*
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WELCOME AND ROLL CALL – (Fligor)

ROLL CALL (Sirkay)

**ORAL COMMUNICATIONS FROM THE PUBLIC ON NONAGENDIZED ITEMS**

*This portion of the meeting is reserved for persons wishing to address the Board on any matter not on the agenda. State law prohibits the Board from discussing and/or acting on nonagendized items.*

**AGENDA**

**1. Consent Agenda (Fligor)**

- Approve Minutes from Board of Directors Meeting held on February 8, 2024
- Approve January 2024 Financial Report (if available)
- Approve February 2024 Financial Report (if available)

**2. Taxation of a Possessory Interest (Fligor)**

- Guest Speaker: Hon. Larry Stone, County Assessor

**3. Review Draft 2024-2025 Budget: Discussion and Possible Action (Sirkay)**

**4. Joint Powers Agency Formation Update: Discussion and Possible Action (All)**

- a. Certified Public Accountant
  - b. Insurance
5. Legislative Action Committee Update (Walia)
  6. Reports from Regional Appointed Representatives
    - a. Margaret Abe-Koga, Metropolitan Transportation Commission (MTC)
    - b. Russ Melton, Local Agency Formation Commission (LAFCO)
  7. Santa Clara County City Managers Association Update (Engeland)
  8. Executive Director Update (Sirkay)
  9. Joys and Challenges (All)

**ADJOURN (Fligor)**

## PUBLIC COMMENT

Members of the public wishing to comment on an item on the agenda may do so in the following ways:

1. Email comments to [shali@citiesassociation.org](mailto:shali@citiesassociation.org)
  - Emails will be forwarded to the Board of Directors.
  - IMPORTANT: identify the Agenda Item number in the subject line of your email.
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3. Provide oral public comments virtually during the meeting
  - When the Chair announces the item on which you wish to speak, click the “raise hand” feature in Zoom. Speakers will be notified shortly before they are called to speak.
  - When called to speak, please limit your comments to the time allotted (up to 3 minutes, at the discretion of the Chair).
  - Phone participants:
    - \*6 - Toggle mute/unmute
    - \*9 - Raise hand

## ACCESSIBILITY

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**REGULAR MEETING  
Board of Directors**

Los Altos Community Center  
Sequoia Room  
97 Hillview Avenue  
Los Altos, CA 94022

**FEBRUARY 8, 2024  
7:00 PM**

**Agenda in Black/Minutes in Red**

**Meeting Information:**

- *Board meetings are open to the public at the location shown above.*
- *Members of the public may join the Zoom webinar at the following link:*  
<https://us02web.zoom.us/j/85027902202?pwd=aUxZTFNUeC9vcjQ2ckMwUjZ1RThxQT09>  
 Passcode: 868612
- *Meeting also livestreamed on YouTube: <https://www.youtube.com/@citiesassoc>*
- *More information on public comment and accessibility is given at the end of the agenda.*

**WELCOME AND ROLL CALL – (Fligor)**

**Meeting called to order at 7:11 PM**

**ROLL CALL (Sirkay)**

**Board Members Present (14):**

Campbell	Anne Bybee
Cupertino	J.R. Fruen
Los Altos	Neysa Fligor
Los Altos Hills	Stanley Mok
Los Gatos	Matthew Hudes
Milpitas	Carmen Montano
Monte Sereno	Javed Ellahie
Morgan Hill	Mark Turner
Mountain View	Pat Showalter
Palo Alto	Lydia Kou
San Jose	Rosemary Kamei
Santa Clara	Kathy Watanabe
Saratoga	Tina Walia
Sunnyvale	Larry Klein

**Board Members Absent: 0**

**Staff Present (1):**

Shali Sirkay	Executive Director
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**Members of the Public Present (5):**

Anthony Carneseca	City of Los Altos
Jannie Quinn	Renne Public Law Group
Steve Preminger	SCC Office of Strategic & Intergovernmental Affairs
Maria Ristow	Councilmember, Los Gatos
Hung Wei	Councilmember, Cupertino

**ORAL COMMUNICATIONS FROM THE PUBLIC ON NONAGENDIZED ITEMS**

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**AGENDA**

**1. Consent Agenda (Fligor)**

- a. Approve Minutes from Board of Directors Meeting on January 18, 2024
- b. Approve December 2023 Financial Report

*Motion to approve Consent Agenda by Watanabe*

Second by Walia

AYES: 13

NAYS: 0

ABSTENTIONS: 1 (Kou)

ABSENT: 0

Motion passes 13-0-1-0

**2. Resolution to Dissolve Current Unincorporated Cities Association of Santa Clara County Entity:**

**Action (Fligor)**

*Motion to approve Resolution to Dissolve Current Unincorporated Cities Association of Santa Clara County Entity by Klein*

Second by Walia

AYES: 14

NAYS: 0

ABSTENTIONS: 0

ABSENT: 0

Motion passes 14-0-0-0

3. Authorize funding to extend the term of the Professional Services Agreement between the Cities Association and Executive Director Vaishali Sirkay (Fligor)

*Motion to approve funding to extend the term of the Professional Services Agreement between the Cities Association and Executive Director Vaishali Sirkay by Ellahie*

Second by Bybee

AYES: 14

NAYS: 0

ABSTENTIONS: 0

ABSENT: 0

Motion passes 14-0-0-0

#### ADJOURN (Fligor)

Meeting adjourned at 7:25 PM

Respectfully submitted on March 14, 2024,



Vaishali Sirkay  
Executive Director  
Cities Association of Santa Clara County

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**REGULAR MEETING**  
**Joint Powers Agency Board of Directors**

Los Altos Community Center  
 Sequoia Room  
 97 Hillview Avenue  
 Los Altos, CA 94022

**FEBRUARY 8, 2024**  
**7:20 PM**

**Agenda in Black/Minutes in Red**

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 Passcode: 519682
- Meeting also livestreamed on YouTube: <https://www.youtube.com/@citiesassoc>
- More information on public comment and accessibility is given at the end of the agenda.

**WELCOME AND ROLL CALL – (Fligor)**

Meeting called to order at 7:33 PM

**ROLL CALL (Sirkay)**

**Board Members Present (14):**

Campbell	Anne Bybee
Cupertino	J.R. Fruen
Los Altos	Neysa Fligor
Los Altos Hills	Stanley Mok
Los Gatos	Matthew Hudes
Milpitas	Carmen Montano
Monte Sereno	Javed Ellahie
Morgan Hill	Mark Turner
Mountain View	Pat Showalter
Palo Alto	Lydia Kou
San Jose	Rosemary Kamei
Santa Clara	Kathy Watanabe



Saratoga	Tina Walia
Sunnyvale	Larry Klein

**Board Members Absent: 0**

**Staff Present (1):**

Shali Sirkay	Executive Director
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**Members of the Public Present (5):**

Anthony Carnesecca	City of Los Altos
Jannie Quinn	Renne Public Law Group
Steve Preminger	SCC Office of Strategic & Intergovernmental Affairs
Maria Ristow	Councilmember, Los Gatos
Hung Wei	Councilmember, Cupertino

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**AGENDA**

**1. Consent**

- a. Updated Calendar of Cities Association of Santa Clara County 2024 Meeting Dates with June 13, 2024 Legislative Action Committee Meeting Added

*Motion to approve Consent Agenda by Showalter*

*Second by Turner*

*AYES: 14*

*NAYS: 0*

*ABSTENTIONS: 0*

*ABSENT: 0*

*Motion passes 14-0-0-0*

**2. Election of Joint Powers Agency Board of Directors Officers: Action (Fligor)**

*Motion to appoint the slate of officers which is comprised of Neysa Fligor as President, Larry Klein as First Vice President, Tina Walia as Second Vice President and Legislative Action Committee Chair, Hung Wei as Secretary/Treasurer, and Margaret Abe-Koga as Immediate Past President by Ellahie*

*Second by Kamei*

*AYES: 14*

NAYS: 0

ABSTENTIONS: 0

ABSENT: 0

Motion passes 14-0-0-0

**3. President Comments/Update**

**4. Transition to Joint Powers Agency- Action Items for Implementation of Joint Powers Agency:  
Discussion and Possible Action (Quinn)**

*Motion to authorize the President, with the assistance of legal counsel and the Executive Director, to confer with city managers on the proposed list of Certified Public Accountant (CPA) firms and to authorize the President to select a CPA firm and to negotiate for an annual audit of the JPA and any related services, and to bring back to the Board of Directors for approval prior to execution of the contract with the selected CPA firm for an amount not to exceed \$12,000 by Ellahie*

Second by Klein

AYES: 14

NAYS: 0

ABSTENTIONS: 0

ABSENT: 0

Motion passes 14-0-0-0

*Motion to obtain a \$5000 bond, at \$350 per person, for the Treasurer and Executive Director by Showalter*

Second by Turner

AYES: 14

NAYS: 0

ABSTENTIONS: 0

ABSENT: 0

Motion passes 14-0-0-0

*Motion to authorize the Executive Committee to review the current bylaws, consider recommendations, prepare draft bylaws, and present them to the Board to review and discuss by Turner*

Second by Fruen

AYES: 14

NAYS: 0

ABSTENTIONS: 0

ABSENT: 0

Motion passes 14-0-0-0

*Motion to Approve a Professional Services Agreement with Executive Director Vaishali Sirkay to cover services provided effective February 1, 2024, change the term of the agreement to align with the end of the fiscal year starting June 30, 2024 and authorize the President to execute this agreement on behalf of the JPA by Turner*

Second by Bybee

AYES: 14

NAYS: 0

ABSTENTIONS: 0

ABSENT: 0

Motion passes 14-0-0-0

*Motion to authorize the President to execute a Professional Services Agreement for Renne Public Law Group on behalf of the JPA by Showalter*

Second by Bybee

AYES: 14

NAYS: 0

ABSTENTIONS: 0

ABSENT: 0

Motion passes 14-0-0-0

**5. Request to Serve as Fiscal Agent for Community Planning Collaborative Nexus Study: Discussion and Potential Action (Fligor)**

Did they just provide direction or was action taken? May have been direction provided to decline to serve as the fiscal agent.

**6. City Selection Committee Update (Klein)**

**7. Reports from Regional Appointed Representatives**

- a. Neysa Fligor, Association of Bay Area Governments
- b. Larry Klein, Recycling and Waste Reduction Commission
- c. Russ Melton, Airport Land Use Commission

8. Santa Clara County City Managers Association Update (Engeland)

9. Executive Director Update (Sirkay)

10. Joys and Challenges (All)

**ADJOURN (Fligor)**

Meeting adjourned at 9:08 PM

Respectfully submitted on March 14, 2024,

*Vaishali Sirkay*

**Vaishali Sirkay**

**Executive Director**

**Cities Association of Santa Clara County**

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# Management Report

Cities Association of Santa Clara County  
For the period ended February 29, 2024



Prepared on  
**March 12, 2024**

# Table of Contents

---

Profit and Loss .....3

Balance Sheet.....5

Profit and Loss by Class .....6

Monthly Reports:Monthly Summary VENDOR Expenses.....8

Statement of Cash Flows .....9

A/R Aging Summary .....10

# Profit and Loss

July 2023 - February 2024

		Total
	Jul 2023 - Feb 2024	Jul 2022 - Feb 2023 (PY)
<b>INCOME</b>		
4000 INCOME		
4010 Membership Dues	266,794.00	239,782.00
4040 Planning Collaborative	77,043.50	
4050 Membership Dinners - Proceeds		4,547.40
4060 LAIF INCOME		370.51
4080 Grant Income	200,265.00	323,905.74
<b>Total 4000 INCOME</b>	<b>544,102.50</b>	<b>568,605.65</b>
4999 Uncategorized Income	11,959.03	
<b>Total Income</b>	<b>556,061.53</b>	<b>568,605.65</b>
<b>GROSS PROFIT</b>	<b>556,061.53</b>	<b>568,605.65</b>
<b>EXPENSES</b>		
6000 GENERAL OFFICE		
6112 Advertising/Promotional		72.07
6115 Website Update		600.00
<b>Total 6112 Advertising/Promotional</b>		<b>672.07</b>
6120 Bank Service Charges	302.54	26.40
6162 Hospitality	1,099.24	5,446.58
6220 Dues and Subscriptions	600.00	
6550 Supplies and Equipment	37.08	117.04
6610 Postage and Delivery	161.30	128.90
6615 Office/General Administrative Expenses	986.22	849.00
6620 Software Licenses	2,624.92	2,538.43
6665 Printing and Copying	224.50	
<b>Total 6000 GENERAL OFFICE</b>	<b>6,035.80</b>	<b>9,778.42</b>
6700 Reimbursable Expense		158.97
6999 Uncategorized Expense	11,210.67	
Charitable Contributions	600.00	
EVENT EXPENSES	177.27	212.80
6400 General Meeting - catering	7,627.21	
<b>Total EVENT EXPENSES</b>	<b>7,804.48</b>	<b>212.80</b>
Office		
6880 Telephone	244.54	242.56
<b>Total Office</b>	<b>244.54</b>	<b>242.56</b>
OFFICE PERSONNEL_CONSULTANTS		
6153 Contractors	73,200.00	58,967.50
6300 Legal & Professional Fees		17,482.50



		<b>Total</b>
	<b>Jul 2023 - Feb 2024</b>	<b>Jul 2022 - Feb 2023 (PY)</b>
6310 Accounting Services	3,277.50	3,460.00
6320 Attorney Services	343,773.73	15,289.00
<b>Total 6300 Legal &amp; Professional Fees</b>	<b>347,051.23</b>	<b>36,231.50</b>
6560 Employee Expenses		
Mileage/Local Travel Allowance	67.67	
<b>Total 6560 Employee Expenses</b>	<b>67.67</b>	
6565 Payroll Service Fees	577.58	544.98
6575 Payroll Wages/Salary	191,690.24	19,836.00
6580 Payroll Taxes	-32.57	1,617.72
<b>Total OFFICE PERSONNEL_CONSULTANTS</b>	<b>612,554.15</b>	<b>117,197.70</b>
<b>Total Expenses</b>	<b>638,449.64</b>	<b>127,590.45</b>
<b>NET OPERATING INCOME</b>	<b>-82,388.11</b>	<b>441,015.20</b>
<b>OTHER INCOME</b>		
7030 Other Income		13,000.00
Interest Earned	8.02	
<b>Total Other Income</b>	<b>8.02</b>	<b>13,000.00</b>
<b>NET OTHER INCOME</b>	<b>8.02</b>	<b>13,000.00</b>
<b>NET INCOME</b>	<b>\$ -82,380.09</b>	<b>\$454,015.20</b>

# Balance Sheet

As of February 29, 2024

	<b>Total</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Bank Accounts</b>	
1002 USBank (9717)	230,316.41
<b>Total Bank Accounts</b>	<b>230,316.41</b>
<b>Accounts Receivable</b>	
1200 Accounts Receivable	21,415.00
<b>Total Accounts Receivable</b>	<b>21,415.00</b>
<b>Other Current Assets</b>	
1300 LAIF Funds	25,280.42
1395 Accrued Interest	-53.62
<b>Total Other Current Assets</b>	<b>25,226.80</b>
<b>Total Current Assets</b>	<b>276,958.21</b>
<b>Fixed Assets</b>	
1500 Machinery and Equipment	2,203.41
1700 Accumulated Depreciation	-1,926.59
<b>Total Fixed Assets</b>	<b>276.82</b>
<b>TOTAL ASSETS</b>	<b>\$277,235.03</b>
<b>LIABILITIES AND EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
2000 Accounts Payable	20,277.08
<b>Total Accounts Payable</b>	<b>20,277.08</b>
<b>Credit Cards</b>	
2200 First National Bank of Omaha	248.81
<b>Total Credit Cards</b>	<b>248.81</b>
<b>Total Current Liabilities</b>	<b>20,525.89</b>
<b>Total Liabilities</b>	<b>20,525.89</b>
<b>Equity</b>	
1110 Unrestricted Fund Balance	304,121.31
3000 Opening Bal Equity	-34.00
3010 Reserves	0.00
3013 Reserve for New Equip.	1.92
3014 Reserve for Operations	35,000.00
<b>Total 3010 Reserves</b>	<b>35,001.92</b>
Net Income	-82,380.09
<b>Total Equity</b>	<b>256,709.14</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$277,235.03</b>

# Profit and Loss by Class

July 2023 - February 2024

	CASCC	PC	TOTAL
<b>INCOME</b>			
4000 INCOME			0.00
4010 Membership Dues	266,794.00		266,794.00
4040 Planning Collaborative		77,043.50	77,043.50
4080 Grant Income	200,265.00		200,265.00
<b>Total 4000 INCOME</b>	<b>467,059.00</b>	<b>77,043.50</b>	<b>544,102.50</b>
4999 Uncategorized Income	11,959.03		11,959.03
<b>Total Income</b>	<b>479,018.03</b>	<b>77,043.50</b>	<b>556,061.53</b>
<b>GROSS PROFIT</b>			
<b>479,018.03</b>			
<b>EXPENSES</b>			
6000 GENERAL OFFICE			0.00
6120 Bank Service Charges	302.54		302.54
6162 Hospitality	1,099.24		1,099.24
6220 Dues and Subscriptions	600.00		600.00
6550 Supplies and Equipment	37.08		37.08
6610 Postage and Delivery	161.30		161.30
6615 Office/General Administrative Expenses	986.22		986.22
6620 Software Licenses	2,624.92		2,624.92
6665 Printing and Copying	224.50		224.50
<b>Total 6000 GENERAL OFFICE</b>	<b>6,035.80</b>		<b>6,035.80</b>
6999 Uncategorized Expense	11,210.67		11,210.67
Charitable Contributions	600.00		600.00
EVENT EXPENSES	177.27		177.27
6400 General Meeting - catering	7,627.21		7,627.21
<b>Total EVENT EXPENSES</b>	<b>7,804.48</b>		<b>7,804.48</b>
Office			0.00
6880 Telephone	244.54		244.54
<b>Total Office</b>	<b>244.54</b>		<b>244.54</b>
OFFICE PERSONNEL_CONSULTANTS			0.00
6153 Contractors	73,200.00		73,200.00
6300 Legal & Professional Fees			0.00
6310 Accounting Services	3,277.50		3,277.50
6320 Attorney Services	343,773.73		343,773.73
<b>Total 6300 Legal &amp; Professional Fees</b>	<b>347,051.23</b>		<b>347,051.23</b>
6560 Employee Expenses			0.00
Mileage/Local Travel Allowance	67.67		67.67

	CASCC	PC	TOTAL
<b>Total 6560 Employee Expenses</b>	<b>67.67</b>		<b>67.67</b>
6565 Payroll Service Fees	577.58		577.58
6575 Payroll Wages/Salary	346.50	191,343.74	191,690.24
6580 Payroll Taxes	-32.57		-32.57
<b>Total OFFICE PERSONNEL_CONSULTANTS</b>	<b>421,210.41</b>	<b>191,343.74</b>	<b>612,554.15</b>
<b>Total Expenses</b>	<b>447,105.90</b>	<b>191,343.74</b>	<b>638,449.64</b>
<b>NET OPERATING INCOME</b>	<b>31,912.13</b>	<b>-114,300.24</b>	<b>-82,388.11</b>
<b>OTHER INCOME</b>			
Interest Earned	8.02		8.02
<b>Total Other Income</b>	<b>8.02</b>	<b>0.00</b>	<b>8.02</b>
<b>NET OTHER INCOME</b>	<b>8.02</b>	<b>0.00</b>	<b>8.02</b>
<b>NET INCOME</b>	<b>\$31,920.15</b>	<b>\$ -114,300.24</b>	<b>\$ -82,380.09</b>

# Monthly Reports:Monthly Summary VENDOR Expenses

February 2024

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	<b>Total</b>
Adobe	47.98
Canva	12.95
Diddams	37.08
First Place Awards - WOWzy	407.17
Gusto	73.60
Intuit	120.00
Microsoft	37.50
MVHS Choir	300.00
Nothing Bun	120.00
ProudCity	600.00
USPS	30.45
Verizon	30.38
Zoom.us	115.56
Not Specified	269.97
<b>TOTAL</b>	<b>\$2,202.64</b>

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# Statement of Cash Flows

July 2023 - February 2024

	<b>Total</b>
<b>OPERATING ACTIVITIES</b>	
Net Income	-82,380.09
Adjustments to reconcile Net Income to Net Cash provided by operations:	
1200 Accounts Receivable	199,093.74
2000 Accounts Payable	20,277.08
2200 First National Bank of Omaha	-117.48
FNBO_2nd	-127.00
<b>Total Adjustments to reconcile Net Income to Net Cash provided by operations:</b>	<b>219,126.34</b>
<b>Net cash provided by operating activities</b>	<b>136,746.25</b>
<b>NET CASH INCREASE FOR PERIOD</b>	<b>136,746.25</b>
Cash at beginning of period	93,570.16
<b>CASH AT END OF PERIOD</b>	<b>\$230,316.41</b>

# A/R Aging Summary

As of February 29, 2024

	Current	1 - 30	31 - 60	61 - 90	91 and over	Total
Mountain View					21,415.00	21,415.00
<b>TOTAL</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$21,415.00</b>	<b>\$21,415.00</b>

## **Lawrence E. Stone Assessor County of Santa Clara**

San Jose Magazine named him one of Silicon Valley's 100 most powerful leaders. Pulitzer Prize winning author and *Washington Post* reporter, Haynes Johnson, described Larry Stone in his bestselling book, *Sleepwalking Through History*, as "bright, articulate; an American rarity, a proven political success in a time of political failure."

He was first elected Assessor in 1994 and overwhelmingly re-elected by large majorities eight times by the residents of Santa Clara County. The County boasts a population of 1.9 million – greater than that of 13 states.

Stone has been a financial manager on Wall Street and co-founded a successful Bay Area real estate investment and development firm. He served 16 years as a council member and mayor of Sunnyvale, a period during which the city earned an international reputation for effectiveness and became a model for President Clinton and Vice President Gore's efforts to reform the federal bureaucracy. President Clinton said, "The National Performance Review was modeled in part upon the remarkable reinvention efforts pioneered by the City of Sunnyvale, where Larry Stone served as mayor".

His 45 years of elected service – 16 years with the City of Sunnyvale and 29 years as County Assessor – make him the longest-serving elected official in Santa Clara County.

As County Assessor, Stone has overseen remarkable improvements to streamline the operations of his office, eliminate backlogs, and achieve higher levels of public service, all while consistently operating substantially under budget. The State Board of Equalization acknowledged his office as one of the best-managed assessors' operations in California.

Larry Stone also has been an active and effective civic leader in many fields ranging from the arts, to education, to the environment. He was instrumental in co-founding an innovative \$11 million education endowment foundation that has contributed nearly \$20 million to benefit a local, public elementary school district. A native of Seattle, he has an MBA from the University of Washington and has studied at the Institute of Politics at Harvard's Kennedy School of Government. He and his wife, Carmen, have lived in Sunnyvale since 1970, where they raised three sons.





Agenda Item No:     3      
 Meeting Date: **March 14, 2024**

**Cities Association of Santa Clara County Agenda Report**

**To: BOARD OF DIRECTORS**

**Prepared by: Shali Sirkay, Executive Director**

**TOPIC:** Proposed 2024-25 CASCC Budget (FY25)  
**SUBJECT:** Consideration of Cities Association of Santa Clara County General Fund Budget

**RECOMMENDATION:**

Staff recommends that the Board of Directors review the proposed budget and offer staff direction as needed.

**BACKGROUND:**

As per its bylaws, the CASCC board must approve a final budget by April 15<sup>th</sup> of each year. The Board is being provided the proposed FY25 operating budget on March 14, 2024 for its review and consideration. Any comments or other input may be sent to the Executive Director. The budget may be revised pending Board input. The Board may consider approving the (revised) proposed budget at their April 11, 2024 Board of Directors meeting.

**EXPLANATION OF CALCULATIONS:**

The attached budget proposal was prepared as follows:

Revenue:

1. FY25 membership dues will not increase in FY25, and will be the same as they were in FY23 and FY24.

City	Dues		City	Dues
Campbell	\$ 11,215.00		Morgan Hill	\$ 11,693.00
Cupertino	\$ 15,785.00		Mountain View	\$ 21,415.00
Gilroy	\$ 14,609.00		Palo Alto	\$ 18,314.00
Los Altos	\$ 8,698.00		San Jose	\$ 55,231.00
Los Altos Hills	\$ 6,523.00		Santa Clara	\$ 34,044.00
Los Gatos	\$ 8,698.00		Saratoga	\$ 8,698.00
Milpitas	\$ 19,665.00		Sunnyvale	\$ 40,292.00
Monte Sereno	\$ 6,523.00			

2. The total membership dues figure reflects the current membership of 14 member agencies. Should the City of Gilroy choose to re-activate its membership in the CASCC, their dues will also remain flat at \$14,609.

3. Since the Association of Bay Area Governments (ABAG) Regional Early Action Planning (REAP) Grant funds have not been released, this figure is not included in the budget.

Expenses:

Professional Services:

1. Executive Director is paid \$100/hour for an average of 100 hours per month, for 12 months
2. Clerk & IT Support will be paid \$25/hour for an average of 20 hours per month, for 12 months. This position has not yet been filled but is anticipated to be filled within the first quarter of FY25 (July-Sept 2024).
3. Bookkeeper is paid an average of \$400/month, for 12 months
4. Legal Counsel is paid \$ \$340/hour, as per the agreement with Renne Public Law Group. Staff anticipates legal services for approximately 15 hours/month for 12 months.
5. The allocation for the Certified Public Accountant (CPA) is the “not to exceed” amount approved by the Board of Directors at the February 8, 2024 Board of Directors meeting for a contract between CASCC and a CPA firm.

Office:

1. The insurance line item was updated to reflect the cost estimate staff received from Special District Risk Management Authority (SDRMA).
2. Staff has removed the line item for Peninsula Storage Center because we no longer need a storage unit.
3. Staff has removed the line item for the payroll service Gusto from the budget because CASCC no longer has employees. All professional services are provided by contractors.
4. The line item for the Santa Clara/Santa Cruz Counties Airport/Community Roundtable has been removed since this forum has been terminated.
5. A line item for miscellaneous expenses has been added to cover the cost of general office supplies, stamps, etc.
6. The line item “Conferences & Education for Exec Dir” was added to cover the cost of any additional training the Executive Director may need in the performance of her duties and responsibilities.

Memberships:

A new category was added to cover CASCC’s membership in the California Special Districts Association (CSDA). One requirement of obtaining insurance with SDRMA is that the entity must be a member of CSDA. The figure in the line item is the actual cost of this membership, as per CSDA guidelines.

Hospitality and Special Events:

- Refreshments are calculated for monthly Board of Directors meetings- \$200 per meeting for 9 meetings (no board meetings in June (Annual Membership Event/Dinner), July, and December (Annual Holiday Party))
- Both the Summer Membership Event and the Annual Holiday Party are planned as “break even” events and are not considered revenue generators for CASCC. Staff is anticipating that as a JPA, CASCC may be able to get sponsorships and donations to cover some of the costs of these two events.

Technology and Software:

All of the amounts in this section are copied over from FY24. Staff has not received notice that any of these fees will increase in FY25.

**FISCAL IMPACT:**

Staff can confirm that CASCC will have enough money to operate for another year if the membership dues remain the same as in FY24, and thus, there should be minimal fiscal impact on the CASCC budget.

**ATTACHMENT:**

1. Proposed 2024-25 CASCC Budget

**Cities Association of Santa Clara County Proposed Operating Budget FY25  
July 1, 2024 to June 30, 2025**

**REVENUE**

Membership Dues	\$266,794
Summer Member Event Ticket Sales	\$3000
Holiday Party Ticket Sales	\$3000
<b>TOTAL REVENUE</b>	<b>\$272,794</b>

**EXPENSES**

<b>Professional Services</b>	
Executive Director	\$120,000
Clerk & IT Support	\$6000
Bookkeeper	\$4800
Legal Counsel	\$61,200
Certified Public Accountant	\$12,000
<b>TOTAL PROFESSIONAL SERVICES</b>	<b>\$204,000</b>
<b>OFFICE</b>	
Insurance Package	\$6000
US Bank Fees	\$36
Verizon (Google Voice Phone)	\$364
P.O. Box	\$216
Miscellaneous	\$500
Conferences & Education for Exec Dir	\$500
<b>TOTAL OFFICE</b>	<b>\$7,616</b>
<b>MEMBERSHIPS</b>	
California Special Districts Association	\$1281
<b>TOTAL MEMBERSHIPS</b>	<b>\$1,218</b>
<b>HOSPITALITY &amp; SPECIAL EVENTS</b>	
Refreshments BOD Monthly Meetings	\$1800
Summer Member Event	\$3000
Holiday Party	\$3000
<b>TOTAL HOSPITALITY &amp; SPECIAL EVENTS</b>	<b>\$7,800</b>
<b>TECHNOLOGY &amp; SOFTWARE</b>	
Adobe (PDF Tools)	\$306
Canva (Graphics and templates)	\$117
Intuit (Quickbooks Online)	\$945
Microsoft	\$242
Proud City- CASCC Website Hosting Fee	\$600
Zoom	\$1022
<b>TOTAL TECHNOLOGY &amp; SOFTWARE</b>	<b>\$3,232</b>
<b>TOTAL EXPENSES</b>	<b>\$223,866</b>

DRAFT



Agenda Item No: 4a

Meeting Date: March 14, 2024

## Cities Association of Santa Clara County Agenda Report

To: BOARD OF DIRECTORS

Prepared by: Neysa Fligor, Board President

**TOPIC:** Certified Public Accountant Professional Services Agreement  
**SUBJECT:** [PROPOSED] CONTRACT WITH MOSS LEVY & HARTZHEIM, LLP FOR AUDIT SERVICES FOR THE CITIES ASSOCIATION OF SANTA CLARA COUNTY JOINT POWERS AGENCY ("JPA")

### RECOMMENDED ACTION(S):

Authorize the Board President to execute an agreement with Moss, Levy and Hartzheim LLP to perform annual audits for FY 23-24 and FY 24-25 in an amount not to exceed \$12,000.00, in a form substantially similar to the attached agreement and subject to the approval of the General Counsel regarding any modifications of the agreement.

### BACKGROUND

Section 16.5 of the JPA Agreement requires the JPA to contract with a Certified Public Accountant to conduct an annual financial audit that conforms with state law requirements. At the February 8, 2024, Cities Association of Santa Clara County Board meeting, the Board was given an update on the search for a CPA firm to provide those services. At the time, the following 6 firms had been contacted and asked to submit estimates for the cost of conducting an annual audit and any related services.

1. Maze & Associates
2. Price, Paige & Company
3. Cropper Accountancy Corporation
4. Krisch & Company
5. Novogradac & Company LLP
6. Chavan & Associates LLP

Three firms provided estimates for an annual audit prior to the February 8, 2024, Board Meeting, with the reservation that the final quote would be based on review of the organization's budget and related items:

1. Cropper Accountancy Corporation: \$7500 - \$8,000
2. Novogradac & Company LLP: \$8,000 - \$10,000

3. Chavan & Associates LLP – Minimum \$12,500 (although sometimes they will make exceptions)

At the Board meeting, the Board directed the Board President to work with the Executive Director and General Counsel to share the list of CPA firms with the Santa Clara County City Managers, select a firm with an annual contract amount not to exceed \$12,000, and bring back a contract for the Board to approve. Moss Levy was suggested as another CPA firm to consider because they currently act as the CPA for Silicon Valley Regional Interoperability Authority (SVRIA) and their rates are reasonable. Subsequent to the Board meeting, the list of CPA firms was shared with the City Managers' group and there were no concerns raised.

The estimates Moss Levy submitted for an annual audit for the JPA are \$5200 for Fiscal Year 2024 and \$5900 for Fiscal Year 2025, both of which include a \$200 fee for the financial report (see attached).

These estimates are the lowest of the all the CPA firms that provided estimates.

Based on Moss Levy's experience working with SVRIA, a JPA that includes cities in Santa Clara County, their rate, and the positive reviews on their service, we selected Moss Levy as the CPA for the JPA.

**SUMMARY OF CONTRACT TERMS**

The proposed term of the contract with Moss Levy would be March 14, 2024 – June 30, 2025, which would cover 2 audit periods for the JPA: FY '24 (February 1, 2024 – June 20, 2024) and FY'25 (July 1, 2024 – June 30, 2025). The quote for FY'24 is \$5200 and for FY'25 \$5900. The total contract amount would not exceed \$12,000, which covers the estimates for both audit periods and also an additional amount of \$900, in the event any additional services are required to be performed as a new JPA. The proposed contract is attached to this report.

**ATTACHMENT(S):**

-Moss, Levy, & Hartzheim, LLP Quote

-Proposed Professional Services Agreement with Moss, Levy & Hartzheim LLP

March 6, 2024

RE: Request for cost proposal

To whom this may concern,

This is a response to the Cities Association of Santa Clara County's request for cost proposal of audit services for the period February 1, 2024 through June 30, 2024 and the fiscal year ending June 30, 2025.

Our all-inclusive price for the Association's audit services are as follows:

2024	2025
\$5,000	\$5,700

Our all-inclusive price for the Financial Transaction Report is as follows:

2024	2025
\$200	\$200

If you have any questions, please contact us at our office.

*Moss, Levy & Hartzheim LLP*

Moss, Levy & Hartzheim LLP  
Santa Maria, CA



*Draft*

**AGREEMENT FOR SERVICES BETWEEN THE CITIES ASSOCIATION OF SANTA CLARA COUNTY JOINT POWERS AGENCY AND MOSS, LEVY & HARTZHEIM, LLP**

**THIS AGREEMENT** is made and entered into on March \_\_, 2024 by and between the Cities Association of Santa Clara County Joint Powers Agency ("CASCC JPA") and MOSS, LEVY & HARTZHEIM, LLP, Certified Public Accountants ("CONSULTANT"). CASCC JPA and CONSULTANT are sometimes individually referred to as "party" and collectively as "parties" in this Agreement.

**Recitals**

- A. Pursuant to the joint powers agreement, CASCC JPA is required to make or contract with a Certified Public Accountant to conduct an annual Fiscal Year audit of all accounts and records of the Agency, conforming in all respects with the requirements of the Joint Exercise of Powers Act.
- B. CONSULTANT is a certified public accountant with experience in auditing public agencies and has the qualifications, experience, and personnel necessary to properly perform the services as set forth herein.
- C. CASCC JPA desires to retain CONSULTANT to provide such services.

**NOW, THEREFORE, the purpose of this AGREEMENT is to retain CONSULTANT for the CASCC JPA to perform those services specified herein.**

**THE PARTIES AGREE AS FOLLOWS:**

**1. Scope of Services.**

CONSULTANT shall perform those services specified in detail in Exhibit "A", entitled Scope of Services, which is attached here to and incorporated herein.

CASCC JPA shall cooperate with CONSULTANT and will furnish all information data, records, and reports existing and available to CASCC JPA to enable CONSULTANT to carry out work outlined in Exhibit "A." CONSULTANT shall be entitled to reasonably rely on information, data, records, and reports furnished by the CASCC JPA, however, the CASCC JPA makes no warranty as to the accuracy or completeness of any such information, data, records or reports available to it and provided to CONSULTANT which were furnished to the CASCC JPA by a third party. CONSULTANT shall have a duty to bring to the CASCC JPA's attention any deficiency or error it may discover in any information provided to the CONSULTANT by the CASCC JPA or a third party.

## **2. Term of Agreement & Commencement of Work.**

The term of this AGREEMENT shall be from March 14, 2024, to June 30, 2025, unless extended by amendment or terminated earlier as provided herein. CONSULTANT will provide auditing services for the fiscal years ending June 30, 2024, and June 30, 2025.

## **3. Compensation.**

The annual compensation to be paid to the CONSULTANT, including both payment for professional services and reimbursable expenses as described in Exhibit A, if any, for the fiscal year ending June 30, 2024, shall be Five Thousand Two Hundred Fifty Dollars (\$5,200.00) and for fiscal year ending June 30, 2025, shall be Five Thousand Nine Hundred Dollars (\$5,900.00). Total compensation under this Agreement shall not exceed Twelve Thousand Dollars (\$12,000.00).

Each month services are rendered, CONSULTANT shall provide CASCC JPA with a detailed statement of the work performed for compensation during that month. The statement shall also include a detailed record of the month's actual reimbursable expenditures, if permitted.

## **4. Termination.**

CASCC JPA may terminate this AGREEMENT at any time without cause upon 10 days written notice to CONSULTANT. CONSULTANT may terminate this AGREEMENT at any time without cause upon 30 days written notice to CASCC JPA. However, if CONSULTANT fails to perform any of its material obligations under this AGREEMENT, in addition to all other remedies provided by law, CASCC JPA may terminate this AGREEMENT immediately upon written notice. CASCC JPA's Executive Director is authorized to terminate this AGREEMENT on behalf of CSACC JPA.

In the event of termination, CONSULTANT shall deliver to CASCC JPA copies of all reports, documents, and other work performed by CONSULTANT under this AGREEMENT, and upon receipt thereof, CSACC JPA shall pay CONSULTANT for services performed and reimbursable expenses incurred to the date of termination.

In accordance with Article XVI, Section 18 of the California Constitution, if in any fiscal year after the execution of this AGREEMENT, the CASCC JPA fails to appropriate money for the purpose of funding this AGREEMENT, this AGREEMENT shall terminate, without penalty, effective upon the close of business on the last day of the fiscal year for which funding has been appropriated.

## **5. Skill of Employees.**

CONSULTANT shall ensure that any employees or agents providing services under this Agreement possess the requisite skill, training, and experience to properly perform such services.

## **6. Confidential and Proprietary Information.**

All data, documents, discussions, or other information developed or received by or for the CONSULTANT in performance of this AGREEMENT are confidential and shall not be disclosed to any person except as authorized by the CASCC JPA or as required by law or for performance of the services.

## **7. Ownership of Data.**

All reports, documents, electronic equivalents, or other materials developed or discovered by the CONSULTANT to perform the services required shall be and remain the property of the CASCC JPA without limitation or restriction on their use.

## **8. Conflict of Interest.**

(a) CONSULTANT covenants that neither it, nor any officer or principal of its firm has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of the CASCC JPA or which would in any way hinder CONSULTANT's performance of services under this Agreement. CONSULTANT further covenants that in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent or subconsultant without the express written consent of the CASCC JPA. CONSULTANT agrees to always avoid conflicts of interest or the appearance of any conflicts of interest with the interests of the CASCC JPA in the performance of this Agreement.

(b) CASCC JPA understands and acknowledges that CONSULTANT may be, as of the date of commencement of services under this Agreement, independently involved in the performance of non-related services for other governmental agencies and private parties. CONSULTANT is unaware of any stated position of the CASCC JPA relative to such projects. Any future position of the CASCC JPA on such projects may result in a conflict of interest for purposes of this section.

## **9. Disclosure.**

CONSULTANT may be subject to the appropriate disclosure requirements of the California Fair Political Practices Act, as determined by the CASCC JPA Executive Director.

**10. Non-Discrimination.**

During the performance of this Agreement the CONSULTANT shall comply with the applicable nondiscrimination and affirmative action provisions of the laws of the United States of America, the State of California and the CASCC JPA. In performing this Agreement, CONSULTANT shall not discriminate, harass, or allow harassment, against any employee or applicant for employment because of sex, race, color, ancestry, gender, actual or perceived gender identity, genetic characteristics, military/veteran status, religious creed, national origin, physical disability (including HIV and AIDS), medical condition (including cancer), age, marital status, denial of family and medical care leave, denial of pregnancy disability leave, mental disability and any other characteristics protected by state or federal law. CONSULTANT shall give written notice of its obligations under this clause to labor organizations with which it has a collective bargaining or other agreement.

CONSULTANT shall include the nondiscrimination and compliance provisions of this Section in all subcontracts.

**11. Indemnification.**

To the fullest extent permitted by law, CONSULTANT shall, with respect to all services performed in connection with this AGREEMENT indemnify, defend and hold harmless the CASCC JPA and its officers, agents, independent contractors and volunteers from any liability, claims, actions, causes of action or demands against them including any injury to or death of any person or damage to property or other liability of any nature, that arise out of, pertain to, or relate to the performance of this AGREEMENT by CONSULTANT or CONSULTANT’s employees, officers, officials, agents or independent contractors. These costs and expenses shall include reasonable attorney’s fees of counsel of the CASCC JPA’s choice, expert witness fees and all other costs of litigation. The only exception to this indemnification is the sole negligence of the CASCC JPA.

**12. Insurance.**

CONSULTANT shall comply with CASCC JPA’s insurance requirements attached hereto and incorporated herein as Exhibit B. CASCC JPA reserves the right at any time during the term of this Agreement to change the amounts and types of insurance required herein by giving CONSULTANT ninety days advance written notice of such change. If such change should result in substantial additional cost of the CONSULTANT, CASCC JPA agrees to negotiate additional compensation proportional to the increased benefit to CASCC JPA.

**13. Independent Contractor.**

The parties agree that CONSULTANT, its officers, employees, and agents, if any, shall be independent CONSULTANTs with regard to the providing of services under

this Agreement, and that CONSULTANT's employees or agents shall not be considered to be employees or agents of the CASCC JPA for any purpose and will not be entitled to any of the benefits CASCC JPA provides for its employees. CASCC JPA shall make no deductions for payroll taxes or Social Security from amounts due CONSULTANT for work or services provided under this Agreement.

This AGREEMENT shall not constitute, and it is not intended to constitute, either party as an employer, employee, agent, partner, or legal representative of the other party for any purpose or give either party any right to supervise or direct the functions of the other party. Except as specifically provided herein, neither party shall have authority to act for or obligate the other party in any way or to extend any representation on behalf of the other party. Each party agrees to perform under this AGREEMENT solely as an independent contractor and neither party shall have any right, power, or authority, nor shall they represent themselves as having any authority to assume, create, or incur any expense, liability, or obligation, express or implied, on behalf of the other party for any purpose. Each party agrees not to permit its employees or agents to do anything that might be construed or interpreted as acts of the other party.

#### **14. Dispute Resolution.**

If any dispute arises between the parties as to proper interpretation or application of this Agreement, the parties shall first meet and confer in a good faith attempt to resolve the matter between themselves. If the dispute is not resolved by meeting and conferring, the matter may be submitted for formal mediation to a mediator selected mutually by the parties. The expenses of such mediation shall be shared equally between the parties.

#### **15. Compliance with Laws.**

CONSULTANT shall comply with all applicable laws, ordinances, codes, and regulations of the federal, state, and local governments.

#### **16. Governing Law.**

The CASCC JPA and CONSULTANT agree that the law governing this AGREEMENT shall be that of the State of California and venue shall be with the Santa Clara County Superior Court.

#### **17. Assignment or Transfer.**

This Agreement or any interest herein may not be assigned or transferred, either directly or by operation of law, without the prior written consent of the CASCC JPA. Any attempt to do so shall be null and void, and any assignees, or transferees shall acquire no right or interest by reason of such attempted assignment or transfer.

**18. Notices.**

All notices required or permitted to be given under this Agreement shall be in writing and shall be personally delivered, sent by facsimile ("fax") or certified mail, postage prepaid with return receipt requested, addressed as follows:

To CASCC JPA:                      Cities Association of Santa Clara County JPA  
   P.O. Box 3144  
   Los Altos, CA 94024  
   (408) 766-9534

To CONSULTANT:                      Moss, Levy & Hartzheim LLP  
   2400 Professional Parkway, Suite 205  
   Santa Maria, CA 93455  
   (805) 925-2579

The parties may agree in writing to receive notice by email. Notice shall be deemed effective on the date personally delivered or transmitted by facsimile or, if mailed, three days after deposit in the custody of the U.S. Postal Service.

**19. Amendments, Changes or Modifications.**

This AGREEMENT is not subject to amendment, change or modification except by a writing signed by the authorized representatives of both the CASCC JPA and CONSULTANT.

**20. Authority to Enter Agreement.**

CONSULTANT has all requisite power and authority to conduct its business and to execute, deliver and perform the Agreement. Each party warrants that the individuals who have signed this Agreement have the legal power, right and authority to make this Agreement and bind each respective party.

**21. Waiver.**

A waiver of a default of any term of this Agreement shall not be construed as a waiver of any succeeding default or as a waiver of the provision itself. A party's performance after the other party's default shall not be construed as a waiver of that default.

## **22. Severability.**

Should any portion of this Agreement be determined to be void or unenforceable, such shall be severed from the whole and the Agreement will continue as modified.

## **23. Construction, References, Captions.**

Since the parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any party. Any term referencing time, days or period for performance shall be deemed calendar days and not workdays. The captions of the various sections are for convenience and ease of reference only, and do not define, limit, augment or describe the scope, content, or intent of this Agreement.

## **24. Advice of Counsel.**

The parties agree that they are aware that they have the right to be advised by counsel with respect to the negotiations, terms, and conditions of this Agreement, and that the decision of whether or not to seek the advice of counsel with respect to this Agreement is a decision which is the sole responsibility of each of the parties hereto. This Agreement shall not be construed in favor or against either party by reason of the extent to which each party participated in the drafting of this Agreement.

## **25. Counterparts.**

This Agreement may be signed in counterparts, each of which shall constitute an original.

## **26. Time.**

Time is of the essence in this contract.

## **27. Qualifications and Standard of Care.**

All the services shall be performed by CONSULTANT or under CONSULTANT's supervision. CONSULTANT represents that they possess the professional and technical skills required by this AGREEMENT and that they have sufficient skill and experience to perform the services assigned to them. CONSULTANT represents that it, its employees and subconsultants, if permitted, have and shall maintain during the term of this AGREEMENT all licenses, permits, qualifications, insurance, and approvals of whatever nature that are legally required to perform the services. All the services to be furnished by CONSULTANT under this AGREEMENT shall meet the professional standard and quality that prevail among professionals in the same discipline and of similar knowledge and skill engaged in related work throughout California under the same or similar circumstances.

**28. Entire Agreement.**

This Agreement contains the entire agreement of the parties with respect to the matters as set forth in this Agreement, and no other agreement, statement or promise made by or to any party or by or to any officer or agent of any party, which is not contained in this Agreement shall be binding or valid.

**IN WITNESS WHEREOF**, CONSULTANT and the CASCC JPA by their duly authorized representatives, have executed this Agreement, on the date first set forth above, at Marina, California.

**CASCC JPA**

**CONSULTANT**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

Approved as to form:

By: \_\_\_\_\_  
CASCC JPA Attorney



**INSERT EXHIBIT A**  
**- SCOPE OF SERVICES -**

## Exhibit B - Insurance

CONSULTANT shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by CONSULTANT, its agents, representatives, or employees.

### **MINIMUM SCOPE AND LIMIT OF INSURANCE**

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an “occurrence” basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$1,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability:** Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if CONSULTANT has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than **\$1,000,000** per accident for bodily injury and property damage.
3. **Workers’ Compensation** insurance as required by the State of California, with Statutory Limits, and Employer’s Liability Insurance with limit of no less than **\$1,000,000** per accident for bodily injury or disease.
4. **Professional Liability (Errors and Omissions):** Insurance appropriate to CONSULTANT’s profession, with limit no less than **\$2,000,000** per occurrence or claim, \$2,000,000 aggregate.

If CONSULTANT maintains broader coverage and/or higher limits than the minimums shown above, the CASCC JPA requires and shall be entitled to the broader coverage and/or the higher limits maintained by CONSULTANT. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the CASCC JPA.

### **Other Insurance Provisions**

The insurance policies are to contain, or be endorsed to contain, the following provisions:

#### ***Additional Insured Status***

CASCC JPA, its officers, officials, agents, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of CONSULTANT including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to CONSULTANT’s insurance (at least as broad

as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 if a later edition is used).

***Primary Coverage***

For any claims related to this contract, CONSULTANT’s insurance coverage shall be primary and non-contributory and at least as broad as ISO CG 20 01 04 13 as respects the CASCC JPA, its officers, officials, agents and volunteers. Any insurance or self-insurance maintained by the CASCC JPA, its officers, officials, employees, or volunteers shall be excess of CONSULTANT’s insurance and shall not contribute with it. This requirement shall also apply to any Excess or Umbrella liability policies.

***Umbrella or Excess Policy***

CONSULTANT may use Umbrella or Excess Policies to provide the liability limits as required in this agreement. This form of insurance will be acceptable provided that all of the Primary and Umbrella or Excess Policies shall provide all the insurance coverages herein required, including, but not limited to, primary and non-contributory, additional insured, Self-Insured Retentions (SIRs), indemnity, and defense requirements. The Umbrella or Excess policies shall be provided on a true “following form” or broader coverage basis, with coverage at least as broad as provided on the underlying Commercial General Liability insurance. No insurance policies maintained by the Additional Insureds, whether primary or excess, and which also apply to a loss covered hereunder, shall be called upon to contribute to a loss until CONSULTANT’s primary and excess liability policies are exhausted.

***Notice of Cancellation***

Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the CASCC JPA.

***Waiver of Subrogation***

CONSULTANT hereby grants to CASCC JPA a waiver of any right to subrogation which any insurer of said CONSULTANT may acquire against the CASCC JPA by virtue of the payment of any loss under such insurance. CONSULTANT agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the CASCC JPA has received a waiver of subrogation endorsement from the insurer.

***Self-Insured Retentions***

Self-insured retentions must be declared to and approved by the CASCC JPA. The CASCC JPA may require CONSULTANT to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or CASCC JPA. The CGL and any policies, including Excess liability policies, may not be subject to a self-insured retention (SIR) or deductible that exceeds \$25,000 unless approved in writing by CASCC JPA. All deductibles and SIRs shall be the sole responsibility of CONSULTANT or subconsultant who procured such insurance and

shall not apply to the Indemnified Additional Insured Parties. CASCC JPA may deduct from any amounts otherwise due CONSULTANT to fund the SIR/deductible. Policies shall NOT contain any self-insured retention (SIR) provision that limits the satisfaction of the SIR to the CASCC JPA. The policy must also provide that Defense costs, including the Allocated Loss Adjustment Expenses, will satisfy the SIR or deductible. CASCC JPA reserves the right to obtain a copy of any policies and endorsements for verification.

### ***Acceptability of Insurers***

Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the CASCC JPA.

### ***Claims Made Policies***

If any of the required policies provide claims-made coverage:

1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, CONSULTANT must purchase "extended reporting" coverage for a minimum of five (5) years after completion of work.

### ***Verification of Coverage***

CONSULTANT shall furnish the CASCC JPA with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause and a copy of the Declarations and Endorsements Pages of the CGL and any Excess policies listing all policy endorsements. All certificates and endorsements and copies of the Declarations & Endorsements pages are to be received and approved by the CASCC JPA before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive CONSULTANT's obligation to provide them. The CASCC JPA reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time. CASCC JPA reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

### ***Subconsultants***

CONSULTANT shall require and verify that all subconsultants maintain insurance meeting all the requirements stated herein, and CONSULTANT shall ensure that CASCC JPA is an additional insured on insurance required from subconsultants.

### ***Duration of Coverage***

CGL & Excess liability policies for any construction related work, including, but not limited to, maintenance, service, or repair work, shall continue coverage for a minimum of five (5) years for Completed Operations liability coverage. Such Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.

***Special Risks or Circumstances***

CASCC JPA reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.



Agenda Item No: 4b

Meeting Date: March 14, 2024

## Cities Association of Santa Clara County Agenda Report

To: BOARD OF DIRECTORS

Prepared by: Shali Sirkay, Executive Director

**TOPIC:** Insurance Coverage Options for Cities Association of Santa Clara County (CASCC)  
**SUBJECT:** Consideration/Recommendation to select? of Special District Risk Management Authority (SDRMA) to provide insurance coverage to CASCC

### RECOMMENDATION:

Authorize the Executive Director to initiate process of obtaining a formal insurance quote from SDRMA

### BACKGROUND:

The CASCC officially became a Joint Powers Authority (JPA) on February 1, 2024, and is thus governed by the Joint Exercise of Powers Act (Cal. Gov. Code § 6500, et seq.). State law has very specific requirements for JPAs, including obtaining insurance coverage. Over the past few months, staff has been speaking to several agencies and insurance brokers to investigate available coverage, cost and any eligibility requirements. Insurance entities would not give a firm quote unless we went through a formal underwriting process; thus, approximate estimates were requested from these entities. A final price quote will be provided once the application with the selected insurance provider is completed.

To get these estimates, potential insurance coverage providers were given the following parameters:

- CASCC does not own any property, nor does it have trees to maintain on its properties
- CASCC does not operate or own any vehicles, trailers, or contractor equipment
- CASCC does not have salaried staff; all professional services are provide by independent contractors. CASCC does not offer any services (such as fire districts do)
- CASCC does not buy or sell any goods
- Since we are a new agency, CASCC does not have any property/liabilities losses or previous claims to report (nothing as pertains to the former unincorporated CASCC entity can be included here)

Two Independent insurance brokers both agreed that at a minimum, insurance coverage should include:

1. General Liability
2. Criminal Acts Liability
3. Errors and Omissions

#### **SUMMARY OF INSURANCE CONVERGAGE RESEARCH:**

##### Special District Risk Management Authority (SDRMA)

Staff spoke to Wendy Tucker from SDRMA, a JPA that provides a full-service risk management program for California's local governments, including comprehensive insurance coverage program to public agencies such as JPAs. To obtain an estimate without undergoing a formal underwriting process, staff filled out a preliminary application form. SDRMA came back with an estimate (not a formal quote) of \$3473-\$4173 per year, plus the requirement that CASCC join the California Special Districts Association (CSDA) at an additional cost of \$1281 per year.

SDRMA's estimate is the lowest because it is a risk management pool, but also offered the most insurance coverage for that amount. The estimate includes the following coverages:

1. General Liability
2. Auto Liability
3. Public Officials Personal Liability
4. Employment Practices Liability
5. Employee Benefits Liability
6. Employee and Public Officials Dishonesty (Crime Coverage)
7. Employee and Public Officials Errors and Omissions

If the Board wishes to move forward with SDRMA as CASCC's insurance provider, staff will find out whether the cost of the insurance coverage could be further reduced if we removed #5 "Employee Benefits Liability."

For an added cost, SDRMA can also provide:

1. Auto Physical Damage
2. Property Coverage
3. Boiler and Machinery
4. Cyber Security
5. Ancillary Coverages as necessary

SDRMA requires a 3-year commitment. This is beneficial to CASCC because many organizations and businesses are losing their insurance because of a determination that certain aspects of coverage in California is very high risk (for example, fire insurance). Also, being a JPA and subject to re-assessment, the fluctuations in the annual cost of the SDRMA insurance would not be drastic.

#### California Intergovernmental Risk Authority (CIRA)

CIRA is also a JPA like SDRMA, providing comprehensive coverage to cities, towns and non-municipal public agencies. However, since they handle more high risk entities, such as fire districts, their premiums will be much higher. Staff spoke to CIRA agent Erike Young, who advised that CIRA would be “overkill” for an organization considered as low risk as CASCC has. He said that CIRA’s coverage would be \$20,000/year because we’d be sharing risk with other higher risk entities whose coverage would be in the millions of dollars. Staff ruled out CIRA as an option very early.

#### Private Insurance Brokers

Staff spoke to Conor Boughey from Alliant and Christian Mello from George Petersen Insurance Agency. Both offer a Special Liability Insurance Program (SLIP). However, when told that SDRMA was offering an estimate around \$5481 (\$4200 estimate + \$1281 CSDA membership), both said that they would not be able to come close to that estimate. Mr. Boughey said that he wouldn’t be able to offer too much below \$10,000. Mr. Mello said that even if he were able to offer a quote around \$6000, it would only cover general liability, errors and omissions, and crime coverage (criminal acts). Mr. Mello, upon learning more about CASCC but before offering his approximate estimate, said that he would recommend that we use SDRMA.

#### Conclusion:

Staff obtained preliminary estimates from two different types of providers- two JPAs and two insurance brokers. The JPAs are self-insured, so may be able to offer a better price for insurance, but as the JPA is re-assessed, the cost of the insurance could fluctuate. The insurance brokers would be able to offer CASCC a fixed price, but that price would be higher than that offered by SDRMA. All agreed that CIRA would cost too much money for how little risk CASCC presents.

#### **RECOMMENDATION:**

Staff recommends that CASCC pursue insurance coverage with SDRMA. From an insurance coverage perspective, CASCC is a very low risk entity. SDRMA offers CASCC the most comprehensive package of liability coverages also at the best price. Though SDRMA will require an additional cost of \$1281 for CSDA membership, staff was told that CSDA is a good organization to belong to given the resources they offer their members.

#### **FISCAL IMPACT:**

Approximately \$5481 (\$4200 estimate + \$1281 CSDA membership) per year for three years minimally, with the understanding that the amount will fluctuate slightly per year.



**OPTIONS:**

The Board of Directors has the following options to consider on this matter:

1. Staff's recommended action to initiate the process of obtaining a formal quote from SDRMA
2. Direct staff to investigate other insurance options

**ATTACHMENT:**

1. SDRMA Property/Liability Package Program with summaries of each type of coverage offered

## **Property/Liability Package Program**

Special District Risk Management Authority (SDRMA) offers a straightforward, uncomplicated program for special districts and other public agencies. Coverage documents are broad form manuscript policies written on an “occurrence form” to ensure the highest level of coverage and maximum protection of assets for governmental entities providing municipal services. Established in 1986, this program has a proven reputation for stable, competitive rates, actuarially based fiscal management, and sound underwriting practices. For member agencies that participate in both the SDRMA Property/Liability and Workers’ Compensation Programs, we offer multi-program discounts.

### **COVERAGE**

- General Liability Minimum Limits of \$2.5 Million Per Occurrence (Higher limits available upon request)
- Property Limits \$1,000,000,000 Per Occurrence (pool limit)
- Ancillary coverages are offered on a member-by-member basis
- SDRMA maintains a Self-Insured Retention that is periodically adjusted based on market conditions

### **CLAIMS MANAGEMENT PROGRAM**

SDRMA recognizes that claims management is a critical component and serves as the strength of our risk management program. Under the supervision of Chief Risk Officer, property and liability claims are processed, managed and adjusted “in-house”. Our primary objective is to positively impact the overall cost of property and liability coverages, as well as provide employees and employers fair and equitable claims management and resolution. SDRMA uses state-of-the-art claims management software to provide an accurate up-to-date status of each claim, loss run reports and financial information. Moreover, SDRMA’s role is not to be adversarial, but to create a partnership with its members.

### **LOSS CONTROL AND PREVENTION PROGRAM**

SDRMA believes the key to a successful loss control and prevention program is quality, relevant education. Our members are provided with a variety of loss prevention programs, at no additional cost, including an online certified safety training program, free webinars and training seminars, on-site educational programs (upon request).

### **MEMBERPLUS SERVICES**

Members participate in a complimentary safety management program including:

- Personalized On-line Member Resources – MemberPlus Online™
- State-of-the-Art On-line Safety Training – Vector Solutions™
- Loss Prevention Fund for Reimbursement of Approved Safety Equipment/Training up to \$1,000 per year
- Employment Law Legal Hotline

- On-Site Loss Control Visits and Risk Analysis
- Training Workshops/Webinars (safety, loss prevention, claims handling)
- Contribution-Reduction Credit Incentive Program (CIP)
- Occupational Safety & Health Program
- Safety & Claims Policy Manual
- Monthly Review of Claims Loss Reports
- Ergonomic Evaluations of Work Areas
- Access to Employer Pull Notice Program

### **RISK MANAGEMENT SERVICES**

Property and liability coverage protection is just one component of SDRMA’s overall risk management program. Our risk management program includes risk assessment, risk analysis, risk protection (insurance coverage) and loss control. Asset protection for Agency exposures, assisting in preventing future losses, educating Agency staff, and providing the Agency with access to a risk manager are all elements of the overall risk management program.

### **ELIGIBILITY REQUIREMENTS**

SDRMA’s eligibility requirements provide that member agencies:

- Must be a public agency formed under the California Government Code
- Execute the SDRMA Joint Powers Agreement
- Commit to an initial three program year member enrollment (thereafter coverage may be renewed annually)
- Maintain annual membership in California Special Districts Association (CSDA)

## **Property/Liability Package Coverage Description**

### **GENERAL LIABILITY**

Coverage for Third Party claims and losses arising from members operational exposures for Bodily Injury, Property Damage. Coverage provided for such exposures as: Recreational Activities; Premises Liability; Operational Breaches. Coverage included for Boards, employees and volunteers. Failure to supply and dam failure liability available by endorsement. There are no general liability policy sub-limits. Limit: minimum \$2,500,000 per occurrence. Deductible: None; \$500 (property damage only) per occurrence. \*Inverse Condemnation shared limit \$1,000,000.

### **AUTO LIABILITY**

Auto liability coverage protects members from lawsuits for bodily injury and property damages to the public arising out of ownership, maintenance or use of a covered vehicle. Coverage includes: owned vehicles, non-owned and hired vehicles and uninsured motorists. Limit: minimum \$2,500,000 per occurrence. Deductible: None (bodily injury); \$1,000 (property damage) per occurrence.

**AUTO PHYSICAL DAMAGE**

Auto physical damage (comprehensive and collision) provides protection for damage or loss to a member’s owned vehicle. Comprehensive coverage includes: fire, theft, vandalism, windstorm, hail, flood, glass breakage, damage caused by riot or civil commotion and damage from hitting or being hit by birds and animals. Collision coverage provides coverage for repair or replacement for like kind, type and condition based on actual cash value. Valuation: Actual Cash Value (ACV) or agreed upon value. Deductible: Member selectable \$250 comprehensive/\$500 collision or \$500 comprehensive/\$1,000 collision per occurrence.

**PUBLIC OFFICIALS PERSONAL LIABILITY (OUTSIDE COURSE AND SCOPE)**

This highly specialized, unique coverage protects elected/appointed officials from claims and settlements arising outside the course and scope of their duties. Coverage includes: invasion of privacy, libel, slander, defamation of character, discrimination, false arrest and malicious prosecution. Limit: \$500,000 per official per year; annual aggregate. Deductible: \$500 per claim.

**EMPLOYMENT PRACTICES LIABILITY**

Employment practices liability provides coverage for claims and losses arising from “wrongful” employment practices. Coverage includes: wrongful termination, harassment, hostile work environment and discrimination. Limit: minimum \$2,500,000 per occurrence. Deductible: None.

**EMPLOYEE BENEFITS LIABILITY**

Employee benefits liability coverage for claims and settlements resulting from the negligent administration of employee benefit plans. Limit: minimum \$2,500,000 per occurrence. Deductible: None.

**EMPLOYEE AND PUBLIC OFFICIALS DISHONESTY**

Employee and Public Officials Dishonesty is coverage protection for member losses resulting from fraudulent or dishonest acts committed by employees, volunteers or board members. Coverage includes: larceny, theft, embezzlement, forgery and wrongful misappropriation. Limit: \$1,000,000. Deductible: None.

**EMPLOYEE AND PUBLIC OFFICIALS ERRORS AND OMISSIONS**

Public officials and employee’s errors and omissions coverage for “wrongful acts”, alleged or actual negligence, errors or omissions, breach of duty, misfeasance, and malfeasance, nonfeasance and defamation. Limit: minimum \$2,500,000 per occurrence. Deductible: None.

**PROPERTY COVERAGE (INCLUDING FLOOD AND MOBILE/CONTRACTORS EQUIPMENT)**

Property coverage provided for the replacement cost value of reported building and contents. Additional extensions provided for accounts receivable, builders’ risk, business interruption, commandeered property, cost of construction, debris removal, electronic data processing, extra expense, fine arts (appraised value), flood coverage (annual aggregate), terrorism,

pollution clean-up (related to property loss), personal property of others and valuable papers. Property Coverage Valuation: replacement cost (without depreciation). Mobile/Contractors Equipment Valuation: actual cash value. Limit: \$1,000,000,000, no annual aggregate. Deductible: \$1,000 per occurrence.

### **BOILER AND MACHINERY**

Boiler and machinery coverage is provided for the “sudden and accidental” breakdown of mechanical and electrical machinery. Coverage includes: expediting expenses, business income, extra expense, spoilage, water damage, ammonia contamination, hazardous substances, error in description and newly acquired property. Limit: \$100,000,000 repair/replacement. Deductible: Varies based on KW/KVA/AMPS, per occurrence.

### **ANCILLARY COVERAGES**

Ancillary coverages are available on a member-by-member basis (such as: earthquake, cyber).

### **CREDIT INCENTIVE PROGRAM**

Members are able to reduce their auto and general liability net premiums through Special District Risk Management Authority Property/Liability Credit Incentive Program. Credit incentives up to 15% of the auto and general liability net contribution can be earned for completion of approved program criteria guidelines.

*This information is provided as a general description only and is not intended to supersede specific policy documents. In the event of a conflict in language, the policy(ies) will be the controlling document.*

### **CONTACT INFORMATION:**

#### **Wendy Tucker, AU**

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